

# Microsoft Corp. (Microsoft)

**TICKER**  
MSFT

**MARKET CAPITALIZATION**  
US\$2,482.1 billion

**HEADQUARTERS**  
United States

**DISCLOSURES**

[UK Modern Slavery Act](#): Yes

[Australia Modern Slavery Act](#):  
Yes

[California Transparency in Supply Chains Act](#): Not applicable

**OVERALL RANKING**

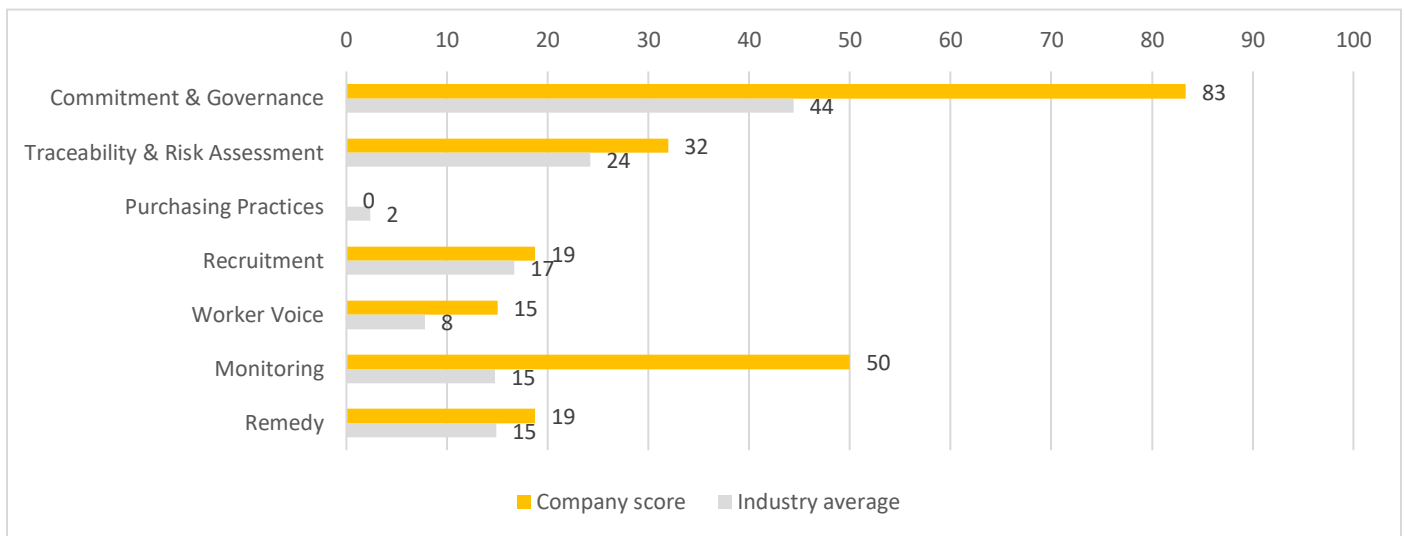
**12 out of 60**

([2020 Rank](#): 7 out of 49)

**OVERALL SCORE**

**33 out of 100**

**THEME-LEVEL SCORES**



**KEY DATA POINTS**

**SUPPLIER LIST**

Yes (Names only, not addresses)

**RISK ASSESSMENT**

Yes

**ENGAGED WITH KNOWTHECHAIN<sup>1</sup>**

Yes

**ALLEGATIONS OF FORCED LABOUR**

Yes

**NO-FEE POLICY**

Yes (Employer Pays Principle)

**REMEDY FOR SUPPLY CHAIN WORKERS**

Yes

**HIGH-RISK SOURCING COUNTRIES**

China

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## SUMMARY

Microsoft Corp. (Microsoft) ranks 12<sup>th</sup> out of 60 companies. Since 2020, the company has improved on the theme of Commitment & Governance, strengthening the standards of its supplier code of conduct in relation to the right to freedom of association and collective bargaining. However, the company did not improve across other themes. The company performed particularly poorly on the themes of Purchasing Practices and Worker Voice. As such, the company's rank has dropped by 5 places since 2020.<sup>2</sup> Notably, the company is one of only 35% of companies disclosing remediation of recruitment-related fees to supply chain workers. KnowTheChain identified one allegation of forced labour in the company's supply chains.<sup>3</sup> The company has an opportunity to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment, and Worker Voice.

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## LEADING PRACTICES

None.

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## OPPORTUNITIES FOR IMPROVEMENT

**Purchasing Practices:** To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

**Recruitment:** The company discloses a policy prohibiting worker-paid fees in its supply chains, and remediation of fees to workers where they had been charged. The company is encouraged to disclose how it ensures the implementation of this through the prevention of fees in its supply chains: such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. To avoid the exploitation of migrant workers in its supply chains, the company may also consider providing details of how it supports responsible recruitment in its supply chains (for example, by sharing due diligence findings on recruitment fees with peers or by creating demand for responsible recruitment agencies). The company is further encouraged to disclose information on the recruitment agencies used by its suppliers.

**Worker Voice:** To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

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<sup>1</sup> For further details on high-risk raw materials and sourcing countries, see KnowTheChain's [2022 ICT benchmark findings report](#). Research conducted through June 2022 or through September 2022, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

<sup>2</sup> KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. See [here](#) for more information.

<sup>3</sup> For more information on the allegations, and the disclosures the company made about its response to those allegations, see the full dataset [here](#).