

## KnowTheChain 2022 ICT Benchmark

### Additional Disclosure

Company Name: Microsoft

Date: September 7, 2022

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

#### INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

Current Score: 100/100

No additional comments.

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

Current Score: 50/100

#### Additional Comments:

Supplier Code of Conduct (pg. 6): "Suppliers must have a voluntary labour compliance plan in place that (1) relies on the ILO's "Indicators of Forced Labour" to identify instances of forced labour in the supply chain; (2) provides provisions for training Supplier personnel and raising their awareness of issues related to forced labour, and (3) 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 labour, forced labour, and other forms of slavery and provide training and programs to promote awareness, risk identification, employee reporting, corrective action, and potential penalties for violations."

## INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

Current Score: 75/100

No additional comments.

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

Current Score: 100/100

No additional comments.

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

Current Score: 50/100

### Additional Comments:

Corporate Governance Site: "As a reflection of the importance we place on advancing environmental and social progress, we assign oversight responsibility for environmental sustainability and corporate social responsibility to the Environmental, Social, and Public Policy Committee of the Board, who works with management to review our policies, programs, and performance." The ESPP Committee is overseen by the Chair and is composed of the Chair and four additional board members.

<https://www.microsoft.com/en-us/Investor/corporate-governance/board-of-directors.aspx>

ESPP Committee Charter:

(Pg. 1): "The Committee holds meetings at least three times a year. Additional meetings may occur as a majority of the Committee, or its chair deems advisable."

(Pg. 2): "The principal responsibilities and functions of the Environmental, Social, and Public Policy Committee are: Review and provide guidance to the Board and management about key environmental and social matters such as: (a) Climate change, and environmental sustainability; (b) competition and antitrust; (c) privacy; (d) trade; (e) digital safety; (f) responsible artificial intelligence; (g) accessibility; (h) human rights; and (i) responsible sourcing."

<https://view.officeapps.live.com/op/view.aspx?src=https://c.s-microsoft.com/en-us/CMSFiles/Environmental,%20Social,%20and%20Public%20Policy%20Committee%20Charter.docx?version=d8690c7d-21db-bfd4-2fd5-9bb417de99e1>

## INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

Current Score: 50/100

No additional comments

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

Current Score: 100/100

No additional comments

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

Current Score: 100/100

No additional comments

#### INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

Current Score: 0/100

##### **Additional Comments:**

Responsible Sourcing (Pg. 19)

"Our principles are shaped and guided by the recommendations, frameworks, and standards of leading international organizations and experts. As a baseline, our approach is aligned with best-practice guidance, including the United Nations' Guiding Principles on Human Rights (UNGPs), the International Labour Organization (ILO) core labour standards, and the five steps of the Organisation for Economic Cooperation and Development guidelines for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (OECD Guidance). The five steps are: (1) establishing strong management systems, policies and systems of control; (2) Identifying and assessing risks in the supply chain; (3) developing and implementing strategies to respond to identified risks; (4) carrying out independent third-party audits of supply chain due diligence; and (5) transparently reporting on due diligence policies and practices."

Responsible Sourcing (Pg. 26)

"In FY21, we conducted a risk assessment of 100 percent of our active factories, assessing the conditions of a supply chain that employs 1,007,697 workers including 11,915 international migrant workers. This includes all the new suppliers, and the risk assessment includes 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. We closed out 1,447 major and serious non-conformances across our suppliers. During the audits, 4,830 workers were interviewed to understand their working conditions and crosscheck information from other sources such as

factory documents and records, on-site observations, and public reporting. We published audit non-conformance (NC) results, which included: working hours; occupational safety; supplier responsibility related to Labour and Ethics (LE) and Environment, Health and Safety (EHS) practices; emergency preparedness; wages and benefits; industrial hygiene; freely chosen employment; hazardous substances; child labour avoidance."

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN#page=12>

4.2 details on forced labour risks identified in different tiers of its supply chains; and

Current Score: 0/100

**Additional Comments:**

Responsible Sourcing Report (Pg. 59)

"We completed 540 social and environmental accountability audits and assessments in FY21 and interviewed 4,830 workers to understand their working conditions. Working hours, wages and benefits, and ethics and freely chosen employment were among the top non-conformances found during audits. 48 non-conformance findings related to freely chosen employment were found at 35 factories. All these findings were managed by following Microsoft's non-conformance management process. Suppliers were required to conduct root cause analysis for each finding and develop corrective and preventive action plans to mitigate the risks. A final verification was conducted in each case to verify the resolution status: some took place on-site, while some were verified online due to pandemic restrictions. As of the end of FY21, 100 percent of findings have been remedied."

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN#page=12>

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

Current Score: 0/100

**Additional Comments:**

Responsible Sourcing Report (Pg 15 - 17)

"Microsoft's rightsholders and stakeholders are the people, groups, organizations, and institutions that are interested in, impacted by, or have an influence on our business. By working together with our rightsholders and stakeholders, we can unlock the full potential of technology to achieve our mission. "

Specific details on how we engage with customers, civil societies/NGOs, suppliers, investors, etc. are available on pages 16 and 17 of Responsible Sourcing Report.

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN#page=12>

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers' and

Current Score: 0/100

**Additional Comments:**

Responsible Sourcing Report (Pg. 26)

In FY21, we conducted a risk assessment of 100 percent of our active factories, assessing the conditions of a supply chain that employs **1,007,697 workers including 11,915 international migrant workers**. This includes all the new suppliers, and the risk assessment includes both environmental and social criteria

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

5.3 the percentage or number of supply chain workers that are being paid a living wage.

**INDICATOR 6: PURCHASING PRACTICES**

6.1 commits to responsible buying practices in its contracts with suppliers;

Current Score: 0/100

**Additional Comments:**

Responsible Sourcing Report (Pg. 19)

Microsoft also requires that suppliers producing Microsoft Devices and Devices packaging meet the Microsoft 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 are contained in H02050 – Microsoft's SEA Manual – and are included as standard terms in our contracts with directly contracted Devices and Devices packaging suppliers. We also require our suppliers to include the SEA requirements in contracts with their sub-tier suppliers, scaling and reinforcing these SEA requirements across Microsoft's indirect supply chain. Third-party auditors audit our suppliers against these SEA requirements and those that are found to be nonconformant risk business termination with Microsoft.

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

Social and Environmental Accountability Manual (Pg. 4, 10-12)

"At the core of Microsoft's supply chain responsibility efforts is its Responsible Sourcing Program established in 2005, which ensures that Microsoft hardware and packaging suppliers conform to Microsoft's Supplier Code of Conduct and additional requirements for social and environmental accountability (SEA), including worker living conditions, safe working practices, responsible sourcing of raw materials, and environmental and health and safety protection. These requirements are incorporated into Microsoft contracts with directly contracted hardware and packaging suppliers.

Microsoft also requires its hardware and packaging suppliers to address the issues covered in this specification with its sub-tier suppliers - those with which Microsoft does not directly engage via contract. We apply riskbased approaches for the responsible management of our suppliers. We also work collaboratively with our suppliers on proactive initiatives to positively impact their workers, the communities in which they operate, and their own businesses."

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RE54DQE>

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

Current Score: 0/100

**Additional Comments:**

Responsible Sourcing Report (pg. 13 - 14)

"We're evolving our approach to responsible sourcing based on our values of integrity, accountability, and respect. It reflects our mission to empower every person and every organization on the planet to achieve more"

Responsible Sourcing Report (Pg. 25 - 28)

"Our supply chain is complex and involves a vast number of suppliers who operate at different tiers in the chain. To manage this complexity, we implement a robust, risk-based approach that reinforces integrity at every step. Our aim is to be a partner for continuous improvement by collaborating with suppliers to build capacity and facilitate change beyond ensuring compliance"

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

Current Score: 0/100

**Additional Comments:**

Several responsible sourcing data points related to operating with integrity, managing with accountability, and sourcing with respect are available on pg. 8 of the Responsible Sourcing report. Further details and additional data points are embedded throughout the report.

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

**INDICATOR 7: RECRUITMENT-RELATED FEES**

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

Current Score: 75/100

**Additional Comments:**

Microsoft Devices Responsible Sourcing Report, Pg 57

"We have zero tolerance of forced or bonded labour in our operations and supply chains. Since FY15, we have required our suppliers to implement a zero fees policy for worker recruitment, even if those fees are legally allowed in the supplier's operating country or the employee's country of origin. If we discover a case of non-conformance, we require the supplier to remedy the issue and repay any fees paid by a worker to obtain a job. In FY20, we started to track the fees repaid to workers in our supply chain. As of the end of FY21, around \$1.5 million in recruitment fees and insufficient payments shortfalls were repaid to over 36,000 supplier workers as a result of our intervention."

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

Additional audit findings can be found in Modern Slavery Human Trafficking Report, Pg. 19

<https://aka.ms/modernslaveryandhumantrafficking>

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

Current Score: 0/100

**Additional Comments:**

Microsoft Devices Responsible Sourcing Report, Pg 58

"Suppliers' compliance is verified by assessment and audit with multiple methods including factory tour, management interview, worker interview, and document review. If any non-conformance is identified, suppliers are required to conduct root cause analysis and provide corrective and preventive actions. This is followed up by corrective action audits to verify the closure of issues including recruitment fees, or insufficient fees repaid to workers. Failure to close these issues in the corrective action audits will result in factory restriction, which means no new Microsoft business will be awarded. Eradication of forced labour risk in the supply chain relies on the commitment and collaboration of suppliers at all tiers in the supply chain. Since FY19, we have enhanced our requirements on sub-tier supplier management to cascade our policy on social and environmental accountability, including freely chosen employment, to sub-tier suppliers. Suppliers are required to establish a robust supplier management system to identify and mitigate risks, including policy communication, sub-tier risk assessment and audit, non-conformance management, and closure and auditor competency. All on-site suppliers, including labour agencies, are audited annually and any non-conformance closure must follow the requirements defined by Microsoft, including repaying recruitment fees."

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

Supplier Social and Environmental Accountability Manual (Pg. 9)

"Suppliers shall not require workers to pay employer's or agent's recruitment fees or other employment related fees, such as for skill tests, additional certifications or medical exams/screening. If any such fees are found to have been paid by workers, suppliers shall repay

such fees to workers. Suppliers shall not require foreign migrant workers to pay any fees, including but not limited to: Pre-departure fees and costs; Documentations/permits and associated costs; Transportation and lodging costs; Arrival, orientation or on-boarding costs; Deposits or bonds, including those required or not required by law."

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

Current Score: 75/100

**Additional Comments:**

Microsoft Devices Responsible Sourcing Report, Pg 57

"We have zero tolerance of forced or bonded labour in our operations and supply chains. Since FY15, we have required our suppliers to implement a zero fees policy for worker recruitment, even if those fees are legally allowed in the supplier's operating country or the employee's country of origin. If we discover a case of non-conformance, we require the supplier to remedy the issue and repay any fees paid by a worker to obtain a job. In FY20, we started to track the fees repaid to workers in our supply chain. As of the end of FY21, around \$1.5 million in recruitment fees and insufficient payments shortfalls were repaid to over 36,000 supplier workers as a result of our intervention."

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

**INDICATOR 8: RESPONSIBLE RECRUITMENT**

8.1 discloses information on the recruitment agencies used by its suppliers; and

Current Score: 0/100

No additional comments – not disclosed.

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

Current Score: 0/100

**Additional Comments:**

Responsible Sourcing Report (Pg. 59)

"In FY21, we leveraged Responsible Labour Initiatives (RLI) to enhance the capability of responsible recruitment of suppliers located in high-risk countries. Practical training with toolkits were provided for these suppliers to guide suppliers to identify, assess, prevent or mitigate, track and report on risks associated with forced labour during the recruitment of migrant workers in the supply chain. Around 80 participants from 40 selected suppliers joined the training. In post-training feedback, the training delivery was rated 4.6 out of 5 by participants, of whom many reported that they would

apply the toolkit in their recruitment process. In the next fiscal year, we will conduct specified audit on responsible recruitment management system to promote the good practices."

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN#page=12>

#### INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

Current Score: 0/100

No additional comments – not disclosed.

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

Current Score: 0/100

No additional comments – not disclosed.

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

Current Score: 0/100

No additional comments – not disclosed.

#### INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

Current Score: 50/100

##### **Additional Comments:**

Supplier Social and Environmental Accountability (SEA) Manual (pg. 7)

"Microsoft requires its suppliers to utilize management systems designed to ensure compliance with applicable laws and regulations and customer requirements related to this specification. An adequate and effective worker grievance/complaint process must be established for workers, including workers of sub-tier suppliers defined in Section 2.4.1 below, to confidentially communicate labour, ethics, occupational health and safety, and environmental grievances or complaints without fear of reprisal or intimidation. Workers, including workers of sub-tier suppliers, must be given an effective communication channel for sharing workplace concerns, grievances, and feedback without possible retaliation. The channel shall provide anonymity to allow for the free and candid communication of concerns. Workers may use a third-party Workers' Voice Hotline provided by Microsoft free from interference, if offered in their region, as an additional channel for raising concerns or grievances or providing feedback without fear of reprisal or intimidation."

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RE54DQE>

Responsible Sourcing Report (pg. 34)

Given the traceability complications in our multi-tiered supply chain, increasing transparency is a key focus of our work. Our efforts include collecting information through our anonymous Business Conduct Hotline, which is available to both Microsoft employees and external stakeholders.

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

Current Score: 50/100

**Additional Comments:**

Responsible Sourcing Report (pg. 60)

The Workers' Voice Hotline program was made available to 333,113 workers in FY21, up 10.9 percent compared to the previous year. This was achieved by providing hotline information to 212 factories during third-party SEA audits, accounting for 99.5 percent of audited factories in China and including final assembly and strategic component manufacturing suppliers. In FY21, the Hotline received 232 cases, up from 160 cases in FY20. All of the reported cases have since been investigated and resolved. In FY21, operation of the Hotline was transferred to the SEA Academy, where hotline cases can be logged via an online Workers' Voice portal that provided another channel for our supply chain workers to raise their concerns. The real time visibility of hotline cases provided to users – including workers, factory partners, and our internal stakeholders – increases transparency and efficiency for resolving workplace concerns. It also supports the ability to give factories meaningful feedback. Notably, around 50 percent of hotline-reported complaint cases in FY21 were not detected by regular SEA audits. This shows the added value of combining SEA audit and Hotline programs to monitor and manage risks in our supply chain. Top 10 reported cases: Wages & Benefits (38.79%); Working hours (11.64%); Humane Treatment (10.34%); Freely Chosen employment (8.19%); Sanitation food, housing, transportation (7.76%); Others (4.74%); Industrial Hygiene (2.59%); Worker feedback and participation (2.59%); Disclosure of information (2.16%)."

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

Current Score: 50/100

**Additional Comments:**

Responsible Sourcing Report (Pg. 60)

The Microsoft Workers' Voice Hotline provides an external channel for workers in our supply chain to report concerns anonymously and without fear of retaliation. We use anonymous feedback from workers supplied through the Hotline to improve the design of our Responsible Sourcing program. Any reported non-conformances must be remedied by the supplier.

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

## INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

Current Score: 50/100

### Additional Comments

Responsible Sourcing Report (Pg. 26)

Third-party audits are fundamental to managing supplier performance: they enable us to scale our understanding throughout the supply chain, identify risks at our supplier sites, and monitor improvements with objectivity and specialist expertise. These qualifications ensure auditors have adequate expertise in assessing factory performance and detecting risks such as forced labour and risks to workers' health and safety. We have a strict quality assurance process in place for our third-party audit firms to ensure reliable and accountable results. To ensure audit quality, only Microsoft-approved auditors can conduct SEA audits to Microsoft standards. We require industry-wide accredited auditor qualifications, including RBA Labour & Ethics auditor qualification and/or SA8000 auditor qualification for labour auditors; and RBA EHS auditor qualification, ISO 45001 auditor qualification and/or certified safety or environmental engineer for EHS auditors.

<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWQ9hN>

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

Current Score: 50/100

### Additional Comments

We cover Tier 2. On page 26 of the FY21 report we describe our audit process (findings of monitoring reports) including forced labour. On page 7 we disclose that we work with Tier 1 and Tier 2 "we contract with direct (which includes Tier 1 Assembly and Tier 2) suppliers to manufacture products and components". However, nowhere do we state explicitly that we **audit** Tier 1 and Tier 2 in our report (although we do, since they're in scope. We do state on page 26 that our direct suppliers are within scope of audit, and we had already defined direct as (Tier 1 and Tier 2) on page 7. "Regular assessments and audits of directly contracted hardware manufacturers and repair and refurbishment partners are a key method we use to verify compliance with our standards and drive continuous improvement." Perhaps with those two excerpts we can prove that we cascade to Tier 2.

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

Current Score: 50/100

No additional comments.

## INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

Current Score: 0/100

**Additional Comments:**

Modern Slavery Human Trafficking Statement (Pg. 17)

"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. 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 labour Findings would be categorized as a major, serious or critical Finding.

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

Current Score: 75/100

No additional comments.

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Current Score (B.1.1 – B.1.3): 0/0

**Additional Comments (B.1.1 – B.1.3):**

Microsoft is committed to responsible and ethical sourcing. Our due diligence programs rely on operational controls and management systems, and actual Microsoft supply chain evidence, which provides a robust basis for assessing whether certain suppliers are in our hardware supply chains. We have investigated the allegations and concerns about Uyghur individuals and other ethnic minorities in and from XUAR and found no evidence of forced labor associated with the factories named in the ASPI report in our Devices and Cloud hardware supply chains.

All forms of forced labor are specifically banned by our [Supplier Code of Conduct](#). Our [FY21 Modern Slavery and Human Trafficking Statement](#) includes our policies and steps to address and remediate any forced labor risks in our supply chains. We take this responsibility very seriously and take steps to enforce our policies and code of conduct in support of human rights, labor, health and safety, environmental protection, and business ethics across our Devices and Cloud Hardware supply chains.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

## NON-SCORED RESEARCH

### Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

<https://aka.ms/modernslaveryandhumantrafficking>

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

<https://aka.ms/modernslaveryandhumantrafficking>

### High Risk Sourcing

*Please indicate whether your company sources from China or Malaysia. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.*