Microsoft 2017
Corporate Social Responsibility Report

Microsoft

Contents

Our approach

Letter from our CEO

"Everywhere we operate, we focus on contributing to local communities in positive ways—helping to spark growth, competitiveness and economic opportunity for all."

Dear shareholders, customers, partners, and employees:

Thank you for your support and investment in Microsoft. We're proud of our progress this year, and we are eager to make even more progress in the year ahead.

We continue to be guided by our mission to **empower every person and every organization on the planet to achieve more**. The breadth and depth of our mission unlocks unprecedented opportunity as technology transforms every industry and has the power to make a difference in the lives of everyone. We strive to create local opportunity, growth and impact in every community and country around the world. Our platforms and tools enable creativity in all of us, and help drive small-business productivity, large business competitiveness and public-sector efficiency. They also support new startups, improve educational and health outcomes, and empower human ingenuity. Our sense of purpose lies in our customers' success.

Now let me share more about what we delivered in fiscal 2017 for our shareholders, our customers and partners, and for the communities in which we operate throughout the world.

PROGRESS AND OUR RESULTS

We delivered $90.0 billion in revenue and $22.3 billion in operating income this past fiscal year. Adjusting for Windows 10 revenue deferrals and restructuring expenses, revenue was $96.7 billion with $29.3 billion in operating income.

We continued to invest in innovation and expand our market opportunities, while maintaining our commitment to shareholder return, which included total cash return of $22.3 billion this year.

Our commercial cloud annualized revenue run rate ended the year exceeding $18.9 billion, up more than 56 percent year-over-year. Our cloud growth puts us squarely on track to reach the goal we set a little over two years ago of $20 billion in commercial cloud annualized revenue run rate in fiscal 2018.

The strength of our results across our reporting segments reflects our accelerating innovation as well as increased customer usage and engagement across our businesses.

- More than 100 million people use Office 365 commercial.
- More than 27 million consumers use Office 365 Home & Personal across devices.
- More than 53 million members are active on Xbox Live.
- More than 500 million LinkedIn members use the LinkedIn network.
- Windows 10 is active on more than 500 million devices around the world.
- Dynamics 365 customers grew more than 40 percent year-over-year.
- Azure compute usage more than doubled year-over-year.

We prioritized our investments to capture our expanding market opportunities. We are investing for the future with product innovation complemented by new acquisitions and partnerships. We have completed our acquisition of LinkedIn to connect the world's largest professional network with the world's leading professional cloud. We are investing to create broader economic benefit and opportunity with our datacenter expansion, bringing Azure to 42 regions globally — more than any other cloud provider — and with the most comprehensive compliance coverage in the industry.

We broadened our offerings to reach new audiences, such as bringing Office 365 to firstline workers from retail and hospitality to manufacturing. We took collaboration to a new level with Microsoft Teams, which brings people, conversations and content together in a digital hub. We are in the forefront of innovating in mixed reality and how this new medium can radically change gaming, firstline and knowledge work through immersive experiences. We are innovating in gaming with new services such as Mixer and Xbox Game Pass. We introduced hundreds of new Azure services, including new cognitive services APIs for vision, speech, text, translation, emotion and more. We have galvanized the company's efforts around AI both to power each of our product categories with breakthrough capabilities and make the same capabilities available to our customers through Azure. We inspired new ways for students and teachers to create and learn with Windows 10 S. And we continued to create new device categories with Windows 10 and Surface, including the new Surface Studio and Laptop.

And we're continually transforming to better serve customers, evolving our sales and marketing approach to galvanize around five core customer solution areas.

Across every industry in every corner of the world, our customers are using Microsoft technologies to radically transform everything from agriculture to manufacturing, and we are only at the beginning. Here are some examples.

BOEING
Boeing is using Microsoft HoloLens for 3-D visualization to transform employee training, and it is using Cortana Intelligence, Azure and Azure IoT to harness a wealth of aircraft data. This "digital twin" aircraft increases crew and maintenance efficiency, improves customer experience, and creates a new business model and services that Boeing can offer its airline customers.

Watch video ›

THYSSENKRUPP
Thyssenkrupp Elevator is using HoloLens to transform the way it measures, visualizes and installs its products, streamlining the initial surveying process of a stair lift installation. Using spatial mapping, 3-D visualization and the natural inputs offered by mixed reality, the company has digitized its sales and manufacturing processes to reduce delivery times as much as 4x, transforming its customer experience and growing its business opportunity.

Watch video >

TETRA PAK
Tetra Pak, the world's largest food packaging company and inventor of the 20th century's most important innovation in that industry, aseptic packaging technology, employs Azure to enable its cloud-connected machines to predict exactly when equipment needs maintenance. Service engineers use HoloLens to access experts who remotely guide them through a repair, reducing time and cost. With the cloud and mixed reality, Tetra Pak is delivering new and existing value in a much more efficient way — in the most remote locations, on the most mobile devices.

Watch video >

LAND O' LAKES
Land O' Lakes is working to feed the world sustainably by embracing the Microsoft Cloud, predictive data analytics and mobile technologies in tandem with family farmers. Using Azure, Office 365 and Surface, farmers in different parts of the world can access agronomic research, weather information and satellite data to make the right planting decisions and react to real-time changes in the field, every day.

Watch video >

SCHNEIDER ELECTRIC
Responsible and sustainable management of fresh water is one of the world's biggest challenges. With 70 percent of fresh water reserves being used for agricultural purposes, every drop counts. Schneider Electric has built a smart farming platform using Azure IoT to enable farmers to more efficiently manage water use. Advanced analytics, live local data from sensors on the farm and access to pricing information from the local water utility allow farmers to maximize crop and livestock yields and lower energy consumption by pumping water at optimal times.

Watch video >

CASE WESTERN RESERVE UNIVERSITY AND CLEVELAND CLINIC
Case Western Reserve University and Cleveland Clinic are using mixed reality to transform medical education. Using HoloLens, they built an entirely new and immersive way to teach and learn human anatomy. Doctors who have looked at data sets like this for years say they have never fully understood the 3-D structure until seeing it as a hologram with HoloLens, giving them the ability to see a brain tumor in mixed reality and predict the impact of the tumor with 3-D modeling, or seeing the aortic valve in true relation to the critical structures around it.

Watch video >

LOOKING FORWARD: OUR EXPANSIVE OPPORTUNITY

A new technology paradigm
As you can begin to see in the examples above, a new technology paradigm is emerging, one with an intelligent cloud and an intelligent edge. Microsoft will lead this new era. There are three characteristics that define this shift. The first is that the experience layer is becoming multidevice and multisense, where a person's experience with technology will span a multitude of devices and become increasingly more natural and multisensory with voice, ink, gestures and gaze interactions. Second, artificial intelligence (AI) will be pervasive across devices, apps and infrastructure to drive insights and act on your behalf. Third, computing will be more distributed than ever before with compute power at the edge, whether it's the connected car, the connected factory floor or any connected device. As developers write new applications for this paradigm, they need new mechanisms to manage the complexity of distributed, event-driven computing.

With this new paradigm comes new opportunity. Every customer is looking for both innovative technology to drive new growth and a strategic partner that can help them build their own digital capability. Customers are looking to change how they use digital technology and to reimagine how they empower their employees, engage customers, optimize their operations, and change the very core of their products and services. They are building their own digital systems of intelligence to drive growth. Microsoft is uniquely positioned to capitalize on this opportunity with the combination of our technology, partner ecosystem and culture of growth mindset.

As we look ahead to fiscal 2018 and beyond, we will focus on bringing our technology and products together into experiences and solutions that deliver new value for our customers. Going forward, we will focus our innovation and investments in areas where we see the greatest opportunity for growth.

The modern workplace
The workplace itself is transforming — from changing employee expectations, a widening skills gap, more diverse and globally distributed teams, to an increasingly complex threat environment. The productivity experiences and tools we deliver will unlock the creator in all of us and enable seamless teamwork not just in the workplace, but also at school and at home across all the devices people use — from the phone to the laptop to mixed-reality headsets to the whiteboard. Microsoft 365 — which brings together Windows 10, Office 365 and Enterprise Mobility & Security — will be a key driver of value for our business customers of all sizes and for our business growth. The Microsoft Graph, which provides the underlying data model of the user's experience, and the LinkedIn network, will make it possible for every professional in any business or functional role to be much more productive in getting things done.

Business applications
Every process inside a business is being digitized. This rapid shift means customers are looking to move away from monolithic suites that perpetuate disconnected data siloes and expensive custom extensibility frameworks. Our approach with Dynamics 365 and LinkedIn is to build modular business applications that are part of a connected data graph, enabling AI and extensibility that span a customer's business process needs. We will enable organizations of all sizes to digitize business-critical functions across relationship sales, talent and people processes, operations, customer service, field service, and more.

Applications and infrastructure
Cloud computing is foundational to enabling digital transformation for any organi-
zation. Beyond being a trusted, global, hyper-scale cloud, what makes Azure unique
is our hybrid consistency, developer productivity and SaaS application integration.
Our hybrid infrastructure consistency spans identity, data, compute, management
and security, helping to support the real-world needs and evolving regulatory re-
quirements of commercial customers and enterprise-focused SaaS ISVs. Azure Stack
is an extension of Azure that enables developers to build and deploy applications
the same way whether they run on the intelligent cloud or the intelligent edge. With
Visual Studio and Azure Services, we provide the toolchain and application platform
for modern DevOps that helps organizations with their agility and productivity —
and enable them to use the best of the Windows ecosystem and the best of the
Linux ecosystem together. Azure enables SaaS ISV developers to reach 100 million
plus enterprise users through the integration of Azure Active Directory and Office
365, and by embedding Power BI, Power Apps and Flow as part of their applica-
tions, enables customers to have consistent identity, developer extensibility and
security across their application portfolio spanning their own custom applications
and SaaS applications.

Data and AI
The core currency of any business going forward will be the ability to reason over
its data using AI to drive competitive advantage. Microsoft Research continues to
make significant advances in AI technologies, infusing them into product experienc-
es like Bing, Cortana, LinkedIn Newsfeed, Skype Translator, Editor and PowerPoint
Designer in Office, Relationship Health in Dynamics, HoloLens, and many more. We
are uniquely positioned to take this AI capability and democratize it, so that every
developer can be an AI developer, and every company can become an AI company.
It all starts with having support for the comprehensive data estate spanning Azure
Database, Cosmos DB, Data Warehouse and Data Lake, combined with SQL Server.
Azure is the cloud with the richest set of ML tools, bot framework and cognitive
services, enabling developers to add AI capabilities into their applications. With
state-of-the-art GPU and FPGA support, our Azure infrastructure is best in class for
AI workloads. I am excited about our road map here and what's to come.

Gaming
The $100 billion plus gaming industry is experiencing massive growth and transfor-
mation, and we have an expansive opportunity as we think about gaming end-to-
end — from the way games are created and distributed to how they are played and
viewed. We will build on our strong foundation of connected gaming assets across
PC, console, mobile and work to grow and engage the 53 million strong Xbox Live
member network more deeply and frequently — from great game experiences to
streaming to social to mixed reality. We will be the company for gamers to play the
games they want, with the people they want, on the devices they want. I'm excited
about our opportunity to accelerate our growth opportunity, innovate boldly and
earn new fans.

While these solution areas capture our near-term opportunity, we're also investing
in cutting-edge research to lead well into the future. Artificial intelligence, mixed
reality and quantum computing will come together and shape the future of our
industry and others for generations to come. We're deeply committed to leading in
these areas and bringing them together in ways that enable humanity to solve our
most pressing issues, from climate change to curing cancer to creating economic
opportunity for all. We will do so by adhering to the highest ethical principles and
standing for our timeless values.

OUR RESPONSIBILITY IN THE WORLD

Our mission to empower every person and every organization on the planet extends to our corporate social responsibility efforts. We strive to use our technology, grants, employees and voice to improve people's lives by enabling access to the benefits and opportunities that technology offers. This past year we increased our investments across a range of strategic initiatives.

- Microsoft Philanthropies donated more than $1.2 billion in software and services in fiscal 2017, helping nonprofits around the world get the technology and skills they need for today's digital economy.

- Since 2016 we have donated more than $1 billion in cloud services to more than 90,000 nonprofits and university researchers — achieving our $1 billion milestone a year early — and announced a new plan to more than triple the number of nonprofits we'll reach to 300,000 over the next three years.

- Our employees raised a record-breaking $142 million through our employee giving program in 2016. I am proud and humbled by their commitment to not only make a difference with our customers and partners, but in their local communities and the broader world.

- We're ensuring that our products and services are accessible to meet the needs of all our customers, including the more than 1 billion people around the world with disabilities. Examples include our new Eye Control feature in Windows 10 for people with ALS, and Seeing AI, a free app on iOS for blind and low vision users that narrates the world around you.

- We're partnering with telecommunications companies through our Rural Airband Initiative to bring broadband connectivity to 2 million people in rural America by 2022, helping to close the rural broadband gap for the more than 20 million Americans living in rural communities who lack access to the economic, educational and health opportunities the internet provides.

- We're advancing our sustainability efforts, completing our largest wind energy purchase to date and aiming to address some of the world's toughest environment challenges through our new AI for Earth initiative.

- Finally, as part of our broader responsibility to engage thoughtfully in the public dialogue on the important challenges facing our world, we published "A Cloud for Global Good" to help companies and governments ensure technology is trusted, responsible and inclusive.

When I reflect on the past year, I'm proud of our progress — both in our own continued transformation and in how we are empowering customers to digitally transform.

As a multinational corporation, we have both a substantial opportunity and a high responsibility to ensure that technology's benefits reach people more broadly across our global society and economy. Everywhere we operate, we focus on contributing to local communities in positive ways — helping to spark growth, competitiveness and economic opportunity for all.

To serve the needs of our customers well into the future, we must continually transform while remaining steadfast to our timeless values. Microsoft has both the capability and the culture to help customers digitally transform today, while creating new technologies that are among the most innovative and impactful humankind has ever experienced with mixed reality, artificial intelligence and quantum computing.

We will continue to invest in the highest growth opportunities, innovate boldly, and empower people and organizations by creating the platforms and tools that enable others to grow and thrive, now and well into the future.

Satya Nadella
Chief Executive Officer
October 16, 2017

Governance of CSR

Empowering every person and every organization on the planet to achieve more means going beyond providing the products and services that allow our customers to do great things. It means being thoughtful about the impact of our own business practices, policies, and investments in communities.

We see the big picture

Microsoft's Technology and Corporate Responsibility (TCR) team, in collaboration with leaders across Microsoft's business and operations, drives companywide approaches to key corporate social responsibility issues. The head of TCR reports directly to Microsoft's President and Chief Legal Officer, Brad Smith, who sits on Microsoft's Senior Leadership Team and reports directly to our CEO, Satya Nadella. We work together to earn the trust and confidence of the public, our customers, partners, employees, and shareholders.

The charter for the Regulatory and Public Policy Committee of our Board of Directors includes the responsibility to "review and provide guidance to the board and management about the company's policies and programs that relate to corporate social responsibility, including human rights, environmental sustainability, responsible sourcing, and philanthropy."

Microsoft's work in corporate social responsibility fosters sustained business success over the long term. Our corporate governance framework, policies, and practices are described in detail in our financial filings and on the corporate governance section of our Investor Relations website.

Details about Microsoft's Ethics and Compliance policies and programs include our Standards of Business Conduct, which applies to Microsoft employees, executive officers, our Board of Directors, and Microsoft subsidiaries and controlled affiliates (where Microsoft directly or indirectly owns more than 50 percent of the voting control). Channels are provided to ensure that concerns can be raised and subsequently addressed. All Microsoft employees must complete an annual Standards of Business Conduct training course, available in 16 languages. In FY17, as in previous years, course completion was more than 99 percent. In addition, mandatory trainings address the compliance risks of specific roles and business functions, while a variety of additional guidance options ensure awareness of our policies and our expectations for ethical behavior.

Working together with stakeholders

We know that the decisions we make affect our employees, customers, partners, shareholders, suppliers, and communities. That's why 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. And we go beyond formal channels, proactively engaging with key stakeholders, advocacy groups, widely recognized experts, 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.

The Microsoft Stakeholder Engagement in the Governance of Corporate Social Responsibility report shows the types of stakeholders we engage, how we engage with them, and examples of the results achieved.

↓ Download the report

Aligning our values to those of the world

Microsoft works to align our CSR commitments and CSR reporting to global standards. We base our CSR reporting on the Global Reporting Initiatives' Sustainability Reporting Guidelines; in 2006, we endorsed the United Nations Global Compact; and we file an annual Communication on Progress implementing the UNGC's 10 principles. In addition, we were among the first companies to align our human rights work with the UN Guiding Principles on Business and Human Rights and to adopt the UN Guiding Principles Reporting Framework. We're actively engaged in supporting the UN Sustainable Development Goals and publicly report ways in which Microsoft contributes to the global effort to achieve the SDGs.

Driving positive impact to both business and society

We apply the Global Reporting Initiative's G4 Sustainability Reporting Guidelines to our CSR materiality assessment to define our most significant CSR issues. Using this approach, we've identified the top issues. Our CSR materiality assessment reflects input gathered from our stakeholder engagement processes, consultation with Business for Social Responsibility, and other external experts, and consideration of the impact that Microsoft's core businesses have.

Top issues:

- Applying technology for environmental and social good
- Accessibility
- Climate change and energy
- Data privacy and security
- Empowering communities
- Ethical business practices
- Human capital
- Human rights
- Responsible sourcing and lifecycle impacts

Public policy engagement

During the launch of A Cloud for Global Good, Microsoft's policy roadmap, Microsoft President and Chief Legal Officer, Brad Smith, articulated how we prioritize our CSR issues and how they connect to our business success:

"Technology is creating new jobs, but automation can challenge and even replace some traditional jobs. There are new challenges to privacy rights. There are new questions about income inequality. There are new opportunities but also challenges for people with disabilities."

"If we don't acknowledge explicitly, at the outset, that this new era creates both opportunity and challenge, the truth is we'll do less than we should to make the most of the promise that lies ahead. We need to ensure that we move technology forward without leaving people behind."

"This requires that we accept a sense of shared responsibility. Those of us who work in the tech sector and the private sector have an important role and responsibility, as do people across civil society, and as do governments around the world."

To fulfill that responsibility, we need to ensure that the cloud is trusted, responsible and inclusive. Microsoft's efforts include:

- Our human rights commitments, and our commitments to privacy and data security work to ensure that our cloud is trusted.
- Our commitments to environmental sustainability, responsible sourcing, and empowering our employees to ensure that our cloud is responsible.
- Our commitments to accessibility, global diversity and inclusion, and empowering communities to ensure that our cloud is inclusive.

Learn more about our participation in the public policy process by visiting our Public policy engagement site.

Transparent reporting

We want to help users make informed choices about how they use our products and services, and stakeholders evaluate how we're meeting our commitments to CSR.

About our report

Our CSR report is a living reporting medium designed to share information about how we're making the world a better place. The report offers comparable year-over-year data about our progress. But it also provides quick links to additional resources across Microsoft.com and around the web for the most comprehensive story. This year, a shared letter from Satya Nadella, addressing our business and social impacts, opens both our 2017 CSR and Financial Annual reports. Unless otherwise stated, the information in our 2017 CSR report covers all of Microsoft's global operations during our fiscal year 2017 (July 1, 2016 to June 30, 2017).

Although we've designed our reporting content first and foremost for digital display, it's also available via PDF format to provide access options for our stakeholders. Our online Reports Hub provides download options for the full report as well as individual report sections and additional related supplemental reports.

Standards

Our CSR report contains Standard Disclosures from the Global Reporting Initiative's (GRI's) G4 Sustainability Reporting Guidelines, which were used to prepare the content included in this report. Please see our GRI G4 Index for detailed data and additional information.

The human rights-related disclosures are based on the UN Guiding Principles on Business and Human Rights Reporting Framework (RAFI). In addition, this report serves as Microsoft's Annual Communication on Progress under the United Nations (UN) Global Compact. The following table describes the location of relevant report content for each of the UN Global Compact's 10 principles.

UN Global Compact Index

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Empowering our employees, Human rights, Responsible sourcing
Principle 2: Make sure they are not complicit in human rights abuses.	Empowering our employees, Human rights, Responsible sourcing

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Empowering our employees, Responsible sourcing
Principle 4: The elimination of all forms of forced and compulsory labor.	Empowering our employees, Responsible sourcing
Principle 5: The effective abolition of child labor.	Empowering our employees, Responsible sourcing
Principle 6: The elimination of discrimination in respect of employment and occupation.	Empowering our employees, Responsible sourcing

Environment

Principle 7:
Businesses should support a precautionary approach to environmental challenges.

Environmental sustainability

Principle 8:
Undertake initiatives to promote greater environmental responsibility.

Environmental sustainability, Responsible sourcing

Principle 9:
Encourage the development and diffusion of environmentally friendly technologies.

Environmental sustainability

Anti-corruption

Principle 10:
Businesses should work against corruption in all its forms, including extortion and bribery.

Responsible sourcing, Governance of CSR

Share your feedback

We hope that you, as our stakeholders, find this content valuable. We welcome your perspective about the issues and content provided today, as well as any issues you expect to see addressed in the future.

Please email your comments to csr@microsoft.com.

Principles

Human rights

We endeavor to respect and champion human rights in the way we do business, and seek to advance those rights by applying the power of technology.

Our commitment and approach

Microsoft aspires to leadership in business and human rights, and to serve as a catalyst for action by others—in the technology sector and beyond.

Class-leading due diligence
We aim to conduct best-in-class human rights impact assessments, salient Microsoft action, and emerging trends in business and human rights.

Rights-aware decision making
We're deploying an integrated approach to human rights decision making across key aspects of Microsoft.

Proactive engagement
We use actions and public statements to demonstrate that Microsoft is an important voice, and advocate for the promotion of human rights.

Transparent leadership
We're advancing transparency in our work and promoting human rights through increased disclosure and engagement.

FY17 Highlights

The UN Guiding Principles on Business and Human Rights, and the Global Network Initiative Principles on Freedom of Expression and Privacy, steer Microsoft's human rights work.

Implementing global human rights standards
We're ensuring that technology plays a positive role around the globe. We've issued a major update to our Global Human Rights Statement; provided training for our employees; and continue our ongoing human rights impact assessment into artificial intelligence.

Read the Global Human Rights Statement >

Empowering the UN's Human Rights Office
We're working with the UN's Human Rights Office to help them develop technology to predict, analyze, and respond to human rights situations; collaborating on joint projects; and making a multi-million-dollar grant.

Read about our partnership >

Promoting human rights and security
Facebook, Microsoft, Twitter, and YouTube formed the Global Internet Forum to Counter Terrorism, allowing us to continue making our hosted consumer services hostile to terrorists and violent extremists.

Read about the forum >

Collaborating with UC Berkeley

We're partnering with UC Berkeley in new annual conferences, student consulting projects, and other collaborative efforts to integrate key human rights issues directly into business education.

Read how we're working together >

Calling for a Digital Geneva Convention

We outlined a framework to protect and defend civilians against nation-sponsored cyberattacks, including a proposed binding agreement and independent attribution organization.

Discover the need for global norms >

FY17 Reporting resources

Salient Human Rights Issues Report

Using the United Nations Guiding Principles Reporting Framework, we disclose each of our salient human rights issues and FY17 activities through a detailed, downloadable report.

GNI Assessment 2015/2016

Read the Global Network Initiative's Public Report on the 2015/16 Independent Company Assessments.

Microsoft Reports Hub

Microsoft provides a number of disclosures to help stakeholders evaluate how we're meeting our commitments. We consolidate these reports in one place for easy reference or download.

2017 GRI Index

Our 2017 report content contains Standard Disclosures from the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

Get the bigger picture

Visit these key resources across microsoft.com to learn more about our Global Human Rights Statement, our salient human rights issues, and our bi-annual digital trust reports.

Microsoft Global Human Rights Statement

Committing Microsoft's employees, partners, and suppliers to respect and promote human rights, and to ensure that technology plays a positive role across the globe.

Read the Global Human Rights Statement >

Accessibility

We're creating and delivering technology that is accessible and functional for people of all abilities.

Learn more about accessibility >

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 >

Online safety
Protecting the safety and security of vulnerable groups online.

Find resources for online safety >

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.

Read about our commitment to privacy >

Digital trust reports
Giving you transparency in our bi-annual Law Enforcement Requests Report, U.S. National Security Orders Report, and Content Removal Requests Report.

Read our latest reports >

Privacy and data security

We recognize privacy as a fundamental human right. We work to preserve our customers' ability to control their data and make informed choices to protect their privacy.

Our commitment and approach

Microsoft's privacy practices and the way we build our products and services rest on six key privacy principles.

Control
We put users in control of their privacy with easy-to-use tools and clear choices.

Transparency
We're transparent about data collection and use so users can make informed decisions.

Security
We protect the data that users entrust to us through strong security and encryption.

Legal protections
We respect local privacy laws and fight for the protection of users' privacy as a fundamental human right.

No content-based targeting
We don't use email, chat, files, or other personal content to target ads.

User benefits
When we do collect data, we use it to benefit you and your experiences.

FY17 Highlights

We're standing up for users' rights, allowing them to view and control their activity; we're committing to compliance across the cloud; and we're hiring reknowned leaders in the field to guide our way.

Launching privacy dashboard
In January 2017, Microsoft launched a new [web-based privacy dashboard](#) that allows users to see and control their activity data across multiple Microsoft services. This allows users to view—and choose to clear—the data that Microsoft collects, such as browsing history, search history, and location activity, and to manage information in the Cortana Notebook, which provides personalized recommendations. We will add additional data types and functionality over time.

Privacy shield certification
In August 2016, Microsoft became the first listed global cloud service provider to meet the U.S. Department of Commerce Privacy Shield certification. The EU-US Privacy Shield Framework was designed by the U.S. Department of Commerce and European Commission to apply EU data protection requirements to govern data transmission between Europe and the United States.

Leading regulator takes privacy post

In April 2017, Microsoft announced that it had hired former Commissioner of the U.S. Federal Trade Commission, Julie Brill, to lead privacy, data protection, and other regulatory issues at Microsoft. Brill is a globally recognized leader on privacy, data protection, and cybersecurity law and policy.

Enabling compliance with new privacy protections

In May 2018, the European Union is imposing strong new privacy rules: The General Data Protection Regulation (GDPR). Microsoft believes GDPR is an important step forward for privacy rights and we're committed to GDPR compliance across our cloud services. We're among the first cloud service providers to include GDPR-related assurances in our contractual commitments with customers and are committed to helping other organizations comply as well.

Stranding up for users' rights

Microsoft has helped lead our industry in pushing for reform in government surveillance in the U.S. and around the world. We're challenging an effort by the U.S. government to use search warrants unilaterally to reach beyond U.S. borders. We're supporting efforts to modernize U.S. surveillance laws and sparked the idea of a Digital Geneva Convention—an international treaty to protect civilians from state-sponsored cyberattacks.

FY17 Reporting resources

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.

U.S. 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 U.S. Government pursuant to national security laws, as well as our responses to them.

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2017 GRI Index

Our 2017 report content contains Standard Disclosures from the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

Get the bigger picture

Visit these key resources across microsoft.com to learn more about Microsoft's work in privacy and data security.

Microsoft Privacy Site
This site provides information on Microsoft's Privacy Principles, common categories of data we collect, and links to product and service-specific privacy information and controls.

Visit Microsoft's Privacy Site >

Microsoft Privacy Statement
This privacy statement explains what personal data we collect from users and how we use it.

Read Microsoft's Privacy Statement >

Microsoft Trust Center
The Microsoft Trust Center provides information targeted at enterprise and business customers on how Microsoft protects their data across our cloud services, including how Microsoft helps organizations comply with GDPR.

Visit Microsoft's 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.

See the Microsoft Cloud Policy Roadmap >

Microsoft Secure
From individuals to enterprise businesses, we're committed to helping you get secure—and stay secure—in a world of persistent cyberthreats.

Visit our Microsoft Secure site >

Microsoft Secure Blog
The Microsoft Secure blog is the place to go for in-depth articles on Microsoft products and services, as well as tips and recommendations for improving security in your organization.

Visit the blog >

Responsible sourcing

We work to ensure that our suppliers uphold high standards for responsible business practices and how they treat the people who work for them.

Our commitment and approach

We set high standards for our suppliers and collaborate with them to positively impact their workers, the communities in which they operate, and their own business.

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

We expect all suppliers who do business with Microsoft to uphold the human rights, labor, health and safety, environmental, and business ethics practices prescribed in our Supplier Code of Conduct. This code aligns with, and in certain cases exceeds, the Electronic Industry Citizenship Coalition's (EICC's) responsible supply chain standards. The Supplier Code of Conduct is included in all our contracts with suppliers and Microsoft Social and Environmental Accountability requirements are also incorporated into our contracts with hardware and packaging suppliers.

Since 2005, Microsoft's Devices and Supply Chain group has operated an industry-leading Social and Environmental Accountability (SEA) program to ensure that our hardware and packaging suppliers conform to our Supplier Code of Conduct and additional device-related requirements for living conditions, safe working practices, and environmental, health, and safety protection.

Microsoft's Global Procurement Group created a formal responsible sourcing function in 2013 to consolidate and enhance its responsible sourcing activities with our indirect suppliers.

We advance our responsible sourcing commitments through:

- Analysis of risks and opportunities
- Assurance and accountability
- Capacity building
- Creating shared value and advancing the Sustainable Development Goals set by the UN to improve people's quality of life, protect the environment, and foster equitable growth.

For details about our approach please visit www.microsoft.com/en-us/responsible-sourcing.

FY17 Highlights

Microsoft continues to define leadership in business and human rights, and to act as a catalyst for others who are taking action in the technology sector and beyond.

Social and Environmental Accountability (SEA)
We enabled full transparency and accountability of SEA metrics in 100% of our suppliers and factories, and enabled fuller insights using Microsoft PowerBI for improving working conditions and business ethics.

Read details of our program >

Magnesium dust collection system for improved safety
With our suppliers, we co-created an innovative and cost effective wet system for magnesium dust collection. It is now accepted as a compliance method to meet China Central Safety Bureau Standard AQ4272-2016 for prevention of dust explosions.

Worker hotline
Our Worker Hotline program continues to provide a voice for workers to privately and safely express issues and concerns and achieve issue resolution in all our Tier 1 and select Tier 2 suppliers.

"Children out of Mining" program
We continue to grow our partnership with Pact to address child labor in the Democratic Republic of the Congo. The program has received international recognition and has reduced child labor by 77 to 97 percent over the course of the project to date.

Learn about Pact >

Mapped key raw materials to their origins
We completed our mapping of the origination of key raw materials that are used in our complex and global upstream supply chain, to identify and prioritize areas of risk.

Supplier diversity
In FY17, Microsoft spent more than $2.6 billion with minority-, disabled-, veteran-, and woman-owned businesses, ranking among the top 20 companies globally for spending with diverse suppliers. We also expanded our supplier diversity program to businesses owned by those with disabilities and added new accessibility requirements to our Supplier Code of Conduct.

FY17 Reporting resources

Microsoft's Slavery and Human Trafficking Statement
Learn about our actions to prevent modern slavery and human trafficking in our business and supply chain.

Microsoft Devices: Social and Environmental Accountability Report
See key results of our Social and Environmental Accountability (SEA) audits and assessments.

Microsoft Conflict Minerals Report
Read the latest detailed results of our annual conflict minerals due diligence process and findings.

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

Microsoft Reports Hub
Microsoft provides a number of disclosures to help stakeholders evaluate how we are meeting our commitments. We collect and provide all of these reports in one place for easy reference or download.

2017 GRI Index
Our 2017 report content contains Standard Disclosures from the Global Reporting Initiative's G4 Sustainability Reporting Guidelines. See our online GRI G4 Index for detailed data and additional information.

Get the bigger picture

Visit these resources related to responsible sourcing across microsoft.com.

Responsible sourcing
This site provides more detailed information on Microsoft's policies and programs related to our commitment to responsible sourcing.

Learn about our responsible sourcing >

Microsoft Supplier Code of Conduct
This site provides downloads of Microsoft's Supplier Code of Conduct in multiple languages and links to related resources including our Supplier Code of Conduct training program.

Read the Supplier Code of Conduct >

Responsible Sourcing of Raw Materials Policy
Learn more about Microsoft's raw materials sourcing strategy and programs.

Read the policy >

Supplier diversity
This site provides an overview of Microsoft's Supplier Diversity Program and links to resources, including a way for diverse suppliers to register their interest in working with Microsoft.

Learn about supplier diversity >

Microsoft sustainable devices
Learn about Microsoft's commitments to the environmental sustainability of our devices.

Learn about sustainable devices >

People

Empowering our employees

Our leadership is focused on bringing out the best in people, supporting their goals, and allowing them to find deep meaning in their work.

Our commitment and approach

At Microsoft, we strive to create a respectful, rewarding, diverse, and inclusive work environment that enables our employees to create products and services that help others to achieve more.

Our culture
Perhaps the most important driver of our success is culture. We fundamentally believe that we need a culture founded in a growth mindset. It starts with the belief that everyone can grow and develop; potential is nurtured, not predetermined; and anyone can change their mindset.

Learn more about our mission and culture >

Respecting human rights
Through Microsoft's Global Human Rights Statement, and as a signatory to the UN Global Compact, we're committed 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 of Fundamental Principles and Rights at Work* >

*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.

Compensation and benefits
Our Performance and Development program applies to Microsoft employees globally at every level of the organization to the extent permitted by local law. Stock-based compensation is a key component of our rewards programs at Microsoft, as it provides an ownership stake in the company's success. Over 85 percent of Microsoft employees are eligible for an annual stock award. In addition, 90 percent of Microsoft's employees are eligible for a cash bonus. Bonuses focus on an individual's business impact over the past year.

Learn more about our benefits >

Diversity and inclusion

For more than two decades, our Global Diversity and Inclusion Office has evolved and enhanced the company's diversity and inclusion initiatives so that we can continue to meet the changing needs of our workforce and business. We are deeply committed to creating an inclusive environment where all employees can do their best work. Our commitment is based on strengthening our diversity and inclusion acumen; deepening leader and manager understanding of our diversity strategy and its value proposition; and increasing senior leader accountability for their diversity plans.

Learn more about global diversity and inclusion at Microsoft >

Training and development

To support our growth mindset culture and meet the learning needs of our employees around the world, we offer a diverse range of learning and development opportunities. We believe training is not limited to formal instruction, and our training philosophy focuses on providing the right learning, at the right time, in the right way. Opportunities include:

- Training in the classroom, online, and through videos, mobile apps, podcasts, and other formats in multiple languages.
- On-the-job "stretch" opportunities for advancement.
- Frequent promotion opportunities.
- Coaching on career development through ongoing connections with managers.
- Customized training for managers to enhance skills in coaching and mentoring.
- Robust new employee orientation on a range of topics including exploration of our company values, culture and Standards of Business Conduct.

Wellness and safety

Microsoft is committed to supporting our employees' well-being with comprehensive benefits to help employees maximize their physical, financial, and social wellness. In addition, Microsoft's Health and Safety program integrates appropriate practices into our operations, and works for continual improvement in employee health and safety. As part of this commitment:

- Professionals assess the safety risks of Microsoft work activities and engage with workers and management to implement safe work practices, hazard controls, and training to minimize safety risks.
- New workspaces and existing workspaces are periodically assessed to ensure they're constructed with sound design-for-safety principles and so that controls are implemented effectively.
- Microsoft involves employees and managers in Health and Safety Committees specific to our datacenters, retail operations, and our manufacturing facilities.

Learn more about our culture of wellness and balance >

FY17 Highlights

We spent 2017 deepening our commitment to diversity and inclusion, offering our employees valuable training, and finding better ways to support both them and those they care about.

Employee feedback counts
In FY17, 86% of employees participated in an annual anonymous poll conducted by a third-party vendor. We received record high scores: 92% feel proud to work at Microsoft; 88% would recommend it as a great place to work.

Ethical business decision making
All Microsoft employees must complete annual training on our Standards of Business Conduct. The training course is available in 16 languages. In FY17, as in previous years, we achieved a completion rate for the course of greater than 99 percent.

Read the standards >

Committed to diversity and inclusion
Building on our commitment to create a more diverse Microsoft, we announced our dedication of resources against a range of priorities and initiatives focused on retention, culture, and pipeline expansion pivots.

Hear from Gwen Houston >

Family caregiver leave
Microsoft is now offering its employees family caregiver leave, a new global benefit that will allow workers to take up to four weeks of fully paid leave to care for an immediate family member with a serious health condition.

Read the announcement >

FY17 Reporting resources

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

Microsoft Reports Hub
Microsoft provides a number of disclosures to help stakeholders evaluate how we're meeting our commitments. We collect and provide all of these reports in one place for easy reference or download.

2017 GRI Index
Our 2017 report content contains Standard Disclosures from the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

Get the bigger picture

We offer many key resources across microsoft.com to help visitors gain a more comprehensive understanding of our commitment to empower our employees.

Microsoft careers
Microsoft is 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 >

Diversity plus inclusion equals success
In over 20 years of committed diversity and inclusion efforts, we've learned that diversity is not a finite goal; it is a journey that requires constant self-assessment and recommitment.

Explore global diversity and inclusion >

Microsoft Jobs Blog
Read stories by and about employees, and get tips from recruiters about what it's like to apply, interview, and work at Microsoft.

Explore the JobsBlog >

Inclusive hiring at Microsoft
In order to build the best products for everyone, we need to have a diverse and inclusive workforce across all abilities. And we work toward that goal every day.

Learn about inclusive hiring >

Global Human Rights Statement
Through Microsoft's Global Human Rights Statement and as a signatory to the UN Global Compact, we're committed to respecting human rights covenants and declarations.

Read the statement >

Microsoft stories
Take a look at what Microsoft employees are doing around the world, from "solving" cancer to tracking down cybercriminals.

Read our stories >

Accessibility

Microsoft believes there are no limits to what people can achieve. Especially when technology reflects the diversity of its users and is accessible to all.

Our commitment and approach

Microsoft is committed to designing products and services that can be used by people of all abilities.

With over one billion people with disabilities in the world, we're passionate about ensuring that our products and services are designed for people of all abilities. Microsoft's Accessibility Standards are a company-wide policy that drives consideration for accessibility into every stage of production, including design, development, evaluation, and release.

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.

FY17 Highlights

We're creating applications to be used by people of all abilities, and inclusive hiring programs to have a diverse workforce, building products that work for everyone.

Expanding accessibility features
We are committed to delivering technologies that empower people of all abilities to do more and have released significant accessibility enhancements in our latest products.

Read about accessibility features >

Driving innovation
We continue to push the limits of what's possible to empower people with disabilities through new innovations such as Seeing AI, Windows Eye Control, and Project Emma.

Expanding inclusive hiring programs
To build the best products for everyone, we need to have a diverse and inclusive workforce. Our inclusive hiring programs work to make that happen.

Read about hiring programs >

FY17 Reporting resources

Providing conformance statements
Microsoft provides conformance statements for global standards including section 508 requirements, EN 301 549 standard, and Web Content Accessibility Guidelines. We have also embraced the Trusted Tester program, developed by DHS's Office of Accessible Systems & Technology. Read more at www.dhs.gov/trusted-tester.

Microsoft Reports Hub
Microsoft provides a number of disclosures to help stakeholders evaluate how we're meeting our commitments. We consolidate these reports in one place for easy reference or download.

2017 GRI Index
Our 2017 report content contains Standard Disclosures from the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

Get the bigger picture

Visit these key resources to learn more about our commitment to design products and services for people of all abilities.

Microsoft accessibility
Find information on Microsoft's accessibility programs, product features, guides, and additional resources.

Visit Microsoft's Accessibility site >

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

Discover developer resources >

Inclusive hiring
Learn about Microsoft's inclusive hiring programs and get listings for accessibility-related job openings.

Learn about inclusive hiring >

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

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.

Visit the forum >

Empowering communities

We work to drive greater economic opportunity, inclusion, and empowerment of people around the globe.

Our commitment and approach

We leverage a broad set of resources in our quest to empower communities and individuals.

Microsoft Philanthropies
We believe technology is a powerful force for good in a rapidly changing world, and through Microsoft Philanthropies, we're working to ensure that everyone has access to the economic opportunities it provides. Every day we donate nearly two million dollars in products and services to nonprofits and we've pledged to donate one billion dollars in cloud services to nonprofits and academic researchers over three years. Through our YouthSpark grants, we're working with nonprofits in 58 countries to increase access to computer science education.

Beyond philanthropy, the company advances community empowerment with commercial offerings and other programs. As a few examples:

CityNext
Through CityNext, Microsoft and its partners empower cities and citizens to unlock their potential by delivering innovative digital services that can help them lead safer and healthier lives, enriched by high-quality education. CityNext helps cities engage their citizens, empower city employees, optimize city operations and infrastructure, and transform and accelerate innovation and opportunity.

The Microsoft Affordable Access Initiative
The Microsoft Affordable Access Initiative seeks to empower the billions of people worldwide who do not have affordable access to the Internet. We believe we can spark global change by fueling innovation at the local level. Through partnerships, grants, investments, education, and advocacy, this project helps to create technology solutions, business models, and policies that help close the digital divide, with projects in 17 countries over the last five years.

Microsoft's 4Afrika Initiative
Microsoft's 4Afrika Initiative provides a set of programs to empower African youth, entrepreneurs, developers and business and civic leaders by with skill development, access to technology, and support for local innovation.

FY17 Highlights

We're investing in the Cloud, making digital literacy accessible to young people, supporting refugees, and looking at ways to close the rural broadband gap in the U.S. once and for all.

Technology for social impact
In January 2016, we announced that Microsoft would donate more than $1 billion in cloud technology to non-profits and university researchers. We've achieved that goal a year early, donating cloud services to more than 90,000 non-profits, and we aren't stopping there. In September, we announced a plan to more than triple the number of non-profits we'll reach to 300,000 over the next three years.

Learn more about nonprofit offers from Microsoft >

Digital skills and computer science education
To ensure all young people are equipped to participate in an increasingly digital world, Microsoft invests in making digital skills—from digital literacy through computer science education—available to youth around the world, especially those youth least likely to have access. More than 80 percent of the students benefitting from YouthSpark grants and partnerships are from underserved communities, and more than half are female.

Read about Microsoft YouthSpark >

Humanitarian and refugee response
In FY17, Microsoft Philanthropies provided more than $30 million in technology and cash donations to emergency response organizations and organizations serving refugees and displaced people including Mercy Corps, CARE, the International Rescue Committee, and NetHope. We also provide digital skills resources for nonprofits working with refugees.

Find out more >

Affordable broadband access
In addition to a new rural broadband strategy to close the rural broadband gap in the U.S. within five years, Microsoft also announced a Rural Airband Initiative. We're investing in partnerships with telecommunications companies to bring broadband connectivity to two million people in rural America, increase digital skills training in rural communities, and catalyze investments by sharing technologies we've developed.

Read about the initiative >

Donations and volunteerism
In FY17, Microsoft Philanthropies donated more than $1.2 billion in software and services to non-profits worldwide as part of our focus on helping people get the skills and knowledge they need in today's digital economy. In addition, our employees continue to demonstrate their generosity, having raised a record-breaking $142 million through our Employee Giving Program in 2016.

Read more about our commitment to make a difference >

FY17 Reporting resources

Data Factsheet: Donations and Volunteerism
Download a report of Microsoft's donation and volunteerism investments over the past three fiscal years.

Microsoft Reports Hub
Microsoft provides many disclosures to help stakeholders evaluate how we are meeting our commitments. We collect and provide these reports in one place for easy reference or download.

2017 GRI Index
Our 2017 report content contains Standard Disclosures from the Global Reporting Initiative's G4 Sustainability Reporting Guidelines. See our online GRI G4 Index for detailed data and additional information.

Get the bigger picture

Visit these key resources across microsoft.com to learn more about our efforts to empower communities.

Microsoft Philanthropies
The Microsoft Philanthropies site provides information on the range of programs and strategies they pursue.

Visit Microsoft Philanthropies >

TEALS
Information about the TEALS organization and opportunities to volunteer to teach computer science in U.S. high schools.

Learn about TEALS >

Microsoft Affordable Access Initiative
Information about Microsoft programs and technologies designed to empower the billions of people worldwide who do not have affordable access to the Internet.

Learn about the initiative >

Planet

Environmental sustainability

Microsoft is committed to leveraging technology to solve some of the world's most urgent environmental issues, and focusing on key areas where we believe we can have the most positive impact.

Our commitment and approach

Empowering every person and organization on the planet to thrive in a resource-constrained world.

Focus areas

We focus our environmental sustainability work in the five areas where we believe we can have the greatest positive impact—carbon, energy, water, ecosystems (including food, agriculture, and biodiversity), and circular economy (including waste reduction). Across these areas, we work to reduce our impact within our own operations, collaborate with our partners to take advantage of digital transformations that reduce their footprint, and support innovation, R&D, and policies that help create a more sustainable future.

Carbon

We achieved carbon neutrality annually by improving operational efficiency, buying clean energy, and investing in carbon offset community projects. We fund both our carbon neutrality commitment and environmental innovation initiatives with our internal sustainability fee—charging our business groups for their emissions from electricity and air travel. We use our digital technology to decouple our economic growth from carbon emissions in our supply chain operations. And we disclose our carbon emissions and approach to climate change annually through CDP.

Learn more about our carbon program >

Energy

We've committed to using 50 percent wind, solar, and hydropower electricity in our datacenters and campus by the end of 2018, to meet 60 percent early in the next decade, and to continue growing that percentage moving forward. We support the global clean energy transition by investing in technology research for smarter, greener grids, working to make clean energy more accessible and affordable, and backing clean energy policy. We increase the energy efficiency of our new devices and leverage the energy saving capabilities of Windows 10 to provide a better user experience while reducing consumer energy use. And we make our efforts accessible by reporting our energy consumption—including renewable energy procurement—annually through CDP.

Learn more about our commitment to clean energy >

Water

At Microsoft, we believe in the sustainable management of the water resources we use across our operations. To support this, we're focused on increasing our understanding of water-related risks and impacts to our business and to the communities we serve, setting meaningful goals, improving our water efficiency, and advancing innovative solutions to water challenges. Partnerships with companies like Ecolab, and technology innovations like the free, publicly-available Water Risk Monetizer tool, are not just helping Microsoft address its water-related risks—they're also enabling other organizations to understand the true value, risks, and impacts of water in their operations. We make our efforts transparent by disclosing our annual water use, our water-related risks and governance of water through CDP. Further, we collaborate with our top spend production suppliers to achieve 95% reporting of water usage also through CDP.

Learn more about the Water Risk Monetizer tool >

Ecosystems

Operationally, we're investing in the long-term viability of ecosystems in the communities in which we operate. Through AI for Earth, we're bringing together AI and cloud technologies, environmental science, and programmatic resources to empower people and organizations to solve global environmental challenges across water, agriculture, biodiversity, and climate change.

Learn more about AI for Earth >

Circular economy and waste reduction

Our Puget Sound campus is zero-waste certified, and we're working to reduce overall waste, and to divert at least 90 percent of our operational waste from landfills. We design our products, buildings, and operations around resource reduction and reuse, enabling a more resource-efficient and productive economy. Microsoft is a member of over 150 recycling programs worldwide, covering electronics, batteries, and packaging.

Learn more about our sustainable products >

FY17 Highlights

We're focusing on water conservation, committing to renewable energy plans, and helping to optimize energy use and costs all over the world.

Support a greener grid

To support a greener grid, we've signed a large renewable energy deal to power our Wyoming datacenter entirely by wind. We've also made our datacenter's back-up generators available to the local grid to boost reliability and capacity.

Learn about our wind energy purchase >

Innovating on carbon

We've been carbon neutral since 2012, and we're still innovating in this space. In 2017, we bought the first-ever carbon credits generated by US rice farmers—opening a new door in carbon markets for agriculture.

Learn why we bought carbon offsets >

Putting a spotlight on water
Water is a growing focus for us, both internally and externally. With Ecolab, we launched the Water Risk Monetizer to help quantify the financial risks of operating in water-scarce areas of the world.

Learn about the Water Risk Monetizer >

Optimizing energy use in real time
With the Smart Energy Azure Demonstration platform, consumers can optimize energy use, carbon emissions and costs. The tool lets households tailor energy use in real time based on when more clean energy is available on the grid.

Discover the Smart Energy Azure Demonstration platform >

Sustainability in product packaging
In FY17 we reduced the weight of product packaging materials by 27 percent and decreased packaging related greenhouse gas emissions by 15 percent.

Discover program management for sustainable packaging >

Enhancing devices for energy efficiency
The Surface Pro—with a faster CPU and display with accelerated inking—uses less energy than Surface Pro 4 and has a longer battery life: up to 13.5 hours.*

Learn how we're saving energy >

*Up to 13.5 hours of video playback. Testing conducted by Microsoft in April 2017 using preproduction Intel Core i5, 256GB, 8GB RAM device. Testing consisted of full battery discharge during video playback. All settings were default except: Wi-Fi was associated with a network and Auto-Brightness disabled. Battery life varies significantly with settings, usage and other factors of the Surface Pro line and extend its battery life.

FY17 Reporting resources

Data Factsheet: Environmental Sustainability
Find information on key environmental indicators including greenhouse gas emissions, energy consumption, water consumption and discharge, and waste.

2017 CDP Climate Change Response
Read our response to the annual CDP climate change questionnaire, covering the FY16 reporting period.

2017 CDP Water Response
Read our response to the annual CDP water questionnaire, covering the FY16 reporting period.

Microsoft Reports Hub
Microsoft provides a number of disclosures to help stakeholders evaluate how we're meeting our commitments. We consolidate these reports in one place for easy reference or download.

2017 GRI Index
Our 2017 report content contains Standard Disclosures from the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

Sustainable Devices and Packaging Report
Read about how we embed sustainability requirements directly into the business practices of our Devices organization and partners.

Get the bigger picture

Visit these key resources across microsoft.com to learn more about our efforts in environmental sustainability.

Microsoft Environment
Visit this Microsoft website dedicated to highlighting our environmental sustainability work.

Visit Microsoft Environment >

Microsoft Green Blog
Get news, updates, and opinions from the Microsoft Environmental Sustainability team about recent environmental events and activities.

Visit the Microsoft Green Blog >

CDP Climate Change Response
Read Microsoft's commitment to respond to climate change, and the role of technology and governments in the transition to a low-carbon economy.

Read the CDP Climate Change Response >

Microsoft CityNext
Innovative digital services and smart city innovations that can help citizens lead safer and healthier lives.

Discover Microsoft's CityNext >

Environmental Compliance Specifications
Online hub for environmental compliance specifications for Microsoft hardware, including restricted substances, packaging, and supplier conformance.

Read our Environmental Compliance Specifications >

Responsible Sourcing Summary
Details on our strategy for the sourcing of raw materials for use in Microsoft hardware products through our Social and Environmental Accountability (SEA) program.

Read the Responsible Sourcing Summary >

Resources

Microsoft Reports Hub

Microsoft is committed to transparency to help our users make informed choices about how they use our products and services, and to help our stakeholders evaluate how we're meeting our commitments to corporate social responsibility. Our Reports Hub provides easy-to-access reports that detail the scope of our efforts.

2017 CSR report content and supplemental resources
We make it easy for our stakeholders to access, download, and share those reports that are relevant to their individual needs. This page presents sections of our FY17 CSR report by topic in PDF format, alongside related supplemental reports and resources.

Our approach

Governance of CSR
Stakeholder Engagement in the Governance of Corporate Social Responsibility (DOC)
Microsoft and the UN SDGs Whitepaper (PDF)

Our approach to reporting
Microsoft 2017 GRI G4 Index (PDF)
UN Global Compact Communication on Progress

Microsoft Investor Relations Reports
Microsoft Proxy Statement
Microsoft Annual Reports
Microsoft SEC Filings

Facts about Microsoft
Subsidiaries
Operation Centers
Revenue and Headcounts
Employment Information

Principles

Digital Trust Reports
Law Enforcement Requests for User Data
U.S. National Security Orders for User Data
Content Removal Requests

Human rights
Salient Human Rights Issue Report (PDF)
Microsoft Report on the GNI Independent Assessment (PDF)
GNI Annual Report
Microsoft Response Business and Human Rights Resource Center

Responsible sourcing
Top 100 Production Suppliers (PDF)
DSC Contributions to Achieving Select UN Sustainable Development Goals (PDF)
Microsoft Devices: Social and Environmental Accountability Report (PDF)
Microsoft DSC Collaborations (PDF)
Conflict Minerals Report (PDF)

Public policy engagement
MSPAC State Candidate Contributions H1 2017 (PDF)*
MSPAC Federal Candidate Contributions H1 2017 (PDF)*
MSPAC Non-Candidate Committee Contributions H1 2017 (PDF)*
Public Policy Advocacy Spending
Microsoft Cloud Policy Roadmap

*For a full list of current and archived reports, please see our online Reports Hub.

People

Empowering communities
Data Factsheet: Donations and Volunteerism (PDF)

Empowering our employees
EEO-1 Report (PDF)
Workforce demographics

Accessibility
Declarations for Accessibility Requirements Suitable for Public Procurement of ICT Products and Services in Europe (EN 301 549)
Web Content Accessibility Guidelines (WCAG 2.0)
U.S. Section 508 of the Rehabilitation Act

Planet

Environmental sustainability
Data Factsheet: Environmental Sustainability (PDF)
Sustainable Devices and Packaging Report (PDF)
2017 CDP Climate Change Response (PDF)

2017 CDP Water Response (PDF)
CDP Climate Reports - CDP.net
CDP Water Reports - CDP.net

Global Reporting Initiative Index

The Global Reporting Initiative (GRI) provides the leading framework that corporations use to guide their reporting on Corporate Social Responsibility efforts. It is based on input from a wide range of civil society organizations, labor groups, businesses, academics, and other experts.

Our 2017 CSR Report content contains standard disclosures from the GRI's G4 Sustainability Reporting Guidelines for FY17. We provide the GRI Content Index below to allow our stakeholders to readily find the disclosures throughout our report content.

↓ Download Microsoft 2017 GRI G4 Content Index

Microsoft and the UN Sustainable Development Goals

In September 2015, the UN General Assembly agreed to 17 global Sustainable Development Goals (SDGs) to reach by 2030. The goals and specific targets under the goals seek to end poverty, protect the planet, and ensure prosperity for all.

Microsoft's mission to empower every person and every organization on the planet to achieve more aligns strongly to the UN SDGs. To better understand how we and other information technology companies can advance the goals, Microsoft was a lead sponsor of a report by the Global E-Sustainability Initiative (GeSI) and Accenture called "#SystemTransformation." The report found that digital technology can help put all the SDGs within reach by enabling a broad range of economic and social opportunities worldwide.

In September 2017, we produced a white paper to identify ways in which Microsoft contributes to the global effort to achieve the SDGs. (Read the report here.)

As we continue to advance our thinking and work to address the SDGs, we'll update this page with further information.

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