



# Achieving more

2022 IMPACT SUMMARY

INTRODUCTION

# Living our mission and embracing responsibility



**We are living through historic economic, societal, and geopolitical change.** As I write this, inflation is at a 40-year high, supply chains are stretched, and the war in Ukraine is ongoing. At the same time, we are entering a technological era with the potential to power awesome advancements across our economy and society. This places us at a historic intersection of opportunity and responsibility to the world around us.

Our mission to empower every person and every organization on the planet to achieve more has never been more urgent or more necessary. Our actions must be aligned with addressing the world's problems, not creating new ones. At our core, we need to deliver innovation that helps drive broad economic growth. As a company, we will do well when the world around us does well. That's why we remain steadfast in our commitments to:

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As we look back on our progress this year, we should all be proud. But it's easy to talk about what we're doing well. As we look ahead, we'll continue to reflect on where the world needs us to do better.

I truly believe if we continue to live our mission, embrace our responsibility, and grasp the opportunity technology offers the world, there is no limit to what we can achieve together.

Satya Nadella  
Chairman and CEO

[Read Satya's Annual Shareholder Letter](#)

# Moving from pledges to progress

**As existing challenges persist and new ones emerge, we must stay grounded in our mission and our commitments while responding to shifting needs and expectations.**

Disruptive events like wars, pandemics, and recessions have a way of centering societal issues that were sidelined in times of peace and prosperity. These complex challenges require thoughtful, deliberate, multistakeholder solutions.

That's why we activate resources from across our business and our ecosystem—as we're doing in our response to the war in Ukraine—and work with our employees, partners, and customers to maximize positive impact.

The past few years have revealed another shift—increasingly, broadband internet and accessible technology must be considered fundamental rights. Without them, people lack access to education, healthcare, jobs, and essential services—and risk being left behind in today's digital world.

We remain committed to our mission to deliver technology that empowers others. I'm proud of our ongoing impact at the intersection of technology and society—much of which is highlighted in this summary.



But our work is not finished, and the urgency of today's challenges demands that we redouble our efforts to move from pledges to progress. That means requiring careful measurement and using the power of data to achieve the level of accountability that we, our shareholders, and our customers and partners expect and deserve.

As we do so, we'll continue to share our learnings transparently—prioritizing progress over perfection—so we can keep improving and empower others to do the same.

Brad Smith  
Vice Chair and President

[Visit our Reports Hub](#)

## HOW WE WORK

### Partnering for greater impact

The challenges facing the world are complex, and no one company, industry, or country can solve them alone. That's why we work across sectors and borders to foster collective action and amplify impact, driving progress faster and farther than we could on our own.

This report summarizes our impact for the reporting period July 1, 2021 – June 30, 2022, except for our environmental sustainability data, which—due to required timelines to audit and assure sustainability data after the close of each fiscal year—covers the previous fiscal year.

### Empower our employees

**Our more than 220,000 employees are the driving force behind our mission. We strive to create an inclusive culture where each of them can thrive.**

In their first six months, employees complete diversity and inclusion (“D&I”) courses on allyship, covering, privilege, and unconscious bias in the workplace. Additional personalized learning experiences enable them to take ownership of their ongoing D&I learning journey.

More than 29,000 employees gave \$255 million (with company match) to over 32,000 nonprofits in 88 countries around the world. This represents a 19% increase over the previous year.

Microsoft employees volunteered over 720,000 hours to causes they care about, including more than 2,500 hours of [free legal aid](#).

### Equip changemakers

**Nonprofits, entrepreneurs, and humanitarian organizations address our world's most pressing challenges. We make technology, industry-specific solutions, and support affordable, so they can achieve more.**

Provided \$3.2 billion in [donated and discounted technology](#) (up 29% from last year) to 302,000 nonprofits that deliver critical services to over 1.2 billion people around the world.

Over the next five years, we will double the number of nonprofits we reach with technology discounts and grants to help amplify their impact.

Through our [Microsoft Community Training](#) platform, empowered organizations to deliver job, safety, and livelihood training to their communities, resulting in 11.5 million registered learners and four million completed courses.

Helped 581 entrepreneurs in more than 60 countries make a positive impact on issues like climate change, inequality, and access to education.

## HOW WE WORK

## Activate our ecosystem

With more than 400,000 partner organizations employing over 22 million people, thousands of suppliers, and customers of every size, in every industry, and in every part of the world, we have an enormous opportunity and responsibility to effect change through our ecosystem.

Collaborated with 52 of our largest global customers to advance shared social impact goals such as increasing access to skills for jobs and using AI for good.

Spent more than \$7 billion with US diverse-owned businesses as part of our [Supplier Diversity Program](#), a 17% increase from last year.

Continued to work with our supplier network to uphold our commitments to accessibility, human rights, worker health and safety, and the environment through our [supplier code of conduct](#), training, and capacity building.

## Engage local communities

Change happens locally. We work closely with communities to understand their unique challenges and assets so we can best support them.

Invested \$7 million with local NGOs in [21 communities](#) and 13 countries that have Microsoft datacenters to enable student training and scholarships, technical support, volunteerism, and environmental projects.

Helped catalyze more than \$70 million in additional funding from other organizations and upskilled more than 15,000 job seekers across eight US regions through [Microsoft TechSpark](#), a program that works to ensure everyone can benefit from the digital economy.

Allocated over \$584 million of our \$750 million commitment since launching our [affordable housing initiative](#), supporting the creation or preservation of over 9,200 housing units in Washington state.

## Enable systemic change

We work to enable lasting, systemic change, including by advocating for [public policies](#) that move us toward a more inclusive, equitable, sustainable, and trusted future.

Protected personal data and privacy, including through the Trans-Atlantic Data Privacy Framework and our [EU Data Boundary initiative](#), as well as through Trusted Cloud Principles, a new initiative to safeguard the interests of organizations and the basic rights of individuals using cloud services.

Advocated for carbon reduction, including serving as a founding signatory of the Carbon Call to standardize carbon measurement, accounting, and reporting—essential components to reach a net zero future.

Championed the adoption of global responsible AI standards, including supporting regulations for ethical facial recognition in Canada and Australia.

## ACTING IN TIMES OF CRISIS

### Our response to the war in Ukraine

As we pursue our core commitments, we must also be responsive to urgent needs such as the war in Ukraine. To rapidly provide resources where they're needed most, we coordinate local and global action across our employees, our company, and our ecosystem.

As of July 2022, we committed \$257 million in financial and technological assistance to the global response to the war in Ukraine, including support for governments, businesses, nonprofits, and humanitarian organizations.

We've helped defend key infrastructure—assisting with the detection and disruption of cyberattacks and cyber influence operations, as well as evacuating data to the cloud—and we've supported people, communities, and organizations on the ground.

*Photo courtesy of Polish Humanitarian Action*

#### Defending key infrastructure

Our security teams continue working closely with Ukrainian government officials and cybersecurity staff at public and private organizations to identify and remediate threats against Ukrainian networks.

We established a secure line of communication with cyber officials in Ukraine so we could act rapidly to help government agencies and organizations defend against malware attacks.

Between January and July 2022, we delivered more than 120 intelligence tips about threat activity to Ukraine-based entities.

Beginning in February, the Microsoft Start platform (including MSN.com) stopped displaying content from Russian state-sponsored news outlets RT and Sputnik. We removed RT news apps from our Windows app store and de-ranked both sources' search results on Bing. We've banned advertisements from RT and Sputnik across our ad network and will not place any ads on these sites.

#### Supporting people, communities, and organizations

We completed 173 emergency support missions that provided over 23,000 person-hours of technical support and solution development to governments, nonprofits, and businesses supporting Ukraine.

Xbox partnered with the gaming community to raise millions of dollars and donated millions in product to retailer Humble Bundle's, "Stand with Ukraine" campaign.

LinkedIn provided a \$2 million [Refugee Relief Fund](#) and \$1 million in LinkedIn ad grants to nonprofits that are helping connect displaced job seekers with resources and training to find jobs.

In partnership with organizations like the Clooney Foundation, we're supporting the International Criminal Court to deliver justice for war crimes in Ukraine by using Azure Cognitive Services to accelerate the analysis of digital evidence.

Skype provided over 43 million minutes of free calling into and out of Ukraine to help families and loved ones reconnect.

- Dive deeper in our report, 'Defending Ukraine: Early lessons from the cyber war'
- Learn more about how we provide vital support for disaster response



# Support inclusive economic growth

Microsoft succeeds only when we help the world around us succeed. That's why we believe economic growth should be inclusive—for every person, organization, community, and country. This starts with increasing access to digital skills and extends to closing the data divide and supporting public health.



Learn more about how we support inclusive growth



## Grow access to skills for jobs

### OUR COMMITMENTS

Help 25 million people worldwide gain skills to navigate an increasingly digital world by December 2021.

✔ Achieved by target date

Help train and certify 10 million people from underserved communities with in-demand digital skills for jobs and livelihood opportunities in the digital economy by 2025.

🔄 Commitment in progress

Enable five million learners to access computer science skills in our Fiscal Year 2022 by building the capacity of high schools to offer computer science courses and by supporting other organizations in the computer science ecosystem.

✔ Achieved by target date

### OUR IMPACT

This year, over 23 million people in 249 countries and territories engaged with digital skills content through our global skills initiative, bringing the total to 66.2 million learners engaged since the program launched in 2020.

Trained 4.6 million people with in-demand digital skills and connected them to opportunities in the digital economy through internships, apprenticeships, jobs, and more.

With nonprofits like Code.org, CSTA, and CSforAll, provided more than six million people with access to computer science education.

1,600 tech volunteers helped teach 650 computer science classes in 500 high schools in the US, British Columbia, Canada, and Juarez, Mexico. 47% of students served identified as belonging to a racial or ethnic group historically excluded from computer science careers.

### OUR COMMITMENTS

Help skill and recruit 250,000 people—especially from underrepresented groups—into the US cybersecurity workforce by 2025, and help an additional 24 countries with substantial cybersecurity workforce shortages to increase the number and diversity of candidates.

🔄 Commitment in progress

### OUR IMPACT

Made 26 grants across 24 countries that will collectively train more than 24,000 individuals in cybersecurity and place at least 4,700 individuals into cybersecurity jobs.

Since October 2021, we've begun collaborations with 181 US community colleges across 44 states to advance cybersecurity skilling.




**4.6M**  
people trained  
on in-demand  
digital skills and  
connected to  
opportunities in the  
digital economy

## Protect public health

### OUR COMMITMENTS

Empower organizations with AI and data science to help them improve the health of people and communities worldwide through our five-year, \$60 million investment in AI for Health, launched in 2020.

 Commitment in progress

### OUR IMPACT

Partnered with research institutions to create novel data and AI-driven solutions for public health challenges such as sudden infant death syndrome, childhood blindness, cancer, and leprosy.

Continue to support individuals, organizations, and communities as they respond to and recover from the COVID-19 pandemic.

From the early days of the pandemic through June 2022, more than \$414 million has been committed in money, technology, and other resources to support continued COVID-19 response efforts, including research collaborations and COVID data dashboards to help inform policy and decision making.

**\$414M**


committed in money, technology, and other resources to support continued COVID-19 response efforts



## Close the data divide

### OUR COMMITMENTS

Increase access to data, a key tool for addressing societal and business challenges, by establishing 20 new data collaborations with nonprofits, universities, companies, and governments by 2022.

 Achieved by target date

### OUR IMPACT

Since April 2020, helped launch 23 data collaborations with nonprofits, universities, companies, and governments to promote equitable access to data in the areas of sustainability, health, and equity and inclusion.

**23 data collaborations**

with nonprofits, universities, companies, and governments





## STORIES OF IMPACT

## Empowering youth from underserved communities in South Africa

More than 66% of South Africa's unemployed are young people. Launched in partnership with Nedbank and nonprofit partner Afrika Tikkun, the DigiSkills e-learning platform aims to help young people onto a digital career path. By the end of 2021, 1,000 students completed the training, with over 400 finding career opportunities. Another 4,000 are expected to complete the training in 2022. "The fact that we take someone from no prospects to having a sustainable income in under two months is remarkable," said Nedbank's Ramotse Phalatse.

➤ Read more about our DigiSkills partnership



"I enjoy waking up in the morning and having a purpose in life. This opportunity has allowed me to become self-sustainable and to improve my family's living standards. I am now able to ensure our monthly bills are paid and we are all comfortable. It feels good to be able to provide for your family."

David Ngomane, 26,  
Developer at MLab

## WHAT WE'RE LEARNING

We have learned that skills alone aren't enough. We need to help people better prepare for and connect to jobs. So, we've refined our focus to help people build skills for jobs, including offering the right skills and credentials for in-demand jobs, supporting wrap-around services like mentorship, and fostering connections to jobs and networks.

Equity of access and participation in computer science education is vital. We're expanding our focus to better address this, both through our [TEALS program](#) and by providing grant support to build capacity and scale in the broader ecosystem.

There is a severe shortage of qualified instructors to teach cybersecurity. In addition to supporting educational institutions, there is an opportunity to train industry professionals to help build a more inclusive pipeline of qualified cybersecurity professionals.

Open data is important for impact, but data doesn't always need to be fully "open" to be useful. Even if data can't be made public due to privacy or commercial sensitivities, it can often be made more accessible through trusted data-sharing scenarios. We must strive to look at how we can be "more open" with data and less siloed.

➤ For more inclusive economic growth reports, visit our [Reports Hub](#)

# Protect fundamental rights

We unequivocally support the fundamental rights of people, from defending democracy, to protecting human rights, to addressing racial injustice and inequity. And, as education, healthcare, and other critical services become increasingly dependent on technology, access to broadband and accessible technology are also fundamental to a more equitable future.



Learn more about how we protect fundamental rights



## Protect human rights

### OUR COMMITMENTS

Aspire to leadership in human rights and serve as a catalyst for action by others in the tech sector and beyond.

Advocate for fair and humane immigration policies as an integral part of our society's growth and development.

Preserve and enrich cultural heritage by empowering people and organizations with AI to help them preserve the languages we speak, the places we live, and the artifacts we treasure, including through \$10 million in investments by 2024.

✓ Achieved by target date

### OUR IMPACT

Our Devices' Responsible Sourcing program conducted risk assessments (comprising environmental and social criteria) of 100% of our active factories—a supply chain that employs 971,400 workers, including 11,334 international migrant workers.

Resolved all 160 cases raised for issues like wages, benefits, and working hours through the anonymous Workers' Voice Hotline, available to 313,484 workers across 227 factories through our Devices' Responsible Sourcing program.

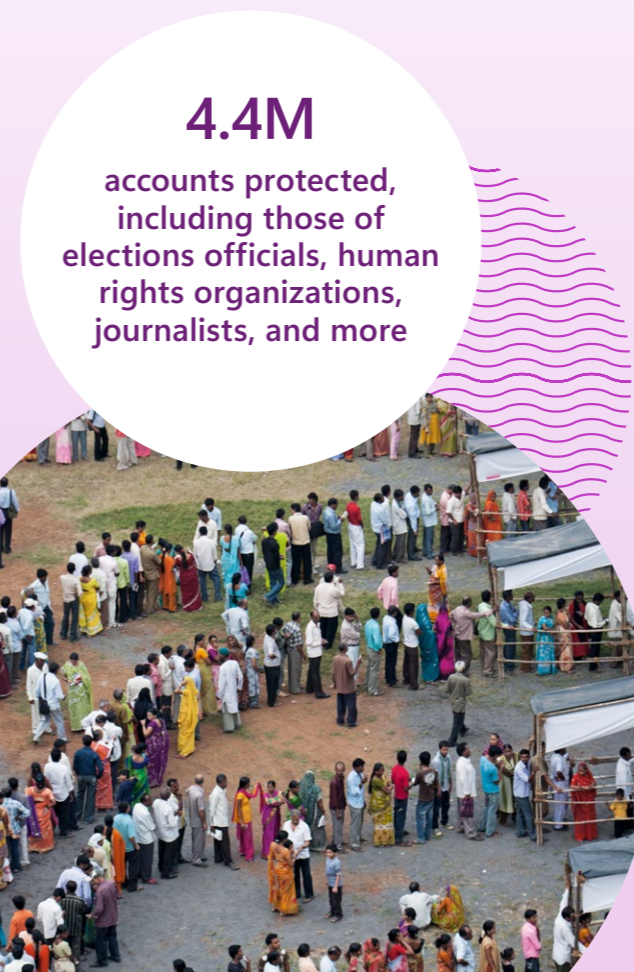
Continued to advocate for immigration reform and the protection and strengthening of the US Deferred Action for Childhood Arrivals (DACA) program, including offering pro bono legal services to 99 DACA recipients.

Surpassed our commitment to invest \$10 million over five years, including through a project in partnership with the Hellenic Ministry of Culture and Sports in Greece launched in October 2021. "Ancient Olympia: Common Grounds" has allowed more than 160,000 people around the world to experience a historically authentic digital restoration of the ancient ruins of Olympia through a web experience, mobile app, and HoloLens 2 exhibition at the Athens Olympic Museum.

## Safeguard democracy

### OUR COMMITMENTS

Preserve, protect, and advance democracy by promoting a healthy information ecosystem, safeguarding electoral processes, and advocating for corporate civic responsibility.



### OUR IMPACT

Provided AccountGuard nation-state threat notification service in 32 countries, protecting over 4.4 million accounts of election officials, human rights organizations, journalists, and other organizations essential to a healthy democracy.

Expanded ElectionGuard—a free, open-source software development kit—to six new partners, broadening the number of voting system manufacturers implementing this verifiability technology, increasing ways of voting in the US and internationally, and reaching more voters.

Continued five local news pilot collaborations spanning 23 newsrooms in the US and Mexico to protect and preserve local journalism, while extending our journalism initiative globally through partnerships with the Thomson Reuters Foundation, Report for the World, and others.

## Support humanitarian action and emergency response

### OUR COMMITMENTS

Empower humanitarian organizations and crisis-affected communities to prepare for, respond to, and recover from emergencies, including through our AI for Humanitarian Action initiative.

### OUR IMPACT

Responded to six humanitarian emergencies in five countries through donations, technology, services, and employee giving, including our response to support people impacted by the war in Ukraine.

Completed 12 AI for Humanitarian Action projects and launched eight new projects covering disaster preparedness, engagement with vulnerable populations, and the use of image recognition to support improved health outcomes.



**12**  
AI for Humanitarian Action projects completed

Photo courtesy of Team Rubicon

## Ensure equitable access

### OUR COMMITMENTS

Bring affordable broadband to more than 43 million people in underserved communities around the world by July 2022, and expand our work to US cities and states with significant broadband adoption gaps.

✔ Achieved by target date

### OUR IMPACT

Helped more than 50 million people in unserved rural communities globally gain access to affordable broadband since 2017. Expanded our work to eight US cities and five states with significant broadband adoption gaps as part of our commitment to address racial inequity.

Launched the Microsoft Digital Equity Dashboard to help US policymakers and communities identify neighborhoods where funding and programmatic investment can achieve measurable impact.

Help bridge the disability divide through a five-year commitment, launched in April 2021, to expand accessibility in technology, the workforce, and workplace.

🔄 Commitment in progress

Added new accessibility features to Windows 11, including Live Captions, Voice Access, and Focus Mode. And, use of Office Accessibility Checker—our 'spellcheck' for accessibility—grew 9X over last year.

Along with partner companies, launched the Neurodiversity Career Connector, a jobs marketplace for job seekers who are neurodivergent. Since launch, 900+ individuals have identified a role and connected with an employer.

**50M+**  
people in unserved rural communities gained access to broadband

## STORIES OF IMPACT

### Helping artisans in South America use the internet to sell their products to the world

Handicrafts are an important source of income in South America's remote Gran Chaco region. Microsoft Airband partnered with Avina Foundation to bring broadband access and internet training to the region, making it possible for 1,600 women from the Pilagá Indigenous Community to find a global market for their products. Through the program, women are leading their own ventures online, which is extending internet service and usage to the people in their community.

> Discover how broadband access is changing lives



"When I was nine years old, I learned to make crafts with my mother, and she from my grandmother. Before, we had to wait for a buyer who came once a year. It was expensive. Now, once I publish on the Internet, I receive messages from clients in one or two hours."

**Karen Herrera**  
Artisan and program participant

## WHAT WE'RE LEARNING

Journalism and local news continue to face multiple threats, which is catalyzing action across communities and organizations. We're learning we can play an important convening role—engaging communities, formerly competing newsrooms, and potential sources of funding—to foster the kinds of collaboration that will be essential to progress.

Through data, innovation, and advocacy to address policy and practice, we continue to effect change. Our digital equity strategy is an example of how we help shape public investments for communities most impacted by the digital divide and provide insight to local decision makers on critical digital access needs.

Technology can help create an equitable environment for people with disabilities to learn, work, and play. Our goal is to make accessibility features that are easy to find and use. To help with this, we must continue to actively seek out engagement from the disability community to inform our approach.

> For more fundamental rights reports, visit our Reports Hub

SPOTLIGHT

# Address racial injustice and inequity

In 2020, we made a commitment to help address racial injustice and inequity experienced by Black and African American communities. We outlined a holistic approach across three key areas—increasing our representation and strengthening inclusion, engaging our ecosystem, and strengthening our communities—with a goal of expanding our learnings to other racial and ethnic minority communities in the US and around the world.



## Increasing representation and strengthening inclusion

### OUR COMMITMENTS

Invest an additional \$150 million to strengthen our culture of inclusion and double the number of Black and African American, and Hispanic and Latinx people managers, senior individual contributors, and senior leaders in the US by 2025.

Commitment in progress

### OUR IMPACT

As of June 2022, we are 116% of the way to our goal for Black and African American people managers (below director level), and 92% of the way for Black and African American directors+ (people managers and individual contributors). Additionally, we are 46.5% of the way for Hispanic and Latinx people managers (below director level), and 57.6% of the way for Hispanic and Latinx directors+ (people managers and individual contributors).

### WHAT WE'RE LEARNING

We continue to make meaningful progress in D&I supported by executives who influence change in their teams. For all Partners and Executives, we take into account their individual progress when determining their impact, rewards, and promotion. We also provide them with D&I coaches to help them confront obstacles to change and with updated Inclusive Hiring Training, which is required for all managers.

## Engaging our ecosystem

### OUR COMMITMENTS

By June 2023, grow our investment activity with Black and African American-owned financial institutions, double the number of Black and African American-owned approved suppliers and spend an incremental \$500 million with those and existing suppliers, and increase the number of Black and African American-owned partners in the US as part of our Black Partner Growth Initiative.

Commitment in progress

### OUR IMPACT

Met our goal to create a \$100 million program focused on mission-driven banks and committed \$50 million to create an investment fund focused on supporting Black and African American-owned small businesses.

We are more than 90% of the way towards our commitment to spend an incremental \$500 million with double the number of Black and African American-owned suppliers.

The number of identified partners in our Black Partner Growth Initiative has increased by more than 150%, surpassing our initial goal.

### WHAT WE'RE LEARNING

By listening to the individual needs of communities, suppliers, and partners, we have adapted our programs to meet their needs more effectively. For example, we developed training workshops through AMP'D, our supplier mentorship and development program, to help advance skills and readiness, enhance productivity and collaboration, and develop business growth strategies.

## SPOTLIGHT

## Strengthening our communities

## OUR COMMITMENTS

Use data, technology, and partnership to help improve the lives of Black and African American people, which includes our employees and their communities, in the areas of justice reform, skills and education, broadband connectivity, and nonprofit support.

## OUR IMPACT

Coordinated over 80 Justice Reform Initiative partnerships with 70 organizations to help 145 communities expand access to data-driven insights and advance a more equitable system of justice and public safety.

Established partnerships with 18 Historically Black Colleges and Universities and provided \$8 million in funding in the past two years.

Continued our work in eight US cities to increase digital equity for racial and ethnic minority communities and began addressing broadband availability and adoption across the rural south, with new connectivity partnerships in Alabama, Georgia, North Carolina, South Carolina, and Virginia covering over 350,000 previously unserved residents.

Enrolled more than 1,500 community-based organizations working across 1,100 US communities to receive technology and services through our [Nonprofit Tech Acceleration](#) program.

Completed the first year of programming for 50 Black and African American-led community-based nonprofits, providing \$15 million in grants, capacity building support, and tech enablement services reaching nearly 8,000 people.

Expanded our [Technology Education and Learning Support](#) program to nearly 290 high schools in 21 cities with large Black and African American communities to promote equitable access to computer science education.

## WHAT WE'RE LEARNING

As every community faces a unique set of challenges and opportunities, we depend on the expertise of nonprofits and organizations embedded within communities. We work collaboratively with them to create data and technology-enabled solutions designed to fit the unique needs of the organizations and the communities they serve.

**80**  
**partnerships**  
formed through our Justice Reform Initiative to help 145 communities advance more equitable systems of justice and public safety

➤ Learn more about how we're addressing racial injustice and inequity on our [Reports Hub](#)



# Create a sustainable future

Climate change is the defining issue of our generation, and addressing it requires swift, collective action and technical innovation. We've outlined ambitious commitments and detailed plans to achieve them, and we're helping others set and achieve their own climate goals.



Learn more about how we create a sustainable future







## Carbon negative


### OUR COMMITMENTS


By 2030, we will be carbon negative, and by 2050, we will remove our historical emissions since we were founded in 1975.

 Commitment in progress

- Scope 1**  
Direct emissions created by our activities


- Scope 2**  
Indirect emissions from the consumption of the electricity or heat we use


- Scope 3**  
Indirect emissions from all other activities in which we're engaged



### OUR IMPACT

Reduced our Scope 1 and 2 (market-based) emissions by 58,654 metric tons of carbon dioxide equivalents (mtCO<sub>2</sub>e). Scope 3 emissions increased by 22.7%.


In Fiscal Year 2021 and Fiscal Year 2022, successfully contracted to remove 2.5 million metric tons of carbon, meeting our cumulative two-year goal.

Signed new power purchase agreements for approximately 5.8 gigawatts of renewable carbon-free energy across 10 countries, helping us progress on our pathway to carbon negative.

## Water positive

### OUR COMMITMENTS

By 2030, we will replenish more water than we use. We will reduce the water intensity of our direct operations and replenish in water-stressed regions where we work.

 Commitment in progress

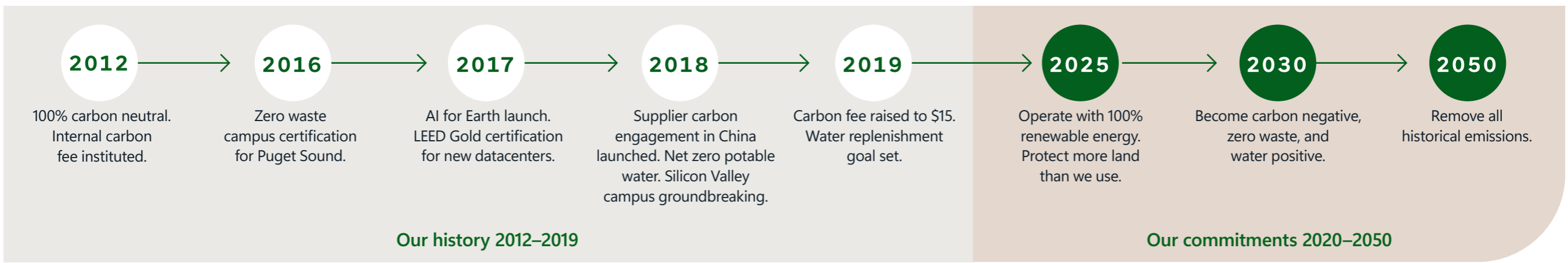
**95K+**  
people provided with access to safe water or sanitation

### OUR IMPACT

Invested in replenishment projects that are expected to generate over 1.3 million cubic meters of volumetric benefits, bringing us to 21 replenishments in nine water basins around the world.

Provided more than 95,000 people with access to safe water or sanitation through our partnership with Water.org.

NOTE: Due to required timelines to audit and assure our environmental sustainability data after the close of each fiscal year, the data in this section covers the reporting period for our Fiscal Year 2021, from July 1, 2020 – June 30, 2021.



## Zero waste

### OUR COMMITMENTS

By 2030, we will be zero waste across our direct waste footprint.

Commitment in progress

### OUR IMPACT

Diverted more than 15,200 metric tons of solid waste across our direct operational footprint that was otherwise headed to landfills and incinerators.

Reduced single-use plastics in our Microsoft product packaging by 18%.

Five Circular Centers planned, which reuse datacenter hardware to help manage e-waste; one is open in Amsterdam with others opening in Boydton, Virginia, Chicago, Dublin, and Singapore in 2022.

## Protect and preserve ecosystems

### OUR COMMITMENTS

We will protect more land than we use by 2025.

Achieved by target date

### OUR IMPACT

Contracted to protect over 17,000 acres of land, which is 50% more than the land we use to operate.

Through our Planetary Computer, made 24 petabytes of data publicly available on Azure, with over 30 environmental and Earth observation datasets in an analysis-ready format —empowering scientists to craft more effective strategies to protect and restore ecosystems.

NOTE: Due to required timelines to audit and assure our environmental sustainability data after the close of each fiscal year, the data in this section covers the reporting period for our Fiscal Year 2021, from July 1, 2020 – June 30, 2021.

**24**  
petabytes of data publicly available on Azure through our Planetary Computer

## Responsible Sourcing

As part of our commitment to a more sustainable future, we operate an industry-leading Responsible Sourcing Program—proactively managing issues related to human rights, environment, health and safety, and ethics. We work closely with our suppliers to ensure our standards and commitments are met, including our commitment to reduce our Scope 3 emissions by more than half, which is critical to our goal to be carbon negative by 2030.

For example, in May 2021, we conducted a third-party carbon assessment on a strategically selected pilot study factory in Zhejiang province, China. Findings from the factory's Scope 1 and 2 carbon emissions assessment indicated the factory was one of the highest carbon-emitting facilities in its category.

Responsible Sourcing worked with the supplier to establish sustainability commitments, followed by monthly reporting and tracking of key performance indicators.

Progress to-date has shown improvement across a number of carbon metrics. And the company achieved Zero Waste to Landfill Platinum Certification from Underwriter Laboratories.

Global supply chains provide vital income to communities and support economic progress around the world. Creating a responsible supply chain is challenging work, but it is crucial to advancing Microsoft's mission and enabling sustainable development.

[Learn more in our Responsible Sourcing report](#)



STORIES OF IMPACT

Grupo Bimbo accelerates its sustainability journey with Microsoft Cloud for Sustainability

Sustainability has always been an essential part of everyday business at Grupo Bimbo, the Mexico based international producer of baked goods and snack foods. To help achieve its ambitious sustainability goals, Grupo Bimbo is deploying Microsoft Cloud for Sustainability, which helps organizations collect, track, and analyze their sustainability metrics. Grupo Bimbo has a comprehensive strategy encompassing nutrition, social impact, waste, and water. With connectivity to its data sources becoming established and automated, Grupo Bimbo will spend less time on manual data collection, and more time understanding the company's environmental footprint and making decisions that help it meet or exceed its sustainability goals.

Learn how Grupo Bimbo is connecting data for insights to deliver on carbon goals



"Microsoft has done a lot of work around sustainability itself, and it was important for us to work with a technology supplier that shares our values."

Juan Pajón, Business Technology Global Senior Vice President, Grupo Bimbo

WHAT WE'RE LEARNING

Because carbon data and measurement are improving, progress on carbon reduction will not be linear. As Microsoft and the world mature in carbon accounting, we'll continue to get better at understanding how our decisions reduce, or sometimes, increase, carbon emissions.

Carbon removal lacks the common standards needed to scale. In January 2021, Microsoft announced the world's largest carbon removal purchase in history. We're now working to help build the new carbon removal market with integrity and quality. We need the enabling infrastructure to measure, monitor, and verify the quality of carbon removal.

It's hard to make the business case for water investments because the true cost of water is not aligned to its true value. Utility bills only provide some of the data organizations need to manage risks and reduce water use, and they typically don't arrive for months. By installing sensors across our datacenters, we've been able to track water use in real time, so we can monitor reductions and improve water efficiency.

"Circularity" supports decarbonization. Activities such as purchasing recycled materials, offering a service model, or keeping materials in use longer can reduce the embodied carbon of materials. This plays a key role in reaching our commitment to cut our Scope 3 emissions in half by 2030.

For more sustainability reports, visit our Reports Hub

# Earn trust

At Microsoft, we're optimistic about the benefits of technology, yet clear about the challenges. To drive positive impact with technology, people need to be able to trust the technologies they use and the companies behind them.



Learn more about how we earn trust



## Advance cybersecurity and digital safety

### OUR COMMITMENTS

Invest \$20 billion over five years, starting in 2021, to advance our security solutions, including \$150 million to help US government agencies upgrade protection.

 Commitment in progress

### OUR IMPACT

43 trillion security signals are processed daily, and the insights are used to inform increased protections.

Blocked 34.7 billion identity threats and 37 billion email threats.

Sent over 67,000 nation state-related threat notifications to customers over the last four years, helping them to protect themselves from digital threats.

Build public-private partnerships to address increasingly complex cybersecurity threats and to safeguard the interests of organizations and individuals.

Co-authored a "Commitment to Consumer IoT Device Security" endorsed by more than 100 companies, civil society groups, and government agencies from around the world.

Tracked more than 35 unique ransomware families and 250 unique cybercriminal and nation state threat actors.

### OUR COMMITMENTS

Lend our knowledge and experience to address illegal and harmful content online and deliver our services so they are tools of empowerment for people and do not contribute, however indirectly, to causing harm.

### OUR IMPACT

Released disaggregated gender data from six years of our Digital Civility Index research to improve understanding of the online risks facing women and girls.

Contributed to development of TRUST: Voluntary Framework for Industry Transparency as a member of the Tech Coalition, the industry NGO focused on preventing child sexual exploitation and abuse online.



**43T**  
security signals  
processed daily  
to inform  
increased  
protections

## Respect privacy

### OUR COMMITMENTS

Preserve customers' ability to control their data and make informed choices to protect their privacy, and advocate for strong privacy laws that require companies, including ours, to be accountable and responsible in their collection and use of personal data.

### OUR IMPACT

In 2021, over 26 million people used the [Microsoft privacy dashboard](#), to control their data and make meaningful choices about how it's used.

Supported the new Trans-Atlantic Data Privacy Framework and [committed to meet or exceed](#) the requirements it outlines.



**26M+**  
people used the  
Microsoft privacy  
dashboard

## Develop and use tech responsibly

### OUR COMMITMENTS

Put our principles for the responsible development and use of AI into practice, not only within Microsoft, but by empowering our customers and partners to do the same and by advocating for policy change.

Provide clear reporting and information on how we run our business and how we work with customers and partners, delivering transparency that is foundational to trust.

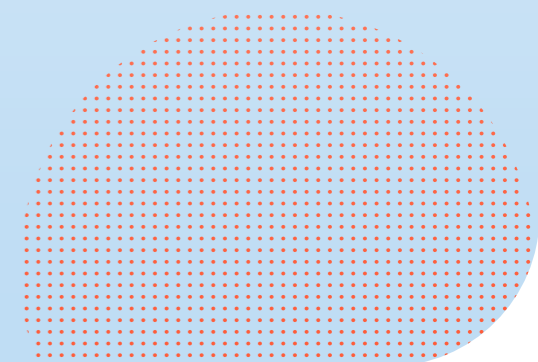
### OUR IMPACT

Released our [Responsible AI Standard](#), which outlines 17 goals aligned to our [six AI principles](#), and includes tools and practices to support them.

Published our Responsible AI Impact Assessment template and guide, which shares what we have learned about the impact AI may have on people, organizations, and society.

Released 14 Transparency Notes for our AI platform services to help developers build responsible AI products and services.

Shared our open-source tools, including the new Responsible AI dashboard, to help developers build AI technologies responsibly and identify, diagnose, and mitigate issues before deployment.



## STORIES OF IMPACT

### NHS uses Azure to spot patients facing increased risks during surgery

In northeast England, orthopedic surgeons Mike Reed and Justin Green of Northumbria Healthcare NHS (National Health Service) Foundation Trust are exploring how AI can help practitioners better explain surgical risks and mitigate potential problems. The team developed an AI model that applies data science and machine learning to historical data on surgical outcomes. Using Microsoft Azure Machine Learning and Microsoft's Responsible AI dashboard, the team produces a personalized and detailed patient assessment model that is easy to interpret. This is empowering the partnership between the patient, the doctor, and the hospital. Patients can make a more informed decision on their procedure, doctors and surgical staff can be on the alert for possible issues, and hospital schedulers can assign patients to a facility with a level of care appropriate to their risk factors. The benefits of the technology have prompted England's healthcare sector to expand a variety of AI models across its healthcare system over the next year.

➤ Read more about how AI is unlocking healthcare solutions in the UK



"In healthcare, AI can't just be a black box that takes inputs, performs unknown calculations on them, and produces a result. If we're going to change a patient's care plan based on the results of the application, we need to know why it generated that result... with the Responsible AI dashboard, we have the tools to understand, refine, and explain our outcomes so we can better serve our patients."

**Dr. Justin Green** (pictured, right)  
Orthopedic Surgical Registrar,  
Northumbria Healthcare NHS Foundation Trust

## WHAT WE'RE LEARNING

Our Digital Crimes Unit continues to innovate and find ways to use its experience in botnet disruptions to conduct coordinated operations that go beyond malware. This will require creative engineering, sharing of information, innovative legal theories, and public and private partnerships.

Our Responsible AI Standard sets out practical approaches for identifying, measuring, and mitigating potential harms, and requires teams to adopt controls to secure beneficial uses and guard against misuse.

As global dialog continues to set new norms and laws in cyberspace, we believe that industry, academia, civil society, and government need to collaborate to advance the state of the art and learn from one another.

➤ For more trust reports, visit our Reports Hub

## Our approach to reporting

### OUR GOAL

Microsoft strives to conduct our business in ways that are principled, transparent, and accountable to our shareholders and other key stakeholders. We believe that doing so generates long-term value for our company, our customers, and our communities. As we work to help everyone achieve more, we are committed to improving our world and reporting our progress. We also share our learnings and practices to foster industry dialogue, inform public debate, and—ultimately—help advance greater progress.

### WORKING WITH OUR STAKEHOLDERS

We know that the decisions we make affect our employees, customers, partners, shareholders, suppliers, and communities, and we take their voices into account. We bring outside perspectives into the company and inform our business decisions through a variety of feedback channels.

### TOPIC PRIORITIZATION, MATERIALITY, AND GOVERNANCE

Microsoft's prioritization across Environmental, Social, and Governance topics includes a wide range of strategic planning processes by our senior management and many others across the enterprise. It also includes stakeholder input and careful consideration of the impacts of our core businesses as they evolve. Our Board of Directors also provides insights, feedback, and oversight across a broad range of environmental and social matters, as detailed in our annual proxy statement.

- [Learn more about our approach to reporting](#)
- [View all of our reports on our Reports Hub](#)

### OUR DISCLOSURES

We inform our disclosure strategies with careful consideration of commonly used global standards, including:

- [Sustainable Accounting Standards Board \(SASB\)](#)
- [UN Sustainable Development Goals \(SDGs\)](#)
- [Global Reporting Initiative \(GRI\) for our Responsible Sourcing Program](#)

The United Nations Guiding Principles on Business and Human Rights Reporting Framework can be found in:

- [Annual Human Rights Report](#)

We also follow issue-specific standards including:

- [TCFD \(Task Force on Climate-related Financial Disclosures\) report](#)
- [Greenhouse Gas Protocol](#)
- [EEO-1 \(Equal Employment Opportunity\) diversity disclosure](#)
- [CDP disclosures](#)





## OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

### Supporting the UN Sustainable Development Goals

As part of pursuing our mission and our commitments, Microsoft has contributed to the Sustainable Development Goals (SDGs) since 2015, when the United Nations (UN) created them. Today, we support the SDGs through our leadership and our investments in programs, partnerships, and initiatives—seeking to unleash the power of digital technology to advance progress across the 17 goals.

In March 2020, we created a UN Affairs team to deepen our relationship with the UN. The team focuses on advancing our partnerships with the UN and its agencies, building relationships and identifying new opportunities for partnerships, advocating for the UN’s priorities within Microsoft, and supporting our teams in their engagements and advocacy with the UN community.

Our Vice Chair and President, Brad Smith, was appointed as an SDG Advocate in 2021. In this role, he aids UN Secretary-General António Guterres on critical issues at the intersection of technology and society, including bridging the digital skills gap and driving environmental sustainability.

Finally, while many Microsoft initiatives directly and indirectly contribute to progress on all 17 SDGs, to leverage our resources most strategically and amplify the impact of our work and that of our partners, we focus on four SDGs: Goal 4 – Quality Education, Goal 8 – Decent Work and Economic Growth, Goal 13 – Climate Action, and Goal 16 – Peace, Justice, and Strong Institutions.

Our work on the SDGs aligns with and advances our commitment to create a more inclusive, equitable, sustainable, and trusted future. While the SDGs, like our social commitments, are complex and span several issues, the table to the right helps to illustrate the core alignment between our commitments and our contributions to the SDGs.

[▶ Learn more about our work on the UN SDGs](#)

#### OUR COMMITMENTS



**Support inclusive economic growth**



**Protect fundamental rights**



**Create a sustainable future**



**Earn trust**

#### SUPPORTED THROUGH OUR WORK ON THE SDGS

- Goal 1 **No Poverty**
- Goal 2 **Zero Hunger**
- Goal 3 **Good Health and Well-Being**
- Goal 4 **Quality Education**
- Goal 8 **Decent Work and Economic Growth**

- Goal 5 **Gender Equality**
- Goal 10 **Reduced Inequalities**
- Goal 11 **Sustainable Cities and Communities**
- Goal 16 **Peace, Justice, and Strong Institutions**

- Goal 6 **Clean Water and Sanitation**
- Goal 7 **Affordable and Clean Energy**
- Goal 12 **Responsible Consumption and Production**
- Goal 13 **Climate Action**
- Goal 14 **Life Below Water**
- Goal 15 **Life on Land**

- Goal 9 **Industry, Innovation, and Infrastructure**
- Goal 17 **Partnerships for the Goals**



# Together, we can achieve more

We're proud of our progress, but know there is much more to do and that it will require all of us working together. Join us.

- Discover more at [Microsoft.com/impact](https://Microsoft.com/impact)
- Follow Microsoft on The Issues