



# 2025 Disclosure Cycle Procurement Sustainability Data Integrity Requirements

Requirements to enhance the completeness and accuracy of your Baseline Year and 2024 total company and Service-Level Accounting (SLA) emissions

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## Executive Summary

Outlined in 2020, Microsoft set a goal to be carbon negative by 2030. As we reach the halfway point, it is crucial that we continue to partner with suppliers and together tackle our largest source of emissions, supply chain or scope 3 emissions. Your commitment and transparency accelerate progress towards a 55% emissions reduction by 2030 and is an important stride towards a more sustainable future for people and planet.

The [Microsoft Supplier Code of Conduct \(SCoC\)](#) section 6.11, requires suppliers provide independent, third-party assurance (also referred to as independent third-party verification or attestation) over greenhouse gas (GHG) emissions data. This



assurance requirement applies to historic 2019 baseline emissions (or approved alternative baseline year) **and** 2024 annual emissions. Independent third-party assurance provides a layer of credibility and confidence behind the completeness and accuracy of disclosed emissions. To fulfill the assurance requirement, suppliers may choose to engage an external consultant to support emissions calculation as an alternative to seeking independent third-party assurance on emissions. Either option adds credibility to the completeness and accuracy of supplier disclosed emissions.

As Microsoft obtains greater granularity into our suppliers' emissions via Service-level Accounting (SLA), specifically the emissions associated with the goods and services delivered to Microsoft, the credibility behind the completeness and accuracy of this data is just as important. Meanwhile, credibility behind the completeness and accuracy of total company emissions remains just as important. As such, additional data integrity requirements are being added for the 2025 Disclosure Cycle (applicable to the 2019/baseline year and 2024). Below, the requirements are broken out by total company requirements and SLA requirements.

We understand that there is not a "one size fits all" approach to ensuring data integrity to your total company and SLA emissions. Hence, the table below outlines the options that suppliers may choose, or a combination (e.g. an Assurance Letter that covers scope 1 and 2 and a Consultant Letter that covers scope 3).

| <b>Total Company Emissions (choose one)</b>   |
|---|
| <b>Total Company Option 1:</b> Obtain independent third-party Assurance Letter on total company emissions. Include scope 1, scope 2, and scope 3 categories 1 through 8 (even if zero or immaterial). |
| <b>Total Company Option 2:</b> Obtain third-party Consultant Letter on total company emissions. Include scope 1, scope 2, and scope 3 categories 1 through 8 (even if zero or immaterial).            |

| <b>SLA Emissions (choose one)</b>  |
|--|
| <b>SLA Option 1:</b> Obtain independent third-party Assurance Letter on SLA emissions broken out by each service provided, total reference unit volume for |



each service, and inclusive of scopes 1, 2, and 3 categories 1 through 8 (even if zero or immaterial).

**SLA Option 2:** Obtain third-party Consultant Letter on SLA emissions broken out by each service provided, total reference unit volume for each service, and inclusive of scopes 1, 2, and 3 categories 1 through 8 (even if zero or immaterial).

***Please review the additional details in the document below for specifics.***



## **Assurance Overview for Total Company (Option 1) and SLA (Option 1)**

Assurance is a process whereby a practitioner performs procedures, obtains evidence, and, after obtaining sufficient information, expresses a conclusion, designed to inform and provide validation of the information. This process and the accompanying conclusion are documented in an **Assurance Letter or Report**. Assurance providers must be independent third parties and have sufficient competence and capabilities necessary to perform engagements in accordance with professional standards and applicable legal and regulatory requirements.

If you choose the assurance option, you are **required to obtain an Assurance Letter or Report from the assurance provider** indicating the work performed and the specific numerical values for the required scopes/categories (by service for SLA) that were assured as well as the reference unit volume for the SLA calculation. If zero or immaterial, the assurance provider must include that emissions for that scope and/or category are assured as zero or immaterial. Obtain this letter on the assurance provider's letterhead.

### **Minimum Assurance Letter Components:**

The Assurance Letter must include the following:

1. **A description of the subject matter**, i.e. assertion, on which the assurance provider is reporting. The subject matter or assertion must include the minimum scopes and categories listed below **and their associated numerical values in mtCO<sub>2</sub>e** (by service for SLA):
  - Scope 1
  - Scope 2
  - Scope 3 Category 1: Purchased goods and services
  - Scope 3 Category 2: Capital goods
  - Scope 3 Category 3: Fuel-and-energy related activities (not included in scope 1 or 2)
  - Scope 3 Category 4: Upstream transportation and distribution



- Scope 3 Category 5: Waste generated in operations
- Scope 3 Category 6: Business travel
- Scope 3 Category 7: Employee commuting
- Scope 3 Category 8: Upstream leased assets

If zero or immaterial for a scope or category, the assurance provider must include that emissions are calculated as zero or immaterial. If all required scopes are not listed, the document will not be accepted.

2. **The period of time** associated with the measurement or evaluation of the subject matter. This applies to historic 2019 baseline emissions (or approved alternative baseline year) in addition to annual emissions disclosure for 2024.
3. **The criteria** against which the subject matter was measured or evaluated (e.g. Greenhouse Gas Protocol). This is the criteria used in emissions calculation.
4. **A statement that identifies the level of assurance** and describes the nature of the assurance engagement. **Microsoft requires limited assurance, as opposed to reasonable assurance.** See FAQ #11 in [this article](#) for the difference between the two types of assurance.
5. **A statement that identifies the assurance standard** (or standards) used (e.g. AICPA standards).
6. **A conclusion** on the subject matter or assertion on which the assurance provider is reporting.
7. For SLA, the **reference unit and volume** delivered to Microsoft for each service provided in the reporting period as well as the [associated UNSPSC code](#) for the service

*Please provide the Assurance Letter in English, in pdf format, and limited to 1 – 3 pages. If the assurance provider cannot provide the letter in English, have it translated into English by an independent third-party prior to submission. If your assurance letter is part of a larger sustainability report, please only provide the assurance letter as a separate pdf.*

### **Assurance Standards**



[PCAOB](#), [AICPA](#), and [IAASB](#) assurance standards meet Microsoft's assurance requirement. However, it is recognized that more than one suitable [assurance standard exists](#) and that others may develop in the future and be suitable for use.

## **Consultant Overview for Total Company (Option 2) and SLA (Option 2)**

A third-party consultant is defined as an individual(s) external to your organization that provides advisory services to help you calculate your GHG footprint. Solely leveraging third-party software such as GHG calculation tools does **NOT** meet this definition. However, third-party software can be used in conjunction with an external consultant. Third-party consultants must have sufficient competence and capabilities necessary to perform engagements in accordance with professional standards and applicable legal and regulatory requirements.

If you choose the external consultant option, you are **required to obtain a Consultant Letter from the consultant** indicating the work performed and the specific numerical values for the required scopes/categories (by service for SLA) that were calculated, as well as the reference unit volume for the SLA calculation. If zero or immaterial, the consultant must include that emissions for that scope and/or category are calculated as zero or immaterial. Obtain this letter on the consultant's letterhead and **utilize the required template in the Appendix below**.

### **Minimum Consultant Letter Components (required template provided in Appendix):**

The Consultant Letter must include the following:

1. **A description of the work performed and numerical emissions values in mtCO<sub>2</sub>e** for the minimum scopes and categories listed below (by service for SLA):
  - Scope 1
  - Scope 2
  - Scope 3 Category 1: Purchased goods and services



- Scope 3 Category 2: Capital goods
- Scope 3 Category 3: Fuel-and-energy related activities (not included in scope 1 or 2)
- Scope 3 Category 4: Upstream transportation and distribution
- Scope 3 Category 5: Waste generated in operations
- Scope 3 Category 6: Business travel
- Scope 3 Category 7: Employee commuting
- Scope 3 Category 8: Upstream leased assets

If zero or immaterial for a scope or category, the consultant must include that emissions are calculated as zero or immaterial. If all required scopes are not listed, the document will not be accepted.

2. **The period of time** associated with the work performed. This applies to historic 2019 baseline emissions (or approved alternative baseline year) in addition to annual emissions disclosure for 2024..
3. **The criteria** in which the subject matter was calculated (e.g. Greenhouse Gas Protocol). This is the criteria used in emissions calculation.
4. For SLA, the **reference unit and volume** delivered to Microsoft for each service provided in the reporting period as well as the **associated UNSPSC code** for the service
5. For SLA, a **description of the process performed** to calculate SLA emissions (e.g. what evidence was collected, how was the calculation performed, etc.).

*Please use the required Consultant Letter template in the Appendix below and provide the Consultant Letter in English, in pdf format, and limited to 1 – 3 pages.*

## **Solution Providers**

We've heard your feedback and we're happy to announce two solution providers, Green Project and Rye Strategy, that can help you fulfill these Data Integrity Requirements. These providers are familiar with the SLA methodology and support small to medium-sized companies. Please access the links below to learn more:

- Green Project: [Microsoft Carbon Accounting | Green Project Tech](#)



- Rye Strategy: [Carbon Accounting Solutions | RyeStrategy](#)

Use of Green Project or Rye Strategy **is optional** – you can choose alternative providers if you prefer. Reviewing these providers with your relevant teams, including legal counsel, is recommended to ensure they meet internal and external standards.

A variety of vendors provide assurance services or consulting services on sustainability information, including Certified Public Accountant (CPA) firms, engineering firms and environmental consulting firms, all of whom use a range of frameworks, standards, and methodologies to perform their engagements. If an existing audit firm for financial statements is already engaged with your company, that firm may be a good place to start your search for an assurance provider.

Additionally, here is a link to [CDP's accredited solutions providers](#). Use the services filter, "Third Party Verification/Assurance" to help identify third-party vendors providing assurance and verification services and the "Greenhouse Gas Emissions Inventory" services filter to help identify third-party vendors providing consulting services in support of emissions calculations. Each supplier is to perform due diligence to determine which, if any, of the listed providers are appropriate for use and **are not required to choose a vendor from this list**.

Contact [compsupp@microsoft.com](mailto:compsupp@microsoft.com) with questions or for support. Reviewing your disclosure, methodologies, assurance standards, etc. with consultants and legal counsel, as appropriate, is recommended.





# Appendix

## Resources

- [CDP accredited solutions providers](#)
- [Microsoft Supplier Code of Conduct](#)
- [Microsoft Supplier Code of Conduct FAQs](#)
- [Microsoft 2024 Environmental Sustainability Report Fact Sheet](#)
- [Verification standards accepted by CDP](#)
- [United Nations Standard Products and Services Code \(UNSPSC\)](#)

## Example Assurance Letter and Required Template for Consultant Letter

### **Example Assurance Letter for Total Company (Option 1) and SLA (Option 1)**

[Microsoft 2024 Environmental Sustainability Report Fact Sheet](#) with required components numbered for illustrative purposes):

1. A description of the subject matter: *"We have reviewed management of Microsoft Corporation's (the "Company") assertion that the specified information included in Section 1 of the 2023 Environmental Data Fact Sheet ("Fact Sheet")"*
2. The period of time: *"as of and for the fiscal year ended June 30, 2023"*
3. The criteria: *"presented in accordance with the criteria set forth in Section 1.10, Reporting criteria"*
4. A statement that identifies the level of assurance: *"Those standards require that we plan and perform the review to obtain limited assurance"*
5. A statement that identifies the assurance standard: *"conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C Section 105, Concepts Common to All Attestation Engagements, and AT-C Section 210, Review Engagements"*
6. A conclusion: *"Based on our review, we are not aware of any material modifications that should be made to management of Microsoft Corporation's assertion that the specified information included in Section 1 of the 2023"*



*Environmental Data Fact Sheet as of and for the fiscal year ended June 30, 2023 is presented in accordance with the criteria set forth in Section 1.10, Reporting criteria in the Fact Sheet, in order for it to be fairly stated.*

Environmental Data Fact Sheet 2024 20

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**1.11 Independent accountant's review report**

**Deloitte & Touche LLP**  
1015 Second Avenue Suite 500  
Seattle, WA 98104-1126  
USA

**Deloitte**

To the Board of Directors of Microsoft Corporation

**1, 2, 3** We have reviewed management of Microsoft Corporation's (the "Company") assertion that the specified information included in Section 1 of the 2023 Environmental Data Fact Sheet ("Fact Sheet") as of and for the fiscal year ended June 30, 2023 is presented in accordance with the criteria set forth in Section 1.10, Reporting criteria in the Fact Sheet. The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.

**4, 5** Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C Section 105, Concepts Common to All Attestation Engagements, and AT-C Section 210, Review Engagements. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements in accordance with the AICPA Code of Professional Conduct. We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed analytical procedures, inquiries, and other procedures as we considered necessary in the circumstances. For a selection of the specified information included in the Fact Sheet, we performed tests of mathematical accuracy of computations, compared the specified information to underlying records, or observed the data collection process.

The preparation of the specified information included in the Fact Sheet requires management to establish and interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of certain amounts includes estimates and assumptions that are subject to substantial inherent measurement uncertainty, including for example, the accuracy and precision of conversion factors or estimation methodologies used by management. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the specified information included in the Fact Sheet. The selection by management of different but acceptable measurement methods, input data, or assumptions, may have resulted in materially different amounts for the specified information being reported.

Information outside of the specified information included in Section 1 of the 2023 Environmental Data Fact Sheet was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, any information relating to: i) periods prior to the year-ended June 30, 2023 or ii) information relating to forward looking statements, targets, goals, and progress against goals, was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

**6** Based on our review, we are not aware of any material modifications that should be made to management of Microsoft Corporation's assertion that the specified information included in Section 1 of the 2023 Environmental Data Fact Sheet as of and for the fiscal year ended June 30, 2023 is presented in accordance with the criteria set forth in Section 1.10, Reporting criteria in the Fact Sheet, in order for it to be fairly stated.

*Deloitte & Touche LLP*  
May 15, 2024



Section 1 as referenced in the Assurance Letter (required component #1):

| Environmental Data Fact Sheet 2024  |                   |                   |                   |                   | 03  |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|---|--|------|------|------|------|----------------|---------|---------|---------|----------------|----------------|--|--|--|--|----------------|-----------|-----------|-----------|------------------|--------------|---------|---------|---------|----------------|--|----------------|----------------|----------------|----------------|----------------------------|--|--|--|--|--|-----------|-----------|-----------|------------------|----------------------------|-----------|-----------|-----------|------------------|--|---------|---------|---------|----------------|---|---------|---------|---------|----------------|--------------------|-------|-------|-------|--------------|------------------------------|---------|--------|---------|----------------|---------------------------------|---------|--------|---------|----------------|--|--------|--------|--------|---------------|------------------------------------|-----------|-----------|-----------|------------------|--|--------|--------|--------|--------------|--|--------|-------|-------|--------------|---------------------------------------|-------------------|-------------------|-------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|
| <h2>Section 1:<br/>Our environmental data</h2>  |                   |                   |                   |                   | <h3>1.1 Greenhouse gas (GHG) emissions</h3> <p>Table 1A – GHG emissions by scope (mtCO<sub>2</sub>e)</p> <table border="1"> <thead> <tr> <th></th> <th>FY20</th> <th>FY21</th> <th>FY22</th> <th>FY23</th> </tr> </thead> <tbody> <tr> <td><b>Scope 1</b></td> <td>118,100</td> <td>123,704</td> <td>139,413</td> <td><b>144,960</b></td> </tr> <tr> <td><b>Scope 2</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Location-based</td> <td>4,328,916</td> <td>5,010,667</td> <td>6,381,250</td> <td><b>8,077,403</b></td> </tr> <tr> <td>Market-based</td> <td>456,119</td> <td>429,405</td> <td>288,029</td> <td><b>393,134</b></td> </tr> <tr> <td><b>Subtotal emissions (Scope 1 + 2 market-based)</b></td> <td><b>574,219</b></td> <td><b>553,109</b></td> <td><b>427,442</b></td> <td><b>538,094</b></td> </tr> <tr> <td><b>Scope 3<sup>1</sup></b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Category 1 – Purchased Goods &amp; Services<sup>2</sup></td> <td>4,415,000</td> <td>4,930,000</td> <td>5,780,000</td> <td><b>5,564,000</b></td> </tr> <tr> <td>Category 2 – Capital Goods</td> <td>2,962,000</td> <td>4,179,000</td> <td>4,026,000</td> <td><b>5,872,000</b></td> </tr> <tr> <td>Category 3 – Fuel- and Energy-Related Activities</td> <td>300,000</td> <td>350,000</td> <td>450,000</td> <td><b>521,000</b></td> </tr> <tr> <td>Category 4 – Upstream Transportation<sup>3</sup></td> <td>243,000</td> <td>225,000</td> <td>371,000</td> <td><b>318,000</b></td> </tr> <tr> <td>Category 5 – Waste</td> <td>9,500</td> <td>5,700</td> <td>8,000</td> <td><b>8,000</b></td> </tr> <tr> <td>Category 6 – Business Travel</td> <td>329,356</td> <td>21,901</td> <td>139,000</td> <td><b>133,000</b></td> </tr> <tr> <td>Category 7 – Employee Commuting</td> <td>317,000</td> <td>80,000</td> <td>141,000</td> <td><b>187,000</b></td> </tr> <tr> <td>Category 9 – Downstream Transportation</td> <td>65,000</td> <td>69,000</td> <td>69,000</td> <td><b>69,000</b></td> </tr> <tr> <td>Category 11 – Use of Sold Products</td> <td>2,983,000</td> <td>3,950,000</td> <td>5,101,000</td> <td><b>3,941,000</b></td> </tr> <tr> <td>Category 12 – End-of-Life of Sold Products</td> <td>17,000</td> <td>19,000</td> <td>18,000</td> <td><b>4,000</b></td> </tr> <tr> <td>Category 13 – Downstream Leased Assets</td> <td>11,800</td> <td>9,600</td> <td>8,000</td> <td><b>7,000</b></td> </tr> <tr> <td><b>Subtotal emissions<sup>4</sup></b></td> <td><b>11,653,000</b></td> <td><b>13,839,000</b></td> <td><b>16,111,000</b></td> <td><b>16,624,000</b></td> </tr> <tr> <td><b>Total emissions (Scope 1 + 2 + 3)<sup>4</sup></b></td> <td><b>12,227,000</b></td> <td><b>14,392,000</b></td> <td><b>16,538,000</b></td> <td><b>17,162,000</b></td> </tr> </tbody> </table> |  | FY20 | FY21 | FY22 | FY23 | <b>Scope 1</b> | 118,100 | 123,704 | 139,413 | <b>144,960</b> | <b>Scope 2</b> |  |  |  |  | Location-based | 4,328,916 | 5,010,667 | 6,381,250 | <b>8,077,403</b> | Market-based | 456,119 | 429,405 | 288,029 | <b>393,134</b> | <b>Subtotal emissions (Scope 1 + 2 market-based)</b> | <b>574,219</b> | <b>553,109</b> | <b>427,442</b> | <b>538,094</b> | <b>Scope 3<sup>1</sup></b> |  |  |  |  | Category 1 – Purchased Goods & Services <sup>2</sup> | 4,415,000 | 4,930,000 | 5,780,000 | <b>5,564,000</b> | Category 2 – Capital Goods | 2,962,000 | 4,179,000 | 4,026,000 | <b>5,872,000</b> | Category 3 – Fuel- and Energy-Related Activities | 300,000 | 350,000 | 450,000 | <b>521,000</b> | Category 4 – Upstream Transportation <sup>3</sup> | 243,000 | 225,000 | 371,000 | <b>318,000</b> | Category 5 – Waste | 9,500 | 5,700 | 8,000 | <b>8,000</b> | Category 6 – Business Travel | 329,356 | 21,901 | 139,000 | <b>133,000</b> | Category 7 – Employee Commuting | 317,000 | 80,000 | 141,000 | <b>187,000</b> | Category 9 – Downstream Transportation | 65,000 | 69,000 | 69,000 | <b>69,000</b> | Category 11 – Use of Sold Products | 2,983,000 | 3,950,000 | 5,101,000 | <b>3,941,000</b> | Category 12 – End-of-Life of Sold Products | 17,000 | 19,000 | 18,000 | <b>4,000</b> | Category 13 – Downstream Leased Assets | 11,800 | 9,600 | 8,000 | <b>7,000</b> | <b>Subtotal emissions<sup>4</sup></b> | <b>11,653,000</b> | <b>13,839,000</b> | <b>16,111,000</b> | <b>16,624,000</b> | <b>Total emissions (Scope 1 + 2 + 3)<sup>4</sup></b> | <b>12,227,000</b> | <b>14,392,000</b> | <b>16,538,000</b> | <b>17,162,000</b> |
|   | FY20              | FY21              | FY22              | FY23              |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| <b>Scope 1</b>  | 118,100           | 123,704           | 139,413           | <b>144,960</b>    |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| <b>Scope 2</b>  |                   |                   |                   |                   |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Location-based  | 4,328,916         | 5,010,667         | 6,381,250         | <b>8,077,403</b>  |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Market-based  | 456,119           | 429,405           | 288,029           | <b>393,134</b>    |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| <b>Subtotal emissions (Scope 1 + 2 market-based)</b>  | <b>574,219</b>    | <b>553,109</b>    | <b>427,442</b>    | <b>538,094</b>    |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| <b>Scope 3<sup>1</sup></b>  |                   |                   |                   |                   |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 1 – Purchased Goods & Services <sup>2</sup>  | 4,415,000         | 4,930,000         | 5,780,000         | <b>5,564,000</b>  |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 2 – Capital Goods  | 2,962,000         | 4,179,000         | 4,026,000         | <b>5,872,000</b>  |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 3 – Fuel- and Energy-Related Activities  | 300,000           | 350,000           | 450,000           | <b>521,000</b>    |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 4 – Upstream Transportation <sup>3</sup>   | 243,000           | 225,000           | 371,000           | <b>318,000</b>    |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 5 – Waste  | 9,500             | 5,700             | 8,000             | <b>8,000</b>      |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 6 – Business Travel  | 329,356           | 21,901            | 139,000           | <b>133,000</b>    |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 7 – Employee Commuting   | 317,000           | 80,000            | 141,000           | <b>187,000</b>    |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 9 – Downstream Transportation  | 65,000            | 69,000            | 69,000            | <b>69,000</b>     |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 11 – Use of Sold Products  | 2,983,000         | 3,950,000         | 5,101,000         | <b>3,941,000</b>  |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 12 – End-of-Life of Sold Products  | 17,000            | 19,000            | 18,000            | <b>4,000</b>      |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| Category 13 – Downstream Leased Assets  | 11,800            | 9,600             | 8,000             | <b>7,000</b>      |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| <b>Subtotal emissions<sup>4</sup></b>   | <b>11,653,000</b> | <b>13,839,000</b> | <b>16,111,000</b> | <b>16,624,000</b> |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| <b>Total emissions (Scope 1 + 2 + 3)<sup>4</sup></b>  | <b>12,227,000</b> | <b>14,392,000</b> | <b>16,538,000</b> | <b>17,162,000</b> |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |
| <p>1. For FY20 and FY21, values have been rounded except for Business Travel. Starting in FY22, all reported Scope 3 values are rounded to the nearest thousand mtCO<sub>2</sub>e.</p> <p>2. Reported emissions for this category now incorporate emissions calculated using the life cycle assessment (LCA) coefficients for the portion associated with the manufacture of Microsoft devices as outlined in Section 1.9. Values for FY22 (previous year), and FY20 (base year) have been adjusted to reflect the following changes: incorporation of LCA methodology and estimation for the Nuance acquisition.</p> <p>3. Reported emissions for this category now incorporate emissions calculated following the Global Logistics Emissions Council (GLEC) Framework for our Devices and Cloud business groups as outlined in Section 1.9. Values for FY22 (previous year), and FY20 (base year) have been adjusted to reflect this change.</p> <p>4. These values reflect market-based emissions. Values rounded to nearest thousand mtCO<sub>2</sub>e.</p> |                   |                   |                   |                   |   |  |      |      |      |      |                |         |         |         |                |                |  |  |  |  |                |           |           |           |                  |              |         |         |         |                |  |                |                |                |                |                            |  |  |  |  |  |           |           |           |                  |                            |           |           |           |                  |  |         |         |         |                |   |         |         |         |                |                    |       |       |       |              |                              |         |        |         |                |                                 |         |        |         |                |  |        |        |        |               |                                    |           |           |           |                  |  |        |        |        |              |  |        |       |       |              |                                       |                   |                   |                   |                   |  |                   |                   |                   |                   |

Section 1.10 as referenced in the Assurance Letter (required component #3):



### 1.10 Reporting criteria

The following summary table defines the criteria for each specified metric included in Section 1 of the Environmental Data Fact Sheet. Management is responsible for the selection of the criteria or the development of the criteria ("management's criteria"), which management believes provide an objective basis for measuring and reporting on the specified information referenced in this table.

Microsoft has reported the information cited in this GRI content index for the fiscal year ended June 30, 2023 (FY23) with reference to the GRI Standards using GRI 1: Foundation 2021.

| Area   | Specified Information  | Criteria   | Tables             |
|--------|--|--|--------------------|
| Carbon | <b>The statement of GHG emissions</b>  | Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the World Resources Institute/World Business Council for Sustainable Development (collectively the "GHG Protocol").   | 1A, 1B, 2, 3, 4, 5 |
|        | <b>Scope 3 Category 11 — Use of Sold Products</b><br>(management's criteria) | <p><b>Management's criteria:</b></p> <p>Use of sold products' emissions in the reporting year in metric tons of CO<sub>2</sub>e reported as:</p> <ul style="list-style-type: none"> <li>a. Gross emissions.</li> <li>b. Gross emissions, net of renewable electricity.</li> </ul> <p>Gross emissions is calculated by multiplying a) the direct use-phase energy, which is derived from emissions gathered by the Company using telemetry data and calculations used to measure energy usage from Xbox consoles and Surface devices sold by Microsoft at any point in time since product launch and which are still in use by end users during the fiscal year being reported on and b) location-based emissions factors.</p> <p>For purposes of this metric, renewable electricity is defined as the purchase of contractual instruments that meet the "quality criteria" according to table 7.1 in the GHG Protocol Scope 2 Guidance.</p> <p><b>Microsoft shall disclose:</b></p> <ul style="list-style-type: none"> <li>a. A description of the types and sources of data, including telemetry activity data, emission factors, and GWP (global warming potentials) values, used to calculate emissions, and a description of the data quality of reported emissions data.</li> <li>b. A description of the methodologies, allocation methods, and assumptions used to calculate Scope 3 emissions and any exclusions.</li> </ul> | 18                 |



## Required Consultant Letter Template for Total Company (Option 2) and SLA (Option 2)

Please utilize the required Consultant Letter Template and the emissions table(s) below. Do not insert additional tables, charts, graphs, or other graphics.

*[Consultant letterhead]*

*[External consultant company name]* has been engaged to provide consulting/advisory services to *[client company name]* to support the calculation of *[client company name's]* *[year/years]* *[total company/service-level]* greenhouse gas emissions. These emissions were calculated using *[calculation criteria]* and are shown in the table(s) below.

For the service-level calculation, *[External consultant company name]* performed the following procedures: *[provide a description of the process performed to calculate SLA emissions (e.g. what evidence was collected, how was the calculation performed, etc.)]*.

| <b>Total Company Emissions</b>             |  |
|--|--|
| Scope 1 total (mtCO <sub>2</sub> e)        |  |
| Scope 2 (LBM) (mtCO <sub>2</sub> e)        |  |
| Scope 2 (MBM) (mtCO <sub>2</sub> e)        |  |
| Scope 3 Category 1 (mtCO <sub>2</sub> e)   |  |
| Scope 3 Category 2 (mtCO <sub>2</sub> e)   |  |
| Scope 3 Category 3 (mtCO <sub>2</sub> e)   |  |
| Scope 3 Category 4 (mtCO <sub>2</sub> e)   |  |
| Scope 3 Category 5 (mtCO <sub>2</sub> e)   |  |
| Scope 3 Category 6 (mtCO <sub>2</sub> e)   |  |
| Scope 3 Category 7 (mtCO <sub>2</sub> e)   |  |
| Scope 3 Category 8 (mtCO <sub>2</sub> e)   |  |
| <b>Total emissions (mtCO<sub>2</sub>e)</b> |  |



| <b>Service-level Emissions (total emissions per service)</b> | <b>[Input Service name]</b> | <b>[Input Service name]</b> | <b>[Input Service name]</b> | <b>Total SLA Emissions</b> |
|--|-----------------------------|-----------------------------|-----------------------------|----------------------------|
|  | <b>[Input UNSPSC code]</b>  | <b>[Input UNSPSC code]</b>  | <b>[Input UNSPSC code]</b>  |                            |
| Scope 1 (mtCO2e)   |                             |                             |                             |                            |
| Scope 2 (LBM) (mtCO2e)                                       |                             |                             |                             |                            |
| Scope 2 (MBM) (mtCO2e)                                       |                             |                             |                             |                            |
| Scope 3 Category 1 (mtCO2e)                                  |                             |                             |                             |                            |
| Scope 3 Category 2 (mtCO2e)                                  |                             |                             |                             |                            |
| Scope 3 Category 3 (mtCO2e)                                  |                             |                             |                             |                            |
| Scope 3 Category 4 (mtCO2e)                                  |                             |                             |                             |                            |
| Scope 3 Category 5 (mtCO2e)                                  |                             |                             |                             |                            |
| Scope 3 Category 6 (mtCO2e)                                  |                             |                             |                             |                            |
| Scope 3 Category 7 (mtCO2e)                                  |                             |                             |                             |                            |
| Scope 3 Category 8 (mtCO2e)                                  |                             |                             |                             |                            |
| <b>Total SLA emissions (mtCO2e)</b>                          |                             |                             |                             |                            |
| <b>Reference Unit (e.g. hours, FTE)</b>                      |                             |                             |                             |                            |
| <b>Reference Unit Volume(numerical value)</b>                |                             |                             |                             |                            |

*Signed and dated*

**Revised: December 2024**