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BOARD OVERSIGHT OF CLIMATE RISKS AND OPPORTUNITIES

Faculty
Prof. Mak Yuen Teen & Dr. Khoo Guan Seng



23 April 2024
9:00am – 5:00pm



RM 2,500
before SST



Program Overview

Directors and corporate leaders are generally aware that climate change has caused a lot of damage and disruption; and is bound to do far worse as it intensifies. However, they may not understand well the specific impact that climate change has and will likely have on their businesses.

Given the widespread direct and indirect effects of global warming, all companies are exposed to climate-related risks and opportunities, which they must properly consider.

In this workshop for directors and senior management, Professor Mak Yuen Teen and Dr Khoo Guan Seng will share insights from their report on the role of the board of directors in overseeing climate risks and opportunities. They will also help participants understand key climate change concepts, principles and risk management issues relevant to their organizations' activities. The coverage will include identifying opportunities for financial institutions and other corporations to support climate change adaptation and mitigation while helping them to explain climate change and the impact, including risks, to their other stakeholders. It will also help boards and management to shape their organization's strategies, policies, products and/or services in response to climate change, climate change policy and market developments.

The program will also cover other topics relevant to boards in the context of climate risks and opportunities, such as putting in place appropriate governance and management structures, assessing materiality, integrating climate indicators into management remuneration, reporting and assurance, and greenwashing. The faculty will share insights from their research on company practices in these areas.

Professor Mak and Dr Khoo will discuss 10 key questions that boards should ask in discharging their oversight responsibilities for climate risks and opportunities, and good practices in this important area.

The program will be highly interactive with discussion of real-life case studies and scenarios relevant to climate risks and opportunities.

Learning Outcomes

At the end of the program participants will be able to:

- Identify the types of climate risk their organizations are exposed to
- Assess the risks and opportunities created by climate change on their organization
- Adopt an effective climate governance framework
- Put in place appropriate governance and management structures to oversee and manage climate risks, including setting clear roles and responsibilities
- Implement a robust materiality assessment and linking this to strategy, risk management, metrics and targets
- Evaluate whether and how to include climate metrics and targets in management remuneration
- Implement effective climate risk management, contingency planning, scenario analysis and planning
- Apply good practices in climate reporting, including integrating with financial reporting
- Understand and mitigate risks of greenwashing

Who Should Attend?

- Board of Directors
- Members of Risk Management and Sustainability Committees
- Senior Management
- Anyone else who may find this program helpful.

Program Outline

Session 1: Key issues in addressing climate risks and opportunities & Updates on recent developments in climate adaptation, mitigation and reporting

- Examples of key climate risks relevant to organizations
- How these risks impact operations, supply chain and stakeholders
- Opportunities for organizations in the transition to a low-carbon economy
- Key principles for effective Climate Governance

Session 2: Governance and management structures, materiality assessment, integrating into strategies, and setting metrics and targets

- Roles and responsibilities of key governance and management structures including board and management composition and subject matter expertise
- The importance of cross-functional collaboration
- Best practice climate governance in materiality assessment, strategy integration, managing risk, setting metrics and targets, incorporating climate metrics in remuneration

Session 3: Climate risk management and scenario analysis

- Key principles and practices of effective climate risk management
- Holistic approach and resilience building including contingency planning to climate-proofing of business, supply chain and operations
- Engaging in scenario analysis to understand potential climate-related futures

Session 4: Reporting, greenwashing and other emerging issues

- Recent developments in climate reporting requirements and examples of good practices
- Greenwashing and implications for organizations
- Legal consequences and liability risks of greenwashing
- Ways to avoid greenwashing and maintain transparency in sustainability practices

Faculty



Professor Mak Yuen Teen teaches at the NUS Business School, National University of Singapore, where he founded Singapore's first corporate governance center in 2003. He served on three of the four corporate governance committees set up by the Singapore authorities to develop and revise the code of corporate governance, including the first committee in 2000 and the most recent committee under the Monetary Authority of Singapore (MAS) which released the 2018 Singapore Code. He currently serves on the Corporate Governance Advisory Committee under MAS aimed at continually raising corporate governance standards for listed companies in Singapore. Professor Mak has produced a

guide for Nominating Committees with KPMG, and served on the advisory panel of the Singapore Institute of Directors which produced the Nominating Committee Guidebook. Between 2000 to 2005, he served on the Governing Council of the Singapore Institute of Directors. He is a member of the Advisory Council of the Vietnam Independent Directors Association and a member of the International Advisory Board of the Hawkamah Institute for Corporate Governance in Dubai.

Professor Mak has been chair, deputy chair and board member of several not-for-profit organizations in Singapore, and currently chairs the nominating committee of a large healthcare charity. He served consecutive six-year terms on two audit advisory committees of UN funds based in New York between 2007 and 2018.

He edited 11 volumes of Asia-Pacific and global case studies published by CPA Australia and a special financial services edition, and in all, he has written or edited nearly 250 case studies related to corporate governance. He will edit a new annual series of case studies on governance and ethics to be published under the newly established Centre for Investor Protection founded by him at the NUS Business School.

Professor Mak has also produced numerous reports on corporate governance, often commissioned by the authorities or consulting firms. He developed the first corporate governance rating for Singapore companies called the Governance and Transparency Index and the first Singapore governance rating for REITs and business trusts. He was also the Singapore expert involved in the development of the ASEAN CG Scorecard.

He has extensive experience conducting training for directors, regulators and other professionals, including in the Mandatory Accreditation Program (MAP) and Financial Institutions Directors' Education (FIDE) program, and programs relating to nomination and remuneration matters, governance in company groups, and the board's roles in compliance, value creation and sustainability.

Professor Mak is also a regular commentator on corporate governance issues in the Singapore and international media, and regularly posts articles and commentaries on his website Governance for Stakeholders.

Faculty



Dr Khoo Guan Seng has over 28 years of experience in the design and implementation of enterprise-wide investment, banking and risk management models, systems and processes, including ESG/responsible investing. He gained deep practical insights from a career with financial institutions in the US, Canada, UK and Singapore, including the Man Group, where he was the Principal Scientist, designing and running an algorithmic AI-based hedge fund; and American Bourses Corporation, which provided robo-based analytical solutions and financial info-utilities to traders and investors.

He has also served at ATOS Origin, RHB Capital, Singapore Exchange, Standard Chartered Bank, Temasek Holdings, Alberta Investment Management Corporation (AIMCo), Changi Airports International, and the Alliance to End Plastic Waste (AEPW). He holds a PhD in Computational Physics (Material Science) from the National University of Singapore, with post-doctorate R&D in AI-based data mining and applications in Japan and the US.

When he was the Head of ERM/GRC at AIMCo, he was also the Head of Proxy Voting and a member of the investment committee involved in approving investments via relationship investing/stakeholder engagement, e.g., in Environmental Resources Management and Glass Lewis. He also helped establish AIMCo's Responsible Investing Unit in 2011.

Over the last few years, he has led initiatives in sustainability-related project and impact financing and education, including at AEPW, and in sustainable investing seminars for the investment management and banking industries, at SMU, Salmon Thrust and London Business School's SWF Academy.

As an academic at Nanyang Technological University, he co-designed the first environmental science module (as a free elective for all NTU undergrads) in 1997, which included teaching on the effects of climate change on human society and biodiversity. He published *A Guide to the Flora and Fauna of Schools in Singapore* in 1991 and also participated in a Malaysian Nature Society scientific expedition to the Endau-Rompin forest reserve in Malaysia in 1989 to investigate and research the changing state of biodiversity due to climate change and human interactions.



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