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Progress on our goal to be carbon negative by 2030 - Microsoft On the Issues

9-11 minutes

In January, Microsoft's CEO Satya Nadella, President Brad Smith, and Chief Financial Officer Amy Hood launched a [bold new environmental sustainability initiative](#) focusing on carbon, water, waste and biodiversity. We began this work by announcing one of the most ambitious carbon commitments put forward by any company: Microsoft will be carbon negative by 2030 and remove from the environment more carbon than we have emitted since our founding by 2050. We outlined a detailed plan to get there and committed to providing updates on our progress. We have been working hard to turn our commitments into action and, today, we are announcing seven important new steps on our path to be carbon negative by 2030.

Enabling cross-sector business transformation

Together with eight other corporations leading the way to a climate-stable future, we have launched a new coalition, [Transform to Net Zero](#). Guided by science and transparency, the coalition will work to accelerate business action toward a net zero carbon

economy. Once an organization sets sustainability goals, the hard work of transforming its business to meet them begins. We have heard from both those with carbon goals and those that want to engage but don't know where to start that they need information and tools to close the gap between intention and transformation. The coalition will begin by bringing together industry leaders with some of the world's most ambitious carbon goals and will work to create playbooks on how to achieve net zero. The founding members are A.P. Moeller – Maersk, Danone, Mercedes-Benz AG, Microsoft, Natura & Co., Nike, Starbucks, Unilever and Wipro. The Environmental Defense Fund is the founding NGO member and BSR will serve as secretariat.

[Video: Watch Microsoft Inspire, and see our President Brad Smith discuss sustainability and more.]

YouTube Video

The Transform to Net Zero coalition will focus on moving beyond commitments to business transformation. Working together, members will work to enable *all* businesses to achieve net zero emissions by: sharing the business transformation each company is undertaking to achieve net zero emissions by 2050; delivering robust emission reductions across the business and value chains; working jointly with our partners across supply chains; innovating and investing at scale in products, services and business models that amplify impact; and engaging with policymakers to incentivize progress toward net zero. Importantly, the coalition will also focus on ensuring that the coming transition to a low-carbon economy is an equitable and just one.

Today, we're also announcing the private preview of a new product offering, the [Microsoft Sustainability Calculator](#). It's challenging to make and meet meaningful carbon reduction goals without the ability to measure carbon emissions. The Microsoft Sustainability Calculator provides our cloud customers transparency into their total carbon emissions – Scopes 1, 2 *and* 3 – resulting from their cloud usage. Microsoft is the only cloud provider to provide full transparency to customers across all three scopes of emissions.

Using AI and advanced analytics, the Microsoft Sustainability Calculator provides actionable insights on how to reduce emissions, the ability to forecast emissions, and simplifies carbon reporting. It uses consistent and accurate carbon accounting to quantify the impact of Microsoft cloud services on your environmental footprint. It calculates how moving additional applications and services to the cloud will help further reduce your emissions. It easily identifies and compiles reports for voluntary or statutory reporting requirements.

Reducing our own carbon emissions

To reduce our Scope 1 and 2 emissions to near zero, we need to change how we operate. We're on the path to obtaining renewable energy power purchase agreements for 100% of the day-to-day power of our data centers by the middle of this decade. Today, we're additionally announcing that we're aiming to eliminate our dependency on diesel fuel by 2030.

Cloud providers around the world rely on diesel-powered generators for backup power to support continuous data center operations. While diesel fuel accounts for less than 1% of our

overall emissions, we believe it's important to help accelerate the global transition away from fossil fuels. We're charting a new course using low-carbon fuel sources, including hydrogen and energy storage. We recognize the challenges this might entail and that we need help in developing a robust supply chain for these fuels and advancements in battery technology, but we're ready to work with partners across the world while leveraging investments from our Climate Innovation Fund to make this a reality.

On July 1, we extended our internal carbon tax to every part of our operations, including Scope 3. Additionally, we've updated our [Supplier Code of Conduct](#). Suppliers will now calculate and report their Scope 1, 2 and 3 greenhouse gas emissions data. In the upcoming months, we'll be working with our suppliers on a phased approach to develop a timeline, new ideas, tools and processes. This reporting is the first significant step toward helping our suppliers reduce their emissions in alignment with Microsoft's goals of transparency in emissions reductions.

Removing our own carbon emissions

Our climate commitments require us to reduce our carbon emissions by more than half by 2030 and remove the rest, while also removing all of our historical emissions since we were founded in 1975 by 2050. We aren't waiting until 2030 to get started. This fiscal year, Microsoft is taking concrete steps to remove 1 million metric tons of carbon from the environment. As the first step, this week we will issue a groundbreaking request for proposal (RFP) to source that carbon removal from a range of nature- and technology-based solutions that are net negative and

verified to a high degree of scientific integrity.

To ensure that our funding will maximize carbon being taken out of the atmosphere, we are doubling down on scientific verification of each project, and using this RFP to harvest and share best available science and market intelligence on carbon removal. Each project will be rigorously vetted and verified by Microsoft as well as our third-party scientific and market advisors, including NGO Winrock International and the advisory firm Carbon Direct, which brings together leading climate science academics.

This is a first-of-its-kind approach and we don't expect to get everything right. We will learn what works and doesn't, improving our approach along the way. We will also publicly share our learnings from this process so others can accelerate their own carbon removal efforts.

Using our balance sheet

We're announcing our first investment from the \$1 billion [Climate Innovation Fund](#) that Amy Hood announced in January. We will invest \$50 million in Energy Impact Partners' (EIP) global platform for innovation of new technologies to transform the world's energy and transportation systems, the two sectors that account for the majority of greenhouse gas emissions. EIP is a leading venture capital firm focused on decarbonized, decentralized energy industry transition that shares learnings among partners and facilitates collaboration.

Investing in climate equity and environmental justice

Our work with Sol Systems is a first-of-its-kind initiative tying the purchasing of renewable energy to environmental justice and equity in under-resourced communities. Putting into action planning that started in December 2019, this partnership will:

- Develop a portfolio of 500MW of solar energy projects in the US in under-resourced communities, working with local leaders and prioritizing minority and women-owned businesses
- Provide at least \$50 million for community-led grants and investments that support educational programs, job and career training, habitat restoration and programs that support access to clean energy and energy efficiency
- Focus on communities that are economically under-resourced, disproportionately impacted by pollution and/or lack access to the benefits of the clean energy transition
- Ensure that community benefits are realized with accountability measures, including using third-party evaluators to quantify and document social and environmental outcomes of the initiative

As a result of this agreement, Microsoft will be closer to achieving its goals of shifting to 100% renewable energy by 2025 and help address issues of climate equity and environmental justice.

Conclusion

Our mission is to empower every person and organization on the planet to achieve more. This is in line with our belief that “the purpose of business is to produce profitable solutions to the problems of people and planet.” That’s why we’re working every day to address the climate crisis. It is good for the planet and it is

good for Microsoft.

We cannot achieve our sustainability ambitions alone – this update reflects an extraordinary amount of hard work and dedication across Microsoft and with customers, partners, NGOs and others around the world. Working together, we can build a more sustainable future.

Tags: [carbon emissions](#), [carbon neutral](#), [Environmental Sustainability](#), [sustainability](#), [Transform to Net Zero](#)