



The independent impact rating agency™

Microsoft Corp

2022 Analysis

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Impact statement



Microsoft Corp

Microsoft Corporation is an American multinational, one of the world's leading technology companies that provides software such as Office or LinkedIn, cloud services and personal computer hardware. In 2021, it generated USD 168,088 million in revenue, employed over 190,000 members, worked with 17 million partners and served 75 million customers in 190 countries.

Microsoft's identified mission is to "empower every person and every organization on the planet to achieve more." The company has published an Impact Summary tracing its progress toward the realization of its mission, however, this document can not be considered as a proper impact description of the organization, nor is its mission considered an impact mission. Nevertheless, the CEO, Vice President, Chief Environmental Officer, CFO, and other senior management members are evaluated annually on CSR objectives.

As a technology provider, Microsoft generates nine negative impacts and poses a risk of generating an additional three. The main environmental impacts result from the high levels of energy consumed through servers and data centers, as well as the water withdrawn for their cooling processes. Along the supply chain down to the end-of-use, there are environmental and social implications for the services and products lifecycle, waste, and carbon footprint, considering that numerous commodities are used in the making of electronic products. Initiatives are put in place to mitigate these impacts, such as the investment in carbon removal projects; the submission of climate data and strategy information to the CDP Climate Change Disclosure; and the assessment of devices' lifecycle. Furthermore, since the company collects an important amount of personal information for business intents, it also has an impact on customers' privacy and data security and poses a risk of systemic disruption due to the fact that several essential infrastructures depend on its systems.

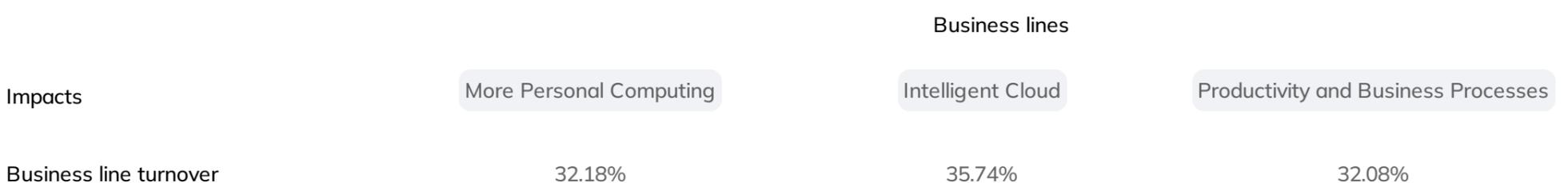
It is to be noted that despite extensive reporting on the sustainability aspects of the organization, Microsoft lacks transparency at various levels. Engagement mechanisms with stakeholders are vaguely described and no valuable information is provided on how they feed the Company's decision-making process. Moreover, most of Microsoft's social impacts, such as customer privacy and data security, supply chain management, labor conditions and workers' health and safety, although they are acknowledged by the Company and at least partially mitigated, are not documented with any KPI. Finally, most of Microsoft's impacts are not clearly identified through its Enterprise Risk Management (ERM) program, and the few publicly available environmental and social policies do not cover all of its material outcomes.

The company does not generate any material positive impacts, however, it has the potential to contribute positively to SDG 6 by providing free-of-charge tools for organizations to identify water-related risks; to SDG 4 by providing digital learning platforms in conflict and natural disasters areas; to SDG 16 by providing open-source technology to secure political elections processes; to SDG 11 by implementing an artificially intelligent program for the recovery of disasters, and to SDG 14 by identifying vessels that may be breaking regulations through data collection and artificial intelligence systems. Due to a lack of financial information and other quantitative data, these activities were not retained for the purpose of this analysis.

Although Microsoft has implemented actions to at least partially mitigate all its material negative impacts, it has been involved in various controversies related to diversity and inclusion, supply chain management, and anti-competitive practices deemed severe enough that it was classified as a "Z" company, or one that "May cause harm."

Indeed, Microsoft is involved in several severe controversies, notably regarding gender discrimination and sexual harassment toward female employees as well as illegal sourcing and infringement of indigenous and human rights through its supply chain. The Company either denied the allegations or declined to comment. Microsoft is also involved in various governance-related controversies for anti-competitive practices and unethical business conducts, as well as infringement of customer privacy with its well-known LinkedIn social platform.

Where are the positive impacts in the business model



impak Score™



Impact type

Z May cause harm

Positive impact

Positive impact score **0** / 500

Actual positive impacts

No actual positive impacts

Considered positive impacts

	SDG	4. Quality Education
	Target	4.b. By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries
	Outcome	Increase in the number of scholarships available to developing countries for enrolment in higher education

Activity

- Providing digital platforms (e.g. Learning Passport and Passport to Earning) in partnership with UNICEF to facilitate learning opportunities for children and young people affected by conflict and natural disasters, notably during the coronavirus pandemic, and to help them identify and acquire the skills they need to secure a job

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	no financial info related to the activity
✓ Linked to SDG target	
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✓ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	

	SDG	6. Clean water and sanitation
	Target	6.5. By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
	Outcome	Improvement of the distribution and management of water resources

Activity

- Providing free of charge tools (The Water Risk Monetizer and Smart Water Navigator) in partnership with Ecolab for organizations to identify and quantify water-related risks and reduce their water usage

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	no financial info related to the activity
✓ Linked to SDG target	
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✓ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	



SDG	11. Sustainable cities and communities
Target	11.5. By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations
Outcome	Increase in the Emergency Management Planning and/or response in the event of natural disasters and emergencies, with a focus on the poor and vulnerable

Activity

- Implementing an artificially intelligent program (AI for Humanitarian Action) for the recovery of disasters, through financial grants, technology investments, and partnerships that combine AI and data science expertise

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	no financial info related to the activity
✓ Linked to SDG target	
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✓ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	



SDG	14. Life below water
Target	14.4. By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics
Outcome	Ending of overfishing, illegal, and unregulated fishing and destructive fishing practices

Activity

- Increasing the sustainability of fishing by identifying vessels that may be breaking regulations and providing insights to fishing authorities through data collection and artificial intelligence systems (AI for Earth program, in partnership with OceanMind)

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	no financial info related to the activity
✓ Linked to SDG target	
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✓ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	



SDG 16. Peace, justice and strong institutions
Target 16.6. Develop effective, accountable and transparent institutions at all levels
Outcome Increase in the effectiveness, accountability and transparency of institutions at all levels

Activity

- Providing free and open-source technology and programs (e.g. ElectionGuard and Microsoft Democracy Forward Initiative) to make elections more secure and enable people and external monitors to check elections votes have been correctly counted and not altered

Criteria	Criteria justification(s)
✓ Activity actually delivered (vs. project or past activity)	The organization does not provide sufficient proof the activities can turn into the desired outcome
✓ Linked to SDG target	no financial info related to the activity
✓ Reached threshold to be a positive impact vs a negative impact mitigation	
✗ Clear causal links between the activity and the intended positive outcome (Theory of Change)	
✗ Reached financial materiality (>0.01% of activities)	

Negative impact

Negative impact score **78 / 300**

Actual negative impacts



SDG 6. Clean water and sanitation
Outcome Water withdrawal and consumption
Company acknowledgement Yes

Impact type
A

Activity generating negative impact Mitigated

- Consuming large amounts of water in data centers for cooling purposes, as well as in Microsoft facilities and offices as part of operations, including water from water-stressed regions such as in the Middle-East, Africa, Caribbean (Puerto Rico)

Activity mitigating negative impact

- Implementing Smart Water Navigator across data centers to prioritize and manage incoming water quality sources, such as recycled water (Scope: unknown)
- Utilizing an Adiabatic cooling system across data centers globally to reduce air temperature by evaporating water in its presence, which reduces power and water usage
- Researching and implementing a liquid immersion cooling system during the production phase to reduce water consumption (scope unknown)
- Building the Silicon Valley Campus with a net zero certification, whereby beyond drinking fountains and sinks, water does not come from municipal sources
- Recycling water from air conditioning condensate water for the irrigation and cooling towers at the Herzliya, Israel site
- Generating freshwater from the humidity in the air through Watergen's technology in the Herzliya, Israel site, which will also be introduced to other company sites, for example, in Hyderabad, India
- Removing the dyeing process on company products such as the CLARINO fabric by switching to a solution dye technique to reduce water consumption by 20%

Stakeholders

- Direct Local communities
- Direct Local ecosystems
- Indirect Planet



SDG 7. Affordable and clean energy
 Outcome Energy consumption
 Company acknowledgement **Yes**

Impact type

A

Activity generating negative impact **Mitigated**

- Consuming energy to power critical hardware and IT infrastructure in data centers and development labs: data centers need to be powered continuously and require central processing units, memory, storage, and cooling, leading to high energy consumption

Activity mitigating negative impact

- Optimizing the energy efficiency of chiller plants that provides air conditioning in company sites through the use of Bonsai, an artificial intelligence platform
 - Utilizing kinetic energy for back up power to replace the need for lead acid batteries to reduce energy consumption
 - Using thermal energy to heat and cool buildings to reduce 50% of energy usage in the Puget Sound Campus and support water systems in the Silicon Valley Campus

Stakeholders

Direct Local ecosystems **Direct** Local communities **Indirect** Local ecosystems



SDG 10. Reduced inequalities
 Outcome Diversity and inclusion
 Company acknowledgement **Yes**

Impact type

Z

Activity generating negative impact **Mitigated**

- Contributing to social inequalities through the under-representation of BIPOC in the company;- Contributing to gender inequalities through the under-representation of women and potential gender pay gap in the company, as well as a lack of women in executive and managerial position

Activity mitigating negative impact

- Training more than 91% of core Microsoft employees on topics regarding allyship, covering, privilege and unconscious bias through diversity and inclusion (D&I) required learning courses
 - Correcting the racial and ethnic minority pay gap by allowing minority workers in the US combined to earn \$1.006 for every \$1.000 earned by their white counterparts at the same job title and level
 - Correcting the gender pay gap by allowing female employees in the US to earn \$1.002 and female employees globally to earn \$1.001 for every \$1.000 earned by their male colleagues
 - Organizing Include 2021, a two-day D&I event with external experts to spread awareness and educate employees and beyond on various D&I topics and issues, featuring more than 110 sessions and reaching 185 countries
 - Increasing the number of countries for employees to voluntarily and confidentially share attributes of personal identity such as sexual orientation, disability status, and gender identity, including a transgender option
 - Providing flexible working options to its employees such as time flexibility, remote working, childcare closure leave for working parents and added well-being days (time off for mental health purposes)
 - Establishing and incorporating a Complaint and Investigations Process for discrimination complaints into the Anti-Harassment and Anti-Discrimination Policy

Stakeholders

Direct Women employees **Direct** Vulnerable groups **Indirect** Vulnerable groups **Indirect** Women employees

	SDG	12. Responsible consumption and production	Impact type <div style="border: 1px solid black; padding: 2px 10px;">A</div>
	Outcome	Product or service lifecycle management	
	Company acknowledgement	Yes	

Activity generating negative impact Mitigated

- Consumer hardware: large amount of greenhouse gas emitted due to the energy consumed during product use phase and the contribution to the planned obsolescence of devices due to high rate of technological advancements and electronic waste at the end-of-life; Causing environmental impacts throughout the lifecycle of operating activities:
- Cloud and software services: running software and cloud relies on data centers, which need to be powered continuously and are energy-intensive activities

Activity mitigating negative impact

- Increasing the scope of Microsoft's lifecycle assessment (LCA) and telemetry approach to better measure and prioritize possibilities for reducing carbon intensity throughout the entire lifecycle of devices
- Conduct LCAs according to ISO 14040 and ISO 14044 to estimate emissions from the manufacturing of devices to the individual component level
- Developing new Microsoft products (Surface Pro 8 and Surface Laptop Studio) and implementing new features (Energy Saver on the Xbox console) that are more energy efficient to reduce the product's energy and carbon footprint
- Building Circular Centers at various company locations to manage e-waste through reusing and recycling cloud hardware
- Extending the lifespan of products through enhancing repairability and serviceability by integrating the Design for Repair engineering program into products and expanding the Authorized Service Providers network
- Enabling responsible end-of-life with devices, processes and materials by establishing recycling programs (Devices Trade-In Program, Authorized Refurbisher Program, and voluntary mail-back recycling program)
- Producing 93-97% recyclable devices such as the Surface Laptop 4, and Xbox Series X and S

Stakeholders

- Direct Local communities
- Direct Local ecosystems
- Indirect Local ecosystems
- Indirect Civil society

	SDG	12. Responsible consumption and production	Impact type <div style="border: 1px solid black; padding: 2px 10px;">A</div>
	Outcome	Waste generation and hazardous materials management	
	Company acknowledgement	Yes	

Activity generating negative impact Mitigated

- Generating hazardous and non-hazardous waste through manufacturing and operating activities: presence of hazardous materials in hardware during assembly, as well as waste from operating activities, including e-waste from the operation of IT infrastructure and data centers

Activity mitigating negative impact

- Certifying datacenters with Zero Waste certifications for San Antonio, Texas and Quincy, Washington datacenters and renewed certifications for our Boydton, Virginia and Dublin, Ireland locations
- Diverting operational solid waste from landfills or incinerators through working with waste haulers on waste diversion programs and implementing renew, reuse, and recycle initiatives
- Reducing single-use plastic waste on company sites by switching to the use of recyclable paper visitor badges, reusable cups and meal boxes
- Incorporating ocean plastics, post-consumer and post-industrial recycled materials into company products, including Surface power supply units, Surface devices and housing, Xbox consoles and controllers, PC accessories
- Using a manufacturing 'stamping' technique to reduce the aluminum scrap rate for Surface Laptop Studio's base by more than 25%
- Reworking waste accounting using PowerApps, Dynamics 365, and Power BI to increase the collection of data, provide greater visibility into waste types and forecast impacts driving upstream decision-making to minimize waste
- Developing 99% of recyclable product packaging with sustainably forested content by the Forest Stewardship Council (FSC)

Stakeholders

- Direct Local communities
- Direct Local ecosystems
- Indirect Planet



SDG 13. Climate action
 Outcome Greenhouse gas emissions
 Company acknowledgement **Yes**

Impact type

A

Activity generating negative impact **Mitigated**

Emitting greenhouse gases through direct and indirect activities:

- Scope 1: direct emissions from on-site sources, such as company-owned vehicles or generators at Microsoft offices and data centers
- Scope 2: indirect emissions from purchased energy and utilities to run operations and power office buildings
- Scope 3: indirect emissions from upstream and downstream sources, mainly from purchased goods and services (such as energy consumption from data centers), capital goods, and the use of sold products

Activity mitigating negative impact

- Reducing embodied Carbon through developing Embodied Carbon in Construction (EC3) tool for tracking purposes and incorporating low carbon materials for their data centers, such as mass timber and CarbonCure (cement)
- Increasing the internal carbon fee to \$15 per metric ton for each of Microsoft's business divisions to hold them accountable and generate funds for other sustainability initiatives, such as procuring renewable energy
- Removing 1.4M tons of carbon through projects involving community-based reforestation, biochar, and direct air capture
- Increasing the share of renewable energy across company sites through signing new power purchase agreements for 5.8GW of renewable energy
- Certifying company sites with Zero Carbon and LEED Gold or Platinum certifications (Four datacenters are LEED Gold certified, and 74 projects are going through certification)
- Partnering with internal and external stakeholders to implement initiatives to reduce GHG emissions, such as Hack for sustainability, renewable energy and energy matching solutions, and developing supplier reporting tools
- Increasing carbon awareness and lowering carbon in cloud operations through developing new software features, including Start/Stop VMs, displaying resource metrics in Azure Machine Learning and Carbon Aware Core

Stakeholders

Direct Planet



SDG 16. Peace, justice and strong institutions
 Outcome Customer privacy and data security
 Company acknowledgement **Yes**

Impact type

A

Activity generating negative impact **Mitigated**

- Generating an impact on data security through the collection of consumers' personal data and sensitive information through products and services and the commercialization of consumer hardware and smart devices

Activity mitigating negative impact

- Launching the Next Generation Privacy initiative to develop a framework covering policies, technological infrastructure, and customer experiences to address privacy at all organizational levels and standardize compliance
- Setting up a Privacy Management Council (PMC) comprised of privacy program owners to conduct privacy reviews of significant new personal data collection and usage in accordance with the Microsoft Privacy Standard
- Conducting the monitoring, verification and risk assessment of privacy compliance by privacy program groups via data processing impact assessments and transparency reporting
- Communicating and providing direct access to privacy and data security tools for all customers through online platforms such as Privacy at Microsoft, Microsoft Trust Center, and the Microsoft Privacy Dashboard
- Establishing the Microsoft Trust Cloud initiative to protect users from cyber threats, give users data access and control, adopt new global standards and give transparent insight into Microsoft's policies and practices
- Intercepting email threats and authentication attacks to protect customer privacy and data security
- Providing a Privacy Support Form for users to voice concerns on Microsoft's privacy policies across all products and services, and request data subject rights, such as the ability to view and remove personal data

Stakeholders

Direct Clients **Direct** Consumers **Indirect** Consumers **Indirect** International organizations



SDG 16. Peace, justice and strong institutions
 Outcome Supply chain management
 Company acknowledgement **Yes**

Impact type

Z

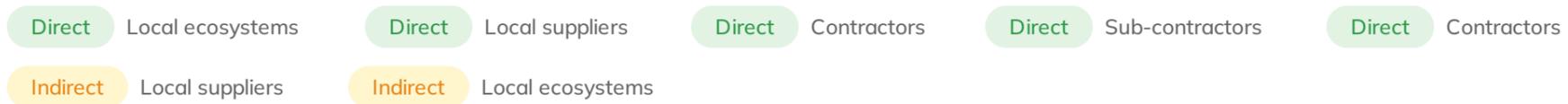
Activity generating negative impact Mitigated

- Generating negative environmental and social impacts along the supply chain through ineffective supply chain management: Microsoft has a high number of suppliers, some of whom can engage in socially and environmentally damageable practices, especially through the sourcing of minerals, raw materials, or services in high risks countries

Activity mitigating negative impact

- Integrating additional sustainability requirements, including supplier's carbon footprints and plans to reduce them, to the Supplier Code of Conduct
- Collaborating with suppliers to explore a closed-loop supply chain for difficult-to-recycle materials and establish emission reduction action plans through educational webinars and one-on-one meetings
- Providing tools and resources developed with ENGIE Impact, WSP, and CDP to help suppliers report their GHG emissions, develop clean energy strategies, and reduce their energy-related emissions
- Including the Supplier Code of Conduct, aligned with the Responsible Business Alliance's responsible supply chain standards, in all supplier contracts and Social and Environmental Accountability requirements
- Implementing a risk management system involving supplier selection, audits and risk assessments with corrective and preventative actions to manage and mitigate risks in the supply chain and operations of suppliers
- Communicating and training new suppliers through the Microsoft SEA Academy on Microsoft policy or procedure updates, labour and EHS requirements, business ethics, audit processes, and tools to build their capabilities
- Extending the mineral transparency reporting and minerals supplier survey to include beyond conflict minerals to identify, map, and understand sourcing profiles of aluminum, copper, lithium, magnesium and nickel

Stakeholders



SDG 16. Peace, justice and strong institutions
 Outcome Anti-competitive practices
 Company acknowledgement **Yes**

Impact type

Z

Activity generating negative impact Mitigated

- Contributing to anti-competitive practices in the technology sector such as abuse of dominant position (e.g. tying sales, predatory conduct and pricing), oligopoly, infringement of intellectual property rights (patents and trademarks)

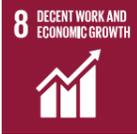
Activity mitigating negative impact

- Incorporating antitrust and anti-corruption policies into the Supplier Code of Conduct
- Appointing the Regulatory and Public Policy Committee to oversee management policies and programs relating to competition and antitrust issues and topics
- Extending Microsoft's trust code (standards of business conduct) to cover topics on the protection of confidential information and intellectual property, trading on inside information, avoiding conflicts of interest, etc.

Stakeholders



Potential negative impacts

	SDG	8. Decent work and economic growth	Impact type <div style="border: 1px solid black; padding: 2px 10px;">A</div>
	Outcome	Workers' health and safety	
	Company acknowledgement	Yes	

Activity generating negative impact Mitigated

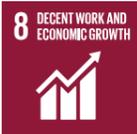
- Potential risk of impacting workers' health and safety through the manufacturing process, particularly in outsourced manufacturing activities and sourcing of raw materials for consumer hardware, which utilize machinery and makes use of chemicals known to be hazardous to human health or are known carcinogens, resulting in potential long-term health impacts on workers

Activity mitigating negative impact

- Providing benefits package to employees: counselling through the Microsoft CARES Employee Assistance Program, flexible fitness benefits, savings and investment tools, adoption assistance, and backup care for dependents
- Conducting audits of suppliers by auditors with RBA Labour & Ethics/EHS, SA8000 or ISO 45001 auditor qualifications to detect risks to workers' health and safety and ensure respect of occupational health and safety
- Incorporating workers' health and safety policies into the Supplier and Partner Code of Conduct
- Introducing wellbeing and productivity features in Microsoft Teams for employees to better manage their mental health
- Providing training on occupational health and safety (OHS) topics to supplier sites via the SEA Academy, online webinars, and on-site training by OHS experts
- Launching OHS programs at high OHS risk factories, including cyanide safety handling, chemicals risk management, machine safeguarding
- Conducting on-site risk assessments and mitigation at supplier sites, especially at factories such as magnesium/aluminum manufacturing factories, printed circuit board factories, and solvent printing factories

Stakeholders



	SDG	8. Decent work and economic growth	Impact type <div style="border: 1px solid black; padding: 2px 10px;">A</div>
	Outcome	Poor labour and working conditions	
	Company acknowledgement	Yes	

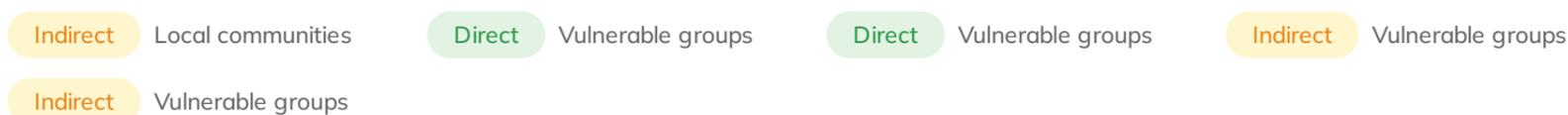
Activity generating negative impact Mitigated

- Potential risk of contributing to poor labor standards through poor human resource management practices: offshoring, working conditions in call centres, burnout, harassment

Activity mitigating negative impact

- Establishing the Human Rights Core Team to develop strategies, human rights initiatives and policies, identify and reduce the risk of modern slavery and human trafficking across operations and the supply chain
- Requiring suppliers to implement compliance plans for migrant workers and zero fees policies for worker recruitment to minimize the risk of forced or bonded labour in Microsoft's operations and supply chains
- Extending the Responsible Sourcing Program to cover issues and topics related to human rights, health and safety, and ethics
- Implementing Standards of Business Conduct and the Supplier and Partner Code of Conduct to ensure respect for human rights, and nonacceptance of child or forced labour, or violence or discrimination, in the work environment
- Conducting data analysis to identify audit, EHS, labour, and RSRM risks for each product category to improve the SEA engagement strategies and lower the risk of forced labour
- Providing a Worker's Voice Hotline program to 235 factories in the supply chain for employees and external collaborators to anonymously report labour conditions grievances, and violations

Stakeholders





SDG

17. Partnership for the goals

Impact type

Outcome

Critical incidents and systemic risk management

A

Company acknowledgement

Yes

Activity generating negative impact **Mitigated**

- Possible technical failures could generate large-scale business discontinuity and data breaches;- Potential risk of systemic disruption due to Microsoft's dominant position on the internet and the fact that several essential infrastructures, including healthcare institutions, government agencies and political campaigns, depend on its systems

Activity mitigating negative impact

- Managing and mitigating fire explosion risks by engaging suppliers to complete risk assessments and self-assessments to implement mitigating measures
- Implementing systems to safeguard Microsoft's operations, such as Microsoft Defender Advanced Threat Protection, Azure Advanced Threat Protection, the Azure Security Center, and Microsoft Cloud App Security
- Introducing Microsoft's operating system, Windows 365, to the cloud (cloud PC) to provide greater flexibility, stability and security for individuals and organizations
- Tracking over 140 groups that pose an active threat to global cybersecurity to prevent and reduce the risk of systemic disruption
- Implementing incident response process including the identification, forensic investigation, containment, eradication, recovery, lessons learned, and timely communication of incidents
- Enhancing data center hardware storage and security through project Cerberus, which provides secure firmware implementation, and project Denali which improves the specification for solid state device (SSD) storage
- Utilizing Microsoft Azure Global Infrastructure that includes rigorous physical security to protect services and data from natural disasters and unauthorized access across data centers

Stakeholders

- Direct** Civil society
- Direct** Administration and governments
- Direct** Planet

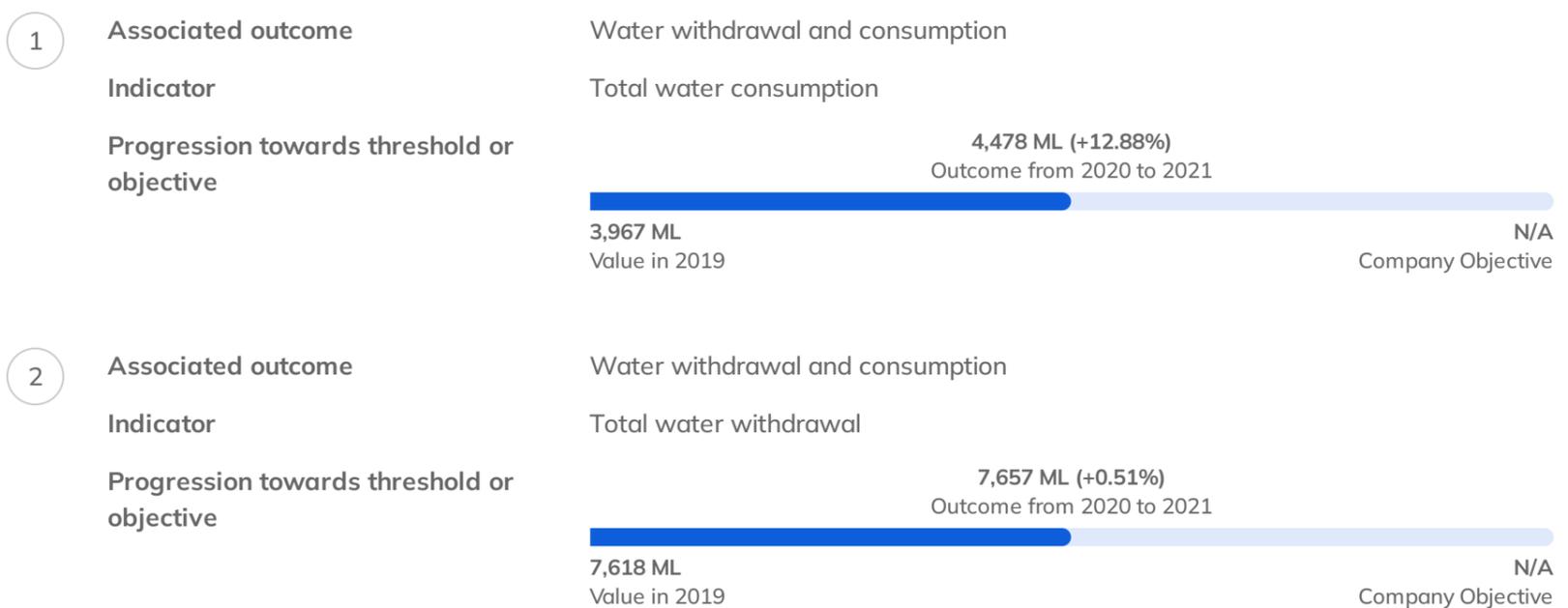
Impact results

Reducing negative impact

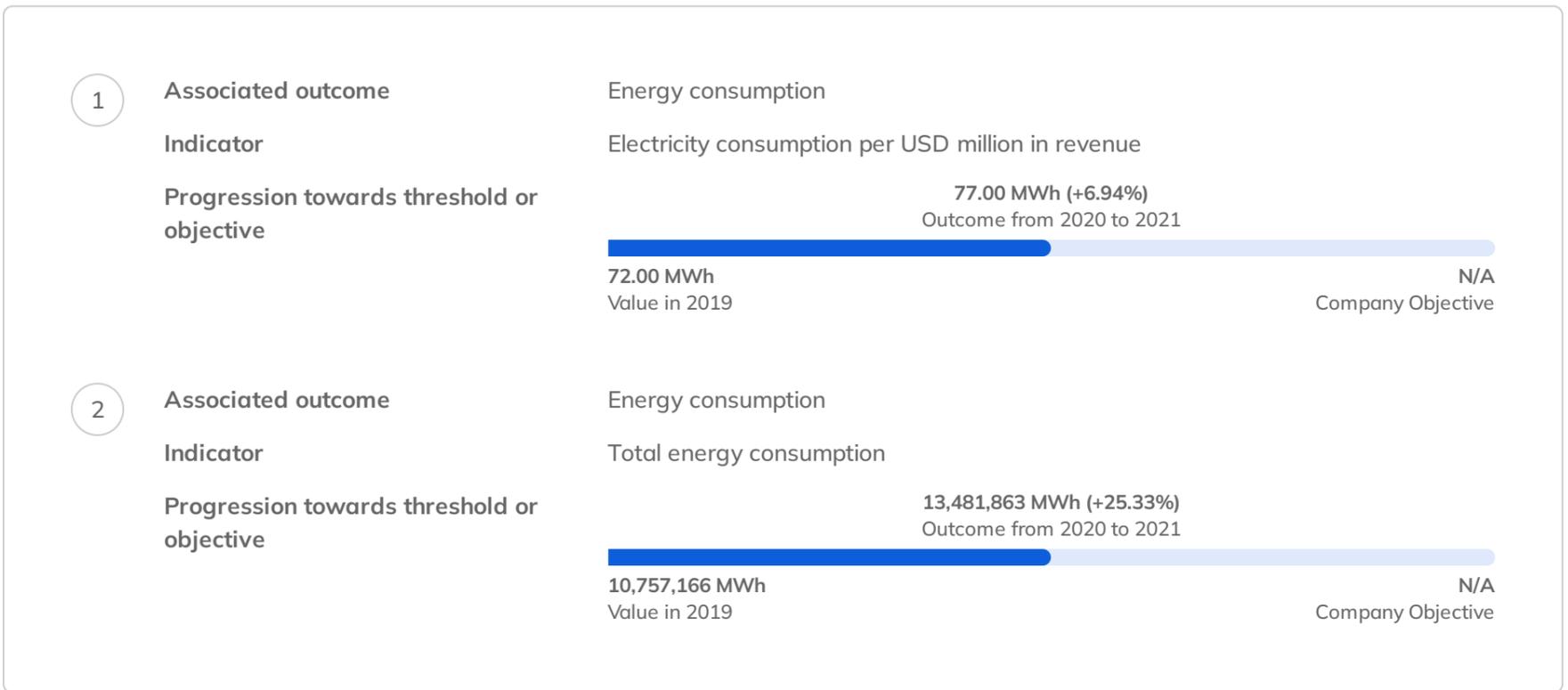
SDG Outcomes covered Total indicators



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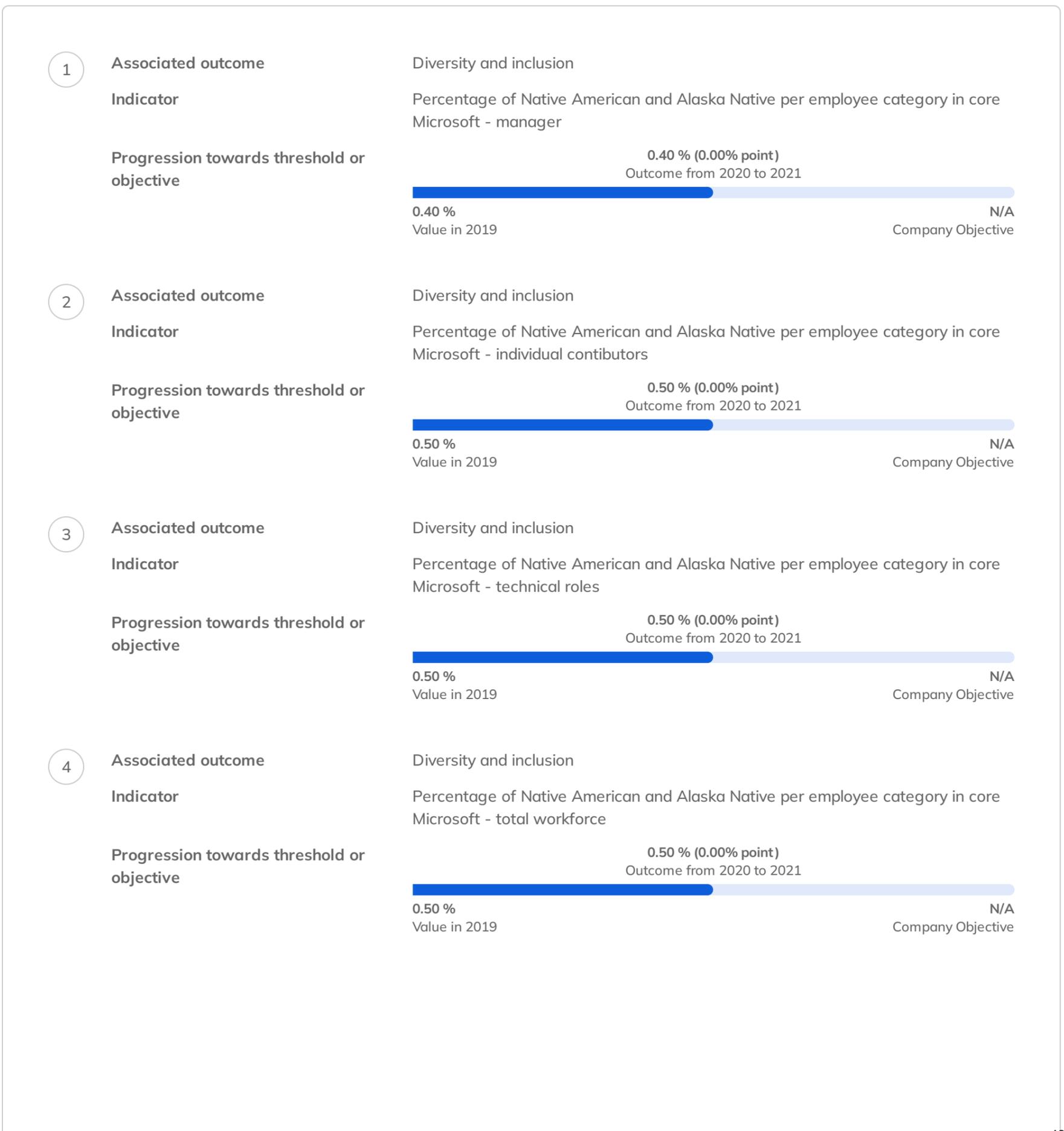


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1

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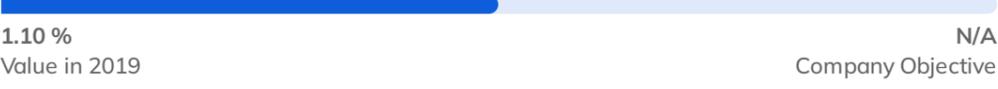
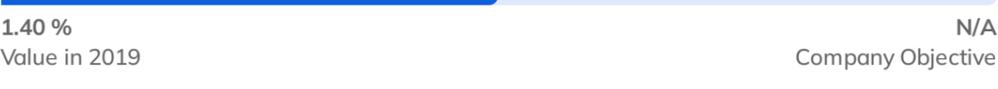
5	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Asian per employee category in core Microsoft - retail
	Progression towards threshold or objective	9.80 % (-0.10% point) Outcome from 2020 to 2021
		 9.90 % Value in 2019 N/A Company Objective
6	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Asian per employee category in core Microsoft - non-tech roles (includes retail)
	Progression towards threshold or objective	16.90 % (+0.40% point) Outcome from 2020 to 2021
		 16.50 % Value in 2019 N/A Company Objective
7	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Asian per employee category in core Microsoft - executive
	Progression towards threshold or objective	23.30 % (+1.80% point) Outcome from 2020 to 2021
		 21.50 % Value in 2019 N/A Company Objective
8	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Asian per employee category in core Microsoft - partner & executive
	Progression towards threshold or objective	26.20 % (+1.00% point) Outcome from 2020 to 2021
		 25.20 % Value in 2019 N/A Company Objective
9	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Asian per employee category in core Microsoft - director
	Progression towards threshold or objective	31.30 % (+1.50% point) Outcome from 2020 to 2021
		 29.80 % Value in 2019 N/A Company Objective
10	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Asian per employee category in core Microsoft - manager
	Progression towards threshold or objective	31.00 % (+0.40% point) Outcome from 2020 to 2021
		 30.60 % Value in 2019 N/A Company Objective
11	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Asian per employee category in core Microsoft - individual contributors
	Progression towards threshold or objective	36.30 % (+0.80% point) Outcome from 2020 to 2021
		 35.50 % Value in 2019 N/A Company Objective

12	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Asian per employee category in core Microsoft - technical roles
	Progression towards threshold or objective	42.60 % (+0.80% point) Outcome from 2020 to 2021
		41.80 % Value in 2019
		N/A Company Objective
13	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Asian per employee category in core Microsoft - total workforce
	Progression towards threshold or objective	35.40 % (+0.70% point) Outcome from 2020 to 2021
		34.70 % Value in 2019
		N/A Company Objective
14	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Hispanic and Latinx per employee category in core Microsoft - retail
	Progression towards threshold or objective	26.90 % (+1.00% point) Outcome from 2020 to 2021
		25.90 % Value in 2019
		N/A Company Objective
15	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Hispanic and Latinx per employee category in core Microsoft - non-tech roles (includes retail)
	Progression towards threshold or objective	10.30 % (+0.40% point) Outcome from 2020 to 2021
		9.90 % Value in 2019
		N/A Company Objective
16	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Hispanic and Latinx per employee category in core Microsoft - executive
	Progression towards threshold or objective	3.70 % (+0.40% point) Outcome from 2020 to 2021
		3.30 % Value in 2019
		N/A Company Objective
17	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Hispanic and Latinx per employee category in core Microsoft - partner & executive
	Progression towards threshold or objective	5.20 % (+0.80% point) Outcome from 2020 to 2021
		4.40 % Value in 2019
		N/A Company Objective
18	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Hispanic and Latinx per employee category in core Microsoft - director
	Progression towards threshold or objective	5.20 % (+0.40% point) Outcome from 2020 to 2021
		4.80 % Value in 2019
		N/A Company Objective

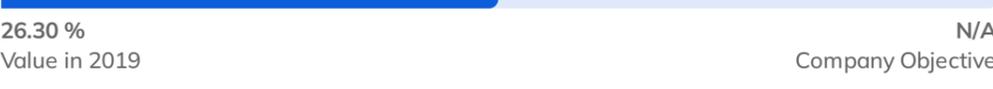
19	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Hispanic and Latinx per employee category in core Microsoft - manager
	Progression towards threshold or objective	6.00 % (+0.60% point) Outcome from 2020 to 2021
		5.40 % Value in 2019
		N/A Company Objective
20	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Hispanic and Latinx per employee category in core Microsoft - individual contributors
	Progression towards threshold or objective	7.20 % (+0.40% point) Outcome from 2020 to 2021
		6.80 % Value in 2019
		N/A Company Objective
21	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Hispanic and Latinx per employee category in core Microsoft - technical roles
	Progression towards threshold or objective	5.80 % (+0.50% point) Outcome from 2020 to 2021
		5.30 % Value in 2019
		N/A Company Objective
22	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Hispanic and Latinx per employee category in core Microsoft - total workforce
	Progression towards threshold or objective	7.00 % (+0.40% point) Outcome from 2020 to 2021
		6.60 % Value in 2019
		N/A Company Objective
23	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Black and African American per employee category in core Microsoft - retail
	Progression towards threshold or objective	17.90 % (-1.70% point) Outcome from 2020 to 2021
		19.60 % Value in 2019
		N/A Company Objective
24	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Black and African American per employee category in core Microsoft - non-tech roles (includes retail)
	Progression towards threshold or objective	9.10 % (+1.00% point) Outcome from 2020 to 2021
		8.10 % Value in 2019
		N/A Company Objective
25	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Black and African American per employee category in core Microsoft - executive
	Progression towards threshold or objective	5.60 % (+1.90% point) Outcome from 2020 to 2021
		3.70 % Value in 2019
		N/A Company Objective

26	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Black and African American per employee category in core Microsoft - partner & executive
	Progression towards threshold or objective	3.80 % (+0.90% point) Outcome from 2020 to 2021
		2.90 % Value in 2019
		N/A Company Objective
27	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Black and African American per employee category in core Microsoft - director
	Progression towards threshold or objective	3.20 % (+0.60% point) Outcome from 2020 to 2021
		2.60 % Value in 2019
		N/A Company Objective
28	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Black and African American per employee category in core Microsoft - manager
	Progression towards threshold or objective	3.90 % (+1.00% point) Outcome from 2020 to 2021
		2.90 % Value in 2019
		N/A Company Objective
29	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Black and African American per employee category in core Microsoft - individual contributors
	Progression towards threshold or objective	6.10 % (+0.90% point) Outcome from 2020 to 2021
		5.20 % Value in 2019
		N/A Company Objective
30	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Black and African American per employee category in core Microsoft - technical roles
	Progression towards threshold or objective	4.40 % (+0.80% point) Outcome from 2020 to 2021
		3.60 % Value in 2019
		N/A Company Objective
31	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Black and African American per employee category in core Microsoft - total workforce
	Progression towards threshold or objective	5.70 % (+0.80% point) Outcome from 2020 to 2021
		4.90 % Value in 2019
		N/A Company Objective
32	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category in core Microsoft - retail
	Progression towards threshold or objective	38.10 % (-0.40% point) Outcome from 2020 to 2021
		38.50 % Value in 2019
		N/A Company Objective

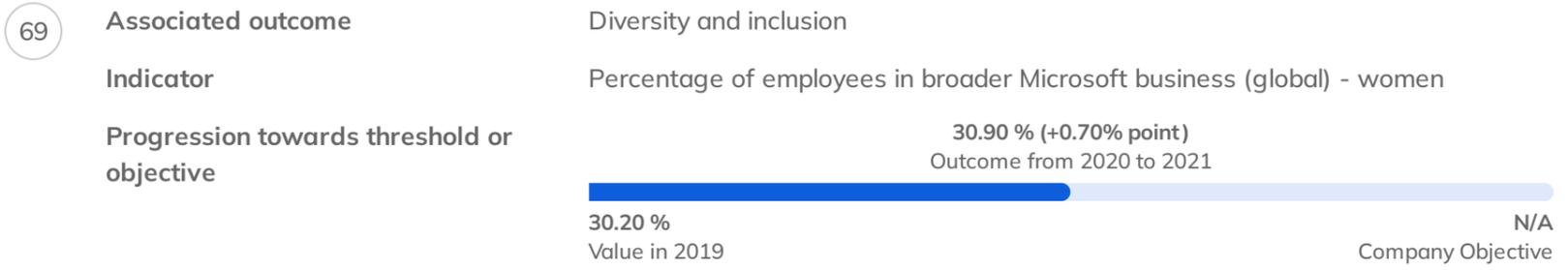
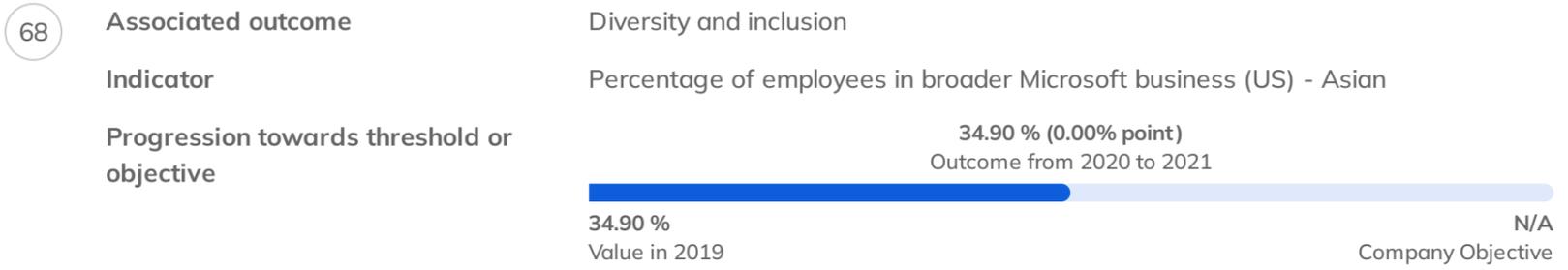
33	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category in core Microsoft - non-tech roles (includes retail)
	Progression towards threshold or objective	41.20 % (+0.80% point) Outcome from 2020 to 2021
		40.40 % Value in 2019
		N/A Company Objective
34	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category in core Microsoft - executive
	Progression towards threshold or objective	25.00 % (+1.00% point) Outcome from 2020 to 2021
		24.00 % Value in 2019
		N/A Company Objective
35	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category in core Microsoft - partner & executive
	Progression towards threshold or objective	21.10 % (+1.10% point) Outcome from 2020 to 2021
		20.00 % Value in 2019
		N/A Company Objective
36	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category in core Microsoft - director
	Progression towards threshold or objective	22.00 % (+0.90% point) Outcome from 2020 to 2021
		21.10 % Value in 2019
		N/A Company Objective
37	Associated outcome	Diversity and inclusion
	Indicator	Percentage of multiracial per employee category in core Microsoft - retail
	Progression towards threshold or objective	2.00 % (-0.10% point) Outcome from 2020 to 2021
		2.10 % Value in 2019
		N/A Company Objective
38	Associated outcome	Diversity and inclusion
	Indicator	Percentage of multiracial per employee category in core Microsoft - non-tech roles (includes retail)
	Progression towards threshold or objective	2.80 % (+0.20% point) Outcome from 2020 to 2021
		2.60 % Value in 2019
		N/A Company Objective
39	Associated outcome	Diversity and inclusion
	Indicator	Percentage of multiracial per employee category in core Microsoft - executive
	Progression towards threshold or objective	0.70 % (+0.30% point) Outcome from 2020 to 2021
		0.40 % Value in 2019
		N/A Company Objective

40	Associated outcome	Diversity and inclusion
	Indicator	Percentage of multiracial per employee category in core Microsoft - partner & executive
	Progression towards threshold or objective	1.40 % (+0.30% point) Outcome from 2020 to 2021
		 <p>1.10 % Value in 2019 N/A Company Objective</p>
41	Associated outcome	Diversity and inclusion
	Indicator	Percentage of multiracial per employee category in core Microsoft - director
	Progression towards threshold or objective	1.60 % (+0.20% point) Outcome from 2020 to 2021
		 <p>1.40 % Value in 2019 N/A Company Objective</p>
42	Associated outcome	Diversity and inclusion
	Indicator	Percentage of multiracial per employee category in core Microsoft - manager
	Progression towards threshold or objective	1.80 % (+0.30% point) Outcome from 2020 to 2021
		 <p>1.50 % Value in 2019 N/A Company Objective</p>
43	Associated outcome	Diversity and inclusion
	Indicator	Percentage of multiracial per employee category in core Microsoft - individual contributors
	Progression towards threshold or objective	2.60 % (+0.20% point) Outcome from 2020 to 2021
		 <p>2.40 % Value in 2019 N/A Company Objective</p>
44	Associated outcome	Diversity and inclusion
	Indicator	Percentage of multiracial per employee category in core Microsoft - technical roles
	Progression towards threshold or objective	2.30 % (+0.10% point) Outcome from 2020 to 2021
		 <p>2.20 % Value in 2019 N/A Company Objective</p>
45	Associated outcome	Diversity and inclusion
	Indicator	Percentage of multiracial per employee category in core Microsoft - total workforce
	Progression towards threshold or objective	2.50 % (+0.20% point) Outcome from 2020 to 2021
		 <p>2.30 % Value in 2019 N/A Company Objective</p>
46	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native Hawaiin and Pacific Islander per employee category in core Microsoft - retail
	Progression towards threshold or objective	0.90 % (+0.10% point) Outcome from 2020 to 2021
		 <p>0.80 % Value in 2019 N/A Company Objective</p>

47	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native Hawaiian and Pacific Islander per employee category in core Microsoft - non-tech roles (includes retail)
	Progression towards threshold or objective	0.40 % (0.00% point) Outcome from 2020 to 2021
		0.40 % Value in 2019 N/A Company Objective
48	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native Hawaiian and Pacific Islander per employee category in core Microsoft - executive
	Progression towards threshold or objective	0.00 % (0.00% point) Outcome from 2020 to 2021
		N/A Value in 2019 N/A Company Objective
49	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native Hawaiian and Pacific Islander per employee category in core Microsoft - partner & executive
	Progression towards threshold or objective	0.10 % (0.00% point) Outcome from 2020 to 2021
		0.10 % Value in 2019 N/A Company Objective
50	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native Hawaiian and Pacific Islander per employee category in core Microsoft - director
	Progression towards threshold or objective	0.10 % (0.00% point) Outcome from 2020 to 2021
		0.10 % Value in 2019 N/A Company Objective
51	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native Hawaiian and Pacific Islander per employee category in core Microsoft - manager
	Progression towards threshold or objective	0.20 % (0.00% point) Outcome from 2020 to 2021
		0.20 % Value in 2019 N/A Company Objective
52	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native Hawaiian and Pacific Islander per employee category in core Microsoft - individual contributors
	Progression towards threshold or objective	0.20 % (0.00% point) Outcome from 2020 to 2021
		0.20 % Value in 2019 N/A Company Objective
53	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native Hawaiian and Pacific Islander per employee category in core Microsoft - technical roles
	Progression towards threshold or objective	0.10 % (0.00% point) Outcome from 2020 to 2021
		0.10 % Value in 2019 N/A Company Objective

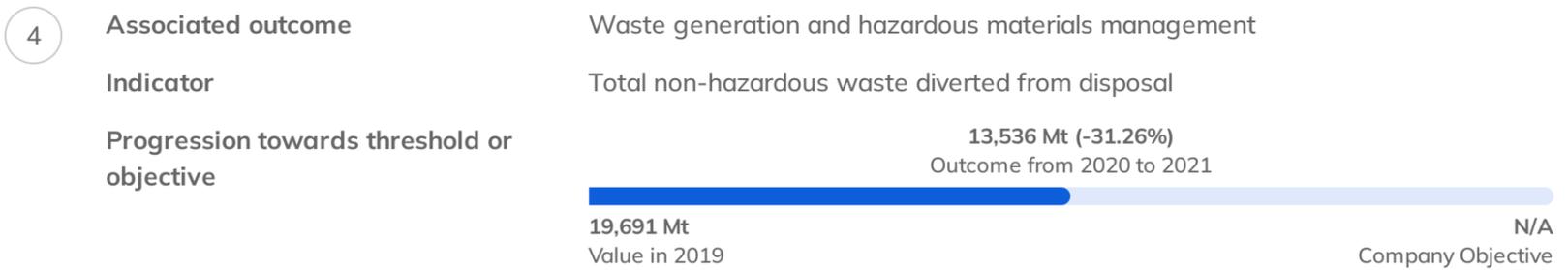
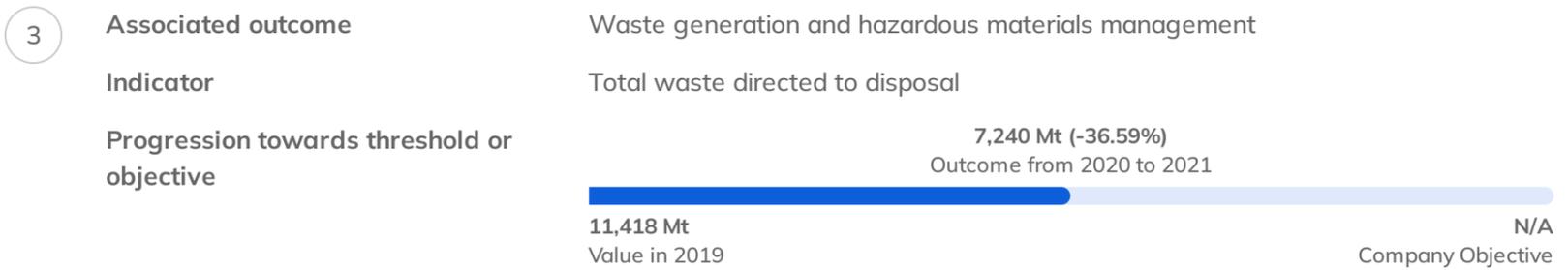
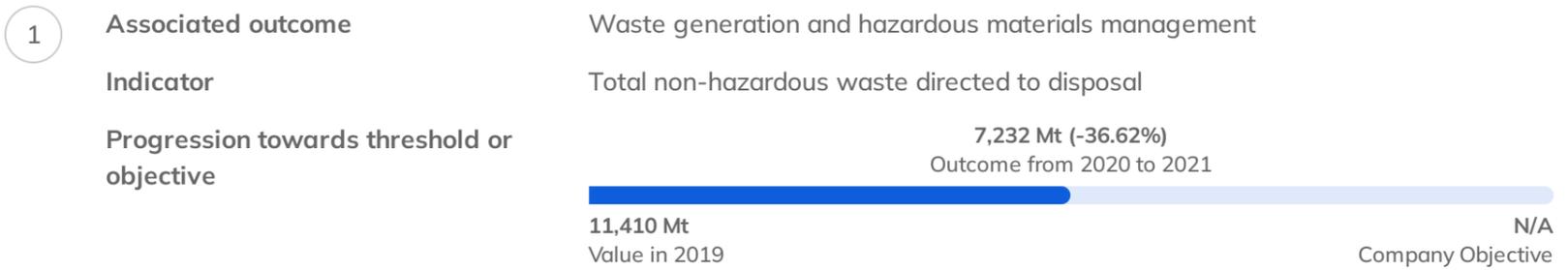
54	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native Hawaiian and Pacific Islander per employee category in core Microsoft - total workforce
	Progression towards threshold or objective	0.20 % (0.00% point) Outcome from 2020 to 2021
		
		0.20 % Value in 2019
		N/A Company Objective
55	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native American and Alaska Native per employee category in core Microsoft - retail
	Progression towards threshold or objective	0.50 % (+0.10% point) Outcome from 2020 to 2021
		
		0.40 % Value in 2019
		N/A Company Objective
56	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native American and Alaska Native per employee category in core Microsoft - non-tech roles (includes retail)
	Progression towards threshold or objective	0.40 % (0.00% point) Outcome from 2020 to 2021
		
		0.40 % Value in 2019
		N/A Company Objective
57	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native American and Alaska Native per employee category in core Microsoft - executive
	Progression towards threshold or objective	0.40 % (+0.40% point) Outcome from 2020 to 2021
		
		N/A Value in 2019
		N/A Company Objective
58	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native American and Alaska Native per employee category in core Microsoft - partner & executive
	Progression towards threshold or objective	0.30 % (0.00% point) Outcome from 2020 to 2021
		
		0.30 % Value in 2019
		N/A Company Objective
59	Associated outcome	Diversity and inclusion
	Indicator	Percentage of Native American and Alaska Native per employee category in core Microsoft - director
	Progression towards threshold or objective	0.50 % (+0.10% point) Outcome from 2020 to 2021
		
		0.40 % Value in 2019
		N/A Company Objective
60	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category - management position
	Progression towards threshold or objective	27.10 % (+0.80% point) Outcome from 2020 to 2021
		
		26.30 % Value in 2019
		N/A Company Objective

61	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category in core Microsoft - individual contributors
	Progression towards threshold or objective	30.20 % (+1.20% point) Outcome from 2020 to 2021
		29.00 % Value in 2019
		N/A Company Objective
62	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category in core Microsoft - technical roles
	Progression towards threshold or objective	24.40 % (+1.60% point) Outcome from 2020 to 2021
		22.80 % Value in 2019
		N/A Company Objective
63	Associated outcome	Diversity and inclusion
	Indicator	Percentage of women per employee category - total workforce
	Progression towards threshold or objective	29.70 % (+1.10% point) Outcome from 2020 to 2021
		28.60 % Value in 2019
		N/A Company Objective
64	Associated outcome	Diversity and inclusion
	Indicator	Percentage of employees in broader Microsoft business (US) - multiracial
	Progression towards threshold or objective	2.50 % (+0.20% point) Outcome from 2020 to 2021
		2.30 % Value in 2019
		N/A Company Objective
65	Associated outcome	Diversity and inclusion
	Indicator	Percentage of employees in broader Microsoft business (US) - Native American, Alaska Native, Native Hawaiian, and Pacific Islander
	Progression towards threshold or objective	0.60 % (0.00% point) Outcome from 2020 to 2021
		0.60 % Value in 2019
		N/A Company Objective
66	Associated outcome	Diversity and inclusion
	Indicator	Percentage of employees in broader Microsoft business (US) - Hispanic and Latinx
	Progression towards threshold or objective	6.90 % (+0.50% point) Outcome from 2020 to 2021
		6.40 % Value in 2019
		N/A Company Objective
67	Associated outcome	Diversity and inclusion
	Indicator	Percentage of employees in broader Microsoft business (US) - Black and African American
	Progression towards threshold or objective	5.60 % (+0.90% point) Outcome from 2020 to 2021
		4.70 % Value in 2019
		N/A Company Objective



1

8



6	Associated outcome	Waste generation and hazardous materials management
	Indicator	Total non-hazardous waste generated
	Progression towards threshold or objective	20,768 Mt (-33.22%) Outcome from 2020 to 2021
		31,101 Mt Value in 2019
		N/A Company Objective
7	Associated outcome	Waste generation and hazardous materials management
	Indicator	Total hazardous waste generated
	Progression towards threshold or objective	1,750 Mt (-81.52%) Outcome from 2020 to 2021
		9,469 Mt Value in 2019
		N/A Company Objective
8	Associated outcome	Waste generation and hazardous materials management
	Indicator	Total waste generated
	Progression towards threshold or objective	22,518 Mt (-44.50%) Outcome from 2020 to 2021
		40,570 Mt Value in 2019
		N/A Company Objective



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8

1	Associated outcome	Greenhouse gas emissions
	Indicator	Total renewable energy consumption
	Progression towards threshold or objective	12,969,393 MWh (+26.60%) Outcome from 2020 to 2021
		10,244,377 MWh Value in 2019
		N/A Company Objective
2	Associated outcome	Greenhouse gas emissions
	Indicator	Scope 3 GHG emissions
	Progression towards threshold or objective	13,785,000 tCO2eq (+22.65%) Outcome from 2020 to 2021
		11,239,000 tCO2eq Value in 2019
		5,619,500.0 tCO2eq Company Objective in 2030
3	Associated outcome	Greenhouse gas emissions
	Indicator	Scope 1 & 2 (market-based) GHG emissions
	Progression towards threshold or objective	287,639 tCO2eq (-16.94%) Outcome from 2020 to 2021
		346,294 tCO2eq Value in 2019
		N/A Company Objective in 2025
4	Associated outcome	Greenhouse gas emissions
	Indicator	GHG emissions within carbon neutral boundary
	Progression towards threshold or objective	292,106 tCO2eq (-52.34%) Outcome from 2020 to 2021
		612,927 tCO2eq Value in 2019
		N/A Company Objective

5	Associated outcome	Greenhouse gas emissions
	Indicator	Scope 1, 2 (location-based) per USD million in revenue
	Progression towards threshold or objective	<p style="text-align: right;">29.00 tCO₂eq (-1.69%) Outcome from 2020 to 2021</p>  <p>29.50 tCO₂eq Value in 2019</p> <p style="text-align: right;">N/A Company Objective</p>
6	Associated outcome	Greenhouse gas emissions
	Indicator	Scope 1, 2 (market-based) & 3 GHG emissions
	Progression towards threshold or objective	<p style="text-align: right;">14,073,000 tCO₂eq (+21.48%) Outcome from 2020 to 2021</p>  <p>11,585,000 tCO₂eq Value in 2019</p> <p style="text-align: right;">N/A Company Objective</p>
7	Associated outcome	Greenhouse gas emissions
	Indicator	Scope 2 GHG emissions
	Progression towards threshold or objective	<p style="text-align: right;">163,935 tCO₂eq (-28.16%) Outcome from 2020 to 2021</p>  <p>228,194 tCO₂eq Value in 2019</p> <p style="text-align: right;">N/A Company Objective</p>
8	Associated outcome	Greenhouse gas emissions
	Indicator	Scope 1 GHG emissions
	Progression towards threshold or objective	<p style="text-align: right;">123,704 tCO₂eq (+4.75%) Outcome from 2020 to 2021</p>  <p>118,100 tCO₂eq Value in 2019</p> <p style="text-align: right;">N/A Company Objective</p>

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