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A Social Management Project Report on "CSR Activities of Microsoft"

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A B S T R A C T

In recent years, a significant amount of literature has emerged on the topic of Corporate Giving, which is embedded in the broader discussion about Corporate Social Responsibility. Studies show that while managers appear to have increasingly come to see the need to integrate or fit corporate philanthropic activity with the company's core mission and strategy, the actual practice of such "strategic philanthropy" seems to be weak. Employee Volunteer Programs also seem to be growing in importance, but empirical research on these is scant. Some reliable evidence exists for a positive relationship between philanthropic activity and firm reputation as well as financial performance. However, there are important methodological problems with most studies, such as small, non-representative samples of firms and low response rates, which limit what we are able to say about American corporations in general. The lack of consensus in the literature on how to measure various aspects of the phenomenon is another obstacle to overcome. Yet, for these very reasons, the potential for future exploration is rich, and based on the literature reviewed, important avenues for further research will be recommended.

Introduction

Microsoft was officially established on April 4,1975 after the flawless demonstration of Altair Basic which was developed by both Allen and Gates. In 1972 they founded their first company, named Traf- O-Data, which offered a rudimentary computer that tracked and analyzed automobile traffic data. Allen went on to pursue a degree in computer science at Washington State University, later dropping out of school to work at Honeywell. Paul Allen and Bill Gates, childhood friends with a passion for computer programming, sought to make a successful business utilizing their shared skills. It rose to dominate the personal computer operating system market with MS- DOS in the mid-1980s, followed by Microsoft Windows. It develops, manufactures, licenses, supports and sells computer software, consumer electronics and personal computers and services. Its best known software products are the Microsoft Windows line of operating systems, Microsoft Office suite, and Internet Explorer and Edge web browsers. Its flagship hardware products are the Xbox video game consoles and the Microsoft Surface tablet lineup. As of 2011, it was the world's largest software maker by revenue, and one of the world's most valuable companies. Microsoft corporation is an American Multinational technology company headquartered in Redmond, Washington.

What is Corporate Social Responsibility ? The term "corporate social responsibility" became popular in the 1960s and has remained a term used indiscriminately by many to cover legal and moral responsibility more narrowly construed. CSR as "A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship: (1) Through their waste and pollution reduction processes, (2) By contributing educational and social programs (3) By earning adequate returns on the employed resources."

CSR Activity Of Microsoft Empower :-

- Transforming education and expanding digital inclusion.

- Free software for all student and teacher.

- **PROJECT SHIKSHA Microsoft Project Shiksha:** Teachers training programs empowers educators to integrate computing into their lesson to create a project that is easily understandable to the students. Project Shiksha motivated teachers to improve studying experience with e-learning.

YOUTH SPARK – PROJECT JYOTI Microsoft youth spark help create opportunity for hundred of million of youth around the world, through partnership with government, nonprofit organization and businesses, aim to empower youth to imagining and realize their full potential by connecting them with greater opportunities for education and entrepreneurship.

PROJECT SAKSHAM Saksham is a Microsoft initiative to give impetus to the National Mission of Education through ICT with a common objective to building connectivity and knowledge network among and within institutions of higher learning in the country.

Challenges Faced While Implementing & Actions Taken :-

PROJECT SHIKSHA 1. There were many instances in Madhya Pradesh where there was lack of learning initiative from the teacher's end. Solution - the interest and innovation in technology tools attracted their attention to the need for up skilling themselves. 2. Lack of infrastructure for the running of the Program – even when a computer lab was provided, the school administration could not guarantee/arrange for uninterrupted electricity supply. Solution - So Project Shiksha works in partnership with the Government of Madhya Pradesh, which works directly with Educators, Institutions and Governments towards improvement in education

Till date, Microsoft has invested Rs. 47 crore (USD 10.5 million) in this program, spread across 20 states and Union Territories in India. Till date it has successfully supported 1,075 CTLCs and close to 200,000 individuals have been trained in IT skills in partnership with 14 NGOS. Since 2012, the program has expanded beyond providing skills and employability to include a focus on continued education and the development of young entrepreneurs in India. (Source: www.digitalknowledge.in) 2. Another stumbling block was literacy as basic literacy is a minimum requirement for IT skills. Convincing people regarding the benefits of IT skills so that they come forward for training.

PROJECT JYOTI 1. A major challenge faced in rural areas was of resource generation and sustainability. To counter this, Microsoft has evolved a policy of partnering only those NGOs which are self- sustainable or independent.

PROJECT SAKSHAM 1. Software Accessibility: Lack of access to latest Windows platform on college systems as well as personal computers has been a challenge. Therefore trainees were provided with 60 day trial version of windows. 2. Time Availability: Lack of free time for training due to vacations, exams or regular classes has been a roadblock. To address this issue, the Vice Chancellors and university designated Single Point. 3. Limited Geographical Reach: Ensuring that the program reaches remote schools, was addressed by creating several online courses for educators.

Impact On The Employment In India :-

Partner Enabled Program: To support and fuel the Indian IT industry, this program is introduced to work hand in hand with the local IT companies for there growth and technology uplift.

Impact On The Public Microsoft intends to provide free internet connectivity across India. Coding for life(excel ,PowerPoint, word). Build a successful business with Microsoft Dynamics 365. Skype (video communication technology) Employee giving. Impact stories. Disaster and humanitarian relief. Empowering youth. Microsoft technologies enables Help Age to support senior citizens.

Impact On Society Evaluation "We believe that all lives have equal value, and that by working together we can help reduce inequality and poverty. In collaboration with our partners, we are working to improve the lives of more than a billion people in India by addressing challenges related to health, sanitation, education, access to financial services, and agricultural development." -Bill and Melinda Gates Foundation

- India's social problems – from health to sanitation to financial empowerment - are inextricably interconnected.

- The solutions are interlinked too; and this is why BMGF believe so strongly that working together with the people and the government of India, we can succeed.

- Mission of the Bill & Melinda Gates Foundation is to help all people live healthy, productive lives, get educated and live India and the world - are closer than ever to realizing that goal. We believe that a different India is coming into view.

- Microsoft is ranked No.1 in world ranking for CSR for the years 2012 & 2013.

Review of Literature

Microsoft Corporation is a US-based global technology company with headquarters in Richmond, Washington. Founded in 1975, Microsoft's mission is "to enable people and organizations throughout the world to do more and achieve more by creating technology that transforms the way people learn, work, play, and communicate". Microsoft employs approximately 114,000 people on a full-time basis, 63,000 in the U.S. and 51,000 internationally (Annual Report, 2016). Windows, Microsoft's main product has been installed in more than 1 billion devices around the world. The technology company also has a solid presence in gaming industry. Xbox Live is connecting fans across Windows 10, iOS, and Android. Microsoft has a gaming audience on Xbox Live with 49 million monthly users and growing – up 33 percent year-over-year. This growth is driven in part by strong franchises like Minecraft, which has sold more than 106 million copies to date. Microsoft's gaming roadmap over the next 18 months is anchored by two significant console releases – Xbox One S and Project Scorpio – and investments in growth areas such as virtual reality, video, and eSports (Annual Report, 2016). During the fiscal year 2016 the company generated USD 85.3 billion in revenue, USD 52.5 billion in gross margin, and USD 20.2 billions in operating income. Adjusting for Windows 10 revenue deferrals and impairment, integration and restructuring expenses, revenue was USD 92.0 billion with USD 27.9 billion in operating income. The total cash return to shareholders for the same period reached USD26.1 billion, up 12 percent from last fiscal year (Annual Report, 2016). Microsoft business strategy can be classified as product differentiation. The company develops advanced technological products and services and sells them for premium costs. Moreover, Microsoft business strategy is currently focused on "cloud-first, mobile-first", growth through mergers and acquisitions and exploring business opportunities related to augmented and virtual reality. The multinational technology company also has certain weaknesses that include lack of innovation, weak position of Internet Explorer browser application and dependence on hardware manufacturers. Microsoft Corporation Report contains the application of the major analytical strategic frameworks in business studies such as SWOT, PESTEL, Porter's Five Forces, Value Chain analysis and McKinsey 7S Model on Microsoft. Moreover, the report contains analyses of Microsoft's business strategy, leadership and organizational structure and its marketing strategy. The report also discusses the issues of corporate social responsibility. This series examines the

state of sustainability of the brands that I consciously go for on a daily basis. I examine the latest annual sustainability reports of these brands and determine, according to my perceptions, how well they are doing on their journey to sustainability. I assess these reports against the generally accepted GRI standards and come up with a verdict. The verdict basically falls under three categories: 'terrible' (meaning they need to take major corrections), 'doing okay' (meaning they are making progress despite several challenges, and 'pretty good' (meaning they are well on track despite a few challenges). Microsoft has long since been a core part of most people's lives, at least at one point or the other. They took the PC software market by storm and literally monopolized it until the rise of Apple. Even now, Microsoft plays a critical and dominant role in the software market, both in terms of the scale and reach of their business operations, and as an influencer in the global software industry. The company recently released their 2016 Corporate Social Responsibility report. In doing so, they have followed the trend of an interactive website-based sustainability report which is intended as a living portal (which has frequent updates as required). They kept the report clear and concise, with options to download details. But I would also have appreciated an option to download the entire report as a single pdf. Microsoft's latest materiality issues make sense to their business. These issues are discussed below:

Access To Technology And Economic Opportunity

Microsoft clearly states their commitment for accessibility in the design of their products such as Windows, Office, Xbox, etc., all of which have accessibility tools. They have a dedicated Inclusive Design website which describes this in detail. They also have a disability help desk (they also use American Sign Language via videophone in the US) which assists users to find and use the accessibility tools . In addition, their dedicated site for inclusive hiring focuses on advertising roles for people living with disabilities – they have also identified specific roles which can be filled by people on the autism spectrum. Although all this focus is impressive, I would have liked to know what specific targets Microsoft has for inclusive hiring and how far along they are to meeting these targets. In addition, Microsoft develops tools specifically to empower people living with disability, specifically their Learning Tools for OneNote for people living with dyslexia, Cities Unlocked for people with visual impairments, and accepting this challenge to create a wheelchair eye-control technology for people living with ALS. It should be noted that many of the activities under this material issue also satisfies human rights issues and are reported there as well.

Climate Change And Energy

This is thankfully one area where you cannot fault Microsoft for lack of data. They have a dedicated website where they comprehensively report on their environmental activities as a whole. In terms of climate change and energy, their unique approach to achieving and maintaining carbon neutrality has been widely reported; Microsoft charges their business units a carbon tax and use this tax to fund their green projects – from purchasing 14 million MWh of green power to reducing emissions by 9 million mtCO2e and buying carbon offsets. The company reports regularly to CDP (details on CDP website) and they publish an annual GHG emissions report trending back the last three years and covering Scopes 1, 2 and 3. Since 2014, the company has been carbon neutral, largely through renewable energy use and buying carbon offsets. As at 2016, about 44% of their datacenters were run on renewables. They also practice energy efficiency techniques which have helped them reduce their energy consumption by up to 30%. Furthermore, they are contributing to energy efficiency technology innovations such as fuel cells for datacenters.

Water And Waste

Water and waste were not part of Microsoft's stated material issues but they have still done some reporting on this. On water, they have achieved zero waste on 45% of their real estate portfolio. On waste, only about 7% of their waste now go to the landfill. A full 71% is recycled and the others are either composted (18%) or incinerated. They have a zero e-waste policy for their internal operations though it is unclear how much this policy is being implemented.

Corporate Governance

Microsoft's Corporate Governance Framework is designed to align with the regulations stipulated by the NASDAQ Stock Market. They have reported their board composition, board committees, independent vs non-independent members, etc. There is however a lack of any analysis related to diversity on the board, etc.

Data Privacy And Security

Microsoft reports that the International Association of Privacy Professionals has recognized them for having the 'second largest number of certified privacy professionals of any company. They are also one of the 'first companies to be certified under the EU-US Privacy Shield Program'. The company has established several polices such as not scanning emails for input into targeted online advertising, not giving any government direct access to their customers' data, and transparently releasing law enforcement and national security request reports (links are provided). In addition, they report that they are ready to be compliant when the new EU General Data Protection Regulations (GDPR) start in 2018.They also mentioned their work to reform government surveillance, but more value would have been added if they had detailed how they've done this, with whom and advocacy contributions they have made.

Device Lifecycle Impacts

Microsoft works with several organizations and their suppliers on the traceability of their raw materials. They report that they have phased out lead, mercury and cadmium in compliance with the EU's restriction on the use of hazardous substances. They claim to have disclosed the full list of materials they use (up to 100,000 of them) but this full list cannot be sighted on the website. The company further reports the energy consumption reduction mechanisms on their products, particularly the Xbox 360 and Surface Pro 4 (which is Energy Star certified).In addition, Microsoft reports that 70% of the paperboard they use for packaging is recycled, and only 4% of their packaging materials is made of plastic. Its great to see that the amount of consumer

e-waste recycled has consistently grown over the years - about 10 million were recycled in 2015...a 6% improvement from last year and a 600% improvement since they started reporting in 2006. No targets for recovery and recycling are mentioned though, and we remain unclear about the percentage of Microsoft's consumer e-waste that is being recycled.

Environmental/Social Applications Of Technology

This material issue is not explicitly reported but is described within several issues such as human capital (particularly community empowerment) and climate change and energy.

Partnerships This material issue is also not explicitly reported but Microsoft's partnerships are described across their reported material issues.

Ethical Business Practices Microsoft reports that they apply their Standards of Business Conduct and train all employees annually on the standards. They have a whole team of 50 people investigating potential policy breaches and 120 people ensuring compliance. In addition, they also have the Anti-Corruption Policy for Representatives and the Partner Code of Conduct. What is missing here though, is a statement about the number of policy breaches that have been investigated and how this number has changed over the years.

Human Capital Microsoft reports on how they are empowering their employees. Their activities are guided by their Global Human Rights Statement. Annually, they ask for feedback from their employees (85% response rate from 117,000 employees) about their work experience in the company – they have had generally excellent feedback since 2014 showing that employees feel proud (92%) and respected (93%), and would recommend Microsoft as a good place to work (87%). The company has a dedicated site for diversity and inclusion where they report diversity inside Microsoft in detail. As at 2016, female employees globally were 25.8%, still very low and actually a slight reduction from their 2015 figures. In America alone, Caucasian employees were greatest by far with 58%, followed by Asian (30.5%), Hispanics/Latino (5.5%) and African American/Black (3.7%). That shows some diversity, but not enough. Still, it's good to see that there are employee networks around ethnicities (which builds strong communities) e.g. Persians at Microsoft, Blacks at Microsoft, etc. I'm more pleased to see that pay has been equal – for every $1 earned by men, women earn $0.99, and for every $1 earned by Caucasians, racial and ethnic minorities earn $1. This is highly commendable especially in the tech industry which has been notoriously known for its lack of diversity and unequal pay. Microsoft also reports the initiatives they have established to promote health and wellness for their employees. For example, the Microsoft CARES employee assistance program giving free access to family counselling. Others are gym memberships, free onsite health screening events, their Real Easy Wellness labeling system in all their cafes, etc. The company also has a Health and Safety team that periodically assesses occupational and work-related risks in their datacenters, factories and retail shops. They report a 0.14 incidence rate in their manufacturing sites. The company also speaks about how they have personalized keyboards, language, font, content for Windows in 111 languages, Office in 91 languages, and Skype Translator and Microsoft Translator in 50 languages – ensuring that most communities have access to their services. In addition, Microsoft reports how their products and services have been used to empower communities around the globe through various CSR programmes. They mention the Lagos Solar project where intelligent batteries and inverters (powered by solar) in schools and clinics are connected to Microsoft Azure to allow for remote monitoring and maintenance. Their Microsoft Affordable Access Initiatives. facilitates access to internet and promotes innovation through partnerships and grants. Others are how Temenos uses Microsoft Cloud to give the unbanked access to banking services; providing access to technology and promoting innovation through the 4Afrika Initiative; delivering innovative digital services in their CityNext programme; and delivering grants and donating services through their Microsoft Philanthropies. The company publishes their donations on an annual basis. What I love most about Microsoft's CSR initiatives is that each one can be linked to their vision and mission as a business. They all have a direct link to the company's products and services and ultimately achieve the dual goals of empowering communities and creating long-term business for Microsoft.

Human Rights Microsoft's approach to human rights issues are well detailed and include the international conventions they have incorporated into their 2016 Global Human Rights Statement as well as an organizational structure. They have described the human rights issues key to them including accessibility, online safety, freedom of expression and privacy, privacy and data security. There are links to pages that describe just what Microsoft is doing to promote these issues. For example, description of the accessibility tools on Microsoft's products, the data Microsoft collects and how they use this to handle privacy issues, their YouthSpark Hub website with resources for online safety, and a report of their GNI independent assessment which concluded that they adhere to freedom of expression and privacy standards. In addition to these detailed descriptions, I would have appreciated clearly presented information which shows how they have progressed with these issues. For example, comparing the number of people hired through their Microsoft Inclusive Hires website and Autism Hiring Program over the last few years, or the number of accessibility-related calls they have had and how many have been resolved.

Responsible Sourcing And Manufacturing

Microsoft has transparently published the list of their tip 100 suppliers, most of which are situated in Europe and Asia. They have published their Supplier Code of Conduct and Supplier Guidelines which their suppliers are expected to adhere to. Their Device Supply Chain group and indirect purchasing group carry out programmes aimed at suppliers. For example, the Social and Environmental Accountability (SEA) program, operation of the Environmental Management System, monitoring and evaluation of supplier's environmental performance through the Audit Management System, Etc. The company states that they require suppliers to disclose the material composition of 100% of their device and packing components, and they have evaluated 100,000 of such components for environmental compliance. I was glad to see a downloadable report with data about their hardware supplier assessment approach and findings. It's also good to see that Microsoft also evaluates their indirect suppliers (supplying other components from hardware and packaging). Their Committee on Supplier Ratings supports purchasers to engage suppliers on sustainability issues. They have also taken to including social issues into their contracts (e.g. mandating suppliers to provide paid leave time to their employees). This issue was one of the few with concrete

data showing progress over the years. Microsoft reports the progress made in getting their indirect suppliers to disclose their carbon emissions (17 in 2013 to 153 in 2015 – a 9x increase!). In addition, you can view Microsoft's Responsible Sourcing of Raw Materials policy and they work with partners such as the Initiative for Responsible Mining and Alliance for Responsible Mining to influence their upstream supply chain where they do not have contractual relationships. They report that the number of conflict-free materials in their supply chain is now 249, an increase from 148 Materials. in 2014. Their downloadable Conflict Minerals Report gives rich data on this issue. What would have made this data even more complete is a disclosure on the percentage of conflict free materials out of all the materials they use. Furthermore, it's great to see that Microsoft actively seeks to do business with disadvantaged groups (women, minority groups and veterans) - \$2.5b in 2016 from \$1.9b in 2013.

Public Policy Engagement Although public policy engagement was reported, this was not included in the list of material issues. It is commendable that Microsoft reports year on year public policy advocacy spending in the USA since 2009. A statement showing that their public policy engagement is restricted to the USA would give more comfort in trusting the completeness of the report. Microsoft also reports its trade association membership contributions.

Research Methodology

Microsoft corporate social responsibility (CSR) is guided by the citizenship mission of the company which is "to serve globally the needs of communities and fulfil our responsibilities to the public". Moreover, charitable activities of Bill & Melinda Gates Foundation founded by Microsoft founder Bill Gates is also associated with Microsoft in the perception of the general public to a certain extent.

Microsoft Supporting Local Communities

➢ The Lagos Solar project in Nigeria uses batteries that are charged by solar panels, along with intelligent inverters connected to Microsoft Azure Internet of Things technology

➢ International software provider Temenos relies on Microsoft Cloud services to reach people across Myanmar who lack access to banking, giving them opportunities for more financial stability and access to microcredit and other financial services.

➢ Microsoft's 4Afrika Initiative provides a set of programs to empower African youth, entrepreneurs, developers and business and civic leaders YouthSpark initiative aims to empower 300 million young people around the world with opportunities for education, employment, and entrepreneurship

Microsoft Educating and Empowering Workers

➢ In financial year 2016 more than 99 percent of Microsoft employees completed annual training on Standards of Business Conduct, which is available globally in 17 languages

➢ Microsoft collects employee feedbacks through multiple channels and acts on them. As part of this initiative nearly 85 percent of our more than 117,000 employees responded employee survey

➢ 92% of surveyed stated they feel proud to work at Microsoft and 87% of employees would recommend Microsoft as a great place to work

➢ 90% of Microsoft's employees are eligible for various bonuses

Labour and Human Rights at Microsoft

➢ Since 2016, Microsoft has had a formal commitment to respect human rights as a signatory of the United Nations Global Compact

➢ The technology company adheres to its Global Human Rights Statement

Employee Health and Safety at Microsoft

➢ The Microsoft CARES employee assistance program, offers free access to services including personal and family counselling, stress management, and referrals for child/elder care

➢ The Microsoft Ergonomics Program offers the workforce ergonomic assessment and training programs and special furniture, equipment, and software for medical needs.

➢ The company conducts Voice of the Supplier Surveys in an anonymous manner to monitor the adherence to health and safety and other important CSR-related principles.

Microsoft and Gender Equality and Minorities

➢ The company is one of the first Fortune 500 companies in the world to offer domestic partner benefits for Microsoft LGBT employees

➢ Since 2005, Microsoft achieved a 100 percent score on the Human Rights Campaign Foundation (HRC) 2014 Corporate Equality Index (CEI)

➢ The proportion of women in the global workforce grew from 24% to 28% during 2014

➢ Representation of women and minorities increased from 22% to 27% during the same period

Energy Consumption by Microsoft

➢ 44% of the electricity used by Microsoft data centres comes from wind, solar, and hydro power electricity

➢ Air cooling techniques used at Microsoft data centres result in 20- 30 percent lower energy consumption

➢ Microsoft leveraged its corporate campus to help create an analytical software solution that prioritizes maintenance and repairs our 125 Puget Sound buildings based on energy and cost savings potential

➢ All new data centers of Microsoft have an average 1.125 Power Usage Effectiveness (PUE), which is one-third less than the industry average datacenter PUE of 1.7.

Water Consumption by Microsoft

➢ Air cooling techniques used at Microsoft data centres result in 90% lower water consumption

➢ In India, the company captures rainwater for irrigation, and on its Hyderabad campus, it treats sewage for use in landscaping, resulting in zero sewer discharge.

➢ Paris office also uses captured rainwater for irrigation and flush fixtures.

Waste Reduction and Recycling by Microsoft

➢ Microsoft Real Estate and Facilities teams around the world implement waste minimization programs, including office supply reuse, recycling, and in many cases, composting

➢ Company's Redmond, Washington dining facilities divert 99 percent of the waste from the landfill by recycling, using

Compostable tableware, and adapting our menu to minimize food waste.

➢ The Microsoft IT Asset Disposition Program (ITAD) avoided over 4,000 metric tons of carbon dioxide equivalent (mtCO2e) in financial year 2015

Carbon Emissions by Microsoft

➢ Since July 1, 2012, Microsoft's global operations have been carbon neutral.

➢ The company has purchased more than 14 million megawatt-hours (MWh) of green power and reduced company-wide emissions by more than 9 million metric tons of carbon dioxide equivalent (mtCO2e).

➢ Microsoft has supported the lives of more than 7 million people in emerging nations through carbon offset community projects.

➢ Company's carbon offset project portfolio represents more than 600,000 metric tons of carbon dioxide (CO2) emissions

Microsoft and Sustainable Sourcing

➢ The company evaluates the operations of its suppliers against 23 different ethical, social, and environmental risks

➢ Microsoft's Device Supply Chain group (DSC) and indirect purchasing group oversee dedicated programs to ensure that its Standards are met and to build partnerships with suppliers that   advance social and environmental goals

➢ Company's Global Procurement Group created a formal responsible sourcing function in 2013 to consolidate and enhance its responsible sourcing activities with our indirect suppliers

➢ More than 100,000 device and packaging components provided by suppliers have been evaluated for compliance by Microsoft

Microsoft's other CSR Initiatives and Charitable Donations

➢ The International Association of Privacy Professionals (IAPP) has recognized Microsoft for having the 'second largest number of certified privacy professionals (CIPP) of any company.

➢ Microsoft employs more than 50 people whose primary role is investigating potential breaches of company policy, and an additional 120 people whose primary role is compliance

➢ Microsoft has launched Office 365 for Nonprofits in 92 countries around the world, providing USD55 million worth of Office 365 subscriptions to nearly 11,500 nonprofits globally

➢ Microsoft completed the Global Network Initiative (GNI) Phase III Assessment, conducted by an independent assessor, and the GNI Board determined that Microsoft is compliant with the GNI Principles on Freedom of Expression and Privacy

➢ The company began the audit of its non-hardware suppliers against 23 different ethical, social, and environmental risks by country and by commodity category

Microsoft Corporation Report contains a full analysis of Microsoft corporate social responsibility including Microsoft Corporate Social Responsibility (CSR) issues. The report illustrates the application of the major analytical strategic frameworks in business studies such as SWOT, PESTEL, Porter's Five Forces, Value Chain analysis and McKinsey 7S Model on Microsoft. Moreover, the report contains analyses of Microsoft leadership, business strategy, organizational structure and organizational culture. The report also comprises discussions of Microsoft marketing strategy and addresses issues of corporate social responsibility.

Process

Dissertation markers expect the explanation of research process to be included in Methodology chapter. A typical research process comprises the following stages:

Selecting the research area. You are expected to state that you have selected the research area due to professional and personal interests in the area and this statement must be true. The importance of this first stage in the research process is often underestimated by many students. If you find research area and research problem that is genuinely interestingly to you it is for sure that the whole process of writing your dissertation will be much easier. Therefore, it is never too early to start thinking about the research area for your dissertation.

1. Formulating research aim, objectives and research questions or developing hypotheses. The choice between the formulation of research questions and the development of hypotheses depends on your research approach as it is discussed further below in more details. Appropriate research aims and objectives or hypotheses usually result from several attempts and revisions and these need to be mentioned in Methodology chapter. It is critically important to get your research questions or hypotheses confirmed by your supervisor before moving forward with the work.

2. Conducting the literature review. Literature review is usually the longest stage in the research process. Actually, the literature review starts even before the formulation of research aims and objective; because you have to check if exactly the same research problem has been addressed before. Nevertheless, the main part of the literature review is conducted after the formulation of research aim and objectives. You have to use a wide range of secondary data sources such as books, newspapers, magazines, journals, online articles etc.

3. Selecting methods of data collection. Data collection method(s) need to be selected on the basis of critically analyzing

Advantages and disadvantages associated with several alternative data collection methods. In studies involving primary data collection, in- depth discussions of advantages and disadvantages of selected primary data collection method(s) need to be included in methodology.

Collecting the primary data. Primary data collection needs to be preceded by a great level of preparation and pilot data collection may be required in case of questionnaires. Primary data collection is not a compulsory stage for all dissertations and you will skip this stage if you are conducting a desk-based research.

1. Data analysis. Analysis of data plays an important role in the achievement of research aim and objectives. Data analysis methods vary between secondary and primary studies, as well as, between qualitative and quantitative studies.

2. Reaching conclusions. Conclusions relate to the level of achievement of research aims and objectives. In this final part of your dissertation you will have to justify why you think that research aims and objectives have been achieved. Conclusions also need to cover research limitations and suggestions for future research.

3. Completing the research. Following all of the stages described above, and organizing separate chapters into one file leads to the completion of the first draft. The first draft of your dissertation needs to be prepared at least one month before the submission deadline. This is

4. Because you will need to have sufficient amount of time to address feedback of your supervisor.

Data Collection Methods

Data collection is a process of collecting information from all the relevant sources to find answers to the research problem, test the hypothesis and evaluate the outcomes. Data collection methods can be divided into two categories: secondary methods of data collection and primary methods of data collection.

Secondary Data Collection Methods Secondary data is a type of data that has already been published in books, newspapers, magazines, journals, online portals etc. There is an abundance of data available in these sources about your research area in business studies, almost regardless of the nature of the research area. Therefore, application of appropriate set of criteria to select secondary data to be used in the study plays an important role in terms of increasing the levels of research validity and reliability. These criteria include, but not limited to date of publication, credential of the author, reliability of the source, quality of discussions, depth of analyses, the extent of contribution of the text to the development of the research area etc.

Primary Data Collection Methods Primary data collection methods can be divided into two groups: quantitative and qualitative.

Quantitative data collection methods are based in mathematical calculations in various formats. Methods of quantitative data collection and analysis include questionnaires with closed-ended questions, methods of correlation and regression, mean, mode and median and others.Quantitative methods are cheaper to apply and they can be applied within shorter duration of time compared to qualitative methods. Moreover, due to a high level of standardisation of quantitative methods, it is easy to make comparisons of findings.

Qualitative research methods, on the contrary, do not involve numbers or mathematical calculations. Qualitative research is closely associated with words, sounds, feeling, emotions, colours and other elements that are non-quantifiable. Qualitative studies aim to ensure greater level of depth of understanding and qualitative data collection methods include interviews, questionnaires with open-ended questions, focus groups, observation, game or role-playing, case studies etc.

Your choice between quantitative or qualitative methods of data collection depends on the area of your research and the nature of research aims and objectives. There are differences between qualitative data analysis and quantitative data analysis. In qualitative researches using interviews, focus groups, experiments etc. data analysis is going to involve identifying common patterns within the responses and critically analyzing them in order to achieve research aims and objectives.

Data analysis for quantitative studies, on the other hand, involves critical analysis and interpretation of figures and numbers, and attempts to find rationale behind the emergence of main findings. Comparisons of primary research findings to the findings of the literature review are critically important for both types of studies – qualitative and quantitative.

Data analysis methods in the absence of primary data collection can involve discussing common patterns, as well as, controversies within secondary data directly related to the research area.

Background Of The Study

Microsoft Corporation Microsoft Corporation is an American multinational corporation headquartered in Redmond, Washington, that develops, manufactures, licenses, supports and sells computer software, consumer electronics and personal computers and services. The company founded by Bill Gates and Paul Allen on 4th April 1975 to develop and Its best known software products are the Microsoft Windows line of operating systems, Microsoft Office suite, and Internet Explorer web browser. Its flagship hardware products are Xbox game consoleand the Microsoft Surface series of tablets. It is the world's largest software maker measured by revenues.

The Objectives This assignment is going to discuss about Microsoft Corporation stakeholders interests either in conflict or coincide, the mapping exercise and with analysis.

Also the Porter's Five Forces Model on Microsoft relating to competitions among the operators in the same industry and the approach this company adopted on its corporate social responsibility (CSR) and how the approach has been of competitive advantage to the organization.

Stakeholders A stakeholder is anybody or group that has interest in a project or enterprise who could directly be affected by business operations or its outcomes. They can either be internal or external stakeholders as listed below (Johnson, Scholes & Whittington, 2011):-

(A).Those that are mostly affected by the business operations and outcomes are the investors, the customers, employees, suppliers and communities at large. According to (R. Edward Freeman, 1984)

(B).Those who guide and influence the organization in carrying out the business specifically the government, regulatory authorities, non- governmental organizations and civil societies and the industry organization. According to (Archie B.Carroll, 1991).

*Microsoft Citizenship Report 2013*

Microsoft recognizes its bigger responsibility in developing and sustaining relationships with diverse stakeholder groups, both internal and external to the organization. According to Microsoft Citizenship report 2013, stakeholders are categorized into two groups: those who are directly affected by the business operations and outcomes (namely, investors, customers, employees, suppliers, and the community at large) and those who guide and influence us in carrying out our business (specifically, government and regulatory agencies, non-government and civil society groups and industry organization).

1. **Investors** Pursuant to the Corporate Governance (CG) Manual, it is the duty of the Board to promote and uphold stockholders' rights such as the right to vote, pre-emptive right, right to timely receive relevant information, right to dividends and the appraisal right. The Board shall ensure that the company remains faithful to its undertaking to make timely disclosures of material information and transactions that could potentially affect the market price of the company's shares.

2. **Customers** Customers are important stakeholders at Microsoft Corporation because they are driven force of sales and revenue generation. Organization must provide products that are of high quality and at affordable price. Microsoft continually strives to satisfy its customers' expectations and concerns regarding quality of service. They commit us to continually improve the way they do things to better serve their customers.

3. **Employees** Microsoft is committed to the development and welfare of its employees. As the Company sustains its efforts in building a high performance culture to fully respond to the requirements of the new business environment, employees are continuously trained and developed to enable them to achieve excellent performance founded on our Corporate Mission. All employees are required to attend a 5-day training a year which is monitored on a monthly basis. Career development programs are implemented to ensure professional growth through skills and job enrichment opportunities, learning and development programs, performance management and promotion systems. Yearly employees are mandated to go for a 5-day mandatory training requirement. The training of employees are based on the competencies which are analyzed and evaluated every year to ensure that employees are equipped with the necessary skills and knowledge to handle the job. Each employee has its yearly Training Plan to address the gap on the competencies. Employees are compensated based on performance and over-all qualifications. Adequate provisions for medical, health and other essential benefits; and workplace safety are provided to promote employee welfare and well-being. Uprightness and impartiality are observed in conflict resolution. Human Resource (HR) Programs for the employees are continuously reviewed and enhanced to ensure their overall effectiveness and responsiveness.

The Company is further committed in sustaining and/or further enhancing the high level of engagement of employees. Guided by the results of an employee engagement survey conducted, focused and deliberate initiatives are undertaken to help ensure employee job satisfaction and motivation. Employee communication is strengthened to keep employees well-informed on significant developments. Employees are likewise encouraged to give feedback and suggestions to Management to further improve on the yearly corporate governance, corporate and operational performance, thereby promoting employee accountability and empowerment. Commendations are given to employees who show exemplary customer service through published emails and the President's Awards which go with a cash prize to employees who meet the criteria of Customer Service Award, Great Idea Award and Quality Award.

4. **Communities** Beyond the confines of our boardroom and corporate walls, Microsoft embarks on initiatives to help improve the lives of people in the communities. They do this by embedding corporate social responsibility in its business and engaging her employees through volunteerism initiatives. As a responsible corporate citizen, they contribute to building a sustainable society in partnership with non-government organizations, government institutions, and other civic organizations on projects that promote entrepreneurship, education and the environment. In line with this, Microsoft continued to build on the employee-driven volunteer program, "Save a Soul for Better Tomorrow: The Boys Town Orphanage in Pasay is one of the most successful Corporate Social Responsibility (CSR) endeavors of Microsoft. In December 2012, Microsoft instituted a donation drive among its employees and business partners in support of the relief efforts for Typhoon Pablo victims in Eastern Mindanao.

5. **Suppliers** Microsoft aspires to maintain mutually beneficial relationships only with suppliers that uphold fairness, accountability, integrity and transparency in their own businesses. Microsoft is using the list of accredited suppliers of Microsoft which serve the requirements of Microsoft, from capital expenditures to operating expenditure items, as well as service requirements. Suppliers are required to undergo stringent accreditation process before they are authorized to do business with Microsoft. Among the criteria used for accreditation are legitimacy of operations, capacity for continuous business operations, quality and prices for goods and services, track record, compliance with regulatory bodies and transparency in relationship. Microsoft purchases, as a general rule, are made on the basis of competitive bidding through accredited and qualified suppliers.

6. **Environment** As for the environmental responsibility starts from within Microsoft by adopting policies, standards and practices to make our workplace, not just a conducive environment for work, but a place that works toward the betterment of the environment as well.

Microsoft Stakeholder Mapping
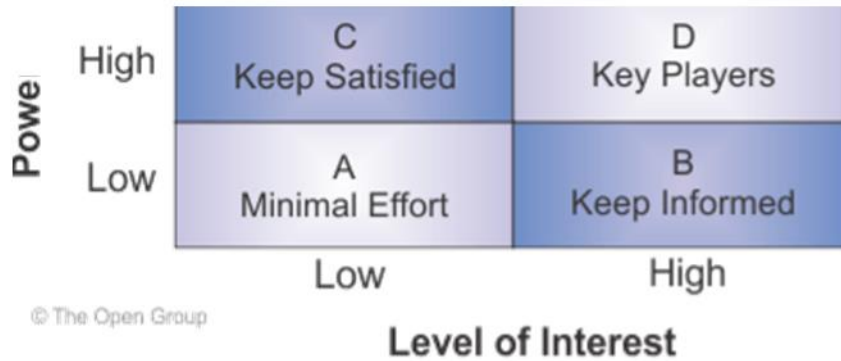
This is a tool of analysis that is use to analyze the level of interest of different types of stakeholders in an organization or in a project. It helps manager to prioritize various opinions, influences and interest to go into any project or business. It will display each stakeholder group interest in a particular project that can influence it either positively or negatively. Different stakeholder groups have different commitment and expectation from the organization, in which the manager has to meet and any conflict should be resolved amicably or diplomatically for the smooth running of the organization and if their opinion is the same, the better for the organization.

PORTERS FIVE FORCES MODEL ON MICROSOFT CORPORATION

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This model consists of five threats, which will be outlined and applied to Microsoft's current situation below:

Threat Of New Entry The threat of entry for Microsoft is relatively low for all of their divisions. In the personal computing business, they have a strong hold of the majority share of operating systems that are used by consumers. Currently, there is really only one main competitor with any real market share, which would be Apple and the Max OS Open source projects such as Linux do not currently pose much of a threat because it is much more of a tech niche market. Creating an OS can take years and requires expansive knowledge of computing. Microsoft has been building off of their knowledge from old versions of their OS's for years. In this company, all voiced consumer interests and demands are being filled. There would be very little that a new firm could do to differentiate a new gaming console from anything this company currently do or will do with the next generation. It has also been producing these systems long enough to understand how to minimize its costs with the components they choose, leaving little chance for cost advantage.

Threat Of Rivalry The threat of rivalry is relatively low for Microsoft. From an operating system standpoint, there are not many competitors who make operating systems. Because of this, Microsoft does not feel that they need to constantly be surveying a large amount of companies to see what price or sales trends are occurring. Prices are rather static because of this. The only type of differentiation created between operating systems is what software it

can run. However, the numbers of software packages that are only available on one platform are getting smaller every year. One thing to mention would be that Windows can be installed on Apple hardware, while Mac OS X cannot be installed on a large majority of non-Apple products (with the exception of building a Mackintosh which would require more knowledge than most casual computer users have.)However, the gaming division of Microsoft is under a high threat of rivalry from Nintendo and Sony. It is standard practice to make large price cuts to game consoles every six to twelve months as production costs decrease, and there is a constant "console war" going on. As soon as a console is released, a new one begins R&D.

Threat Of Substitutes Microsoft's gaming division has a moderately high threat of substitute. I say this because there are two gaming audiences: casual and hardcore. A hardcore gamer will likely own multiple consoles to make sure they get to play every game they want to due to exclusive titles on separate consoles. This group would likely not contribute to a threat of substitute. However, casual gamers will easily substitute for a Nintendo or Sony console, or even just buy a few games on their smart phone. While Microsoft's Xbox 360 offers many other services (Netflix, Hulu, YouTube, Last.fm, etc.) these services could be found elsewhere if someone is not interested in the games available on the console.

Threat Of Powerful Suppliers For both Windows and the Xbox 360, there is a relatively low threat of powerful suppliers. All of the resources that would need to be supplied to Microsoft by outside suppliers are available from a large number of firms. Blank media, circuit boards, processors, etc. are not in short supply in any way. Given the size and brand recognition that Microsoft has and the number of other suppliers available, many suppliers know they would have to offer a good price in order to work with them. None of the items supplied are necessarily unique, and the very few times that a supplier has tried to enter a videogame market through forward vertical integration, it has not gone very well.

The only threat a supplier could hold is that the physical items needed by Microsoft are used in a wide variety of electronics. Memory chips, processors, hard drives, DVDs, capacitors, circuit boards, etc. are all used in everything now. However, a large number of game consoles have been sold by Microsoft (66 million units as of 1/9/2012.).This would suggest that the components inside each console would pass as a decent side of a supplier's business.

Threat Of Powerful Buyers Microsoft has had deals with almost every major PC company (buyers in this instance) to include a copy of the latest Windows version as part of the cost of a pre-built PC. This has become expected from people buying non-Apple computers and if a buyer was to decide not to include this, it would probably lead to negative repercussions. There is room for tablets and some netbooks to run versions of IOS or Android OSs, but when some laptop manufacturers tried to switch from Windows being preinstalled to Linux, it did not fare well. The cost of having Windows included is also not a large amount of the cost of the computer, so it does not carry that much weight for the company building the machine. These attributes lead to a low threat from buyers.From a game console standpoint, the threat from buyers is low as well. The console gaming market is a multi-billion dollar industry and there are a large number of retailers who stock Xbox 360s. There is enough of an economic profit from consoles and associated merchandise to validate whole stores dedicated to just selling these items. The possibility of a retailer attempting to develop and distribute their own console is incredibly unlikely due to the cost and barriers.

Microsoft – Corporate Social Responsibility

Mallen Baker Compared to just a decade ago, it is now common for business people to talk about social responsibility and the importance of being good corporate citizens. Many business leaders today consider it critical to engage with shareholders, the communities in which their companies operate, and others affected by and interested in what they do. The diverse activities needed to respond to these expanded duties are widely referred to by the catchall phrase "corporate social responsibility." It incorporates a host of concepts and practices, including the necessity for adequate corporate governance structures, the implementation of workplace safety standards, the adoption of environmentally sustainable procedures, and philanthropy. Take Microsoft CSR for example: -According to Microsoft 2013 Citizen Report,the company embarked on various CSR programs some of which are listed below:

Governments: Microsoft Corporation is working with community-based organizations and NGOs in China to increase employment opportunities for unskilled migrant workers, partnering with law enforcement officials in Canada to develop a customized system that helps police fight computer-facilitated crimes against children, collaborating in Latin America with the Organization of American States and its affiliate The Trust for the Americas to help people with disabilities gain the skills they need to start their own businesses and find employment, or working with leading companies and community organizations in Europe on a grants program to help small and medium sized enterprises improve productivity through technology, their commitment is the same: to make it possible for people to use technology to improve their lives."Partnership and collaboration are at the center of how we do business, and that's also how we work with governments and NGOs. It's Central to our commitment to provide leadership in our industry, to create a safe and secure computing environment, and to advance a worldwide knowledge economy that creates possibilities for hundreds of millions of people previously underserved by technology." (Steven A. Ballmer - Chief Executive Officer in the Microsoft 2013 citizen report).

Customers: As an industry leader, Microsoft recognizes its responsibility to help make the Internet safer and computing more secure. Their ultimate goal is to help create an environment in which adults, children, businesses, and other organizations can enjoy the full benefits of the Internet without concerns about their safety, privacy, or security. Meanwhile, they continue to work toward that goal with the help of government, industry, and law enforcement partners worldwide, and to help consumers and their customers understand what they can do to protect themselves and their systems.

Microsoft has done a lot to improve product quality and engineering excellence over the last few years. Every year, 15,000 Microsoft developers, testers, and program managers attend mandatory training on how to write more secure code. They have also integrated security into their software development process. The results have been a significant decrease in the number of security bulletins issued for products like Windows XP and Windows Server 2003 and a significant increase in the security of their esteemed customers' systems.

Local Communities: Microsoft Local Language Program: This provides people access to technology in a familiar language while respecting linguistic and cultural distinctions. The program aims to empower individuals in local communities to create economic opportunities, build IT skills, enhance education outcomes, and sustain their local language and culture.

Employees: Microsoft is widely recognized as a leading company for offering one of the strongest and most comprehensive compensation and benefits packages in the US. They start with competitive pay, bonuses, and stock awards to eligible employees based on individual performance. Then they add on unique offerings that might surprise you. Here's a bird's-eye view:

Leading health & wellness care:

➤ Medical & hospitalization: Industry-leading health coverage, more than many other companies offer.

➤ Vision care: one annual eye exam and reimbursement for one pair of glasses or contacts per calendar year.

Hours health line: receive useful, easy – to –understand information and so much more, including life insurance, disability insurance, accidental death and dismemberment insurance, group legal coverage, dependent and healthcare flexible spending accounts, office ergonomics' support etc.

You can notice that the company is trying to create a good environment at the office by providing all the staff with good conditions to work and develop themselves. I now recall the word of Jack Welch that says: "The recognition of the contribution of each employee, recognition for each employee the right to have a voice and a role in the success of the company – is the source of true performance. The source from which it can improve not gradually, but significantly"

Analysis

Microsoft Corporation's corporate social responsibility (CSR) strategy is founded on a number of international concerns regarding the computer hardware and software business. Archie Carroll developed the corporate social responsibility model to highlight the mutual influence among stakeholders and businesses. In Microsoft's case, stakeholders include persons and groups with significant interest in how the company performs and interest in the impact of its computing products. As a major player in the global market, the firm must maintain an evolving corporate responsibility strategy to ensure that corresponding programs satisfy stakeholders' interests and enhance brand and corporate image.

Using a continuously improving corporate social responsibility (CSR) strategy, Microsoft Corporation addresses stakeholders' interests that significantly impact the business. The company satisfies such interests through appropriate corporate citizenship programs based on international standards and guidelines.

Microsoft's Stakeholder Groups & CSR Initiatives A variety of stakeholders and their interests impose a wide scope of issues on Microsoft Corporation. However, the company focuses on the most significant interests through its corporate social responsibilityinitiatives which emphasize human rights, environmental sustainability, and business transparency. The following are the major stakeholder groups significant in Microsoft's business, arranged according to the company's prioritization in its CSR strategy:

1. Customers (highest priority)

2. Employees

3. Communities

4. Investors

5. Governments

Customers (Top-Priority Stakeholders). Considering Microsoft's business growth needs, customers are the top-priority stakeholder group in the company's corporate social responsibility strategy. These stakeholders are mainly interested in reasonably priced effective products, along with high quality customer service. These interests significantly influence the company in terms of customer retention and related sales revenues. Microsoft's corporate responsibility approach satisfies these interests through innovation to provide advanced computer hardware and software products to customers. In addition, feedback systems enable the company to address customers' complaints and issues encountered in using the products. To further satisfy the interests of this stakeholder group, Microsoft offers discounts to some customers. For example, students and veterans can purchase the company's computing products at discounted prices. These discounts are also implemented as part of Microsoft's marketing mix. Thus, Microsoft's corporate social responsibility strategy effectively satisfies the concerns and interests of customers as the most significant stakeholder group.

Employees. Human rights are among the main thrusts in Microsoft's corporate social responsibility programs. As such, employees are the second-priority stakeholder group in the company's CSR approach. The interests of employees are competitive compensation, as well as fair labor and employment practices. These stakeholders are significant because of their direct effect on Microsoft Corporation's organizational performance through human resource competence and productivity. To satisfy employees' interests, the company's corporate responsibility strategy involves highly competitive compensation along with continuous improvement in employment practices to protect workers' rights. For example, Microsoft offers high salaries for qualified workers, in order to compete with technology firms like Apple (Read: Apple's Corporate Social Responsibility & Stakeholders). Also, Microsoft maintains training and leadership development programs to address workers' interests in the computer technology business. These CSR programs support human resource

improvement while increasing morale and competence among employees. Based on these initiatives Microsoft's corporate social responsibility strategy satisfies the interests of employees as a major stakeholder group.

Communities. Communities are among the major stakeholder groups in Microsoft's corporate responsibility strategy, considering that the company includes environmental sustainability as one of its CSR thrusts. Communities are interested in corporate support for development, such as through livelihood programs and environmental protection. These stakeholders are significant because they affect Microsoft's corporate and brand image. For example, customers use community impact as a criterion in evaluating brands. In its corporate social responsibility strategy, Microsoft uses a number of programs, including discounts for students, military personnel and veterans, as well as donations and assistance through Microsoft Philanthropies. Such discounts increase the accessibility of the company's products for students, military personnel and veterans. On the other hand, Microsoft Philanthropies provides grants and donations for deserving nonprofit organizations with programs that support community development, such as education and youth support programs. Moreover, the emphasis on environmental sustainability in its corporate social responsibility strategy represents Microsoft's commitment to minimize the environmental impact of its business. For example, the company maintains its carbon neutral status through the use of smart packaging and renewable energy, as well as renewable materials for its computer technology products. Thus, Microsoft's corporate social responsibility strategy satisfies this stakeholder group's interests and fulfills the company's aims as a corporate citizen.

Investors. Microsoft identifies transparency as one of its main thrusts in its corporate social responsibility strategy. In this regard, investors are among the main stakeholder groups in the computer hardware and software business. Investors affect Microsoft through the availability of capital. The interests of these stakeholders are business growth and accurate financial reporting. Microsoft's corporate responsibility efforts satisfy these interests through a variety of disclosures about the business, thereby benefitting investors. For example, these CSR initiatives enable investors to make better decisions about the company. The firm's business stability also addresses investors' interest regarding business growth. These initiatives show that Microsoft's corporate social responsibility strategy satisfies the interests of investors as a significant stakeholder group.

Governments. Microsoft's corporate social responsibility approach considers governments as stakeholders in the business.This stakeholder group is significant because they directly influence the company's limits in doing business. Governments are interested in Microsoft's legal and regulatory compliance, as well as contributions to economic growth. The company satisfies these interests through stringent measures in the organization. For example, Microsoft's corporate guidelines require human resource managers to comply with labor regulations. These guidelines also require compliance with regulations on environmental impact, product safety, and consumer security.As a global computer technology business, Microsoft Corporation has taken the necessary steps for a corporate social responsibility strategy that satisfies the interests of its major stakeholders. The company has high performance in addressing its stakeholders. Microsoft's emphasis on human rights, environmental sustainability and transparency ensure that this corporate responsibility strategy remains relevant to current market conditions. However, an issue typical in large global organizations like Microsoft is the lack of immediate responses to individual customer complaints and inquiries. In this regard, a recommendation is that the company must invest in a larger support community to harness knowledge sharing that can enhance the corporate social responsibility strategy.

Conclusion

In conclusion, Microsoft being the foremost organization in the information and technology industry worked at its humble beginning in 1975 by Mr. Bill Gates and his youth mate Mr. Paul Allen which has a rapid growth history and finally became a public quoted company in 1986 and have since remained dominant in the IT industry and is affecting people's life all over the world positively with business partners globally and also providing aids and rescue services on emergencies through its corporate social responsibility programs and can be regarded as employer of first choice What I liked the most about Microsoft's sustainability report is that their stated material issues fit right in with their business mission, vision and model! Also, where Microsoft presented trending data (e.g. in their climate change and energy activities), it was obvious that much progress has been made. The company is also excellent at reporting their approaches to addressing these material issues.

However, there were two key things Microsoft could have done in their report that would have given better insight into their sustainability journey:

Although they stated several materiality issues, their reporting structure did not strictly follow, making it a bit messy and slightly confusing to read. For example, environmental/social applications of technology and partnerships were listed as material, but they were not explicitly reported on. Also, water and waste were not listed as material issues but they were explicitly reported.

Hard data was missing in many of the reported issues, and many issues would have done with trending data to show the progress over the years, as well as percentages to show how much has been achieved or specific targets for us to understand how far along in their journey they have come. Also, many data presented was for the US office – given the truly global reach of Microsoft, more should certainly be done to give the whole global picture.

Verdict: Overall, I give Microsoft a 'Doing Okay' score mainly because it is difficult for me to judge how far they've come given their lack of quantifiable targets. Upon reading the report, I came away with feeling that I did not really understand how much overall progress Microsoft has truly made. But of all the issues they reported on, I have the greatest comfort that Microsoft is making real progress on their responsible sourcing, accessibility to technology and climate change & energy. Perhaps they are doing 'pretty good', but I really can't say because of the way they have reported.

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