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Who this is for:

IT decision-makers who want to maximize their organization's sustainability efforts related to technology, supporting emissions goals while also delivering cost savings.

Estimated reading time:

15 minutes

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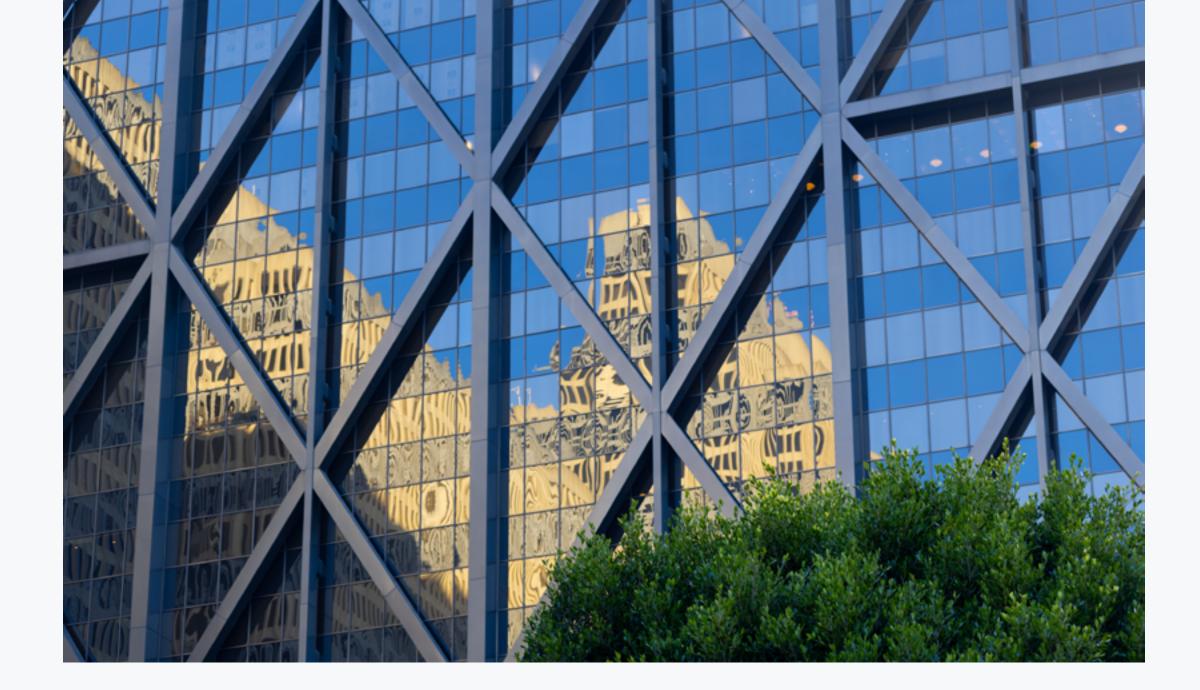
What is sustainability and why is it important?

Unless net-zero global carbon emissions are achieved within the next generation, global temperatures will continue to rise dangerously — likely exceeding 1.5°C during the 21st century.⁴ This makes sustainability a global imperative to maintain natural ecosystems and for human health and safety.

With the livability of our planet on the line, everyone from customers to business owners, investors, and governments expect today's companies and institutions to be part of the climate solution. Emerging regulations such as the <u>Corporate Sustainability</u> <u>Reporting Directive (CSRD)</u> will soon require companies to report their environmental and social impacts.

Sustainability initiatives typically lead to cost savings, especially over time—whether through lower cost of goods sold or waste disposal fees, a more stable and secure supply chain, or other benefits. Organizations that prioritize sustainability will not only participate in this urgently important global transformation but may also save money on energy and IT costs.





The challenges of green information technology (IT)

Sustainability and related cost savings

Nearly a third of CxOs say the difficulty of measuring their company's environmental impact is a top barrier to investing in sustainability¹. Guidelines and frameworks exist, but their usage and the regulatory environment differs among industries, countries, and regions.

Further, sustainability information is often siloed as many organizations rely on manual processes to share and report it. This makes it hard to aggregate and analyze the data quickly enough to deliver timely insights that could help organizations reach their sustainability and business goals. It also increases the risk that insufficient data could be collected to meet regulatory scrutiny.

Unpredictable energy costs and lack of sustainable energy sources

The price of energy is subject to geopolitical factors outside the control of a single nation, let alone one company. It can be hard to budget the right amount when costs fluctuate. Customers may also have limited control over the sources of energy they can access—and accordingly, how much of the energy they use comes from renewables.

Choosing sustainability metrics

There are many frameworks, standards, and regulations that specify measurements and data points to describe the full environmental and social impact of an organization's products, services, and operations.

It's important to analyze the interaction of the frameworks and key performance indicators for your unique situation. It can also be costly to collect, clean, standardize, and manage the data, since it often comes from multiple sources.

Estimated greenhouse gas emissions have become an important aspect of IT procurement decisions. To measure the impact of computing infrastructure and operations, there are three generally accepted categories of emissions:

- **Scope 1** greenhouse gas (GHG) emissions are those directly generated by the organization.
- **Scope 2** emissions are those generated by the use of energy as part of day-to-day activity.
- **Scope 3** emissions are those generated indirectly by a supplier's manufacturing of product components, employees driving to work, etc.

Outdated or broken equipment and what to do with it

IT hardware suppliers now consider the environmental impacts of their technology once people stop using the equipment that was purchased. The way computers and peripherals are decommissioned and disposed of may also affect a customer's sustainability goals. Additional value can be returned to the organization by refurbishing and donating hardware when it is no longer fit for purpose.

Sustainability decision points



Does your organization set sustainability goals?

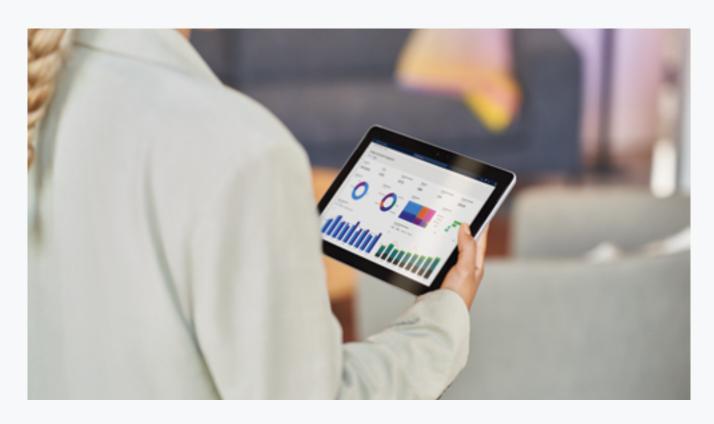
Do these align with your overall success metrics?

Fidelity International analysts estimate that more than 60% of companies now have board-level oversight of sustainability and more than 50% link management renumeration to emissions targets.²



Do regulators mandate sustainability reporting for your organization?

Some 50,000 companies doing business in the European Union are expected soon to be subject to new, detailed ESG reporting standards.



Are you looking for innovative ways to cut costs?

According to Gartner®, 65% of all leaders, director level and above, are mitigating energy consumption cost increases with sustainability programs.³

How does sustainability fit into your strategy?

□ Scenario	Challenge	☐ Ideal Solution
Want to establish and meet sustainability goals	Sustainability must be measured: evaluate and select frameworks and metrics that fit your needs. Future purchase decisions must take sustainability into account	Proven sustainability projects, practices, yielding measurable benefits Reliable, accessible metrics
Seeking long-term cost savings	To track the savings from sustainability and cost of goods sold reductions measures, organizations must have data and often complex financial analysis	Cost and energy usage savings are substantial and have been demonstrated Relevant, actionable energy usage metrics
Regulators have mandated sustainability reporting	Implementing sustainability frameworks leads to hard choices about what to prioritize and how to gather, process, and store accurate data	Provides generally accepted, reliable metrics that can be incorporated into a company's overall success measures

Sustainability in Windows

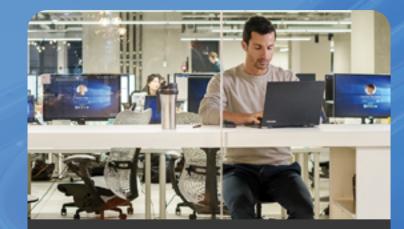
Windows is built for the world of today – and tomorrow.

Two new sustainability capabilities were recently released in Windows 11 to help customers manage power usage and emissions.

- First, when local devices are plugged in, turned on, connected to the Internet, and regional carbon intensity data is available, Windows Update will schedule installations to occur when there is more electricity coming from lower-carbon sources
- A second feature provides more customer control over a device's power settings, with recommendations on how to reduce energy use when the machine is idle.

Windows 365 is a new Microsoft service that provides personalized, persistent Cloud PCs via the cloud. People can use it to reliably access computing resources and work from anywhere with an internet connection. Because it's cloud-based, Windows 365 can offload a significant amount of power draw and processing from on-premises infrastructure to regional datacenters.

Shifting energy-intensive activities to the cloud has the potential to extend the life of physical devices, amortizing scope 3 supply chain and manufacturing emissions over more months or years of service. Organizations can reduce scope 3 emissions further with Bring Your Own PC (BYOPC) programs, offering Cloud PC access via devices that are already in use.



Reduce on-premises infrastructure footprint and carbon emissions with Windows 365



Shift your most energyintensive workstreams to the cloud with Windows 11 to free up local resources



Use Bring Your Own PC (BYOPC) programs to save on scope 3 emissions and procurement costs





Universal Print - With Windows 11, we have upgraded the user experience with printers in several ways. First is the general printing, aligned with the new user experience with Windows 11. In addition, we added some ecofriendly functionality, the ability to add a PIN to a print job, so the job will not be printed until the user enters the same PIN on the printer. This will help to reduce paper and toner waste and offer users some privacy when printing. Print jobs will not go to waste on the printer. This capability will also come to Windows 10, version 21H2, slated to be released later this year.



Measure it with Microsoft

Working with leading sustainability assessment organizations like the Global Electronics Council, Energy Star, TCO Certified, WattTime, and electricityMap, Microsoft has developed a useful suite of sustainability intelligence products.

These products are designed to help organizations collect, visualize, analyze, and take action on the data. They can also help organizations in their efforts to meet regulatory reporting requirements, including those of the EU's Corporate Sustainability Reporting Directive.

With Microsoft Sustainability Manager, organizations can track environmental progress, prioritize initiatives, and identify potential changes in employee behavior. And Windows recently provided even more controls to IT administrators around efficient device settings to help reduce energy use.

Azure CloudFit and the Microsoft Cloud Sustainability Platform solutions use advanced technologies including AI to help organizations visualize, analyze, and take action to improve sustainability across facilities, spaces, and equipment.

Organizations can compare how their emission footprints would change moving from on-premises to the cloud with the emissions savings estimator for Microsoft Cloud.

Microsoft customers can assess their Microsoft Cloud-based carbon emissions through tools like the Emissions Impact Dashboard for Azure and the Emissions Impact Dashboard for Microsoft 365. They can get data on the Scope 2 emissions generated by their use of Azure and Microsoft 365, as well as guidance on how to optimize their infrastructure for sustainability.

Conclusion

Sustainability goals will only become more urgent as the effects of climate change reach new extremes. Organizations can expect increased pressure from stakeholders and demands from regulators to increase. Now is the time for leaders to put sustainability at the forefront of IT decision-making — before it's too late to correct course.

Windows can be a central component of a sustainable, efficient computing architecture. With new ways to help customers manage energy use, Windows continues to innovate at scale. Now cloud-based computing solutions like Windows 365 make it possible to further cut emissions and save costs by migrating data processing to efficient datacenters, enabling hybrid and remote work, and potentially extending the life of local devices.

Microsoft is committed to harnessing the power of technology to help build a more sustainability future. Customers have more reliable information about how they are tracking to their sustainability goals, with access to sustainability analytics and reporting. They can make smarter decisions, quicker, to better meet new and future reporting requirements.

For more information about Microsoft solutions, see the online resources and request details from your account representative.

Next steps to learn more about sustainability solutions

1

Read <u>Driving climate</u> action with Windows

2

Talk with a Windows specialist

3

Learn more about Windows 11 Enterprise

4

Learn more about

Microsoft Cloud for

Sustainability

5

Try out the Emissions Impact Dashboard with your own data

Windows 365



Talk with a Windows specialist



Learn more about Windows 11 Enterprise \rightarrow

Sources:

¹CxO Sustainability Report, Deloitte 2023 <u>https://www2.deloitte.com/content/dam/Deloitte/ch/Documents/risk/2023-deloitte-cxo-sustainability-report.pdf</u>

² "60% of Analysts say Companies' ESG Claims not Backed up by Action: Fidelity Survey," ESG, July 5, 2023 https://www.esgtoday.com/60-of-companies-not-matching-esg-claims-with-actions-fidelity-analyst-survey/

³ "Gartner Survey Finds 87% of Business Leaders Expect to Increase Sustainability Investment Over the Next Two Years." Gartner, November 14, 2022 https://www.gartner.com/en/newsroom/press-releases/2022-11-14-gartner-survey-finds-87-percent-of-business-leaders-expect-to-increase-sustainability-investment-over-the-next-two-years

⁴ AR6 Synthesis Report: Climate Change 2023, IPCC, March 2023 https://www.ipcc.ch/report/ar6/syr/



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