

MICROSOFT CLIMATE CHANGE POLICY STATEMENT

Climate change is a serious challenge that requires a comprehensive and global response from all sectors of society. To address it, Microsoft is committed to measuring, transparently reporting, and reducing the carbon footprint of our own operations. We are also pursuing opportunities with our partners to increase the energy efficiency of computing.

While energy efficiency is important, long-term solutions to climate change will require dramatic innovations to transition the world to a sustainable low-carbon economy while expanding substantially the number of people who have access to electricity. Software will play a key role in enabling this transformation. Microsoft is working to apply information technology innovation to help people and businesses around the world address climate change. We are also supporting research efforts on this topic being conducted by leading environmental groups, scientists, and governments around the world.

We see an important role for governments to provide the frameworks that spur the transition to a low-carbon economy, including:

- Direct funding for accelerating research into renewable and sustainable low-carbon energy sources;
- Market-based mechanisms that are stable and predictable over the long-term which incent the private sector to invest in the transition to sustainable low-carbon and carbon-free energy sources and technologies;
- Regulatory systems that support innovation and eliminate barriers to the adoption of sustainable low-carbon and carbon-free technologies;
- Policies that promote the accurate measurement and transparent reporting of energy use and carbon footprints; and
- Ensuring that smart grids and other energy and environmental IT applications promote security, privacy, and interoperability without mandating the use of specific technologies.