

EXECUTIVE SUMMARY

ICDM BOARD SUSTAINABILITY COMMITTEE DIALOGUE & NETWORKING

“Boards as Stewards of Sustainability – Doing Well by Doing Good”

4 June 2024



[The dialogue](#) focused on a critical question - Can businesses achieve success while making a positive impact? The “Boards as Stewards of Sustainability: View Across Asia & Pacific” report suggests that despite the challenges and hurdles faced by boards in the pursuit of sustainability, the “heart” of the boards seems to be in the right place. One in three board directors consider sustainability an integral part of the corporate purpose and seek to dedicate more time for it.

Key insights from the dialogue

- 1 Asking the Right Questions:** Boards must ensure that environmental and social concern are regularly addressed during board meetings and are incorporated into the meeting agenda. Identify and focus on the most critical sustainability issues for the organisation first.
- 2 Addressing Knowledge and Capacity Gaps:** Despite information overload, many companies have not fully assessed their environmental impact nor considered the reciprocal effects on their business. Adequate resource allocation to effectively fill the knowledge and capability gaps is a great starting point to enhance organisational capability.
- 3 Balancing Shareholders’ Interest and Sustainable Practices:** Boards face the ongoing challenge of finding the equilibrium between profitability and sustainable practices along with the timing of committing to unpopular decisions. This is not due to the lack of awareness but rather a challenge they struggle with while adapting to the changing market dynamics.
- 4 Cultivating Long-Term Thinking:** A winning board embraces a growth mindset. It requires proactive measures and collaboration among stakeholders across the ecosystem. Acknowledging the long-term value of sustainability practices and growing societal awareness, businesses can gain a competitive edge beyond just doing good deeds.
- 5 Adopt the "ACE" Approach:** Act now by recognising the urgency of addressing sustainability issues and taking immediate action. Demonstrate genuine commitment to sustainability efforts and continuously elevate knowledge and experience to drive your organisation to do well while doing good.

Key questions to consider

1. How well do organisations understand the sustainability aspects of their business and the impacts on sustainability?
2. What are the actionable strategies organisations can implement to bridge the knowledge gap in understanding the environmental, social and financial aspects of sustainability?
3. As fiduciaries of shareholders, what boards should do to shift their focus from climate risk to climate opportunity?
4. What more can board directors do to genuinely embrace and drive the environmental and social sustainability agenda within the organisation?
5. Are we doing the right thing or are we doing the things right?
6. What is installing your sustainability stewardship journey? *[Take the 10-Minute Reflective Diagnostic on page 49 of the Report]*
7. What archetype is your board? *[Take the 10-Minute Reflective Diagnostic on page 52 of the Report]*

The “Boards as Stewards of Sustainability: View Across Asia & Pacific” Study was led by Stewardship Asia Centre (SAC) in partnership with ICDM and 12 other distinguished organisations across 12 countries in the region. Based on inputs from over 700 directors across the Asia Pacific, the study unpacks the challenges board directors face when championing sustainability in for-profit organisations; the key ingredients of board success; the three takeaways from APAC boards; the five archetypes of APAC boards and the call for actions. The report was launched on 28 May in Singapore followed by this launch dialogue in Kuala Lumpur on 4 June 2024.

To access the full report, please visit [ICDM Pulse](#). For any enquiries on corporate governance, board leadership and director development, please contact us at advocacy@icdm.com.my

Special thanks to the SAC team for the presentation and the panellists for this dialogue and roundtable session:

- Rajeev Peshawaria, CEO, Stewardship Asia Centre
- Sunil Puri, Senior Vice President of Research & Engagement, Stewardship Asia Centre
- Ho Yuet Mee, INED of CIMB Group Holdings Berhad
- Jenifer Thien, INED on various PLC boards
- Rashid Redza Anwarudin, Chief Sustainability Officer of Sime Darby Plantation Berhad
- Sarimah Talib, Vice President, Sustainability & External Relations of Bumi Armada Berhad