



FY21 Microsoft Modern Slavery and Human Trafficking Statement



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Board of Directors approval

This Statement describes the actions taken by Microsoft Corporation and its covered subsidiaries (hereinafter collectively referred to as "Microsoft")¹ during Fiscal Year 2021 (FY21)² to prevent modern slavery and human trafficking in our operations and our supply chains pursuant to the UK Modern Slavery Act³ and the Australian Modern Slavery Act.⁴

The United Kingdom (UK) subsidiaries that are covered by this Statement include:

- Microsoft Limited Ltd
- Microsoft Research Ltd
- MSFT MCIO Ltd
- LinkedIn Technology UK Ltd
- Metaswitch Networks Ltd

The Australian subsidiaries that are covered by this Statement include:

- Microsoft Pty Ltd
- Microsoft Australia Holdings Pty. Ltd
- Microsoft Datacenter (Australia) Pty Ltd
- LinkedIn Singapore Pte Ltd (Australia Branch office)

Microsoft is submitting this statement on behalf of its covered subsidiaries. Although not a covered entity for purposes of the laws, GitHub, Inc., a wholly owned subsidiary of Microsoft Corporation, is voluntarily reporting its actions to prevent modern slavery and human trafficking in its operations and its supply chains through this Statement.

Senior management of the covered subsidiaries, in consultation with Microsoft, have contributed to and reviewed the content of this Statement. The Microsoft Board of Directors approved this Statement at its December 8, 2021 meeting.



Penny Pritzker

Director, Microsoft Board of Directors; Chair, Regulatory and Public Policy Committee

¹ The Australian and UK covered subsidiaries use the same policies and processes as those identified in this Statement and the Statement describes these subsidiaries' actions to address modern slavery risks.

² FY21 started on July 1, 2020 and ended on June 30, 2021.

³ <https://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>

⁴ <https://www.legislation.gov.au/Details/C2018A00153>

Introduction

Decent working conditions are a basic human right, are essential for inclusive and sustainable livelihoods, and are foundational to a life of dignity. As part of Microsoft's responsibility to respect human rights, we continue to take comprehensive steps to ensure that both our employees and workers in our global supply chains can exercise their internationally recognized human and labor rights.

Our efforts to respect the human rights of our employees and workers in our supply chains include the development, implementation, and enforcement of ongoing measures to prohibit and remedy labor exploitation, including human trafficking, forced and involuntary labor, prison labor, and the worst forms of child labor per the standards and conventions of the International Labour Organization (ILO). Microsoft is committed to conducting and promoting ethical business practices in our operations and our supply chains. This Modern Slavery and Human Trafficking Statement provides transparency in how Microsoft meets our commitment to prohibit human trafficking and forced labor in our corporate and subsidiary operations and in our global supply chains.

Microsoft structure, business operations, and supply chains

About Microsoft

Microsoft is a publicly-traded (NASDAQ: MSFT) multinational technology company with its corporate headquarters located in Redmond, Washington in the United States of America. As of June 30, 2021, Microsoft employed approximately 182,268 people worldwide. Microsoft business organizations, global operation centers, and worldwide subsidiaries can be found on the [Facts about Microsoft website](#).

Our covered subsidiaries

Our subsidiaries that meet the requirements for reporting contained in the UK Modern Slavery Act and the Australian Modern Slavery Act are the following:

- **Microsoft Limited (Ltd)** is a private limited company (company no. 1624297). It was incorporated in England and Wales and its registered address is Microsoft Campus, Thames Valley Park, Reading, Berkshire, RG6 1WG. It is a subsidiary of Microsoft Ireland Research, which is part of the Microsoft Corporation Group.
- **Microsoft Research Ltd** is a private limited company (company no. 03369488). It was incorporated in England and Wales and its registered address is 21 Station Road, Cambridge, B1 2FB. It is a subsidiary of Microsoft Ireland Research, which is part of the Microsoft Corporation Group.

- **MSFT MCIO Ltd** is a private limited company (company no. 09616816). It was incorporated in England and Wales and its registered address is The Broadgate Tower Third Floor, 20 Primrose Street, London, EC2A 2RS. It is a subsidiary of Microsoft Ireland Operations Limited, which is a part of the Microsoft Corporation Group.
- **Metaswitch Networks Ltd** is a private limited company (company no. 01578918). It was incorporated in England and Wales and its registered address is The Broadgate Tower Third Floor, 20 Primrose Street, London, United Kingdom, EC2A 2RS. It is a subsidiary of Microsoft Corporation Group.
- **LinkedIn Technology UK Ltd** is a private limited company (company no. 06441873). It was incorporated in England and Wales and its registered address The Ray, 123 Farringdon Road, London, England, EC1R 3DA. It is a subsidiary of LinkedIn Ireland Unlimited Company, which is a part of the Microsoft Corporation Group.
- **Microsoft Pty Ltd** is a proprietary company limited by shares incorporated in Australia (Australian Business Number 29 002 589 460) with its registered address c/o Johnson Winter Slattery, Level 25, 20 Bond Street, Sydney NSW 2000. It is a wholly owned subsidiary of Microsoft Corporation and does not own or control other entities.
- **Microsoft Australia Holdings Pty Ltd** is a company limited by shares incorporated in Australia (Australian Business Number 16 077 573 390) with its registered address as c/o Johnson Winter Slattery, Level 25, 20 Bond Street, Sydney NSW 2000. It is a wholly owned subsidiary of Microsoft Corporation. It owns and controls Microsoft Datacenter (Australia) Pty Ltd which runs Microsoft's datacenters within Australia.
- **Microsoft Datacenter (Australia) Pty Ltd** is a proprietary company limited by shares incorporated in Australia (Australian Business Number 31 163 792078) with its registered address as c/o Johnson Winter & Slattery, Level 25, 20 Bond St, Sydney NSW 2000. It is a wholly owned subsidiary of Microsoft Australia Holdings Pty Ltd.
- **LinkedIn Singapore Pte Ltd (Australia Branch office)** is a private company limited by shares (company no. 201109821G). It was incorporated in Singapore and its registered address is 38 Beach Road #29-11 South Beach Tower, Singapore, 189767. It is a subsidiary of LinkedIn Ireland Unlimited Company. LinkedIn Singapore Pte Ltd registered as a foreign company in Australia on October 22, 2016 (Australian Registered Body Number 615 253 408), with a registered address of Level 10, 50 Berry Street, North Sydney NSW 2060, Australia.

These Microsoft subsidiaries use many of the same policies and processes, operate in the same sector and have many shared suppliers, which is the reason for Microsoft submitting this Statement on their behalf. Although not a covered entity for purposes of the laws, GitHub, Inc., a wholly owned subsidiary of Microsoft Corporation, is voluntarily reporting its actions during FY21 to prevent modern slavery and human trafficking in its operations and its supply chains through this Statement.

Our mission

Microsoft's mission is to empower every person and every organization on the planet to achieve more. We strive to create local opportunity, growth, and impact in every country around the world. Our platforms and tools help drive small business productivity, large business competitiveness, and public-sector efficiency. They also support new startups, improve educational and health outcomes, and empower human ingenuity. We continue to transform our business to lead in the new era of the intelligent cloud and intelligent edge. We bring technology and products together into experiences and solutions that unlock value for our customers.

Our business

Founded in 1975, Microsoft develops and supports software, services, hardware devices, and solutions that deliver new value for customers and help people and businesses realize their full potential. We offer an array of services, including cloud-based solutions that provide customers with software, services, platforms, and content, and we provide solution support and consulting services. We also deliver relevant online advertising to a global audience. Our products include operating systems; cross-device productivity applications; server applications; business solution applications; desktop and server management tools; software development tools; and video games. We design and sell hardware devices, including personal computers, tablets, gaming and entertainment consoles, other intelligent devices, and related accessories (referred to as "Devices" in this Statement). We construct, lease, and operate datacenters to pursue our business objectives worldwide, including in the UK and in Australia.

More information about our business, organization, and operating entities can be found in our [Annual Report](#)

Our supply chains

In conducting our business, Microsoft has relationships with thousands of suppliers around the globe. Some of these are short-term suppliers and others have been Microsoft suppliers for many years. These relationships include, but are not limited to, suppliers that provide goods and services to our business units and corporate and subsidiary operations; suppliers that manufacture our Devices, packaging materials, and components; and suppliers that construct and provide the servers and equipment used in Microsoft data centers. We provide additional details about Devices' hardware and packaging suppliers and a [list of our top 100 suppliers for our commercially available Devices hardware products](#) in the [Responsible Sourcing](#) section of our Corporate Responsibility reporting website. In FY21, our indirect procurement team worked with suppliers in 108 countries.

Microsoft governance and policies that address human rights, modern slavery, and human trafficking

Governance and consultation

Microsoft's Human Rights Core Team (Core Team) regularly convenes colleagues across Microsoft operations and business units which have day-to-day accountability for responsible sourcing issues and human rights reporting and global supply chain compliance requirements. Core Team members include cross-functional experts representing Microsoft Devices; Cloud Sourcing and Supply Chain (CSSC); Cloud Operations and Innovation (CO+I); Microsoft Procurement; Human Rights; Human Resources; Corporate, External, and Legal Affairs (CELA); LinkedIn and GitHub. The following business groups have been engaged in the development of this Statement through Core Team representation, consultation, and engagement:

The [Experiences and Devices \(E+D\) Responsible Sourcing \(RS\) Team](#) is responsible for programs that drive supplier conformance with our supply chain requirements for ethics, human rights, labor, environment, and occupational health and safety, sustainability, and security. The RS Team works as an integral component of the Devices' Strategic Sourcing Group, which is responsible for Devices' direct material and supply chain services sourcing, and the CSSC team, which is responsible for Cloud server and network procurements.

The [Cloud Operations + Innovation \(CO+I\) Team](#) is responsible for building and operating Microsoft's global cloud infrastructure. The CO+I Team manages the entire datacenter delivery lifecycle, including supply planning, acquisition, leasing, design, construction, build-out, operations, and decommissioning. CO+I manages responsible sourcing compliance and assurance responsibilities that ensure that CO+I's suppliers of goods and services meet Microsoft requirements that minimize the risk of modern slavery and human trafficking.

The [Microsoft Procurement Team](#) partners with Microsoft business units to buy compliant and value-driven global supplier solutions through Microsoft's indirect supply chain. Microsoft Procurement sets expectations for indirect suppliers' social, ethical, and environmental performance, including meeting Microsoft human rights responsibilities. Microsoft Procurement is responsible for the Microsoft Supplier Code of Conduct (SCoC) and managing annual supplier SCoC training compliance.

[GitHub](#) provides a software collaboration platform and code hosting service for developers, contracts with suppliers that provide GitHub with a range of goods and services.

[LinkedIn](#) connects the world's professionals to make them more productive and successful and transforms the way companies hire, market, sell, and learn, contracts with suppliers that provide LinkedIn with a wide range of goods and services.

The Core Team works in a coordinated manner to facilitate continuous improvement of Microsoft’s human rights initiatives and policies related to responsible sourcing across the company and its global supply chains. The Core Team meets regularly to harmonize Microsoft’s position on relevant human rights issues in our global supply chains to develop cross-company strategies, share best practices, and build company awareness around responsible sourcing issues, including modern slavery and human trafficking. The Core Team’s CELA lead regularly consults with Senior CELA Management to raise corporate awareness of Microsoft’s programs and policies to identify and reduce the risk of modern slavery and human trafficking in our operations and supply chains and to identify opportunities for continuous improvement.

Microsoft’s Board of Directors has a Regulatory and Public Policy Committee that works in cooperation with Microsoft’s CEO, Satya Nadella, his executive leadership team, and other leaders across Microsoft to oversee Microsoft’s commitments to corporate social responsibility, including our commitments to reducing the risk of modern slavery and human trafficking in Microsoft’s operations and supply chains.

Microsoft corporate policies



Standards of Business Conduct

At Microsoft, our [Standards of Business Conduct](#) (also called our “Trust Code”) define our values and a corporate-wide commitment to ethical business practices and legal compliance. All Microsoft employees are required to comply with the Standards of Business Conduct in all countries where we operate. The Standards are available in 18 languages and dialects and are reinforced through online training, which is an annual requirement for all Microsoft employees.

Microsoft Global Human Rights Statement

Our commitment to respect the human rights of our employees, customers, suppliers and individuals in the communities in which we operate is embedded in our Standards of Business Conduct and further described in the Microsoft [Global Human Rights Statement](#). The Global Human Rights Statement, which is available in 18 languages and dialects, adheres to the United Nations Guiding Principles on Business and Human Rights and the Global Network Initiative Principles and outlines our commitment and approach to respecting human rights in all business activities, including in our operations and across our supply chains.

Last updated in 2020, the Global Human Rights Statement builds upon the company's formal commitment to respect human rights and labor rights, which was formally established when we joined the United Nations Global Compact in 2006. The Global Human Rights Statement articulates how we work to meet our responsibility to respect human rights by:

- Clearly stating our human rights policies and advancing these policies through our business operations and practices;
- Proactively engaging with stakeholders to obtain input to help evolve our approach;
- Actively participating in relevant human rights-focused collaborative initiatives, such as the Responsible Business Alliance (RBA) and the [Business Roundtable on Human Rights and AI](#); and
- Communicating annually on the work we are doing to meet our human rights responsibilities through our [Corporate Responsibility website](#) and other transparency vehicles.

Microsoft's Global Human Rights Statement references our respect for specific international human rights instruments, including the International Covenant on Civil and Political Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, which prohibit all forms of forced labor, modern slavery, and human trafficking. This statement applies to Microsoft and all its subsidiaries.

Visit the [Human Rights](#) page of our Corporate Responsibility website
to learn more about how Microsoft respects and promotes human rights

Microsoft Supplier and Partner Codes of Conduct

Microsoft requires all suppliers and service providers, including our recruiters and recruitment agencies, to embrace our commitment to integrity and ethical behavior through our [Supplier Code of Conduct](#). Our Code aligns with and, in certain cases, goes beyond the RBA Code of Conduct, which establishes global standards to ensure that working conditions in electronics-affiliated industries and their supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

The Microsoft Supplier Code of Conduct, which is available in 26 languages and dialects, is designed to help prevent modern slavery and human trafficking in our global supply chain. It is included as a standard onboarding and contractual requirement across our entire corporate supply chain. Microsoft suppliers are contractually required to apply the Microsoft Supplier Code of Conduct to their sub-tier suppliers, expanding its scope and positive, protective impact across the Microsoft supply chain.

The Microsoft [Partner Code of Conduct](#) is a requirement of all Microsoft partners and their employees, agents, and subcontractors (collectively referred to as “Partners”), which partner with Microsoft to serve Microsoft customers. It is important for Microsoft that Partners embrace and continually improve their implementation of Microsoft’s values. While conducting business with Microsoft and Microsoft’s employees, agents, subcontractors, and customers, Microsoft expects its Partners to commit to operating in full compliance with all applicable laws and regulations, and to adhere to the principles outlined in the Partner Code of Conduct.

All forms of forced labor are specifically banned by our Supplier and Partner Codes of Conduct, including indentured labor, bonded labor, or any other form of forced labor, including physical confinement in the work location; exploitative practices, such as forced overtime; and lodging of deposits, including financial or personal documents for employment. Support for or engagement in any form of human trafficking or involuntary labor through threat, force, fraudulent claims, or other coercion is strictly prohibited. Microsoft’s Supplier and Partner Codes of Conduct reflect Microsoft’s commitment to not allow any form of forced labor in our supply chains or partner business engagements and to respond to violations. The Supplier Code of Conduct incorporates US federal government procurement restrictions⁵ on certain activities that have been linked to human trafficking.

The Microsoft Supplier Code of Conduct states that all Microsoft suppliers and their sub-tier partners must, without limitation:

⁵ <https://www.acquisition.gov/far/52.222-50>

- **Not discriminate and not harass.** Suppliers must commit to a workforce and workplace free of harassment, unlawful discrimination, and retaliation. Suppliers should ensure their business practices respect the rights of different demographic groups, including women and migrant workers. While we recognize and respect cultural differences, suppliers must provide equal opportunity in the workplace and reasonable accommodation, and not engage in harassment or discrimination in employment on the basis of age, ancestry, citizenship, color, family, or medical care leave, gender identity or expression, genetic information, immigration status, marital or family status, medical condition, national origin, physical or mental disability, political affiliation, union membership, protected veteran status, race, religion, sex (including pregnancy), sexual orientation, or any other characteristic protected by applicable local laws, regulations, and ordinances. Suppliers shall not require workers or potential workers to undergo medical tests including pregnancy tests, except where required by applicable laws or regulations or prudent for workplace safety and shall not improperly discriminate based on test results. Suppliers must accommodate all disabilities to the extent required by law.
- **Prohibit the use of child labor.** Child labor must not be used under any circumstance. Suppliers must not employ anyone under the age of 15, under the age for completing compulsory education, or under the legal minimum working age for employment, whichever requirement is most restrictive. Suppliers are required to have a remediation plan in place to ensure that, in the event of any child labor found, suppliers must follow international standards, local legal requirements, or Microsoft's child labor remediation requirements. Microsoft supports all forms of legal youth employment, including the development of legitimate workplace apprenticeship programs for the educational benefit of young people. Microsoft will not do business with any supplier that uses such programs in a fraudulent or deceptive manner. Suppliers must prohibit workers who are under the age of 18 from performing work that is likely to jeopardize their health or safety, such as night work, overtime, heavy lifting, and working with toxic or hazardous materials.
- **Prohibit the use of Forced Labor, Prison Labor and Trafficking in Persons.** All suppliers, including recruiters, employment agencies, sub-agencies, and recruitment firms, are prohibited from using forced labor and prison labor, trafficking in persons, and the procurement of commercial sex acts. All forms of forced labor are prohibited, including indentured labor, bonded labor (including debt bondage, trafficked or slave) or any other form of forced labor. All forms of prison labor are prohibited. Support for or engagement in any form of human trafficking or involuntary labor through threat, force, fraudulent claims, or other coercion is prohibited. Suppliers must have a voluntary labor compliance plan in place that (1) provides provisions for training and (2) details what remediation the supplier will provide in case of any violations. All

suppliers must inform employees, agents, sub-agencies, recruiters, contractors, and subcontractors about supplier's policies that prohibit human trafficking, prison labor, forced labor, and other forms of slavery and provide training and programs to promote awareness, risk identification, employee reporting, corrective action, and potential penalties for violations.

- **Ensure workers have access to work-related documents.** Suppliers, agents, and sub-agents are prohibited from requiring workers to lodge "deposits," withholding employee identity or immigration papers (including but not limited to passports, drivers' licenses, or work permits regardless of the issuing authority), or destroying, concealing, confiscating, or otherwise restricting or denying workers' access to such documents. Workers must be free to resign their employment in accordance with local and national laws or regulations without unlawful penalty.
- **Provide return transportation for foreign migrant workers.** When hiring foreign workers who are not nationals of the country in which the work is taking place and who are recruited and who migrate from their home country to another country for the specific purpose of working for the supplier, suppliers must provide return transportation for such workers or reimburse the workers for the cost of such trip upon the end of their employment. This requirement does not apply to workers with permanent residency or professional employees who are on short- or long-term assignments.
- **Use appropriately trained recruiters to support compliance.** Suppliers must use recruiters, employment agencies, and recruiting companies that are trained and which comply with international standards, local labor laws of the countries in which the recruitment takes place, or Microsoft requirements, whichever are stricter. Recruitment fees or other similar fees charged to workers and payable to the employer, recruiting agent, or sub-agent are strictly prohibited. If such fees are found to have been paid by workers, suppliers will be required to repay such fees to the workers.
- **Make conditions of employment clear when hiring.** Suppliers must prohibit the use of misleading or fraudulent practices during the recruitment or employment process. Suppliers must disclose, in a format and language accessible to the worker, basic information regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, living conditions, housing and associated costs (if any), any other costs to be charged to the worker, and any hazards involved in the work. Such disclosures must be made before the worker enters employment and as needed throughout their term of employment. All contracts and employee handbooks (where applicable) must (1) clearly convey the conditions of employment

in a language understood by the worker, and (2) reflect applicable laws and regulations.

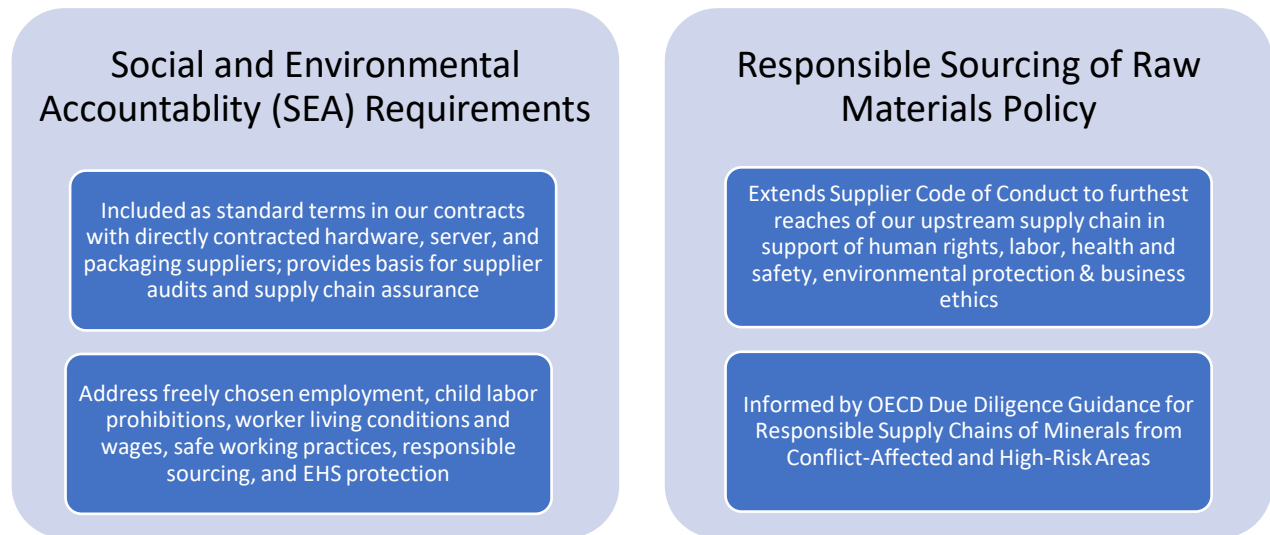
- **Provide fair compensation.** Suppliers must provide fair compensation for all employees and workers, including employees who are permanent, temporary or dispatched, migrant workers, apprentices, and contract workers. Such compensation must meet the legal minimum standards as required by local law. Workers with disabilities whose wages are governed by section 14(c) of the Fair Labor Standards Act must receive no less than the full minimum wage rate as defined by Executive Order 13658. Suppliers may not use deductions from wages as a disciplinary measure. Any deductions from wages not provided for by national law or local law are permitted only with proof of express, written, and freely given permission of the worker concerned. All disciplinary measures must be recorded. Wages and benefits paid for a standard work week must meet local and national legal standards. Suppliers must provide benefits to employees that meet legal standards and at the levels expected in the industry and in accordance with Microsoft requirements.
- **Treat employees with dignity and respect.** Suppliers must not engage in any harsh or inhumane treatment, including violence, gender-based violence, sexual or other harassment, including psychological harassments or threats, sexual abuse, corporal punishment, mental or physical coercion, bullying, or public shaming. Verbal abuse or other forms of intimidation are prohibited. Suppliers shall have a humane treatment policy and monitor supervisors to ensure appropriate conduct. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.
- **Meet working hour and rest day requirements.** Suppliers are prohibited from requiring workers to work more than the maximum hours as set by international standards, including the International Labour Organization, around standard working hours (Conventions 1, 14 & 106), local and national laws, Microsoft requirements, or in the freely negotiated and legitimate collective agreement, whichever are most restrictive. Suppliers must ensure overtime is voluntary and paid in accordance with local and national laws or regulations. A work week must not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers must be allowed at least one day off per seven-day work week. Suppliers must keep employee working hour and pay records in accordance with local and national laws or regulations and provide such records to Microsoft upon request.
- **Ensure freedom of association and right to collective bargaining.** Suppliers must respect workers' rights to freedom of association, collective bargaining, and peaceful assembly (including the right to refrain from such activities) in accordance with local

legal requirements and responsibilities, international standards, such as International Labour Organization standards, or Microsoft requirements, whichever are stricter. Workers should not be intimidated, harassed, or face reprisal for exercising this right. When local laws or circumstances restrict this right, suppliers should pursue other ways of engaging in meaningful dialogue with their workers on employment issues and workplace concerns.

- **Provide effective grievance procedures.** Suppliers must provide employees with effective grievance procedures for raising workplace concerns, including concerns involving harassment and discrimination, to the attention of management for appropriate resolution. Workers must be given a safe environment to provide their grievances and feedback. Suppliers must review these reporting procedures periodically. The grievance procedures must be accessible, culturally appropriate, and include the option to report anonymously where appropriate. Workers and/or their representatives must be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment. Suppliers must periodically provide workers with information and training on all grievance procedures. All forms of retaliation against workers for bringing a workplace concern are strictly prohibited. Suppliers shall not retaliate through use of personal attacks, intimidation, or other threats against workers who act to raise workplace concerns, including infringement of workers' rights under local legal requirements or international standards.

Our Supplier Code of Conduct contains additional requirements that safeguard working conditions and help prevent human trafficking in our supply chains, including in the areas of business ethics, occupational safety and health, environmental protection, and intellectual property. These requirements help Microsoft identify and mitigate risks associated with systemic causes of human trafficking, such as corruption and generally poor working conditions.

Microsoft policies for devices, server and packaging suppliers



Social and Environmental Accountability (SEA) requirements

In addition to requiring all Microsoft suppliers to meet our Supplier Code of Conduct, Microsoft also requires that suppliers producing Microsoft Devices and packaging and the servers used in our data centers meet our Microsoft Social and Environmental Accountability (SEA) requirements. These SEA requirements provide Microsoft's expectations for suppliers working in the electronics manufacturing sector to protect workers' human rights. The SEA requirements, which address freely chosen employment, child labor prohibitions, worker living conditions and wages, safe working practices, responsible sourcing of raw materials, and environmental, health and safety protection, are contained in our Microsoft Supplier Social and Environmental Accountability Manual (Supplier SEA Manual). To learn more, view an [excerpt of the Supplier SEA Manual](#).

These SEA requirements are included as standard terms in our contracts with directly contracted hardware, server, and packaging suppliers. Microsoft also requires our suppliers to include our SEA requirements in contracts with their sub-tier suppliers - those with which Microsoft does not directly engage via contract, thereby scaling and reinforcing these SEA requirements across Microsoft's direct and indirect supply chains. Microsoft's third-party auditors audit Microsoft suppliers against these SEA requirements, and suppliers that are found to be non-conformant risk business termination with Microsoft.

Responsible Sourcing of Raw Materials (RSRM) policy

Our [Responsible Sourcing of Raw Materials \(RSRM\)](#) policy extends our Code of Conduct to the furthest reaches of our Devices upstream supply chain in support of human rights, labor, health and safety, environmental protection, and business ethics. This commitment is global in scope and applies to all substances used in our Devices hardware and packaging, unbounded by materials or geographic origin. The Microsoft RSRM policy is informed by the OECD Due Diligence

Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,⁶ which is the leading international standard for minimizing supply chain risk across raw material supply chains.

Preventing modern slavery and human trafficking in Microsoft's operations and supply chains

Preventing modern slavery and human trafficking in our operations and supply chains requires the engagement of key business units where we have determined there is potential risk of human trafficking and forced labor. The [United States Department of Labor's List of Goods Produced with Child Labor or Forced Labor](#) has identified the manufacture of electronics as posing a risk for child and forced labor. Therefore, our programs to minimize the risk of modern slavery and human trafficking in our supply chains primarily focus on Microsoft business units associated with the manufacture of our Devices and the servers used in Microsoft data centers.

We also recognize that other business units may face the risk of modern slavery practices. Therefore, this Statement also covers the policies and procedures used by Cloud Operations and Innovation (CO+I), Microsoft Procurement, GitHub, and covered subsidiaries to address modern slavery and human trafficking risks in their operations and supply chains.

Implementation of Responsible Sourcing Program across Devices and Cloud hardware

Our values of integrity, accountability and respect provide the foundation for responsible sourcing. We set high standards for all our suppliers, and we work with them to support their employees and improve their operations. Our Responsible Sourcing program helps ensure that our Devices hardware and packaging suppliers and server hardware (hereafter also referred to as CSSC) suppliers meet the robust standards set out in the Microsoft Supplier Code of Conduct and Supplier SEA Manual. These requirements cover human rights, living conditions, safe working practices, environment, health and safety (EHS) and ethical practices.

Assessing effectiveness

We apply a strong management system approach that focuses suppliers on managing and mitigating risks in their operations and supplier base to address the risk of modern slavery. Our global risk assessment and audit programs generate valuable data and drive improvement and transparency across our supply chains. The data enables us to deeply understand our risks and develop strategies and programs to address such risks.

⁶ <http://www.oecd.org/daf/inv/mne/mining.htm>

In FY21, the Responsible Sourcing team continued to integrate with Strategic Sourcing to align category strategies for greater impact. We conducted data analysis to identify the specific audit, EHS, labor, and RSRM risks for each product category, enabling us to fine-tune our SEA engagement strategies to reduce forced labor risks. In conjunction, we reviewed the SEA maturity of suppliers across different sourcing categories. Based on the audit data collected over the past three years, our learnings led us to rethink and reset our category strategies to support increased supplier self-management. By refining individual category strategies, our team was better positioned to engage with suppliers regarding modern slavery risks and to partner with them to develop stronger management systems to address such risks.

[Risk assessment and due diligence process](#)

As mentioned above, we identified the manufacture of electronics as posing possible risk for modern slavery and human trafficking in our supply chains. Therefore, our FY21 programs to minimize the risk of modern slavery and human trafficking primarily focused on Microsoft business units associated with the manufacture of our Devices and the servers used in Microsoft data centers particularly in high-risk countries where there are potentially vulnerable workers.

In FY21, we enforced our Standards of Business Conduct, Global Human Rights Statement, Supplier Code of Conduct, Supplier SEA Manual, and RSRM Program (collectively referred to as "Microsoft Standards and Requirements") through supplier contracts, supplier assessments and audits, corrective action, and capability building and training programs. Together, these components established a comprehensive due diligence process for hardware and packaging suppliers that aligned to the OECD Due Diligence Guidance for Responsible Business Conduct.

Microsoft's RS and Strategic Sourcing Teams worked to assure our hardware and packaging suppliers' conformance to all of Microsoft's Standards and Requirements, including those pertaining to freely chosen employment, child labor prohibitions, worker living conditions and wages, human rights, safe working practices, RSRM, and EHS protection. All new and directly contracted Devices hardware and packaging suppliers and CSSC server suppliers underwent initial risk and capability assessments and audits to assess their conformance to Microsoft Standards and Requirements, including the Microsoft Supplier Code of Conduct and the Supplier SEA Manual, which prohibit any form of modern slavery and human trafficking through threat, force, fraudulent claims, or other coercion. After the initial baseline assessment (called an "Initial Capability Audit"), Microsoft's RS Team monitored the performance of Devices hardware and packaging and CSSC server suppliers, required the correction or mitigation of any detected non-conformances or risks, and conducted on-going sustaining audits based on each supplier's risk assessment.

Third-party auditors and the RS Team conducted these audits and assessments to verify conformance to the Microsoft Standards and Requirements, including our prohibitions on modern slavery and human trafficking. During this verification process, auditors examined documentation,

visited production lines, dorms, canteens, and waste storage facilities, and conducted face-to-face interviews with workers and factory management. Interviews of migrant workers were conducted in their native language. To enhance audit consistency and quality, any third-party auditors were qualified through shadow audits and assessments of their onsite audit performance and reports.

[Download our FY21 Devices Responsible Sourcing Report](#) to learn more
about our Responsible Sourcing Assurance Program

In FY21, we strengthened our onboarding of new suppliers to manage any SEA risks prior to initiating mass-production and to ensure that suppliers fully understand our Microsoft Standards and Requirements and are prepared to engage with us, devote resources to ongoing improvement, and share our values. During onboarding, suppliers received training on the Microsoft Supplier Code of Conduct, Supplier SEA Manual, RSRM Policy and SEA Specification training. Microsoft required suppliers to put a corrective action plan in place to address non-conformances found during the Initial Capability Audit before production began. If a factory was unable to meet our requirements, they were restricted from doing business with us until all nonconformances were corrected or remedied.

Remediation

If our audits detected nonconformances in our supply chain, our RS, Strategic Sourcing, and Manufacturing teams worked closely with any nonconformant suppliers to develop corrective action plans to resolve detected issues (called "Audit Findings"), including building needed capabilities through education and training. Suppliers were required to identify the root cause of any nonconformance, establish a corrective action plan, and implement corrective actions and preventative actions for all detected Audit Findings. Suppliers were required to correct issues within specific deadlines based on the severity of the nonconformance or risk termination of the Microsoft business relationship.

Audit findings

Microsoft classifies Audit Findings as Critical, Serious, Major, and Minor; and the level of the Finding determines the timeframe for corrective action. Suppliers are required to correct any Critical Findings within 24 hours of identification, Serious Findings within 30 days, Major Findings within 60 days, and Minor Findings within 90 days. All forced labor Findings would be categorized as a major, serious or critical Finding.

In FY21, the following Audit Findings were recorded:

- 233 factories were audited in the Devices hardware and packaging supply chain with 0 Critical, 5 Serious, and 43 Major Findings identified in the Freely Chosen Employment category.
- 7 shared Devices-CSSC factories were audited with 0 Critical, 0 Serious, and 0 Major Finding identified in the Freely Chosen Employment category.
- 54 factories were audited in the CSSC server supply chain with 0 Critical, 2 Serious, and 11 Major Findings identified in the Freely Chosen Employment category.

A breakdown of the FY21 Audit Findings is shown in the chart below:

	Numbers of Audit Findings						
	Devices factories (233 factories, 7 shared with CSSC *)			CSSC factories (54 factories)			
Freely Chosen Employment Category	Critical	Serious	Major	Critical	Serious	Major	TOTALS
No policy or procedure that prohibits forced labor & human trafficking	0	0	6	0	0	2	8
Forced labor	0	0	0	0	0	0	0
Workers having paid recruitment or employment fees	0	2	22	0	1	5	30
Retention of worker identity documents	0	2	1	0	0	0	3
Contractual nonconformance	0	1	13	0	0	2	16
Restriction of workers' freedom of movement	0	0	0	0	0	0	0
Restriction of workers' access to basic liberties	0	0	1	0	0	0	1
Forced overtime	0	0	0	0	0	2	2
Other	0	0	0	0	1*	0	1
TOTALS	0	5	43	0	2	11	

- NOTE: * One CCSC factory was identified with a serious nonconformance finding. The factory extended loans to some workers for personal emergency needs and the repayment

including interest (1%) on those loans exceeded 10% of the worker’s monthly gross base wages.

A breakdown of the investigation and remediation actions taken to address the 30 Audit Findings associated with **workers having paid recruitment or employment fees** is as follows:

- 23 Findings: Workers paid a health exam fee as a condition of employment.
- 4 Findings: Foreign workers paid a recruitment fee as a condition of securing employment.
- 2 Findings: Workers were charged for uniform fees or cleaning fees.
- 1 Finding: Worker not provided return transportation to his/her origin or reimbursed for cost of such trip after employment ended.

The 30 Audit Findings for workers having paid recruitment or employment fees were either successfully corrected or are being corrected through reinforcement of our SEA requirements with nonconformant suppliers. In cases where nonconformances were detected, the RS Team also provided training to help suppliers strengthen their responsible recruitment practices to identify, prevent and mitigate forced labor related risks.

In cases where our Audit Findings determined that a factory employee paid recruitment or employment fees or were underpaid according to legal requirements, we required the nonconformant suppliers to repay employees for any recruitment or employment fees paid and/or insufficient wages based on local law and Microsoft requirements. In FY21, suppliers in Microsoft’s Devices and CSSC supply chain repaid \$775,810 of recruitment fees and insufficient wages to 19,100 supplier employees, including \$358,226 of recruitment fees to 9,955 supplier employees. A breakdown of the repayment is shown in the chart below:

Repayment type	Amount of repayment	Employees repaid
Devices factories (233 factories, 7 shared with CSSC)		
Recruitment fees	\$341,099	7,362 employees
Insufficient wages	\$276,428	7,051 employees
CSSC factories (54 factories)		
Recruitment fees	\$1,534	197 employees
Insufficient wages	\$141,156	2,094 employees
Total recruitment fees repaid	\$342,633	7,559
Total repayment	\$760,217	16,704

Giving workers a voice

The Workers' Voice Hotline Program, launched in April 2014, provides factory workers in China with a reliable and anonymous reporting channel managed by a neutral third-party provider. This worker feedback resource enables better transparency and increased efficiency to resolve worker workplace concerns. It also complements and, in certain cases, provides the factory with meaningful feedback on where improvements are needed to meet Microsoft Standards and Requirements. The Workers' Voice Hotline Program also provides a means to measure the effectiveness of Microsoft programs to address supply chain conformance to our policies and procedures to address modern slavery risk.

In FY21, the RS team extended the Workers' Voice Hotline Program to 235 factories including 212 Devices and Devices/CSSC shared factories and 23 CSSC factories. This expansion resulted in coverage for 98.7% of the audited factories in China, including our final assembly and strategic component manufacturing suppliers, leveraging our third-party auditors, and providing workers with a way to freely raise their workplace concerns and questions without fear of retaliation or retribution.

This FY21 expansion enabled the Workers' Voice Hotline Program to reach 371,597 workers (333,113 workers in Devices and Devices/CSSC shared factories and 38,484 workers in CSSC factories). In FY21, the Hotline received a total of 238 cases (232 cases for Devices and Devices/CSSC shared factories and 6 cases for CSSC factories). All cases have been resolved. The majority of cases received by the Workers' Voice Hotline in FY21 concerned wages and benefits, working hours, humane treatment, freely chosen employment, sanitation, food, housing and transportation, legal and customer requirements, industry hygiene, worker feedback and participation, and disclosure of information. The RS Team investigated all Hotline cases with support from our third-party auditors. We worked closely with suppliers to ensure that they addressed any actionable cases in a timely manner and that they mitigated any identified risks.

In FY21, the Hotline received 2 cases (2 cases from Devices factories and 0 cases from CSSC factories) of possible allegations of forced labor in our supply chain. After RS Team investigation, the 2 cases were not confirmed as forced labor cases. The 2 reported cases were reviewed and addressed with factory-led corrective actions, and the process and review of conformance evidence was managed by the third-party Hotline Operator. No further questions or allegations were received from the case reporters/workers after the Hotline Operator closed those 2 cases.

A breakdown of data related to the Workers' Voice Hotline for FY21 is shown in the chart below:

Workers' Voice Hotline	Devices factories (includes factories shared with CSSC)	CSSC factories	TOTALS
Number of factories covered by the Hotline	212	23	235
Number of workers covered by the Hotline	333,113	38,484	371,597
Number of cases received by the Hotline in FY21	232	6	238
Number of potential forced labor cases received and addressed by Hotline in FY21	2	0	2

[Capacity building and raising awareness to prevent forced labor](#)

Besides risk assessment and audit management, the RS Team builds understanding and capability among our suppliers and Microsoft employees to prevent and correct forced labor issues and to achieve continuous improvement in supplier performance. In FY21, we leveraged our SEA Academy online platform to scale training across our global supply chain. All final assembly manufacturers and strategic component suppliers completed online training on Microsoft human trafficking and forced labor requirements. By the end of FY21, 206 suppliers had completed SEA requirement training, resulting in a 27 percent increase in knowledge according to pre- and – post-training assessment. We also engaged with the Responsible Labor Initiative (RLI) to deliver a practical training on a Responsible Recruitment toolkit to selected suppliers in countries with forced labor and recruitment fee risks associated with foreign migrant workers.

Internally, our Strategic Sourcing team and Factory Management teams received training on human trafficking and forced labor requirements, enabling them to incorporate conformance requirements into procurement decisions and to detect and address risks. Detailed requirements were shared to build Microsoft employee awareness regarding the potential risks of forced labor and human trafficking in Microsoft supply chains and the actions that must be taken to minimize such risks.

[Responsible sourcing of raw materials](#)

We hold ourselves and our supply chain accountable to address the risks associated with raw materials extraction, harvesting, processing, refining and transportation. We envision a future where all raw materials, unbounded by specific materials or locations, are sourced from responsible suppliers.

Since Microsoft does not harvest or mine the raw materials that are used in our Devices, our focus is on conducting robust due diligence that is aligned to international standards on the source and chain of custody of such minerals. We aim to influence upstream harvesting and mining through our policies and practices to manage the risks inherent in raw materials extraction, harvesting, processing, refining and transportation.

Our approach to raw materials begins with the [Microsoft Responsible Sourcing of Raw Materials \(RSRM\) Policy](#). The RSRM policy extends the Microsoft Supplier Code of Conduct to raw materials extraction and harvesting processes in support of human rights, labor, health and safety, environmental protection, and business ethics. This policy covers all minerals and materials used in our Devices and packaging, unbounded by geography.

Our RSRM Program is framed by the five steps of the Organization for Economic Cooperation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) and the UN Guiding Principles on Business and Human Rights. As a baseline, Microsoft has incorporated RSRM requirements informed to the OECD Guidance in our Supplier SEA Manual. RSRM requirements are publicly available in our Supplier SEA Manual Excerpt and included in our direct contracts with hardware and packaging suppliers to our Devices business.

Our directly contracted suppliers contractually agree to incorporate RSRM requirements into their contracts with their sub-tier suppliers. Third-party audits are conducted to assess supplier conformance with these requirements. Suppliers are required to correct any identified nonconformances or risk termination of the Microsoft business relationship. This portion of our RSRM Program, which applies our RSRM requirements across our extended supply chain, is critical because Devices does not directly contract to purchase raw materials and the raw materials extraction phase poses unique human rights and modern slavery risks and challenges.

In FY21, we mapped the highest-risk materials throughout our supply chain to trace the smelters and refiners through which they were processed. This included tin, tantalum, tungsten and gold (also called “conflict minerals” or “3TGs”) as well as cobalt, copper, lithium, magnesium and aluminum. For more information, please download our Microsoft Devices 3TG and cobalt smelter list from our [Responsible Sourcing website](#).

We worked to ensure conformance with the Responsible Mining Initiative’s Responsible Mining Assurance Process (RMAP). Aligned with the OECD Guidance, the RMAP is one of the most utilized and respected resources for addressing supply chain responsible sourcing issues. The RMAP uses independent third-party audits to assess and monitor smelter or refiner conformance with the OECD Guidance-aligned standard that assesses risk of direct or indirect support of non-state armed actors, bribery, and money laundering, as well as forced or compulsory labor and the worst forms of child labor.

We reported significant responsible sourcing traceability and transparency improvements that covered 3TGs and cobalt in our 2021 Conflict Minerals Report, including

- In-scope suppliers reported Conflict Minerals Reporting Template (CMRT) data to Microsoft, resulting in a response rate of 99.5%;
- The number of 3TG Smelter or Refiners (SORs) identified in Microsoft Devices' supply chain - those that have been independently audited against the RMAP or equivalent OECD Guidance-aligned standard that assesses the risk of, among other things, forced or child labor - that were conformant, active, or are reasonably believed to have supplied only conflict minerals from recycled or scrap sources or to have sourced 3TGs from outside the Covered Countries was 290 out of 301 total SORs (96.3%);
- Out of 301 Eligible SORs, 51 (16.9%) reported sourcing 3TG from a Covered Country. Of those 51 SORs, 94.1% were conformant to an independent, third-party audit program for 3TGs, 3.9% were classified by as Active, and 2.0% as Outreach Required.

Please see our [Conflict Minerals Report](#) for detailed results of our conflict minerals due diligence process

Impact of COVID-19 on our Responsible Sourcing Program

The COVID-19 pandemic continued to pose challenges for our supply chain partners in FY21. Our main objective was to protect suppliers' workers from potentially poor health and safety practices, longer working hours, or unfair compensation. We emphasized to our suppliers the importance of continuing to comply with labor and human rights laws. We aligned with the Responsible Business Alliance (RBA) and provided guidance to our internal partners, audit firms, and suppliers on working hours, ensuring overtime was voluntary and paid at a premium. We stressed the importance of maintaining compliance with all applicable laws and regulations and Microsoft standards. We also closely monitored the COVID-19 situation and reviewed processes at factories to identify and contain identified COVID-19 cases and potential factory shutdowns.

Providing leadership insights on evolving government policy across our global footprint enabled sourcing managers to develop strategies to meet our production needs while protecting workers' rights. Our Workers' Voice Hotline was a valuable tool for monitoring worker concerns associated with COVID-19. In FY21, we received nine grievances related to excessive working hours and insufficient rest days and pay. We applied robust processes to investigate and remedy these grievances and established corrective actions to address these grievances at the associated factories.

We conducted a risk assessment of 100 percent of our active factories, assessing the conditions of a supply chain that employs more than one million workers including approximately 12,000

international migrant workers. The risk assessment included both environmental and social criteria. In total, we completed 540 audits and assessments of 414 active factories. This included 242 third-party audits and 298 corrective action audits. During the audits, 4,830 workers were interviewed to understand their working conditions and to crosscheck information from other sources such as factory documents and records, on-site observations, and public reporting. We published audit non-conformance results via our [interactive Power BI dashboard](#).

Cloud Operations + Innovation's supplier human rights strategy

CO+I is continuing to enhance its Human Rights and Fair Labor Practices program to mitigate supplier-related human rights risks in our global supply chain. CO+I is steering improvements to the programmatic human rights due diligence conducted on high-risk suppliers during various stages of the supplier lifecycle, including sourcing and annual business reviews. Finally, we are maturing our audit capabilities related to high-risk supplier engagements to drive compliance with our human rights-related policies and standards.

Microsoft Procurement

All Microsoft suppliers, including those managed by Microsoft Procurement, are contractually obligated to abide by the Microsoft Supplier Code of Conduct. Our Supplier Code of Conduct outlines our supplier requirement to respect all human rights and prohibits abuses ranging from discrimination and harassment to forced labor. We conduct periodic due diligence reporting of high-risk supplier populations to proactively monitor for any violations. Additionally, employees at Microsoft are able to request an on-demand due diligence report of any supplier, allowing Microsoft to respond to concerns in real time. Supplier employees are able to voice concerns anonymously at any time through [our Business Conduct Hotline](#) online, via phone, or by mail. As we confirm violations, either from our monitoring or from the Hotline, we take targeted action to remediate such violations

GitHub

GitHub deplores the presence and persistence of modern slavery and child labor and takes its responsibility to ensure that neither modern slavery nor child labor takes place in its supply chain or in any part of its business seriously.

GitHub does not conduct manufacturing or produce hardware, nor does GitHub use recruitment agencies for the kinds of services often performed by migrant workers. The nature of GitHub's business does not subject it to sudden changes in workload or pricing pressures, which often drive demand for practices that increase the risk of forced labor in supply chains, such as forced overtime. GitHub's supply chain consists of goods and services for its products and operations including computing services, event planning, purchase of retail and promotional items, office supplies, and leasing of facilities such as office space and data centers.

[GitHub's Statement Against Modern Slavery and Child Labor](#) describes GitHub's policies in relation to modern slavery and child labor, labor policies and practices, and due diligence processes. Furthermore, GitHub's contracts require its suppliers to agree to comply with its Statement, which includes assuring that they have practices consistent with its Statement, and compliant to laws related to modern slavery or child labor. More specifically, GitHub requires its suppliers to:

- Not use, participate in, support, or tolerate modern slavery or child labor;
- Not use misleading or fraudulent recruitment or engagement practices for employees or contract workers;
- Not charge employees or contract workers recruitment or engagement fees;
- Not destroy, conceal, confiscate, or otherwise deny access by an employee or any contract worker to passport, driver's license, or other identity documents;
- Allow GitHub to terminate our agreements with them for any violation of their obligations related to modern slavery or child labor; and
- Remediate any harms caused to any worker found to be subjected to any form of modern slavery or child labor, if required by law.

In addition, GitHub strongly encourages its suppliers to:

- Conduct anti-modern slavery and child labor due diligence processes, including risk assessments, for their suppliers;
- Take steps to address risks identified; and
- Use similar anti-modern slavery and child labor language with their suppliers.

LinkedIn

As part of the broader Microsoft enterprise, LinkedIn seeks to make a positive and lasting impact on the world. That means respecting human rights - including privacy rights - everywhere we do business. In accordance with LinkedIn's values and shared Standards of Business Conduct, we support the goals of the UK and Australia Modern Slavery Acts and take steps to help ensure that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted.

In practice, this means that we prohibit the use of involuntary or forced labor by our suppliers. Though LinkedIn is not engaged in manufacturing, our business nonetheless carries a risk of encountering human rights violations. Accordingly, we require that our business partners go through a detailed screening process designed to identify possible compliance issues.

We require all third-party suppliers doing business with LinkedIn to adhere to standard services agreements under which they are required to comply with our [Code of Conduct for Doing Business with LinkedIn](#) ("Provider Code") and to prohibit their affiliates, subcontractors and

extended supply chain from engaging in corrupt business practices and violations of human rights. We insist that our suppliers:

- Respect and enrich global communities by using only voluntary labor;
- Fairly compensate workers for the work performed on behalf of LinkedIn;
- Prohibit the use of child labor and all forms of forced or compulsory labor, not only in their own operations but in those of their affiliates, subcontractors, and extended supply chain; and
- Respect employee rights of association and collective bargaining, consistent with local laws.

In addition, we provide all third parties and their delegates with access to LinkedIn's [Integrity Helpline](#) and [Microsoft's Integrity Portal](#) for reports of actual or suspected misconduct.

Microsoft engagements that fight modern slavery and human trafficking

We recognize that modern slavery and human trafficking are systemic issues with many complex causes. In addition to our direct efforts to prevent modern slavery and human trafficking in our own operations and supply chains, Microsoft recognizes the importance of empowering other organizations and individuals to lend a hand in this fight too. Through a contribution of technology, targeted funding, and employee volunteerism, organizations working in this space are increasingly seeing positive outcomes. The following engagements and projects are examples of collaborative efforts sponsored by Microsoft and its employees in the fight against modern slavery and human trafficking:

- Microsoft is a founding member of [Tech Against Trafficking \(TAT\)](#) – a coalition of technology companies working with civil society organizations to help combat human trafficking and increase survivors' access to resources. Through the [TAT sponsored accelerator program](#), a Microsoft team worked with the [Counter Trafficking Data Collaborative \(CDTC\)](#) and the [UN International Organization for Migration \(IOM\)](#) to transform how data on identified victims of trafficking are made available to the counter-trafficking community. This collaboration led to an open-source data publishing solution, which uses synthetic data, reportable statistics, and Power BI interfaces to empower stakeholders to explore and make sense of data for themselves, with the guarantee that no individual (or group below a given size) can ever be identified in published resources. This technology and partnership [enabled IOM to release](#) the largest public dataset on victims of trafficking. In the [2021 TAT accelerator program](#), a Microsoft team worked with both [Unseen UK](#) and [Seattle Against Slavery](#) to tackle the challenges of extracting actionable insights from real-world data on potential victims of trafficking. A Microsoft team also worked with [Tech Against Trafficking](#) to develop the [TAT Interactive Map of](#)

[Anti-Trafficking Tech Tools](#), which uses interactive visualizations in Power BI to support tool discovery and technology advocacy.

- Project TIRA ([Trafficking Interruption Resource Agent](#)) addresses a historic problem in a new way. Hundreds of victims of sex trafficking in every locale around the country and around the world seek help to leave their dire situations. However, due to a patchwork of disconnected organizations and a lack of timely update mechanisms, today's service providers, advocates, and victims themselves struggle to line up the right resources to leave their current situation. Most victims end up waiting a long time for help, if they ever find the help they need. Conversely, some resource providers have unused capacity. By indexing, rating, and matching services through the TIRA platform, [REST \(Real Escape from the Sex Trade\)](#) and the [National Trafficking Sheltered Alliance](#) aim to reduce the time it takes for victims to become survivors. TIRA offers victims and advocates an accurate, real-time view of the available resources that are applicable to their unique needs. It also offers private messaging with providers and a faster path to critical help. TIRA leverages Microsoft's Azure Bot Services and LUIS Cognitive services with text-based mobile interaction to ensure easy engagement and an accurate inventory of available services. Volunteers from Microsoft and REST have been partnering with students from Boston University's Spark! program and the University of Washington's Impact ++_program to build TIRA, which aims to interrupt the trafficking life cycle globally, by offering victims a bridge to life as a survivor.
- Microsoft supports a software-as-service (SaaS) platform called [Freedom Signal](#), which allows advocates to directly reach out to potential victims of sex trafficking via text messages, offering help when an ad for sex is placed online. With Freedom Signal, victims do not have to self-identify or search for help on their own; nor are victims dependent on getting a referral through the criminal justice system. Microsoft's support of this innovation comes through employee skill-based volunteering, grants, and donations of Azure and Cognitive Services. Freedom Signal is used by nonprofits, social services organizations, and other government agencies in North America to target and amplify their outreach to people in need.
- Microsoft has been a member of [TellFinder Alliance](#) (TellFinder)– a global network of partners working to combat human trafficking using ephemeral web data. The TellFinder application helps investigators and analysts develop evidence at the case level, leading to the prosecution of both individual traffickers and organized trafficking networks. Microsoft continues to work to combine innovative tools with TellFinder data to develop evidence and insights in a privacy-preserving manner to help shape future interventions at the policy level.

- Microsoft CELA in Denmark is actively participating in an initiative by the [Centre against Human Trafficking](#) to establish a network to combat trafficking online that is formalized by [The National Board of Social Services](#). With the aim of sharing insights, experiences and cases related to human trafficking for ongoing collaboration, this network now consists of private companies such as PWC, Facebook, MobilePay, along with public authorities and civil society organizations.
- [iRespond](#) is an organization that creates biometric tracking solutions that will enable a ubiquitous and verifiable identity that can be used to disrupt human trafficking and prevent humanitarian incidents. This solution is built upon the efforts of Microsoft and others in the development of [ID2020](#). ID2020 represents a consortium of private sector and nonprofit partners that are exploring the development and deployment of digital identities to the 1.1 billion people in the world who lack the ability to verify themselves. Microsoft and Accenture are founding partners of these initiatives, providing grants and a monitoring and evaluation framework for digital identification pilot deployments by a range of organizations around the world.
- The [Missing Children Society of Canada](#) has been working with Microsoft to enhance its ability to rapidly find missing children using a combination of mobile and social tactics. Meanwhile, across the Atlantic, [Missing Children Europe](#) is using Microsoft Dynamics to run its operations to locate missing children across more than 30 EU countries. Microsoft is supportive of this important work and proud to be providing the cloud technology needed to power these efforts.
- [Thorn](#) and Microsoft have been working together for several years to fight child exploitation and human trafficking. In addition to sharing [PhotoDNA](#) technology with Thorn, Microsoft has provided technology and volunteers in support of a project originally called "Child Finder Service." This project emerged from Microsoft hackathons initiated in 2015 and 2016 and culminated in the donation of Microsoft technology to Thorn for inclusion in its [Spotlight](#) product. Similar innovations have since been iterated by other technologies to help find missing children faster.
- Microsoft technology grants are helping [Project VIC](#) identify and rescue children from sexual exploitation, including but not limited to children who are being trafficked for sex. The self-stated goal of Project VIC is to "create an ecosystem of information and data sharing between domestic and international law enforcement agencies all working on crimes against children and the sexual exploitation of children." Project VIC allows agencies to leverage aggregated data, technologies, and innovation.
- Microsoft donated [PhotoDNA](#) to the National Center for Missing & Exploited Children (NCMEC). NCMEC is the US clearinghouse and comprehensive reporting center for all

issues related to the prevention of, and recovery from, child victimization, including abduction, abuse, and exploitation. NCMEC's [CyberTipline](#) provides public and electronic service providers with the ability to report instances of online enticement of children for sexual acts and child exploitation material. In 2015, Microsoft made PhotoDNA available as a service on Azure. Microsoft continues to provide this valuable technology for free to qualified organizations, including technology companies, developers, and non-profit organizations, for the purpose of combatting child exploitation. Microsoft has also provided PhotoDNA for free to law enforcement, primarily to forensic tool developers.

Despite the difficulty of the pandemic and its many challenges, Microsoft's employees continue to engage in skills-based volunteering in this space. Microsoft continues to donate technology products and collaboration services to help nonprofits and other organizations around the world create a pipeline of innovations such as the ones described above. No single company can address this problem. Instead, we must continue working together in a boundary-less manner to make a greater impact.

Our ongoing commitment

Microsoft recognizes our responsibility to respect human rights across our operations, including those of covered subsidiaries, and to minimize the risk of modern slavery and human trafficking in our supply chains. Going forward, we commit to take the following actions:

- We will reinforce Microsoft's internal Human Trafficking Prevention Policy and review, improve, and build upon existing governance, risk assessment, internal control, and due diligence activities, policies, programs, trainings, and tools across the company to minimize the risk of forced labor in our operations and our supply chains.
- We will continue to build Microsoft's supplier engagement on topics related to slavery and human trafficking and forced labor through supplier forums, webinars, trainings, and resources for internal and external stakeholders.
- We will further our engagement with relevant industry groups and external stakeholders to define and improve industry best practices and build supplier awareness of forced labor, modern slavery, and human trafficking risks and possible remediation actions.
- We will promote collaboration, information sharing, and benchmarking across Microsoft to ensure that human rights risks are assessed in a complimentary and consistent manner and to mitigate the risk of modern slavery and human trafficking in our business and supply chains.
- We will continue to develop and use technology and contribute to technical and philanthropic efforts to address the root causes of modern slavery and human trafficking.
- We will continue to evolve our corporate policies and procedures to reflect changes in international human rights law, including the [recent announcement](#) by the United Nations

Human Rights Council that access to a clear and healthy environment is a basic human right.

We recognize that, given the diversity and complexity of local conditions and laws worldwide and the number of stakeholders involved in modern supply chains, our knowledge and ability to affect change will not be perfect. We therefore invite all readers of this Statement to engage with us in dialogue to help drive improvements in our implementation and performance. For more information on our efforts, please visit www.microsoft.com/csr.