STRATEGY FOR SUSTAINABLE BUSINESS

ASSIGNMENT

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Sustainable business strategy

t's hard to imagine a professional or educational scenario where Word, Powerpoint, or Excel would not be applicable. Beyond these indispensable software programs, it is difficult to envision the gaming industry without the Xbox. Whether in the office, at school, or in the home, Microsoft has an omnipresent hold on all our daily lives. As with other tech-giants, Microsoft has an enormous impact on how society operates. However, what is often neglected to be considered, is the brand's sustainability and overall impact on the natural world. How environmentally sustainable is Microsoft really?

Microsoft advertises their commitment to "empower every person and every organization on the planet to achieve more," yet some research suggests the company may not be entirely aligned to this mission, especially when it comes to sustainability concerns In general, the tech industry has received a subpar rap for issues related to corporate governance, security, privacy, citizenship/employee activism, and workplace harassment. However, despite this pattern, Microsoft as a whole has remained accountable and well-trusted by the public. It has received several recognitions and awards for their corporate governance and social responsibility over the last few years, as the Reputation Institute named Microsoft the 'most improved' company amongst the top 10 tech companies worldwide in 2019.As the Impakter report states, Microsoft has assigned itself ambitious goals for the future. **They are indeed carbon neutral, but the company is not yet run by 100% renewable energy.** Micorosoft has laid out specific goals for the next decade, including the goal to be carbon negative by 2030. In their 2020 Sustainability Report, Microsoft announces other promising targets, including 60K metric tons of waste being diverted from landfills and 1.3M metric tons of carbon removal procured over the last year.

These stats show Microsoft is heading in the right direction. However, the Index report also points out that the company tends to "focus on their carbon footprint including GHG emissions and waste management [but] they have less focus on biodiversity.However, Microsoft's latest Sustainability Report says otherwise. The company has initiated a **recent re-focus around ecosystem diversity and an improvement of their biodiversity impact.**

The company has released its ecosystem-oriented goal to take responsibility for the impacts of their direct operations by protecting more land than they use by 2025. Microsoft has actively increased their voice regarding 'ecosystem-related public policy issues' by continually supporting and advocating for initiatives and organisations for ecosystem protection at local and international scales.One example of such a partnership is Microsoft's involvement with NOAA's Alaska Fisheries Science Center and University of Washington – CICOES, which focuses on the provision of artificial intelligence (AI) tools to distinguish beluga whales' calls from a dredging machine's squeak. Technology such as this advances environmental scientists' understanding of noise pollution, in relation to the recovery of endangered and declining oceanic populations. As a result of the data found, experts can further devise strategies to reduce the negative effects of human activity in the species' habitats.

On the terrestrial side, Microsoft has also provided their AI to help calculate forestry inventories. Such inventories are essential tools for conservationists, governments, and landowners who seek to promote and protect environmental and social wellbeing. Therefore, completing them efficiently and effectively is crucial for conserving such complex ecosystems.Additionally, Microsoft has specifically worked with SilviaTerra over the last two years to accelerate the company's cutting-edge approach to precision forestry by radically increasing the scope, efficiency, and resolution of their forest inventories.Lastly, covering Microsoft's ambitious ecosystem plan would not be complete without the company's plans for a Planetary Computer. The Planetary Computer aims to provide public access to the world's critical environmental datasets, AI, and digital technology. Microsoft has acknowledged that this will take several years, and even then, "gaps may still exist". However, Microsoft's AI for Earth program team is confident it can be done with the right leadership.

An additional critique that the Index Report highlighted, is **Microsoft's apparent lack of sustainable products.**

This criticism is well-justified as Microsoft conveys in their 2020 Devices Report that every device they produce is "at a minimum, designed to be compliant with all applicable legal requirements." However, Microsoft has expressed their desire to push themselves to achieve higher standards in their production. These goals include to have 100% recyclable packaging and surface devices by 2030 as well as

initiating a ‘pilot project’ to develop a new material that contains 10% ocean plastic Going forward, the company has intended for their **product manufacturing and design approach to focus on three main areas; carbon reduction, waste mitigation, and the extension of overall product lifetime.** That said, arguably Microsoft’s most effective sustainability approach has been their involvement with climate-related issues and organizations. As aforementioned, **Microsoft has set the goal to be carbon negative by 2030.** This target is certainly ambitious. And seeing as they “don’t yet have all the answers for how they’ll get there,” the progress thus far looks very promising.

Analyse microsoft sustainability strategy

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Areas of focus

They focus on the areas where they can have the greatest impact, which include carbon, ecosystems, water, and waste across all the work they do.

Carbon negative by 2030

Microsoft has been carbon neutral across the world since 2012 and commits to being carbon negative by 2030. Their goal is to promote sustainable development and low-carbon business practices globally through their sustainable business practices and cloud-enabled technologies.

Building a Planetary Computer

Microsoft is building the tools and services to help anyone, anywhere better understand the ecosystem around them today, and monitor and model impacts from climate or human behavior. They are taking responsibility for our land footprint by committing to permanently protect and restore more land than they use by 2025.

Water positive by 2030

They are creating and employing tools to help address the world's water challenges including scarcity, pollution, and ocean health. They are committed to reducing our consumption and replenishing water in the regions we operate.

Zero waste by 2030

They think every device should be made with an emphasis on sustainability and aim to continually improve all of our products. At their facilities, they reduce and eliminate waste by reusing materials, source reduction, and recycling. All waste is treated with environmentally responsible methods.

Their approach

They continuously strive to promote sustainability in Their operations, products, policies, and help enable our customers and partners to do the same.

Operations

They have stayed carbon neutral since 2012 and they are actively reducing their footprint by evolving the way they operate. They are one of the largest purchasers of renewable energy and their Puget Sound campus has been zero waste certified since 2016. Their goal is to minimize our impact and maximize a positive return for the planet.

Products, services, and devices

The investments they make in sustainability carry through to their products, services, and devices. They design our devices, from

Surface to Xbox, with an emphasis on eco-friendly materials. Their cloud and AI services help businesses cut energy consumption, reduce physical footprints, and design sustainable products themselves.

Policy

They advocate for policies that reduce humanity's carbon impact, effectively manage Earth's ecosystems, advance zero-carbon energy, and increase water access, availability, and quality. They are actively pushing for greater action in the U.S. and across the world.

Our progress by the numbers

They have dedicated to leading a decade of ambition and action. They are sharing their actions, results, and lessons learned in their annual sustainability report.

Carbon

2.5 million metric tons of carbon removal contracted for in fiscal years 2021 and 2022 combined.

Waste

Over 15,000 metric tons of waste diverted from landfills over the last fiscal year.

Ecosystems

24 petabytes of environmental and Earth observation data available on Azure for the conservation community.