RESOLVED: Shareholders request the Board of Directors publish a report, at reasonable cost and omitting proprietary information, assessing the effectiveness of Microsoft's human rights due diligence ("HRDD") processes in preventing, identifying, and addressing customer misuse of Microsoft artificial intelligence ("AI") and cloud products or services that violates human rights or international humanitarian law ("IHL").

The UN Guiding Principles on Business and Human Rights ("UNGPs") constitute the global authoritative framework outlining human rights responsibilities of businesses, and expectations are heightened for companies with business activities in conflict-affected and high-risk areas.[1] Companies are expected to take all reasonable steps to ensure their products and services are not used to violate human rights[2] and to transparently report on the effectiveness of their HRDD.[3]

Microsoft states it conducts ongoing HRDD across its value chain, in line with its obligations under the UNGPs, but recent allegations and findings of severe customer misuse suggest Microsoft's HRDD is ineffective.[4]

For example, several reports have detailed Israel's alleged use of Microsoft's AI and cloud services and technologies in its attacks against Palestinians,[5] which have been labeled war crimes and crimes against humanity.[6] Many prominent international organizations and scholars believe these attacks constitute genocide.[7]

In June 2026, Microsoft confirmed claims by The Guardian that Microsoft's cloud was being used to store mass surveillance data on Palestinians, which led Microsoft to terminate one specific contract with an Israeli military unit.[8] Importantly, it was The Guardian, not Microsoft's own HRDD, that identified the misuse, which was based on "information [Microsoft] could not access."[9] Concerningly, Microsoft's initial May 2025 internal assessments and external review

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[1] https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
[2] https://www.ohchr.org/sites/default/files/Documents/Issues/Business/B-Tech/taking-action-address-human-rights-risks.pdf
[3] https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
[4] https://msblogs.thesourcemediaassets.com/sites/5/2025/05/Microsofts-Commitment-to-Human-Rights.pdf
[5] https://apnews.com/article/israel-palestinians-ai-technology-737bc17af7b03e98c29cec4e15d0f108; https://www.972mag.com/microsoft-azure-openai-israeli-army-cloud/; https://www.theguardian.com/world/2025/jan/23/israeli-military-gaza-war-microsoft
[6] https://www.hrw.org/news/2024/11/14/israels-crimes-against-humanity-gaza; https://www.ohchr.org/en/press-releases/2024/10/un-commission-finds-war-crimes-and-crimes-against-humanity-israeli-attacks
[7] https://news.un.org/en/story/2024/03/1147976; https://www.ohchr.org/en/press-releases/2024/11/un-special-committee-finds-israels-warfare-methods-gaza-consistent-genocide; https://www.amnesty.org/en/documents/mde15/8668/2024/en/; https://www.hrw.org/report/2024/12/19/extermination-and-acts-genocide/israel-deliberately-depriving-palestinians-gaza; https://www.middleeasteye.net/news/top-genocide-scholars-unanimous-israel-committing-genocide-gaza-investigation-finds; https://www.btselem.org/sites/default/files/publications/202507_our_genocide_eng.pdf
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[9] https://blogs.microsoft.com/on-the-issues/2025/09/25/update-on-ongoing-microsoft-review/

found no evidence of misuse, while acknowledging it lacked "visibility into how customers use our software on their own servers or other devices."[10] This example highlights ineffective HRDD and suggests Microsoft may be unable to identify other instances of serious human rights or IHL violations. Microsoft still maintains extensive contracts with the Israeli military, purportedly connected to ongoing human rights violations against Palestinians.[11]

Additionally, reports raise concerns about Microsoft's cloud being used by Immigration and Customs Enforcement ("ICE") in "facilitating an immigration crackdown."[12] Although Microsoft says it "do[es] not believe" its cloud is being used by ICE for mass surveillance, Microsoft employees have filed internal ethics reports highlighting these concerns.[13] Microsoft also has a close partnership with Palantir Technologies, Inc.,[14] which uses Microsoft's cloud for its software and which has been linked to severe constitutional and human rights violations in the context of immigration enforcement.[15]

Ineffective HRDD exposes Microsoft to material legal, operational, and reputational risks, some of which have already materialized: outspoken opposition from its own employees,[16] a boycott and divestment campaign,[17] an EU General Data Protection Regulation ("GDPR") related to Palestinian human rights violations,[18] and severe reputational damage.

[10] https://blogs.microsoft.com/on-the-issues/2025/05/15/statement-technology-israel-gaza/
[11] https://www.accessnow.org/press-release/joint-letter-to-microsoft-regarding-israeli-military-use-of-azure-cloud-and-ai-services/
[12] https://www.theguardian.com/us-news/2026/feb/17/ice-microsoft-technology-immigration-crackdown; https://www.wired.com/story/how-big-tech-is-powering-trumps-immigration-crackdown/
[13] https://www.theguardian.com/us-news/2026/feb/17/ice-microsoft-technology-immigration-crackdown
[14] https://afsc.org/sites/default/files/2026-04/palantir-tech-ecosystem-final.pdf
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