

Precautionary Principle: Policy and Operating Control for Identifying and restricting additional substances in hardware products

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# Record of Revisions

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| Release Letter | Date | Section | Page | Summary of Changes | Author/Approver |
| A | 2/15/2010 | All | All | Initial Release | Brian Tobey, Corp. VP and Executive in Charge |
| B | 9/1/2010 | 2 & 5 | 6 & 9 | Revised BFR/phthalate phase-out date | Brian Tobey, Corp. VP and Executive in Charge |
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| Policy and Operating Control | |
| Document Owner: Sr. Director of Compliance & Sustainability (Director) | **Approval:** Brian Tobey, Corporate VP, E&D and Executive in Charge |
| **Signature:** On file in office of Director |
| Approval Date: |
| **Update Requirements:** The Director or its designee shall maintain this procedure. This procedure must be reviewed and approved annually. This document and its revisions shall remain current for no more than one year from the approval date. The Director or its designee must retain a log of document history with this procedure. | |
| **References** | |
| 1. Microsoft Internal  * **C&SMS-14001-445-RA**, Standard Operating Procedure For Identifying Legal And Other Requirements * **H00594** – Restricted Substances for Hardware Products * **H00642** - Microsoft Restricted Substances Control System * **Microsoft Environmental Principles; http://edweb/complianceandsafety**  1. State of California Proposition 65, Safe Drinking Water and Toxic Enforcement Act, 1986 2. Canadian Environmental Protection Act, Schedule 1 Domestic Substance List,1999 3. United Nations Conference on Environment and Development, Rio Declaration on Environment and Development,1992 4. European Union, RoHS Directive, 95/EC, 2002 | |
| **Attachments** | |
| 1. N/A | |

# PURPOSE

Microsoft is committed to phasing out the use of substances in its consumer hardware electronic products that pose a risk or threatened risk to human health or the environment. We try to restrict the use of such substances, and that is why our starting point is the precautionary principle. The precautionary principle was defined in the United Nations Conference on Environment and Development, Rio Declaration on Environment and Development declaration as, “Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.” We believe acting preventatively to reach a sustainable use of natural resources and a sound environment creates better products.

Microsoft has, to this end, developed a procedure for identifying and restricting additional substances and has prepared an initial list of substances and established time frames within which these substances will be reviewed for restriction from its products. Microsoft has established the initial goal of restricting phthalates and brominated flame retardants (BFRs) from its new hardware products to the extent safe and feasible by or before December 31, 2012 as follows in Sections 3, 4, and 5.

# DEFINITIONS

**“Brominated Flame Retardants (BFR)”** is the designated name for a group of brominated organic substances that have an inhibitory effect on the ignition of combustible organic materials

**“C&S”** Compliance and Sustainability

**“E&D**” Entertainment and Devices

**“LCA”** Legal and Corporate Affairs

“**Phthalates”** are esters of phthalic acid and are mainly used as plasticizers (substances added to plastics to increase their flexibility, transparency, durability, and longevity).

“**Precautionary Principle**” defined in the United Nations Conference on Environment and Development, Rio Declaration on Environment and Development declaration as, “Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

“**Principle**” means a policy demonstrating a course of action toward explicit E&D organization goals. Principles guide actions toward those likely to achieve a certain outcome.

“**Procedure**” means a specified way to perform an activity. A Standard Operating Procedure is a set of instructions having the force of a directive, covering those features of operations that lend themselves to a definite or standardized procedure without loss of effectiveness and with improved repeatability and results. Standard Operating Procedures can be effective catalysts to drive performance improvement and improving organizational results.

**“Shall”** this indicates a mandatory procedure that must be followed.

“**Sustainability**” means the E&D product sustainability program based on the product life cycle. See Figure 1 below.

Figure 1 - Sustainability Model

# ROLES and RESPONSIBILITES

## The scope of H00594 shall apply to this principle unless exempted by Microsoft or a product specific deviation is requested and granted through the ecteam@microsoft.com and documented in Microsoft’s Enterprise Product Information Management Program.

### Microsoft may target products to go above and beyond the regulatory driven specifications outlined in H00594. In these cases, Microsoft will provide the supplier with a product specification that outlines the restricted substances and/or designs that are more stringent than this specification. When product specification is more stringent than this document, the product specification takes precedence.

## The phase-out of substances will be controlled according to the procedures outlined C&SMS-14001-445-RA, and H00642.

## Compliance & Sustainability Group (C&SG):

### Identifies existing environmental, electromagnetic compatibility (EMC), Radio Frequency (RF), supplier social and environmental accountability, and product safety legal and other requirements impacting E&D aspects and operations.

### Identifies and monitors new and emerging legal and other requirements. Identifies applicability to Microsoft E&D C&S aspects and operations.

### Provides information necessary for LCA to render legal advice concerning applicability of legal and other requirements.

### Maintains records showing compliance with this procedure and of applicable legal and other requirements.

### Issues periodic newsletters and compliance bulletins regarding existing, new and emerging C&SG requirements.

### Incorporates new and emerging legal and other requirements into Specifications as appropriate.

## Legal & Corporate Affairs (LCA):

### Assists the C&SG by providing legal advice concerning applicability of legal and other requirements.

### Assists the C&SG by providing interpretations of existing, new and emerging legal and other requirements.

# Timeframe for Phase-out of Substances

|  |  |  |  |
| --- | --- | --- | --- |
| **Substance** | **Restricted Applications** | **Background Limit Weight % (PPM)** | **Restriction Date** |
| **Brominated Flame Retardants (BFR)** | All Applications | 0.0900 (900 PPM) Cumulative: Sum of all | December 31, 2012 |
| **Phthalates** | All Applications | 0.1000 (1000 PPM) Cumulative: Sum of all | December 31, 2012 |

Microsoft may amend this table from time to time at its sole discretion based on its assessment of feasibility, appropriate human health or environmental studies, research, or other scientific information. As of the Restriction Date, these substances will be added to its list of restricted substances as safe and feasible material alternatives are available. In addition, Microsoft will monitor its substance restriction schedule against substances identified by appropriate regulatory agencies and/or the scientific community to present the risk or threatened risk of toxicological, carcinogenic, mutagenic, teratogenic, or endocrine disruptive or harmful to human health or the environment. Examples of such lists include the California Proposition 65 List and the Canada Environmental Protection Act Domestic Substance List (collectively “Listed Substances”). Furthermore, Microsoft will stay abreast of exempted applications of potentially hazardous substances included in the EU RoHS Directive (2002/95/EC) and other material restriction requirements, and evaluate all such applications for elimination or substitution.

**H00594** requires Microsoft suppliers to fully identify and declare all substances used as materials in Microsoft products. These declared substances will be monitored against Listed Substances and Microsoft’s schedule of restricted substances.

# RECORDS MANAGEMENT

No records will be created by the Operating Control.