

Achieving more



MICROSOFT 2022 IMPACT SUMMARY INDIA EDITION

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

Empowering every Indian to achieve more

In its 76th year of independence, India is leading the digital revolution. Our population scale platforms are creating new benchmarks for how countries can harness the power of digital technology for public good. With democratized access to data, organizations are recognizing data as an asset class – and leveraging analytical and predictive power to use this data for good. Our diversity presents unique growth opportunities as we build templates of innovation for the planet. India is truly on the path to becoming the data capital of the planet.

Digital is propelling India's growth. The world's third largest startup ecosystem is producing remarkable successes from ideas to unicorn and beyond, while generating large employment opportunities locally. The power of the cloud and emerging technologies like AI have been gamechangers in how we live and work today. With digital becoming the new driver of national growth, we need commitment towards building the skills required for the jobs that the new economy demands. India's principled approach in building and nurturing an open, interoperable, safe and secure digital framework will lead the way for the Global South.

At the heart of this transformation that we all are witnessing is India's aspiration for inclusive economic growth and a sustainable future on a foundation of trust. Collaboration is vital, and ecosystem partnerships are force multipliers in driving the Digital India vision.

Microsoft is committed to working with its customers, partners, governments, industry associations, and communities to accelerate the digital progress through our tech, tools, resources and programs. Together we can empower India to achieve more.

frant

Anant Maheshwari
President, Microsoft India





By the numbers: Microsoft in India

32

YEARS IN INDIA

17K+

PARTNERS

We work with our partners to build effective solutions and scale our impact

1M+

DEVELOPERS

Empowered with skills and resources to help them grow professionally

10

AI FOR GOOD PROJECTS

Completed with partners, using AI to help solve some of India's biggest challenges

20K+

EMPLOYEES

219K+

CUSTOMERS

We serve customers of all sizes across industries as we empower them to achieve more

5.2M +

LEARNERS

Engaged with digital skills content since June 2020 to help them gain skills for in-demand jobs

₹168M+

EMPLOYEE GIVING WITH COMPANY MATCH

Amount contributed to non-profits by employees, including Microsoft match

BUSINESS UNITS

 $^{\circ}$

CUSTOMER AND PARTNER SOLUTIONS



INDIA DEVELOPMENT CENTER



MICROSOFT RESEARCH INDIA

CUSTOMER EXPERIENCE & SUCCESS

SERVICES GLOBAL DELIVERY



Data covers the reporting period July 1, 2021 – June 30, 2022, unless otherwise noted.

32 years in India

1990s •



1990 - Microsoft begins operations in India

1998 - Microsoft India Development Center opens in Hyderabad

1998 - Launches Project Bhasha to accelerate computing in Indian languages

2000s •



2005 - Microsoft Research India launches in Bengaluru

2006 - Microsoft Global Delivery commences operations in India

2008 - Launches BizSpark, our first program, to help startups scale. Now we empower them through Microsoft for Startups Founders Hub

2010s •



2014 - Launches Academia Accelerator program in India to enrich computer science curriculum and nurture student innovation

2015 – Begins offering commercial cloud services from three local datacenters

2018 - Opens Microsoft Garage to encourage experimentation and collaboration among employees

2020s •



2020 - Strengthens support for 12 Indian languages in Microsoft Translator

2021 - Launches new Availability Zones in Central India datacenter region

2022 - Announces intent to establish fourth datacenter region in Telangana







Impact at a glance in India

Our mission to empower every person and every organization on the planet has never been more urgent. To achieve it, we must create a more inclusive, equitable, sustainable, and trusted future for everyone. We pursue this not only through our products and services, but through our work with customers and partners, our policies and practices, the dedication of our employees, and the causes and communities we invest in locally and globally.



Support inclusive economic growth

We believe economic growth should be inclusive—for every person, organization, community, and country. This starts with access to digital skills and opportunity and extends to closing the data divide and nurturing startups.

- Global Skills Initiative: Engaged over 5.2M learners with digital skills content to help them pursue in-demand roles in an increasingly digital economy
- DigiSaksham: Partnered with the Ministry of Labour and Employment to empower more than 85K jobseekers from rural and semi-urban areas with digital skills
- Central Board of Secondary Education: Trained more than 145K teachers on coding, data science, and accessibility to integrate cloud-powered technology into K12 learning
- Future Ready Talent Program: Over 3.4K students completed trainings and gained employment through a holistic virtual internship that offers in-demand tech skills



Advance fundamental rights

We unequivocally support fundamental rights, from upholding human rights, to addressing digital inequity, to access to broadband and accessible technology—without which, people miss out on education, healthcare, jobs and more.

- Bhashini: Forged partnership with National Language Translation Mission for large Indian language AI models so that digital services can be accessed in regional languages
- SAMEIP: Trained 581 and enabled employment for 335 people with disabilities in the banking and financial services sector in partnership with the State Bank of India Foundation
- Al for Humanitarian Action: Partnered on three projects to support disaster preparedness, further engage with vulnerable populations, and improve health outcomes
- Extended broadband: With partner AirJaldi, extended connectivity to over 29M people in nine Indian states and 50 districts in rural and semi-urban areas through our Airband initiative



Create a sustainable future

Addressing climate change 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.

- Responsible Operations: Announced our intent to build our fourth datacenter region in Hyderabad, which will be built with sustainable design and operations in mind
- Carbon Negative: Implemented a 485 KWP rooftop solar plant at our Hyderabad campus, which reduces approximately 500 tons of CO₂ emissions per annum
- Zero Waste: Set up flywheel uninterruptible power supply units at our Bengaluru and Hyderabad campuses, eliminating the use of 320 lead acid batteries every 3-5 years
- Project Amplify: Partnering with Accenture, supported 16 startups focused on sustainability and social impact with tech tools, resources, mentoring, and collaboration opportunities



We're optimistic about the benefits of technology, yet clear-eyed 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.

- Cyber Surakshit Bharat: Equipped 1.2K CISOs and frontline IT staff in state and central governments and public sector organizations through cybersecurity awareness initiatives
- Oyber Raksha Kavach: Partnered with the Confederation of Indian Industry (CII) to support 2K small and medium businesses through cybersecurity training
- CyberShikshaa: Together with Data Security Council of India, trained 1.1K women and helped 800 find jobs through a cybersecurity skilling program for women in Tier 2/3 cities
- Digital Crimes Unit: Fought cybercrime by making criminal referrals, including tech support frauds, leading to filings with state and central law enforcement agencies

Our commitment to national progress

India's digital leadership is integral to the country's inclusive and sustainable growth trajectory on its way to becoming a \$5 trillion economy.



India is keen to bridge the global shortage of labor force by reaping the demographic dividend of young India. The country plans to skill 400 million Indians and increase participation of underserved groups in the labor force. Through Microsoft's skilling initiatives and ecosystem partnerships, we are committed to closing the skills gap and building a more diverse workforce for the economy.



The country is shaping a strong ecosystem conducive for the growth of startups to drive sustainable economic growth and generate employment opportunities. Microsoft is fostering native tech innovation through programs like Microsoft for Startups Founders Hub that help startups scale from idea to unicorn and beyond.



Partnering with India on its journey to becoming the data and AI hub to the world, Microsoft is helping build trust in technology for economic growth in sectors like agriculture, education, healthcare, and more. With integrated tools spanning security, compliance, identity, and device management, and privacy across all clouds and platforms, Microsoft is partnering with organizations to protect, detect and respond to cyber threats. Aligning with global and national climate action strategies, Microsoft has announced an ambitious goal to be carbon negative by 2030.



Believing in the transformative power of engaging many different perspectives, our commitment to diversity and inclusion is reflected in how we are driving positive change, within our company and across the communities where we live and work. Our mission is deeply inclusive: empower every person and every organization on the planet to achieve more.



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 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 – of which more than 20,000 are in India – 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, including mandatory trainings on Prevention of Sexual Harassment, enable them to take ownership of their ongoing D&I learning journey.

11,436 employees gave more than ₹168 million (with company match) to over 260 nonprofits in India. This represents an 8.6% increase over the previous year.

More than 3,600 Microsoft employees volunteered over 11,474 hours to causes they care about, including skilling rural youth for jobs, encouraging STEM careers for children in government schools, and environmental sustainability, among others.

Equip

changemakers

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

Provided ₹559 million in donated and discounted technology (up 9% from last year) to 360 non-profits that deliver critical services to over 17.6 million people around the country.

Empowered nearly 1,150 startups with credits, free access to tech, tools, and resources through the Microsoft for Startups Founders Hub and Entrepreneurship for Positive Impact programs.

Through AI for Good resources and grants, we have helped 10 organizations in India using the power of AI in projects that benefit the environment, healthcare, accessibility, cultural heritage, and humanitarian action.

HOW WE WORK

Activate

our ecosystem

With 17,000+ partner organizations in India employing over 2.9 million people, hundreds of suppliers, and customers of every size in every industry and every part of the country, we have an enormous opportunity and responsibility to effect change through our ecosystem.

Collaborated with 15 of our largest customers in India to advance shared social impact goals such as increasing access to skills for jobs and using AI for good.

Upskilled 140,000 people through the Enterprise Skills Initiative designed for our customers and partners and enabled 279,000 cloud certifications on different solutions including Microsoft Azure, Business Applications, Modern Work and Security.

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.

Worked in 133 districts across 29 states to equip underserved young people with digital productivity, employability, and role-based skills—integrating 21st century skills with educational curriculum so they can thrive in a digital economy.

Helped train more than 700,000 underserved youth and enabled more than 545,000 certifications through partnerships with government institutions and technical skilling partnerships with our customers.

More than 15,000 academic certifications have been enabled for students in the country through our Future Skills Initiative, which aims to help realize India's vision of being the global talent hub.

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.

Announced our intent to establish a new datacenter region in Telangana. This strategic investment is aligned with our commitment to help customers thrive in a cloud and Al-enabled digital economy and will become part of the world's largest cloud infrastructure. This will support additional business growth and facilitate job creation across IT operations, data and network security, and network engineering.

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.

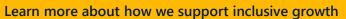
Enabling multilingual information flows through population scale platforms like National Language Translation Mission, running on Microsoft Azure.

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 nurturing startups.









Grow access to skills for jobs

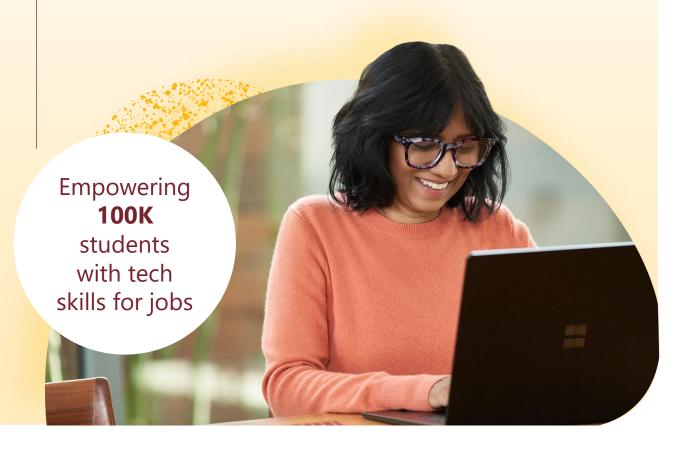
Over 23 million people in 249 countries and territories engaged with digital skills content through our Global Skills Initiative, bringing the total to 66.2 million learners engaged since the program launched in 2020. Of this, over 5.2 million engaged learners were from India.

In collaboration with NASSCOM FutureSkills Prime, All India Council for Technical Education (AICTE), Monster, GitHub and EY, we created the Future Ready Talent **Program**, a holistic virtual internship that offers in-demand tech skills in cloud computing, data, AI, and cybersecurity, followed by industry sessions and project work using Azure services. The curriculum is aligned to the National Education Policy 2020 and the program reaches more than 100K students across various disciplines. Over 3.4K students have completed their internships with 100% placement rate.

In partnership with the Ministry of Labour and Employment, **DigiSaksham** is a collaborative digital skills training initiative designed to empower more than 350,000 jobseekers from rural and semi-urban areas in subjects like programming languages, data analytics, software development fundamentals, and advanced digital productivity. The initiative provides 10 million active registered jobseekers on the National Career Service platform access to inclusive computing and computer science training. Over 85K people have been trained so far.

Preparing to meet the demand for skills for jobs in Andhra Pradesh, the government is collaborating with Microsoft to implement the skilling project. More than 162,000 students across 300 colleges and skill development centers are receiving Fundamentals, Role-Based and Microsoft Tech Associate certifications from Microsoft. Over 80.000 students have appeared for certification and more than 22,000 students have cleared Fundamentals. The Andhra Pradesh State Council of Higher Education has partnered with Microsoft's Future Ready Talent program to offer virtual internships.

With a shared commitment to enable digital equity, SAP India and Microsoft are collaborating through TechSaksham, a program that has skilled more than 2,000 women students from underserved communities in AI, cloud computing, web design, and digital marketing—empowering them to build careers in technology. More than 900 participants have received internships or job opportunities. The program's reach is expanding from seven states in the first year to 12 states.



Grow access to skills for jobs

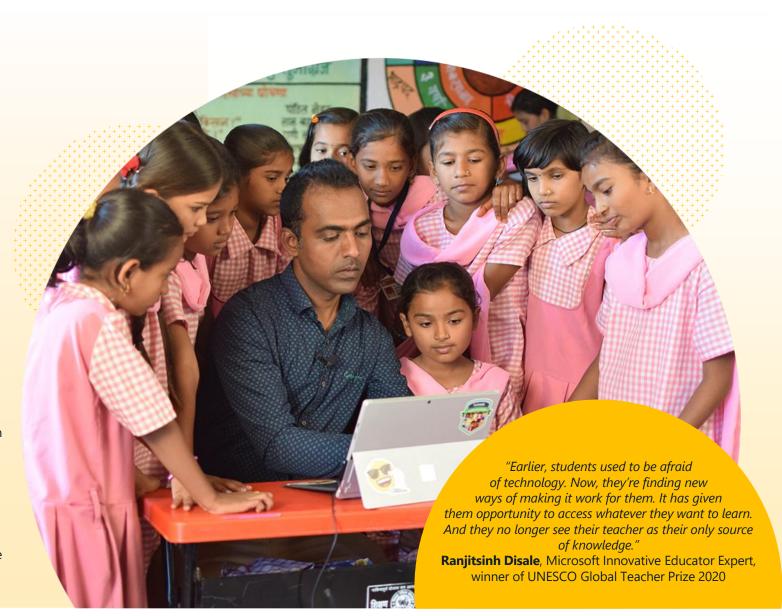
In collaboration with National Skill Development Corporation and 12 State Skill Development Missions (SSDMs), Microsoft's **Diversity Skilling Program** is now in its second year. In its first year, the program skilled more than 400K underserved women, youth, and rural jobseekers.

Microsoft partners with non-profits like Khushii Foundation, and Akshara Foundation to set up **digital learning centers** in collaboration with government schools in urban slums and rural/tribal areas of Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Bihar and Jharkhand for learning continuity of more than 50,000 at-risk children returning to school after pandemic break.

In alignment with National Education Policy 2020, **National Institute of Open Schooling** partnered with Microsoft to offer skill courses in coding, Al and data science at senior, senior secondary and vocational levels. This content is accessed by over 2.2 million students.

Aiming to transform the future of public finance management in India with cloud, data, and Al, Microsoft partnered with **Arun Jaitley National Institute of Financial Management** (AJNIFM) to build an Al and emerging technologies center of excellence. The partnership is focused on providing technology, tools, and resources to build a strong ecosystem of partners, academia and MSMEs, and upskill government officials.

In over 5,000 **Central Board of Secondary Education (CBSE) schools** in India, 145,000 teachers have been trained on coding, data science, hybrid learning, modern work apps, and accessibility. More than 7,500 students participated in the first industry exposure program for CBSE schools. More than 12,000 students with 2,500 projects registered in a coding competition for CBSE school students.



Support the startup ecosystem

Enabling startups in India at every stage of their journey – from idea to unicorn and beyond – **Microsoft for Startups Founders Hub** offers over US\$300,000 worth of benefits and credits, free access to tech, tools, and resources. Designed for early-stage startups to lower the barriers of business creation, and be a catalyst for entrepreneurship and innovation, the platform is available to all startups in India. Nearly 1,100 startups have joined the platform to date.

To nurture startups that are leveraging AI,

Microsoft AI Innovate brings opportunities for
startups to work with Microsoft's industry,
research, and engineering experts, build business
and industry expertise in AI, and get mentored by
both Microsoft and industry leaders. Quarterly
cohorts of the program have had 20 startups
from diverse industries including financial
services, healthcare, education,
agriculture, space, manufacturing
and logistics, retail and
e-commerce.



Bridge the data divide

Microsoft is working with the **Ministry of Tribal Affairs** to support the digital transformation of Eklavya Model Residential Schools and Ashram Schools by making Al curriculum available to tribal students in both English and Hindi. In the first phase, 250 EMRS schools have been adopted by Microsoft and 500 educators are being trained.

Unorganized sector workers constitute about 93% of the total workforce in the country. Running on Microsoft Azure, the **E-Shram** portal helps build a comprehensive National Database of Unorganized Workers. The portal helps with last mile delivery of welfare schemes for more than 283.7M workers.

Microsoft is partnering with **All India Institute of Medical Sciences, Jodhpur** to establish a
Mixed Reality Centre of Excellence that offers
cutting-edge medical care, facilitates learning
opportunities for faculty and students, and
builds better remote healthcare capabilities.
With **Maharashtra University of Health Sciences**, we are exploring tech solutions
using HoloLens 2 to improve healthcare
delivery, mixed reality solutions for proctoring
and building training content.

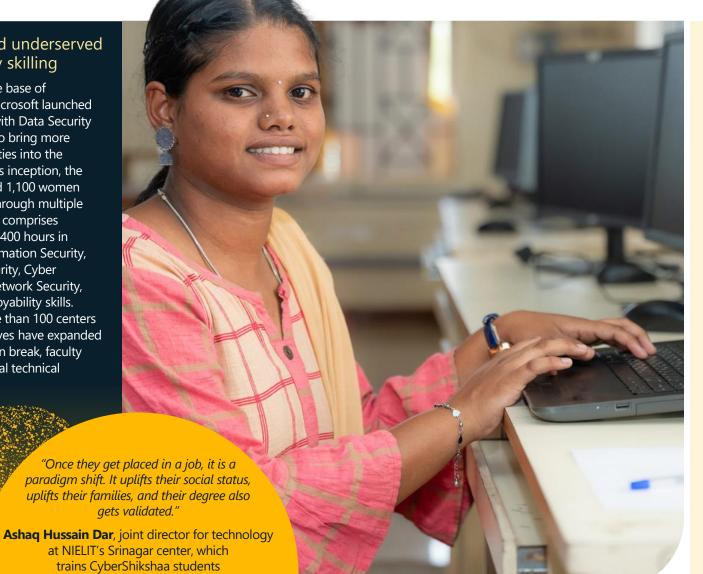
To bring predictability and precision to agriculture, **Azure FarmBeats** is a purpose-built solution accelerator that enables aggregation of agriculture datasets across providers. Indian startup CropData is working with our engineering teams to incorporate FarmBeats into its platform's workflows.



Empowering women and underserved youth with cybersecurity skilling

Recognizing the need for a large base of diverse industry-ready talent, Microsoft launched **CyberShikshaa** in partnership with Data Security Council of India (DSCI) in 2018 to bring more women from Tier 2 and Tier 3 cities into the cybersecurity workforce. Since its inception, the program has successfully trained 1,100 women and employed more than 800 through multiple training batches. The curriculum comprises intensive training for more than 400 hours in several modules, including Information Security, Application Security, Cloud Security, Cyber Forensics, Cryptography, and Network Security, among others, along with employability skills. Trainings are conducted in more than 100 centers across India and learning initiatives have expanded to include modules for women in break, faculty members and students from rural technical institutions

Read more about CyberShikshaa



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 addressing this through our **Digital Bhavishya** program in partnership with Million Sparks Foundation and the State Councils of Education Research and Training in Chhattisgarh, Odisha, Delhi, Haryana, and Goa. Through this program, we're enabling capacity building for 10,000 faculty members in government schools and introducing new-age technologies to over 100,000 students.

There is a severe shortage of qualified instructors to teach cybersecurity. In collaboration with ICT Academy, Microsoft has launched **CyberShikshaa for Educators**. In its first year, the program will empower 400 faculty members across 100 rural institutions in India with cybersecurity skills. The initiative will further train 6,000 students from rural engineering colleges to prepare them for cybersecurity careers.

STORIES OF IMPACT

Transforming kirana stores with the power of cloud and Al

Running on Microsoft Azure, ElasticRun's last-mile service platform is transforming the lives of rural grocery store owners with its intelligent logistics and distribution network. Small business grocers in India are underserved due to low demand, long distances, and fixed cost fulfillment. ElasticRun's asset light, app-driven, variable capacity transportation network has unlocked access to over 400 brands across 80,000 villages in 26 states of India.

> Read more about our engagement with startups

"As we scale into multiple geographies, we expect our technology to scale too. We chose Azure Kubernetes Services because it provides a highly scalable cloud-native architecture for our platforms. One big advantage is that the system can easily scale up during peak seasons and festivals, such as Diwali, when the orders are more, and scale down during

Shitiz Bansal, co-founder and CTO, ElasticRun



Overview Inclusive growth Fundamental rights Sustainability

Advance fundamental rights

We unequivocally support the fundamental rights of people, from upholding human rights to addressing digital inequity. And, as education, healthcare, and other critical services become increasingly dependent on technology, access to technology is also fundamental to an equitable future.







Enable equitable access

More than a billion people in the world live with disabilities. Microsoft is committed to bridging the 'Disability Divide', which is the gap in societal inclusion for people with disabilities (PwDs), including in education, employment, and access to technology. State Bank of India Foundation and Microsoft Initiative for Empowerment of PwDs (**SAMEIP**) enables career pathways for underserved young persons with disabilities in banking, financial services and insurance (BFSI). Envisioned to create an enabling ecosystem, this project aims to influence the BFSI sector to adopt inclusion policies resulting in increased hiring, retention, and successful career opportunity for PwDs. The program has successfully trained 581 PwDs and 335 among them have been placed at more than 125 organizations.

Enabling Indians easy access to the internet and digital services in their own language, and increasing content in Indian languages, the **National Language Translation Mission** aims to build a national public digital platform for languages. This platform will develop services and products for citizens by leveraging Al and other emerging technologies. Working with Microsoft, the platform is creating an ecosystem for delivering a scalable solution that can digitize Indian languages.

We're partnering with **Al4Bharat**, an organization under Indian Institute of Technology Madras, to implement an AI for Accessibility project on Indian sign language. The project focuses on producing the largest open dataset on Indian sign language in the world with more than 33,000 videos of continuous Indian sign language, through specially trained AI models for sign language recognition. This integrates AI models for live sign language recognition in Microsoft Teams. Its goal is to enable 12,000 youth with hearing impairment with access to better workplace communication.



STORIES OF IMPACT

Bringing hope to rural villages with fast and reliable internet connectivity

Through Microsoft's Airband Initiative, internet service provider **AirJaldi** is helping connect thousands of people in rural and semi-urban parts of India with internet access. AirJaldi buys bandwidth from major telecom companies in India, connects to the existing infrastructure, and extends its network into under-covered or uncovered areas using Microsoft's Airband technology. AirJaldi has offered connectivity to over 29 million registered users and beneficiaries across nine Indian states and 50 districts in rural and semi-urban areas.

Discover how broadband access is changing lives

"When we were kids, we did not have phones or internet, so there was not much growth. But my daughter is watching me do everything via internet. She will have a bright future." Asha Kumari, AirJaldi Network Manager, Sahibganj (Bihar)



Support humanitarian action and emergency response

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

In India, we are partnering with three **AI for Humanitarian Action** projects covering disaster preparedness, engagement with vulnerable populations, and the use of image recognition to support improved health outcomes.

India Institute of Technology, Delhi, and Gram Vaani have partnered to create an Al-powered system called **Smartforms** that quickly recognizes handwritten characters to efficiently access crucial patient contact information and health histories.

Humanitarian OpenStreetMap Team (HOT) partnered with Microsoft and Bing to improve the mapping of areas vulnerable to natural disaster and poverty, thus enabling relief programs to respond more quickly and effectively after disasters.



STORIES OF IMPACT

Protecting vulnerable communities from the effects of climate change

Al for Humanitarian Action grantee **SEEDS India** worked with Microsoft to create Sunny Lives, an Al model that predicts risks of natural disasters using local conditions. This allows vulnerable communities to be better prepared for hazards like cyclones, earthquakes, and heatwaves and develop custom response plans before a disaster strikes. The model has generated heat wave risk

information for around 125,000 people living in slums in New Delhi and Nagpur. Instead of deploying volunteers who manually conducted surveys, the non-profit now procures high-resolution satellite imagery, runs the Al model to determine an area's vulnerability, gets the risk score results within a day, and distributes advisories to vulnerable families.



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.





Carbon negative

OUR COMMITMENT

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

(C) 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



Reduced our Scope 1 and 2 (market-based) emissions by 58,654 metric tons of carbon dioxide equivalents (mtCO₂e). 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.

Water positive

OUR COMMITMENT

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.

(C) 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.

2012 2016 -2017 -2019 2025 2030 2018 100% carbon neutral. Al for Earth launch. Supplier carbon Carbon fee raised to \$15. Operate with 100% Zero waste Become carbon negative, Remove all campus certification engagement in China Water replenishment renewable energy. Internal carbon LEED Gold certification zero waste, and water historical emissions. launched. Net zero potable fee instituted. for Puget Sound. for new datacenters. Protect more land goal set. positive. water. Silicon Valley than we use. campus ground-breaking. Our history 2012-2019 Our commitments 2020-2050

Zero waste

OUR COMMITMENT

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%.

Protect and preserve ecosystems

OUR COMMITMENT

We will protect more land than we use by 2025.

Achieved by target date

24

petabytes of data publicly available on Azure through our Planetary Computer

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.

Responsible operations

Microsoft is committed to responsible and sustainable datacenter operations. This includes a commitment to have 100 percent renewable energy supply equivalent to the electricity consumed by Microsoft datacenters by 2025. We announced our intent to build our fourth datacenter in Hyderabad and the new datacenter region will be built with sustainable design and operations in mind, enabling Microsoft to responsibly deliver reliable cloud services at scale.

We have implemented a 485 KWP rooftop solar plant at our Hyderabad campus, which reduces approximately 500 tons of CO₂ emissions per annum. At our Bengaluru and Hyderabad campuses, we have set up kinetic flywheel UPS that can supply power in the event of power interruption, without any battery usage. This eliminates the usage of 320 lead acid batteries every 3-5 years, that end up in landfills.

Startups for sustainable impact

Helping deepen the reach of startups focused on sustainability and social impact, Accenture and Microsoft are collaborating on Project Amplify with hands-on support and tech, mentoring, and collaboration opportunities. The initiative has expanded across the Asia Pacific region and accelerated growth of 47 startups, 16 of which are from India. Through this initiative, startups can test and validate proof-of-concepts to re-envision and expand the impact and social benefit of their solutions. One such startup is Jaljeevika, whose IoT-based aquaculture advisory framework on Microsoft Azure is expected to reduce capital expenditure of small-scale fish farmers.



STORIES OF IMPACT

Generating purified drinking water from air at Microsoft India's Hyderabad campus

In line with our climate commitments, Microsoft India has installed four air-to-water **generators** at the Hyderabad campus. The system produces nearly 2,000 liters of purified drinking water every day by capturing humidity from the air. That's the equivalent of offsetting four million liters of ground water extraction. The generators have been installed around the campus at places that are away from the main campus buildings, where piped drinking water is not available. This eliminates the need for typical water dispensers, which require that water cans to be brought in multiple times a day and generate waste in the form of discarded plastic caps.

> Learn how Microsoft is making its campuses more sustainable



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.



Advance cybersecurity and digital safety

Cyber Surakshit Bharat is the first public-private partnership leveraging the IT industry's expertise in cybersecurity. As a founding partner, Microsoft plays a key role in the initiative launched by Ministry of **Electronics and Information Technology** and National e-Governance Division. The program has equipped 1,266 Chief Information Security Officers and frontline IT staff across central and state government departments and public sector organizations with awareness about cybercrime and safety measures through workshops and enablement programs to manage and mitigate cyber threats.

India is home to 63 million small and medium businesses (SMBs), which contribute to 30 per cent of the country's GDP. CII's Centre for Digital Transformation and Microsoft are partnering to offer Cyber Raksha **Kavach**, a set of initiatives that support Indian SMBs to develop and maintain a strong cybersecurity posture. The program offers a series of training programs containing multiple modules to cover all aspects of cybersecurity. Nearly 2,000 companies have registered till date and more than 200 risks have been identified in the 57 digital risk assessments that have been carried out.

Microsoft's **Digital Crimes Unit** (DCU) has been fighting cybercrime, protecting individuals and organizations, and safeguarding the integrity of Microsoft services since 2008. The DCU's expertise and unique insights into online criminal networks help uncover evidence used in our criminal referrals to law enforcement. In India, the DCU has made criminal referrals, including tech support frauds, which have led to filings with state and central police agencies. The DCU also works to increase the operational cost of cybercrime by disrupting the infrastructure used by cybercriminals through civil legal 2 and technical measures.

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

34.7B identity threats and 37B email threats.

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

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

In India, the research found that women experience 54% of online risks and 34% of respondents said online civility had worsened during the pandemic.





Respect privacy

We 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. In 2021, over 26 million people around the world used the **Microsoft privacy dashboard** to control their data and make meaningful choices about how it's used.

Develop and use tech responsibly

We put our principles for the responsible development and use of Al into practice, not only within Microsoft, but by empowering our customers and partners to do the same and by advocating for policy change. We released our **Responsible Al Standard**, which outlines 17 goals aligned to our <u>six Al</u> principles and includes tools and practices to support them.

We 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. We published our **Responsible Al Impact Assessment** template and guide, which shares what we have learned about the impact Al may have on people, organizations, and society. We released 14 Transparency Notes for our Al platform services to help developers build responsible Al products and services.

26M+
global users visited the
Microsoft privacy
dashboard

STORIES OF IMPACT

Bringing a cloud-native approach to secure platform and data of Tata Digital's users

Tata Digital's approach to security is simple: start with the basics, don't jump into anything complex on day one, and prioritize people and processes. Microsoft partnered with Tata Digital to bring a cloud-native approach for securing the platform and data of millions of users by providing them the Extended Detection and Response (XDR) solution for managed security.

Tata Neu, the super app from Tata Digital, integrated nearly a dozen existing brands with a combined base of more than 100 million users. Tata Digital was the first in India to get on Microsoft's XDR offering, giving them capabilities not only across security incident monitoring and response, but also from an architecture and forensic perspective.

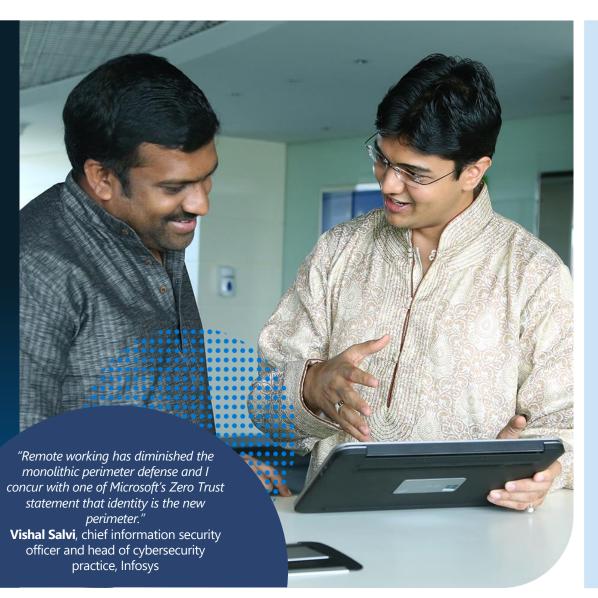


STORIES OF IMPACT

Securing innovations emerging from accelerated tech adoption at Infosys

We partnered with Infosys, one of the world's largest IT services companies, to provide solutions for security, compliance, and identity management. Microsoft's security solutions enabled its 280,000 employees across 50 countries to work remotely within weeks at the onset of the pandemic. The Zero Trust approach and Microsoft O365 services like Azure AD, Azure MFA. Microsoft Intune and conditional access have enabled Infosys to provide 360-degree security. Infosys uses Microsoft Security and Compliance Center, and Secure Score dashboards to guide IT and Information Security teams to track and monitor the latest and historical scoring based on Security controls enabled. Infosys has also adopted multiple training programs in partnership with us towards building a cybersecurity culture in the organization.

Read more about Zero 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)**

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.

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	SUPPORTED THROUGH OUR WORK ON THE SDGS
Support inclusive economic growth	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
Protect	Goal 5 Gender Equality
fundamental rights	Goal 10 Reduced Inequalities
	Goal 11 Sustainable Cities and Communities
	Goal 16 Peace, Justice, and Strong Institutions
Create a sustainable future	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
Earn trust	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
- ▶ Follow Microsoft On the Issues





