Citizenship @ Microsoft

2007–2008

Empowering People and Communities Worldwide

Microsoft believes that it can make the greatest contribution to society when its business operations and citizenship efforts are closely aligned.

*S*tudents in Brazil's poorer neighborhoods are using the Internet to explore the world beyond their neighborhood…

Adults with disabilities in the United States are learning computer skills that will enable them to work and participate more fully in their communities…

Software developers in China are creating breakthrough Internet applications in a free community-based technology lab…

When people are equipped with the right tools to stimulate their imagination and tap their intellect, there is almost no limit to what they can achieve. Over the last 30 years, software has proven to be a powerful catalyst for helping people do amazing things and for enabling educational, social and economic advances in communities around the world.

Although technology is not a cure-all, when integrated with broader efforts to promote socioeconomic development, it can empower individuals, foster local innovation and enable economic growth.

As a global leader in technology, Microsoft recognizes that it has a unique opportunity and responsibility to apply its expertise in software to helping people, particularly in underserved communities.

Our citizenship commitments are focused in several key areas: transforming education, enabling jobs and opportunities, encouraging local innovation and industry collaboration, helping to create a safe and secure computing ecosystem, and maintaining high standards of accountability in our business practices.

We believe that we can make the greatest contribution when our citizenship efforts are closely aligned with our business strategy and when we work in partnership with governments, development organizations, nonprofits and other industry leaders.

In 2007, Microsoft launched Unlimited Potential, which brings together the company's corporate citizenship efforts and many of its business investments to significantly broaden the reach of technology in underserved communities. Unlimited Potential aims to deliver the benefits of relevant, accessible and affordable software to the 5 billion people who today have no access to technology or the opportunities it affords, with a goal of reaching the next 1 billion people by 2015.

Delivering innovation in Microsoft products, services and corporate practices is also central to our citizenship efforts. This includes advanced research; support for intellectual property protections to stimulate innovation; efforts to strengthen computer security, privacy and Internet safety; transparency and integrity in our business practices; environmental stewardship; and humanitarian assistance.

All of these efforts are rooted in Microsoft's mission—to enable people and businesses throughout the world to realize their full potential. These priorities also reflect our belief that social improvement and a strong business community go hand in hand.

Advances in digital literacy, innovation and a trusted computing ecosystem help spawn new markets and increase the ability of individuals and nations to participate and compete globally. This creates a virtuous cycle of socioeconomic opportunity that is good for people, good for local communities and good for Microsoft.

80 million *students worldwide have been reached by Microsoft Partners in Learning initiatives since 2003*

Unlimited Potential: Aligning Business and Citizenship

Although technology has led to significant advances in productivity and economic growth in developed countries over the last 30 years, most of the world's population still has little or no access to it. Through Unlimited Potential, Microsoft is expanding its commitment to bringing the benefits of relevant, accessible and affordable technology to people at the middle and bottom of the economic pyramid.

Unlimited Potential weaves together Microsoft's technology innovations, business strategies and citizenship efforts with a global network of partnerships to help address specific needs in local communities. This work spans three interrelated areas: transforming education, fostering local innovation, and enabling jobs and opportunities.

Transforming Education

A good education is the cornerstone of economic opportunity. Yet in many countries, the educational infrastructure and traditional teaching methods are not providing young people with the skills they need for today's workplace. To address these challenges, Microsoft is working with governments, educators and development organizations to improve the quality of education. This work involves providing teachers and education leaders with new skills and resources, enabling student-centered learning, and creating relevant and effective software tools.

At the center of these efforts is Partners in Learning (PiL), a five-year, US$250 million initiative that offers curricula and training programs, software and grants in 101 countries. Since 2003, PiL programs have provided training to more than 3.5 million teachers and have reached more than 80 million students.

A number of PiL programs offer professional development resources to help educators use technology more effectively in the classroom. A global network of Internet-based portals enables teachers to share ideas and materials more broadly. And the Microsoft Student Innovation Suite

helps broaden students' access to technology by making affordable and reliable software available to qualifying governments that purchase PCs for students to use at school and at home.

Fostering Local Innovation

Although there is strong evidence that a healthy local technology industry contributes to economic growth, many communities lack the infrastructure and resources to help new businesses get established and grow.

Through a global network of 130 Microsoft Innovation Centers in 60 countries, Microsoft provides students, developers and entrepreneurs with access to ICT skills training, advanced technology tools and world-class consultants. The centers offer courses on software development and business skills as well as employment programs for

students and instructor certification courses. They also help create valuable partnership and development opportunities for emerging businesses.

Microsoft's Local Language Program helps nurture productivity and innovation in local communities by providing access to Microsoft products in more than 100 languages. Microsoft works with governments, language authorities and universities to ensure that translations honor local linguistic and cultural distinctions. Resources include Language Interface Packs that translate the user interface for commonly used software as well as support for local development of solutions such as spelling checkers and translation dictionaries.

To stimulate creative thinking among the next generation of innovators, Microsoft sponsors Imagine Cup, an annual global competition for high school and university students. Imagine Cup challenges entrants to apply their imagination and passion to creating technology innovations that can improve the world. Winning entries have included a personal navigation system to help visually impaired people get around in unfamiliar environments.

Enabling Jobs and Opportunities

A strong technology infrastructure can help communities create new jobs and attract investments that bolster economic growth and global competitiveness. But its prerequisite is a skilled workforce.

Microsoft works with a range of government and nonprofit partners to provide skills training, expand entrepreneurship and assist employers in finding qualified job candidates. For example, the Partnerships for Technology Access program helps individuals and small businesses purchase PCs and receive skills training through flexible financing plans.

Through the Students to Business (S2B) program, Microsoft helps companies find and hire talented students for their first job or internship in the technology profession by matching qualified candidates with open positions. And we support a network of more than 29,000 Community Technology Centers (CTCs) in 102 countries that provide IT education and skills training to hundreds of thousands of people each year. This commitment includes cash grants, donated software, and a comprehensive digital literacy curriculum and certification programs in 21 languages.

Localized versions of Microsoft products are available in more than

100

different languages

29,000

Microsoft-supported Community Technology Centers in 102 countries provide IT education and skills training for the people who need it most

Innovation and Leadership: Core to Microsoft's Mission

Three decades after the birth of the personal computer, what's left for information technology to accomplish? This question can only be answered with another question: How far can the human imagination stretch?

Since Microsoft's early days, innovation has been at the center of the company's business and software development strategy. It has led to the delivery of breakthrough products and services and creative responses to customers' evolving needs. In recent years, Microsoft has also invested significantly in production innovations and services to make its technologies safer, more secure and interoperable with other companies' products. Underpinning these efforts is our commitment to transparency and integrity in our business practices, including the way we work with customers, partners, governments, vendors and communities.

Advancing Research, Interoperability and Security

With an R&D investment of more than US$6 billion annually, Microsoft is one of the few companies that continue to focus on the kind of basic research that drives long-term advances, while also providing a continuous stream of innovative new products and services for customers today.

Our commitment to innovation also includes protecting the value of intellectual property. Microsoft believes that respect for intellectual property rights is crucial to enabling innovators to bring their ideas to market and to developing a thriving IT ecosystem. To this end, we have worked with Creative Commons, a nonprofit organization, to develop and release a free copyright licensing tool that enables people to embed licensing information in their work and to specify how the work can be reused or shared.

We are also committed to promoting greater interoperability among technology products and services. This is particularly important to business customers who need different kinds of computer systems to work well together. Microsoft is working to meet this need by designing products that are interoperable out of the box, collaborating with other companies on their product designs, making a diverse portfolio of our intellectual property available for licensing, and helping to establish standards that simplify the process of designing interoperable software.

As technology and the Web have become increasingly important in people's lives, the issues of security, privacy and Internet safety have also become more significant.

Microsoft is addressing these challenges on a variety of fronts. We are continually developing new products and services that make the computing experience safer and more secure, particularly for young people. We work closely with law enforcement to fight cyber-crime, identity theft and online predators. And we help safeguard users' privacy with protections built into our software, industry-leading policies that govern the collection and use of personally identifiable information, and a range of educational programs for customers.

Accountability and Sustainable Business Practices

Underlying Microsoft's product and citizenship investments is a strong commitment to transparency and accountability in our business practices. The Microsoft Standards of Business Conduct guide the company's decision making and business activities. Our Office of Legal Compliance is responsible for establishing, implementing and maintaining the company's compliance and governance programs, and all employees receive training in the standards.

Our corporate policies also reflect a strong commitment to environmental stewardship. Microsoft has significantly reduced the use of plastic in product packaging in favor of recyclable cardboard and other eco-friendly, biodegradable materials. Microsoft is also a leader in employing construction methods that promote energy efficiency and the use of recycled products and nontoxic materials. At Microsoft's Silicon Valley Campus, up to 15 percent of the energy used is generated by solar panels, and in Hyderabad, India, a rainwater catchment system serves the irrigation needs of the company's 48-acre campus. Our newest and largest data server facility, located in Quincy, Washington, is powered by hydroelectricity, a renewable, clean-air resource.

Humanitarian Assistance

Microsoft and its employees regularly step up to help those who have been forced to flee their homes, whether because of a natural disaster, war or societal conflict. In addition to donating more than US$11 million in cash and software to Hurricane Katrina relief efforts in 2005, Microsoft helped the American Red Cross develop state-of-the-art technology that will standardize the exchange of vital information about people's welfare in the aftermath of a disaster. The Safe and Well Web site, accessible via *www.redcross.org*, allows disaster victims to select and post standard messages for friends and family that indicate that they have found

US$41 million

in software and cash from Microsoft is aiding the disaster response efforts of NetHope and other organizations

shelter and will make contact when they are able.

Together with NetHope, a coalition of more than 20 nongovernmental organizations dedicated to international development, and the Interagency Working Group on Emergency Capacity Building, Microsoft is spearheading other innovative uses of technology to support more efficient and rapid communications during times of crisis.

Since 1999, Microsoft has worked closely with the Office of the United Nations High Commissioner for Refugees to provide people in dozens of countries with access to technology tools, skills training and other essential services. Microsoft attorneys have also helped dozens of refugees make a fresh start by providing pro bono legal counsel in hearings before U.S. immigration courts.

Our Mission

At Microsoft, our mission is to enable people and businesses throughout the world to realize their full potential.

More information about Microsoft's citizenship programs and investments worldwide can be found at:
www.Microsoft.com/citizenship

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