

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

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Opening remarks
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The year 2020 started with the COVID and Corona issues, and 2021 has started with a pure tsunami of newly created CSR positions in the corporate world.

This focus is a clear signal that more companies are aware that expectations on multiple CSR issues are committed to finding solutions rather than growth at the top and bottom line.

In my opening speech, let me focus on what should you, as the Board or CEO or CxO, if you consider hiring a person responsible for CSR/ESG in your organisation.

What is the corporate level of ambition?

- Do you want to be the best in class and become a world leader in sustainability?
- Do you have to be better than the competition?
- Do you want to be in the top 3 or 10?
- Do you want the stakeholder critics out the door?

In each case, the process is to adjust the level of ambition whatever it may be and move from sustainable business development towards traditional CSR issues, focusing on holistic risk management on the components of social responsibilities, environment, and good governance to name just three.

The next question you ask is; at what level should the board and management functions engage and involve themselves in CSR/ESG issues.

If the ambition is to have the stakeholder critics out the door than CSR is a routine corporate function that must report to the board and management if the investor focus on a particular issue is the most relevant

Strategic and sustainable business development is crucial to the business.

The level of your ambition will also decide the type of function that you will hire. CSR at a strategic level requires the board to establish the process, role, and responsibility of a chief sustainability officer role (CSO), which reports directly to the CEO.

The implementation success depends on how well you integrate your CSR efforts into your business strategy. At this stage, the CSR department must also identify and highlight some of the eminent dangers of unthoughtful CSR/ESG implementation.

Execution, Monitoring and Operations

The danger of direct reporting is that the position becomes very political and that progress becomes dependent on the relationship between the CEO and the CSO. Perhaps it is best to let the CSR function report to the level under the CEO.

A CSR boss must have the courage to challenge the board, management or the organisation even though sustainability issues are not sufficiently involved in top-level decision-making processes.

The next step is to ensure the sustainability competencies in operations, where product development must be developed, streamlined, etc. and fits the corporate level of ambition and expectation.

Where should the CSR boss be located?

It is worth considering where to best place a CSR function in the organisation. Not all companies need to establish a dedicated CSR/ESG or sustainability department. Decide what the primary role of the position depending on the company' ambition level;

- If the sole purpose is branding, it is relevant to consider the communications department or public affairs.
- If ESG/sustainability is relevant to the customers and stakeholders, perhaps the sales & marketing department is the custodian.
- If risk management is crucial for the authorities' relationship, disclosures and reporting, then the legal function is the most suitable.

Funding is the rationale.

What are the resources allocated, and what is the budget needs?

This is often the most anxious discussion because the CSR boss is expected to dream about CSR/ESG components without a budget in many cases. "Ex nihilo nihil fit" or "Nothing Comes from Nothing" as the famous philosopher Parmenides said many centuries ago.

There must be proper skills, resources, and a budget to achieve the ambition and the results.

How do you ensure that the CSR boss is successful?

All people love to be challenged, create results, and make a real difference. My introduction's direct message is that the board and management must deliver on the corporate ambition level, and the initiatives match the CSR departments competencies. Remember, leadership is the least efficient activity in your organisation, or it can also be the most useful activity. It all depends on the efforts when deciding on the level of ambition!