

Our journey started more than a decade ago



Migrating to the Microsoft cloud reduced our carbon footprint

Microsoft moved over 2000 applications from on-premises to the cloud



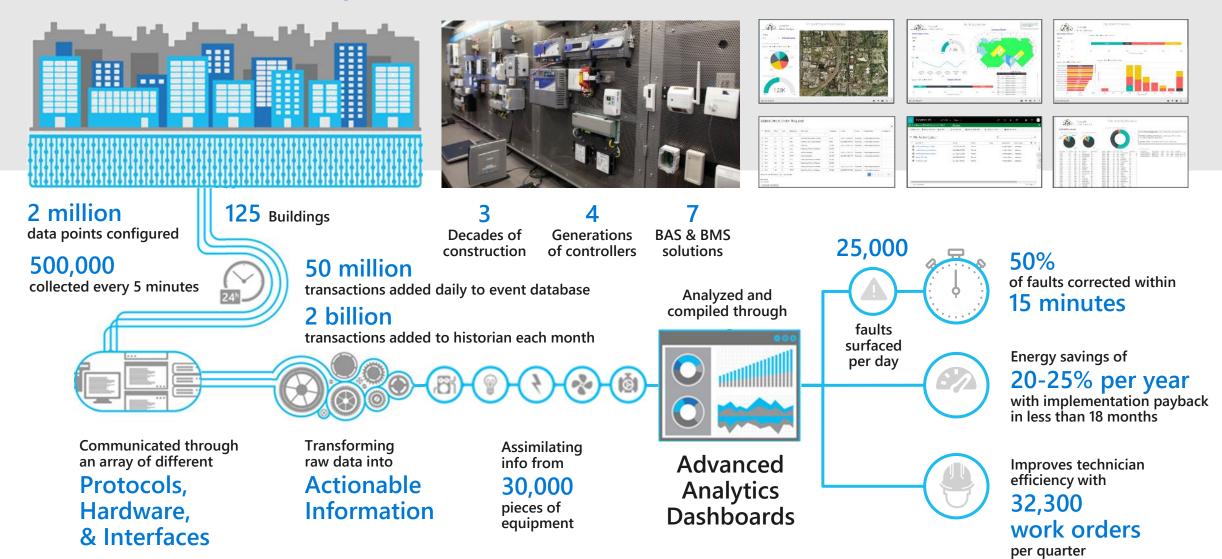
Moving on-premises datacenter operations to the Microsoft cloud can reduce your carbon footprint up to

98%

^{*}Carbon footprint reductions will vary depending on your specific server usage, renewable energy purchases you make, and other factors. For details please refer to The carbon benefits of cloud computing published by Microsoft in 2018.

Application of Artificial Intelligence to reduce energy consumption

Microsoft's Smart Campus



More than 50,000 buildings work with ICONICS

US Telecom 900+ Bldgs

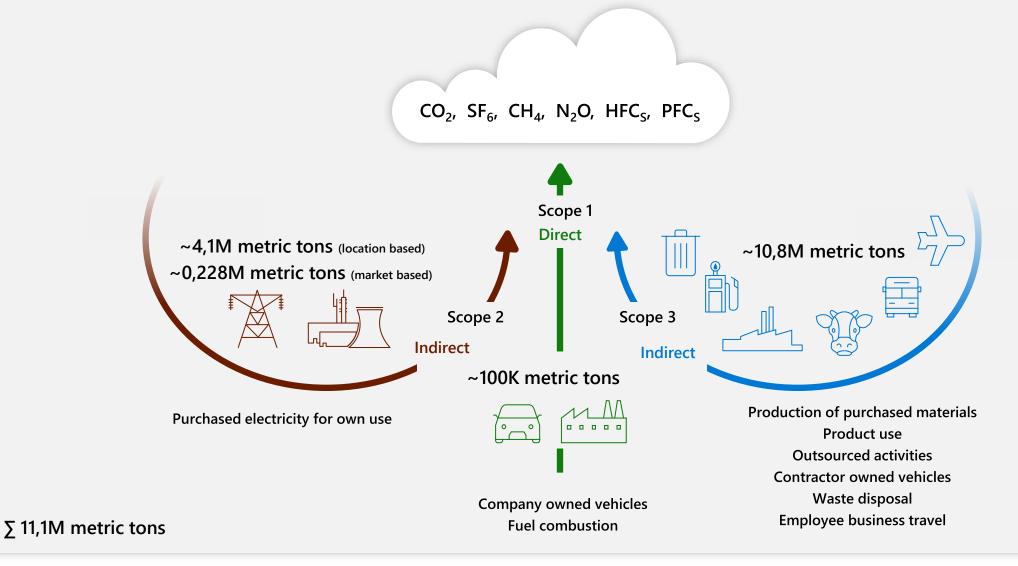
Schiphol Airport



Aerospace 60+ Bldgs

Retail Stores 1830 Bldgs

Microsoft's carbon emissions



Our 2020 sustainability commitments



Carbon

- Carbon negative by 2030
- Remove our historical emissions by 2050



Water

• Water positive by 2030



Waste

 Achieve zero waste by 2030 for Microsoft's direct operations, products and packaging

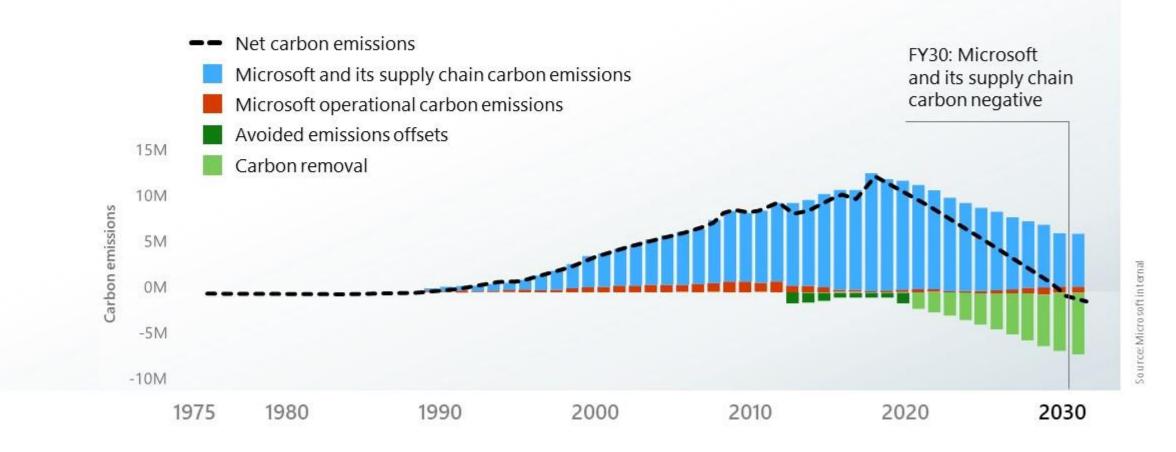


Ecosystems

- Protect more land than we use by 2025
- Build, deploy, and accelerate a **Planetary** Computer through Al for Earth program



Annual carbon emissions





Microsoft's FY21 Carbon Removal Portfolio



New transparency report, and a new public pledge

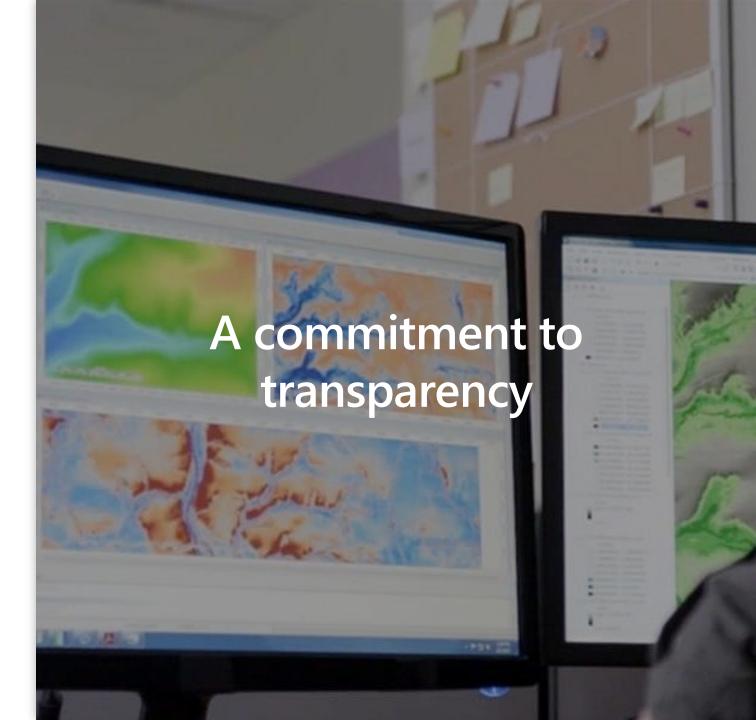
Disclose the carbon footprint of our services and solutions.

Support strong industry-wide standards for transparency and reporting on carbon emissions and removal, and we will apply these ourselves.

We have signed the United Nations'

1.5-degree Business Ambition Pledge and encourage other companies to join us.

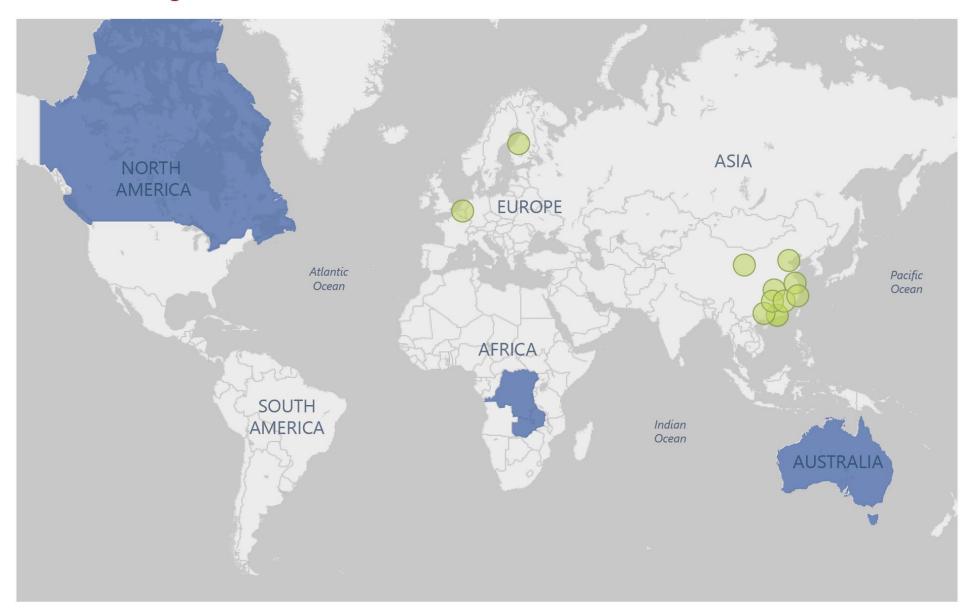
We will publicly track our progress with a new annual environmental sustainability report.



Emissions Impact Dashboard



Cobalt due diligence and results



Microsoft Devices

423 active factories

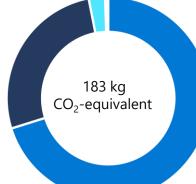


Materials used

Environmental impact



- Product use (26.7%)
- Transportation (2.6%)
- Packaging (0.4%)
- End of life (<1.0%)



177,8 kg

CO₂-equivalent



XBOX One X

- Metal parts (34.9%)
- Battery (20.0%)
- Display (12.4%)
- Power supply unit (11.9%)
- Circuit boards (10.5%)
- Glass (4.7%)
- Plastics (4.2%)
- Cables and wires (0.6%)
- Other (0.8%)

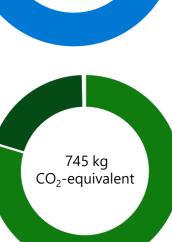


- Manufacturing (138 kg CO2eq)
- Transport (2.7 kg CO2eq)
- Product use (36 kg CO2eq)
- Disposal (0.6 kg CO2eq)
- Packaging waste (0.5 kg CO2eq)





- Product use (79.7%)
- Manufacturing (20%)
- Disposal (<1%)
- Transport (<1%)





- Plastics (21.8%)
- Optical disc drive (11.3%)
- Circuit boards (10.4%)
- Power supply (7.4%)
- Cables, wires (4.2%)
- Motors (3.0%)
- Hard disc drive (2.0%)
- Batteries (1.1%)
- Other (<1%)

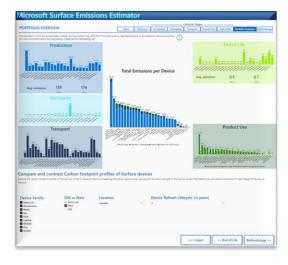
The Surface Emissions Estimator Helps You Understand the Footprint of Your Surface Device Purchases

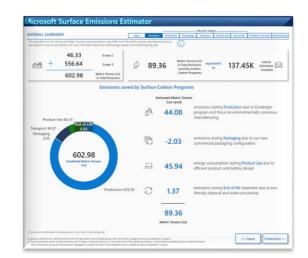
View the overall summary of your estimated carbon footprint

Deep-dive into emissions in each stage of the device lifecycle



Understand the emission reductions from Surface's Ecodesign and sustainability programs





The Microsoft commitment: zero waste by 2030



Eliminate single-use plastics in packaging by 2025

Reuse and repurpose 90% Cloud hardware by 2025

100% Recyclable
Surface devices & product
packaging

Divert 90% operational waste

Divert 75% construction and demolition waste





Free cooling

Rainwater harvesting

Circular Centers

Renewable diesel for backup power

Chart

6%

Waste to Landfill

Data on August 2021

592 tons of total waste, which is roughly equivalent in weight to 349 mid-size cars 243 lbs of waste per person

Campus

Suchen

✓ Puget Sound

Waste Category

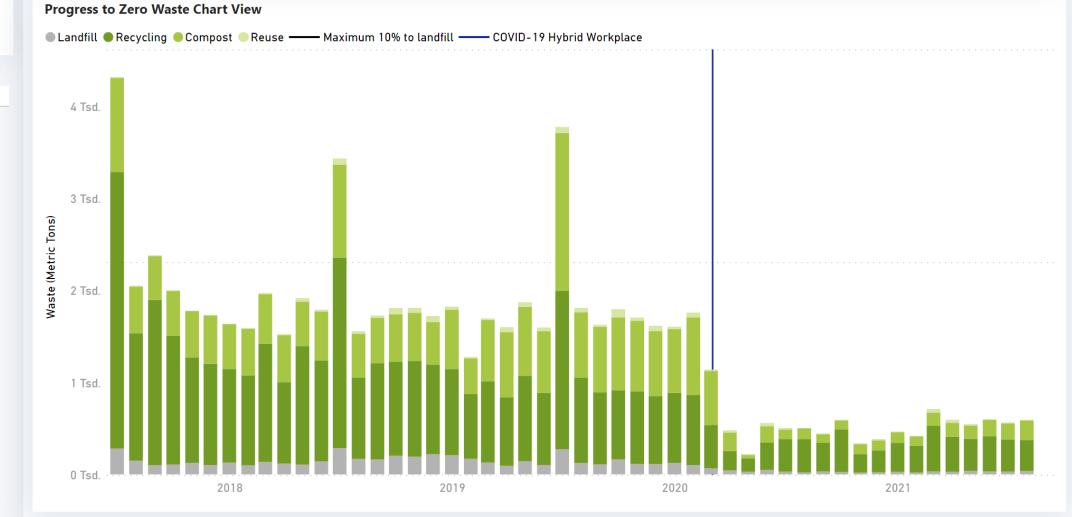
✓ Landfill

Recycling

✓ Compost

✓ Reuse

To achieve zero waste, we should send no more than 10% of our waste, averaged across the year, to landfill. Learn more



Microsoft Responsible Sourcing: Non-conformance data



This dashboard provides fiscal year 2019 (FY19), 2020 (FY20) and 2021 (FY21) audit data for our Devices hardware and packaging suppliers. The Microsoft Devices Strategic Sourcing and Manufacturing, and Responsible Sourcing teams work with our suppliers to ensure that corrective action plans will remedy the audit findings, address the identified risks and root causes, and implement fixes in a timely manner. Follow-up audits are conducted to ensure that corrective actions are implemented and effective to close the findings. To ensure continuous improvement, suppliers must evolve their focus from reactive risk management to strong management systems and a preventive mindset. Further information on each requirement can be found in our SEA Supplier Manual. In FY19, we completed 211 full third party audits and 263 corrective action audits at 220 factories for the Devices hardware and packaging suppliers. There were 419 active Devices factories and we conducted risk assessments on all 415 of these factories, thereby conducting a prioritization assessment of 99% of our active factories and we conducted risk assessments on all 417 of these factories, thereby conducting a prioritization assessment of 99.8% of our active factories. In FY21, we completed 242 full third party audits and 298 corrective action audits at 259 factories for the Devices hardware and packaging suppliers. There were 414 active Devices factories and we conducted risk assessments on all 414 of these factories.

FILTER BY FISCAL YEAR





CLOSURE STATUS

ClosedOpen Overdue

Open Overdue Open Within Timeline

Total NCs: 5.177

FURTHER DETAILS >

2020 Progress

In 2020, we announced our four commitments that will guide our sustainability work for the next decade. While we have much to do, we have already begun to see progress.

Carbon negative by 2030

Water positive by 2030

Zero waste by 2030

Build the **Planetary** Computer Ecosystems

Grew the AI for Earth grantee community to over 700 grantees in over 100 countries.



Invested \$30 million in Closed Loop Partners' funds to help build a circular economy.

On-boarded 10 petabytes of

environmental and Earth observation

for the conservation community.

data to Azure that is now freely available

Ecosystems

Zero waste



Water positive

Invested \$10 million in the Emerald Technology Ventures' Global Water Impact Fund to support innovative technologies for water conservation, access, and quality.

Carbon negative

500MW

PPA with Sol Systems will advance clean energy and environmental justice.

Zero waste

In FY20, diverted over 60 000 metric tons of waste from landfills.

Zero waste

Circular Centers, piloted this year, can contribute to increased reuse of servers by 90 per cent by 2025.

Water positive

Increased our replenishment project portfolio by nearly 700 percent from FY19.

Water positive

To date, funded nearly 20 replenishment projects in six states and two countries.

Carbon negative

Secured one million metric tons of carbon removal via projects from RFP process for FY21.

Carbon negative

Top suppliers reduced their collective footprint by 21 million tons CO₂e as reported by CDP.

Zero waste

Over 10,500 employees engaged in Ecochallenges to reduce personal waste footprints.

Carbon, water, and waste

Invested \$129 million across funds and organizations innovating in carbon reduction, water management, and circular economy.

Carbon negative

Delivered first tool to provide CO, transparency for cloud via the Microsoft Sustainability Calculator.

Zero waste

Boydton, Virginia.

Carbon negative

586,683

Reduced emissions across all scopes by 586,683 metric tons CO₂e in FY20.

Water positive

Launched water accessibility work to provide 1.5 million people access to safe drinking water and sanitation.

Carbon negative

All suppliers must report their GHG emissions through updated Supplier Code of Conduct.

Achieved Zero Waste Certification of datacenters in Dublin, Ireland and

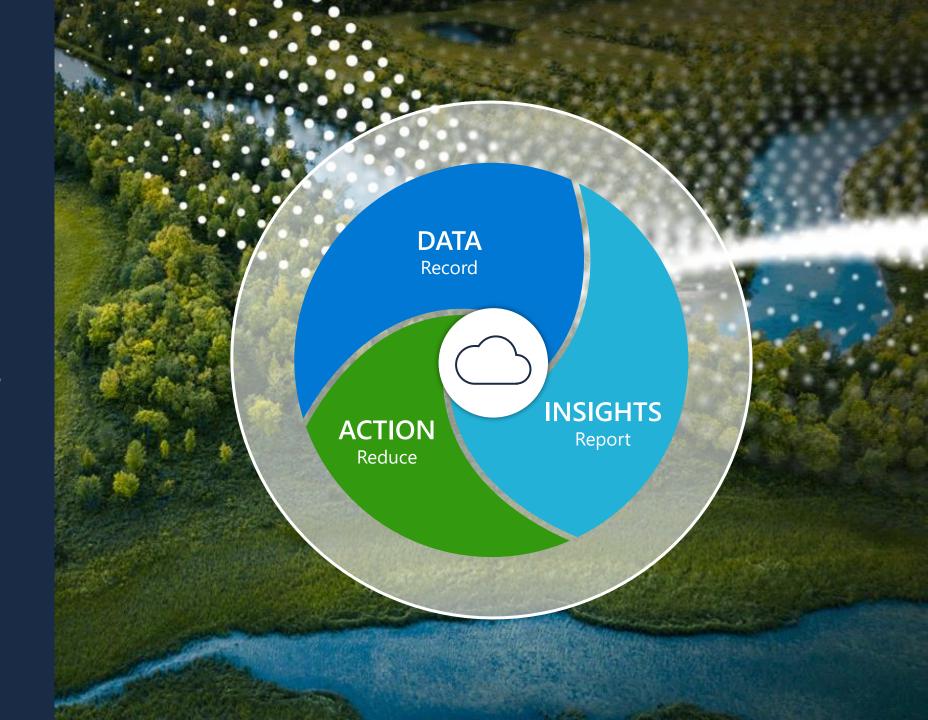
Microsoft Cloud for Sustainability

Delivering intelligence to help you accelerate every stage of your organization's sustainability journey

Comprehensive

Integrated

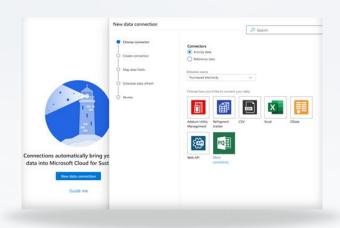
Automated

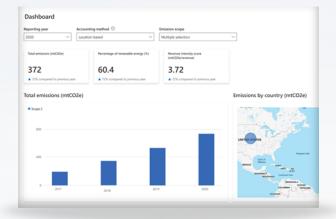


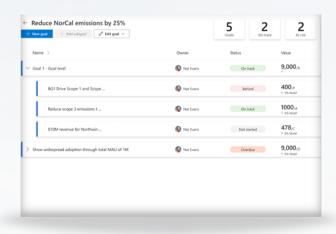
But sustainability is a value chain effort



One platform for integrating and accelerating your journey





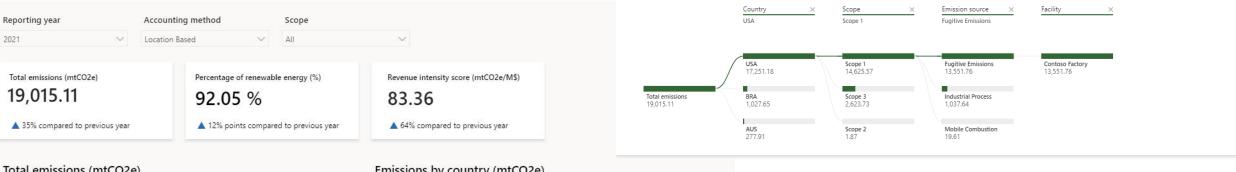


Connect your **data** and calculate your impact

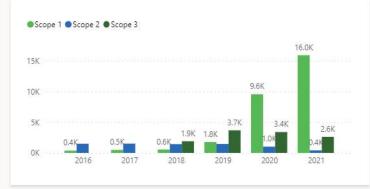
View data analysis and **insights**

Take **action** to accelerate your sustainability journey

Data exploration



Total emissions (mtCO2e)



50%

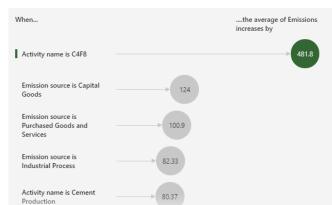
Emissions by country (mtCO2e)



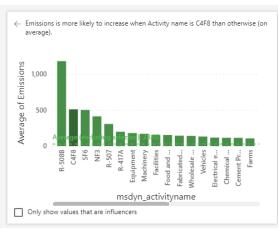
Percentage of renewable energy (%) Distribution of renewable energy (%) Solar Wind 2021 100% 2020 50% 2019 2018

100%

Key influencers Top segments What influences Emissions to Increase



× ?





Microsoft Cloud for Sustainability

Coming: First half of 2022





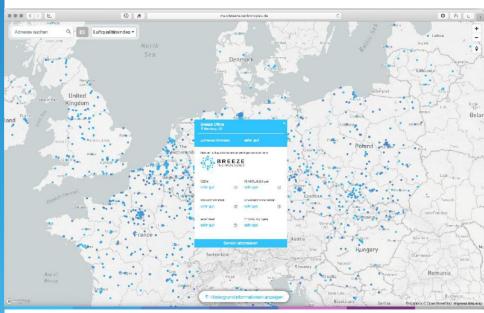


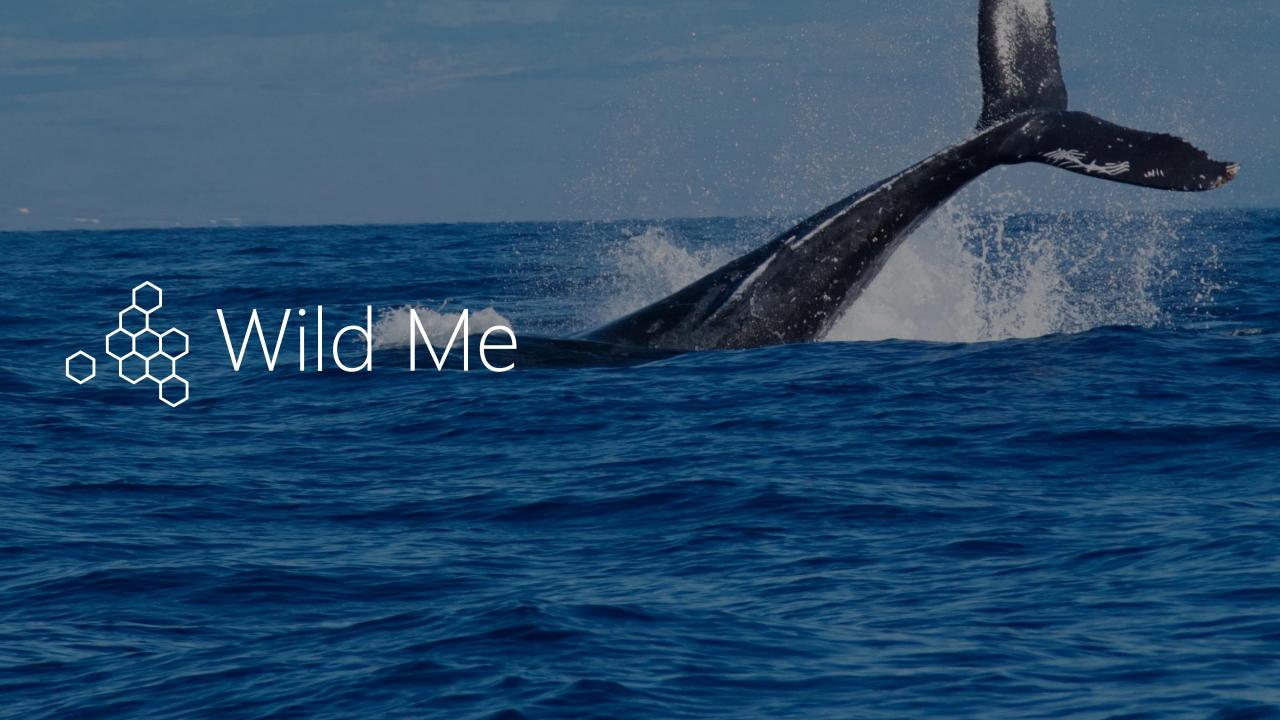


BREEZE TECHNOLOGIES

KÜNSTLICHE INTELLIGENZ GEGEN LUFTVERSCHMUTZUNG









Whale Shark Intelligent Agent



YouTube Video Source

https://www.youtube.com/watch?v=mn5a3XJhJd4

rocess

Intelligent Agent Process

Modules	Input	Output	Status	
Detect language and translate	120 Spanish	125 English	Complete	1
Text analysis and prediction	125 Words	8 Keywords	Generating	1
Extract video keyframes	=	2		
Object detection and prediction	ā	20		
Extract text from video	×	*	-	
Determine where and when	-	Ç.		

Output Logs

[5:53:58 PM] Analysing video metadata...

[5:53:58 PM] Unique words: ['Diving', 'Dominos', 'amazing experience swimming', 'worlds biggest fish', 'polka',

'Whale Sharks', 'new favorite', 'gentle giant', 'Best dive']

[5:53:59 PM] Generating unique three word combinations...

[5:53:59 PM] Total combinations: 362,880

[5:54:00 PM] Running [video description regression model]. Threshold: 90%

[5:54:00 PM] Regression model complete. Output results: 12,983

[5:54:01 PM] Video is valid.

0:00 / 0:35 Diving with Dominos 24 views Nuria Gonzalez **SUBSCRIBE 12** Published on Oct 20, 2017 What an amazing experience swimming with the worlds biggest fish. Last month I was graced by this polka-dotted gentle giant. Best dive ever! Whale Sharks are my new favorite! SHOW MORE 2 Comments SORT BY Demo Add a public comment... Arturo Lopez 1 year ago

Vext





Engaging our employees

Microsoft employee-led

Sustainability Community

- Founded in 2018
- Mission: make sustainability part of everybody's job
- **5,000** members from **100+** countries
- **30+** regional chapters
- **Executive sponsorship** from Chief Environmental Officer Lucas Joppa



Decades of action





