Microsoft Corporation
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Human Rights
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Microsoft is pleased to be a founding participant in the Global Network Initiative. Throughout the world, companies in the Information & Communications Technology (ICT) sector face growing government pressure to comply with domestic laws and policies in ways that may conflict with the internationally recognized human rights of privacy and freedom of expression. In response, a diverse coalition of organizations has launched the Global Network Initiative, which seeks to establish guidelines for resisting government efforts seeking to enlist companies in acts of censorship and surveillance. Microsoft is collaborating with other companies, investors, civil society organizations and academics to establish and implement Principles on Freedom of Expression and Privacy. These principles are based on internationally recognized laws and standards of human rights.

A [press release](#) explaining more about the Global Network Initiative and its objects is available on the Global Network Initiative's Web site.

Microsoft's core mission is to help enable many more of the world's citizens and societies to realize their full potential. A key aspect of this mission is to help enable the capabilities today's global networks and technology provide, such as access to reliable information, opportunities for self-expression, engagement with public issues, and the ability to connect across borders. In general, Internet communication companies play a valuable role in realizing individual rights to freedom of expression and privacy.

Examples of how Microsoft helps enable the realization of human rights include:

- Microsoft is an industry [supporter](#) of the UN [Millennium Development Goals](#) and the Business Call to Action.

- Microsoft [Unlimited Potential](#) aligns Microsoft technologies, partnerships, business, and corporate citizenship efforts to bring the benefits of information and communications technology to the 5 billion people who currently do not have access to it. Microsoft is partnering with governments, industry partners, nongovernmental organizations, educators, and academics to enable new avenues of social and economic empowerment for the underserved populations of the world.

- Microsoft is also committed to bridging development gaps and helping to realize basic rights by improving education and helping to provide young people with the skills they need to become productive members of society. Since its launch in 2003, [Partners in Learning](#) has touched the lives of more than 80 million students, teachers, and education policymakers in 101 countries.

- Windows Live services such as Hotmail, Spaces blogging software, and Search provide access to information and communications capabilities worldwide.

- The growth of "cloud computing" has helped in other ways to provide access to information, harness the power of the Internet, and improve the efforts and services of partners, governments, and NGOs.

    o Thomson Reuters AlertNet - a set of tools and services designed to make life easier for reporters, fact-checkers and editors when covering humanitarian emergencies. A core feature of the website is the use of an interactive map, built using Virtual Earth, to locate current crises and to retrieve the latest Reuters news feeds and other information from the chosen area. The map was developed by Microsoft Gold Partner IDV Solutions, using the Microsoft .NET framework and Microsoft server products, using also an open-source solution for content integration. http://dev.live.com/blogs/mashups/

    o HealthVault is a personal health technology platform designed to put people in control of their health information. A free HealthVault account can be used to collect, store and share health information that otherwise would remain trapped in disconnected silos. At their discretion, individuals can use HealthVault to share health information with a wide range of Web applications, EMR systems, and health and fitness devices, and with physicians, family members or others they choose, while managing privacy and security of that data. By lowering costs of providing healthcare, IT systems such as HealthVault can help free up resources and foster greater access to basic healthcare worldwide.

- Helping to relieve the plight of the world's refugees has been a crucial part of Microsoft's commitment to advancing social and economic opportunity for the past decade. This support takes many forms—from financial contributions, software donations and technology consulting to employee volunteer involvement, partnership development initiatives and public awareness campaigns.

    o The company's efforts include a multi-faceted partnership with the office of the U.N. High Commissioner for Refugees (UNHCR) that extends to countries around the globe. Microsoft employee volunteers have worked with the UNHCR team in remote locations of Uganda, Sierra Leone, Kenya, Rwanda, Guinea, Sudan, and Tanzania.

    o Microsoft also agreed to establish community technology centers in Kenya and Russia. These centers provide refugees with the opportunity to learn technology skills that can help them succeed as they establish their homes in new countries/regions.

- We recognize that realizing human rights also involves Microsoft adopting and enforcing policies to ensure that rights are respected within our own company, and to encourage respect for rights in the countries where we do business. Examples of such policies are:

    o Fair employment practices are part of our commitment to responsible business practices and human rights. Microsoft policy prohibits discrimination in hiring, compensation, access to training, promotion, termination or retirement, when such discrimination is based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation.

    o Our Vendor Code of Conduct refers vendors to our own commitments in this regard, as well as to our commitments regarding legal compliance, privacy and security, corruption and bribery.

- o We have internal policies designed to promote respect for free expression and privacy when we respond to government demands to remove content or to provide personal information of our users. Our blog policy, adopted in 2006, provides we will remove blog content only where we receive a binding order or where it violates our terms of use. Where we do receive a binding government order, users will receive notice that content was removed and we will seek to maintain access to that blog content outside the jurisdiction of the order. Microsoft will be developing and enhancing our policies as part of our commitment to the Global Network Initiative.

For additional information about Microsoft's policies relating to human rights issues, please see our "Responsible Employer" section of the online version of our Citizenship Report at: Corporate Citizenship pages, and also materials on Trustworthy Computing .

Labor Standards
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle Four: the elimination of all forms of forced and compulsory labor;
Principle Five: the effective abolition of child labor; and
Principle Six: the elimination of discrimination in respect of employment and occupation.

We understand that the Compact's interpretation of freedom of association does not expand or contract rights under U.S. labor laws. We reserve the right to determine our position on recognition of collective activity and/or a union of workers and the advisability of bargaining or negotiating collective proposals, agreements, policies or work rules consistent with such laws and our best judgment of the labor policies that are optimally suited to our workforce and business needs.

We believe in working proactively with the strongest, most responsible, and most productive suppliers available to deliver value to our customers, and we expect our suppliers to share our corporate values and operating philosophy. This means adhering to the same honesty, integrity, and commitment to service and quality that we demand from our employees; behaving responsibly toward the environment; ensuring workforce and supplier diversity in their own supply chains; and providing fair and safe working conditions for their employees.

Before we hire suppliers, we conduct audits to check for restricted substances, quality, social and environmental accountability, and supply chain security. We continue to audit our leading suppliers annually, conduct semiannual review meetings to discuss their performance, and have escalation procedures we can implement if compliance issues are not resolved.

Our commitment to building a strong, diverse supplier base to reflect the diversity of our customers and employees continues. This creates opportunities for people to succeed—in our products, in our workplace, and among our suppliers.

To ensure our suppliers understand the depth of our commitment to citizenship and social responsibility, we ask them to carefully review our Microsoft Vendor Code of Conduct, and we routinely monitor code compliance among our top suppliers and hardware manufacturers. The Vendor Code of Conduct is now part of the Microsoft Vendor Program Agreement, the contract our leading vendors must sign to initiate or renew a business relationship with Microsoft.

We train our suppliers concerning best practices as well as our expectations and requirements, and we continuously work collaboratively with them to achieve solutions that are practicable and innovative. We use teams of external and internal auditors to assess supply chain conditions on-site and measure performance against expectations. This generates opportunities for risk reduction, further training regarding corrective actions and improvement, and validation of our long-term commitment to responsible business practices.

Microsoft promotes a cooperative and productive work environment by supporting the cultural and ethnic diversity of its workforce and is committed to providing equal employment opportunity to all qualified employees and applicants. We do not unlawfully discriminate on the basis of race, color, sex, sexual orientation, religion, national origin, marital status, age, disability, or veteran status in any personnel practice, including recruitment, hiring, training, promotion, and discipline. We take allegations of harassment and unlawful discrimination seriously and address such concerns that are raised regarding this policy.

Microsoft has established a number of initiatives to promote and integrate diversity at every level within our organization, and to demonstrate this commitment locally, nationally, and globally. For example:
Diversity Education Programs - These programs reinforce our commitment to diversity and ensure that our employees have the tools and resources they need to grow professionally. The emphasis is on understanding and valuing differences, and leveraging them in order to compete effectively in an ever-changing marketplace.
People with Disabilities - Microsoft wholeheartedly supports the spirit of the Americans with Disabilities Act. In addition, we provide grants to innovative endeavors that address the technology needs of the disability community and support programs that use technology to increase employment.
Microsoft Outreach - Our company is committed to encouraging the next generation of technology leaders. For the 2002-2003 academic year, we are excited to be offering scholarships totaling $540,000 to students in computer science and related disciplines, primarily to groups underrepresented in technology fields.
Women at Microsoft - Microsoft is committed to attracting talented women to the company, providing generous work/life balance programs and leadership- and career-development opportunities. We have developed relationships with key women and minority professional organizations across the country. We participate in conferences and career fairs, facilitate workshops, and support annual events.

For additional information about Microsoft's policies relating to labor issues, please see our "Responsible Employer" section of the online version of our Citizenship Report at: Corporate Citizenship

Environment
Principle Seven: Business should support a precautionary approach to environmental challenges;
Principle Eight: undertake initiatives to promote greater environmental responsibility; and
Principle Nine: encourage the development and diffusion of environmentally friendly technologies.

Microsoft is committed to phasing out the use of substances in its consumer hardware electronic products that pose a risk or threatened risk to human health or the environment. We try to restrict the use of such substances, and that is why our starting point is the precautionary principle. The precautionary principle was defined in the UN Rio declaration as, "Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation." We believe acting preventatively to reach a

sustainable use of natural resources and a sound environment creates better products. Information on our adoption of the precautionary principle is posted here, and the latest information on this is applied to restrict potentially hazardous substances in our products is posted here.

Environmental sustainability is a serious, global issue that requires a comprehensive response from all sectors of society. To address this challenge, Microsoft is focusing on responsible environmental practices, software and technology innovations and global partnerships. Microsoft's goal is to reduce the environmental impact of its operations and products and to be a leader in environmental responsibility.

Microsoft is committed to reducing the impact of our own operations, including energy efficient design of new buildings and innovation in the design and operation of Microsoft datacenters. Microsoft voluntarily measures its carbon footprint, provides annual reports on greenhouse gas emissions to the Carbon Disclosure Project (CDP) and was included in the CDP's 2007 Climate Disclosure Leadership Index. Microsoft also works with customers and suppliers to reduce the environmental impacts of our products throughout the value chain. For instance, Through the Microsoft Authorized Refurbisher programs, Microsoft provides low-cost licenses for Microsoft software to help equipment refurbishers extend the useful life of over 500,000 computers per year.

We also take a leadership role in industry efforts to promote sustainability. For instance, Microsoft is a board member of the Climate Savers Computing Initiative. Though this group, Microsoft, along with the World Wildlife Fund, Intel, HP and other software and IT companies, is committed to reducing the IT industry's carbon footprint by over 50 million tons a year, the equivalent of taking 11 million cars off the road.

Microsoft believes in the potential of software and technology innovation to help governments, businesses and individuals reduce carbon emissions and address pressing environmental issues**:**

To promote energy efficient computing, Microsoft is helping to reduce the impact of computing on the environment through power management at the software and enterprise level. Windows Vista and Microsoft Windows Server 2008 are designed to provide more energy-saving features than any previous Microsoft operating system. Microsoft Windows Server 2008 power management and virtualization settings provide significant opportunity to optimize existing hardware, maintain or increase output, and effectively manage energy usage. Microsoft's System Center software allows customers to manage the energy use of their data centers, servers and desktops from one central location.

Microsoft also seeks to provide innovative solutions to environmental challenges. Microsoft Unified Communications (UC) solutions streamline communications and collaboration, reducing the need for business travel and commuting. Our ClearFlow feature in Live Maps enables drivers in over 70 cities to find routes based on the least traffic, reducing travel time and pollution. Microsoft Virtual Earth allows customers to visualize data to gain insight into global trends and patterns. Both the U.S. Environmental Protection Agency and the European Environmental Agency rely on Microsoft Virtual Earth to share environmental information with citizens, scientists, and policymakers.

Microsoft Research, the company's unique basic and applied research group, is committed to delivering breakthrough innovations in research in the areas of energy efficiency and conservation, weather study and prediction, air pollution and quality, climate change, and hydrology. Microsoft Research efforts range from sensor networks to assist scientists in understanding global ecological issues by tracking

animals, to Web-enabled sensors that could be used in businesses and homes to monitor energy consumption. Microsoft Research also has several projects aimed at providing technology expertise and tools to scientists in an effort to improve how data is accessed and used. Such projects include studying how the build-up of greenhouse gases in the atmosphere leads to changes in Earth's climate, and understanding the impact of increased population and industry on rivers and balancing this with the need to conserve wildlife and protect ecosystems.

Microsoft is also partnering with other leading organizations on new tools to promote environmental sustainability. For instance, Microsoft and the Clinton Foundation are creating tools to enable cities around the globe measure, track and improve their greenhouse gas emissions. With these tools, cities can collaborate and share best practices on the most effective ways to reduce greenhouse gas emissions.

In addition to the information shared for each of the three principles below, more in-depth examples and updated information is available at www.microsoft.com/environment.

Anti-Corruption
Principle Ten: Businesses should work against all forms of corruption, including extortion and bribery.

Corruption promotes poverty, hunger, disease, and crime, and it keeps societies and individuals from reaching their full potential. Corruption is one of the leading obstacles to economic and social development. Microsoft is committed to observing the *Principles* set forth in the UN Global Compact, and to full compliance with the anti-corruption and anti-money laundering laws of the countries in which it operates, including the United States Foreign Corruption Practices Act.

Microsoft has adopted and implemented policies which strictly prohibit corruption of government officials as well as acts which may promote commercial bribery. These enhanced policies include a number of procedures and business processes that are designed to assist the company to prevent corrupt payments.

Microsoft is also committed to taking reasonable steps to ensure that its business partners that represent Microsoft share this commitment to our Standards of Business Conduct and compliance with the anti-corruption laws.

For additional information about Microsoft's policies relating to our Standards of Business Conduct, please see our Microsoft's Responsible Leadership Web Site