



Frequently Asked Questions v 5.0

Microsoft Carbon Dioxide Removal Procurement Cycle

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Frequently asked questions (FAQs)

Resources

1. What resources should I review prior to applying?

Microsoft provides several resources for organizations preparing to apply to the procurement cycle. Organizations should review these materials to determine whether their projects meet our requirements. This FAQ supplements—but does not replace—the information in these core documents:

- [Guidance Document](#)
- [Criteria for High-Quality Carbon Dioxide Removal](#) (especially useful for project-specific criteria)
- [Buyer's Guide for Sustainable Biomass Sourcing](#) (for biomass-based projects)
- [Buyer Principles for Responsible Procurement of Carbon Removal from Enhanced Weathering in Working Lands](#) (for enhanced rock weathering projects)
- [The Carbon Dioxide Removal Insights Section](#) of the [Microsoft Carbon Removals website](#)

2. There is no documentation in the criteria for my project type. Should I still apply?

Yes, you should still apply if your project meets the prerequisites as cited in our [Guidance Document](#).

General questions

3. Where do I apply?

There are two ways to access the application:

1. Select “Apply now” through our [Microsoft Carbon Removal Website](#).
2. Go directly to the [Microsoft Carbon Removal Website Application Link](#).

Regardless of the option you choose, please ensure you have reviewed the above resources before you apply.

4. How do I complete my application?

For all questions regarding how to complete an application through our online portal, please refer to the [Applicant User Guide](#). If this FAQ does not answer your questions, please direct inquiries to mscdr@microsoft.com.

5. What documents are required in my application?

To the extent they are available, please include the following documents. Our review will be materially aided by each additional item.

- Project Design Document.

- Monitoring, measurement, reporting, and verification plan.
- Community benefits plan and/or community engagement plan.
- Project financial models, including expected revenues, costs, any subsidies, and expected returns.
- Project risk assessments, including internal (financial, management capacity) and external (social, political, regulatory, natural) risks. This includes any risk assessments or risk tools completed as part of validation by a carbon credit standards body.
- Third-party life cycle assessment or completed Lifecycle Emissions Intake Form (LEIF). To receive a copy of the LEIF, email mscdr@microsoft.com.
- Project location geographic information system (GIS) data (ideally a zipped KML/KMZ file, but a zipped shape file is also acceptable).
- Other supporting information that will assist with analysis of project quality, including but not limited to implementation plans or protocols, sources of capital, etc..

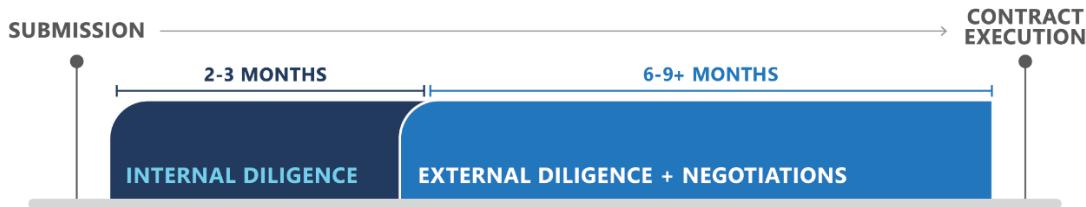
6. What can I expect after I submit my application?

Microsoft is committed to thoroughly reviewing each proposal through our application process. Once a proposal is submitted directly through [Microsoft Carbon Removal Website Application Link](#), Microsoft conducts two stages of diligence:

1. Microsoft conducts a review of the proposal against our prerequisites. If a project does not meet the prerequisites, it will not be qualified for further consideration and the supplier will be notified.
2. Proposals that meet the prerequisites undergo a deeper phase of diligence and are evaluated against the full set of criteria listed in the document [Criteria for High-Quality Carbon Removal](#), which was coauthored by Carbon Direct.

If Microsoft finds that a proposal meets the prerequisites and criteria, the supplier will be notified that the proposal has been selected. After a proposal is selected, Microsoft will award business on the conditions that (1) the participant can meet all the procurement terms and (2) the participant successfully executes a contract between the parties establishing service terms, fees, deliverables, and other contract requirements.

In general, given the novelty of the carbon removal space, and the complexity of many removal standards, **it takes two to three months to complete initial proposal reviews**. For proposals that are selected, the **diligence and negotiation process may take an additional six to nine months** or more, depending on specifics (see figure below). We encourage applicants to submit a proposal with plenty of time ahead of any key deadlines.



7. Why is this called a “procurement cycle” and not an “request for proposal”?

In July 2022, Microsoft moved from an initial request for proposal (RFP) cycle to a rolling procurement cycle. With this move, Microsoft has created a growing portfolio of carbon removal credits and secured a higher number of multi-year offtake deals. Negotiating these contracts throughout the year is more appropriate for our needs, but **our qualitative criteria, review process, and standards remain the same.**

8. Is there a way to review the proposal after submission if we need to make adjustments?

You can review the proposal after submission through the portal, but **you cannot amend it**. You can download a copy of the proposal for your records by navigating to the **Collaboration/Uplinks** section of the submitted application. If you need to make a material change to your proposal, email mscdr@microsoft.com, and we may be able to accommodate the request. You may also submit additional documents through the application portal. If you submit additional documents, we encourage you to notify mscdr@microsoft.com.

9. Is there a way to save my proposal progress as a draft to be completed later?

Yes, you can save the progress of your proposal and return to it later. To do so, select **Save** within the application. After you select **Save** for the first time, the application will automatically save your progress as you complete it. When you want to resume your application, select the same link to return. For more detailed information, please refer to the [Applicant User Guide](#).

10. Can I submit the forms by email?

No. Microsoft only accepts proposals submitted through the [Microsoft Carbon Removal Website](#) or [Microsoft Carbon Removal Website Application Link](#).

11. Why am I receiving a procurement cycle email from mscdr@microsoft.com?

Microsoft has identified your organization as a potential partner for carbon removal projects. If you would like to opt out of future communications and our mailing list, write to us at mscdr@microsoft.com.

12. My organization is interested in participating in this procurement cycle, but I am not the right point of contact. What should I do?

Write to us at mscdr@microsoft.com and indicate the correct point of contact. If you wish to be removed from our mailing list, please state that in your email.

13. Can I submit more than one proposal?

Yes. We welcome more than one project submission for projects that meet our prerequisites. You may submit as many proposals as you like by using the same link or revisiting the [Microsoft Carbon Removal Website](#).

14. After I submit my proposal, will I need to provide additional information?

Potentially. Buyers often raise additional questions as they review projects and may send due diligence questions. Additionally, our third-party technical advisors may also request additional documentation.

Timeline and extensions

15. How long is the Microsoft carbon removal procurement cycle open?

Our procurement cycle is open on a rolling basis, which means we accept proposals throughout the year. We welcome proposals for both one-time and long-term offtake or forward-purchase agreements.

16. What is the Microsoft fiscal year (FY)?

Our fiscal year is from July 1 to June 30 of the following year. For example, fiscal year (FY) 2026 (FY26) is July 1, 2025 to June 30, 2026, and FY30 is July 1, 2029, to June 30, 2030.

17. What is your timeline to review proposals for multiyear offtakes or other forward-purchase arrangements?

Microsoft will consider all applications in the order they are received.

18. What happens if I start an application but forget to complete it?

If you selected **Save**, then your application will remain active and can be accessed by selecting **My applications** in the menu on the left side of the portal. For more information, reference the [Applicant User Guide](#).

Investment

19. Is this procurement cycle for the Microsoft Climate Innovation Fund?

No. Submissions under this procurement cycle are **not** requests for investment from the Climate Innovation Fund, which is a separate investment fund. Read more about the [Climate Innovation Fund](#).

20. Will Microsoft consider a proposal for making investments into a portfolio of carbon projects?

Not via this procurement cycle, which is only for purchasing net-negative carbon dioxide removal tonnage from specific projects. We may consider long-term offtake agreements if you have net-negative tons available in future years. If you are seeking project finance or other investments, please read more about the [Climate Innovation Fund](#). Note that participation in this procurement cycle is entirely separate from participation in the Climate Innovation Fund.

Publication and confidentiality

21. What information will become public?

Through this procurement cycle, Microsoft will collect market intelligence to share broadly to help accelerate the development of a robust carbon dioxide removal market. This includes information from projects that are not selected for the carbon removal procurement cycle. **We will not share attachment files.**

We will not make specific project-level pricing data public; however, we may use aggregate proposal pricing information—with no reference to source—in median, average, and other anonymized analyses. We may also share the aggregated datasets broadly with the public.

22. How will you publish the results of this procurement cycle?

Microsoft is committed to advancing carbon removal market development by maximizing positive impact and transparency. Participants are advised that, by submitting a response to this procurement effort, they agree to the public disclosure of certain information contained in their submittal. By submitting a response, participants accept these terms and waive any privacy rights to submitted information, with exceptions noted below. For more information, please see the Microsoft privacy statement: <https://www.microsoft.com/en-us/privacy/privacystatement>.

Microsoft is aware that certain information may be sensitive or confidential to your organization.

With that in mind, unless we obtain written authorization, **we will not share the following information publicly:**

- Information submitted on the application questionnaire unless explicitly noted otherwise
- Responses to follow-up due diligence questions (provided by invitation following the review of the initial project application)
- Attachments, other than the Project Design Document

Microsoft will not make specific project-level pricing data public. Microsoft may use aggregate proposal pricing information—with no reference to source—in median, average, and other anonymized analyses. Microsoft may also share the aggregated datasets broadly with the public.

Consistent with our commitment to drive maximal positive impact, transparency, and collective market intelligence in the early years of carbon removal market development, we plan to publish:

- Our criteria for selection
- The list of projects selected for our carbon removal portfolio

23. How will answers to confidential questions be secured and protected from public disclosure?

The information submitted in confidential answers will be stored and secured on a protected Microsoft SharePoint site to which only those individuals working directly on the procurement cycle have access.

24. If an organization has a preexisting nondisclosure agreement with Microsoft, will the information submitted as part of the procurement cycle be published?

No. All information that pertains to your proposal is **confidential**, including relevant attachments.

Review and announcement

25. Who reviews submissions?

The Microsoft Carbon Removal Team reviews submissions and makes portfolio decisions. We also ask third-party advisors, who are under nondisclosure agreements with Microsoft, to review submissions. Note that by submitting your proposal, Microsoft has the right to share your contact information if our third-party advisors require additional information from you. All third-party advisors are required to comply with the requirements of the Supplier Security and Privacy Assurance (SSPA) Program. For additional details on the SSPA Program, see [About SSPA](#).

26. When will we be informed of the results?

The Microsoft Carbon Removal Team will update organizations of their status to the best of our ability but cannot commit to updates on a regular schedule because of the volume of applications we receive.

27. How will Microsoft announce successful proposals?

After contracting is complete, Microsoft will work with individual suppliers on their public relations requests. All press releases mentioning Microsoft will require review and approval prior to release. Microsoft will also periodically announce new additions to our portfolio.

Portfolio construction

28. We would like to submit a portfolio of projects with a combination of projects. How should we do this?

We welcome multiple project submissions. Please submit **one** proposal per project. Proposals that contain more than one project in the same application will not be considered.

Supplier onboarding

29. If I want to sell Microsoft carbon dioxide removal credits, will I have to be onboarded into your supplier system?

Yes. Microsoft requires all suppliers to be enrolled in our supplier system and to comply with the [Supplier Code of Conduct](#). This onboarding process requires Microsoft Procurement review of company financial history, and compliance documentation, including data privacy and security readiness. The full process usually takes one to three months. For more information, check out: [Doing Business with Microsoft Procurement](#).

30. How long does it take for an organization to be onboarded as a supplier?

Onboarding usually takes one to three months, depending on the availability of information and promptness of following information requests. However, if issues with the information provided through supplier onboarding arise, onboarding can take longer. Please prepare to provide all relevant details promptly for a smooth onboarding process. See our [external supplier onboarding page](#) for more information about doing business with Microsoft as a supplier.

31. Will my organization be subject to a background check?

Yes. Microsoft requires all organizations to go through a background check as part of the onboarding process.

32. What happens if my organization fails to be onboarded or declines to continue the onboarding process?

If an organization fails to be onboarded within the required time frame, or elects to discontinue the process, all contract negotiations will be terminated.

33. Is there a preferred payment structure? What type of contract does Microsoft intend to use for the purchase of carbon dioxide removal credits?

Microsoft pays for carbon credits when they are delivered. We use contracts appropriate for the purchase of carbon credits. If credits are procured over multiple years, we typically use a carbon removal unit purchase agreement, which is a well-vetted contract for the advance procurement of carbon credits, originally created from bankable power purchase agreements for renewable energy. We will discuss details of this approach, including payment structure and other legal terms, with selected project candidates.

34. Which Microsoft entity will be the buyer?

Microsoft Corporation (NASDAQ: MSFT) will be the buyer.

Net negativity, offsets, and avoided emissions

35. What are net-negative tons?

Net-negative tons are the gross carbon dioxide removal **minus** any emissions that result from the project, as determined in a life cycle assessment.

36. Are carbon offsets the same as carbon removal?

Carbon credits quantify the impact of project activities on net greenhouse gas emissions. One carbon credit represents one metric ton of carbon dioxide equivalent that was removed or not emitted from the atmosphere. Microsoft is only interested in the former type of carbon credits: credits derived from carbon removed from the atmosphere due to project activities.

Projects generating both avoided emission credits and carbon removal credits are eligible for submission to the procurement cycle, but Microsoft will assess and procure only carbon removal credits. Moreover, Microsoft will strongly prefer that such projects separately mark and issue those avoided emission credits and removal credits. Projects must adhere to Microsoft procurement guidelines, including the use of credible, science-based, verifiable quantification methodologies, and be able to separate avoided emission credits from carbon removal credits.

Projects that only avoid emissions are not eligible for submission. Carbon removal projects with net positive emissions as determined by a life cycle assessment are also ineligible.

37. How does carbon, capture, use, and storage (CCUS) relate to negative emissions?

Microsoft is seeking projects that remove more carbon from the atmosphere than they emit, as determined by a life cycle assessment. CCUS projects that only avoid emissions from the combustion of fossil fuels are not eligible for submission under this procurement cycle. Net-negative CCUS projects, as quantified by a project life cycle assessment, may be eligible for submission.

38. What questions will be asked in the application?

Be prepared to answer specific questions about overall project risks, the financial model, baseline and carbon removal quantification, additionality, leakage, durability, and environmental justice.

39. Can I preview the application before I begin?

Yes, please reach out to mscdr@microsoft.com for a static copy. Note that not all questions will apply to your project type.

40. What project attributes are important to nature-based removal project procurement decisions?

Please see our [Criteria for High-Quality Carbon Removal](#). Provide detailed responses to application questions about project baseline and removal quantification methods, land use history, community engagement, prioritization of biodiversity and resilience, and leakage risks and mitigation plans.

41. What key points will you cover on forestry projects?

Please see our [Criteria for High-Quality Carbon Removal](#). Provide detailed responses to application questions about project baseline and removal quantification methods, including carbon stock measurement techniques and harvest plans, tree species, planting methods, land use history, community engagement, and leakage risks and mitigation plans.

42. What key points will you cover on soil projects?

Please see our [Criteria for High-Quality Carbon Removal](#). Provide detailed responses to application questions about project methodology to quantify baseline emissions and project removals, sampling plan, model selection and calibration (if applicable), ongoing reporting and verification, leakage risks and mitigation plans, durability, and farmer revenue share and obligations.

43. What key points will you cover on biomass conversion with carbon removal and storage and biochar projects?

Please see our [Criteria for High-Quality Carbon Removal](#) and our [guide for sustainable biomass sourcing](#). Provide detailed responses to application questions about energy inputs, biomass feedstock sources and sustainability, capture efficiency, technology maturity, storage methods and partners, revenue-producing outputs (other than carbon removals), and project financial additionality.

44. What key points will you cover on biochar projects?

Please see our [Criteria for High-Quality Carbon Removal](#) and our [Buyer's Guide for Sustainable Biomass Sourcing](#). Provide detailed responses to application questions about feedstock disposition, biochar production conditions, biochar properties (like H/C_{org}), technology maturity, scalability, end use, and durability calculations and assumptions.

45. What key points will you cover on direct air capture (DAC) projects?

Please see our [Criteria for High-Quality Carbon Removal](#). Provide detailed responses to application questions about project energy requirements, including new energy infrastructure needs, up and downstream project partners, storage plan, and carbon capture media and capture efficiency, including embodied carbon, end-of-life considerations, and barriers to scale.

46. What key points will you cover on mineralization projects?

Please see our [Criteria for High-Quality Carbon Removal](#). We have also developed detailed guidance to inform our assessment of enhanced rock weathering project submissions; see our [Buyer Principles for Responsible Procurement of Carbon Removal from Enhanced Weathering in Working Lands](#) for more information. We will focus primarily on the sustainability of feedstock, feedstock processing, and measurement of mineralization.

Vintage

47. How do vintage and durability terms relate?

The term **vintage** refers to the year when the verified carbon removal occurred. The term **durability** represents the expected number of years for which the sequestered volume of carbon dioxide is likely to remain in place and is unlikely to experience an intentional or unintentional reversal.

48. What are your rules on past vintages?

We do not have explicit requirements for vintage years for projects in this procurement cycle; however, we strongly prefer more recent credits (delivery within three years of issuance). We expect most projects will offer credits that are to be generated, and thus delivered, in the future.

49. What are your preferences and rules on future vintages?

We welcome proposals with future vintages that will be delivered to Microsoft as ex-post verified credits.

Questions on specific application elements

Organization

50. Are all “Organization Questions” required?

Yes. You must answer all questions about your organization at least once in your first project application.

51. What happens if I submit more than one proposal? Do I have to fill out the Organization Questions every time?

No. We only require your organization to submit the Organization Questions once. In subsequent proposals, unless you wish to update responses, answer “No” to the Organization Questions.

52. How do I update responses to the Organization Questions after submitting our first proposal?

If you are submitting a new proposal and there have been updates to your organization since your last proposal, you can answer “Yes” to the Organization Questions. You may also send an update to mscdr@microsoft.com, and Microsoft will update your answers.

53. What constitutes legal action and which jurisdictions are included? If our corporate policy is not to disclose that information, how will that impact our prospects of selection?

Please provide details of any final enforcement actions or settlements resulting in fines or penalties encompassing criminal and civil legal proceedings. Failure to disclose this information will result in rejection of submissions.

General project information

54. What is your preference between natural and engineered carbon dioxide removal?

Microsoft considers purchases from both nature-based and engineered carbon dioxide removal. However, we plan to increase the proportion of highly durable solutions in our portfolio

over time. Highly durable solutions are often engineered. Microsoft will judge submissions as outlined in the [Guidance Document](#) and the [Criteria for High-Quality Carbon Removal](#).

55. What project types will Microsoft consider for this procurement cycle?

Microsoft will consider the following removal project types. If your project does not fit under one of these categories, please select “Other” and specify the type of project in the comment box.

- Forestry
 - Afforestation
 - Reforestation
 - Improved forest management
 - Agroforestry
 - Silvopasture
- Soil carbon
- Coastal blue carbon
- Enhanced rock weathering
- Ocean alkalinity enhancement
- Carbon dioxide mineralization (excluding enhanced weathering and ocean alkalinity enhancement)
- Biomass conversion with carbon removal and storage (BiCRS), including Bioenergy with carbon capture and storage (BECCS)
- Biochar
- Bio-oil
- Direct air capture and storage
- Carbon dioxide (CO₂) utilization (using strictly biogenic sources of CO₂)
- Other project types that meet our prerequisites

56. Will Microsoft accept proposals for avoided deforestation or “reducing emissions from deforestation and forest degradation” (REDD+) projects?

Microsoft is interested in carbon removal projects that demonstrate clear carbon removal accounting. Microsoft is not interested in avoided emission credits.

Our goals are to achieve net negativity by 2030, to stimulate a carbon removal market, and to focus on emissions reductions within our own value chain. We are committed to addressing our Scope 1, 2, and 3 emissions by first reducing them and then compensating the rest with carbon removal.

57. For some carbon removal projects, including improved forest management, registries issue credits for both carbon removal and avoided emissions. What is Microsoft's preferred approach for measuring and presenting solely the removal component?

Microsoft requires carbon removal quantification methods that are based on credible, third-party science. We prefer methodologies that are appropriately conservative, reviewed by third-parties, and publicly available, and those that differentiate or label removal versus reduction/avoidance credits. We will follow up with selected candidates as needed.

58. What are your preferences regarding storing captured carbon dioxide in products like concrete, beverages, etc.?

Storing carbon dioxide that has been captured from the atmosphere in products can help monetize and scale carbon removal technologies. For this procurement cycle, such carbon dioxide must be stored in durable products to prevent it from being released back into the atmosphere. This rules out some product types, including most consumer products. Microsoft is also cautious not to double-count carbon removals and will not accept such removals if they were also credited toward a regulatory market.

59. What additional information on life cycle assessments will we need to provide?

We will request a third-party, cradle-to-grave, life cycle assessment but do not require a specific standard, such as ISO 14040. Additionally, we provide a standardized Lifecycle Emissions Intake Form (LEIF) with a template for each carbon removal technology. To receive a copy of the LEIF, email mscdr@microsoft.com.

60. Is Microsoft willing to consider enhanced oil recovery projects that use carbon dioxide captured from the atmosphere? Would the emissions from petrochemical end use need to be considered in a life cycle assessment?

We will consider any such proposal with additional scrutiny of the life cycle emissions assessment to ensure that it is net negative. In the case of enhanced oil recovery, the emissions from petrochemical end use must be included in the life cycle assessment.

61. My project involves burning some fossil fuels; does that mean we are automatically disqualified?

No. Microsoft will consider projects that capture more carbon dioxide than they emit in carbon dioxide equivalent. For example, some engineered solutions emit process emissions such as flue gas. If there are sufficient mitigation strategies, and the project is net negative, such technologies may still be considered.

62. Given that Microsoft seeks to spur innovation and support underrepresented communities, will you consider contracts with projects that have not yet been validated or verified and require an offtake agreement with a buyer to move forward?

Yes, we will consider this, presuming we can account for uncertainties around validation and delivery in contract terms.

63. Would Microsoft consider projects in development with uncertainties around volume but with a commitment to provide periodic supply forecasts?

In this situation, we recommend providing a guaranteed volume for any future year, which could be further supplemented in an additional agreement.

64. How many years do you consider for “future years”?

Our specific question about future tonnage extends through fiscal year (FY) 2040. If you would like us to consider purchases via a long-term commitment after FY40, you may indicate that in the application.

65. What are Microsoft preferences, if any, on location?

Microsoft seeks a globally diversified portfolio. However, we may need to conduct additional scrutiny and due diligence for investments in locations with demonstrated deforestation or a high risk of land expropriation.

66. Our project takes place in several locations. How should we describe that location when asked?

If the project is spread over a large area or multiple locations, please provide the representative latitude and longitude coordinate(s). For such projects, providing a shapefile would also be helpful. Please note that our application format cannot upload nonstandard file types. If a shapefile is available online, please provide a link. Otherwise, we will follow up during any due diligence to obtain such a file.

67. Our project will incorporate presently undecided locations for future years/vintages. How should we describe this?

Please describe the area or region in which the whole project will be located.

68. Will you require the transfer of the legal title of the carbon dioxide removal tonnage to Microsoft?

Yes.

Volume, pricing, and delivery

69. What should we specify under delivery terms?

Indicate what you propose to provide to Microsoft, on what delivery schedule, and under what terms.

Certification and registration

70. Does Microsoft have any preference for a particular registry or registries? With which registries does Microsoft currently have accounts set up?

For project types with established methodologies, Microsoft prefers credits verified by [ICROA-endorsed](#) or [Core Carbon Principles-eligible](#) standards. However, suppliers may choose any standard and Microsoft will perform diligence and identify what else, if anything, is needed to meet our [Criteria for High-Quality Carbon Removal](#). We will discuss our retirement approach with project teams during contracting for selected projects and can consider projects under methodologies that are still to be developed and will meet our quality criteria.

71. What does “independent verification” mean?

At minimum, Microsoft seeks an independent audit by a qualified third-party organization against a credible monitoring, reporting, and verification methodology. Regardless of certification status, we will request selected candidates to provide additional information regarding the scientific foundation of their project.

Durability term

72. What are your preferences regarding durability?

We prefer long-term solutions whenever possible, all other factors being equal. We are exploring ways to offset our emissions over their atmospheric lifetime (centuries to thousands of years). At the same time, we recognize that high-quality projects with shorter durability terms play an important role. We do not have a maximum time limit for project durability; our application form is limited to 10,000 years for practical purposes. We recognize some geologic storage solutions may last longer.

73. When should our durability guarantee start and end?

Durability guarantees should start in the year you propose Microsoft would receive ex-post verified net-negative tonnage. Durability guarantees should end when there is no longer ongoing monitoring, reporting, and compensation for reversals.

The durability guarantee is not necessarily the same as the period over which a project may issue credits. We expect that once a ton is removed it will then remain sequestered from the atmosphere for the durability term.

Please calculate durability guarantee from the year the carbon removal occurred (i.e., the vintage year). For example, credits with a vintage year of 2028 with a commitment (either by you as a seller or by the relevant registry) for monitoring, reporting, verification, and compensation of reversals through the end of 2068 would have a 40-year durability guarantee.

Environmental justice / "do no harm"

74. What is environmental justice?

Environmental justice is the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.

75. Why is Microsoft asking about environmental justice and do no harm?

All people should be equitably protected from environmental risks and equitably empowered to participate in the environmental decision-making processes that affect them. Environmental justice seeks to address these issues. At a minimum, our work in carbon dioxide removal should do no harm. We seek opportunities to remove carbon from the atmosphere while promoting wealth and equity in the communities that climate change most impacts. We are also committed to engaging and empowering Indigenous People and local communities.

76. What is a community engagement plan?

Community engagement plans (CEPs) create a comprehensive approach that involves, educates, and fosters collaboration with impacted community members and groups regarding the project, technology, impacts, risks, and benefits within the context of the environment, historical context, and climate challenges.¹ A CEP is meant to identify key stakeholders within the community, educate the local community about a project, source and integrate feedback from the community into the project, and ensure that all community groups are properly consulted. A CEP may culminate in an agreement between the project and the community that describes how the community will share the benefits of the project. This benefit sharing will vary based on project type, community needs, and other factors, but should include, at minimum, hiring and wage commitments, community grievance mechanisms, and community impact mitigation requirements.

77. What is considered a "living wage"?

A living wage is the income necessary to cover the basic needs (such as housing, food, and healthcare) of an individual or family for the geographic area of the project location. Below is a non-exhaustive list of examples of living wage tools and guidelines:

- [ILO Principles of Estimating Living Wage](#) (2024): The International Labour Organization (ILO) reached an agreement on living wages. The agreement defines the principles for estimating living wages and provides a mandate for the ILO to assist its constituents in implementing these principles.
- [MIT Living Wage Calculator](#): In 2025, MIT updated its living wage calculator to estimate the wage needed for a full-time worker to cover their family's basic needs. Users can explore living wages by county or state for 12 different family types.

¹ Per the [Spectrum of Community Engagement to Ownership](#), community engagement plans should embed strategies at the "Collaborate" level at minimum.

- [Living Wage Analysis tool](#) (LWAT): Developed through the [UN Global Compact Think Lab on Living Wage](#). The LWAT is a free and confidential online tool that helps companies identify actions and opportunities to provide a living wage to ensure all workers, families and communities can live in dignity.

78. What are stocktaking exercises and why are they important?

Stocktaking exercises are conducted to evaluate the progress of the project in environmental justice. This assessment can be carried out annually, quarterly, or monthly. These exercises have an important role in allowing local communities to provide feedback on the project's advancement in its impact on the community. The exercises ensure the project developers have obtained free, prior, and informed consent (FPIC) from the community. Ideally, they also ensure that the community is involved in shaping the project and sharing its benefits.

79. What is land tenure?

Addressing land tenure early and consistently during the project life cycle can mitigate risks, build stronger relationships with impacted priority communities and stakeholders, and enhance project sustainability. Land tenure assessment should start before or during the project siting process. Land tenure, sometimes called community tenure or customary tenure, refers to the legal or customary rights individuals or groups have to land. It determines who can use land, for how long, and under what conditions. These rights can be formal, based on laws and policies, or informal, based on local customs. If land tenure is insecure or contested, projects may face conflict over land rights, lack of investment, limited participation from local communities, etc.

Land tenure systems can include:

- **Private tenure:** owned by individuals or corporations.
- **Communal tenure:** owned collectively by a community.
- **State tenure:** owned by the government.
- **Public tenure:** open access, not owned by anyone and accessible to all.

80. How do I go about identifying relevant environmental justice (EJ) or social governance laws or regulations?

As referenced in our [Criteria for High-Quality Carbon Removal](#), developers and suppliers must adhere to environmental justice and social governance laws and regulations, which involves several steps:

1. Engaging local experts in affected communities to gain tailored insights on potential issues.
2. Using global guides, such as [ESG Global Vision](#), which provides a comprehensive overview of laws, regulations, and voluntary ESG standards by country.
3. Monitoring regulatory updates and consulting reports and referring to the official websites of relevant regulatory bodies for the latest information. The [International](#)

[Financial Reporting Standards](#) [Sustainability Disclosure Standards](#) require companies to disclose sustainability-related risks and opportunities impacting financial outcomes.

81. How do I perform a comprehensive site selection planning and impact study to assess cultural significance of the land and avoid community displacement?

To evaluate cultural significance and prevent community displacement when engaging in site selection planning for carbon dioxide removal projects, developers should:

1. Engage local stakeholders early to ensure [free, prior, and informed consent \(FPIC\)](#), assist with historical research, and cultural mapping.
2. Adhere to local legal frameworks to ensure compliance.
3. Perform cultural impact assessments using geographic information system (GIS) and data analytics to evaluate cultural resources and support informed decision-making.
4. Monitor cultural significance to assess cultural attributes over time and implement mitigation measures to help minimize negative impacts on cultural resources, including preventing involuntary relocation and establishing fair compensation and community development programs.

82. How can I better address the environmental justice questions?

Please review our [Criteria for High-Quality Carbon Removal](#). Additional information is available in the Carbon 180 report “[From the Ground Up: Recommendations for Building an Environmentally Just Carbon Removal Industry](#).”

Reversals

83. How will Microsoft evaluate projects for which the reversals are remedied by other credits, which may or may not be only from removals?

When relying on a buffer pool, such as one established by a central registry, Microsoft strongly prefers a reversal remedy arrangement that matches the activity carried out. For example, if a project produces removals, any reversal should be compensated from a buffer pool that is also constituted by removals. If project- or registry-level buffer pools do not differentiate between avoidance and removals, an alternative reimbursement mechanism should be identified (for example, an insurance policy with removals).

Technology needs

84. What do you mean by “technology needs”?

Microsoft would like to understand how the Microsoft technology suite might help accelerate or expand the impact of your work. This is **not** a factor in our procurement decisions, but rather a mechanism to determine whether there is an additional basis for partnership beyond procurement of credits.

Thank you for your interest in the Microsoft Carbon Dioxide Removal Procurement Cycle. If you have any further questions, please email mscdr@microsoft.com.