



Microsoft Sustainability for SMBs



ESG: Opportunity



Sustainability drivers

Customer expectations



75%

According Gartner, by 2026, 75% of organizations will increase business with IT vendors that have demonstrable sustainability goals¹

Investor expectations



73%

Investors state that efforts to improve the environment and society contribute to their investment decisions²

Employee expectations



55%

Over half of Gen Zs and millennials say they research a brand's environmental impact and policies before accepting a job from them³

Regulatory requirements



~50k

Companies doing business in the European Union will soon be subject to new, detailed ESG reporting standards⁴

¹ "Gartner Predicts 70% of Technology Sourcing Leaders Will Have Environmental-Sustainability-Aligned Performance Objectives by 2026", Gartner, by Catherine Howley, 30 January 2023, GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved; ² "15 EYE – OPENING CORPORATE SOCIAL RESPONSIBILITY STATISTICS," Harvard Business School Online; ³ "Gen Zs and Millennials Look to Employers to Address Climate Concerns," Deloitte; ⁴ "Why US companies should not ignore Europe's ESG proposals," PWC

Together, we can build a more sustainable future for SMB organizations

Grow your business through equipping SMCs with innovative sustainability features, enabling them to drive positive environmental and social impact, enhance operational efficiency, meet regulatory requirements, and contribute to a more sustainable future



Collect sustainability information

Use sustainability journals and purchase documents to collect information directly or using formulas. You can track emissions per company, countries, regions, or facilities. Buy carbon credits directly in ERP.



Track the progress

Use scorecards and goals for easy tracking of your sustainability progress against your baselines and targets. Use modern sustainability role center to keep your eyes on all available sustainability information.



Easy insights and reporting

Use standard reports or modern Excel reporting, together with analysis views ready for your sustainability entries. Compare your sustainability entries with statistical or GL entries in common reports. Report different gases or CO2 equivalent.



Microsoft Sustainability Solution for SMBs at a glance

Efficiently track and oversee your organization's greenhouse gas emissions across scopes

Visualize your organization's emission footprint through a structured list of accounts

Efficiently categorize your organizational emissions by allocating them to specific categories

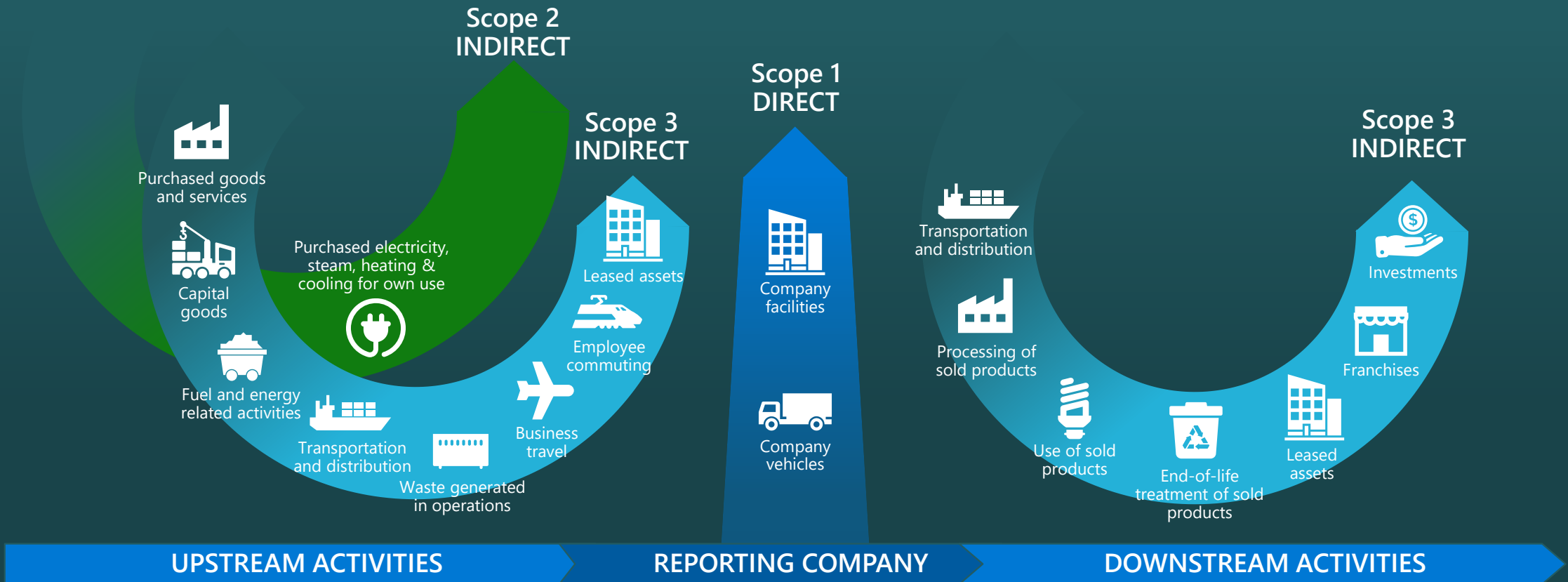
Analyze, visualize, and report your sustainability progress in near real-time

Leverage the same user interface you use for your daily ERP tasks

Supported scopes and emissions across the value chain



Supported Carbon Equivalent Calculation



[“Technical Guidance for Calculating Scope 3 Emissions,” Greenhouse Gas Protocol](#)

Sustainability for SMBs Focus



Primary focus



Carbon

Current focus

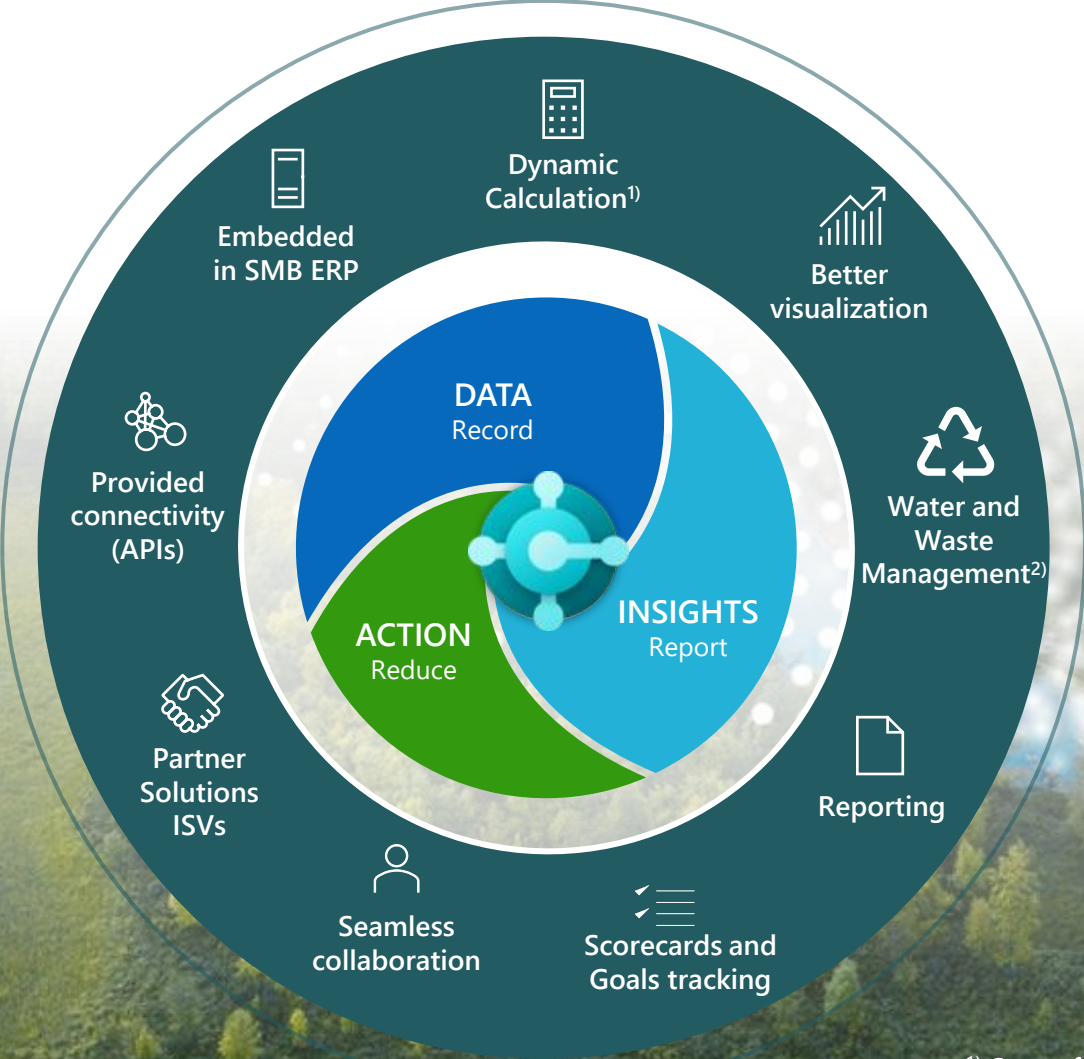


Waste



Water

Microsoft Sustainability for SMBs in action



aka.ms/BCESG

¹⁾ Some features are already available, but competition is planned for 2025 release wave 1 (Scope 3 Value Chain automation)

²⁾ Planned for 2025 release wave 1

Features overview



Navigate with the modern Sustainability role center

Actions to all connected types of:

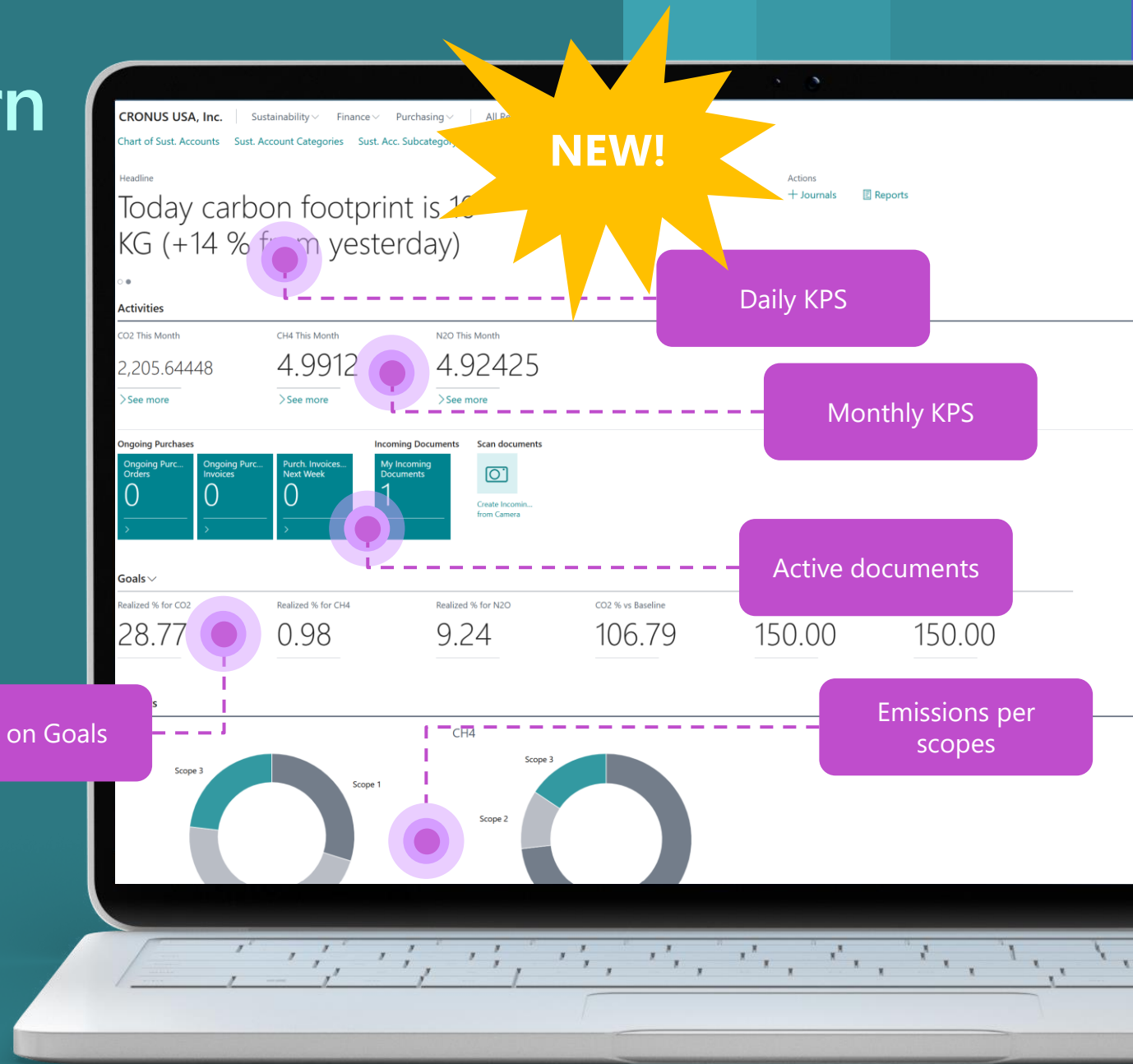
- Master data
- Documents and Journals
- Reports and analysis

Daily and Monthly KPIs

- Daily and monthly emissions
- Realized emissions vs baselines
- Realized emissions vs targets
- Tracking all three emissions

Insights

- Charts with emissions per scope and gas



Use the Chart of Sustainability Accounts

Chart of Accounts for Sustainability needs

Tracking three different emission types

Sust. Account Categories:

- Emission Scope determination
- Emissions for tracking
- Types of calculations/formulas

Sust. Account Subcategories:

- Emission Factors

Chart of Sustainability Accounts

+ New Edit List Delete Edit View Home Account Navigate Report More options

Indent Chart of Sustainability Accounts

No.	Name	Category	Subcategory	Account Type	Totaling	Net Change (CO2)
11300	Fugitive Emissions			Begin-Total		-
11301	Refrigerators	MOBILE-DIST...	TRUCK-U	Posting		0.46
11302	Air-Condition Equipments 24,000 BTU	MOBILE-DIST...	TRUCK-LH	Posting		1.41
11303	Air-Condition Equipments 36,000 BTU	MOBILE-DIST...	BUS	Posting		-
11399	Total, Fugitive Emissions	MOBILE-FUEL	TRACTOR	Posting		1.87
11999	TOTAL SCOPE 1 - DIRECT EMISSION	MOBILE-FUEL	FORKLIFT	Posting		1.87
12000	Scope 2 - Indirect Emission	MOBILE-FUEL	BACKHOE	Posting		-
12100	Upstream Activities	MOBILE-DIST...	RAIL	Posting		-
12101	Purchased electricity - Contoso PowerPlant	MOBILE-DIST...	AIR-CONT-EC	Posting		2,172.74
12102	Purchased electricity - Wide World Importers	MOBILE-DIST...	AIR-INT-BUS	Posting		-
	Purchased electricity - Green Tariff Energy	MOBILE-DIST...	AIR-INT-EC	Posting		-
	Steam - Fabrikam, Inc.	MOBILE-DIST...	AIR-INT-PREM	Posting		-
	Heating - Fabrikam, Inc.	MOBILE-DIST...	AIR-INT-BUS	Posting		-
	Total, Upstream Activities			End-Total	12100..12199	2,172.74
12999	TOTAL SCOPE 2 - INDIRECT EMISSION			End-Total	12000..12999	2,172.74
13000	Scope 3 - Indirect Emission			Begin-Total		-
13100	Upstream Activities			Begin-Total		-
13101	Purchased Goods - Plastic	PURCHGOO...	PURCHGDS-PL	Posting		-
13102	Purchased Goods - Aluminum	PURCHGOO...	PURCHGDS-AL	Posting		-
13103	Purchased Goods - Steel	PURCHGOO...	PURCHGDS-ST	Posting		-

68°F Mostly Sunny

Track emissions with Sustainability Journals

Journal for **recording all emission transactions**

Posting to Sustainability Ledger Entries

Different type of entering data

- Amount based on formulas and input parameters
- Manual fix amounts

Batches per scope or common

Checking lines for potential issues

The screenshot shows the 'Sustainability Journal' interface. At the top, there's a 'Journal Batch Name' field set to 'DEFAULT'. Below it are navigation tabs: 'Manage', 'Home', 'Line', and 'More options'. A 'Post' button is visible. The main area is a table with columns: Posting Date, Document Type, Document No., Account No., Account Name, Description, Account Category, Account Subcategory, Ma... Input, Unit of Measure, and Fuel/Electricity. The table contains several rows of data for various transportation and accommodation services. On the right side, there's a 'Journal Check' section with a progress indicator showing 11 lines checked, 2 lines with issues, and 3 issues. Below this is a 'Category Details' section for 'COMPCAR' showing emission scope (Scope 3), calculation foundation (Distance), and presence of CO2, CH4, and N2O.

Background check for issues

Deciding if there is manual input

Fuel or electricity consumption used in formulas

Posting Date	Document Type	Document No.	Account No.	Account Name	Description	Account Category	Account Subcategory	Ma... Input	Unit of Measure	Fuel/Electricity
5/31/2024		SJ00018	13322	Company Car - Large size	Company Car - Large size	COMPCAR	COMPCAR-L	<input type="checkbox"/>	KM	0.00
5/31/2024		SJ00018	13321	Company Car - Medium size	Company Car - Medium size	COMPCAR	COMPCAR-M	<input type="checkbox"/>	KM	0.00
5/31/2024		SJ00018	13323	Company Car - Premium size	Company Car - Premium size	COMPCAR	COMPCAR-P	<input type="checkbox"/>	KM	0.00
5/31/2024		SJ00018	11210	Air Continental - Economy Class	Air Continental - Economy Class	MOBILE-DIST...	AIR-CONT-EC	<input type="checkbox"/>	KM	0.00
5/31/2024		SJ00018	11214	Air Intercontinental - Business ...	Air Intercontinental - Business Cl...	MOBILE-DIST...	AIR-INT-BUS	<input type="checkbox"/>	KM	0.00
5/31/2024		SJ00018	13301	Contoso Hotel - 3 stars	Contoso Hotel - 3 stars	HOTEL	HOTEL3STAR	<input type="checkbox"/>	DAY	0.00
5/31/2024		SJ00018	13302	Contoso Hotel - 4 stars	Contoso Hotel - 4 stars	HOTEL	HOTEL4STAR	<input type="checkbox"/>	DAY	0.00
5/31/2024		SJ00018	13303	Contoso Hotel - 4 stars Junior ...	Contoso Hotel - 4 stars Junior S...	HOTEL	HOTEL4STAR+	<input type="checkbox"/>	DAY	0.00
5/31/2024		SJ00018	13311	Contoso Rental Car	Contoso Rental Car	RENTALCAR	RENTALCAR-M	<input type="checkbox"/>	L	20.00
5/31/2024		SJ00018	11207	Rail	Rail	MOBILE-DIST...	RAIL	<input type="checkbox"/>	KM	0.00
5/31/2024		SJ00018	13151	Purchased Services	Purchased Services	PURCHGOO...	PURCHSERVC	<input checked="" type="checkbox"/>	*	0.00

Track emissions with Purchase Documents

NEW!

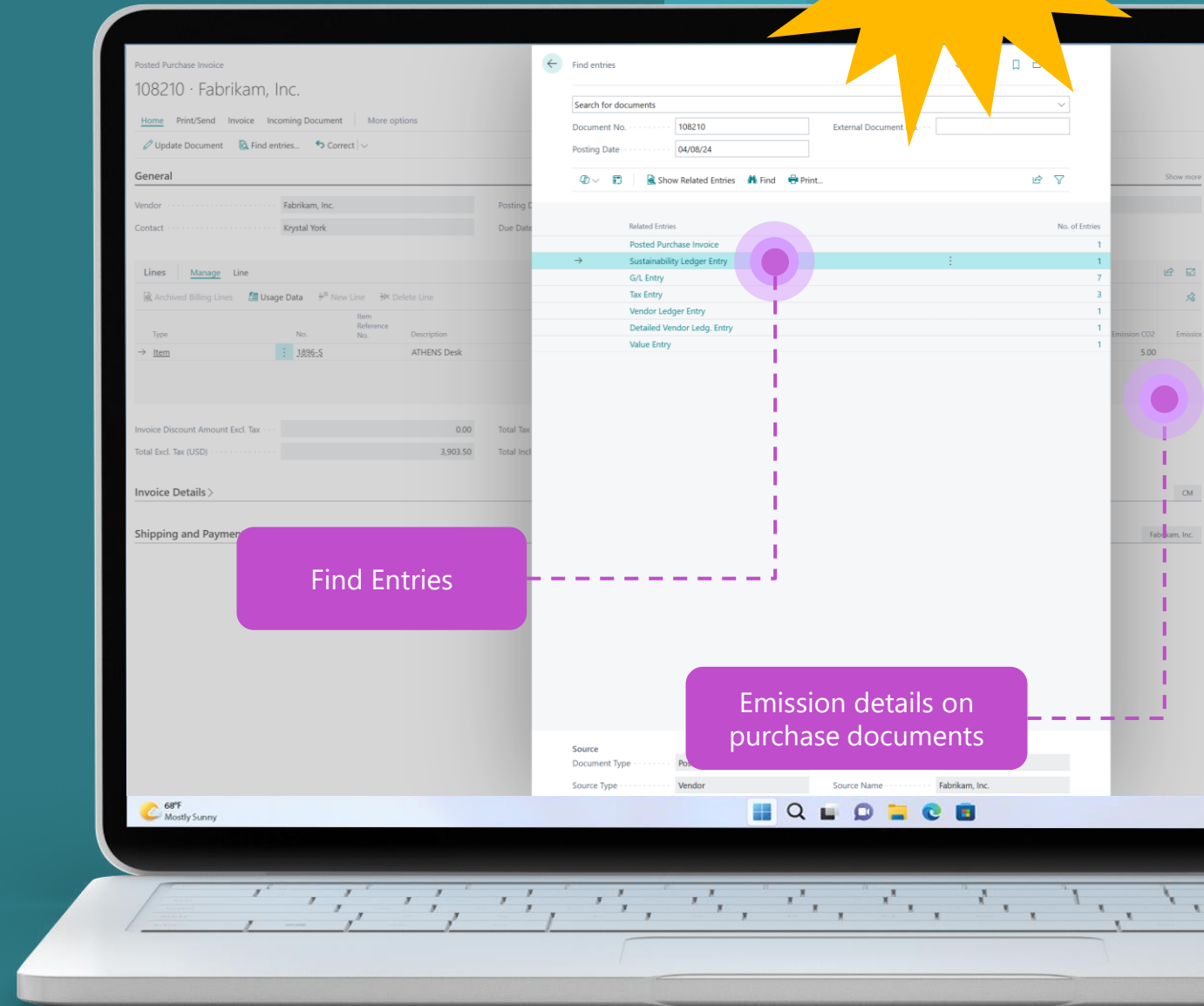
You can collect your emissions **directly in the purchase document**

- Purchase Invoice
- Purchase Order
- Purchase Credit Memo

Avoid duplicate data entry by consolidating financial and ESG data in one place

Enabled additional statistics

Company can buy **Carbon Credits** for decreasing their emissions



Create insights with Sustainability Reports

Currently three reports

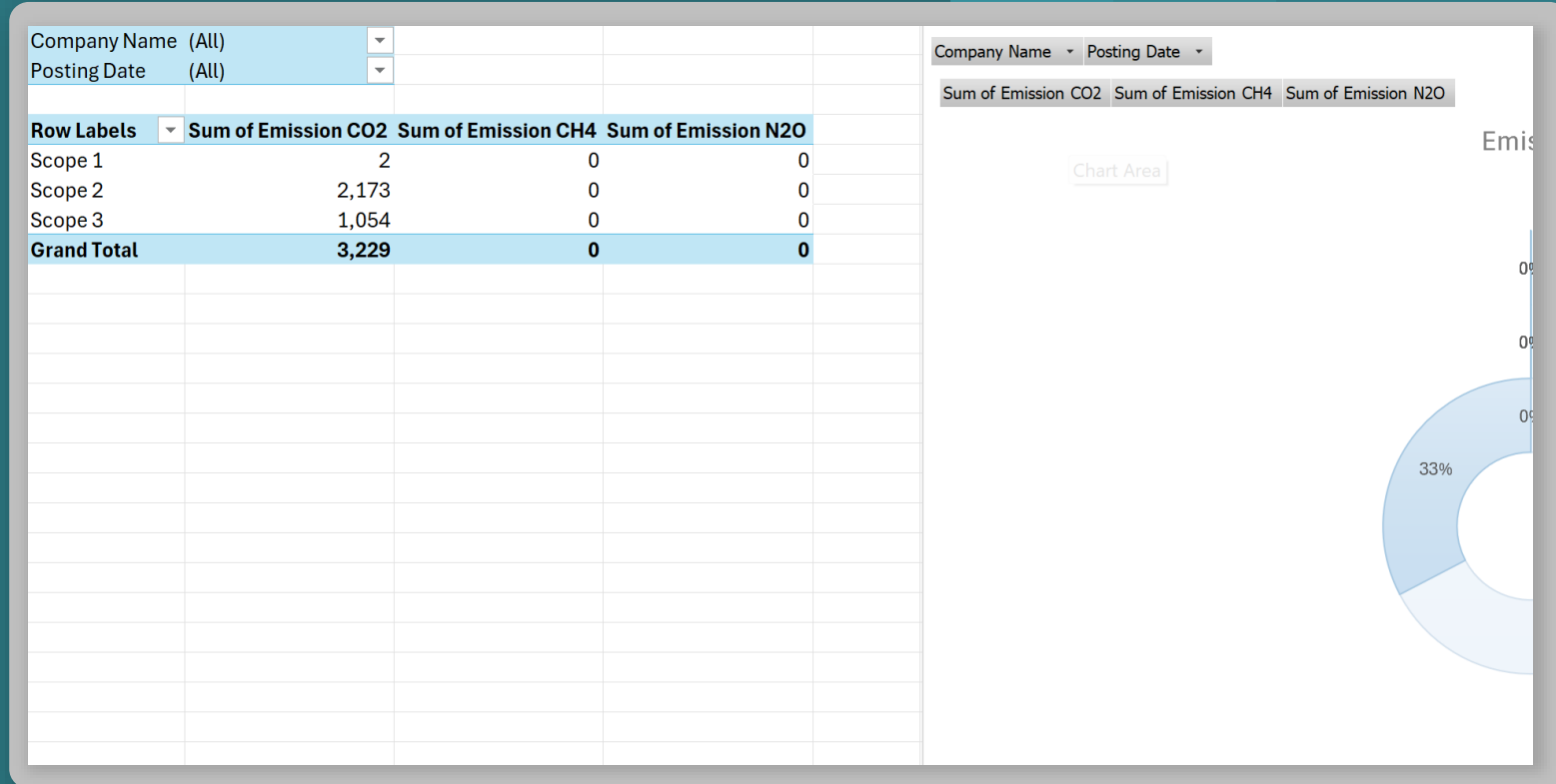
- Total Emissions
- Emission Per Facility
- Emission By Category

All reports have Excel Layout
(multiple analysis)

Integrated predefined Analysis
Views

Enabled APIs for external tools
reporting (PowerBI...)

Financial reports with **sustainability
entries**



Plan with Scorecards and Goals

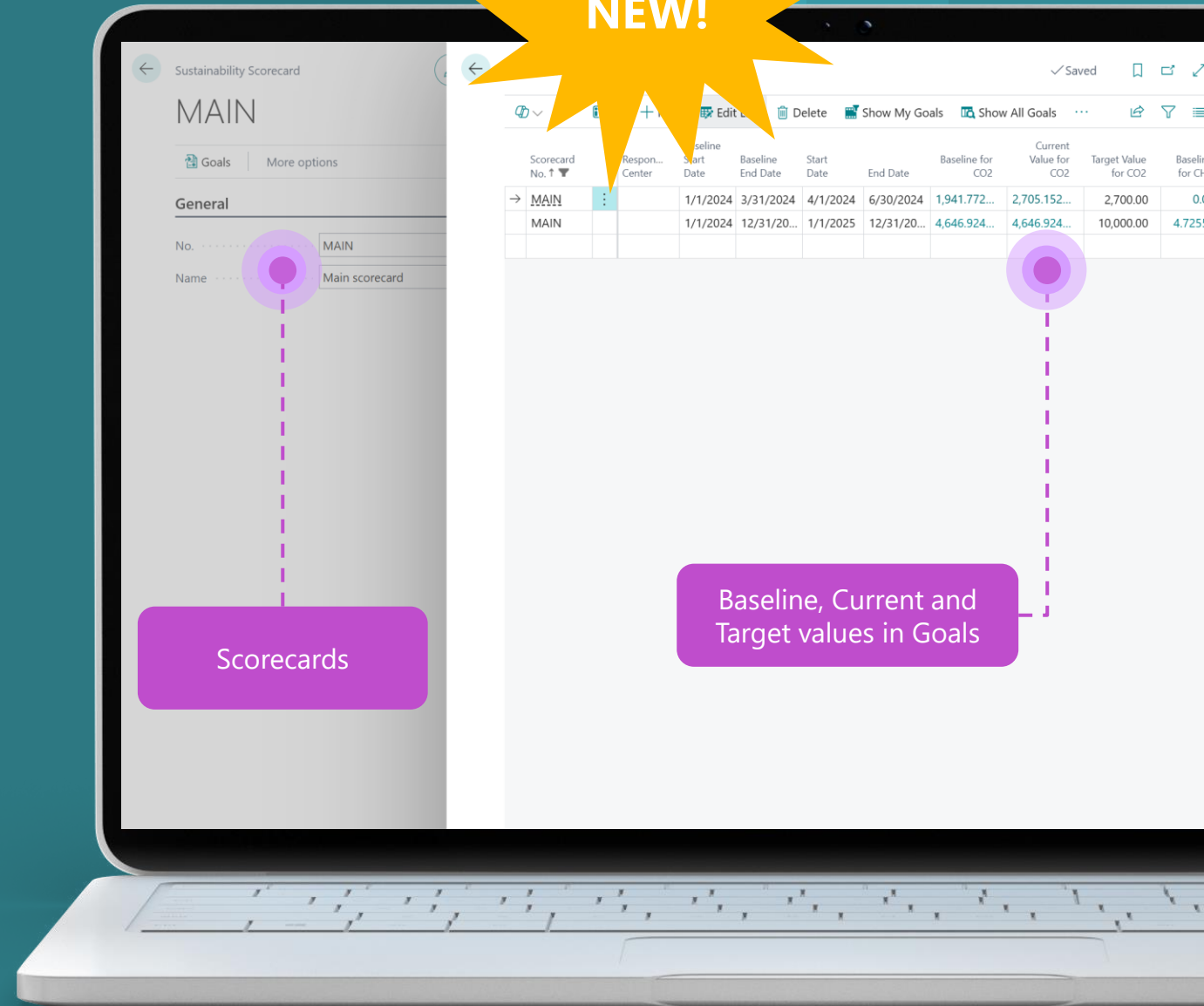
You can set up more scorecards with different owners

Configure more Goals per each of Scorecards:

- Baseline and Current periods
- Baseline and Current values calculated
- Target values as a forecasts

One Goal can be main for the Company

Users have KPIs based on main Goals on the role center



Set up Emission Fees and CO2 equivalents

NEW!

Set up the **carbon fee** and **carbon equivalent**

Carbon fee can be used as internal financial information

Carbon equivalent enables recalculation other emissions and reporting all emissions as carbon:

- Factor for CO2 is always 1
- User needs to set up factors for other emission types

Can be configured for different periods

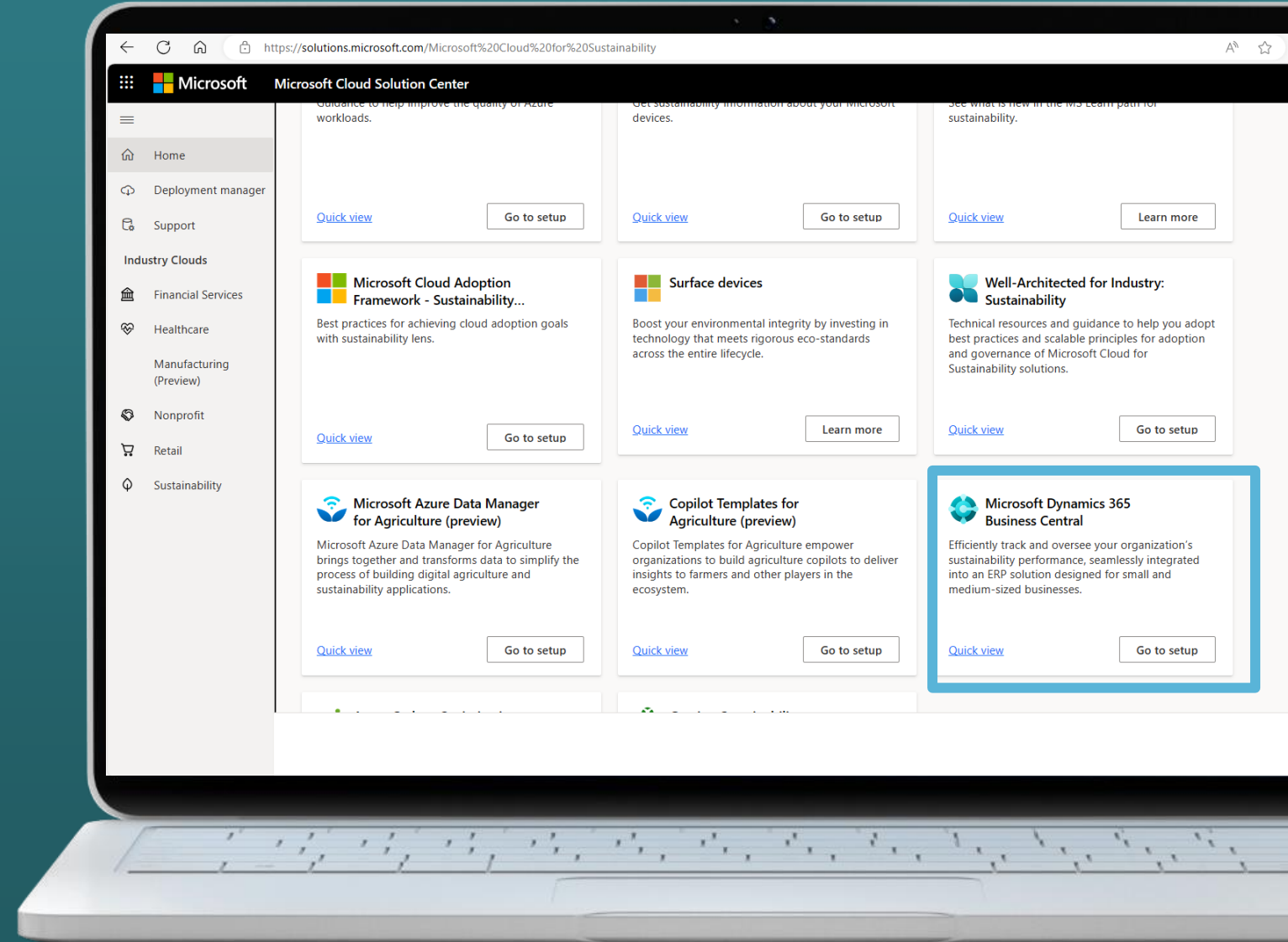
Can be configured by scope, country, or responsibility center if needed

The screenshot shows the 'Emission Fees' configuration page. It features a table with columns for Emission Type, Scope Type, Starting Date, Ending Date, Country/Region Code, Responsibility Center, Carbon Fee, and Carbon Equivalent Factor. The table is filtered to show CO2 emissions starting from 1/1/2024. Callouts highlight key features: 'Calculate internal Carbon fee' points to the 'Update Carbon Fees' button; 'Setup per period, scope, country or facility' points to the 'Ending Date' column; and 'Use CO2 Equivalent factors per gases' points to the 'Carbon Equivalent Factor' column.

Emission Type ↑	Scope Type ↑	Starting Date ↑	Ending Date ↑	Country/Region Code ↑	Responsibility Center ↑	Carbon Fee	Carbon Equivalent Factor
→ CO2	:	1/1/2024				80.00	1.00
CO2		1/1/2024		AU		95.00	1.00
CO2		1/1/2024		US		30.00	1.00
CH4		1/1/2024				0.00	0.03125
N2O		1/1/2024				0.00	0.00336

Microsoft Cloud for Sustainability

Dynamics 365 Business Central
as sustainability option for SMCs



Sustainability for SMBs

Ecosystem of SMB sustainability solutions

Microsoft Dynamics 365 | ISV partners

Dynamics 365
Business Central

Embedded
Sustainability
Features

Exposed APIs – ready
for integrations

ISV solutions
(vertical and horizontal
solutions, emission
factors integrations)

Microsoft Dynamics 365 Business Central data model

Built on the Microsoft Cloud

Thank you

