

9 December 2014
Business Human Rights Resource Centre – Myanmar Foreign Investment Tracking Project
Microsoft response

- 1. Does your company have investments or operations in Myanmar or is it seriously considering investing or operating there? If so, please provide information on the nature of these investments, and which geographic areas and communities they will affect.**

We currently have no formal establishment in Myanmar and have no direct investments or operations there. There are no production facilities or manufacturing activities by or on behalf of Microsoft in Myanmar. We do sell products and services to customers in Myanmar via our partner network of distributors and resellers. We also have contracted with a local company to help support the sales and marketing efforts of our partner network. We review market conditions and forecasts on a continuing basis and will periodically re-evaluate the nature of our business in Myanmar as conditions change. Our Legal and Corporate Affairs team conducted due diligence and worked with outside human rights experts who conducted a human rights impact assessment of our market entry into Myanmar prior to Microsoft beginning to sell products and services in the country.

- 2. Do you have policies and procedures in place to prevent your business activities or investment from contributing to human rights abuse and social conflict in Myanmar (including, for example, human rights due diligence measures)? Please specify whether these policies and procedures apply to your company in general, or specifically to your Myanmar investment. If you have human rights policies and procedures regarding investing or operating in Myanmar, are you willing to share them for posting on our website? If so, please send them as a Word or PDF file, or, if available, as a hyperlink.**

Yes. Microsoft has comprehensive globally-applicable human rights policies and procedures. As Microsoft has no direct investment or operation in Myanmar, we have no Myanmar-specific human rights policies, however partners in our distribution channel are contractually obligated to ensure that products are not sold in violation of export restrictions (including OFAC and other sanctions programs applicable to Myanmar) and orders from Myanmar customers are checked against current sanctioned parties lists to verify compliance. As noted above, Microsoft did conduct a human rights impact assessment of our market entry into Myanmar.

We have attached a PDF of Microsoft's Global Human Rights Statement. Additional detailed information can be found in the Human Rights Chapter of the [Microsoft 2014 Citizenship Report](#).

3. Who in your leadership is responsible for ensuring compliance with the policies and procedures in no. 2?

Globally the Regulatory and Public Policy Committee of the Microsoft Board of Directors is responsible for reviewing these policies and procedures and implementation is overseen by Microsoft's General Counsel. Regionally, the following individuals are responsible for overseeing and ensuring compliance with these policies and procedures:

- Michelle Simmons, General Manager, Southeast Asia New Markets
- Jarom Britton, Corporate Attorney

4. If you do not yet have human rights policies and procedures in place, do you have plans to develop them? If so, what efforts are you currently engaged in or plan to engage in on this regard?

We currently have human rights policies and procedures in place. Please refer to the attached Human Rights Statement and the Human Rights chapter of the [Microsoft 2014 Citizenship Report](#).

5. How does your company try to prevent or mitigate conflicts that affect its operations or the surrounding communities (including armed conflict, inter-communal conflict and violence, etc.)? Could you please list your policies, procedures or concrete activities in this regard, including community engagement and dialogue measures and revenue sharing agreements?

As noted, Microsoft does not have direct investments or operations in Myanmar such as production facilities or manufacturing activities so we do not face the challenges of operating in zones of armed conflict. Our Global Human Rights Statement includes a commitment to respect the International Covenant on Economic, Social, and Cultural Rights. We believe our work internationally to promote rule of law and our strong global commitment to serving communities (described in the Serving Communities chapter of the [Microsoft 2014 Citizenship Report](#)) can play a positive role in addressing underlying causes of some conflicts.

6. Who should communities or civil society groups contact if they have questions or concerns about your investment or operations in Myanmar? Please provide their contact information.

Please send questions and concerns to mcitizen@microsoft.com. Additional escalation methods and information can be found at www.microsoftintegrity.com.

7. We further invite you to respond to questions specific to your industry. Does your company have policies and procedures in place to address each of the following areas? If so, please provide details:

Given that Microsoft does not have direct investments or operations in Myanmar, most of the following categories would not apply directly. However, Microsoft requires all of its suppliers worldwide, including in Myanmar, to adhere to its Supplier Code of Conduct, which includes provisions summarized below:

a. Freedom of association and collective bargaining

Respect workers' rights to freedom of association and collective bargaining in accordance with legal requirements. As noted below, we require that Suppliers not engage in discrimination in hiring, compensation, access to training, promotion, termination, and/or retirement based on union membership.

b. Living wages

Pay applicable legal wages under humane conditions. All workers must be provided with clear, written information about their employment conditions with respect to wages before they enter employment and as needed throughout their term of employment. Deductions from wages as a disciplinary measure will not be permitted nor will any deductions from wages not provided for by national law or local law be permitted without the express, written permission of the worker concerned. All disciplinary measures should be recorded. Wages and benefits paid for a standard working week must meet, at a minimum, local and national legal standards.

c. Workplace health and safety

Not require workers to work more than the maximum hours of daily labor set by local and national laws or regulations. Suppliers must ensure overtime is voluntary and paid in accordance with local and national laws or regulations. A workweek should not be more than 60 hours a week, including overtime, except in emergency or unusual situations. Workers should be allowed at least one day off per seven-day week.

Provide a safe and healthy work environment and fully comply with all safety and health laws, regulations, and practices including those applicable to the areas of occupational safety, emergency preparedness, occupational injury and illness, industrial hygiene, physically demanding work, machine safeguarding, sanitation, food, and housing. Adequate steps must be taken to minimize the causes of hazards inherent in the working environment.

d. Child labour

Comply with all local and national minimum working age laws or regulations and not use child labor. Suppliers cannot employ anyone under the age of 15, under the age for completing compulsory education, or under the legal minimum working age for employment—whichever is higher. Microsoft only supports the development of legitimate workplace apprenticeship programs for the educational benefit of young people and will not do business with those who abuse such systems. Workers under the age of 18 cannot perform hazardous work and may be restricted from night work, with consideration given to educational needs.

e. Forced labour

Use only voluntary labor. The use of forced labor whether in the form of indentured labor, bonded labor, or prison labor by Microsoft Suppliers is prohibited. Also prohibited is support for any form of human trafficking of involuntary labor through threat, force, fraudulent claims, or other coercion.

Not require workers to lodge “deposits” or their identity papers (government-issued identification, passports, or work permits) with their employer. Workers should be free to resign their employment in accordance with local and national laws or regulations without unlawful penalty.

f. Anti-discrimination (whether based on race, gender, religion, nationality, etc.)

Cooperate with Microsoft’s commitment to a workforce and workplace free of harassment and unlawful discrimination. While we recognize and respect cultural differences, we require that Suppliers not engage in discrimination in hiring, compensation, access to training, promotion, termination, and/or retirement based on race, color, sex, national origin, religion, age, disability, gender identity or expression, marital status, pregnancy, sexual orientation, political affiliation, union membership, or veteran status.

g. Environment

Comply with all applicable environmental laws and regulations regarding hazardous materials, air emissions, waste, and wastewater discharges, including the manufacture, transportation, storage, disposal, and release to the environment of such materials.

h. Land rights

Not applicable

i. Relocation

Not applicable

j. Privacy and freedom of expression

Microsoft has a longstanding commitment to ensuring the privacy and security of our customers’ data. We have a strong set of Privacy Principles and practices that apply company-wide. We incorporate privacy considerations into our design and development processes, offer our customers meaningful privacy choices, and responsibly manage and protect the customer data that we store. We’ve led our industry with privacy protections such as the “Do Not Track” feature turned on by default in Internet Explorer 10 and 11 and with our commitment not to scan Outlook or other email services for purposes of targeting online advertising. In recognition of our privacy protections, in April 2014 Microsoft became the first company to receive approval from the European Union (EU)’s 28 data protection authorities affirming that our enterprise cloud contracts meet EU privacy standards.

Additionally, Microsoft is a founding member and sits on the board of the Global Network Initiative (GNI), a collaborative effort between ICT companies, human rights groups, socially responsible investors, and others. GNI provides a set of Principles and Implementation Guidelines regarding practical steps and policies ICT companies can adopt to respect and advance the freedom of expression and privacy rights of their users when faced with governmental demands.