Microsoft Corporate Citizenship Report 2009 – Windows dressing

Posted by **Scarlet McBarnet** [1] on Jul 28, 2009

Microsoft is still in transition from seeing corporate responsibility as charity to making it part of core business

Microsoft provides a wealth of corporate responsibility information – but not in its latest corporate citizenship report. At 16 short pages, the report is refreshingly light and easy to read. It focuses on the areas where Microsoft can make a real difference and includes some lively case studies on how the company is helping to change lives around the world.

Nuggets of information buried on the company's website provide a glimpse of its corporate citizenship performance, but you have to dig deep. If you find the download on climate change, for example, you discover there is a target to reduce carbon emissions per unit of revenue by 30% by 2012. The sustainability factsheet on the separate environment website also contains some titbits of data, but none of the company-wide key performance indicators you might expect to find in the report.

Useful information on the company's approach to other key issues, such as protecting customer privacy, is contained in downloadable documents. But too many links to downloads or other Microsoft websites make it easy to lose your way. Additional data on many Global Reporting Initiative indicators can only be viewed by registered users of the OneReport and the Carbon Disclosure Project websites.

However, the lack of hard data or targets in the report gives little indication of progress and is likely to disappoint those wanting to understand more about the company's social and environmental impacts. The single paragraph on Microsoft's own environmental impacts focuses on its new facilities designed to meet green building standards and free buses to reduce staff commuting by car in the US. Employees only feature in a philanthropic role, as volunteers, and how the company manages ethical issues in its supply chain is a conspicuous gap in the report.

Realising potential

Realising potential is the theme of this report. The main focus is on extending access to IT in underserved communities around the world. This is where IT companies can make the biggest contribution to society and presents an enormous business opportunity for Microsoft. But the line between core business and philanthropy is not always clear.

The company's Unlimited Potential programme – with the ambitious target of reaching the next billion people in underserved communities by 2015 – uses innovative Microsoft products tailored to meet the needs of these communities. Often working in partnership with local non-governmental organisations, this is described as a community investment programme in one place but as a long-term global business and citizenship commitment elsewhere. There is no clear link made between serving the underserved and the potential for business growth in these markets.

The potential of ICT to help others reduce their climate impacts has been much vaunted, but many companies are yet to demonstrate how this is being put into practice beyond video-conferencing to reduce business travel. Microsoft says its software can be used to cut travel and goes further, enabling cities to track and plan carbon emissions reductions.

The company is also working to reduce energy used by IT products. Energy-saving features integrated into its Windows Vista operating system, for example, could eliminate 3m tonnes of

carbon emissions a year in the US alone. Microsoft has committed, along with other members of the Climate Savers Computing Initiative, to reduce the carbon footprint of computer use by 54m tonnes a year by 2010.

The report focuses on opportunities for Microsoft to make a positive contribution to society, but its determination to highlight opportunities and gloss over the associated risks makes it read more like a marketing brochure than a credible corporate citizenship report.

The brief introduction from chief executive Steve Ballmer does not acknowledge any challenges or the need to manage risks. Neither does the longer executive statement on the website, which describes assisting law enforcement and protecting individual privacy as helping to meet some of society's toughest challenges. Arguably, these are also two of Microsoft's own biggest corporate responsibility risks – as increased media coverage of censorship in undemocratic regimes and user concerns over the collection and use of personal data have demonstrated.

Microsoft's latest corporate citizenship report shows it is in transition – from having a well-established culture of philanthropy to becoming a potential corporate responsibility leader. Perhaps next year's report will realise this potential by demonstrating robust management of its own social and environmental impacts, and strengthening the connection between citizenship and its core business.

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Snapshot
Follows GRI? Via OneReport.
Assured? No
Materiality analysis? No
Goals? Few
Targets? Some on website.
Stakeholder input? No
Seeks feedback? Yes
Key strengths? Boldly highlights potential positive impacts on society.
Chief weakness? Lack of targets and data on company's own impacts.
Pleasant surprise? Engaging case studies bring the report to life.

Links:
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