Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

At Microsoft, our mission to empower every person and every organization on the planet to achieve more is as important as ever. To achieve it, we must deliver innovation that helps drive broad economic growth while building a future for everyone. We focus on four key pillars: support inclusive economic growth, protect fundamental rights, create a sustainable future, and earn trust.

As water challenges across the globe become more extreme, governments, nonprofit organizations, and businesses will all need to work together to reduce the amount of water used to operate economies and societies while ensuring there is sufficient and clean water for all. This will require a transformation in the way water data is collected and managed and solutions are built, as well as a concerted effort by all organizations to properly account for and balance their water use.

We are committed to becoming a water positive company for our direct operations by 2030. For Microsoft, being water positive means we will reduce water use intensity across our global operations, replenish more water than we consume, provide people across the globe with access to water and sanitation services, drive innovation, and advocate for effective water policy.

This is part of a broader company sustainability strategy that focuses on using digital technology and data to address the world's most pressing environmental issues. We follow our policies and comply with international environmental laws and regulations and the specific local environmental requirements of each country and region where we do business.

Microsoft's water positive commitment was one of four sustainability commitments we made in 2020: to be a carbon negative, water positive, zero waste company that protects ecosystems—all by 2030. When we made these commitments, we also committed to transparency. Given our ongoing, separate efforts to share our work, our response to this year's CDP water security questionnaire focuses on the quantitative questions, including our companywide water accounting data, water-related targets, and data related to our use of plastics. For information on our environmental risks and opportunities, governance, business strategy, and engagement, please see:

- **Environmental Sustainability Report** (https://aka.ms/SustainabilityReport2022)—strategy, progress, and environmental performance.
- **Environmental Sustainability Data Fact Sheet** (https://aka.ms/SustainabilityFactsheet2022)—comprehensive Microsoft environmental data.
- **Taskforce on Climate-related Financial Disclosures (TCFD) Report** (https://www.microsoft.com/en-us/corporate-responsibility/reports-hub)—governance, strategy, risk management, and metrics and targets related to climate change (including physical water-related impacts) (target: biannual publication).
- **Corporate social responsibility (CSR) site** (https://www.microsoft.com/en-us/corporate-responsibility/sustainability)—sustainability commitments, progress, contributions, and news.
- **Executive and industry blog posts** (https://blogs.microsoft.com/on-the-issues/category/sustainability, https://www.microsoft.com/en-us/industry/blog/sustainability)—sustainability actions, strategy, investments, and publications.
- **Environmental, Social, and Public Policy (ESPP) Committee charter** (https://www.microsoft.com/en-us/corporate-responsibility/reporting-governance)—role of the committee in assisting our Board of Directors with overseeing Microsoft sustainability policies and programs.
- **Proxy statement** (https://www.microsoft.com/en-us/Investor/annual-meeting.aspx)—executive compensation, including incentives related to sustainability.

All reported information represents best available data as of and for the reporting year unless otherwise noted. We undertake no obligation to update information contained in this report, whether because of new information, future events, or otherwise.

Forward-looking statements: This report includes estimates, projections, and other "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, section 27A of the Securities Act of 1933, and section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially. We describe risks and uncertainties that could cause actual results and events to differ materially in our reports filed with the Securities and Exchange Commission. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	July 1, 2021	June 30, 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.
   USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.
   Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?
   Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Water data from mergers and acquisitions that occurred during the reporting year	Microsoft's structural changes policy is to begin including data the year following a merger and/or acquisition. Divestments will be reflected on data associated to the year when they occurred.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	US5949181045

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use			
Sufficient amounts of recycled, brackish and/or produced water available for use			

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Data from utility bills, estimations	Water withdrawals are based on data from utility bills from our largest sites (and other sites with access to water utility data) and, in some cases, estimations. We have a robust estimation methodology for sites that do not report primary data that accounts for square footage (offices), electricity consumption (datacenters), and cooling type (datacenters). We updated this methodology in FY18 to account for varying withdrawal rates of different cooling types at our datacenters. For most other facilities, utility data at individual sites is collected monthly. The global water inventory, which includes estimations, is aggregated annually.
Water withdrawals – volumes by source	100%	Monthly	Data from utility bills, estimations	Water withdrawals are based on data from utility bills from our largest sites (and other sites with access to water utility data) and, in some cases, estimations. We have a robust estimation methodology for sites that do not report primary data that accounts for square footage (offices), electricity consumption (datacenters), and cooling type (datacenters). For most other facilities, utility data at individual sites is collected monthly. The global water inventory is aggregated annually. The vast majority of metered withdrawals come from third-party sources (i.e. municipal utilities). We are working to collect source data from water utilities to understand where their water is coming from (e.g. fresh surface water or groundwater). Where water withdrawals are estimated, we assume they come from municipal sources.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals quality	1-25	Yearly	Third-party testing	At most of our sites (including datacenters, offices, labs, retail), water quality is monitored at the municipal level. We monitor water withdrawals for quality at the site level where required. For example, we engage a third-party organization in China to annually check bacteria levels and other water quality metrics at water dispensers at our Beijing West, Suzhou, and Shanghai Zizhu campuses (offices and labs) as well as our Shanghai Huaxin, Hangzhou, Nanjing, Chengdu, Chongqing, Shenzhen Comt, Guangzhou, Fuzhou, JiNan, Shenyang, and Wuxi office sites.
Water discharges – total volumes	100%	Monthly	Metered data, estimations	Where discharges are not metered, amounts are estimated annually as part of the global water inventory aggregation process. Most of our sites do not currently have discharge meters. For office buildings without discharge meters, water consumption is assumed to be 10 percent of withdrawals unless they have landscaping that requires irrigation. For datacenters, the cooling technology type is used to drive the estimation. It is estimated that discharge equals the difference between withdrawals and consumption. We use blowdown meters in Beijing to monitor discharge from our heating, ventilation, and air conditioning (HVAC) water treatment system. Microsoft continues to work on improvements for water data collection.
Water discharges – volumes by destination	100%	Monthly	Utility invoices, estimations	For most Microsoft-owned sites, discharges go directly to the (non-Microsoft-owned) wastewater treatment plant. Thus, monthly utility invoices are a proxy for discharge volumes by

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
				destination (wastewater treatment plants) for sites that we own and operate. Where discharges are not metered, amounts are estimated annually as part of the global water inventory aggregation process. Most of our sites do not currently have discharge meters. For office buildings without discharge meters, water consumption is assumed to be 10 percent of withdrawals unless they have landscaping that requires irrigation. For datacenters, the cooling technology type is used to drive the estimation. It is estimated that discharge equals the difference between withdrawals and consumption. Microsoft continues to work on improvements for water data collection.
Water discharges – volumes by treatment method	100%	Monthly	Metered data, estimations	The vast majority of Microsoft water discharges go directly to municipal wastewater treatment plants. Where discharges are not metered, amounts are estimated annually as part of the global water inventory aggregation process. Most of our sites do not currently have discharge meters. For office buildings without discharge meters, water consumption is assumed to be 10 percent of withdrawals unless they have landscaping that requires irrigation. For datacenters, the cooling technology type is used to drive the estimation. It is estimated that discharge equals the difference between withdrawals and consumption. Microsoft continues to work on improvements for water data collection.

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water discharge quality – by standard effluent parameters	1-25	Monthly	Inline monitoring	The majority of our discharges (including from datacenters, offices, labs, retail) are conveyed to municipal treatment plants. Water quality is monitored during process use, and discharge quality is monitored where required. Where it is required, we provide this information to the appropriate reporting agency. Water discharge quality is measured inline daily to monthly, depending on the requirements of each individual site.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant			We do not add nitrates, phosphates, pesticides, or any priority substances to our water.
Water discharge quality – temperature	Not relevant			
Water consumption – total volume	100%	Monthly	Metered data, estimations	Most of our sites (including datacenters, offices, labs, retail) do not have both withdrawal and discharge meters (required to get measured consumption values). Our Beijing office site is an example of where we meter consumption; we use a flow meter to regularly monitor water use for the cooling tower system. Where consumption is not metered, we estimate it annually as part of our global water inventory aggregation process. For office buildings without discharge meters, water consumption is assumed to be 10 percent of withdrawals unless they have landscaping that requires

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
				irrigation. For datacenters, the cooling technology type is used to drive the estimation.
Water recycled/reused	100%	Monthly	Metered data	We measure and monitor reused water at Microsoft-owned sites that procure recycled water from utilities or that recycle water within the facility. At our owned datacenters that use recycled/reused water, meters collect real-time data on usage. At most other facilities, where applicable, recycled/reused water usage is measured. Our Silicon Valley office campus is a net zero water facility; we have established a water budget to quantify the amount of water captured, recycled, and reused onsite. Our Beijing campus has a greywater treatment system that allows the recycling of HVAC condensed water, followed by water purification, to increase water reuse in this water-stressed region. Our Paris-Issy, Johannesburg, and Hyderabad campuses track rainwater capture and use.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Yearly	Third-party testing	We provide fully functioning water, sanitation, and hygiene (WASH) services for all workers at all our sites (including datacenters, offices, labs, retail). WASH services are cleaned and monitored as part of daily custodial services. In FY19, by joining the United Nations (UN) Global Compact CEO Water Mandate, we formally acknowledged that access to safe water and sanitation is a human right and we have expressed a formal commitment to safely managed water access and sanitation in our offices and datacenters, in alignment with UN Sustainable Development Goal (SDG) 6

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
				(ensure availability and sustainable management of water and sanitation for all). At some sites, we undertake water quality testing at the site level; e.g. we engage a third party in China to annually check bacteria levels and other water quality metrics at water dispensers at our Beijing West, Suzhou, and Shanghai Zizhu campuses (offices and labs) as well as multiple office sites.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	10,706	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	Water withdrawals are based on data from utility bills from our largest sites and other sites with access to water utility data (including datacenters, offices, labs, and retail); in cases where metered data is unavailable, we use estimations. We have a robust estimation methodology for sites that do not report primary data that accounts for square footage (offices), electricity consumption (datacenters), and cooling type (datacenters). In FY22, our

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
						total measured water withdrawals were higher than the previous reporting period—a change of greater than 10 percent and lower than 50 percent—because our business has continued to grow. We anticipate withdrawals to increase as our business grows over the next several years.
Total discharges	4,307	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	Where discharges are not metered, amounts are estimated annually as part of the global water inventory aggregation process. Most of our sites do not currently have discharge meters. For office buildings without discharge meters, water consumption is assumed to be 10 percent of withdrawals unless they have landscaping that requires irrigation. For datacenters, the cooling technology type is used to drive the estimation. It is estimated that discharge equals the difference between withdrawals and consumption. In FY22, our total measured municipal treatment water discharge was higher than the previous reporting period—a change of greater than 10 percent and less than 50 percent—because our business has continued to grow. We

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
						anticipate discharges to increase as our business grows over the next several years.
Total consumption	6,399	Higher	Increase/decrease in business activity	Higher	Increase/decrease in business activity	Most of our sites (including datacenters, offices, labs, and retail) do not have both withdrawal and discharge meters (required to get measured consumption values). Therefore, we must estimate consumption for nearly all of our sites. For office buildings without discharge meters, water consumption is assumed to be 10 percent of withdrawals unless they have landscaping that requires irrigation. For datacenters, the cooling technology type is used to drive the estimation. In FY22, our total measured water consumption was higher than the previous reporting period—a change of greater than 10 percent and less than 50 percent—because our business has continued to grow. We are continuing to focus on water efficiency and decreasing our water use intensity across our operations in support of our 2030 water positive goal (set in FY21).

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	11-25	About the same	Other, please specify Site portfolio and proportion of withdrawals from each location remained consistent	Higher	Increase/decrease in business activity	WRI Aqueduct	Each year, we conduct water risk assessments that consider the current and near-future water needs for our business facilities (including offices, retail, and labs) and datacenters using the WRI Aqueduct tool because it reveals a broad spectrum of key water-related risks at the level of individual river basins. We consider sites to be in a water-stressed area if they sit in a water basin rated as having at least "High (40-80%)" annual baseline water stress according to the WRI Aqueduct tool. We anticipate withdrawals overall to increase as our business grows over the next several years. In FY19, we adopted a water

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
								replenishment target in which we committed to balance our water consumption in our operations by replenishing water in water-stressed basins where we operate by 2030, and we invested in several replenishment projects in the United States and India as part of this commitment. In FY21, we committed to becoming water positive for our direct operations by 2030; to meet this commitment, we will reduce our water use intensity across our direct operations while replenishing and increasing water access in water-stressed regions where we work. Since the first year of our replenishment commitment, we have contracted 27 replenishment projects in water-stressed basins, which are contracted to deliver more than 35 million cubic meters of replenishment over their lifetime.

Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
							By the end of FY22, we provided more than 550,000 people with access to clean water and sanitation solutions in Brazil, India, Indonesia, and Mexico and reached just under 1 million people by the end of the calendar year 2022. We are working to collect source data from water utilities to understand where their water is coming from (for example, fresh surface water or groundwater).

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water	Relevant	38.5	About the same	Other, please specify No change	This source is relevant to Microsoft as we capture rainwater at some of our office locations. These withdrawal volumes are metered and were about the

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
from wetlands, rivers, and lakes					same in FY22 as the previous year as there was only a marginal reduction in local rainfall—a change of less than +/- 10 percent (depending on annual rainfall). We expect future withdrawal volumes from fresh surface water to remain roughly the same.
Brackish surface water/Seawater	Not relevant				This source is not relevant to Microsoft as we do not withdraw any brackish surface water/seawater. We expect future withdrawal volumes from brackish surface water/seawater to remain unchanged (that is, we do not anticipate withdrawing from this source in the future).
Groundwater – renewable	Relevant	1.7	Much lower	Unknown	This source is relevant to Microsoft as we withdraw groundwater at our Bengaluru campus. These withdrawal volumes are metered and were much lower in FY22 than the previous year—a decrease of more than 50 percent. We expect future withdrawal volumes from renewable groundwater to remain relatively flat.
Groundwater – non-renewable	Not relevant				This source is not relevant to Microsoft as we do not withdraw any nonrenewable groundwater. We expect future withdrawal volumes from nonrenewable groundwater to remain unchanged (that is, we do not anticipate withdrawing from this source in the future).

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Produced/Entrained water	Not relevant				This source is not relevant to Microsoft as our operations do not extract, process, or use any raw material that produces water within our company's boundaries.
Third party sources	Relevant	10,665	Higher	Increase/decrease in business activity	This source is relevant to Microsoft because most of our water withdrawals (including for datacenters, offices, labs, retail) come from the local municipal supply. These withdrawals are based on data from utility bills and estimations where metered data is unavailable. In FY22, our total measured withdrawals were higher than the previous reporting period—an increase of more than 10 percent and less than 50 percent—because our business has continued to grow. We anticipate withdrawals to increase as our business grows over the next several years.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant				Only discharges to third parties are relevant since water that is not consumed at Microsoft sites is discharged to local municipal treatment plants. Discharges to surface water, groundwater, and seawater, and volume sent for use to other organizations are not applicable. For discharges, data breakdown between "freshwater" and "other water" categories is currently unavailable and will be part of data improvements going forward.
Brackish surface water/seawater	Not relevant				Only discharges to third parties are relevant since water that is not consumed at Microsoft sites is discharged to local municipal treatment plants. Discharges to surface water, groundwater, and seawater, and volume sent for use to other organizations are not applicable. For discharges, data breakdown between "freshwater" and "other water" categories is currently unavailable and will be part of data improvements going forward.
Groundwater	Not relevant				Only discharges to third parties are relevant since water that is not consumed at Microsoft sites is discharged to local municipal treatment plants. Discharges to surface water, groundwater, and seawater, and volume sent for use to other organizations are not applicable. For discharges,

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
					data breakdown between "freshwater" and "other water" categories is currently unavailable and will be part of data improvements going forward.
Third-party destinations	Relevant	4,307	Higher	Increase/decrease in business activity	Water that is not consumed at our sites (including datacenters, offices, labs, retail) is directly discharged to local municipal treatment plants (we are unaware if municipally treated water is recycled for further use). Where discharges are not metered, amounts are estimated annually as part of the global water inventory aggregation process. Most sites do not currently have discharge meters. For office buildings without discharge meters, water consumption is assumed to be 10% of withdrawals unless they have landscaping that requires irrigation. For datacenters, the cooling technology type is used to drive the estimation. It is estimated that discharge equals the difference between withdrawals and consumption. Our total estimated water discharges in FY22 were higher than the previous reporting period—>10% but <50%—because our business has continued to grow. We anticipate an increase in discharge volumes in proportion to withdrawals as our business grows over the next several years.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					Tertiary treatment of water is not relevant to our operations because we do not have onsite water recycling and treatment plants, as we are not required to conduct onsite tertiary treatment of our discharge by any environmental regulation or standard.
Secondary treatment	Not relevant					Secondary treatment of water is not relevant to our operations because we do not have onsite water recycling and treatment plants, as we are not required to conduct onsite secondary treatment of our discharge by any environmental regulation or standard.
Primary treatment only	Not relevant					Primary treatment of water is not relevant to our operations because we do not have onsite water recycling and treatment plants, as

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
						we are not required to conduct onsite primary treatment of our discharge by any environmental regulation or standard.
Discharge to the natural environment without treatment	Not relevant					Discharge to the natural environment without treatment is not relevant to our operations as we discharge 100 percent of our untreated discharge to local municipal treatment plants.
Discharge to a third party without treatment	Relevant	4,307	Higher	Increase/decrease in business activity	100%	Discharge to a third party without treatment is relevant because the water that is not consumed at Microsoft sites (including datacenters, offices, labs, and retail) is discharged to local municipal treatment plants (we are unaware if municipally treated water is recycled for further use). We estimate discharges at each site by subtracting metered/estimated consumption from total withdrawals. Our total estimated water discharges

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
						in FY22 were higher than the previous reporting period—greater than 10 but less than 50 percent—because our business has continued to grow. We anticipate an increase in water discharge volumes in proportion to withdrawals as our business grows over the next several years.
Other	Not relevant					Other treatment of water is not relevant to our operations. We do not have onsite water recycling and treatment plants, as we are not required to conduct onsite treatment of our discharge by any environmental regulation or standard, and we discharge 100 percent of our untreated discharge to local municipal treatment plants.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	198,270,000,000	10,706	18,519,521.7634971	We anticipate our water withdrawal efficiency figure to increase in the future, because historically our revenue has increased at a faster rate than our water withdrawals (the efficiency figure is automatically calculated by dividing our revenue by our withdrawal volume). Additionally, we will continue to implement water reduction projects and transition to industry-level plumbing fixtures and equipment innovations, which will further increase our water withdrawal efficiency.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
Row 1	

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	
Other value chain partners (e.g., customers)	

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
Row 1		

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants
Row 1	

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues
Row 1	

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1		

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Please explain
Long-term business objectives		
Strategy for achieving long-term objectives		
Financial planning		

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

Anticipated forward trend for CAPEX (+/- % change)

Water-related OPEX (+/- % change)

Anticipated forward trend for OPEX (+/- % change)

Please explain

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1		

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

Please explain

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Please explain
Row 1		

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	We address water quality as part of our water replenishment target (see Target 1 in W8.1b). For example, when selecting water replenishment projects, we seek to align the project type with the unique needs of each location; in locations with high water quality challenges, we will focus on projects that help to improve water quality in the basin. Of the 27 projects that we had contracted up to the end of FY22, 11 had a water quality component.
Water withdrawals	No, but we plan to within the next two years	
Water, Sanitation, and Hygiene (WASH) services	Yes	
Other	Yes	

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Other, please specify
Water replenishment

Target coverage
Company-wide (direct operations only)

Quantitative metric
Other, please specify
Replenish more water than we consume across our operations with a focus on priority high-stress locations

Year target was set
2021

Base year
2020

Base year figure
7,663,815

Target year
2030

Target year figure

Reporting year figure

36,287,438

% of target achieved relative to base year

Target status in reporting year

Underway

Please explain

The base year figure includes replenishment volume benefits that Microsoft has contracted since FY18. The reporting year figure corresponds to the accumulated contracted volume from FY18 to FY22. In FY22 alone, we contracted for replenishment projects that are estimated to provide more than 15.6 million cubic meters in volumetric water benefit over the lifetime of these projects. To meet the 2030 target of replenishing more than we consume, we developed a model to estimate the volume that needs to be contracted each year. We chose to not include a target year figure here given that our consumption in 2030 may shift from our current projections, due to changes in the market and potential improvements in water use efficiency. This target supports our corporate commitment to become water positive by 2030, announced in FY21, where we stated that by 2030, we will replenish more water than we consume across our global operations in water-stressed regions where we work. For Microsoft, being net water positive means we will reduce water use intensity across our global operations, replenish more water than we consume, provide people across the globe with access to water and sanitation services, drive innovation, and engage in water policy. (The year target was set, base year, and target year refer to our fiscal year, which begins July 1 and ends June 30.)

Target reference number

Target 2

Category of target

Water, Sanitation and Hygiene (WASH) services

Target coverage

Other, please specify
Global

Quantitative metric
Other, please specify
Number of people with access to safe drinking water and improved water sanitation solutions

Year target was set
2021

Base year
2020

Base year figure
0

Target year
2030

Target year figure
1,500,000

Reporting year figure
552,058

% of target achieved relative to base year
36.8038666667

Target status in reporting year
Underway

Please explain

In FY22, Microsoft provided 552,058 people with water access across Brazil, India, Indonesia, and Mexico. From the program's inception through December 2022, we have provided nearly 1 million people with water access across these regions. Reported access values represent data reviewed and validated by water.org. This target supports our corporate commitment to become water positive by 2030, announced in FY21, where we stated that we will provide 1.5 million people with access to clean water and sanitation services by 2030. For Microsoft, being net water positive means we will reduce water use intensity across our global operations, replenish more water than we consume, provide people across the globe with access to water and sanitation services, drive innovation, and engage in water policy. (The year target was set, base year, and target year refer to our fiscal year, which begins July 1 and ends June 30.)

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

📎 Data Fact Sheet - 2022 Microsoft Sustainability Report.pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Total withdrawal plus total withdrawal in water-stressed areas	Other, please specify Attestation Standards established by the American Institute of Certified Public Accountants/AICPA, AT-C 105 with AT-C 210 for Review Engagements	We engaged Deloitte & Touche LLP to perform a review in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA) of management's assertion that total water withdrawal and total water withdrawal in water-stressed areas included in Section 1 of our 2022 Environmental Data Fact Sheet are presented in accordance with Disclosure 303-3: Water withdrawal from the GRI Standard: 303 Water and Effluents 2018. W1.2b total withdrawal

Disclosure module	Data verified	Verification standard	Please explain
			and W1.2d withdrawal water-stress proportion in this CDP disclosure are included in our 2022 Environmental Data Fact Sheet.
W1 Current state	Total consumption	Other, please specify Attestation Standards established by the American Institute of Certified Public Accountants/AICPA, AT-C 105 with AT-C 210 for Review Engagements	We engaged Deloitte & Touche LLP to perform a review in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA) of management's assertion that total water consumption included in Section 1 of our 2022 Environmental Data Fact Sheet is presented in accordance with Disclosure 303-5: Water consumption from the GRI Standard: 303 Water and Effluents 2018. W1.2b total consumption in this CDP disclosure is included in our 2022 Environmental Data Fact Sheet.
W1 Current state	Total discharge	Other, please specify Attestation Standards established by the American Institute of Certified Public Accountants/AICPA, AT-C 105 with AT-C 210 for Review Engagements	We engaged Deloitte & Touche LLP to perform a review in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA) of management's assertion that total water discharge included in Section 1 of our 2022 Environmental Data Fact Sheet is presented in accordance with Disclosure 303-4: Water discharge from the GRI Standard: 303 Water and Effluents 2018. W1.2b total discharge in this CDP disclosure is included in our 2022 Environmental Data Fact Sheet.
W1 Current state	Total withdrawal by source	Other, please specify Attestation Standards established by the American Institute of Certified Public Accountants/AICPA, AT-C 105 with AT-C 210 for Review Engagements	We engaged Deloitte & Touche LLP to perform a review in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA) of management's assertion that total water withdrawal by source included in Section 1 of our 2022 Environmental Data Fact Sheet is presented in accordance with Disclosure 303-3: Water withdrawal from the GRI Standard: 303 Water and Effluents 2018. W1.2h total withdrawal by source in this CDP disclosure is included in our 2022 Environmental Data Fact Sheet.

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Total discharge by destination	Other, please specify Attestation Standards established by the American Institute of Certified Public Accountants/AICPA, AT-C 105 with AT-C 210 for Review Engagements	We engaged Deloitte & Touche LLP to perform a review in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA) of management's assertion that total water discharge by destination included in Section 1 of our 2022 Environmental Data Fact Sheet is presented in accordance with Disclosure 303-4: Water discharge from the GRI Standard: 303 Water and Effluents 2018. W1.2i total discharge by destination in this CDP disclosure is included in our 2022 Environmental Data Fact Sheet.

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Please explain
Row 1		

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1		

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1		

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging	Other, please specify Eliminate single-use plastic packaging	In 2020, Microsoft set a commitment to eliminate single-use plastics in all Microsoft primary product packaging and all IT asset packaging in our datacenters by 2025.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	Microsoft does not directly produce any plastic polymers.
Production of durable plastic components	Yes	Microsoft produces durable plastic components. We are currently assessing the raw material content and recyclability of this plastic and will report the total weight of durable plastic goods once we have data available.

	Activity applies	Comment
Production / commercialization of durable plastic goods (including mixed materials)	Yes	Some Microsoft products are made in whole or part with durable plastic. We are currently assessing the raw material content and recyclability of this plastic and will report the total weight of durable plastic goods once we have data available.
Production / commercialization of plastic packaging	No	Microsoft does not produce plastic packaging for individual sale. It is only produced to package goods (see the next row).
Production of goods packaged in plastics	Yes	Microsoft produces some goods that are packaged in plastic packaging.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	Microsoft does not provide or commercialize services or goods that use plastic packaging beyond the Microsoft products that we produce and sell (captured in the previous row).

W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)

Raw material content percentages available to report

None

Please explain

Microsoft produces durable plastic components, and some Microsoft products are made in whole or part with durable plastic. We are currently assessing the raw material content and recyclability of this plastic and will report the total weight of durable plastic goods once we have data available.

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	Please explain
Plastic packaging used	2,254.53	None	Note that this figure reflects plastic used in Microsoft product packaging, which is only 3.3 percent of total product packaging materials. All plastic packaging used for Microsoft products is fossil based. Up to 30 percent of our plastic packaging comes from post-consumer recycled content, but the specific percentage breakdown is not available. We will eliminate single-use plastics in all Microsoft primary product packaging by 2025.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	Please explain
Plastic packaging used	None	We design our product packaging for circularity. In FY22, we achieved a rate of over 94 percent recyclability and decreased single-use plastics to just over 3 percent across all Microsoft product packaging. We will design all Microsoft product packaging to be 100 percent recyclable in OECD countries by 2030.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)