

2021 Shareholder Resolution Microsoft Corporation | Sustainability Policies for Electronic Waste

Whereas: A recent <u>World Economic Forum report cites</u> electronic waste as the fastest growing waste stream in the world and one of the most critical environmental issues facing global society. By 2040, the production and use of electronics including devices like personal computers, laptops, monitors, smartphones, and tablets will reach 14% of <u>total global carbon emissions</u>.

Microsoft is a corporate leader in pledging to take substantial action to reduce climate emissions; yet our Company actively restricts consumer access to device repairability, undermining our sustainability commitments by failing to recognize a fundamental principal of electronics sustainability: that overall device environmental impact is principally determined by the <u>length of its useful lifetime</u>.

Over the last several years dozens of federal bills have sought to require the public provision of instructions, parts, and tools for electronics repair to improve device longevity. Microsoft has actively lobbied against these bills and limits the right of consumers to easily repair their devices by restricting repair access to authorized establishments.

In May 2021 the <u>Federal Trade Commission issued a report</u> to Congress determining that there is "scant evidence" to justify the restriction by companies of repair instructions, parts, and tools to a limited number of authorized establishments. The bipartisan report notes that, "Increasing repair options for consumers is harmonious with the responsibilities identified by the Environmental Protection Agency (longer-living devices, giving consumers more ability to maintain those devices, and allowing for educated consumer purchases) and is likely to further decrease the production of e-waste."

In France, manufacturers are now required to publish repairability scores on all devices at point of sale. The scores are determined, in part, by the public availability of technical documents to aid in repair and the availability of spare parts, two provisions of active and past U.S. electronics repair legislation.

Competitors Dell and HP have begun to get ahead of such legislation by complementing their authorized repair services with the provision of some instructions, parts, and tools to independent repair shops. Microsoft has received substantial negative publicity for our products being more difficult to repair than those of these competitors and others.

In order to meet our Company's environmental commitments and get ahead of federal legislation, Microsoft must improve public access to device repairability.

Resolved: Shareholders request that the Board prepare a report, at reasonable cost and omitting proprietary information, on the environmental and social benefits of making Company devices more easily repairable by consumers and independent repair shops.



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Supporting Statement: The report should, at Board discretion, assess, among other issues:

- The benefits or harms of making instructions, parts, and/or tools for our products more readily available;
- The impact of potential state and federal legislation that requires all electronics companies to improve repair access and repairability.