



How to benchmark CSR/ESG and Sustainable Development in a control framework

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The Framework for CSR/ESG

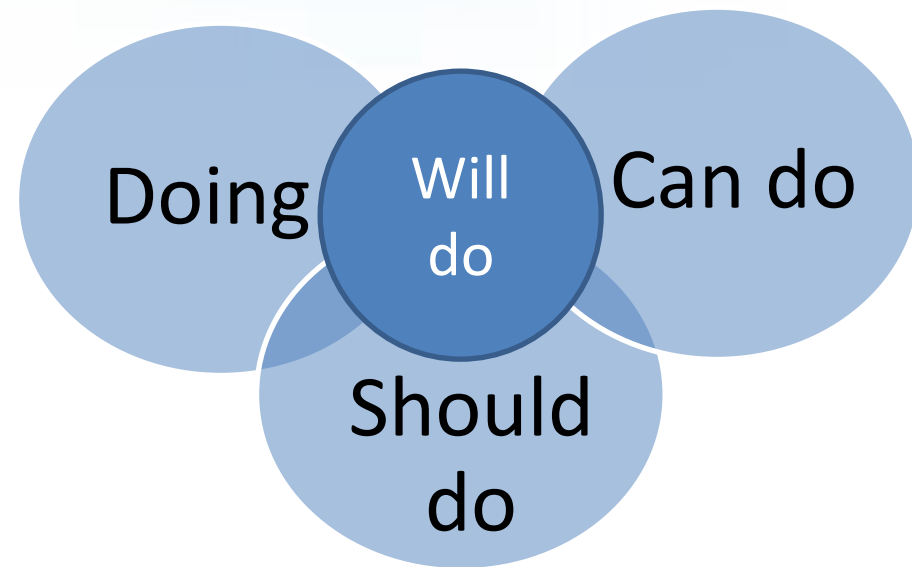
The Governance Dimension of CSR Compliance

- Regulating the Accountability & Transparency agenda
- Corporate CSR/ESG strategy to win long-term value(s)
- Addressing heightened levels of shareholder activism
- Environmental and business sustainability concerns
 - The CSR Compliance Cliff
 - The Grey Eminences of CSR
 - The Critical Compliance Complexity
 - CSR Compliance Control Roadmap and Framework
 - Non-Financial Reporting
 - A Case Study



2021 CSR news

- Corporate ESG Integration to Drive Decarbonisation
- The Potential Risks Posed by the New EU legislation on Human Rights Due Diligence
- EU Commission Agenda at The 2021 Davos Summit
 - Biodiversity
 - European Climate Law
 - Due Diligence
 - Sustainable Finance



Copenhagen Compliance CSR Approach

CSR Blueprint

Define Inputs

- Capture & document existing rules for data governance
- Evaluate current organizational responsibilities & accountabilities in data
- Integrate discovery with any business process improvement or continuous improvement efforts

CSR Roadmap

Formalize Governance Process

- Leverage governance rules in framing organization design for data governance
- Frame out processes targeted for improved information governance
- Drive decision making on methods of governance & timeframes for introduction

CSR Framework

Configure Applications

- Transfer data definitions
- Provide technical configuration for information governance across all aligned processes
- Configure & customize data governance solutions

Major global CSR scandals

- Non-compliance to changes in CSR regulation destroyed Detroit?
- Volkswagen emissions scandal
 - known as ‘emissionsgate’ and ‘dieselgate’ –VW cheated on emissions tests
- BP scandal
 - Deepwater Horizon oil spill of 2010, oil rig exploded in the Gulf of Mexico, causing oil to gush into the sea.
- Uber scandal
 - multiple accusations of sexual harassment and its ‘stop-at-nothing’ approach to expansion.
- Apple scandal
 - ‘batterygate’ software update to reduce the performance of their iPhone force users to upgrade by deliberately slowing devices as they aged.



Avoid the CSR Compliance Cliff

- Increasing complexity and regulatory burden
 - Create a business service model that form the backbone
 - integrate, unite and embed the processes and architectural CSR frameworks
 - benefits and relevance for continued business sustainability
- Identify the CSR issues that provide a firm foot



Core CSR issues remain unsolved

- Prudence has given way to caution
- balance sheet structures weaken, and CSR standards deteriorate.
- CSR performance continues to be artificial
 - the complex risk and financial performance will become debased in an eventual new downturn
- Regulators are not going to allow the corporate world to get away with shabby or disorganized CSR behaviour.



The Grey Eminences of CSR

- Facilitate/translate regulatory compliance
- Assemble the right mix of skilled experts
 - to engage specific dialogues associated with risk-taking and CSR policies.
- Gather extensive experience and tackle CSR issues relating as a regulator and oversight bodies.
 - determine and reinforce the spirit in which the CSR rules are written.



Critical CSR Compliance Complexity

- Understand the current issues and problems
- Extend collective pressure in one direction
 - provide the expertise & inspiring guidance
 - commitment to uphold reputation & high ethics
- Focus on assignments that are closer to policy implementation or supervision
 - rather than of oversight or enforcement
 - multi-dimensional collaborative efforts
 - Recognize the limitations available in corporate power.
 - If the *regulators* require jumping on both feet for 5 miles to be compliant, go for the bonus mile!

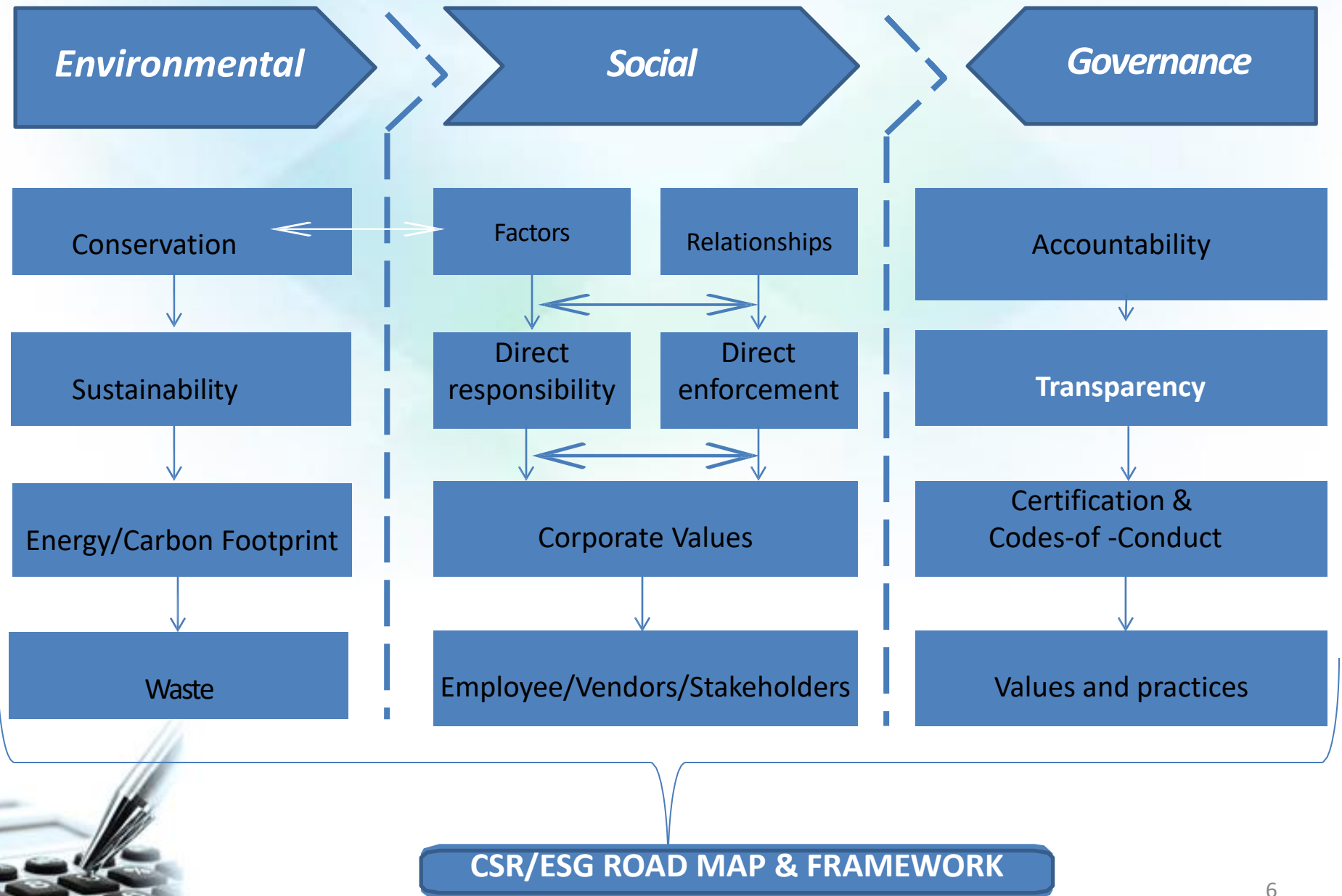


Early Sightings of Black Swans

- Burdens of *denial* that end up in complex CSR issues
 - duplication of efforts, controls, and manual tests complicates the most basic regulatory controls
- Even the best companies lack effective CSR systems
 - From legal, compliance, and reputational risk
 - To identify prudent controls, related to specifics
- Avoid overcompensating for past violations
 - Intensified regulatory scrutiny bring unintended consequences to be passionate about controls and compliance.
 - Address the challenges of transparency & accountability
 - Hands-on CSR compliance and technology



Assemble the CSR/ESG Road Map & Framework

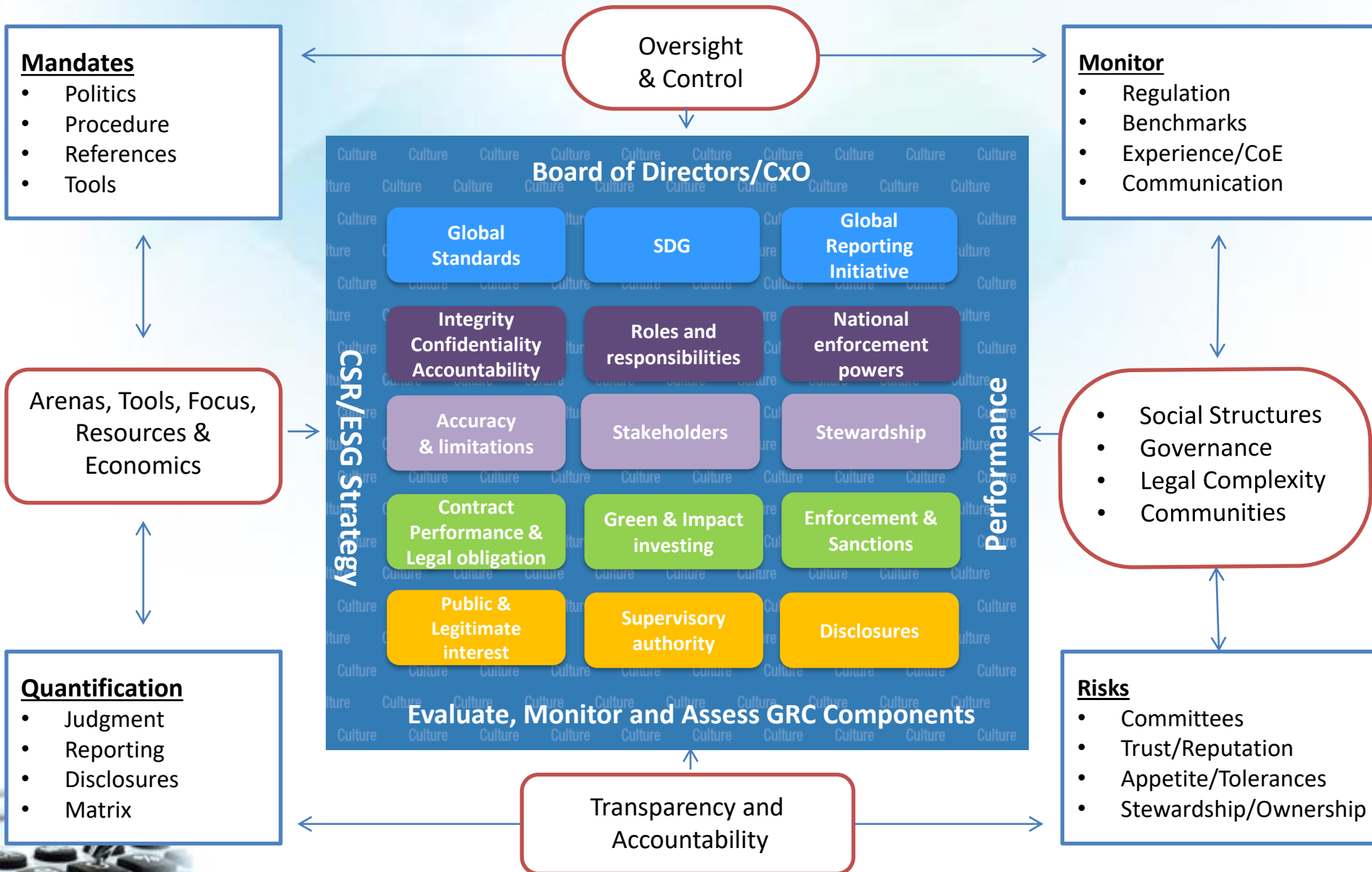


The CSR/ESG Roadmap Components



The Roadmap is accompanied by a detailed narrative for measuring, monitoring, disclosures and *automation*

Framework to Address CSR/ESG Exposure



The Framework is accompanied by a detailed narrative to measure, monitor and automate data privacy issues

CORPORATE SOCIAL RESPONSIBILITY

MAERSK DRILLING WHY AND HOW WE WORK WITH CSR



• VISION

A SUSTAINABLE CONTRIBUTION TO WORLDWIDE SUPPLY OF ENERGY

ENSURES LONG TERM BUSINESS SUCCESS

MAKES US ATTRACTIVE

OPERATIONS

OPERATIONAL IMPACT

• CSR STRATEGY

EMISSIONS AND HAZARDOUS MATERIALS

COMMUNITY ENGAGEMENT

COMMUNICATION AND STAKEHOLDERS

RISK AND DECISION MAKING

• BUSINESS INTEGRATION

• STANDARDS & POLICIES

• WHERE TO GO:



• SIRIUS
• INTRANET



THE MAERSK PRINCIPLES OF CONDUCT



IN DOUBT? CALL THE MD CSR FUNCTION

WE OPERATE IN AREAS OF SOCIAL AND ENVIRONMENTAL COMPLEXITY



STAKEHOLDERS INCREASINGLY FOCUSED ON CSR

WE BUILD ON OUR STRONG VALUES AND GOVERNANCE



WE THRIVE WHEN MARKETS DEVELOP



WE ARE COMMITTED TO UNGC AND OECD

• WHY CSR



• CSR FOCUS AREAS



• MD STRATEGY

ONE BILLION \$, ZERO INCIDENTS

3000 NEW EMPLOYEES AND 30 UNITS

NORTH SEA AND NEW ULTRA DEEPWATER MARKETS

LOCAL CONTENT

ENVIRONMENT AND CLIMATE CHANGE

STAKEHOLDER ENGAGEMENT

GLOBAL LABOUR PRINCIPLES

RESPONSIBLE PROCUREMENT

STRATEGIC SOCIAL INVESTMENTS

ANTI CORRUPTION

GRIEVANCE MECHANISM

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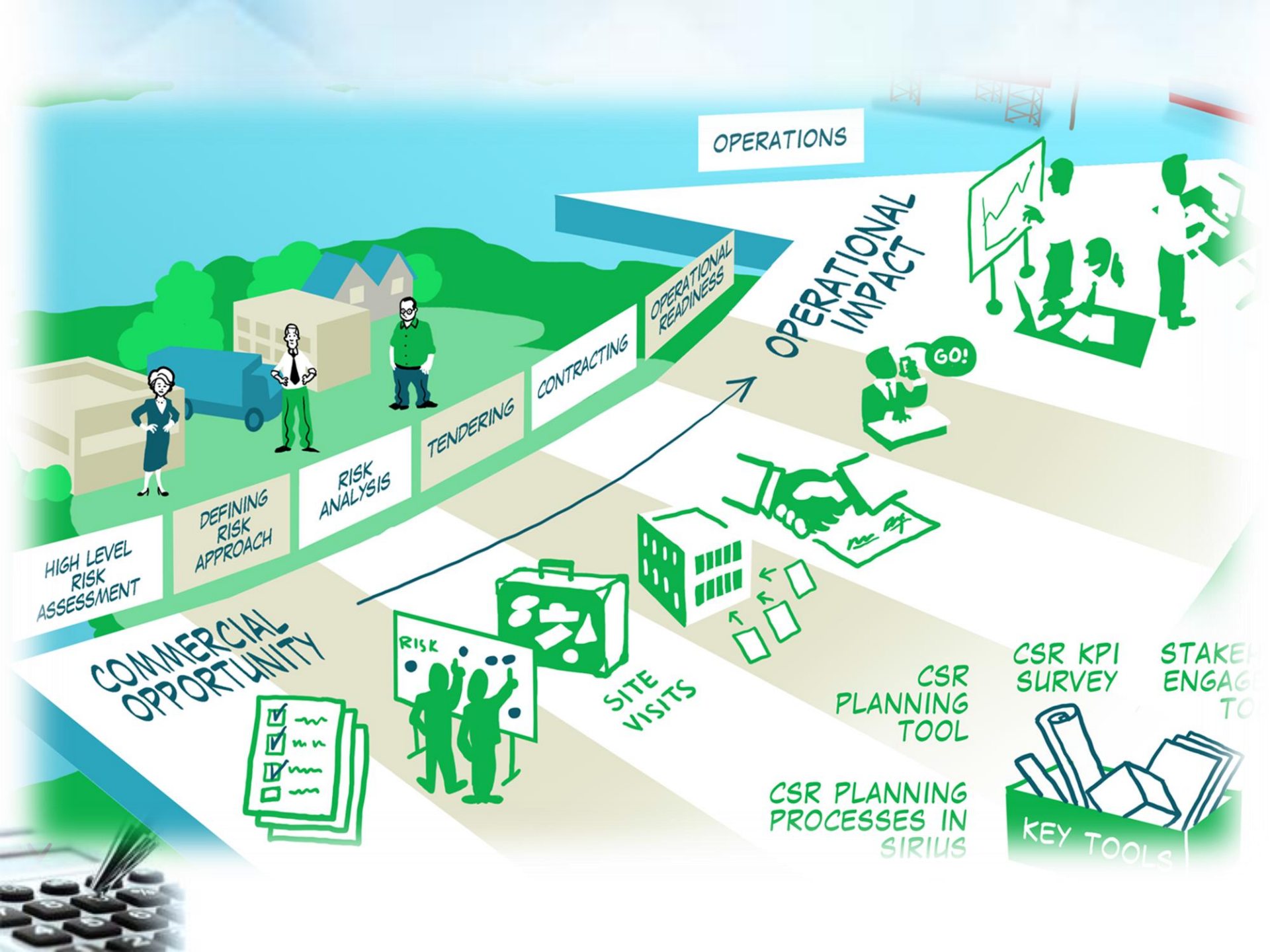
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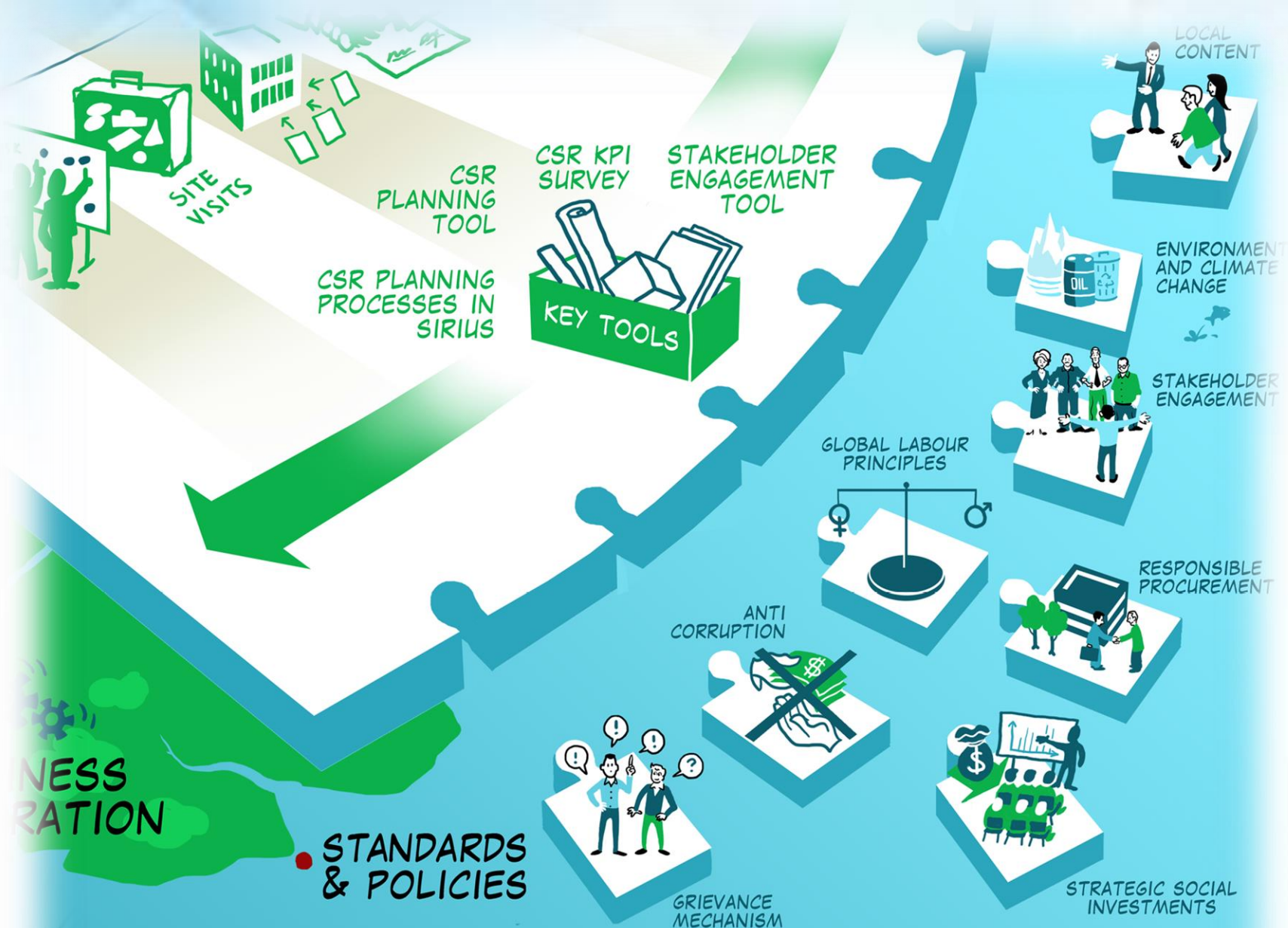
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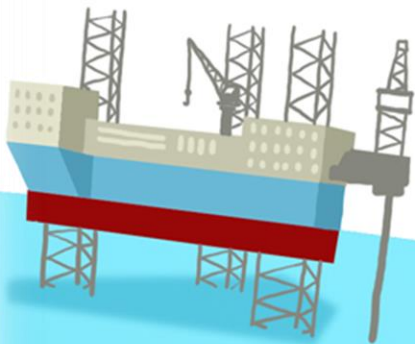
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Reap the benefits of CSR

Improves Processes and Operations

- Accurate and consistent weights and dimensions produces more error-free processes

Improves CSR Analysis

- Consistent terminology for product descriptions improves data quality and analysis, allowing for faster detection of opportunities or issues in the marketplace

Improves Stakeholder, Oversight and Financial Reporting

- Consistent and accurate product hierarchies provide Business Units with proper views into their business

Provides Values and Improves stakeholder Satisfaction

- Error free fact sheets make it easier for customers to buy products

Aids in Regulatory Compliance

- Positions companies to meet compliance challenges of state, federal and foreign regulations



Useful Links

Use a CSR checklist to assess advances

<https://bbba.bg/public/app/assets/docs/csr-checklist.pdf>

- The new EU directive on reporting non-financial information is the key

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/non-financial-reporting_en

Stakeholder comfort

<https://www.mckinsey.com/business-functions/sustainability/our-insights/more-than-values-the-value-based-sustainability-reporting-that-investors-want>

<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/five-ways-that-esg-creates-value>

[https://www.researchgate.net/publication/228451929 Causes and Consequences of Firm Disclosures of Anticorruption Efforts](https://www.researchgate.net/publication/228451929_Causes_and_Consequences_of_Firm_Disclosures_of_Anticorruption_Efforts)



Thank you

