Becoming Carbon Neutral

How Microsoft is striving to become lean, green, and accountable

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Why this is important – Carbon neutrality as a global strategic business asset

Triple Bottom Line: economic, social, environmental

- Carbon neutrality is a **citizenship** issue
  - Technology is part of the carbon problem, Microsoft as part of the solution
    - Data centers efficiency
    - Travel: Can take more advantage of Skype and Lync as substitutes for travel
    - RE&F: Using IT to manage and reduce campus energy use through implementation of Smart Building technology
- Carbon neutrality improves our **brand**
  - Volume of requests for footprint increasing – investors, customers, NGO's
  - Customers will require carbon data about their hosted IT – "Scope 3" emissions as part of their supplier emissions requirements
- We have the opportunity to **save the company cost**

Demonstrating Responsible Environmental Leadership: FY13 Environmental Footprint Strategic Pillars

Be lean

by reducing energy use and air travel through technology-driven efficiency

- Setting targets for reducing energy consumption in our data centers, labs, and offices
- Setting targets for reducing air travel using Microsoft collaboration technology
- Controlling energy use in our offices with an enterprise-wide energy management program
- Establishing reduction goals for waste and water

Be green

by making more environmentally responsible choices with our energy, waste, and water

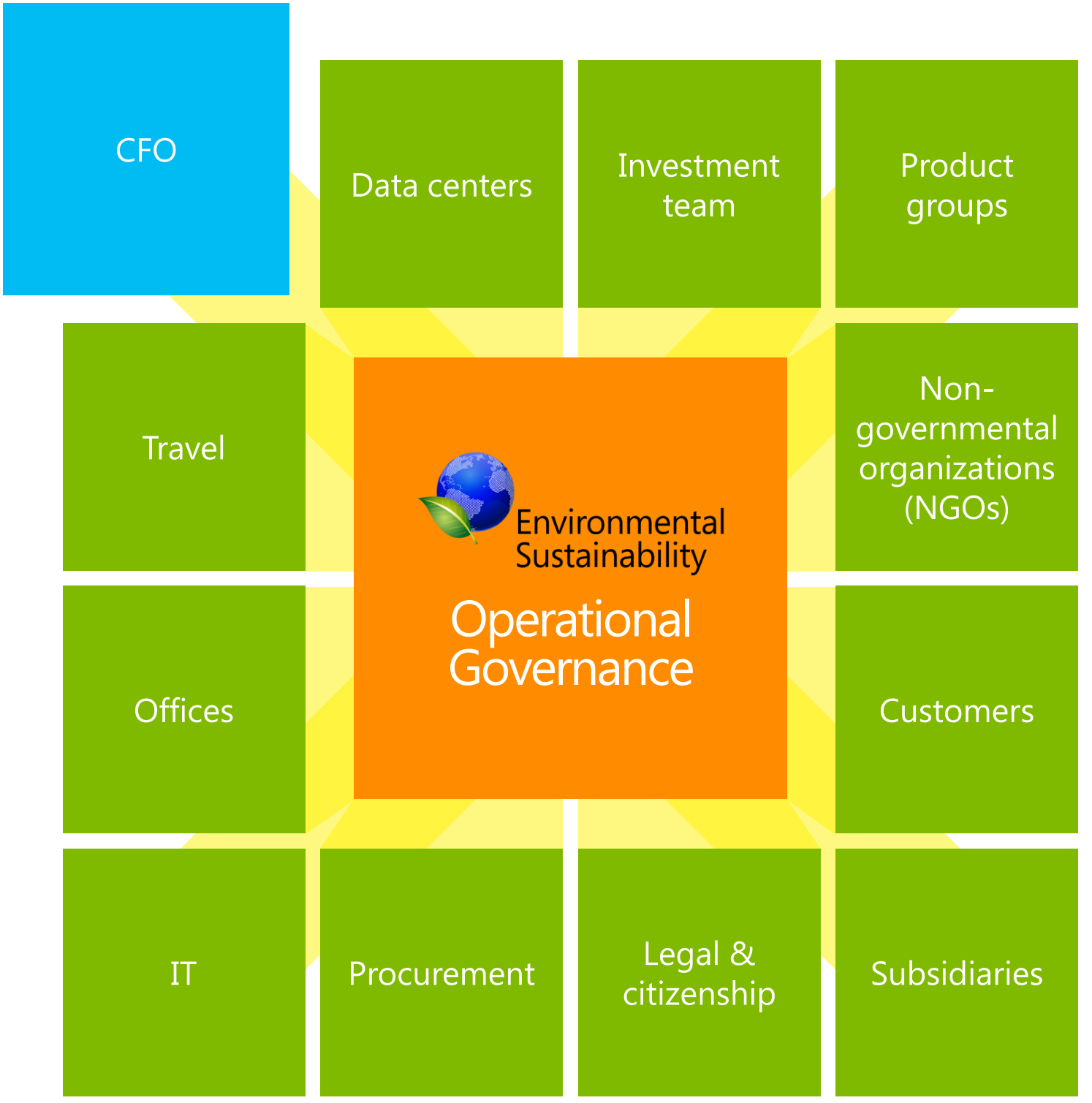
- Signing long-term renewable power purchase agreements
- Investing capital in new renewable energy projects
- Connecting data centers directly to innovative renewable energy sources
- Purchasing market RECs and carbon offsets

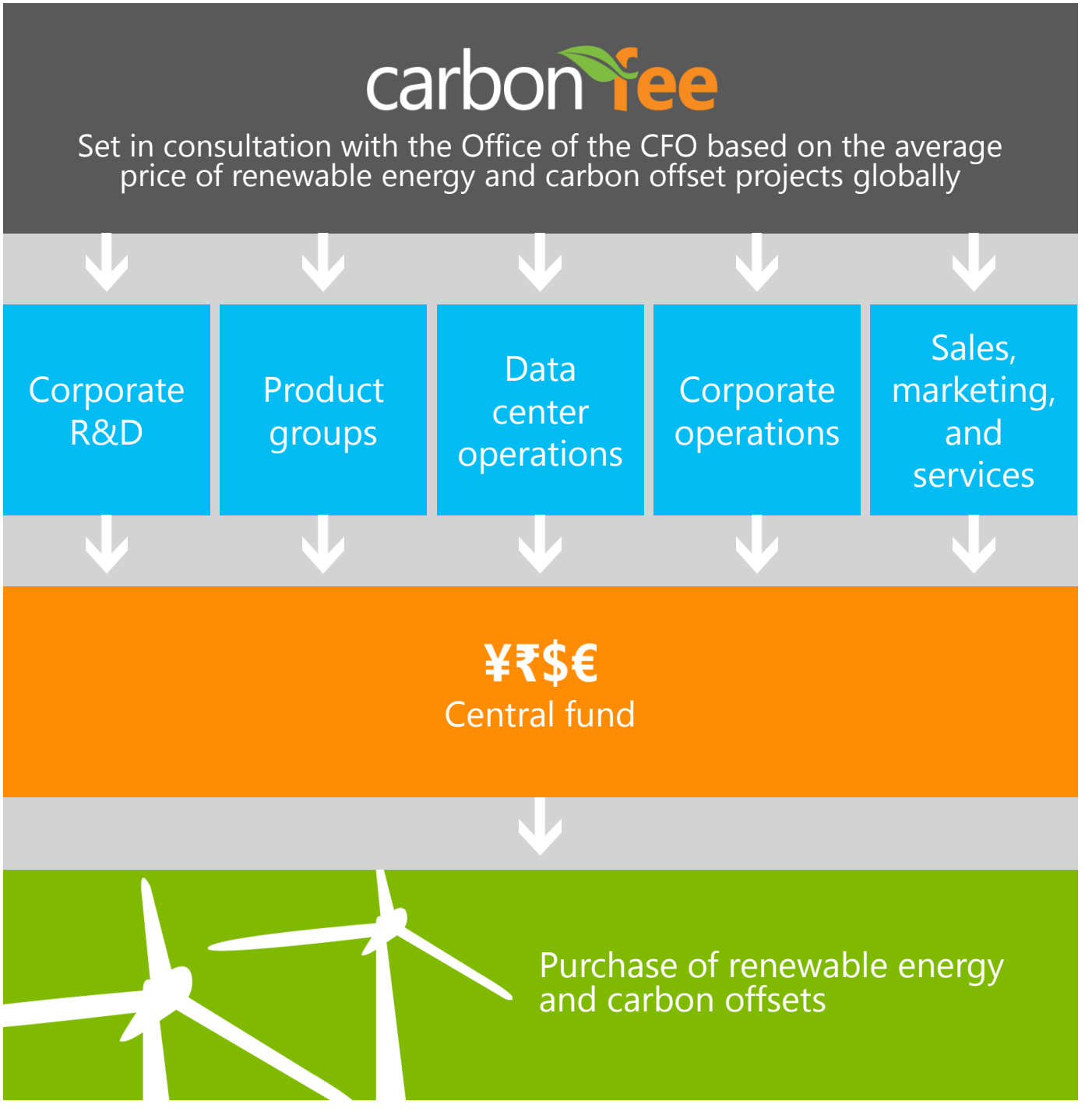
Be accountable

by quantifying our carbon impact and holding groups responsible

- Setting a carbon price to internalize the external impact of our operations
- Charging the teams responsible for emissions from data centers, offices, labs, and air travel
- Improving transparency using emission-tracking software and CDP reporting
- Optimizing the supply chain
- Engaging employees through environmental sustainability programs

carbon neutral™


CFO
Data centers
Investment team
Product groups
Travel
Environmental Sustainability
Operational Governance
Non-governmental organizations (NGOs)
Offices
Customers
IT
Procurement
Legal & citizenship
Subsidiaries


carbon fee
Set in consultation with the Office of the CFO based on the average price of renewable energy and carbon offset projects globally
Corporate R&D
Product groups
Data center operations
Corporate operations
Sales, marketing, and services
¥₹$€
Central fund
Purchase of renewable energy and carbon offsets

Critical Success Factors

- Set manageable boundaries – progress at your pace
- Involve key stakeholders across diverse set of groups
- Integrate into business for common goals
- Integrate carbon into the P&L financial structure
- Use funds to support efficiency and renewable energy efforts (lean & green)
- Integrate into messaging to define and manage perception
- As evolve aging infrastructure, taking into consideration economic (savings); social (health); and environment (clean future)

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Whitepaper: http://microsoft.com/environment

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Environmental Sustainability

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