

## INDEPENDENT LIMITED ASSURANCE STATEMENT



**To: The Stakeholders of Microsoft**

### Introduction and objectives of work

Apex Companies, LLC (Apex) has been engaged by Microsoft Corporation (Microsoft) to provide limited assurance of its water withdrawals. This Assurance Statement applies to the Subject Matter included within the scope of work described below.

This information and its presentation are the sole responsibility of the management of Microsoft. Our sole responsibility was to provide independent assurance on the accuracy of the Subject Matter.

### Scope of work

The scope of our work was limited to assurance of the water withdrawals for the period July 1, 2019 to June 30, 2020 (the 'Subject Matter').

### Reporting Boundaries

The following are the boundaries used by Microsoft for reporting sustainability data:

- Operational Control
- Worldwide

### Data Verified:

- **Water Withdrawal:** 7,618,089 cubic meters

Data and information supporting the water withdrawals were in some cases estimated rather than historical in nature.

### Reporting Criteria

The Subject Matter needs to be read and understood together with the Microsoft Inventory Management Plan.

### Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of  $\pm 5\%$  for aggregate errors in sampled data for the above indicator.

### Reporting Protocols against which verification was conducted:

- CDP Water Security 2020 Reporting Guidance

### Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

## Responsibilities

This preparation and presentation of the Subject Matter are the sole responsibility of the management of Microsoft.

Apex was not involved in the drafting of the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Subject Matter has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of Microsoft.

## Assessment Standards

- We performed our work in accordance with Apex's standard procedures and guidelines for external Assurance of Sustainability Reports and International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board. A materiality threshold of  $\pm 5$ -percent was set for the assurance process.

## Summary of Work Performed

As part of our independent verification, our work included:

1. Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
2. Conducting interviews with relevant personnel of Microsoft and their consultant;
3. Reviewing the data collection and consolidation processes used to compile Subject Matter, including assessing assumptions made, and the data scope and reporting boundaries;
4. Reviewing documentary evidence provided by Microsoft;
5. Agreeing a selection of the Subject Matter to the corresponding source documentation; and
6. Reviewing Microsoft's systems for quantitative data aggregation and analysis.

## Assurance Opinion

Based on the results of our assurance process, Apex found no evidence that the water withdrawal assertion shown above:

- is not materially correct;
- is not a fair representation of the water withdrawal data and information; and
- has not been prepared in accordance with the CDP Water Security 2020 Reporting Guidance.

It is our opinion that Microsoft has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of water withdrawal for the stated period and boundaries.

**Statement of Independence, Integrity and Competence**

Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

No member of the assurance team has a business relationship with Microsoft, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, and has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the assurance of sustainability data.

**Attestation:**

Anisha Malhotra, Lead Verifier  
Program Manager  
APEX Companies, LLC  
Lakewood, CO

January 22, 2021



Trevor Donaghu, Technical Reviewer  
Program Manager  
APEX Companies, LLC  
Pleasant Hill, CA

*This verification statement, including the opinion expressed herein, is provided to Microsoft and is solely for the benefit of Microsoft in accordance with the terms of our agreement. We consent to the release of this statement by you to CDP in order to satisfy the terms of CDP disclosure requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this statement.*