



BSR Conference 2009

**Reset Economy. Reset World.**

## A Conversation with Pamela Passman

Breakout Session Summary

Wednesday, October 21, 2009 | 9:45-10:45 a.m.

### Speakers

- » **Pamela Passman**, Corporate Vice President, Global Corporate Affairs, Microsoft Corporation
- » **Zachary Karabell**, President, River Twice Research (moderator)

### Highlights

- » It is more important than ever for companies to work together with competitors, governments, NGOs, academics, and other stakeholders to address sustainability problems.
- » Software can help companies manage sustainability and incorporate relevant data into corporate decision-making.
- » The U.S. Chamber of Commerce does not represent Microsoft's policy positions on climate change, and the company has communicated its frustration with the Chamber's communication on this issue in recent weeks.

### Memorable Quotes

*"We've learned over the years that you must engage [with stakeholders]. You can't walk away from it. And as a company we've had great success with engagement."*—Pamela Passman, Microsoft

*"It is a business imperative to get more women into technology. We believe firmly that women play a key role in society, and we need more women going into tech."*—Pamela Passman, Microsoft

### Overview

Passman's opening discussion highlighted Microsoft's reliance on a system of companies and organizations, in which win-win circumstances are absolutely necessary. Her current role at the company originated about seven years ago when Microsoft identified a need to focus globally on successful stakeholder engagement with business partners, governments, nonprofits, and the academic community.

In response to a question from Karabell about how Microsoft understands and addresses its environmental footprint, Passman highlighted three key areas. First, the company is working hard to quantify and reduce the impact of its own operations, particularly in business travel and data centers, which use a great deal of both energy and water. Second, Microsoft is working with researchers to capture data-intensive environmental information and develop software solutions to analyze and understand these data and project future changes. Third, Passman highlighted how technology can encourage changes that reduce overall environmental impact.

Karabell then discussed "coopetition"—cooperation among companies that are also competitors—on sustainability solutions, and asked if Microsoft would work with Google or others on common solutions to the growing environmental impact of data centers. Passman noted that the information technology industry has worked in this way from the start, and that Microsoft must



collaborate with competitors on a host of issues, including environmental sustainability, privacy, safety, education, and others.

Karabell also asked how Microsoft handles the occasionally conflicting requirements of regulatory regimes and societies. Passman gave the example of the internet, a complex system that extends across geographic borders, requiring companies and governments to work together. Microsoft starts with the premise that it must comply with all laws in the countries in which it operates. The company also identifies important issues and demonstrates to stakeholders the direction the company plans to take. A key part of this, the Windows Principles, focuses on choice, opportunity, and interoperability.

Passman highlighted the Global Network Initiative as an example of IT firms collaborating with human rights, privacy, academic, and other organizations to educate each other and set out an ambitious framework for action and responsibility.

In response to Karabell's question about the business incentive to invest time and money in such efforts, Passman stated that this type of work is part of the Microsoft DNA, and that people work for Microsoft because they want to be involved in the company's impact on everyone's lives. She added that the private sector is at a critical juncture, and it is important for companies to reach out to broader stakeholders for greater legitimacy. She cited historic lows in public confidence in business, as well as the need to understand what long-term success is, attract long-term talent, and build a culture that excites employees.

Karabell then asked whether the need for hard financial decisions has adversely affected some of Microsoft's sustainability goals. Passman replied that every part of the company has seen cuts, but that it has been an opportunity to focus on the most impactful things the company can do. She noted that this is something that organizations should do every few years. To ensure its programs have an impact, Microsoft focuses on metrics.

During the Q&A, an audience member asked about Microsoft's position on the withdrawal of Apple and other companies from the U.S. Chamber of Commerce due to the Chamber's stance on climate policy. Passman stated that the Chamber does not represent Microsoft's policy positions, and that her company has communicated its frustration with the Chamber's communication on this issue in the past weeks. However, the company relies on trade associations to represent its interests, and the Chamber is a very important voice for U.S. industry on international trade.

After another question from the audience, Passman focused her discussion on the lack of women in the technology field. She pointed out that without women entering the technology workforce, the industry won't have the people it needs. Women need consistent opportunities for training and employment in the field and must not be excluded.

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