

July 23, 2021

**VIA EMAIL**

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Email Address: [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

**Re: Shareholder Proposal Submitted by Laura and Peter Terpenning and Boston Common Asset Management, LLC Pursuant to Rule 14a-8 Under the Securities Exchange Act of 1934, as Amended**

Ladies and Gentlemen:

This letter is to inform you that our client, Microsoft Corporation (the “*Company*” or “*Microsoft*”), intends to omit from its proxy statement and form of proxy for its 2021 Annual Shareholders Meeting (collectively, the “*2021 Proxy Materials*”) a shareholder proposal (the “*Proposal*”) and statements in support thereof received from Impact Investors, Inc., on behalf of Laura and Peter Terpenning, and co-filed by Boston Common Asset Management, LLC (collectively, the “*Proponent*”).

Pursuant to Rule 14a-8(j), we have:

- submitted this letter to the Securities and Exchange Commission (the “*Commission*”) no later than eighty (80) calendar days before the Company intends to file its definitive 2021 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Commission Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“*SLB 14D*”), provide that shareholder proponents are required to send companies a copy of any correspondence that the proponent elects to submit to the Commission or the staff of the Division of Corporation Finance (the “*Staff*”). Accordingly, the Company is taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

## THE PROPOSAL

The Proposal sets forth the following resolution to be included in Microsoft's 2021 Proxy Materials, to be voted on by shareholders at the 2021 Annual Shareholders Meeting:

Resolved, that the board commission an independent report to assess whether customer use of Microsoft's technology does or can contribute to violations of privacy, civil and human rights, and conflicts with the policies and principles set forth in Microsoft's CSR Report and other public disclosures.

A copy of the Proposal, as well as related correspondence with the Proponent, is attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION OF THE PROPOSAL

The Company respectfully requests that the Staff concur in the Company's view that the Proposal may be excluded from the 2021 Proxy Materials in reliance on Rule 14a-8(i)(11) because the Proposal substantially duplicates an earlier proposal submitted to the Company by another proponent that the Company intends to include in its 2021 Proxy Materials.

## ANALYSIS

### Microsoft May Exclude the Proposal Pursuant to Rule 14a-8(i)(11).

Rule 14a-8(i)(11) provides that a shareholder proposal may be excluded if it "substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting." In the adopting release formalizing this grounds for exclusion of a proposal (Exchange Act Release No. 12999), the Commission stated that "the purpose of [Rule 14a-8(i)(11)] is to eliminate the possibility of shareholders having to consider two or more substantially identical proposals submitted to an issuer by proponents acting independently of each other."

The standard that the Staff has applied for determining whether a proposal substantially duplicates an earlier-received proposal is whether the proposals present the same "principal thrust" or "principal focus," not whether the proposals are identical. *See, e.g., Pacific Gas & Electric Co.* (Feb. 1, 1993); and *Exxon Mobil Corp.* (Mar. 19, 2010).

The Staff has consistently permitted a company to exclude a proposal substantially duplicative of an earlier proposal despite differences in action requested or breadth of the proposals. For example, in *Exxon Mobil Corp.* (Mar. 13, 2020), the Staff concurred with exclusion of a proposal requesting that the board evaluate and report on how the company's lobbying activities align with the goal of limiting average global warming to well below 2 degrees Celsius as substantially duplicative of an earlier proposal requesting that the company report on lobbying, including policies and procedures, payments made and the oversight process for such payments. In that instance, the earlier proposal was broader than the proposal excluded and encompassed the

subject matter raised in the excluded proposal. In responding to the company's request for no action, the Staff noted that the "two proposals share a concern for seeking additional transparency from the Company about its lobbying activities and how these activities align with the Company's expressed policy positions." *See also, Chevron Corporation* (Benta B.V., Mar. 30, 2021) (concurring that a proposal requesting that the company devise a method to set Scope 1, 2 and 3 GHG emissions reduction targets could be excluded as substantially duplicative of an earlier-received proposal requesting that the company substantially reduce Scope 3 GHG emissions); and *Apple Inc.* (Michael and Honore Connor, Dec. 21, 2017) (concurring that a proposal requesting that the company publish a report on its role in promoting freedom of expression, including the company's actions in connection with removal of certain apps from its App store in China, as substantially duplicative of an earlier-received proposal requesting that the company establish a human rights committee to review, assess, disclose and make recommendations to enhance the company's policy and practice on human rights, where the supporting statement cited several news articles relating to Chinese censorship and the company's operations in China).

### **The Prior Proposal**

On June 14, 2021, prior to its receipt of the Proposal via email on June 15, 2021, the Company received a shareholder proposal from The Religious of the Sacred Heart of Mary (the "**Prior Proposal**"). The Prior Proposal sets forth the following resolution:

Resolved: Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, evaluating how effectively the company implements its Human Rights Statement and other company policies and standards related to human rights, in the development of products, contracts, and business relationships with government agencies, including law enforcement, that create a high risk of adverse human rights impacts, and disclose the report on its website. The third-party should provide an opportunity to civil society and human rights organizations to comment on Microsoft's implementation of policies, in relation to high-risk products and relationships.

A copy of the Prior Proposal, as well as related correspondence received from its proponent, is attached to this letter as Exhibit B.

### **The Proposal Substantially Duplicates the Prior Proposal.**

The Proposal and the Prior Proposal address the same principal thrust or concern, namely the potential for use of the Company's products to contribute to human rights violations, and the conflict of such use with the Company's stated commitments, policies and standards. The Prior Proposal includes additional detail on the topics to be addressed, including specific areas that the report should cover (development of products, contracts, and business relationships with government agencies), but the overall concern relating to uses of the Company's products is the same. In addition, both proposals also call for the same action—an independent report assessing and reporting on these issues.

The overlap of the Proposal and the Prior Proposal is demonstrated by the similar topics addressed in the supporting statements.

- Both supporting statements discuss Microsoft's public statements and principles, and perceived failures of these commitments to prevent customer use of products in ways that conflict with these commitments.
- Both supporting statements raise concerns about government use of the Company's surveillance products that have disproportionate impact on people of color
- Both supporting statements point to Microsoft's contracts with the U.S. Army for its HoloLens product, with the Department of Defense for the Joint Enterprise Defense Infrastructure, and with the U.S. Immigration and Customs Enforcement for surveillance technology as purported examples of uses of the Company's technologies that conflict with its policy statements.
- Both supporting statements note that employees have protested the customer contracts noted above.

Although not identical, the Proposal and the Prior Proposal address the same concerns and request the same basic action. If the Company were required to include both the Proposal and the Prior Proposal in its 2021 Proxy Materials, there is a significant risk that shareholders would be confused when asked to vote on both. The inclusion of both proposals would cause shareholders to consider two substantially identical proposals submitted by proponents acting independently of each other, which the adoption of Rule 14a-8(i)(11) was intended to eliminate, as stated by the Commission in Exchange Act Release No. 12999.

Because the Proposal substantially duplicates the earlier-received Prior Proposal, which Microsoft intends to include in its 2021 Proxy Materials, Microsoft believes that the Proposal is excludable under Rule 14a-8(i)(11).

### **CONCLUSION**

Based upon the foregoing analysis, Microsoft respectfully requests that the Staff concur that it will take no action if Microsoft excludes the Proposal from its 2021 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to

Office of Chief Counsel  
July 23, 2021  
Page 5

AHandy@perkinscoie.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (206) 359-3295.

Sincerely,

A handwritten signature in black ink, appearing to read "Allison C. Handy". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Allison C. Handy  
Partner  
Perkins Coie LLP

Enclosures

cc: Peter Kraus, Assistant General Counsel and Assistant Secretary  
Microsoft Corporation

Susan Hilary Ozawa Perez, Senior Portfolio Manager  
Impact Investors, Inc., on behalf of Laura and Peter Terpenning

Lauren Compere, Managing Director  
Boston Common Asset Management

**Exhibit A**

**Proposal and Related Correspondence**

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**From:** Lauren Compere <LCompere@bostoncommonasset.com>  
**Sent:** Tuesday, June 15, 2021 1:16 PM  
**To:** Shareholder Mail for Board of Directors <askboard@microsoft.com>; Steve Lippman (CELA) <stevelip@microsoft.com>  
**Cc:** Catherine Woodman <catherine@theimpactinvestors.com>; Shane Yonston <shane@theimpactinvestors.com>; Ian McLeod <ian@theimpactinvestors.com>; Susan Ozawa Perez <susan@theimpactinvestors.com>; Willow Huppert <wHuppert@bostoncommonasset.com>  
**Subject:** [EXTERNAL] Re: Shareholder Proposal Filing Packet - Customer Use of Microsoft Technology - Co-Filer

Dear Steve and team,

We are co-filing with Impact Investors this shareholder proposal.

We would welcome a dialogue alongside Impact Investors on this issue.

Best Regards,

Lauren

---

**From:** Susan Ozawa Perez <[susan@theimpactinvestors.com](mailto:susan@theimpactinvestors.com)>  
**Sent:** Tuesday, June 15, 2021 4:12 PM  
**To:** [askboard@microsoft.com](mailto:askboard@microsoft.com)  
**Cc:** [SteveLip@microsoft.com](mailto:stevelip@microsoft.com); Lauren Compere; Catherine Woodman; Shane Yonston; Ian McLeod  
**Subject:** Shareholder Proposal Filing Packet - Customer Use of Microsoft Technology

To Whom It May Concern,

Please find the attached Filing Letter, Proof of Ownership and Proposal for your consideration.

Thank you,

Susan

**Susan Hilary Ozawa Perez, Ph.D.**

Senior Portfolio Manager

*Pronouns: she/hers/her*

ImpactInvestors



415-465-8004 x103 direct line

888-463-6861 toll free

877-565-3745 fax

[theimpactinvestors.com](https://theimpactinvestors.com) | [secure file upload](#)

Impact Investors, Inc. is an Investment Adviser registered with the SEC (CRD #289028) specializing in Sustainable, Responsible, Impact (SRI) investing. We provide individuals, families and organizations with a team-based, comprehensive financial planning and investment advisory service, by integrating our client's impact objectives with their financial goals into an overall wealth management strategy. Please contact us at 888.463.6861 if there is any change in your financial situation, needs, objectives, or if you wish to initiate or modify any restrictions on the management of your account(s). Additionally, we recommend you compare any account reports from Impact Investors, Inc. with the account statements from your Custodian. Please notify us if you do not receive statements from your Custodian on at least a quarterly basis. Please review our [Privacy Policy](#) and send us a request for a copy of our current disclosure brochure and Form ADV Part 2. This disclosure brochure, or a summary of material changes made, is also provided to our clients on an annual basis. California Insurance License No. 0E68665. Copyright © 2020 Impact Investors. All rights reserved.

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June 15, 2021

MSC 123/9999  
Office of the Corporate Secretary  
Microsoft Corporation  
One Microsoft Way  
Redmond, Washington 98052-6399

Submitted via electronic mail: [askboard@microsoft.com](mailto:askboard@microsoft.com)

RE: Shareholder Proposal on Customer Use of Microsoft Technology

Dear Corporate Secretary,

Impact Investors, Inc., is authorized on behalf of Laura and Peter Terpenning, to present the enclosed Proposal that the proponents submit for consideration and action by stockholders at the next annual meeting, and for inclusion in the proxy statement in accordance with Rule 14a-8 of the general rules and regulations of the Securities Exchange Act of 1934.

Laura and Peter are the beneficial owner of more than \$2,000 worth of shares of common stock in Microsoft, which are entitled to be voted at the next stockholders meeting, that have been held longer than thirteen months (supporting documentation is included). In accordance with SEC Rules, the proponents acknowledge their responsibility under Rule 14a-8(b)(1), and Impact Investors, Inc. is authorized to affirmatively state on their behalf (and does hereby affirmatively state) that they intend to continue to hold a requisite quantity of shares in Company stock through the date of the next annual meeting of stockholders. If required, a representative of the proponents will attend the meeting to move the Proposal.

Impact Investors, Inc. is the lead filer of this resolution. Boston Common Asset Management, LLC are co-filers and will be sending their filing packet, separately.

You may contact Impact Investors, Inc. about this matter via the address or phone provided above; as well as by the following e-mail address: [Susan@theimpactinvestors.com](mailto:Susan@theimpactinvestors.com).

Sincerely,



**Catherine Woodman CFP®**  
Principal Advisor



**Shane Yonston AIF® CFP® MFP**  
Principal Advisor

Cc: [SteveLip@microsoft.com](mailto:SteveLip@microsoft.com)  
[LCompere@bostoncommonasset.com](mailto:LCompere@bostoncommonasset.com)



Institutional

June 15, 2021

Microsoft  
MSC 123/9999  
Office of the Corporate Secretary  
Microsoft Corporation  
One Microsoft Way  
Redmond, Washington 98052-6399

RE: Account XXXXX-**PII**  
Terpenning Living Trust u/a Dec 06, 2011  
Terpenning, Laura & Peter, trustees  
**PII**

Dear Chief Executive Officer:

This letter is to confirm that TD Ameritrade is the record holder for the beneficial owner of the Terpenning Living Trust UA December 6, 2011 account and which holds in the account 177 number of shares of common stock in Microsoft. These shares have been held continuously for at least one year previous to today's date, June 15, 2021.

The shares are held at TD Ameritrade under the Participant Account Name of TD Ameritrade, number XXXXX-2908.

**This letter serves as confirmation that the account holder listed above is the beneficial owner of the above referenced stock.**

Should additional information be needed, please feel free to contact me directly at 800-431-3500 between the hours of 11:30am and 8:00pm EST.

Sincerely,

Hannah Chiu  
Relationship Manager  
TD Ameritrade Institutional Services  
800-431-3500

*The information provided is for informational purposes only. TD Ameritrade does not guarantee the accuracy or completeness of the information provided. TD Ameritrade acts solely as Custodian for Independent Registered Investment Advisors (RIA). TD Ameritrade does not provide any books and record keeping services for Custodial RIA clients. TD Ameritrade may not be held liable for the dissemination by Custodial RIA clients of the information provided for the purpose of, among other things, satisfying due diligence or audit requests, regulatory or non-regulatory*

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PO BOX 650567  
Dallas, TX 75265-0567

[tdainstitutional.com](http://tdainstitutional.com)

## Customer Use of Microsoft Technology

One-third of professionally-managed assets incorporate sustainability criteria, representing \$17 trillion in investments.<sup>1</sup> More responsible fund dollars are invested in Microsoft than in any other single company.<sup>2</sup> The company secured its standing as a responsible business in part because it is committed to the environment, human rights, and democratic institutions. Microsoft advances the UN Sustainable Development Goals, established principles for responsible use of artificial intelligence ("AI"), and recognizes privacy as a "fundamental human right."<sup>3</sup>

Microsoft demands the same ethics in its supply chain: "When it comes to labor and human rights, we leave no doubt as to the standards we expect. Our standards apply to all our suppliers, including those at the farthest reaches of our supply chain."<sup>4</sup> However, contrary to those standards, customers such as the Department of Defense, U.S. Army, and Department of Homeland Security appear to be using Microsoft's technology in ways that conflict with Microsoft's policies.

The government is weaponizing the company's technology, supplanting human decision-making with artificial intelligence, and using its products to gamify warfare and for surveillance, violating privacy, threatening civil rights, and circumventing legal requirements. These consequences tend to disproportionately impact people of color, activists and immigrants.

Three contracts serve as examples that raise concerns:

- Microsoft's HoloLens product recently moved from a prototype tested by the U.S. Army to a \$21 billion Integrated Visual Augmentation System ("IVAS") production contract for a military version to enable enhanced vision using AI-powered technology. The Army intends its close-combat lethality units to use IVAS in warfare to achieve "overmatch" against enemy forces.
- The Department of Defense awarded Microsoft a 10-year, \$10 billion contract for the Joint Enterprise Defense Infrastructure ("JEDI") for cloud services to assist with development of AI capabilities to operationalize warfare.
- Microsoft's contract with U.S. Immigration and Customs Enforcement ("ICE") provides law enforcement with access to personal information which, when matched with surveillance technology, has the potential to infringe on privacy and civil rights, and permits the agency to circumvent legal safeguards - such as search warrants - that normally serve as protection from government overreach.

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<sup>1</sup> <https://www.ussif.org/files/Trends%20Report%202020%20Executive%20Summary.pdf> at p.5.

<sup>2</sup> <https://qz.com/1803716/microsoft-is-the-biggest-recipient-of-esg-rsi-stock-fund-investment/>

<sup>3</sup> Microsoft's 2020 Corporate Social Responsibility Report at p.25.

<sup>4</sup> *Id.* at p.16.

In addition to brand, reputational and financial risk, company employees have protested the conversion of their work-products to tools of war and surveillance. These concerns impact employee morale, risk internal productivity, and hamstring recruitment efforts. Campaigns such as #NoTechForICE shed a bad light on Microsoft, and, as recently occurred with bank private prison funding, can quickly escalate into calls for divestment, (#RealMoneyMoves).

**Whereas** shareholders are concerned about potential harms to the company and society as set forth above, we urge shareholders to vote in favor of the following resolution:

**Resolved**, that the board commission an independent report to assess whether customer use of Microsoft's technology does or can contribute to violations of privacy, civil and human rights, and conflicts with the policies and principles set forth in Microsoft's CSR Report and other public disclosures.

Jun 15, 2021

Corporate Secretary  
Microsoft Corporation  
One Microsoft Way  
Redmond, WA 98052

Re: Microsoft Shareholder Proposal – Co-Filer

Dear Corporate Secretary,

Boston Common Asset Management, LLC is a global investment manager that specializes in sustainable and responsible global equity strategies. We seek long-term capital appreciation by investing in diversified portfolios of high-quality stocks. We currently hold 16,096 shares of Microsoft common stock in the Boston Common ESG Impact US Equity Fund (BCAMX).

We appreciate the long history of engaging with Microsoft on human rights performance, digital human rights, responsible sourcing (conflict minerals and cobalt) and your involvement with the GNI. However, we have ongoing concerns on the human and civil rights implications of some of Microsoft's technology including immigration and the use of surveillance technology in the US and the HoloLens product. In addition to brand, reputational and financial risk, company employees have protested the conversion of their work-products to tools of war and surveillance. These concerns impact employee morale, risk internal productivity, and hamstringing recruitment efforts. Campaigns such as #NoTechForICE shed a bad light on Microsoft, and, as recently occurred with bank private prison funding, can quickly escalate into calls for divestment, (#RealMoneyMoves).

Boston Common Asset Management, LLC (Boston Common) submits the enclosed shareholder proposal (Proposal) with Microsoft for inclusion in the 2021 proxy statement and in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). Per Rule 14a-8, the Boston Common ESG Impact US Equity Fund holds more than \$2,000 of Microsoft common stock, acquired more than one year prior to today's date and held continuously for that time. Verification of ownership is enclosed. Boston Common Asset Management will continue to hold the required shares through the date of the 2021 annual meeting. A representative of the filers of this proposal will attend the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

We are filing as a co-filer and are supporting Impact Investors who is the lead filer for this proposal. We would welcome a dialogue with Microsoft. We would appreciate receiving a confirmation of receipt of this letter via email to [lcompere@bostoncommonasset.com](mailto:lcompere@bostoncommonasset.com).

Sincerely,



Lauren Compere  
Managing Director

## Customer Use of Microsoft Technology

One-third of professionally-managed assets incorporate sustainability criteria, representing \$17 trillion in investments.<sup>1</sup> More responsible fund dollars are invested in Microsoft than in any other single company.<sup>2</sup> The company secured its standing as a responsible business in part because it is committed to the environment, human rights, and democratic institutions. Microsoft advances the UN Sustainable Development Goals, established principles for responsible use of artificial intelligence ("AI"), and recognizes privacy as a "fundamental human right."<sup>3</sup>

Microsoft demands the same ethics in its supply chain: "When it comes to labor and human rights, we leave no doubt as to the standards we expect. Our standards apply to all our suppliers, including those at the farthest reaches of our supply chain."<sup>4</sup> However, contrary to those standards, customers such as the Department of Defense, U.S. Army, and Department of Homeland Security appear to be using Microsoft's technology in ways that conflict with Microsoft's policies.

The government is weaponizing the company's technology, supplanting human decision-making with artificial intelligence, and using its products to gamify warfare and for surveillance, violating privacy, threatening civil rights, and circumventing legal requirements. These consequences tend to disproportionately impact people of color, activists and immigrants.

Three contracts serve as examples that raise concerns:

- Microsoft's HoloLens product recently moved from a prototype tested by the U.S. Army to a \$21 billion Integrated Visual Augmentation System ("IVAS") production contract for a military version to enable enhanced vision using AI-powered technology. The Army intends its close-combat lethality units to use IVAS in warfare to achieve "overmatch" against enemy forces.
- The Department of Defense awarded Microsoft a 10-year, \$10 billion contract for the Joint Enterprise Defense Infrastructure ("JEDI") for cloud services to assist with development of AI capabilities to operationalize warfare.
- Microsoft's contract with U.S. Immigration and Customs Enforcement ("ICE") provides law enforcement with access to personal information which, when matched with surveillance technology, has the potential to infringe on privacy and civil rights, and permits the agency to circumvent legal safeguards - such as search warrants - that normally serve as protection from government overreach.

In addition to brand, reputational and financial risk, company employees have protested the conversion of their work-products to tools of war and surveillance. These concerns impact employee morale, risk internal productivity, and hamstring recruitment efforts. Campaigns such as #NoTechForICE shed a bad light on Microsoft, and, as recently occurred with bank private prison funding, can quickly escalate into calls for divestment, (#RealMoneyMoves).

**Whereas** shareholders are concerned about potential harms to the company and society as set forth above, we urge shareholders to vote in favor of the following resolution:

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<sup>1</sup> <https://www.ussif.org/files/Trends%20Report%202020%20Executive%20Summary.pdf> at p.5.

<sup>2</sup> <https://qz.com/1803716/microsoft-is-the-biggest-recipient-of-esg-rsi-stock-fund-investment/>

<sup>3</sup> Microsoft's 2020 Corporate Social Responsibility Report at p.25.

<sup>4</sup> *Id.* at p.16.

**Resolved**, that the board commission an independent report to assess whether customer use of Microsoft's technology does or can contribute to violations of privacy, civil and human rights, and conflicts with the policies and principles set forth in Microsoft's CSR Report and other public disclosures.



Global Fund Services

777 East Wisconsin Avenue  
Milwaukee, WI 53202

[usbank.com/globalfundservices](http://usbank.com/globalfundservices)

June 15, 2021

Office of the Corporate Secretary  
Microsoft Corporation  
One Microsoft Way  
Redmond, Washington 98052-6399

Re: Microsoft Corporation Stockholder Proposal

Dear Microsoft Corporate Secretary,

U.S. Bancorp is the custodian and record holder for the Boston Common ESG Impact U.S. Equity Fund (BCAMX).

We are writing to affirm that the Boston Common ESG Impact U.S. Equity Fund (BCAMX) currently holds 16,096 shares of Microsoft Corporation common stock and has held at least \$2,000 in market value of Microsoft Corporation shares continuously for at least the one-year period prior to and including the date of the submission of the Stockholder Proposal, 6/15/2021.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Smith".

Jennifer Smith  
Mutual Funds Administrator  
U.S. Bank Global Fund Services

**Exhibit B**

**Prior Proposal**

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**From:** Kathy Shaw <kshaw@rshmeap.org>  
**Sent:** Monday, June 14, 2021 1:10 PM  
**To:** Shareholder Mail for Board of Directors <askboard@microsoft.com>  
**Cc:** Steve Lippman (CELA) <stewelip@microsoft.com>; mbgallagher@iasj.org  
**Subject:** [EXTERNAL] Human Rights Policy Implementation

Dear Ms. Stahlkopf

At Sr. Maria Timoney's request, please find attached the filing materials from the Religious of the Sacred Heart of Mary for a shareholder proposal for Human Rights Policy Implementation for inclusion in the proxy statement.

Sr. Maria Timoney's email is [REDACTED] PII, her work number is 914-631-8872 and her cell [REDACTED] PII.

*Kathy Shaw*

*Secretary to Area Leader and Council  
Religious of the Sacred Heart of Mary  
Eastern American Area  
50 Wilson Park Drive  
Tarrytown, NY 10591  
914-631-8872*

[kshaw@rshmeap.org](mailto:kshaw@rshmeap.org)



**Religious of the Sacred Heart of Mary**  
Provincial Center - 50 Wilson Park Drive  
Tarrytown, New York 10591-3023  
Tel: 914-631-8872; Fax: 914-631-7803  
Website: [www.rshm.org](http://www.rshm.org)

June 14, 2021

MSC 123/9999  
Office of the Corporate Secretary  
Microsoft Corporation  
One Microsoft Way  
Redmond, Washington 98052-6399

Sent via email to: [askboard@microsoft.com](mailto:askboard@microsoft.com) , cc: [stvelip@microsoft.com](mailto:stvelip@microsoft.com)

Dear Ms. Stahlkopf,

The Religious of the Sacred Heart of Mary are Catholic institutional investors committed to aligning our investments with our values. We participate in socially responsible investing activities supported by Investor Advocates for Social Justice (IASJ) and the Interfaith Center on Corporate Responsibility (ICCR). We have appreciated conversations our colleagues have had with Microsoft in the past to address concerns about how Microsoft's surveillance technologies may negatively impact human rights. However, we remain concerned about how Microsoft ensures its Human Rights Statement and related policies are effectively implemented in practice to prevent adverse human rights impacts, including discrimination. We respectfully offer the enclosed shareholder proposal on Human Rights Policy Implementation.

The Religious of the Sacred Heart of Mary are the beneficial owners of 6,056 shares of Microsoft Corporation stock. Letters of verification of ownership are enclosed. The Religious of the Sacred Heart of Mary have held stock continuously for over one year and intend to retain the requisite number of shares through the date of the annual meeting.

I am hereby authorized to notify you of our intention to file the attached shareholder proposal on Human Rights Policy Implementation. I hereby submit it for inclusion in the proxy statement in accordance with rule 14a-8 of the general rules and regulation of the Securities and Exchange Act of 1934.

Please address all communication regarding this shareholder proposal to Mary Beth Gallagher, Executive Director of Investor Advocates for Social Justice, located at 40 South Fullerton Ave, Montclair, NJ 07042; email address: [mbgallagher@iasj.org](mailto:mbgallagher@iasj.org); and phone number: 973-509-8800. Please send a copy to Sister Maria Timoney of the Religious of the Sacred Heart of Mary at [REDACTED]

PII

We look forward to constructive dialogue with you and your colleagues about these concerns.

Sincerely,

*Maria Timoney, RSHM*

Maria Timoney, RSHM  
Provincial Councilor  
Religious of the Sacred Heart of Mary

**Whereas**, Microsoft sells surveillance technologies and high-risk products and has contracts with customers which are responsible for adverse human rights impacts, including furthering racial injustice and discrimination. This suggests that Microsoft fails to implement its own human rights commitments, exposing the company to legal, financial, and reputational risks.<sup>1</sup>

While Microsoft has a Human Rights Statement, investors seek independent assurances that this policy and associated efforts such as the Aether Committee, Justice Reform Initiative, “Addressing Racial Injustice” statement, and the Responsible AI Principles, are being effectively implemented to prevent customers from using products in ways that interfere with human rights, including systemic racism and discrimination.

Microsoft’s policies and statements fail to prevent adverse human rights impacts. For example, Microsoft developed and maintains the New York City Police Department’s (“NYPD’s”) controversial Domain Awareness System (“DAS”),<sup>2</sup> a real-time digital surveillance system and one of the world’s largest networks of cameras and license plate readers.<sup>3</sup> DAS equips NYPD to carry out perpetual and discriminatory tracking.<sup>4</sup> Immigration and Customs Enforcement (“ICE”), which has violated human rights,<sup>5</sup> also uses DAS.<sup>6</sup>

Microsoft’s surveillance products enable discriminatory policing and incarceration of Black, Indigenous, and People of Color (“BIPOC”) communities, including immigrants, such as: “e-carceration” technologies enabling remote incarceration; predictive policing and pretrial assessment software using racially biased algorithms; so-called “Gang database” software that tracks almost exclusively BIPOC individuals;<sup>7</sup> and DAS technology used to surveil incarcerated people, including youth.<sup>8</sup>

Microsoft has pursued controversial government contracts that face employee opposition to creating products intended to “harm and surveil”.<sup>9</sup> This includes the \$10 billion Joint Enterprise Defense Infrastructure (JEDI) contract with the Department of Defense to store and manage sensitive military data.<sup>10</sup> The \$21.88 billion contract with the U.S. Army for HoloLens augmented reality headsets with facial recognition technology designed to “increase lethality by enhancing the ability to detect, decide

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<sup>1</sup> [https://www.sec.gov/Archives/edgar/data/789019/000156459020034944/msft-10k\\_20200630.htm](https://www.sec.gov/Archives/edgar/data/789019/000156459020034944/msft-10k_20200630.htm)

<sup>2</sup> <https://www.stopspying.org/ditch-the-das>

<sup>3</sup> <https://www1.nyc.gov/site/nypd/about/about-nypd/equipment-tech/technology.page>

<sup>4</sup> <https://ccrjustice.org/home/press-center/press-releases/center-constitutional-rights-condemns-new-york-city-police-reform>

<sup>5</sup> <https://www.aclu.org/issues/immigrants-rights/ice-and-border-patrol-abuses>

<sup>6</sup> <https://www.stopspying.org/latest-news/2019/9/26/domain-awareness-system> ;

<https://theintercept.com/2020/07/14/microsoft-police-state-mass-surveillance-facial-recognition/>

<sup>7</sup> <https://cloudblogs.microsoft.com/industry-blog/microsoft-in-business/government/2018/02/13/how-the-state-of-georgia-is-fighting-gang-violence-with-the-cloud/> ; <https://www.govtech.com/public-safety/las-gang-tracking-database-offers-lessons-to-others.html>

<sup>8</sup> <https://www.aljazeera.com/features/2020/12/21/microsofts-iron-cage-prison-surveillance-and-e-carceral-state>

<sup>9</sup> <https://www.vox.com/technology/2018/10/18/17989482/google-amazon-employee-ethics-contracts>

<sup>10</sup> <https://www.businessinsider.com/pentagon-end-jedi-contract-microsoft-amazon-litigation-court-2021-5>

and engage before the enemy” also faces criticism.<sup>11</sup> Employees and immigrants’ rights activists urge Microsoft to end contracts with ICE.<sup>12</sup>

**Resolved:** Shareholders request the Board of Directors commission an independent third-party report, at reasonable cost and omitting proprietary information, evaluating how effectively the company implements its Human Rights Statement and other company policies and standards related to human rights, in the development of products, contracts, and business relationships with government agencies, including law enforcement, that create a high risk of adverse human rights impacts, and disclose the report on its website. The third-party should provide an opportunity to civil society and human rights organizations to comment on Microsoft’s implementation of policies, in relation to high-risk products and relationships.

This report should include:

- The actual and potential human rights impacts, including discriminatory impacts on BIPOC communities, of high-risk products and relationships; and
- How Microsoft monitors use of high-risk products for compliance with its policies and standards related to human rights.

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<sup>11</sup> <https://www.nytimes.com/2021/03/31/business/microsoft-army-ar.html>;  
<https://www.nytimes.com/2019/03/04/technology/technology-military-contracts.html>;  
<https://www.voanews.com/usa/microsoft-wins-22-billion-deal-making-headsets-us-army>

<sup>12</sup> <https://notechforice.com> ; <https://www.datacenterknowledge.com/business/ice-seeks-large-new-cloud-contract-involving-microsoft-azure-aws> ; <https://azure.microsoft.com/en-us/services/cognitive-services/face/#demo>



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Senior Vice President – Wealth Management  
Branch Manager

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June 14, 2021

To Whom It May Concern

Re: Sisters of the Sacred Heart of Mary

At the request of the Sisters of the Sacred Heart of Mary, please be advised that as detailed in the attached report dated June 11, 2021, the Sisters of the Sacred Heart of Mary hold, continues to hold as of the date of this letter and has held continuously for at least one year, 926 shares of Microsoft Corporation stock (“MSFT”).

If you have any further questions, please contact me at 908-789-3163, at [matthew.power@ubs.com](mailto:matthew.power@ubs.com) or at the above address.

Sincerely,

A handwritten signature in black ink that reads "Matthew E. Power". The signature is written in a cursive style.

Matthew E. Power  
Senior Vice President – Wealth Management  
Branch Manager

cc: Sr. Maria Timoney

[As a firm providing wealth management services to clients, we offer both investment advisory and brokerage services. These services are separate and distinct, differ in material ways and are governed by different laws and separate contracts. For more information on the distinctions between our brokerage and investment advisory services, please speak with your Financial Advisor or visit our website at \[ubs.com/workingwithus\]\(http://ubs.com/workingwithus\).](#)

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June 14, 2021

To Whom It May Concern

Re: The Religious of the Sacred Heart of Mary Charitable Trust

At the request of the Religious of the Sacred Heart of Mary Charitable Trust, please be advised that as detailed in the attached report dated June 11, 2021, the Religious of the Sacred Heart of Mary Charitable Trust holds, continues to hold as of the date of this letter, and has held continuously for at least one year, 5130 shares of Microsoft Corporation stock ("MSFT").

If you have any further questions, please contact me at 908-789-3163, at [matthew.power@ubs.com](mailto:matthew.power@ubs.com) or at the above address.

Sincerely,

A handwritten signature in black ink that reads "Matthew E. Power". The signature is written in a cursive style with a large initial "M".

Matthew E. Power  
Senior Vice President – Wealth Management  
Branch Manager

cc: Sr. Maria Timoney

[As a firm providing wealth management services to clients, we offer both investment advisory and brokerage services. These services are separate and distinct, differ in material ways and are governed by different laws and separate contracts. For more information on the distinctions between our brokerage and investment advisory services, please speak with your Financial Advisor or visit our website at \[ubs.com/workingwithus\]\(http://ubs.com/workingwithus\).](#)

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