

Microsoft

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Satya Nadella

Read the 2019 letter from our CEO

At its core, responsibility is about earning and sustaining the trust of the customers and partners we empower and the communities in which we live and work. Without trust, none of our progress is possible.



Our approach

03 Impact at a glance



IMPACT AT A GLANCE



Trust and responsibility

26 million

People around the world connected with tools, best practices and guidance for GDPR compliance.

6.5 trillion

Signals analyzed each day, plus processing of 450 billion authentications and scanning 400 billion emails for malware and phishing each month as we work to protect our customers.

67 countries

358 companies and 139 international and civil society organizations mobilized to join The Paris Peace Call for Trust and Security in Cyberspace.

\$125 million

Over five years committed to using artificial intelligence to tackle some of society's biggest challenges.

\$500 million

In loans and grants to accelerate the construction of more affordable housing in the Puget Sound region.



Closing the opportunity gap

Over 110

Nonprofit organization partnerships in 42 countries to reach millions of young people with quality digital skills and computer science experiences.

\$170 million

(including company match) Through our employee giving program to support nonprofits in local communities around the world.

40 million

Unserved and underserved people around the globe to be connected with high speed internet access by 2022 through a new international track of our Airband Initiative.

\$1.5 billion

In donated or discounted software and services via Microsoft Philanthropies.

152 percent

Increase in the number of women corporate vice presidents.



Protecting our planet

75 percent

Reduction in operational emissions to be achieved by 2030, achieving the Paris Accord targets two decades early.

\$15 per metric ton Internal carbon fee, nearly

doubling our previous fee.

60 percent

Renewable energy for powering our datacenters to be achieved by the end of this year, with 70 percent achieved within the next four years.

Empowering every person and every organization to achieve more requires careful attention to the impact of our business practices, policies, and community investments.



Our commitment

Our business practices and policies reflect our commitment to making a positive impact around the globe. We work to apply the power of technology to earn and sustain the trust of the customers and partners we empower and the communities in which we live and work. This focus extends to our work to build a sustainable future where everyone has access to the benefits and opportunities that technology can bring. It's central to our mission to empower every person and organization to achieve more, and it's why many of our employees come to work every day.

Further, it's a commitment that strongly aligns to the United Nations <u>Sustainable</u> <u>Development Goals</u>. We demonstrate our commitment to sustainable development through our products and solutions, our responsible business practices, our programs, our policy and advocacy work and our philanthropic investments. Explore the pages of this report to learn about some of the ways we're harnessing technology to empower a sustainable future for everyone.

W Visit our CSR site for more about our sustainable development commitment



Working together with stakeholders

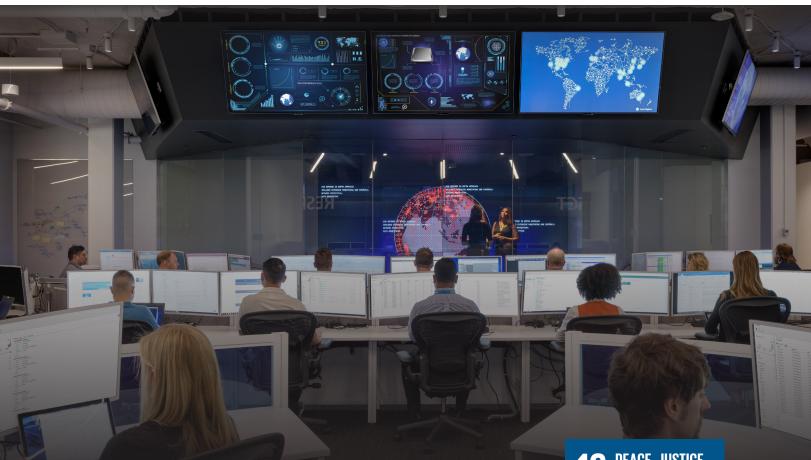


About this report We know that the decisions we make affect our employees, customers, partners, shareholders, suppliers, and communities and we take their voices into account. Microsoft receives input from millions of people each year—from individual customers to policymakers and global human rights specialists. We bring outside perspectives into the company and inform our business decisions through a variety of feedback channels. We go beyond formal channels, proactively engaging with key stakeholders, advocacy groups, industry experts, Corporate Social Responsibility (CSR) rating agencies, CSR-focused investors, and many others. We also share our learnings and practices thereby generating industry dialogue, informing public debate, and advancing greater progress.

We place a premium on transparency and embrace our digital world to share both year-end and year-round updates. We've designed our CSR report PDF as a resource to help guide our stakeholders to the wealth of rich information available across the web about how we're making the world a better place. In his annual shareholder letter, Satya Nadella, addresses our business and social impacts and sets the stage for both the 2019 CSR and Financial annual reports. Unless otherwise stated, the information in this report covers all of the Microsoft global operations during the 2019 fiscal year (July 1, 2018 to June 30, 2019).

X Learn more about our CSR and reporting approach

CLOSING THE OPPORTUNITY GAP



Trust and responsibility

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PRIVACY AND CYBERSECURITY

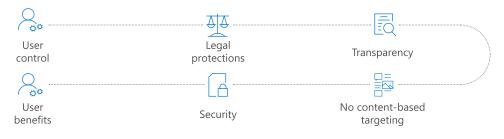
We recognize privacy as a fundamental human right. We work to preserve our customers' ability to control their data, make informed choices to protect their privacy, and support critical efforts to secure cyberspace against new and emerging threats.

Our commitment and approach

We commit to working collaboratively across industry, governments, educational institutions, and NGOs in the fight to protect privacy and cybersecurity for individuals and businesses around the globe.

Privacy

The cloud offers us enormous potential, not only in driving innovation and efficiencies but also in serving as a secure location for storing confidential and sensitive information. These new technologies, however, raise challenging questions about the rules for how related data should be treated. Businesses and individuals have the reasonable expectation that the information they create and store in digital form should be accorded the same privacy protections as information they commit to paper. Microsoft product development and privacy practices focus on six key privacy principles:



Learn more about our principles

Cybersecurity

To maintain global trust in technology—and secure cyberspace against new and emerging threats—public policy must continue to evolve. Microsoft supports these critical efforts, focusing on four broad themes of concern to policymakers: cybersecurity policy and resilience, cloud security and assurance, a Digital Geneva Convention, and cybercrime legislation and strategy. We also work with law enforcement and other public/private partnerships via our Digital Crimes Unit to disrupt nation-state activity.

Defending democracy

Threats to our democratic processes from cyber-enabled interference have become a critical concern. Through our Defending Democracy Program, we work with stakeholders including governments, non-government organizations, academics, and industry all in democratic countries globally to protect campaigns from hacking, increase political advertising transparency online, explore technological solutions to preserve and protect electoral processes, and defend against disinformation campaigns.

Read the program announcement

Highlights

Complying with GDPR We're driving compliance across our cloud, helping users view and control their activity, and engaging with stakeholders on the future of artificial intelligence.

Microsoft is committed to making sure that our products and services comply with GDPR. We also provide our commercial customers with robust tools, backed up by contractual commitments, to help them comply. Since GDPR became enforced on May 25, 2018, over 26 million people around the world have used Microsoft's Privacy Dashboard to control their personal data and exercise GDPR privacy rights, which Microsoft has extended to all of our consumer customers worldwide.

>>>> Learn more about our progress

Creating a safer world for digital transformation Cybersecurity is one of the most critical challenges we and our customers face. We continue to invest in innovation and partnerships around the globe to address this challenge. We're working to protect our customers by analyzing more than 6.5 trillion signals each day, processing 450 billion authentications and scanning 400 billion emails for malware and phishing each month.

Learn more about our measures

Protecting political campaigns

Our Defending Democracy Team is driving critical work to protect political campaigns, candidates and the institutions of democracies. This team has introduced ElectionGuard, Microsoft 365 for Campaigns and has deployed AccountGuard in some 26 countries.

Promoting trust and security in cyberspace

Tools and Weapons: The Promise and the Peril of the Digital Age



We've partnered with the Government of France to mobilize 67 countries, 358 companies, and 139 international and civil society organizations to join the Paris Peace Call for Trust & Security in Cyberspace.

Learn more about this step toward digital peace

A new book by Microsoft President Brad Smith and Microsoft Senior Director of External Relations and Executive Communications Carol Ann Browne, discuss the impact of AI, the rise of cyberattacks, threats to digital privacy and more.

Learn more about the book

Law Enforcement Requests Report

This semi-annual report provides information about the legal demands for customer data we receive from law enforcement agencies around the world, as well as our responses to them. ✗ US National Security Orders Report

This semi-annual report provides the data we're legally allowed to share about demands for customer data we receive from the US government pursuant to national security laws, as well as our responses to them.

Content Removal Requests Report

This semi-annual report provides information about the number of requests received and accepted to remove access to content that is available online through one of our consumer products or services.

Get the bigger _`	Explore these key resources to learn more about our work.
Privacy statement	The Microsoft privacy statement explains what personal data we collect from users and how we use it.
	X <u>Review the statement</u>
Microsoft Trust Center	The Trust Center provides enterprise and business customers information on how Microsoft protects their data across our cloud services, including how we can help organizations comply with GDPR.
	✗ Visit the Trust Center
A Cloud for Global Good	Our policy roadmap covers a range of policy areas and provides a comprehensive set of recommendations and considerations mapped to a trusted, responsible, and inclusive cloud.
	✗ <u>Visit the cloud policy roadmap</u>
Security	From individuals to enterprise businesses, we're committed to helping our customers get secure—and stay secure—in a world of persistent cyberthreats.
	Visit our Microsoft Secure site
Microsoft on the Issues: Privacy	Visit our Microsoft on the Issues blog for the latest updates about our work to defend and protect privacy for individuals and businesses around the world.
	✗ <u>Visit the blog</u>
Microsoft on the Issues: Cybersecurity	Visit our Microsoft on the Issues blog for the latest updates about our support for critical efforts to secure cyberspace.
	✗ <u>Visit the blog</u>
Microsoft on the Issues: Defending democracy	Visit our Microsoft on the Issues blog for the latest on our program expansions and updates toward protecting the integrity of our democratic processes and institutions.
	✗ <u>Visit the blog</u>

ΑΙ

We build AI responsibly, taking a principled approach to guide the development and use of artificial intelligence with people at the center of everything we do.

Our commitment and approach



Designing AI to be trustworthy requires creating solutions that reflect ethical principles that are deeply rooted in important and timeless values. We then apply those principles to empower innovative solutions.

Microsoft Al Principles

Fairness Al systems should treat all people fairly. Reliability & Safety Al systems should perform reliably and safely.

Inclusiveness

Al systems should empower everyone and engage people.

Transparency Al systems should be understandable.

Learn more about our principles

Privacy & Security

Al systems should be secure and respect privacy.

Accountability

Al systems should have algorithmic accountability.

AI for Good

Al is fueling some of the most creative people on our planet to make change once thought impossible a reality.

Through our AI for Good initiative, we seek to combine Microsoft's technology and AI expertise with the talent of groups around the world to solve humanitarian issues and create a more accessible and sustainable world.

AI for Earth

Placing AI technology and cloud software in the hands of those working to solve global climate issues.

Learn more about AI for Earth

AI for Humanitarian Action

Leveraging AI to support disaster recovery, address the needs of children, protect displaced people, and promote human rights.

See our commitment in action

AI for Accessibility

Leveraging the power of AI to amplify human capability for the more than one billion people globally with disabilities.

See how AI is empowering lives

AI for Cultural Heritage

Leveraging the power of AI to empower people and organizations dedicated to the preservation and enrichment of cultural heritage.

>>> <u>Learn about our commitment</u>



We're driving compliance across our cloud, helping users view and control their activity, and engaging with stakeholders on the future of artificial intelligence.

Microsoft announces AI for Cultural Heritage A new and fourth pillar to Microsoft's AI for Good portfolio will use artificial intelligence to work with nonprofits, universities, and governments around the world to help preserve the languages we speak, the places we live, and the artifacts we treasure.

Read the announcement

Using AI to help save lives

In conjunction with the 2018 United Nations General Assembly meeting, we announced AI for Humanitarian Action committing \$40 million over 5 years.

See the blog post by Brad Smith

Ag-Analytics helps farmers and researchers use AI to prepare for climate change Sharing Microsoft's goal to help monitor, model, and manage earth's natural resources with cloud and AI, Ag-Analytics brings precision agriculture to fruition in a platform that helps farmers leverage all available data to make the best decisions for their land.

Learn more

Microsoft and National Geographic Society announce AI for Earth Innovation grantees With the help of artificial intelligence, new grantees are actively working to uncover new insights to better monitor, model, and ultimately manage the world's natural resources more effectively and sustainably.

Find out more about these changemakers

Using AI to drive accessible innovation around the world Last year we launched our AI for Accessibility program, a \$25-million commitment to drive innovation and amplify human capability for people with disabilities. AI for Accessibility now has grantees across the globe leveraging our technology to empower people with disabilities.

Learn more about our grantees

Innovative solutions to water security We see huge potential for artificial intelligence, remote sensing, data analytics and adaptive innovation to be applied to water security challenges, especially when paired with conservation science, and impact investment. Microsoft's AI for Earth program and The Nature Conservancy's collaboration with the Techstars Sustainability Accelerator offer some examples of how such innovations can drive adaptive water solutions.

Find out more about these innovative solutions



Tools and Weapons:

The Promise and

the Peril of the

Digital Age

Explore key resources to learn more about what AI can do in the hands of changemakers.

A new book by Microsoft President Brad Smith and Microsoft Senior Director of External Relations and Executive Communications Carol Ann Browne, discuss the impact of AI, the rise of cyberattacks, threats to digital privacy and more.

Learn more about the book

Microsoft AI Learn more about our approach to AI, our products and services, and how people and organizations are working together to transform our world for the better.

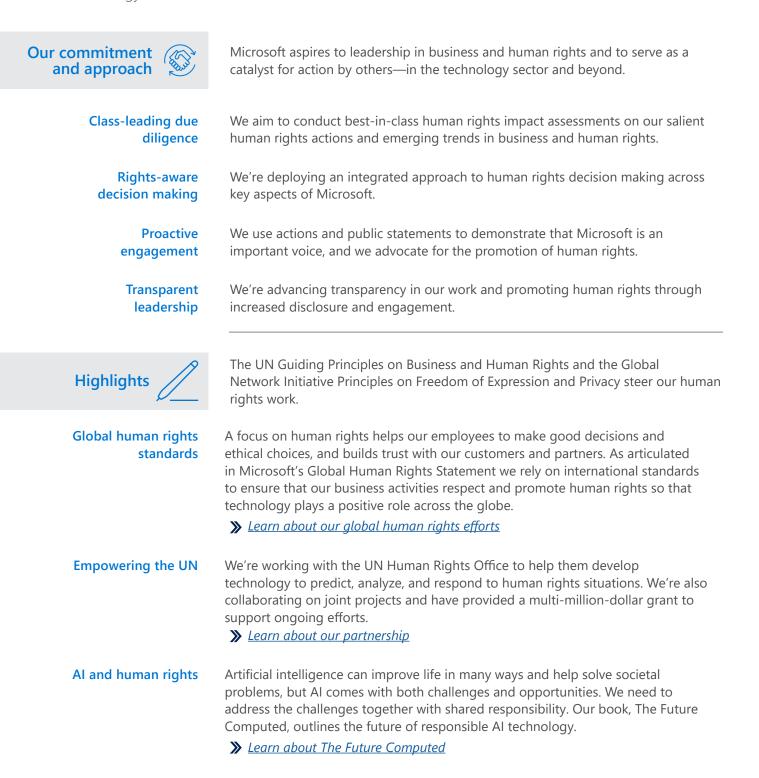
Visit the AI site

- Al for Good Providing technology, resources, and expertise to empower those working to solve humanitarian issues and create a more sustainable and accessible world.
- Al for Business Microsoft Al drives digital transformation across industries.
 - Learn about AI for Business
 - **The AI blog** Find cutting-edge examples of Microsoft AI in action and learn how it's bringing people and organizations together.
 - Explore the AI blog
 - Innovation
storiesAt Microsoft, we strive for meaningful innovation with products and services that
both improve our lives daily and have the potential to change the world.

Learn about Microsoft Innovation

HUMAN RIGHTS

We aim to respect human rights in the way we do business and to advance those rights with the power of technology.



Collaborating with UC Berkeley Integrating critical human rights issues directly into education can generate innovative approaches to managing our responsibilities and may help create the next generation of ethical leaders. We're partnering with UC Berkeley to provide annual conferences, student consulting projects, and other collaborative efforts.

Learn how we're working together

Advancing digital safety

The Global Internet Forum to Counter Terrorism is an international coalition to prevent terrorists and violent extremists from exploiting digital platforms. Individually and collectively, we are taking steps to implement the Christchurch Call to Action.

>>> Learn about our digital safety efforts



Microsoft Annual Human Rights Report (PDF)

Using the United Nations Guiding Principles Reporting Framework, we provide detailed disclosures for each of our salient human rights issues and activities through a downloadable report.

GNI Assessments 2018/2019

Download the Global Network Initiative Public Report on the 2018/2019 Independent Company Assessments.

Modern Slavery and Human Trafficking Statement (PDF)

Download the report to learn about the actions we've taken to prevent modern slavery and human trafficking in our business and supply chain.

Law Enforcement Requests Report

Using the United Nations Guiding Principles Reporting Framework, we provide detailed disclosures for each of our salient human rights issues and activities through a downloadable report.

✗ US National Security Orders Report

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Get the bigger	Explore key resources to learn more about our Global Human Rights Statement, oursalient human rights issues, and our bi-annual digital trust reports.
Global Human Rights Statement	We have committed to ensuring that our employees, partners, and suppliers respect and promote human rights and that technology plays a positive role across the globe.
Accessibility	We create and deliver technology that is accessible and functional for people of all abilities.
Freedom of expression and privacy	We respect peoples' right to freedom of expression and their right to freedom from arbitrary and unlawful interference with privacy online. Learn about freedom of expression
Digital safety	We provide tools and resources to protect the digital safety and security of all internet users. Find digital safety resources
Privacy and data security	We're incorporating privacy considerations into design and development processes, offering customers meaningful privacy choices, and responsibly collecting, managing, and using the customer data that we store.

RESPONSIBLE SOURCING

At Microsoft, we work to ensure that our suppliers operate in a socially, environmentally, legally, and ethically responsible manner—and treat the people who work for them fairly and with dignity.

Our commitment and approach

We set high standards for our suppliers and collaborate with them to positively impact their workers, their local communities, and their business operations.

Microsoft has relationships with thousands of suppliers around the globe, spanning both hardware suppliers that manufacture our devices and components, and indirect suppliers that provide everything from advertising services to building construction and maintenance.

We expect all suppliers that do business with Microsoft to uphold the human rights, labor, health and safety, environmental, and business ethics practices prescribed in our <u>Supplier Code of Conduct (SCoC)</u>. This code aligns with, and exceeds, the Responsible Business Alliance (RBA) <u>Code of Conduct</u>. The Supplier Code of Conduct is included in all our supplier contracts and Microsoft Social and Environmental Accountability (SEA) requirements are also incorporated into our hardware and packaging supplier contracts.

Devices responsible sourcing

Since 2005, Microsoft Devices has operated an industry-leading Responsible Sourcing program (also referred to as SEA) to ensure that our hardware and packaging suppliers conform to our Supplier Code of Conduct and additional requirements for living conditions, safe working practices, and environmental, health, and safety protection. We advance our responsible sourcing commitments through:

- · Analysis of risks and opportunities
- · Assurance and accountability
- Capability building
- Shared value and advancement of the Sustainable Development Goals set by the UN to improve people's quality of life, protect the environment, and foster equitable growth

Procurement responsible sourcing

Since 2013 Microsoft Procurement has also operated an industry-leading Responsible Sourcing program to promote socially and environmentally responsible companies in their supply chain. We engage with a broad range of stakeholders to shape and implement our Responsible Sourcing program and to extend our overall impact. Our approach is to converge on credible, industry leading sustainability products and services. Through this approach, we achieve efficiencies, facilitate participation, reduce risk, and ultimately, improve our suppliers and other stakeholders social and environmental performance.



Microsoft continues to focus on business and human rights, and acts as a catalyst for others who are participating in these efforts, in the technology sector and beyond.

Microsoft Devices

Embedding compliance and sustainability into our business

We've built an Audit Management System (AMS) to continue to transform how we embed compliance and sustainability into our business. Using Microsoft Power BI, we can track performance and enable continuous supply chain improvements throughout the SEA Stages.

Workers' Voice Hotline

Our Workers' Voice Hotline program was extended to 153 factories in FY19. We were named one of the Top 2 Leading Companies for Workers Voice by Know the Chain.

Children out of mining

We continued our partnership with Pact to end child labor in tin and cobalt mines located in the Democratic Republic of Congo (DRC).

Learn about Pact

Capacity-building

We delivered capability-building programs to 21 suppliers in Taiwan to improve factory labor management in mitigating human trafficking and forced labor.

Understanding risk

To identify and prioritize risk, we completed our mapping of the origination of key raw materials that are used in our complex and global upstream supply chain. This allows us to continually improve our supplier due diligence and capability building efforts to drive change and accountability regarding materials used in our products.

Learn more from our Devices Sustainability Report

Microsoft Procurement

Supplier diversity

In FY19, Microsoft spent almost more than \$3 billion with minority-, disabled-, veteran-, LGBTQ-, and woman-owned businesses, ranking among the top 20 companies for spending with diverse-owned suppliers globally.

Climate performance

In FY19, 100 of our top suppliers reported an average of \$530K invested in emissions reduction activities, reducing their collective footprint by 5.6 million metric tons of carbon dioxide equivalents (CO₂e).

Supplier awards

In FY19, with stakeholders including Business for Social Responsibility, United States Environmental Protection Agency, the CDP and the Rockefeller Foundation, we provided awards for our supplier leaders in Supplier Diversity, Climate Change, and Impact Sourcing.

Learn more about our progress



Slavery and Human Trafficking Statement (PDF)

Download our report, which is released each year, to learn about the actions we're taking to prevent modern slavery and human trafficking in our business and supply chains.

Conflict Minerals Report (PDF)

Download our latest annual conflict minerals report, which details our due diligence around the responsible sourcing of gold, tin, tungsten, and tantalum in the Democratic Republic of the Congo and adjacent countries.

>>> Devices sustainability report (PDF)

See the key results of our Responsible Sourcing and Social and Environmental Accountability audits and assessments in the Devices Sustainability at Microsoft Fiscal Year 2019 report.

Production Supplier List (PDF)

Each year, Microsoft publishes a downloadable list of our top 100 production suppliers for our commercially available devices.



Explore more responsible sourcing resources.

Responsible sourcing

Get more detailed information on the policies and programs related to our responsible sourcing commitment.

Learn about the programs

Microsoft Supplier Code of Conduct Access our Supplier Code of Conduct in multiple languages and explore links to related resources including our Supplier Code of Conduct training program.

Explore our supplier standards

Devices Responsible Raw Materials Policy Learn more about our responsible raw materials sourcing strategy and associated programs.

Download PDF about our policy

Supplier diversity

Get an overview of our Supplier Diversity Program and access links to resources, including a tool for diverse suppliers to register their interest in working with Microsoft.

Learn about supplier diversity

Microsoft sustainable devices

Explore our approach and commitment to producing environmentally sustainable devices.

Learn about sustainable devices

EMPOWERING OUR EMPLOYEES

At Microsoft, we're focused on bringing out the best in people, supporting their goals, and empowering them to find deep meaning and purpose in their work.

Our commitment and approach

Microsoft's mission is to empower every person and every organization on the planet to achieve more. The only way we will achieve our mission is by transforming our culture. We are seeing results from our efforts, but we are not done. We are constantly learning.

Our culture

At its core, Microsoft's strength lies in our talented people and a culture grounded in growth mindset. This means anyone can change, learn, and grow. We believe potential can be nurtured and is not pre-determined, and we should always be learning and curious - trying new things without fear of failure. We identified four attributes that allow growth mindset to flourish. Obsessing over what matters to our customers, becoming more diverse and inclusive in everything we do, operating as one company instead of multiple siloed businesses and lastly, making a difference in the lives of each other, our customers and the world around us.

Learn more about our mission and culture

Respecting human rights Our Global Human Rights Statement, and participation as a signatory to the UN Global Compact, demonstrate our commitment to respecting the following human rights covenants and declarations:

- >> Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social, and Cultural Rights
- International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work*

Total rewards

We develop dynamic, sustainable, and strategic programs that together provide a highly differentiated portfolio to attract, reward and retain top talent and enable our employees to do their best work. These programs reinforce our culture and values. The result is a global performance and development approach that fosters our culture, competitive compensation that ensures equitable pay by role while supporting pay for performance, and distinctive benefits that delight our employees.

Learn more about our benefits

*Those ILO principles are freedom of association and the effective recognition of the right to collective bargaining; elimination of all forms of forced or compulsory labor; effective abolition of child labor; and elimination of discrimination in respect of employment and occupation. Diversity and inclusion At Microsoft we have an inherently inclusive mission – empower everyone on the planet. We think of diversity and inclusion as core to our business model, something which informs our actions and can impact economies and people around the world. There are billions of people who want to achieve more, but have a different set of circumstances, abilities, and backgrounds that often limit access to opportunity and achievement. The better we represent that diversity inside Microsoft, the better we're able to innovate for those we seek to empower.

> At Microsoft we each strive to include others by holding ourselves accountable for diversity, driving global systemic change in our workplace and workforce, and creating an inclusive work environment. Through this commitment we can allow everyone the chance to be their authentic selves and do their best work every day.

Learn more about global diversity and inclusion at Microsoft

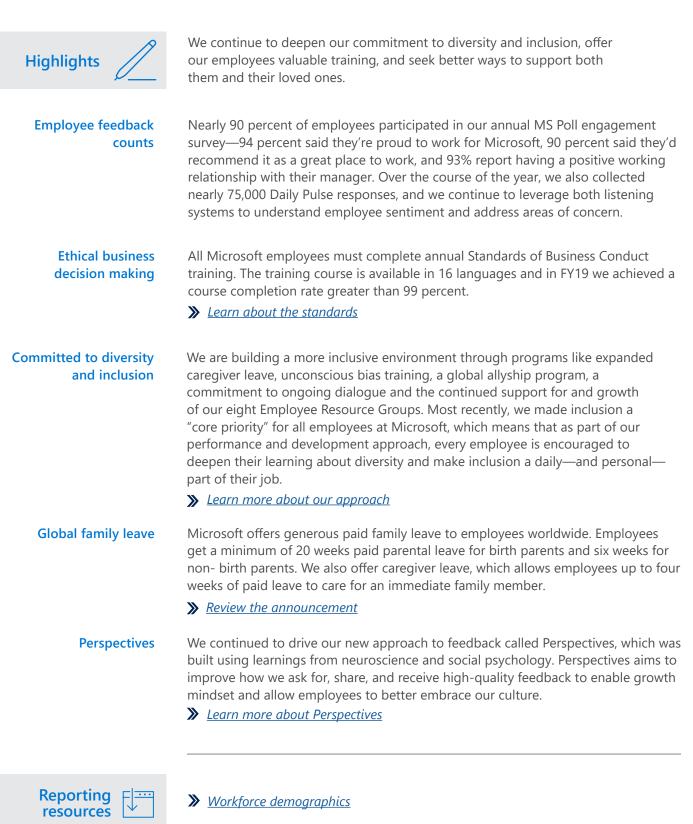
Training and
developmentOur growth mindset culture begins with valuing learning over knowing—seeking
out new ideas, embracing challenges, learning from failure, and improving over
time. To support this culture, we offer a diverse range of learning and development
opportunities. We believe training can be more than formal instruction, and our
philosophy focuses on providing the right learning, at the right time, in the right
way. Opportunities include:

- Personalized, integrated, and relevant views of all learning opportunities on Microsoft Learning and LinkedIn Learning
- In-the-classroom learning and sharing with learner boards
- On-the-job "stretch" opportunities for advancement
- · Frequent promotion opportunities
- · Coaching on career development through ongoing manager connections
- · Customized manager training to enhance coaching and mentoring skills
- New employee orientation covering a range of topics including company values, culture, and <u>Standards of Business Conduct</u>

Wellness and
safetyMicrosoft is committed to supporting our employees' well-being and safety while
they are at work and in their personal lives.

In addition to our comprehensive benefits package, our Occupational Health and Safety program helps ensure employees can stay safe while they are working.

- Professionals assess the safety risks of work activities and engage with workers and management to implement safe work practices, hazard controls, and training to minimize safety risks and to provide continual improvement for employee health and safety
- New and existing workspaces are periodically assessed to ensure they are constructed with sound design-for-safety principles and that controls are implemented effectively
- Microsoft involves employees and managers in Health and Safety Committees specific to our datacenters, retail operations, and office locations where required



The demographics of our workforce will continue to serve as a measure of our progress toward a more diverse and inclusive Microsoft, and our contribution to the diversity of the tech industry at large.

Get the bigger	We offer many key resources to help visitors gain a more comprehensive understanding of our commitment to empowering our employees.
Microsoft careers	Microsoft is always looking for the best and brightest talent. We invite candidates of all abilities to come as they are and do what they love. Explore Microsoft careers
Diverse perspectives	Infusing our commitment to diversity and inclusion into everything we do allows us to tap into the collective power of everyone at Microsoft. As a result, we are more agile, our ideas are better, our products are better, and our customers are better served.
	Learn more about our approach
Microsoft Life	We highlight stories on how employees are empowered by the company culture to follow their passions, make a difference in the world, and live a #MicrosoftLife.
	Explore the Microsoft Life site
Inclusive hiring	To build the best products for everyone, we need to have a diverse and inclusive workforce across all abilities. Through our inclusive hiring programs, we work towards that goal every day.
	Learn about inclusive hiring
Global Human Rights Statement	Our Global Human Rights Statement and participation in the UN Global Compact, are part of our commitment to respecting human rights covenants and declarations.
	Review the statement
Employee stories	Explore the technology and innovations Microsoft employees around the world are creating, from working to solve cancer to tracking down cybercriminals.
	Check out our stories

RESOURCES



Closing the opportunity gap

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BROADBAND ACCESS

As a global technology company, we believe we have a responsibility and a great opportunity to help close the broadband gap that exists in the US and across the globe.



We partner with equipment makers, internet and energy access providers, and local entrepreneurs to make affordable broadband access a reality for communities around the world.

Eliminating the US rural broadband gap In 2017 we launched a comprehensive US rural broadband strategy to help connect at least 25 million Americans without access to broadband, of which more than 19 million people live in rural communities. We have committed to connect 3 million of these people through Airband partnerships, invest in making specific broadband technology more affordable, and help with digital skills training for the communities we reach.

Learn more about our comprehensive strategy

Download the 2018 strategy document

Closing the global digital divide

In 2019 we formalized our international work within the Airband Initiative. Broadband adoption has slowed, and progress is especially elusive in low-income countries and rural areas across the globe. Most of the connected population relies on low speed, basic cellular services and only 14.1 percent of the global population has an in-home internet subscription. Through the international track of the Airband Initiative, our goal is to extend internet access to 40 million unserved and underserved people within the span of three years. Our efforts will focus on areas with significant underserved populations – initially, Latin America and Sub-Saharan Africa.

Learn more about our international track

Our partnerships Elimination of the broadband gap requires deployment of low-cost technology at scale. We support businesses working to increase internet and energy access and make it more affordable. Partnerships include co-investment and access to resources like technology, digital skills, and reseller programs.

Learn about our partnerships

Technology To deliver cost-effective broadband access to rural areas, network operators must leverage a mix of technologies like TV white spaces, fixed wireless, and satellite coverage. This technology model can reduce both the initial capital and the ongoing operating costs of broadband networks.

Learn about the technology models

RESOURCES



Reaffirming our commitment to global connectivity

Working together to bring connectivity to

Bringing broadband

internet to Indiana.

Ohio, and Illinois

military veterans

Through the Microsoft Airband Initiative, we're working to bring affordable broadband access to everyone. Here are some highlights from our progress.

Through the new international track of our Airband Initiative, we've set a new goal to extend high-speed internet access to 40 million unserved and underserved people around the globe by July 2022.

Review the announcement

Microsoft is expanding its work with Veterans Affairs to bring broadband access, digital skills training, and telehealth services to veterans living in rural areas.

Learn more about this plan

In partnership with Microsoft, Watch Communications will deploy a variety of broadband technologies to cover more than four million people in the region, including 815,000 people in rural areas currently without access to broadband.

Learn more from the announcement

Connecting rural India With a mix of technologies, AirJaldi has created a series of hybrid networks to provide affordable and reliable internet to some of India's most underserved regions.

Learn more about AirJaldi

Connecting Colombia

Italian coffee company Lavazza, energy and agricultural innovator ALO&Partners, and the Colombian nonprofit MAKAIA teamed up to connect rural, coffee-growing areas of Colombia. Internet access was delivered via TV white-space technology and has already connected two schools and five farms.

Learn about Lavazza and partners

Delivering safe, affordable energy in Africa Over 600 million Africans lack access to either electricity or internet. M-KOPA, a Kenya-based company, uses a cloud-connected IoT device to deliver affordable clean energy to 3 million people and 600,000 off-grid residences.

Learn more about M-KOPA



Microsoft Airband Initiative

Microsoft on the Issues: Rural broadband Explore key resources to learn more about our work to close the broadband gap.

Access more information on our privacy principles, the common categories of data we collect, and additional links to product and service-specific privacy information and controls.

>>> Explore the Airband site

Visit our Microsoft on the Issues blog for the latest updates about our work to make affordable broadband access a reality for communities around the world.

Visit the blog

SKILLS AND EMPLOYABILITY

Microsoft is working to help ensure every person can build the skills and access the resources needed to succeed in a digital economy.

Our commitment and approach

As the world of work is changing, we believe in a future where every person has the skills, knowledge, and opportunity to thrive. That's why as part of our commitment to ensure advances in technology leave no one behind, we're focused on two critical areas:

Equipping youth and future workers

Providing inclusive, equitable access to computer science (CS) education can help ensure young people are equipped for the future. We partner with schools and organizations to provide experiences that spark excitement for future CS opportunities.

Empower organizations

Through cash grants, technology, and resources, we support nonprofits like Code.org and Microsoft Philanthropies programs like Technology Education and Literacy in Schools (TEALS) to increase the capacity of organizations to develop and grow high-quality computer science programs.

Watch the TEALS video

Advocate for change

With partners like Code.org, we encourage states to increase access to CS education and count CS courses toward math and science credit requirements.

- Check the CS policy in your state
- ▲ Get started with CS advocacy

Engage students

We partner with over 110 nonprofit organizations in 42 countries to reach millions of young people with quality digital skills and computer science experiences that pique interest in technology and spark excitement.

Learn more about our partners

Creating pathways to 21st-century jobs To succeed in this modern economy, workers need access to learning resources to gain the skills required for in-demand jobs. We're working to provide access to those resources to help create pathways for workers and scalable solutions that can be replicated globally.

Empower people

Equipping future workers requires access to learning courses to gain the skills required for in-demand jobs. LinkedIn Learning enables lifelong learning while connecting workers to jobs.

Access LinkedIn Learning

Get Microsoft role-based training

Engage employers

Skills-based hiring and apprenticeships, like those from our partner Apprenti, help companies find and retain qualified people by increasing employer connections to skilled candidates and creating pathways for workers.

Highlights

Learn about our progress to equip future workers and create pathways to 21st-century jobs.

180,000 teachers trained In addition to teaching millions of youth digital skills and computer science, Microsoft grantees have trained more than 180,000 teachers who will go on to teach computer science around the world.

Find out more about our grantees

Bringing access to underserved communities Over 50 percent of the youth served globally through Microsoft partner-funded programs are female, and over 80 percent are from underserved communities.

In 10 years almost 75,000 students received CS Education During the 2019-2020 school year, over 21,000 students in the US and British Columbia, Canada have access to AP Computer Science courses thanks to tech professionals who volunteer with the Microsoft Philanthropies TEALS Program. Almost 75,000 students have had access to CS courses since the program's inception in 2009.

Learn more about TEALS

Competing in the digital economy

The Skillful program helps American workers, like Bylo Farmer, develop critical job skills. Through her own tenacity and the help of a Skillful job coach, Bylo has started over and changed careers, becoming a machinist after years of working at a women's shelter in Boulder, Colorado.

>> Play the video of Bylo's story

Providing future-ready skills Today, 60 percent of schools don't teach coding in their schools. With support from Microsoft, Code.org helps equip teachers at Frederick Douglass Elementary and other schools with tools to teach computer science in their classrooms— increasing test scores and providing students with future-ready skills.

>> Play the video



Explore key resources to learn how we're equipping individuals for success in an increasingly digital world.

Skills and employability

We're working to help ensure that every person can build the skills and access the resources needed to succeed in a digital economy.

Learn more about our progress

TechSpark

Rapid advancement in technology is creating new opportunities in a digital economy. But these opportunities remain out of reach for many in rural and remote communities, who often lack the broadband access, resources, or digital skills required to succeed. We are working to ensure that all people—not just those in the biggest cities—can benefit from the opportunities the digital economy provides.

Learn more about TechSpark

EMPOWERING NONPROFITS

Microsoft is committed to ensuring nonprofits can advance their missions through digital transformation, enabled by secure and trusted technology.

Our commitment and approach

Nonprofits are working to solve the world's most challenging issues. They must have access to relevant and affordable technology to help them accelerate impact around the world. Microsoft Tech for Social Impact brings together the best of our commercial solutions with account teams, philanthropy, and engineering resources dedicated to nonprofit digital transformation.

Tech for Social Impact

Solutions

We provide innovative and sector specific solutions for nonprofits around the world. Donations and discounts are available for cloud solutions including Microsoft 365, Power BI, Azure, and Dynamics 365. We deliver guidance and training like the <u>Microsoft Digital Skills Center for Nonprofits</u> to help nonprofits navigate digital transformation.

Partnerships

We believe technology can be a powerful force for social good, but we know technology alone won't solve the world's challenges. That's why we partner closely with governments, nonprofit consortiums, and the private sector to foster collective action for sustainable development, disaster response and capacity building.

Support

We partner with Microsoft's global ecosystem of partners who deliver services and solutions to help nonprofits get the most out of technology.

Learn more about nonprofit technology

Employee giving Microsoft employees give generously to empower those most in need in our local communities and our world. Employee giving is part of our culture and how we live our mission.

Learn more about employee giving

Humanitarian action We support first responder organizations through technology donations and financial support during response and recovery efforts. We also work to help organizations increase preparedness and get ahead of the response curve while improving their ability to respond to future disasters.

Learn more about humanitarian action

Community engagement

As one of Washington state's largest employers, Microsoft works to enhance economic growth and create opportunities that protect and improve the quality of life for Washington state residents.

Learn more about our commitment to WA state

Highlights

Donations and employee giving

We've expanded our support for the nonprofit sector over the last year. We work closely with nonprofit organizations around the world to help them accelerate their organizational transformation with technology.

Microsoft matches employee donations of time and money to nonprofit organizations of their choice. In fiscal 2019, Microsoft has donated or provided discounted software and services worth more \$1.5 billion via Microsoft Philanthropies. Our employees generously donated an additional \$170 million (including company match) through our employee giving program to support nonprofits in local communities.

Learn more about our employee engagement

Artificial intelligence to support refugees and displaced people Last year at the UN General Assembly, Microsoft built on its longstanding support to humanitarian organizations with AI for Humanitarian Action, a \$40 million, fiveyear program. Through AI for Humanitarian Action, we are harnessing the power of artificial intelligence and machine learning to improve the lives of over 70 million displaced people in the world, nearly 26 million of whom are refugees.

>>> Learn more about the program

Making an impact across Washington State Access to affordable housing is a major barrier to equitable growth and this year we launched a major initiative to expand the housing options for people who work in the Puget Sound region where we are headquartered. We're putting \$500 million to work in loans and grants to accelerate the construction of more affordable housing in the region.

Learn more about our commitment

2019 Donations and Volunteerism Factsheet

Reporting resources

2019 Donations & Volunteerism Data Factsheet

Get the bigger _____

Explore key resources to learn more about our work to empower nonprofits in their work to make a difference in our communities around the world.

See a snapshot of Microsoft donations and volunteerism figures over the

Microsoft Philanthropies We believe in a future where every person has the skills, knowledge, and opportunity to achieve more.

Learn more about our philanthropic work

Tech for Social Impact

Learn more about our commitment to nonprofits.

Visit the Nonprofit site

past three years.

ACCESSIBILITY

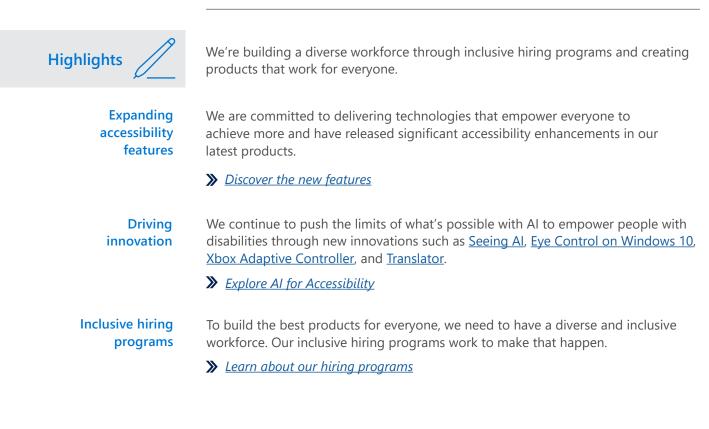
At Microsoft, we believe there is no limit to what people can achieve. Especially when technology reflects the diversity of its users and is accessible to all.



Microsoft is committed to designing products and services that can be used by everyone.

Over one billion people in the world have a disability and we're passionate about ensuring that our products and services work for everyone. We understand the power of technology, and that's why we continue to innovate, create, and design in a way that gives everyone the ability to achieve more.

We've found that many of our accessibility-focused innovations and features allow us to deliver richer, more flexible experiences for a wider range of users not just those with disabilities. We're committed to transparency, accountability, and inclusion in our products and our culture, and we're deeply inspired by the opportunity to work with people across the globe to explore what's possible.





Learn more about our commitment to designing products and services that work for everyone.

Microsoft accessibility

Find information on our accessibility programs, product features, guides, and additional resources.

Visit the accessibility site

Developer resources

Explore tools and information you can use to create the next generation of accessible technology.

See how we're evolving our design system to operate in a complex world.

Discover developer resources

Inclusive design

Learn about inclusive design

Microsoft accessibility feedback Share your ideas on what products, features, and tools would delight you, or vote for ideas you see posted by others.

✗ Provide accessibility feedback



Protecting our planet

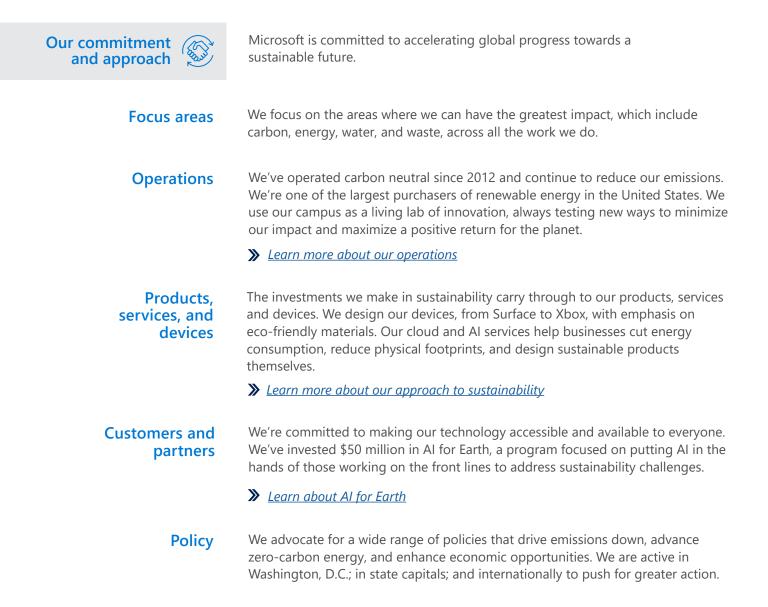
33 Environmental sustainability

13 CLIMATE ACTION



ENVIRONMENTAL SUSTAINABILITY

Microsoft is committed to leveraging technology to solve some of the world's most urgent environmental issues—focusing on areas where we can have the greatest impact, including carbon, energy, water, and waste.





Operational carbon emissions

In 2019 we doubled down on sustainability with even stronger commitments to increase our use of renewable energy, advance research and development, and heighten product carbon efficiency goals.

We've committed to a 75 percent reduction in carbon emissions by 2030 planned through continued carbon neutrality and energy commitments. In addition, we nearly doubled our internal carbon fee by raising it to \$15 per metric ton on carbon emissions.

Learn more about our commitment

Increasing efficiency and renewable energy in our datacenters We're on target to achieve our goal of powering our datacenters with 60 percent renewable energy by the end of this year and aim to reach 70 percent renewable energy within the next four years.

See how we're driving efficiencies

>>> Learn about our renewable energy measures

Building sustainable campuses At our headquarters in Redmond, Washington, we have started work to construct 17 new buildings totaling 2.5 million square feet. This new addition and the rest of our campus will run on 100 percent carbon-free electricity. We also set a goal to reduce the amount of carbon associated with the construction materials by 30 percent through a new online tool.

- Learn more about our new online tool

Product packaging sustainability In FY19, we continued to reduce the environmental impact of our packaging by applying a science-based approach and collaborating closely with our suppliers and industry partners. We improved the sustainability of our packaging by using less packaging material, selecting more sustainable materials, and optimizing manufacturing processes.

Learn more from our Devices Sustainability Report

Energy efficiency improvements in Surface Pro Microsoft works with its partners to develop hardware and software that increase computing power while reducing energy consumption. Illustrating these improvements, the Surface Pro, using Windows, has become so energy efficient to operate that the customer-use phase of each device now accounts for a smaller portion of its overall GHG emissions than the manufacturing phase (assuming three years of use).

Learn more from our Devices Sustainability Report



Environmental Sustainability Data Factsheet (PDF)

Find more information on key environmental indicators including greenhouse gas emissions, energy consumption, water consumption and discharge, and waste through our downloadable report.

>> 2018 CDP Climate Change Response (PDF)

Download our response to the annual CDP climate change questionnaire, covering the FY17 reporting period.

> 2018 CDP Water Response (PDF)

Download our response to the annual CDP water questionnaire, covering the FY17 reporting period.

> Devices Sustainability at Microsoft (PDF)

Download the report to learn how we embed sustainability requirements directly into the business practices of our device organization and partners.



Explore key resources to learn more about our environmental sustainability efforts.

Environment

Learn more about how Microsoft is enabling a sustainable future through our environmental sustainability work.

Visit our Microsoft on the Issues blog for the latest updates on our environmental

Explore our environment site

Microsoft on the Issues: Sustainability

Visit the blog

sustainability efforts.

Environmental compliance specifications

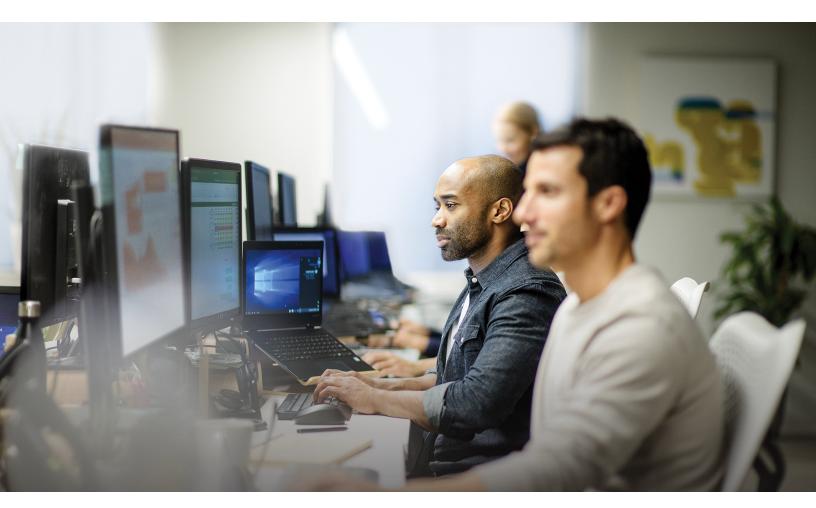
packaging, and supplier conformance in our online hub.<u>Set details about our efforts</u>

Responsible sourcing policy

Get details on our strategy for the sourcing of raw materials for use in Microsoft our hardware products.

Learn more about environmental compliance specifications for Microsoft hardware,

Download PDF of our policy



Resources

37 Reports hub RESOURCES

REPORTS HUB

Report content and supplemental resources Placing a premium on transparency and easy-to-find content, our reports hub provides a single, consolidated view of key reports and resources related to our CSR programs and progress.

Letter from our CEO

Letter to Shareholders, CEO Satya Nadella

Facts about Microsoft

Subsidiaries
 Pinancial data
 Operation centers
 Employment information

CSR governance and reporting

- CSR governance and reporting online summary
- *Stakeholder Engagement (PDF)*

Microsoft Investor Relations Reports

- Microsoft Proxy Statement
- Microsoft Annual Reports
- Microsoft SEC Filings

> UN Global Compact

Communication on Progress

Trust and responsibility

Digital trust reports

- Law Enforcement Requests <u>Report</u>
- U.S. National Security Orders Report

Human rights

- Microsoft Annual Human Rights Report (PDF)
- Solution States States

Content Removal <u>Requests Report</u>

- Solution State Sta
- Microsoft Response: Business and Human Rights Resource Center

Empowering our employees

- **EEO-1** Report (PDF)
- >> Affirmative action plan

Public policy engagement

- Advocacy and Trade Memberships (PDF)
- MSPAC State Candidate Contributions H1 2019 (PDF)
- MSPAC Federal Candidate Contributions H1 2019 (PDF)
- MSPAC Non-Candidate Committee Contributions H1 2019 (PDF)

Responsible sourcing

- Responsible Sourcing of Raw Materials Policy (PDF)
- Top 100 Production Suppliers (PDF)
- Devices sustainability report (PDF)

- Workforce demographics
- Microsoft Corporate Political Contributions H1 2019 (PDF)
- Public policy advocacy spending (PDF)
- Microsoft Cloud policy roadmap

- Conflict Minerals Report (PDF)
- ✗ Modern Slavery and Human Trafficking Statement (PDF)

Closing the opportunity gap

Accessibility

Microsoft Accessibility Conformance Reports

Empowering nonprofits

Data factsheet: Donations and volunteerism 2019 (PDF)

Protecting our planet

- > Data factsheet: Environmental sustainability 2018 (PDF)
- Devices sustainability report (PDF)
- **CDP Climate Change Response (PDF)**
- **CDP** Water Response (PDF)
- CDP Climate Reports CDP.net
- **CDP** Water Reports CDP.net

Archived reports

To find out more about the work we've accomplished in previous years, visit our online <u>CSR reports hub</u>.