

Partnering on the Road to Net Zero

How the Microsoft UK Partner Network
can build a sustainable future for
themselves and their customers



The current climate



The current climate

89% of Microsoft UK partners plan to be net zero by 2050



Launched to coincide with last November's seminal COP26 summit, Microsoft's report, *Accelerating the journey to net zero*, cast new light on the sustainability performance of UK organisations across a variety of sectors. It also set out a series of short- and long-term steps they can take to go further, faster along the road to net zero. **See Appendix.**

Its findings painted a mixed picture. On the one hand, the report uncovered strong intentions among UK organisations to embed environmental sustainability and decarbonisation in their operations. Yet at the same time, it exposed a worrying lack of progress when it comes to actually doing so. As a result, three in five (59%) UK organisations were found to be on course to miss the government's 2050 net zero target.

Partners in focus

In order to more deeply understand the implications of these findings for its UK Partner Network, Microsoft conducted supplementary research at the start of 2022. This included a survey of 66 of its UK partners along with in-depth, qualitative interviews with leaders from a further 11 of them.

As well as assessing how members of the Microsoft UK Partner Network are doing in reducing their own environmental impact, the research sought to explore the opportunity the journey to net zero may present – both within their own businesses and for their customers. Its findings provide the basis of this report.

Opportunity knocks

Positively, the research revealed the vast majority (89%) of Microsoft UK partners plan to be net zero by 2050. It also found that 94% believe technology will be critical to helping organisations reach their net zero targets.

Given the Microsoft UK Partner Network's broad reach (it represents almost 1% of all UK VAT registered companies) and deep expertise in delivering innovative technology and consulting solutions, these findings are significant – and encouraging. That is because it means members are well placed to accelerate both their own journey to net zero and that of their customers.

As Orla McGrath, Global Partner Solutions Lead at Microsoft UK, says, "I cannot think of a group of companies in a better position to take their core competency and capabilities a step further into sustainability."

Put another way, for those Microsoft UK partners eager to play their part in the nation's transition to a greener, more prosperous future, opportunity knocks.



"I cannot think of a group of companies in a better position than the Microsoft UK Partner Network to take their core competency and capabilities a step further into sustainability."

ORLA MCGRATH,
GLOBAL PARTNER SOLUTIONS LEAD,
MICROSOFT UK

Read the full report *Accelerating the journey to net zero* here

Chapter 2

Identifying the opportunity



Identifying the opportunity

For decades, Microsoft UK partners have been providing technology solutions and consulting services that help customers improve efficiency, increase revenue and drive growth. Now, against the backdrop of the environmental emergency, many of those customers are turning their attention to how they can reduce their climate footprint without having to compromise on performance.

They are not finding it easy. Despite 64% of UK leaders claiming that cutting their carbon footprint is part of their organisation's strategy, the majority are yet to back up their ambitious words with tangible actions. Just 17% have implemented a detailed programme for mapping emissions, while fewer than half (47%) currently monitor them.

Unsurprisingly, the precise level of progress varies between sectors, with healthcare, manufacturing and utilities organisations more likely to be on course to meet the government's 2050 net zero goals than those in the financial services and retail industries.

Yet what is true across the board is that they are looking for sophisticated technologies that help them go further, faster in operationalising sustainability and achieving their net zero ambitions. It is here, in the heart of this ambition-action gap, that the opportunity for the Microsoft UK Partner Network lies – both environmentally and commercially.

See Sector Potential.

Sector Potential

According to Microsoft's 2021 research, 64% of UK finance leaders believe sophisticated technology will play a critical role in helping their organisation meet its environmental targets. For UK healthcare leaders that figure is 66%, for manufacturing leaders it is 68%, for utilities and energy¹ leaders it is 74% and for retail leaders it is 72%.

These findings provide a valuable insight for Microsoft UK partners, reaffirming the widespread appetite for sustainable technology solutions while indicating the sectors in which that demand is likely to be greatest.

¹ Utilities and energy leader calculations based on weights by business size (small, medium, large) to increase accuracy and the latest data available from BEIS (2019). The calculations are also based on the assumption that survey findings are representative of each sector and have reasonable certainty due to the sampling. Source of data: <https://www.gov.uk/government/statistics/business-population-estimates-2019>



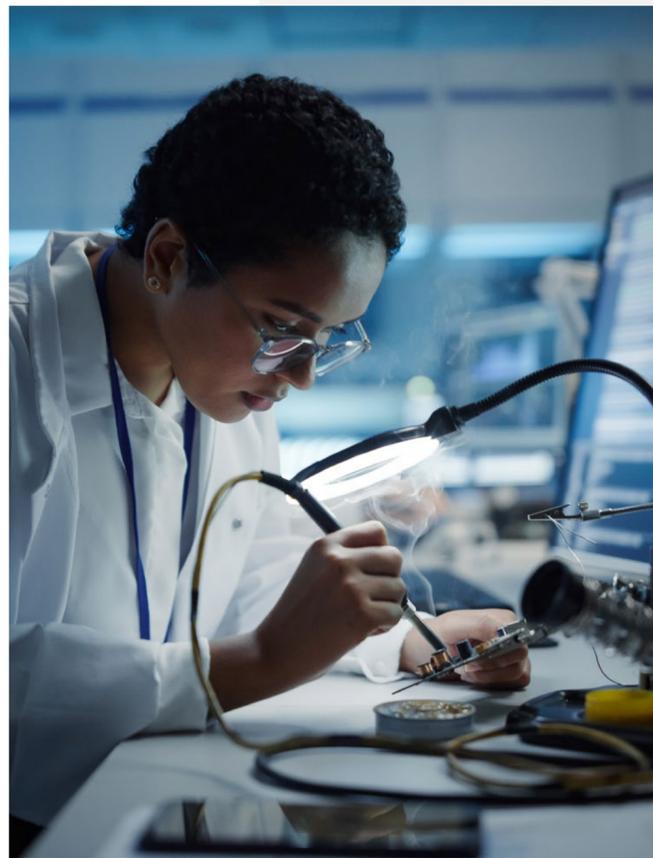
Supplying the demand

Of the UK leaders who took part in Microsoft's research, three in five (60%) believe technological innovation is vital to improving environmental sustainability in the UK. Many are eager to embed solutions like robotic process automation (RPA), machine learning and digital twins in their operating models within the next five years.

This additional research among Microsoft UK partners tells a similar story. Nearly half (44%) say customers are already asking for technologies or services that will help them reduce their negative climate impact. This number is almost certain to grow in the months and years ahead.

By using their experience and expertise to meet this demand, the Microsoft UK Partner Network can play a central role in creating a better, more sustainable future for themselves, their customers and Britain as a whole.

44% of Microsoft UK partners say customers are asking for technologies or services to help reduce their negative climate impact



A gap within a gap

Yet here we find another gap. Despite UK organisations' appetite for sophisticated technologies and processes that let them meet their sustainability goals, a significant proportion of the Microsoft UK Partner Network is yet to respond.

Currently, 44% have not developed any new solutions to help customers reduce their negative climate impact, compared to just 32% that have. Aligned with the fact that 59% of UK organisations are set to miss their 2050 net zero target despite strong ambitions to the contrary, and it is clear partners need to act quickly to close the gap – for the good of their own business and, of course, for the good of the planet.

Yet crucially, partners are by no means alone on this journey. Their suppliers, their industry peers and, of course, Microsoft are on it too – and all can work together to seize the opportunity at hand.

With that in mind, a team of independent economists, psychologists, data scientists and social scientists, led by Dr Chris Brauer, Director of Innovation, Goldsmiths, University of London, have identified five key areas that will be vital to the Microsoft UK Partner Network's ability to help other UK organisations' hit net zero.



Only 32% of Microsoft UK partners have developed new solutions to help customers reduce their negative climate impact

Seizing the opportunity



Seizing the opportunity

The five areas of sustainability that the researchers identified are rooted in technology solutions and consulting services that, as previously discussed, the Microsoft UK Partner Network is uniquely positioned to provide. They are as follows:

-  1 Connected sustainability
-  2 Decarbonisation
-  3 Strategic and operational innovation
-  4 Funding and skills
-  5 Supply chain and collaboration

In this section, we consider each of them in turn. We also hear from a number of UK partners about how they are already engaging customers on sustainability and collaborating with Microsoft to deliver real, lasting results.





Connected sustainability

This involves embedding sustainability strategies across the entire organisation's thinking and business plan – from establishing clear goals and milestones to conducting ongoing assessments of the risks and benefits of implementation. Organisations must also be completely clear what their environmental objectives are and how teams deliver on them.

Of course, this is an approach that Microsoft UK partners must first and foremost embrace within their own organisations, viewing sustainability not as a cost but as an investment in generating lasting value for all stakeholders – from customers and partners to employees and investors.



“You need to have sustainability at the core of your business, otherwise you will be outcompeted. You will not be seen favourably by consumers, investors and even competitors.”

— **Darshna Shah**, Lead Data Scientist and Sustainability Strategist, Elastacloud

As Darshna Shah, Lead Data Scientist and Sustainability Strategist at cloud and data consultants Elastacloud explains, “You need to have sustainability at the core of your business, otherwise you are just not going to exist. You will be outcompeted. And you will not be seen favourably by consumers, investors and even competitors. There is a lot to be gained by investing in sustainability and technology.”

Yet the potential value of adopting a connected approach to sustainability goes beyond the impact on partners' own journey towards net zero. By taking their technologies, learnings and experiences into conversations with customers, members of the Microsoft Partner Network can open up potentially valuable opportunities to deliver the same solutions for the companies they serve. **See Partner in Action: Phoenix Software and Case Study: Infosys.**



What Microsoft UK partners should do next: Leverage their own net zero journey with customers

UK organisations have big sustainability ambitions but are struggling to integrate and execute them as part of their overall business and technology strategies.

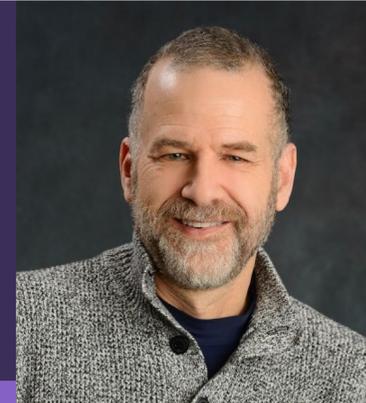
By being transparent with stakeholders about their own net zero goals and achievements, partners can showcase knowledge, create use cases and provide proof of concepts that kickstart the execution of their customers' sustainability plans.

PARTNER IN ACTION:

Phoenix Software

IT firm, Phoenix Software has created a sustainability network designed to engage workers at all levels in its carbon reduction plan and, more broadly, in embedding sustainability in the company's day-to-day operations. Crucially, Phoenix is using the ideas and learnings uncovered in its own net zero journey to develop new solutions for its public sector clients.

CASE STUDY



COREY GLICKMAN,
VP, GLOBAL HEAD, SUSTAINABILITY & DESIGN, INFOSYS LTD

Infosys

Infosys is a global leader in digital services and consulting, enabling clients to navigate their digital transformation with AI powered solutions.

What's your approach to sustainability?

We call our approach practical sustainability. It is based on the understanding that you do not have to wait until 2030 or 2040 to have a significant climate impact. There are technologies ready to go and things that can be done right now. Moreover, we have the proof points because we have been through the process ourselves. Information and data are usually enough to kickstart sustainability. We can get clients the metrics and show them what the impact will be – it is the technology that then realises and extends it.

How did you become carbon neutral?

We became carbon neutral in 2020 – 30 years ahead of the 2050 goal set by the Paris Agreement. We started with a plan to remove 10% of our carbon year-on-year, globally, and

by last year we had hit our target and all our scope three emissions goals. What's more, we did it without purchasing carbon credits but solving instead through technology. You can never remove all carbon from your businesses processes, so you either buy credits or create community-based carbon offset projects.

For example, we launched a programme in India to safely collect and store cow dung in homemade stoves that trap gas, to create a simple way to cook food that replaces firewood. It has not only removed bad gas from the atmosphere but created 2,600 local jobs and impacted 120,000 families, enabling more girls to go to school.

Community impact is now part of our charter and our net zero commitments form the basis for how we engage with clients around sustainability.



Decarbonisation

In the words of Microsoft UK CEO, Clare Barclay, “You cannot manage what you cannot measure.” So, rather than simply having top-line decarbonisation targets that can sometimes feel distant or unachievable, Microsoft UK partners should set milestones that contain explicit, quantitative commitments for the reduction and removal of carbon from their value chain.

This includes using digital carbon measurement tools to ensure any progress reported is accurate and genuine – something that according to Paul Hunter, Responsible Business Lead, Americas at digital transformation specialists Kin + Carta, is paramount when it comes to building trust and inspiring action.

“When you can automate and validate certain types of measurements, it adds trust to the equation,” he explains. “Trust means we can hold each other accountable for reaching targets. But more than that, carbon measurement and visualisation is key to making climate change salient to society, to business leaders and

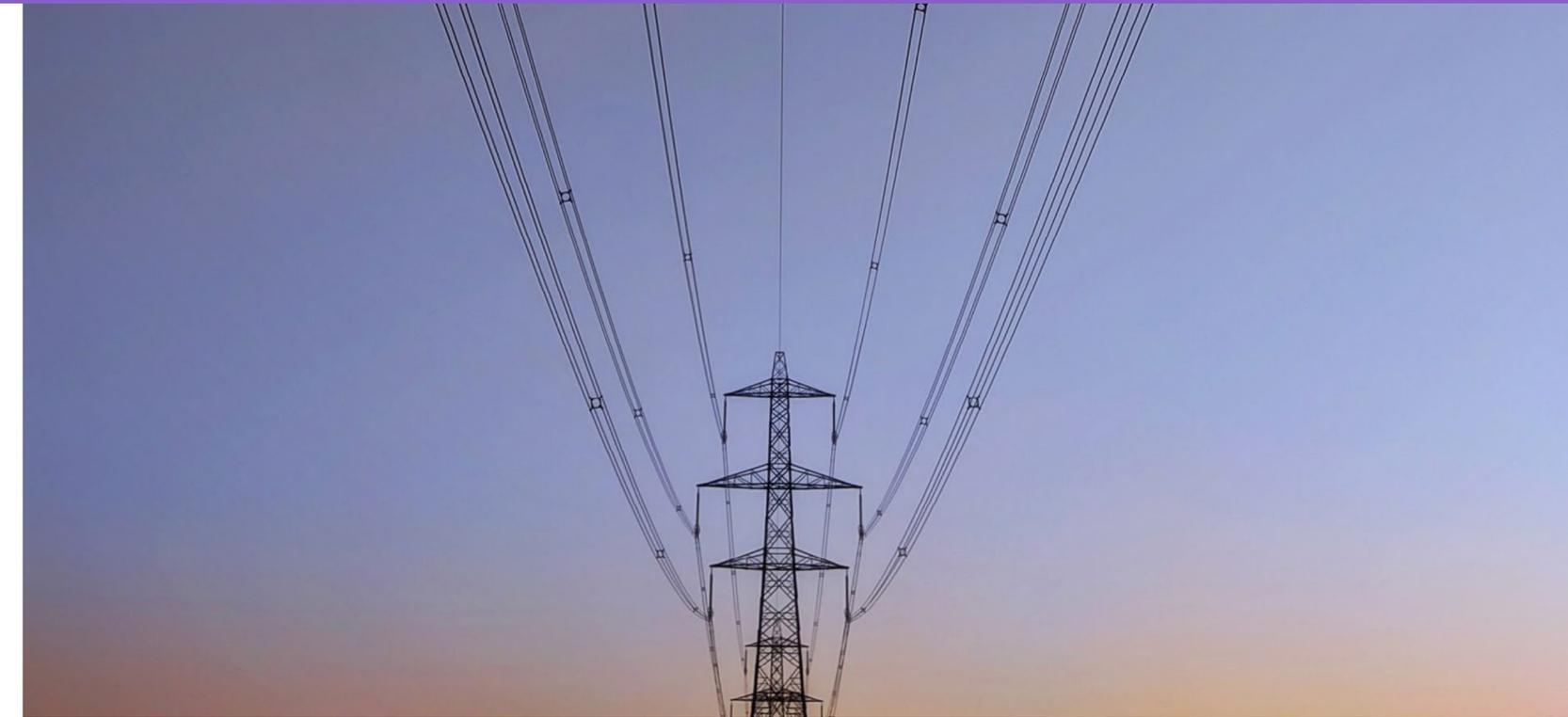
to governments because without data and measurement technology we cannot really have that conversation in fruitful ways. Ultimately, measurement is essential to success.”

As we saw earlier, the good news is the vast majority of the Microsoft UK Partner Network has impressive ambitions in this area, with 89% of the organisations surveyed planning to be net zero by 2050. Encouragingly, 8% have already reached that milestone.



“When you can automate and validate certain types of measurements, it adds trust to the equation. Carbon measurement is essential to success.”

— **Paul Hunter**, Responsible Business Lead, Americas, Kin + Carta



Again, though, the key now is to apply the lessons from their own carbon reduction efforts to help customers develop measurement solutions that let them evaluate their decarbonisation progress and identify opportunities to improve and move quicker. **See Partner in Action: Atos and Case Study: Telematicus Services Limited.**

Likewise, partners should make it as easy as possible for customers to choose tools and processes that actively limit emissions during operation. For example, by working with Microsoft, UK partners can be confident that the solutions they provide, such as cloud solutions, are powered by renewable energy, thereby cutting their carbon footprint.

PARTNER IN ACTION:

Atos

Global IT services and consulting company Atos has a unique end to end set of solutions for net zero transformation, including decarbonisation services. It works with clients to enable them to gain insight for their sustainability strategy, combining its climate and digital expertise with digital decarbonisation assessments. Atos transforms clients digital landscapes and environments through its climate advisory, digital industry and carbon finance solutions. As an example, it has developed many services including carbon neutral high-performance computing, decarbonised digital workplace and sustainable cloud services.

Atos recognises measurement, visibility, actions, and regulatory compliance are key components for demonstrating reduction through any of its solutions. It also contractually commits to footprint reductions through decarbonisation level agreements and has developed its own carbon data platform - MyCO2Compass. This platform is able to ingest, calculate, forecast and provide visualisation through digital dashboards the decarbonisation journey for its customers. Helping its clients in their strategic decision making and enabling them to understand their baseline carbon emissions and to build a roadmap to navigate from their current state towards their net zero ambitions.

What Microsoft UK partners should do next: Help customers measure, monitor and manage emissions

Three in five (60%) leaders of UK organisations believe technological innovation has a key role to play in improving environmental sustainability in the UK.

Partners can work with customers to deploy measurement solutions within Microsoft Cloud for Sustainability or the Emissions Impact Dashboard as well as providing them with tools to manage, decrease or offset the energy used in their networks.



CASE STUDY



SIMON RALPHS,
CEO, TELEMATICUS SERVICES LIMITED

Telematicus Services Limited

Telematicus Services Limited delivers environmental and sustainability solutions that power organisations on their journeys towards net zero

How are you helping organisations on their journey to net zero?

In 2021 we launched an application called [Smart Green Drivers](#) in Microsoft AppSource built on the UN Sustainable Development Goals (SDGs), this provides companies with the tools to capture and manage the data needed to reduce their scope one, two and three emissions. The application uses smartphones – in a similar way to how we currently use telematics boxes – to capture data on CO2 emissions during trips and feeds that back to drivers. Once an organisation has established a baseline, then they will be able to set themselves specific CO2 goals and targets. If their goal is to be net zero by 2030, for example, they can work backwards in terms of the carbon reductions that need to be made by both at an individual and fleet level today.

What are your recommendations for businesses when it comes to emissions data?

The adage “If you can’t measure it you can’t manage it” is true. So, to provide the right level of focus, don’t just report your carbon emissions on an annual basis, but treat them like expenses, collect and review them monthly, weekly, even daily if you can.

Changing the car policy to EV’s (Electric Vehicles) is one of the changes that organisations and fleets can make if they are serious about reducing carbon emissions – this can be up to 25% of your overall emissions reduction target.

Green bonds are also interesting to explore. Banks and private equity organisations are offering funding to companies that meet certain carbon reduction targets. However, you get fined if you do not hit the goals you have signed up for, so having accurate data to make those decisions is vital.

Strategic and operational innovation

Driving strategic and operational innovation through technology will be vital to almost every organisation's ability to improve its environmental sustainability performance. That might be by switching to less energy-intensive digital infrastructures, such as sustainable cloud solutions and virtual collaboration tools. It may mean using edge computing and IoT to enhance climate risk adaptation strategies. Or it could involve deploying AI, cloud and analytics to take charge of carbon emissions throughout their value chain.

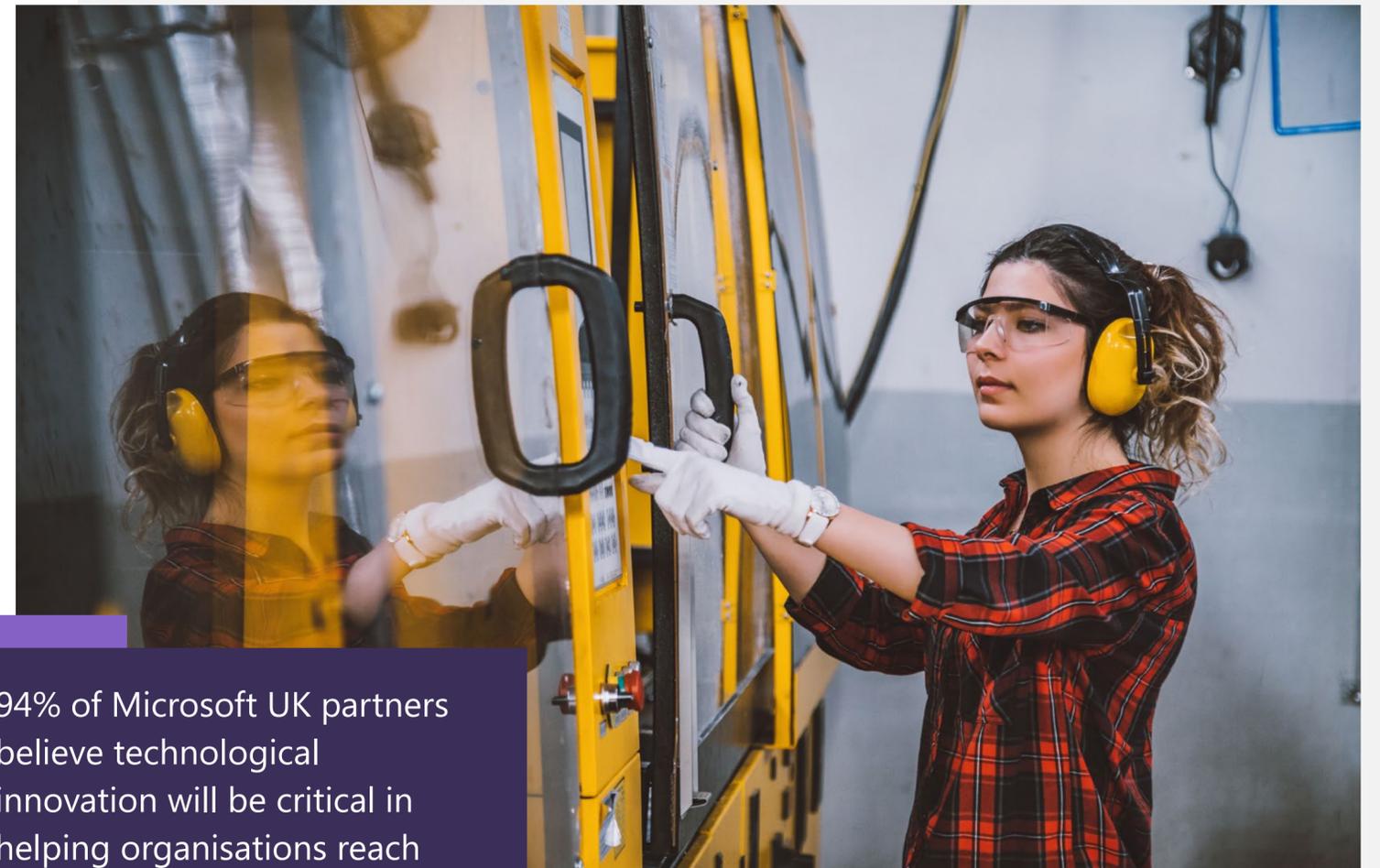
Whichever digital and data solutions organisations choose to focus on, it is clear that expectations of their transformative potential are high. Among UK leaders, 60% believe technological innovation will be critical in improving environmental sustainability in the UK – a figure that rises to 94% among Microsoft UK partners.

As Gerard Lavin, Field CTO, EMEA of cloud computing and virtualisation specialists Citrix, points out, "We have never digitised faster in our business and personal life than we did in the last 18 months. It is no longer about

whether technology can help sustainability, it is about us living in a world where technology is embedded into everything we do. It is therefore critical we make it the most sustainable technology it can be."

Tellingly for the Microsoft UK Partner Network, there is also evidence that UK organisations are looking for support when it comes to turning these pioneering technology ambitions into strategic and operational reality. Last year's report found that a third (33%) of leaders see getting the most out of technology as one of the main sustainability challenges for organisations, placing it in the top five barriers listed. It also revealed that more than half plan to shift their focus within the next five years to more intensive use of carbon emissions measurement tools (56%), RPA (51%), machine learning (53%) and digital twins (55%).

If UK partners can step in and satisfy this appetite, the commercial and environmental possibilities are considerable. **See Partner in Action: Kainos and Case Study: Kin + Carta.**



94% of Microsoft UK partners believe technological innovation will be critical in helping organisations reach their net zero targets

What Microsoft UK partners should do next: Help customers boost speed to impact of sustainable technologies

Three-quarters (74%) of UK employees said businesses need more support in technological innovation solutions development to become more environmentally sustainable.

Partners have a clear opportunity to meet demand for new technologies to advance net zero ambitions. They should act on this, applying lessons learned from past digital transformations to help organisations pursue strategic leadership in sustainability.

PARTNER IN ACTION: **Kainos**

Digital technology company Kainos has applied their core talent of building data solutions and systems to the problem of sustainability. Focusing on the areas of cloud migration and end-to-end carbon emissions monitoring (including onsite, electricity, homeworking, business travel and commuting) the company is using data and AI to enable customers to collect and analyse emissions data quickly and accurately.

CASE STUDY

KIN+CARTA



PAUL HUNTER,
RESPONSIBLE BUSINESS LEAD - AMERICAS, KIN + CARTA

Kin + Carta

Kin + Carta is a global digital transformation business with a responsible lens focused on societal and environmental impact.

Do digital transformation and sustainability go hand in hand?

Digital transformation is key to both measuring progress and taking action on realising sustainability goals. Digital twins, IoT, and data can help large enterprises measure the impact of their business more accurately and efficiently. Often following measurement, technology can also play a significant role in helping firms optimise their processes for sustainability. Whether that be gaining additional efficiencies within their supply chain or greening up their own IT infrastructure, technology has a role to play in accelerating sustainability ambitions for companies of any size.

When it comes to finding innovative solutions, enterprise companies often work in silo. But the nature of sustainability, and its broad impact on the planet and society, means that innovation needs to happen in far more collaborative ways. Enterprise-wide issues require enterprise-wide solutions, and we need data that is comparable across enterprises too, so that we can visualise and manage individual climate impacts while leveraging motivations that come from peer-comparison. Partnerships, like ours with Microsoft, not only enable access to innovative tools but also encourage networking with those at the forefront of the sustainability movement facilitating knowledge-sharing that accelerates progress and keeps motivations high.

What role does technology play in sustainable transformation?

Without technology, we cannot efficiently measure our progress towards achieving the targets set out by the UN's Sustainable Development Goals (SDGs). Whether that is using geospatial data to measure and validate greenhouse gas emissions or tools like Microsoft Cloud for Sustainability to measure an organisation's impact. Measurement – with technology being the enabler – also plays a key role in transparency. There is no need to wait until you have the perfect system in place either – anything that enables you to track progress towards a more sustainable outcome has value. Taking an agile approach to tackling this global crisis can help us avoid being caught in the snare of preparation, which can lead to inaction of extreme consequence.

Funding and Skills

One of the fundamental characteristics of organisations that are performing well in executing their sustainability strategy is the ability to access the necessary funding and in-house expertise.

Of course, much of this relies on what goes on within their own four walls. Training and recruitment to create a workforce with the technical and transferable skills to deliver on net zero goals is imperative. As is getting multi-stakeholder buy-in to invest in technologies and R&D initiatives that support the transition to a greener operating model.

“We think we will be a stronger and better organisation if our people properly understand sustainability and we make it part of everybody’s DNA,” says Martin Corbett, Sustainability Lead at Kainos. “If we are all well aligned on the value and importance of the topic, our people can make better decisions in product development, client conversations and even their own lifestyles. We want all of our people to unite behind our sustainability efforts.”



“If we are all well aligned on the value and importance of sustainability, our people can make better decisions in product development, client conversations and even their own lifestyles.”

— **Martin Corbett**, Sustainability Lead, Kainos

However, as we saw in the area of strategic and operational innovation, there is also a clear opportunity here for the Microsoft UK Partner Network to fill the gap for customers. Right now, only four in ten UK leaders (43%) believe their organisation possesses the necessary in-house expertise and skills to execute their sustainability strategy while just 40% are offering sustainability training to staff.

Yet at the same time, only a quarter (27%) of Microsoft UK partners say they have provided customers with employee training solutions on sustainability in the past year. If they can draw upon their own knowledge and experiences to grow that figure, it could open up a significant new line of business. One that boosts not just their bottom line but their positive environmental impact too. **See Partner in Action: PwC and Case Study: Elastacloud.**



What Microsoft UK partners should do next: Embed sustainability upskilling in their culture and service offering

Organisations that are furthest along their net zero journey tend to excel at securing funding for sustainability programmes and prioritise upskilling their people in emerging domains like energy efficiency, asset performance monitoring, automation, IoT and digital twins.

By investing in ongoing training and education for their own workforce, partners can ensure their people are able to provide consultancy solutions that help customers meet their upskilling needs.



PARTNER IN ACTION: PwC

As part of its new global strategy and \$12bn investment, The New Equation, professional services network PwC is deploying a “global ESG upskilling programme” to enable its broader workforce to build their knowledge and translate this into the work they do with clients. Focusing on everything from regulation and core carbon accounting skills to investment planning, cost modelling, supply chain, operational transformation and reporting, this programme is specifically designed to give staff the confidence and competence to help solve these important problems with their clients.

CASE STUDY



DARSHNA SHAH,
LEAD DATA SCIENTIST AND SUSTAINABILITY STRATEGIST,
ELASTACLOUD

Elastacloud

Elastacloud is a data science and cloud consultancy, and Microsoft Gold Partner. It recently created a dedicated department to push forward the sustainability agenda with tailormade products and solutions.

How are you educating your workforce around sustainability?

Like most companies, we're on a journey and constantly looking to improve our processes. Fortunately, where we have skills gaps, the company has invested heavily through our Sustainability Studio team, who offer educational processes and training programmes on the basics of climate science and climate AI modelling. Our workforce is then able to factor this foundational understanding into everyday decisions, client offerings and the value proposition.

How is this helping you drive sustainable process change?

We don't have a lot of machinery and assets, but we do a lot in the cloud, so we need to be very aware of how we are developing software and AI models. Do we really need to have auto scale functionality or an always on service? Do

we need this AI model to that extra degree of accuracy? How much impact is that actually going to have in terms of cost saving or profit? These are important questions for us to ask ourselves before signing off projects because it all determines how much computer power you use in the cloud, and ultimately, the emissions.

How is your Sustainability Studio empowering clients?

It creates products that measure, monitor and assess carbon emissions through the use of AI. This process allows us to provide clients with an ESG score, to understand how they are performing across ESG measures against their sector, market cap, and peers. It also incorporates ESG scoring into models, to explore the relationship between ESG Factors and performance over time. As well as building a risk approach that incorporates climate inputs for multiple scenarios.



Supply Chain and Collaboration

Since its very beginnings, the Microsoft UK Partner Network has been built on collaboration – with suppliers, with Microsoft and with each other. And this same spirit of cooperation can and must be at the heart of the journey to net zero too. By taking steps to green their supply chain, partners can not only improve their sustainability performance but also boost resilience and agility in an increasingly unpredictable operating environment.



“Sustainability innovation has to have a specific flavour to it. And that flavour is collaboration. We need comparable data across enterprises so we can visualise and manage the impact.”

— **Paul Hunter**, Responsible Business Lead - Americas, Kin + Carta

In the short-term, Microsoft UK partners should therefore consider how to update supplier codes of conduct to ensure they are calculating and reporting on scope one, two and three emissions. They can also seek longer-term commitments on local sourcing, limiting the depletion of natural capital and the substitution of processes and/or products with more environmentally sustainable ones.

Partners could also be doing more to help customers create resilient and sustainable supply chains. Just over a third (37%) of the UK leaders surveyed in Microsoft’s original report say their organisation currently monitors its supply chain to ensure it is environmentally sustainable, leaving many needing to enhance their performance in this area – and quickly. Yet just 32% of the Microsoft UK partners surveyed have developed new technologies or services to help customers achieve their sustainability ambitions in the past year, with a further 21% planning to do so in the next 12 months.



This suggests a compelling opportunity for partners to build out their technological and advisory support services, thereby pushing more organisations towards net zero. **See Partner in Action: Citrix and Case Study: NTT Data.** Similarly, sharing best practice with other members can increase the collective impact of the Microsoft UK Partner Network when it comes to creating a more sustainable UK economy.

What Microsoft UK partners should do next: Create a network of collaboration

Sustainability demands systems thinking in which multi-stakeholder networks collaborate to achieve organisational goals.

Partners should work closely with suppliers, customers and each other to combine insights, innovation and influence. From risk and materiality assessments to value chain reporting and measurement, this will help them collectively drive positive sustainability outcomes.



CASE STUDY



BILL WILSON,
HEAD OF DATA SOLUTIONS, NTT DATA UK

NTT Data

NTT Data leverages the power of data to create integrated IT solutions and software that can support sustainability efforts.

The Covid-19 pandemic has disrupted supply chains. Can we build back better?

There is a lot of complexity in the supply chain but that is also where the biggest part of the problem lies. For most of our customers, it represents well over 60% of their carbon footprint. The challenge is that not enough data insight is being supplied and that is a system-wide problem, so treating every organisation individually will not solve it. Many are calling for both greater data transparency and exchange. Organisations in the middle of a supply chain cannot control their carbon footprint 100% because of everything that is happening upstream and downstream. They might be making really good progress on scope one and two emissions in their own operations, for example, but they are realising that the footprint is much broader than that. To solve the more holistic challenge of scope three emissions, they know they need to work with their suppliers and customers as well.

What products can help to solve this problem?

We see huge value in rapidly maturing Azure capabilities to support holistic carbon footprint measurement. These range from data integration to carbon footprint metrics to data visualisation. In terms of the footprint of IT, Azure is leading the way with the Emissions Impact Dashboard, which helps organisations to measure their Microsoft Cloud-based emissions and carbon savings potential.

We are working with organisations to gather the data for top-down emissions calculations to meet the demands of scope three accounting. This involves data processing in Azure - including natural language processing - to drive ever greater accuracy and therefore accountability.

PARTNER IN ACTION: **Citrix**

Citrix is a leading provider in DaaS, virtualisation and application delivery. The majority of its carbon emissions are scope three – i.e. they are produced in areas of the company's value chain beyond its own operations. Citrix has therefore established a rigorous standards programme to ensure it only outsources product manufacturing and recycling contracts to suppliers/vendors that follow the highest environmental standards.

The journey ahead



The journey ahead

For every UK organisation, the need to embed environmental sustainability and decarbonisation in their operating models is both urgent and non-negotiable. From climate change to conscious consumerism, the consequences of failing to act are well-documented.

Yet amidst myriad threats and jeopardies of the environmental emergency, there is also cause for cautious optimism. As the recent Microsoft research demonstrates, UK organisations have a powerful desire to reduce their negative climate impact and there is a clear belief that technology has the power and longevity to help them do it.

Furthermore, the findings discussed in this report outline the unique opportunity facing companies in the Microsoft UK Partner Network. By focusing on the five key areas of sustainability identified by researchers, they have the experience, expertise and ambition to play a central role in transitioning the UK to a greener, more prosperous economy.

The job now is to seize that chance – both individually and collectively. As Orla McGrath, Global Partner Solutions Lead at Microsoft UK, insists:

“Microsoft and our partners are all on this same journey, so collaboration really is the key. If we work together to deliver the real, positive change that is needed, we can be at the forefront of not just our own industry’s road to net zero but the entire UK’s. That is an exciting prospect.”

Microsoft UK Partners’ Six Steps to Sustainability Success

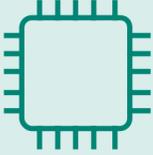
	1	Connected sustainability – Use in-house sustainability goals and achievements to showcase knowledge, create use cases and provide proof of concepts for customers.
	2	Decarbonisation – Provide customers with tools and systems to accurately calculate, track and report scope one, two and three emissions, helping them identify where to focus carbon reduction projects and how to evaluate their impact.
	3	Innovation – Meet customer demand for advanced technologies and analytics to deliver insights that optimise performance and accelerate pathways to net zero.
	4	Funding and skills – Recognise current talent and skills gaps and invest in the necessary in-house training, to enable workers to provide consultancy solutions that meet other organisations’ upskilling needs.
	5	Supply chain and collaboration – Work with suppliers, customers and each other to identify material risks and unlock opportunities for performance improvements via business operations and upstream/downstream activities.
	6	Solutions – deploy cutting-edge sustainability technologies , including Cloud for Sustainability , Emissions Impact Dashboard and Microsoft AppSource , which offers business users tested, repeatable, transformative solutions that enable them to meet their sustainability targets – all in one place.

Appendix



Blueprint at a glance

This blueprint was articulated in Microsoft UK's research study, Accelerating the journey to net zero. The blueprint outlines short- and long-term actions that UK organisations can take to reach net zero.

Dimension							
Short-term action	Connected sustainability	Decarbonisation	Funding and skills	Accounting for natural capital	Sustainability infrastructure	Supply chain resilience	Technological innovation
Long-term action	Embed sustainability strategies in whole organisation thinking; assess total costs/benefits of achieving green objectives	Set milestones with explicit, quantitative commitments for the reduction and removal of carbon; use digital carbon measurement tools to accurately track progress	Gain multi-stakeholder buy-in to close funding gaps; build in-house expertise to implement sustainability strategies	Evaluate the role of natural capital assets in operations and consider how to guard against depletion	Pursue quick wins to incrementally transition to a more sustainable infrastructure, including making premises more energy and waste efficient	Mitigate the negative impact of supply chains by monitoring carbon emissions and updating supplier codes of conduct on scope one, two and three emissions	Switch to less energy intensive digital infrastructure; use carbon calculation systems to monitor, measure and manage emissions
	Drive collective change through public/private partnerships and collaborations with academic institutions, industry, NGOs, trade bodies, customers and communities	Aim to be net zero by 2035 and execute a clear plan to get there	Collaborate with government on guidance and progressive regulation to accelerate market reform	Modify measurement of economic success to include the protection and replacement of natural capital assets	Extend infrastructure changes throughout all operations and premises while partnering with employees to boost sustainable practices when working at home	Substitute processes and/or products with more sustainable ones; deploy advanced carbon measurement and management technologies throughout the supply chain	Invest in R&D financially accessible and greener technologies; activate plans to deploy more sophisticated solutions, such as RPA, machine learning and digital twins

Methodology

The research featured in this report was led by Dr Chris Brauer, Director of Innovation, Goldsmiths, University of London in partnership with Microsoft in early 2022. Dr Brauer was supported by an independent team of economists, psychologists, data scientists and social scientists, including Research Director Dr Jennifer Barth and researchers Areej Ahsan and Emily Naylor.

Building on the 2021 Microsoft report *Accelerating the journey to net zero*, the research team used a mixed method approach to take a deeper view into sustainability practices, offerings and opportunities among Microsoft Partner UK Network organisations in the UK. This included:

Qualitative exploration: A series of 11 in-depth interviews and case studies of large, medium and small Microsoft UK partners.

Survey: A barometer survey circulated online among the Microsoft UK Partner Network, receiving 66 responses.

The original report, *Accelerating the journey to net zero*, included a survey conducted by YouGov. Insights from this initial phase were verified quantitatively through a barometer survey among 1,707 business leaders and decision-makers and 2,153 full-time UK employees. Respondents were based in a range of small (up to 49 employees), medium (50 to 249 employees) and large enterprises (250+ employees). The surveys were conducted online by YouGov between 30th July and 18th August 2021.

Note: Energy and utilities sector findings are based on n=35. The relatively small number of companies surveyed are representative of the high market concentration in the sector. At the time of the survey going in the field, according to Ofgem as per July 2021, there were 49 active registered energy providers in the UK. According to government data, there are 9 utilities companies in the UK. This means that the sample surveyed is 63% of the total energy and utilities sector in the UK at the time of surveying, making it significant to report.



The researchers then developed a scorecard to differentiate companies and indicate how close they are to achieving their decarbonisation objectives. The criteria for this scorecard were grouped in two categories – sustainability and innovation – and enabled an in-depth sustainability mapping exercise, using the results of the survey, to place organisations on a scale between varying levels of adoption. To be able to extrapolate results from the scorecard to the economy, results were weighted by the share of organisations in the total economy, assuming a standard normal distribution of the population, and veracity of responses. The results are within statistical confidence and the numbers presented were rounded for simplicity.

Finally, the research team used the scorecard and research findings to create a blueprint of short- and long-term actions that UK organisations can take to accelerate their carbon reduction performance and achieve their net zero goals.

Participating Partners and Experts

- Bill Wilson, Head of Data Solutions, NTT Data UK
- Clare Metcalfe, Operations Director, Phoenix Software Ltd
- Corey Glickman, VP – Global Head Sustainability & Design, Infosys Ltd
- Dan Dowling, Net Zero Strategy & Transformation Leader, PwC Consulting
- Darshna Shah, Lead Data Scientist and Sustainability Strategist, Elastacloud Ltd
- Dipesh Jhala, Global Head of Business Development and Sales, Atos
- Dr. Murray Simpson, Partner & Global Director, Sustainability, IBM Consulting
- Gerard Lavin, Field CTO, EMEA, Citrix
- Jennifer Clewley, Digital Strategy Specialist for Public Sector, Phoenix Software Ltd
- Joe Trainor, VP Digital, Telecoms Media and Automotive, NTT Data UK
- Martin Corbett, Sustainability Lead, Kainos
- Nick Woodley, Azure Architect and Platform Capability Lead, Kin + Carta
- Paul Hunter, Responsible Business Lead - Americas, Kin + Carta
- Simon Ralphs, CEO, Telematicus Services Limited
- Stephan Sakowicz, Executive Director Europe and Sustainability Lead, Kainos
- Orla McGrath, Global Partner Solutions Lead at Microsoft
- Clare Barclay, CEO, Microsoft UK

