Microsoft Canada

Economic and Social Impact Report

2025

EY
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Microsoft in Canada: By the Numbers

Up to $40 billion

Annual productivity benefits from Microsoft's cloud and AI services gained by Canadian businesses[1]

DIGITAL and Microsoft collaborations are investing

$167 million

in Canadian Innovation

Microsoft contributed to 29 projects via grants, in-kind support, and expertise[2]

$828 million

invested in Quebec to expand Microsoft's hyperscale cloud computing and AI infrastructure[3]

$219+ million

Donations in cash, employee giving, cloud, and discounted technology services to Canadian non-profits and charities in 2024[4]

Microsoft

Over 5,300

Microsoft employees across Canada[6]

Partner ecosystem

17,400+

Microsoft partners in Canada[7]

$33-41 billion

in partner revenue generated annually[8]

Cloud ecosystem

$39 billion

Revenues driven by Microsoft cloud customers in Canada annually[9]

Economic contributions

$60 billion in GDP

generated or sustained by the Microsoft ecosystem annually[10]

426,000 FTE jobs

supported by the Microsoft ecosystem in Canada[11]

Up to 93% more energy-efficient and up to 98% lower carbon emissions

Microsoft cloud compared to traditional enterprise data centres, globally[12]

5.7M

engaged learners with essential digital and AI skills through skilling initiatives since July 2024

26,000+

organizations in Canada participated in Microsoft for Non-profits programs in 2024.[14] Copilot boosts employee efficiency in non-profits between 10% to 25%[15]

870,000+

Canadian learners equipped with practical, hands-on AI skills via LinkedIn Learning Pathways to boost career growth in 2024[16]

Note: Figures are presented in Canadian dollars. Jobs are expressed as FTE employment. Annual productivity benefits consider benefits from Microsoft Copilot, Teams and Azure AI. Note that the estimated partner revenues are attributed to all Microsoft's software products and services; whereas the estimated cloud ecosystem revenues are attributed to the implementation of cloud solutions only. Methodology is provided in the Appendix.

Sources: [1] Forrester Research, Statistics Canada, and EY Analysis; [2] DIGITAL, [3,4,5,6,7] Microsoft; [8,9] IDC and EY Analysis; [10,11] IDC, Statistics Canada, and EY analysis; [12] Microsoft and WSP; [13,14,15,16] Microsoft.

Microsoft's Footprint in Canada

In 40 years of operation in Canada, Microsoft has played a pivotal role in fuelling the prosperity of Canada's digital economy.

Over 5,300 Microsoft employees
across Canada

$828 million
invested in Quebec to expand Microsoft's hyperscale cloud computing and AI infrastructure

11 offices and 2 Azure Datacentre Regions
across Canada

Microsoft's 11 offices are dedicated to empowering people and organizations through technology.

- In 2016, Microsoft was the first hyperscale cloud provider to open two **Azure Datacentre Regions** in Canada (Toronto and Quebec City).
- **Microsoft Vancouver** is Microsoft's Canadian research and development centre, with 2,700 employees working across core development organizations, including Microsoft Research, Azure, Security, and Gaming—building nearly two dozen products such as Teams, Copilot, Defender, and more.
- Microsoft has invested over **$828 million** between FY 2020 and FY 2024 to expand its hyperscale cloud computing and AI infrastructure in Quebec.
- The **Microsoft Reactor** is a dedicated space bringing together founders, developers, and business leaders for high-quality technical, business, and community events.
- In 2022, Microsoft launched the **Innovation Hub in Toronto**, a state-of-the-art facility that empowers customers and partners to unlock innovation projects. Each year, thousands of customers visit the hub to envision the art of the possible.
- Since 2019, Microsoft has provided over **$1 million in Azure credits** to support Quebec startups at LE CAMP.
- Microsoft is a strong proponent of the **Cascadia Innovation Corridor**, a partnership connecting the technology ecosystems of Vancouver (BC), Seattle, and Portland to boost innovation.
- Microsoft's $68.7 billion Activision Blizzard acquisition made it the **world's third-largest gaming company**, expanding its Canadian gaming studios footprint with Beenox (Quebec City & Montreal), The Coalition (Vancouver), and Compulsion Games (Montreal).

Microsoft locations in Canada

Microsoft offices: Toronto (Canadian headquarters), Vancouver (4), Montreal (2), Calgary, Edmonton, Quebec City, and Ottawa

Azure Datacentre Regions:
Toronto and Quebec

Research & Development:
Microsoft Vancouver, Microsoft Research Lab (Montreal)

Microsoft Innovation Hub:
Toronto

Microsoft Reactor:
Toronto

Gaming Studios:
Vancouver, Montreal, Quebec City

*Microsoft Vancouver consists of 4 individual offices;
**Microsoft Montreal consists of 2 individual offices.

Note: Figures are presented in Canadian dollars unless noted otherwise
Source: Microsoft, The Coalition Studio, Compulsion Games, Beenox

Transformative Partnership

The Microsoft partner ecosystem continues to be at the centre of how Microsoft delivers technology, services, and cloud-to-edge solutions that enable business transformation for customers across Canada.

Microsoft functions as a partner-driven organization, with partners playing a key role in its heritage and future. Their contributions support transformation and customer success globally. The company has the largest partner ecosystem in the industry, comprising 500,000 partners worldwide and over 17,400 in Canada. According to the International Data Corporation (IDC), for every $1 of Microsoft revenue, services partners earn $8.45, and software partners earn $10.93, underscoring the considerable opportunities available.[1]

Microsoft AI Cloud Partner Program (MAICPP) has been developed to equip partners with essential tools and resources to succeed in a fast-evolving market and help achieve positive results for customers across various industries.[2]

Microsoft partners, such as entrepreneurs, non-profits, startups, and tech firms, develop cutting-edge solutions for Canadian businesses, driving digital transformation in workplaces and empowering organizations across the country to reach their full potential.

Partner ecosystem

17,400+

Microsoft partners from coast to coast[3]

$33-41 billion

generated in revenue annually[4]

Cloud ecosystem

$39 billion

of economic activity driven by Microsoft cloud customers in Canada annually[5]

Economic contributions

426,000 FTE

jobs supported by the Microsoft ecosystem[6]

$60 billion in GDP

generated or sustained by the Microsoft ecosystem annually[7]

Notes: Figures are presented in Canadian dollars. Note that the estimated partner revenues are attributed to all Microsoft's software products and services; whereas the estimated cloud ecosystem revenues are attributed to the implementation of cloud solutions only. Economic contribution results include a total of direct, indirect, and induced contributions. Methodology is provided in the Appendix.
Sources: [2,3]Microsoft; [1,4,5] IDC and EY analysis; [6,7] IDC, Statistics Canada, and EY analysis; [8] Microsoft.

Softchoice
a World Wide Technology co.

Building the transformation roadmap

Softchoice, a World Wide Technology company, together with Microsoft, leveraged Copilot to build transformation roadmaps that help accelerate their digital journeys and maximize productivity through AI-driven solutions. As a result, Softchoice achieved significant reductions in time spent on key productivity tasks—including creating customer-facing content (62%-67% reduction), internal training models (70% reduction), and technical meeting summaries (97% reduction).

EY

Empowering Canada's energy sector

EY Canada and Microsoft delivered tailored Azure and Power BI solutions to energy sector clients, enabling real-time operational insights and accelerating ESG reporting. These solutions supported decarbonization strategies and helped clients reduce operational inefficiencies while improving regulatory compliance.

EY

Unlocking the AI Opportunity in Canada

Recent years have highlighted the advancements in generative AI, showcasing its potential to unlock new opportunities, drive economic growth, and address critical societal challenges in Canada. The rapid pace of innovation presents a unique moment to harness AI for sustainable, inclusive progress.

AI is a catalyst for economic transformation

AI is rapidly transforming the economy—creating new industries, boosting productivity, and redefining work—much like past breakthroughs that only reached full impact through widespread adoption. AI's success will depend on how effectively businesses and industries integrate it into their operations.

Economists classify technologies as single-purpose or general-purpose technologies (GPTs). Single-purpose tools excel at specific tasks, while GPTs, like electricity and personal computers, have broad applications across sectors. AI is poised to be recognized as the next great GPT.

The development of a competitive AI economy is crucial, with Microsoft supporting this ecosystem across key layers:

I. **Infrastructure:** Hyperscale cloud data centers and advanced chips enable AI innovations.
II. **Platforms:** Scalable models and data integration empower transformative applications.
III. **Applications:** AI tools are reshaping processes and boosting productivity.

Technology has fundamentally transformed economies by changing the nature of work, improving efficiency, and driving innovation. EY notes three key lessons: [1]

I. **Boost in productivity**: Generative AI systems may increase productivity growth rates by 20 to 50% in the coming decade.
II. **Evolving skill requirements**: As tasks get automated, skill requirements and job demand are expected to change.
III. **Speed of diffusion:** The speed of technological diffusion and adoption is expected to vary across different areas of the economy.

According to an Accenture report commissioned by Microsoft Canada, generative AI could contribute $187 billion annually to the Canadian economy by 2030 and save workers 125 hours per year, making AI a major driver of national economic growth.[2]

AI at Microsoft

Microsoft is embedding AI across its products and services to enhance efficiency, spark creativity, and drive innovation. AI is transforming sectors like healthcare, finance, manufacturing, and education.

Building on decades of AI advancements and investments, Microsoft's Copilots enhance intelligence, insights, and value. Acting as AI-powered assistants, they boost productivity, streamline work, and foster creativity—helping customers drive innovation and contribute to economic growth.[3]

To ensure AI's benefits are widely accessible, Microsoft is focused on:

- Democratizing AI access through platforms like Copilot, Azure AI, and industry-specific AI solutions.
- Partnering with governments and businesses to promote responsible AI adoption.
- Investing in AI skilling initiatives to prepare the workforce for the jobs AI will create.

Expanding and increasing AI adoption

To ensure AI drives inclusive and sustainable growth, investments should focus on three core areas:

- **Infrastructure & Accessibility:** Enhancing cloud and AI capabilities across Canada to support businesses, governments, and startups, ensuring equitable access to AI technologies.
- **Workforce Readiness:** As AI adoption reshapes job roles, it is crucial to equip Canadians with AI-driven learning programs that prepare them for the evolving job market.
- **Responsible AI & Governance:** Collaboration among industry, government, and public stakeholders is essential to establish transparent AI policies that prioritize fairness, security, and ethical use, while addressing emerging concerns about national sovereignty in AI technologies.

Microsoft's AI vision

Microsoft believes AI is the defining technology of our time, fundamentally transforming how we live and support progress globally. The company is making long-term investments in AI, driven by optimism about its potential to benefit people, industries, and society.

Through cutting-edge advancements from Microsoft Research and platform innovations with Azure, Microsoft is committed to bringing technology and people together to realize the promises of AI responsibly. This commitment is evident in the widespread adoption of Microsoft AI solutions, with over 85% of Fortune 500 companies utilizing these technologies to enhance their operations and drive innovation.

Sources: [1] EY-Parthenon; [2] Accenture, Canada's Generative AI Opportunity 2024; [3] Microsoft

Accelerating Canada's AI Economy

From providing productivity software, AI and hyperscale public cloud solutions, to supporting the startup ecosystem and accelerating Canadian innovation, Microsoft plays an integral role in Canada's AI economy.

Positioning Canada as a global AI leader

Canada has long been recognized as a hub for AI research and innovation. Advancing prosperity in the age of AI requires a focus on AI adoption, workforce readiness, and ecosystem collaboration.

Microsoft is actively driving Canada's AI economy by:

- Accelerating AI innovation through partnerships that bridge research and industry.
- Empowering businesses to innovate and compete globally with AI and cloud solutions.

Quantum Collaboration – In November 2023, Microsoft announced a strategic co-innovation collaboration with Photonic, a Canadian quantum computing company, to advance quantum networking. This collaboration combines Photonic's spin-photon architecture with Azure's infrastructure, enabling reliable long-distance quantum communication and accelerating research within the Azure Quantum ecosystem.

Partnering to build a robust AI ecosystem

A strong AI economy is built on collaboration. Microsoft is a founding member of DIGITAL Canada's Global Innovation Cluster for digital technologies, a leading AI and technology accelerator. Established in 2018, DIGITAL is an independent, not-for-profit organization created to accelerate R&D investment, technology adoption, and the re-skilling of Canadian talent through a collaborative, industry-led model. For every $1.00 from DIGITAL, private industry, including Microsoft, and other partners have invested $1.80 to accelerate Canadian innovation.

DIGITAL seeks to fast-track the advancement of Canadian technologies through a unique combination of co-investment, cross-industry collaboration, IP creation, and digital talent development. Microsoft is a founding member, sponsor, and has been an active partner in 29 of DIGITAL's past and current projects.

DIGITAL and Microsoft collaborations are investing **$167 million in Canadian innovation**

Microsoft contributed to **29** projects[2]

Microsoft-supported DIGITAL projects include a select range of initiatives such as[2]

Compass – a platform offering a real-time approach to align the needs of individuals, service providers, and policy-makers in the social services sector. The platform leverages AI and machine learning models to streamline the experience of help seekers, service providers, and decision-makers.

$6.6M impact on the Canadian GDP[5]

Earth X-ray for Low-Impact Mining – a platform that is helping mining and exploration companies target, map, characterize, and monitor subsurface deposits and structural features, changing the economics of mining operations and increasing the sustainability of critical mineral resources production.

$18.4M impact on the Canadian GDP[5]

Mining Microbiome Analytics Platform – now a new Canadian company called nPhyla, the original platform accelerated microbial solutions for mining through high-resolution genomics analysis, a shared data library and secure collaboration tools. nPhyla is now building upon the platform's success to advance AI-enabled DNA technology in the resource extraction industry.

$13.3M impact on the Canadian GDP[5]

Notes: Figures are presented in Canadian dollars.
Sources: [1] Microsoft; [2] DIGITAL; [3,4] Microsoft, [5] EY analysis.

Helping Canadians and Businesses Embrace AI in the Workplace

Innovations in technologies supporting modern workplaces are transforming, enhancing, and empowering them for increased productivity and efficiency. Microsoft is augmenting its portfolio of applications with AI-enabled tools to maximize these benefits.

Microsoft continues to support Canadian workplaces as they maintain and transition to hybrid work best practices

Accelerated by the adaptability demonstrated during the global pandemic, hybrid work has evolved from an emerging trend to the new standard, fundamentally reshaping work dynamics and enhancing productivity.

Embracing the benefits of both remote and office-based work, hybrid workplaces are expected to remain a trait of modern work environments. Moreover, the integration of AI is playing a critical role in sustaining this hybrid model.

According to the 2024 Work Trend Index, 78% of Canadian AI users are now bringing their own AI tools into their day-to-day work, emphasizing AI's importance in streamlining workflows, enhancing communication, and fostering collaboration.[2] These AI-driven tools enable organizations to maintain high productivity levels while balancing flexibility with accountability. In this hybrid era, the strategic implementation of AI is not just advantageous but essential for Canadian organizations striving to thrive.

What's new in modern work?

Microsoft has transformed Microsoft 365 into an AI-first platform that enables individuals to amplify their creativity, with both established applications like Office and Teams, as well as new apps like Designer and Loop.

Microsoft recently introduced Microsoft 365 Copilot, a new service that combines the power of large language models (LLMs) with business data in Microsoft 365 applications to enhance productivity. Microsoft 365 Copilot is rapidly becoming a daily tool for organizations, with nearly 70% of Fortune 500 companies adopting it, demonstrating the transformative impact of AI in the workplace.

Azure AI enhances these capabilities by providing robust machine learning and analytics tools that empower organizations to leverage their data for deeper insights and more informed decision-making.

Microsoft Teams also continues to gain momentum, advancing collaboration with AI-powered features such as Teams Premium's intelligent meeting recaps to meet enterprise demand.

Empowering teams with the use of AI

The integration of these workplace tools significantly enhances productivity and collaboration in the workplace.

By promoting seamless collaboration, Teams enables diverse teams to work together more efficiently, fostering creativity and innovation across projects.

Copilot enhances this collaborative environment by providing intelligent assistance that not only streamlines individual workflows but also encourages collective productivity.

Azure AI empowers organizations with advanced analytics and insights, enabling data-driven decision-making that enhances responsiveness to market dynamics.

Up to $40 billion

Annual productivity benefits gained by Canadian businesses using Microsoft Copilot, Teams and Azure AI[1]

Time savings

- Collaboration
- More efficient meetings
- Generating content summaries
- Drafting documents and emails
- Manual work automation

Productivity gains

- Optimized work environment
- Increased time for learning
- Increased creativity
- Work output increases
- Better operation efficiencies

AI-powered productivity[2]

As the use of generative AI at work accelerates, the real opportunity is to not only transform personal productivity but lift the capability of the entire organization.

56%
less time required by software coders to complete tasks using generative AI

14%
of creatives were already using generative AI in their work by 2022

37%
less time required to conduct writing tasks, and with improved quality

Notes: Productivity benefit estimate is presented in Canadian dollars. Methodology is provided in the Appendix.
Sources: [1] Forrester Research, Statistics Canada, and EY Analysis; [2] Microsoft.

Helping Canadians Gain AI and Digital Skills for Career and Business Advancement

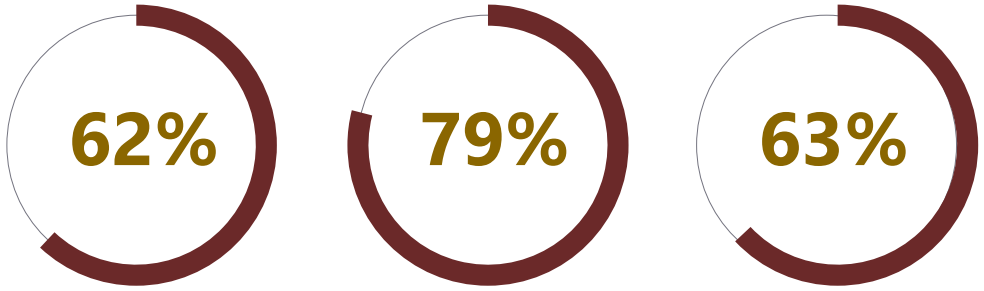
The opportunity of AI is here and can be unlocked for every learner — at every career stage, in every role, and in every country. Microsoft expands opportunities to people in Canada by empowering learners to build digital and AI skills. Providing access to AI skills at scale gives partners, people, and organizations the tools to learn how to work better in an AI-powered world.

Skilling for an AI-enabled economy

AI-powered tools are poised to revolutionize the workplace, transform the entire knowledge economy by alleviating repetitive tasks, increase productivity, stimulate creativity, and enhance overall job satisfaction. Building a talent pipeline equipped with digital and AI skills is key to reaping these benefits and strengthening Canada's economic competitiveness.

To empower Canadians to thrive in an AI-enabled economy, Microsoft helps people build digital skills for jobs, increases access to computer science education, and addresses key skills gaps through numerous programs and initiatives.

Digital skills are highly in-demand[1]



Percentage of Canadian knowledge workers who use generative AI at work

Percentage of Canadian AI users are bringing their own AI to work (BYOAI).

Percentage of Canadian leaders that are more likely to hire a less experienced candidate with AI skill over a more experience candidate without them

Microsoft's academic partnerships

Microsoft's partnerships with post-secondary institutions drive the cybersecurity curriculum and help address skills gaps across Canada. Microsoft's commitments include providing tools and supports to students and faculty at Laval University, including introducing the Microsoft Chair in Cybersecurity.

Supporting students' job search at the University of Waterloo

The University of Waterloo has introduced JADA (Job Aggregator Digital Assistant), an AI-powered tool developed in collaboration with Microsoft and powered by Azure OpenAI Service, to assist co-op students in their job search.

The tool simplifies the job search process by consolidating potential co-op job listings from various sources, allowing students to focus more on securing opportunities rather than navigating multiple job boards.

It also utilizes AI to determine potential fit between a student's resume and a job listing, helping students target their applications. With JADA, students have access to real-time support for common inquiries, helping them adapt and succeed in an evolving job market.

Beyond this tool, the University of Waterloo is integrating AI into broader educational strategies, including an AI-specific stream for the WE Accelerate Program, which gives first work term students skills training and relevant real-world project experience.

UNIVERSITY OF WATERLOO

Reimagining higher education

Seneca Polytechnic is utilizing Microsoft Azure OpenAI to develop an AI tutor that supports enhanced learning of course material and simulates personalized job interviews based on job postings.

Seneca POLYTECHNIC

Sources: [1] 2024 Work Trend Index; Microsoft.

EY

Training an AI-ready Workforce

AI offers tremendous potential to empower workers around the world—but only if everyone, everywhere has the skills to use it. To thrive in an AI-enabled economy, the workforce must be prepared and trained with the digital and AI skills required for the in-demand jobs of the future.

Unlock new opportunities with AI skills that are in demand now and in the future

In the new landscape of AI at work, opportunities are changing—and everyone can learn how to use AI to meet these opportunities. Nearly every role in the workforce can benefit from AI that enhances productivity and creativity. Microsoft AI Skills Navigator empowers individuals to learn how to unlock the power of AI in their work.

Microsoft learning pathways on LinkedIn

To help those in Canada and abroad learn more about AI, in June 2023, Microsoft launched the first online Professional Certificate on Generative AI in partnership with LinkedIn Learning and kicked off a global Generative AI Skills Grant Challenge with data.org.

870,000+ Number of learners skilled through Microsoft's free LinkedIn Learning pathways in 2024.

Microsoft Skilling Initiatives

14.1M Number of AI economy learners Microsoft has trained and certified in digital and AI skills globally as of June 2024.

In Canada, Microsoft has surfaced AI training resources to

8.7M people, helping to skill **5.7M** engaged learners

and training **546,970** individuals.

Fairness and inclusion

Microsoft is focused on fairness and inclusion, two key principles that help to form its commitment to responsible AI.

People need access to technology and digital skills to pursue the in-demand roles of today and tomorrow. Microsoft works to increase equitable access to broadband, technology, skills, and data to deliver more opportunities for all communities to thrive in an increasingly digital world.

Microsoft collaborates with researchers, civil society groups like the Canadian Civil Liberties Association, governments, and international agencies to inform efforts to align AI development and use with diverse community interests.

Sources: Microsoft.

Cultivating AI Skills for a Competitive Workforce (1/2)

Equipping Canadians with AI and digital skills is essential for building a competitive and future-ready economy. Microsoft is investing in workforce development and AI education to equip Canadians with the skills needed for a competitive, AI-driven economy.

Investment in workforce development projects

These investments support the strategic Skills for Jobs (2021-2024) partners in their mission to empower Canadians with digital skills and employment opportunities in the digital and AI-enabled economy. Microsoft has announced innovative workforce development projects across the country, that reached **more than 127,000 individuals**. Highlights of the program include:

127,444
Individuals Trained

13,909
Individuals Employed

16,774
Individuals Certified

Expanding access to digital skills and career opportunities

The Canadian Tech Talent Accelerator (CTTA) program was developed through a partnership with Microsoft, CIBC, DIGITAL, Canada's Global Innovation Cluster for Digital Technologies, and NPower Canada. Launched in January 2021, CTTA is a 15-week skills training and job placement program. Building on the success of the program, NPower Canada launched its first francophone program site for holistic IT skills training and workforce development in Montreal in 2022. This site offers exclusive training in French, serving Francophone job seekers within the Provinces of Québec and Nova Scotia.
In 2023, DIGITAL, CIBC, and Microsoft announced a **renewed $2 million investment** in the program. Since its launch, CTTA has successfully provided **9,250 diverse job seekers** across Canada with in-demand digital skills and job placement support in Data Analytics and Visualization, IT Service Management, Cybersecurity, and Artificial Intelligence. 84% of CTTA participants graduate from the program, with 83% obtaining employment or enrolling in higher education 6 months post-program. Supported by CIBC and DIGITAL, this programming aims to **skill and support an additional 1,300 unemployed or underemployed youth and adults** by 2026.

SkillingUp program

March of Dimes Canada's SkillingUp Program is a comprehensive, free digital skills training program. SkillingUp gives people with disabilities the skills and self-confidence to be successful in jobs that require AI and digital skills. A collaborative project between DIGITAL, Canada's Global Innovation Cluster for Digital Technologies, CIBC and Microsoft, together with these partners, over **1,800 individuals have engaged in training** to advance their employability opportunities in digitally-enabled careers.

Expanding AI literacy with Logics Academy

Logics Academy is deepening its collaboration with Microsoft to integrate generative AI learning into educational programs, **helping skill 100,000 teachers and students** since July 2024. Through platforms & tools like Minecraft AI Literacy worlds, students engage in interactive learning experiences that enhance creativity, problem-solving, and systems thinking. This initiative empowers educators to teach responsible AI usage through a variety of AI tools while equipping youth with future-ready digital skills essential for Canada's evolving workforce.

Sources: Microsoft.

Cultivating AI Skills for a Competitive Workforce (2/2)

Equipping Canadians with AI and digital skills is essential for building a competitive and future-ready economy. Microsoft is investing in workforce development and AI education to equip Canadians with the skills needed for a competitive, AI-driven economy.

The Operational Risk Skills Development Centre

Microsoft Canada launched the centre in partnership with KPMG Canada. The project aims to equip businesses and governments with the knowledge and tools to navigate the complexities of cybersecurity and generative AI effectively. The initiative offers free and practical training in cybersecurity and generative AI for business leaders and board members, representing an investment of **$1.7 million over three years** helping to skill **more than 33,000 learners** since launching fall of 2023. Skills training ensures the technology opportunities are understood by strategic stakeholders and business decision makers.

Cybersecurity training and work integrated learning program

The program, offered in partnership with Information and Communications Technology Council (ICTC), provides women and non-binary post-secondary students access to Microsoft cybersecurity training and certifications as well as experiential learning opportunities. Since launch, this program has **trained and placed 383 participants** into continued learning or work opportunities.

ICTC CTIC

Providing access to cybersecurity skills

Demand for cybersecurity skills grew by 19.1% over 2024 alone.[1] In response to the growing demand, Microsoft offers a multitude of courses on cybersecurity hosted on learning platforms such as Microsoft Learn, LinkedIn Learning, and Microsoft Cloud Academy.

An estimated **3.5 million cybersecurity jobs** are expected to go unfilled by 2025, leaving businesses, governments, and individuals around the world at risk from cybersecurity attacks. Furthermore, the opportunity for women to work in the field is huge—they make up **only 25% of the global cybersecurity workforce** and **only 4% of professionals in AI.**[2] Statistics like these are why Microsoft supports programs around the world aimed at training **women in tech**.

Sources: [1] ISC2; [2] OECD; Microsoft.

Empowering Communities (1/2)

Microsoft is committed to working across sectors with other businesses, governments, non-profits, and change makers to foster partnerships and implement AI-enabled solutions that empower Canadian lives.

The past few years have highlighted the role technology can play to help address societal challenges around the world and the essential role of non-profits. Microsoft recognizes the importance of strong and durable partnerships between the private sector, government, and non-profits to address these issues in sustainable and scalable ways. Whether it was building capacity for them to further their mission, or skilling millions of people around the world, Microsoft's best work is done when it partners with organizations that are closest to the people and communities they serve.

AI's far-reaching capabilities and applications give it the potential to wield significant social impact. By intelligently processing vast amounts of data, the technology can distill insights that address diverse community needs to enhance service delivery, decision-making, and overall living standards.

Improving service delivery for Canadians

By embedding digital solutions into the core of services, Canadian cities are unlocking creative new ways to deliver personalized services that meet the evolving demands and needs of citizens in real time.

- **Revolutionizing delivery of citizen services** | City of Laval

  The City deployed AI to hasten citizen-agent communication and manage 250,000+ annual non-emergency requests. By automating data entry, the new virtual agent reduced wait times and improved user experience, enabling city staff to tackle complex queries more efficiently.

Improving healthcare for Canadians

By integrating artificial intelligence into healthcare systems, Hero AI is revolutionizing the way patient care is delivered, creating innovative solutions that enhance efficiency and responsiveness.

- Hero AI is a healthcare technology company founded by Dr. Devin Singh and his team in 2020. They use artificial intelligence to improve patient care by making healthcare processes faster and more efficient. Their platform helps doctors make better decisions and reduces wait times for patients.
- Hero AI works with Microsoft, using its Azure platform to ensure their technology is secure and can grow as needed. This partnership allows Hero AI to access advanced tools that help them innovate and provide better healthcare solutions. Overall, their goal is to enhance the quality of care for patients while supporting healthcare professionals.

9,200+

total volunteering hours in 2024 by Microsoft employees in Canada.

26,000+

organizations in Canada participate in Microsoft for Non-profits programs in 2024

Source: Microsoft.

Empowering Communities (2/2)

Microsoft is committed to working across sectors with other businesses, governments, non-profits, and change makers to foster partnerships and implement AI-enabled solutions that empower Canadian lives.

Microsoft's commitment to Canada's election security

Microsoft is committed to helping protect Canadian voters and election integrity by offering advanced cybersecurity tools, proactive threat intelligence, and training programs, such as:

- Microsoft's Threat Assessment Centre (MTAC) analyzes global election threats, equipping Canadian leaders with vital threat intelligence and offering specialized solutions like AccountGuard and Microsoft 365 for Campaigns to safeguard political campaigns
- The Elections Communications Hub, Prompt Shield technology, and educational initiatives reinforce Microsoft's commitment to enhancing election security through innovation, training, and partnerships.

Empowering Indigenous communities through language technology

Microsoft's partnership with the Government of Nunavut has delivered breakthrough language technology with the release of text-to-speech in Inuktitut and the Inuktitut - Naqittaut keyboard in Windows. These digital tools create immediate benefits:

- Enhanced government services accessibility
- Expanded digital inclusion for Inuktitut speakers
- Support for cultural preservation and identity
- New economic and educational opportunities

This ongoing collaboration across Inuktitut and Inuinnaqtun languages demonstrates how technology can simultaneously preserve cultural heritage while creating pathways to greater participation for Indigenous communities across Canada's North.

We must work to ensure that AI technology is understood and that everyone can access its benefits.

Teresa Hutson,
Technology for Fundamental Rights Officer

$219+ million

Donations in grants, employee giving, cloud, and discounted technology services to Canadian non-profits and charities in 2024.

Corporate Changemaker of the Year 2023

Presented by March of Dimes Canada to Microsoft Canada, this award celebrates Microsoft's commitment to leadership in advancing equity and inclusion for people with disabilities across the country.

Note: Figures are presented in Canadian dollars unless noted otherwise.
Source: Microsoft.

Supporting Indigenous Communities

Microsoft's initiatives demonstrate its commitment to supporting Indigenous communities through partnerships, training, funding, and technological innovation. These efforts aim to empower these communities while addressing environmental challenges, showcasing the company's dedication to social responsibility and sustainable development.

Empowering First Nations communities

Microsoft's ongoing collaboration with the First Nations Technology Council (FNTC) is empowering Indigenous communities by providing essential skills development and improving access to digital tools, supporting the Council's mission to enable digital equity and transformation.

- Since 2021, Microsoft Vancouver has partnered with the Technology Council to advance reconciliation within our organization and move beyond simply including First Nations peoples and staff. Through this work, Microsoft reviewed internal practices and developed a plan that supports organizational change while tracking efforts toward meaningful systems transformation.
- This year, Microsoft initiated funding for a new Technology Council project that will enable First Nations communities across British Columbia and Canada to explore and adopt AI technologies.
- The funding will support vital research to inform AI adoption tools, including a Digital Readiness Compass and a toolkit featuring best practices for AI use and prompt creation—aligned with Nation-building goals.

Strengthening Indigenous economic growth

- IndigenomicsAI is leading-edge Indigenous economic intelligence platform designed to develop insights into the growth, design and outcomes of the Indigenous economy.
- Grounded in Indigenous knowledge systems, it leverages artificial intelligence to enhance Indigenous business visibility, align access to capital, and support data-informed decision-making.
- Microsoft has joined the Indigenomics Institute as a contributing collaborator to IndigenomicsAI and was a Gold Sponsor for the inaugural conference in Toronto, which highlighted the potential of the billion-dollar Indigenous economy in Canada.
- The event featured a knowledge-sharing panel, skilling workshops, and a reconciliation workshop aimed at telling the story of Indigenous economic value creation. Additionally, Microsoft provided funding to support the initiatives of IndigenomicsAI.

Unlocking potential

Career education summit for Indigenous youth:

- Developed by Sun Life through its sponsorship with Outside Looking In (OLI), this career education summit engaged 18 Indigenous youth from communities across Canada.
- Participants took part in seminars, hands-on learning, post-secondary discovery, and received mentorship from industry leaders at Microsoft and other technology companies.

Actua's National Indigenous Youth in STEM program

Microsoft is proud to support Actua, Canada's leading organization unlocking the infinite potential of youth through STEM. Actua's National Indigenous Youth in STEM (InSTEM) Program helps skill 40,000 First Nations, Inuit and Métis youth annually, across 200 Indigenous communities. Microsoft and Actua are working together to integrate generative AI skills foundations across Actua's national teacher training programs reaching equity-deserving youth through the AI Ready Generation campaign.

Fueling Canada's Progress Through Hyperscale Cloud (1/2)

The convergence of innovations in infrastructure, machine learning acceleration software, platform service, and modeling powered by cloud technology has created the perfect conditions to accelerate innovation and enable every organization in Canada to become an AI organization.

Hyperscale cloud infrastructure is critical for AI success

Microsoft is committed to fueling Canada's innovation economy by providing trusted cloud and AI solutions. The company actively invests in Canadian businesses and communities, reinforcing its dedication to supporting local innovation and ensuring that organizations have access to secure and reliable technology.

Harnessing hyperscale cloud technology is not just beneficial but imperative for Canada's prosperity and keeping pace with rapid AI innovation. With its vast computational resources, hyperscale cloud platforms empower a spectrum of stakeholders—be it researchers, businesses, or innovators—to efficiently develop, deploy, and scale AI solutions.

Beyond driving economic growth, embracing hyperscale cloud services is crucial for empowering digital transformation across key sectors such as healthcare, finance, technology, and government. Hyperscale infrastructure not only facilitates the development of new AI models but also enables organizations to streamline operations and enhance public service delivery. The adoption of hyperscale cloud is essential for organizations to fully realize their digital transformation goals, positioning Canada as a leader in the rapidly evolving landscape of technological innovation.

Microsoft's commitment to security, privacy, and sustainability is at the core of its cloud offerings, striving to provide the most secure and compliant cloud platform, ensuring data privacy and following Microsoft's responsible AI standards to build applications responsibly. Microsoft Azure's extensive global infrastructure and adaptive approach empower customers to select tailored solutions that support diverse applications and foster local innovation.

Impact of cloud-enabled AI solutions in Canada

Supporting digital evolution | CIBC

- CIBC's digital transformation, fuelled by Microsoft Azure, enhanced its systems' efficiencies and resilience. It also enabled innovations in digital banking and global remittances, which boosted client services.
- This shift supports CIBC as a relationship-oriented bank for a modern world that's focused on making its clients' ambitions a reality.

Transforming medical imaging | IllumiSonics

- IllumiSonics and the University of Waterloo are leveraging Microsoft Azure to advance their Photoacoustic Remote Sensing (PARS) system, a contactless ultrasound and optical absorption system.
- Azure's data management, AI features, and its flexible and secure structure are pivotal in IllumiSonics' transition towards a subscription-based PARS service model, hinting at a transformative impact on the medical imaging sector.

Strategic partnership | WSP

- In February 2025, WSP and Microsoft announced a multi-year global strategic partnership aimed at accelerating the digitalization of the Architecture, Engineering, and Construction (AEC) industry.
- This seven-year collaboration involves a potential combined financial commitment and investment exceeding $1 billion, including WSP designating Microsoft as a preferred partner for digital and AI transformation services, including the global expansion of Microsoft 365 Copilot.

Streamlining operations and reducing costs | Manulife

- Through a digital transformation using Microsoft Azure, Manulife streamlined its global operations and reduced development times by 30% and costs by 50% using Azure Kubernetes Service.
- Through Azure AI and Machine Learning, Manulife bolstered fraud detection and improved customer experience across 14 countries via insightful data from Azure Synapse Analytics.

Unlocking new possibilities | Telus

- TELUS launched its new cutting-edge GenAI customer support tool powered by Fuel IX and Microsoft Azure OpenAI Service, designed to deliver faster, more personalized customer interactions.
- By integrating advanced AI capabilities, TELUS aims to streamline customer support processes, reduce response times, and improve overall service efficiency, elevating the standard of customer care.

Source: Microsoft.

Fueling Canada's Progress Through Hyperscale Cloud (2/2)

The convergence of innovations in infrastructure, machine learning acceleration software, platform service, and modeling powered by cloud technology has created the perfect conditions to accelerate innovation and enable every organization in Canada to become an AI organization.

Leveraging the power of cloud

Microsoft Azure, Microsoft's cloud platform, empowers thousands of organizations to realize savings, reduce carbon footprint, and accelerate innovation.

Canada has earned recognition as an international leader in privacy and security, and we continue to have an important role to play in fostering global collaboration. Fundamentally, hyperscale cloud is a cornerstone for Canada's prosperity, and it's important that we recognize it as such and work together as a community to safeguard it.

John Weigelt
National Technology Officer, Microsoft Canada

Impact of cloud-enabled AI solutions in Canada

Programming assistance | TD Bank Group

- TD Bank launched a pilot program for GitHub, an AI programming assistant from Microsoft, to enhance coding efficiency for engineers.
- This tool provides real-time code analysis and suggestions, enabling engineers to focus on more complex tasks.
- During the implementation, engineers reported that 50% believed the AI could save them up to 20 hours in a two-week sprint.

Enhancing customer experience | Canadian Tire

- Canadian Tire launched an AI shopping assistant, CeeTee, in collaboration with Microsoft to assist customers in selecting tires.
- Engaging users in a conversational format, there have been more than 35,040 users who have interacted with the AI tool since its launch, with a total of 294 users making a purchase.
- This initiative is part of a broader strategy, which encompasses the development of other AI tools and employee training.

Reimagining citizen services | City of Kelowna

- The City of Kelowna is leveraging AI to provide better customer service and better information for its customers to help them in the permitting process.
- The new interface is designed to be not only faster and more user-friendly but also more accurate, thereby reducing the administrative burden on both citizens and government staff.

Physician well-being | The Ottawa Hospital

- In collaboration with Microsoft, TOH developed DAX Copilot, designed to enhance patient care and reduce physician burnout.
- The AI generates notes during patient appointments by recording conversations and converting them for physicians to review.
- This aims to alleviate approximately 10 hours of administrative work per week, enabling doctors to focus on patient care.

Source: Microsoft.

Earn Trust: Microsoft's Global Impact on Cybersecurity (1/2)

By utilizing advanced cloud technology, a Zero Trust approach to cybersecurity, and a network of cybersecurity experts, Microsoft is at the forefront of helping businesses and governments defend against cyber threats.

Cybercrime is projected to be a $16+ trillion economy by 2031[1]

The past year has witnessed a surge in cyber threats, necessitating advanced cybersecurity measures, and AI is at the forefront of this transformation. It demands extensive and diverse data for proactive threat detection and defence. As threat actors continually adapt and find new ways to create havoc, Microsoft is one of the few companies with a broad array of experts solely dedicated to cybercrime disruption, including security teams, engineers, researchers, geopolitical analysts, and frontline responders - all leveraging the power of AI. Together, they form the backbone of Microsoft's commitment to global cybersecurity. Microsoft regularly shares its insights through Microsoft Digital Defense Report 2024 (MDDR) | Microsoft Security Insider and Microsoft Threat Intelligence Cyber Signals.

Building public-private partnerships in Canada and abroad

Working together with industry, academia, civil society, and government is paramount and Microsoft is committed to fostering public-private collaboration and bringing technological and regulatory tools to combat cyber aggression both in Canada and abroad.

The Government of Canada is a longstanding member of the Microsoft Government Security Program (GSP), a unique global initiative that aims to build trust through transparency. Participation enables controlled access to source code for review and a robust mechanism for information sharing related to vulnerabilities, threats, and criminal activity.

The GSP facilitates Microsoft's partnership with the Communications Security Establishment (CSE) and the Canadian Centre for Cybersecurity (CCCS) to bi-directionally exchange advanced information on emerging threats and cyber defence techniques. Microsoft also provides cybercrime-related criminal referrals to the Royal Canadian Mounted Police (RCMP) National Cybercrime Coordination Unit (NC3) and collaborates with Canadian law enforcement and their partners to disrupt fraud and cyber-related crimes wherever possible.

Global impact in 2024: Numbers speak volumes

Microsoft's investment of US$20 billion over five years to advance its security solutions was evident in its achievements in 2024:

Security signals processed by Microsoft globally

78 trillion signals
processed globally by Microsoft every day

176,000+
incidents involving tampering with security settings detected by Microsoft Defender XDR in May

7,000
password attacks blocked per second

1.2 million
distributed denial of service (DDoS) attacks mitigated between Jan & Jun

1,500+
unique threat actors tracked globally with Microsoft Threat Intelligence, including 600+ nation-state actors

Collaborated with
15,000
partners with specialized security expertise

Note: Figures are presented in Canadian dollars unless noted otherwise.
Source: [1]Cybersecurity Ventures, Microsoft's 2023 Impact Summary; Microsoft Digital Defense Report 2024

Earn Trust: Microsoft's Global Impact on Cybersecurity (2/2)

By utilizing advanced cloud technology, a Zero Trust approach to cybersecurity, and a network of cybersecurity experts, Microsoft is at the forefront of helping businesses and governments defend against cyber threats.

The rise of AI in cybersecurity

AI technologies are becoming a focal point for regulators and industries alike, and while attackers may exploit AI for malicious purposes, Microsoft's Security Copilot, utilizing generative AI, exemplifies the potential of AI in successful cyber defence.

Many governments, including Canada, are introducing new legal and regulatory requirements for cybersecurity. Recent examples in Canada include the Canadian Program for Cybersecurity Certification (CP-CSC) – Canada's counterpart to the Cybersecurity Maturity Model Certification (CMMC) in the United States. Microsoft believes in the need for close collaboration between the public and private sectors to create, enforce, and harmonize these requirements across geographies.

Detecting and blocking threat actors

Microsoft's analysis of the current use of Large Language Model (LLM) technology by threat actors suggests that while there is potential for attackers to leverage AI as a productivity tool, it appears that generative AI has not yet been widely adopted at scale in malicious activities. Four principles shape Microsoft's policy and actions to mitigate the risks associated with the use of their AI tools by threats tracked by Microsoft:

- Identification and action against malicious threat actors' use
- Notification to other AI service providers
- Collaboration with other stakeholders
- Transparency

Combating misinformation: A Canadian perspective

Microsoft is actively combating misinformation in Canada by analyzing emerging trends and sharing insights with local authorities. As disinformation campaigns become more sophisticated, the need for public awareness and resilience is critical. Collaborating with government and educational institutions, Microsoft promotes media literacy initiatives to empower Canadians to identify credible information. Additionally, Microsoft is developing technologies to detect manipulated content, ensuring a safer online environment and supporting informed decision-making across the nation.

We launched our Secure Future Initiative (SFI) with this responsibility in mind, bringing together every part of the company to advance cybersecurity protection across both new products and legacy infrastructure. Security is a team sport, and accelerating SFI isn't just job number one for our security teams — it's everyone's top priority and our customers' greatest need.

Satya Nadella,
Chairman & CEO, Microsoft

Note: Figures are presented in Canadian dollars unless noted otherwise.
Source: Microsoft's 2023 Impact Summary; Microsoft Digital Defense Report 2024

Using AI Responsibly

AI has the power to drive economic growth, enhance work experiences, and address societal challenges. However, innovation must be built on a foundation of trust, security, and responsible AI governance to ensure AI benefits everyone. Microsoft is committed to protecting customer data, privacy, and sovereignty while enabling organizations to innovate with confidence.

Building AI responsibly

As AI becomes an integral part of daily life, its development must follow a human-centric approach, prioritizing fairness, transparency, and safety. Microsoft's Responsible AI principles guide product design, ensuring AI systems elevate human ingenuity while incorporating safeguards such as privacy controls and ethical oversight. With Azure supporting more than 100 compliance standards, organizations can rely on the platform to uphold stringent regulatory requirements in Canada and worldwide.

Security and privacy

Microsoft implements a rigorous responsible AI program to ensure that the AI tools customers use have been subject to follow certified RAI processes. Microsoft is certified under international standards (ISO 42001) and provides customers with guidance and tools to build responsible AI solutions. The Responsible AI Dashboard and tools like Azure AI Studio support organizations in building AI models with greater transparency, accountability, and risk management.

Canadian organizations leveraging trusted cloud

Organizations across Canada are leveraging Microsoft's Trusted Cloud to deploy AI securely while ensuring compliance with local regulations:

- **Provincial Health Services Authority (PHSA):** Built the PANDA analytics platform on Azure, connecting healthcare data to improve clinical and operational decision-making in British Columbia.

Microsoft's Responsible AI Principles

Microsoft's Responsible AI Standards are a practical guide that memorialize a set of 'rules of the road' for its engineering teams so that upholding its AI principles is a practice embedded in all aspects of their work.

Fairness
AI systems should treat everyone fairly and avoid affecting similar situated groups of people in different ways.

Inclusiveness
AI systems should empower everyone, meaning they must incorporate and address a broad range of human needs and experiences.

Reliability & Safety
To build trust, it is critical that AI systems operate reliably, safely, and consistently under normal circumstances and in unexpected conditions.

Privacy & security
AI systems should be secure, respect privacy laws, and provide appropriate consumer controls.

Transparency
AI systems should be intelligible and explainable, so people can understand how they are used to inform decisions that impact their lives.

Accountability
People who design and deploy AI systems must be accountable for how their systems operate.

At Microsoft, our mission is to empower every person and every organization on the planet to achieve more. That means we make sure we're building technology by humans, for humans. We should really look at this technology as a tool to amplify human potential, not as a substitute.

Natasha Crampton,
Chief Responsible AI Officer, Microsoft

Source: Microsoft.

Committing to a Sustainable Future

Climate change is the defining issue of our time and addressing it requires swift, collective action and technological innovation. Microsoft is committed to meeting our own goals while enabling others to do the same. That means taking responsibility for our operational footprint and accelerating progress through technology.

Microsoft's global commitment to a sustainable future

Carbon negative

Reduce and remove carbon emissions and use renewable energy to reach carbon negative by 2030. By 2050, remove historical emissions since Microsoft was founded in 1975.

Protect ecosystems

Protect more land than Microsoft uses by 2025 and actively work to protect the environmental health of communities that host its data centre operations.

Zero waste

Across Microsoft's direct business by 2030.

Water positive

Replenish more water than what Microsoft uses by 2030.

Benefits of Microsoft cloud [1]
Relative to traditional data centres, globally.

93%
Microsoft cloud is up to 93% more energy-efficient

98%
This results in up to 98% reduction in carbon emissions

Closing the sustainability skills gap

Microsoft is conducting research and work to close the sustainability skills gap. Over 3,500 companies globally have issued climate pledges – however, many lack a workforce with the necessary skills to turn these pledges into progress.

Microsoft's latest report on the topic incorporates insights from over 250 employees across 15 companies at the forefront of sustainable innovation. It highlights the urgent need to develop a new level of sustainability skills and fluency – and how Microsoft aims to help support the transformation for both business leaders and government policy-makers.

Microsoft Cloud for Sustainability

Microsoft Cloud for Sustainability is a growing set of environmental, social, and governance (ESG) capabilities that empower organizations to accelerate sustainability progress and business growth. It includes Microsoft Sustainability Manager, now with Microsoft Copilot, which helps organizations in recording, reporting, and reducing their environmental impact.

In February 2024, Microsoft announced new data and AI solutions in Microsoft Cloud for Sustainability. These include faster ESG analytics and insights, integration of Microsoft Copilot to help accelerate impactful decision-making, and other advanced capabilities – all designed to help move organizations from pledges to progress.

Net Zero Challenge

The Government of Canada's Net Zero Challenge encourages businesses to develop and implement credible and effective plans to transition their facilities and operations to net-zero emissions by 2050.

The challenge encourages Canadian organizations to report and plan to improve their carbon impact and encourages sustainability through green procurement by the Government of Canada.

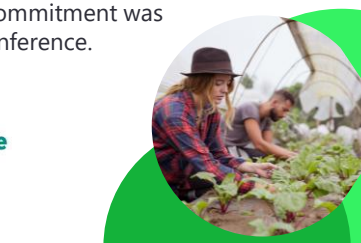
Furthering its progress towards sustainability, Microsoft Canada is proud to have officially committed to the Net Zero Challenge, remaining as the only hyperscale cloud provider to do so, having now achieved Gold tier. This commitment was announced at the 2023 GLOBExCHANGE conference.

Net-Zero Challenge Participant | Participant du Défi carboneutre

Sustainability Learning Centre

The Centre is a valuable resource that provides detailed information about environmental sustainability topics and technologies.

Within this Centre, Microsoft provides a variety of content, including videos of experts and industry leaders, in-depth research and analysis on sustainability-related subjects, skills-building materials in sustainable practices, and more. Accessible for individuals, students, or professionals, the Sustainability Learning Centre offers valuable insights and resources to promote a more sustainable future.



As a leading technology provider of sustainable solutions, Microsoft is supporting our customers and partners as they move toward a net zero, environmentally sustainable future.

Brad Smith,
President and Vice Chair, Microsoft

Note: Figures are presented in Canadian dollars unless noted otherwise.
Sources: [1] Microsoft and WSP; Microsoft.

Accelerating Sustainability in Canada with AI

Advancements in AI are opening pathways to improve solutions to environmental challenges. Through AI-led analyses, predictions and patterns on climate change can be foreseen, energy use can be optimized, and waste management enhanced - catalyzing the adoption of eco-friendly practices and facilitating progress towards net zero.

AI's game-changing abilities

On the journey to net zero, the world has faced many bottlenecks to progress. AI has three unique abilities that can help society overcome key bottlenecks to this progress. These include the ability to:

- **Measure, predict, and optimize complex systems**
  AI can enable people to discern patterns, predict outcomes, and optimize performance in systems that are too complex for traditional analytic methods.
- **Accelerate the development of sustainability solutions**
  AI can accelerate the discovery and development of sustainability solutions such as low-carbon materials, renewable energy production and storage, and climate-resilient crops.
- **Empower the sustainability workforce**
  AI can empower the sustainability workforce by enabling targeted training and assistance while amplifying the efforts of sustainability professionals.

AI with clean energy

Microsoft is committed to green software standards, tooling, and best practices as defined by the Green Software Foundation (GSF). It aids its partners in optimizing Azure workloads, enhancing cloud energy efficiency, and refining resource utilization.

In 2022, Microsoft Research and AzureML teamed up with researchers from institutions including the Allen Institute for Artificial Intelligence and Carnegie Mellon, to inform the development of sustainable AI. Together, they published a paper detailing the principles of carbon aware software and applied them to building carbon measurement baselines and reduction strategies for AI systems.

Customer success stories

Microsoft's AI solutions aim to help its customers to measure, understand, report, and improve their impact:

City of Kelowna: The city collaborated with Microsoft on a project to enhance its flood management capabilities using Microsoft Azure IoT Hub and Azure Stream Analytics. The project utilized both historic and real-time data to develop and test a predictive model. Once calibrated, the model provided the City with up to 12 days of lead time to flood occurrence and enabled it to get a head start on launching support measures.

Alberta Wildfire: In the face of Canada's worst wildfire season, Alberta Wildfire collaborated with Microsoft and AltaML to harness AI to make crucial decisions. Using Microsoft Azure Machine Learning, AltaML developed an AI tool analyzing extensive historical data, weather conditions, forest status, and carbon emissions. This AI-powered system was used to predict the likelihood of new fires, aiding strategic resource allocation.

Microsoft is collaborating with organizations across Canada to build a more sustainable future through AI

Stantec is utilizing Microsoft Azure to develop AI-powered tools for predicting and managing floods. By leveraging Azure's high-performance computing, Stantec is improving data handling automation, empowering timely emergency responses, and utilizing Azure Machine Learning and Azure Databricks to enhance the accuracy of flood predictions.

EY partnered with Microsoft to launch a Climate Stress Testing solution that helps organizations assess and manage climate-related risks. Powered by Microsoft Azure, the solution simulates climate scenarios, evaluates financial impacts, and enhances resilience. This collaboration supports businesses in navigating climate change complexities, meeting regulatory demands, and making informed decisions for a sustainable future.

Note: Figures are presented in Canadian dollars unless noted otherwise.
Source: Microsoft.

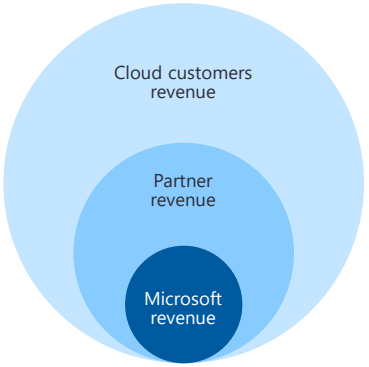
Appendix: Methodology

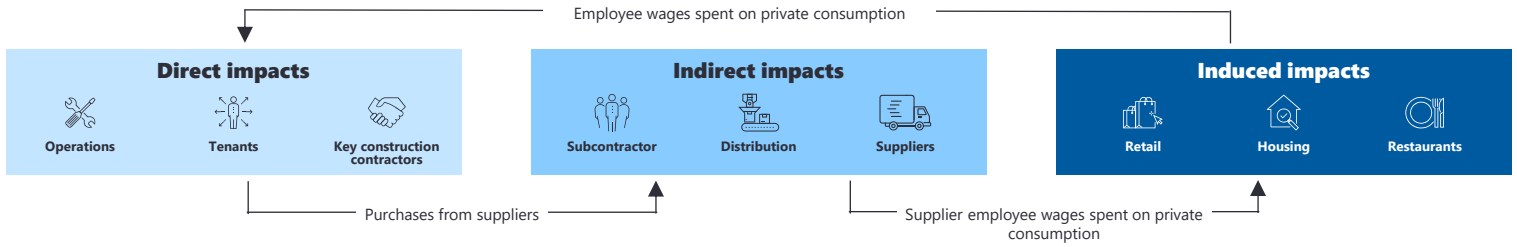
Economic Contributions of the Microsoft Partner Ecosystem and Cloud Customers

Annual economic contributions of the Microsoft Partner Ecosystem and Cloud-using customers were estimated based on the approach described in the following steps:

1. Annual Microsoft revenues in Canada were estimated based on the data from IDC Semi-annual Software Tracker and IDC Public Cloud Tracker. These revenues include all software and cloud products provided by Microsoft.
2. Microsoft Partner revenues and Cloud-using customer revenues were estimated based on the IDC Cloud Dividend methodology. The Cloud Dividend methodology states that X dollars are generated by the Partner Ecosystem and Y dollars are generated by Cloud-using customers for each dollar of Microsoft revenue.
3. An economic contributions assessment was conducted using inputs from Statistics Canada, revenues estimated in steps (1) and (2) above and EY's proprietary economic modelling tools, which are founded on the principles of the Input-Output (I-O) model.

- Economic contributions associated with Microsoft partner and cloud ecosystem, are captured through three distinct channels: direct, indirect, and induced contributions. More specifically, EY defines each of these contributions as follows:
  - Direct contributions include the economic contributions supported directly by the revenues of the Microsoft partner and cloud ecosystem;
  - Indirect contributions include the economic contributions from supporting industries supplying goods and services to the Microsoft partner and cloud ecosystem; and,
  - Induced contributions include the economic contributions that occur when benefited employees from the stimulated direct and indirect economic effects spend their additional wages and salaries on consumer goods and services. The induced activities are assumed to be primarily in service or consumer-related industries, such as retail, transportation, accommodation, food and beverage services, and banking and finance.
- Economic contribution indicators reported in this study are:
  - Gross Domestic Product (GDP): a measure of the value of all final goods and services produced in a region; and
  - Full-time-equivalent (FTE) jobs: total number of employee jobs that are converted to full-time equivalence based on the average full-time hours worked.





Productivity Benefits

The annual productivity benefit generated by Canadian businesses using Microsoft Teams, Copilot, and Azure AI was estimated through the following steps:

1. The number of Microsoft Teams users was estimated using Statistics Canada employment data, collaborative application usage research, and Microsoft's competitor market share in the collaborative applications market segment.
2. For Microsoft 365 Copilot, the estimated number of users was based on the average proportional rollout from Microsoft 365 users, informed by the Forrester economic impact study of Microsoft Copilot.
3. For Azure AI, the number of users corresponds to the average share of specialized data, AI, and machine learning teams within businesses across Canada.
4. Average annual time savings and/or increased output capacity generated by the Canadian business users were estimated based on the inputs from Forrester economic impact of Microsoft reports for Teams, Copilot and Azure AI commissioned by Microsoft.
5. Productivity gains were estimated based on the value of time saved and output cost using Statistics Canada wage data.

Productivity gains refer to benefits when labour productivity increases. In this case, businesses and/or worker may allocate the time saved to other productive activities in the Canadian economy.

Time savings and increased output → **Productivity gains**