

Company Responses to CBS News re: allegations of children mining cobalt in Congo

MICROSOFT

"Microsoft does not tolerate child labor in its supply chain, and we continue to be vigilant in our efforts to address cobalt mining labor practices. Beyond our own supply chain, we also work with NGOs to accelerate progress towards a future where no child is involved in mining."

When asked if Microsoft can or cannot trace child labor beyond the smelter level, they responded:

"Microsoft directly contracts with battery manufacturers and conducts due diligence on our cobalt and battery supply chain that includes suppliers, smelters and mines. At suppliers and smelters, we mitigate risk through onsite assessments, training and monitoring management systems. We support direct programs in the Democratic Republic of Congo regardless of whether we can trace those artisanal mines to Microsoft products through smelters."

In addition, Microsoft provided this statement:

"We appreciate the attention to this important issue and wish to provide you with additional information on our policies and progress on this issue to inform your segment.

"Microsoft actively implements policies and programs to address the working conditions of miners in the Democratic Republic of Congo and around the world, with a particular focus on the elimination of child labor in artisanal mining. These include steps to map our own cobalt supply chain, auditing suppliers to ensure adherence to our Supplier Code of Conduct, which prohibits child labor, and deepened support for on-the-ground efforts to address child labor in artisanal mining of cobalt in the DRC.

"As a global company, we understand our policies and work within our own supply chain are critically important. In the past year, we have:

- **Mapped and identified participants in the cobalt supply chain.** We've worked with our directly contracted battery suppliers and surveyed their contracted sub-tier suppliers to identify participants. This allows us to identify risks in our supply chain and act to mitigate them on the ground. We extend the impact of this work through partners, like the Responsible Minerals Initiative (RMI) and Pact, to build upstream due diligence standards.
- **Strengthened requirements for our suppliers.** All direct suppliers agree to adhere to the Social and Environmental Accountability requirements, outlined in our Supplier Code of Conduct, as a contractual requirement and they also commit to passing its raw materials due diligence requirements to their sub-tier suppliers. Third party audits are conducted to

determine supplier conformance to the requirements in the Manual, which includes prohibitions on child labor.

"In addition to work within our supply chain, we work through collaborative and constructive partnerships with NGOs and others to extend our efforts to the farther reaches of our supply chain, and beyond. These include Pact, Initiative for Responsible Mining Assurance (IRMA), Alliance for Responsible Mining (ARM), Responsible Business Alliance and Responsible Minerals Initiative. This global, broad-based and collaborative strategy ensures that Microsoft's work is improving conditions for materials used in electronic devices beyond the limits of our own supply chain.

"In the past several months, we have:

- **Seen positive results from a Microsoft-supported pilot project in the DRC that reduced child labor by more than 70 percent:** The results in Pact's Watoto Inje Ya Mungoti (Children Out of Mining) project verify the effectiveness of Pact's approach, data and experience. The report states: *This project "reached 4,100 beneficiaries, of whom 1,881 were children. Bans on child labor were enforced at 23 mine sites in the target area by the end of the project. Reduction in child labor between 77 percent and 97 percent over the course of the project to date."*
- **Expanded our support of Pact's work on this issue:** We have furthered this successful project with a commitment directly focused on cobalt mining in the DRC to continue this work over the next three years, as it is evident that this proven strategy does not cause harm to the livelihood of already impoverished workers in artisanal cobalt mines. More information is found in our blog.
- **Donated technology to accelerate impact:** We've also donated over \$1,000,000 US in technology to support the work of key NGO partners engaged in responsible mining, such as Pact and IRMA. The technology will enable these organizations to scale up their work to address responsible mining, visualize and track progress over time and more effectively engage on the ground and with upstream suppliers.

"We continue to learn from our efforts and partnerships and know that we have more work ahead of us. Microsoft is driving efforts to solve social and environmental equities associated with mining of raw materials in the DRC."