

Whereas,

Microsoft President Brad Smith has publicly acknowledged that facial recognition technology can be racially biased, threaten individual privacy and “encroach on democratic freedoms.” In 2018, he wrote that organizations that develop and use facial recognition should be “governed by the rule of law.”¹

Since then, at least 23 U.S. jurisdictions have adopted legal bans on facial recognition technology. King County, Washington - where Microsoft is headquartered - has banned use of facial recognition by its Sheriff’s Office and other government agencies.² In April 2021, the European Data Protection Supervisor, the European Union’s independent data protection authority, said facial recognition should be banned in Europe because of its “deep and non-democratic intrusion” into people’s private lives.³

In June 2021, more than 175 civil society organizations, activists, technologists, and other experts from 55 countries demanded an end to the use of facial recognition and remote biometric technologies, saying such technology “often criminalizes low-income and marginalized communities, including communities of color, the same communities that have traditionally faced structural racism and discrimination.”⁴

A shareholder proposal at Amazon addressing concerns associated with the use of facial recognition software by government and law enforcement has garnered increasing shareholder support over the past three years.

Shareholders are concerned Microsoft’s facial recognition technology poses risk to civil and human rights and shareholder value. In June 2021, 50 global investors representing more than \$4.5 trillion in assets called on companies involved in the development and use of facial recognition technology to proactively assess, disclose, mitigate and remediate human rights risks related to the technology.⁵

Microsoft said in 2020 that it “will not sell facial recognition technology to police departments in the United States until strong regulation, grounded in human rights, has been enacted.”⁶ However, the company’s position does not address potential sales to local, state or federal

¹ <https://blogs.microsoft.com/on-the-issues/2018/12/06/facial-recognition-its-time-for-action/>

² <https://www.seattletimes.com/seattle-news/politics/king-county-council-bans-use-of-facial-recognition-technology-by-sheriffs-office-other-agencies/>

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<https://www.reuters.com/technology/facial-recognition-should-be-banned-eu-privacy-watchdog-says-2021-04-23/>

⁴ <https://www.accessnow.org/cms/assets/uploads/2021/06/BanBS-Statement-English.pdf>

⁵ https://www.candriam.com/499bb4/siteassets/campagne/facial-recognition/2021_05_investor_statement_facial_recognition_candriam_en_final.pdf

⁶ <https://docs.microsoft.com/en-us/azure/cognitive-services/face/overview>

agencies, or to governments outside the U.S., with a history of oppression and human rights abuses. On its website, Microsoft continues to market its technology, urging customers to “Get accurate facial recognition at competitive prices.”⁷

In contrast, Microsoft peer IBM announced in 2020 that it would no longer offer general purpose facial recognition technology, citing concerns about “mass surveillance, racial profiling, violations of basic human rights and freedoms.”

RESOLVED: Shareholders request that the Board of Directors generally prohibit sales of facial recognition technology to all government entities, and to disclose any exceptions made, in the board and management's discretion.

Supporting Statement:

Local bans of these technologies, building on the evidence of concern, have demonstrated that facial recognition technologies in the hands of government are an inherent threat to civil and human rights. The Company should acknowledge this by banning sales to government entities.

⁷ <https://azure.microsoft.com/en-us/services/cognitive-services/face/#security>