

Business for Social Responsibility

Software Working Group:

Materiality Analysis of Corporate Responsibility Issues in the Software Sector

July 2008

About BSR

Mission – To create a just and sustainable world by working with companies to promote more responsible business practices, innovation and collaboration

Goals

- To place responsible business practices at the core of the strategies and practices of the world's leading companies
- To be a leading provider of innovative business solutions building towards a just and sustainable global economy

History, Size & Status

- Founded in 1999, a not-for-profit, business membership advisory organization
- 230 Member companies from industries such as retail, oil & gas, pharmaceuticals, information & communications technology, agriculture, transportation
- A growing staff of about 70 current members in the US, Asia, and Europe
- Funded by advisory services, membership fees & grants

About the Software Working Group

In 2007, BSR launched with its members a work stream **to define corporate responsibility priorities** for the software sector and **to identify positive contributions that the sector's products and services can make to sustainability.**

The companies in the Software Working Group — currently **Adobe, Autodesk, HP, McAfee, Microsoft, SAP and Symantec** — are committed to working together to understand and meet society's expectations for a responsible software sector, and to developing products and services that enable sustainability.

The initial output of the group is focused on two workstreams:

1. An analysis of material issues for the software sector that incorporates stakeholder input through a series of engagements
2. A thought piece on the impacts the software sector can have on sustainable development

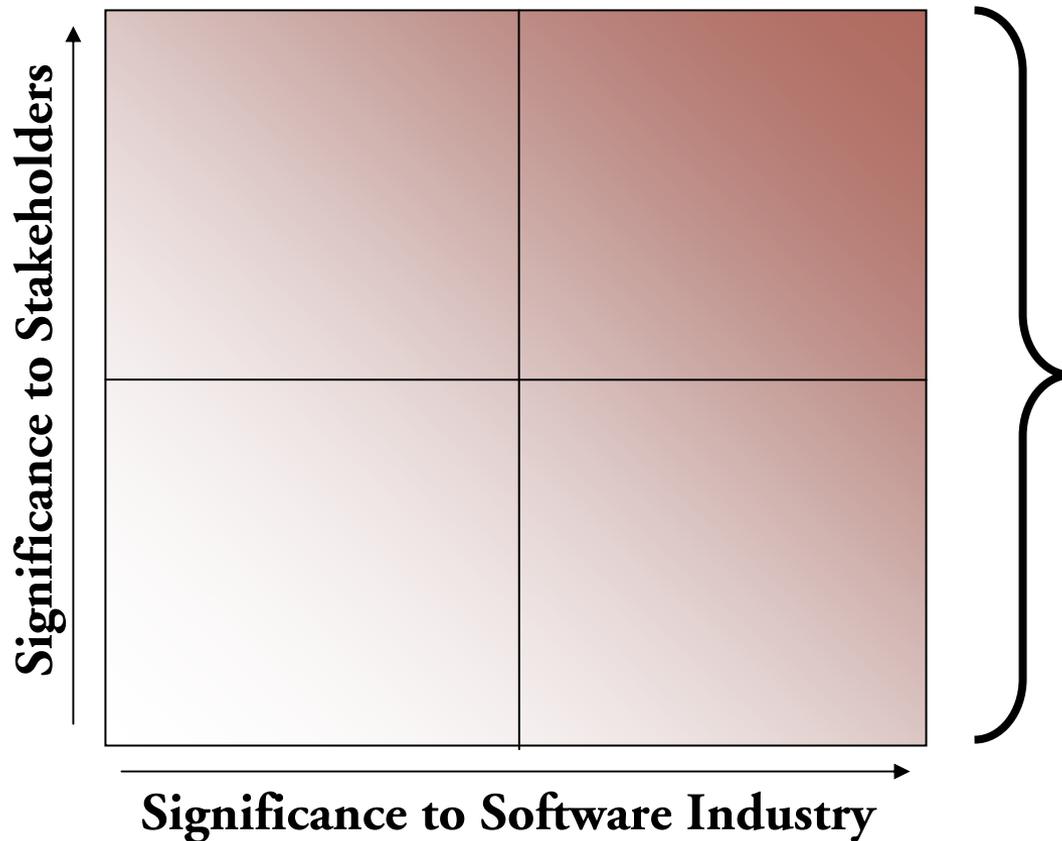
Materiality

- Development of a sound corporate citizenship and sustainability strategy is based on a robust process for identifying and prioritizing the most important citizenship issues.
- Issues are identified as those that are **most important to the business success of the software industry and those that are most important to the industry's stakeholders**, and then ranked in relative importance to each other.
- The resulting matrix is an evolving analysis of the corporate citizenship issues/opportunities that are most strongly aligned with the industries strategic business priorities, capabilities and impacts.

Materiality Process

1. **Issue Identification** – BSR identified potentially material issues based on a wide range of sources, such as analyst reports, investor presentations, media coverage, risk assessments and wider demographic and environmental trends
2. **Issue Prioritization** – BSR conducted an initial prioritization based on each issue's importance to Stakeholders and influence on Business Success
3. **Stakeholder Engagement** – Ongoing in person and virtual engagement with industry and sustainability experts

The Materiality Ranking



All issues included in the grid have been identified as important to the Software Industry. Each company will determine its own priorities.

Words of Caution about Findings

- The significance of any one issue will vary between individual companies within a sector: this level of granularity is not captured in the analysis
- All of the listed issues are important; it is their relative significance that is being judged.
- The analysis does not indicate what companies should do about any particular issue.

Materiality

What It Is

- A tool for building consensus
- Intended to drive CSR improvements in the software sector
- BSR's perspective informed by engagement
- Dynamic and evolving

What It Is Not

- One size fits all
- A performance standard against which companies should be measured
- Static and unchanging

How to Use the Materiality Results

- As a basis for discussion with among stakeholders
- To identify gaps in current CSR practices on high priority issues
- To scope areas of potential collaboration
- In whatever way is useful to your organization

Material Issues – Overall Assessment

