

The Board's Agenda

Mindset Shifts for a Sustainable and Equitable Future

The 4th Integrated Corporate Governance, Risk Management, and Sustainability Summit

October 18, 2022
Virtual | 8:30 - 12:30 PM

 ICD | A SEC accredited training

CONCEPT NOTE

There is a deeper understanding of our inherent interconnectedness to the physical environment and to each other as we emerge from the pandemic. However, recovery has not been as straightforward as many had hoped. New strains of the coronavirus and more zoonotic viruses, continue to emerge. Alongside climate change, geopolitical tensions, the re-emergence of historical tensions in Europe, and a China that is more politically assertive even as its economy slows have dominated the political and economic conversations of late.

The systemic risks arising from these issues contribute to a volatile, uncertain, complex, and ambiguous reality that has given increase importance to how organizations address environmental, social, and governance factors.

Now more than ever, business leaders must deal with the demands of rapid and constant change.

Despite noises from those that doubt the onset of climate change, the transition to a net-zero global economy has already started. Many high-carbon assets will be retired early or replaced with low-carbon solutions. There will be creative destruction and stranded assets in many sectors of the economy.

On social factors, the WBCSD has identified inequity as a risk for government and businesses around the world. Inequity limits productivity and innovation, constrains consumer spending and growth, destabilizes supply chains, breeds political instability, and jeopardizes the license to operate.

These environmental and social challenges can lead to negative outcomes especially for developing countries like the Philippines. Drought and flooding, for example, can make it more difficult to supply basic needs, and increase poverty and inequity. Expect to see a continuing proliferation of social issues intertwined with climate change in the coming years.

How can the private sector prepare for all this?

Organizational leadership plays a vital role in guiding businesses towards contributing to a more sustainable and equitable future. Properly informed boards ask the right questions, know which initiatives to pursue, and find appropriate solutions.

With these environmental, social, and leadership issues, the discussion around steward leadership is an important and timely one. Steward leadership creates win-win-win success, where individuals, the organization, its shareholders, and society at-large, all thrive together. For leaders to succeed in creating a sustainable and equitable future, the shift towards stewardship is key.

In this year's Integrated Summit, Ayala has invited thought leaders and experts to share insights on the mindset shifts necessary for the boards and company leaders of the group. We focus specifically on climate governance, steward leadership, social inequity, and the emerging corporate reporting standards to prepare Ayala's boards and leaders for a future where sustainability is front and center.

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SUMMIT PROGRAM

8:15 am **VIRTUAL SITE IS OPEN**

8:30 am **PRELIMINARIES**

8:40 am **WELCOME**
Solomon M. Hermosura, Chief Governance Officer, Ayala Corp.



8:50 am **KEYNOTE ADDRESS: "MINDSET SHIFTS FOR A SUSTAINABLE AND EQUITABLE FUTURE"**
Jaime Augusto Zobel de Ayala, Chairman, Ayala Corp.



9:10 am **PLENARY: SHAPING THE STRATEGIC DIRECTION ON CLIMATE**
Boards play a vital role in guiding businesses in dealing with the demands of rapid and constant change and ensuring that long term views are captured in decision-making. Properly informed boards ask the right questions, know which initiatives to pursue and find appropriate solutions.



In this session, Professor Whiteman will provide best practices from chairs who are leading the way on climate and insights on how boards and company leaders can raise the bar for positive action.

Gail Whiteman, Executive Director, Climate Basecamp

Arctic Basecamp is a unique science communications platform where our goal is to "speak science to power" in order to spark bold climate action.

9:40 am **FIRESIDE CHAT: GAIL WHITEMAN AND CEZAR P. CONSING**
Mr. Consing joins Professor Whiteman in this interactive fireside chat to discuss how choices made over the next decade will impact the world for years to come and how business leaders must be advocates for taking action to address climate change within their organizations and beyond.



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10:00
am

BREAK

10:10
am

GOVERNANCE: STEWARD LEADERSHIP

To optimize growth and profitability in today's changed world, organizations need a new framework of purpose, values, and vision. They need Steward Leadership. How can steward leadership help corporations propel long-term growth and mitigate the ramifications of the growing challenges we face?



In this session, Mr. Peshawarya will provide an initial understanding on the misconceptions of leadership in today's dynamic operational landscape, how to further conceptualize the challenges and opportunities present in practicing personal steward leadership and explore practical tools and frameworks to activate their own Organizational Steward Leadership Compass.

Rajeev Peshawarya, CEO, Stewardship Asia Center

Stewardship Asia Centre is a non-profit organization established by Temasek dedicated to helping business and government leaders, investors, and individuals activate stewardship practices through research, executive education, and engagement.

10:30
am

Q & A WITH CHUA SOCK KOONG



10:40
am

REPORTING STANDARDS: RETHINKING REPORTING AND DISCLOSURES



There is a fundamental need for companies to revisit the "why" of reporting and disclosures. A shift from a compliance mindset to one that ensures the report becomes a powerful tool for high-level decision-making and strategy is necessary.

In this session, Lois Guthrie will help us navigate how we can improve on the way we approach reporting and disclosures in preparation for the upcoming harmonized non-financial reporting framework from the IFRS.

Lois Guthrie, Senior Technical Advisor, IFRS Foundation

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The IFRS Foundation is an independent, public interest organization responsible for the governance and oversight of the International Accounting Standards Board. In November 2021, the IFRS Foundation announced the formation of a new International Sustainability Standards Board (ISSB) to develop the IFRS Sustainability Disclosure Standards, including disclosure requirements that address companies' impacts on sustainability matters relevant to assessing enterprise value and making investment decisions.

11:00
am

Q & A WITH RIZALINA G. MANTARING



11:10
am

SOCIAL EQUITY: THE BUSINESS OF DOING GOOD

A clear business rationale is emerging for companies to use their assets and capabilities to level the playing field, create opportunities for all people, and ultimately narrow social and economic divides.



In this session, Anouk Heilen will share why Unilever prioritizes investments on ESG, particularly around the industry leading practices around fair pay and a living wage. She will also touch on the practical application of such programs across their global operations, and how more investments in the "S" in ESG can improve Unilever's bottom line.

Anouk Heilen, Global Sustainability Director for Social Impact, Unilever

Unilever is a British multinational consumer goods company with headquarters in London. Unilever products include food, condiments, ice cream, cleaning agents, beauty products, and personal care.

11:30
am

Q & A WITH FRANCISCO ROMERO MILAN



11:40
am

STORYTELLER SESSION: FROM NOWHERE TO COVER

This year's storyteller is Mayor Alfredo M. Coro II from the Municipality of Del Carmen, Siargao Group of Islands.



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Since 2010, Del Carmen, through the leadership of Mayor Coro, has launched marine conservation programs that resulted in 100% illegal mangrove cutting reduction and 95% illegal fishing activities reduction as of 2020.

Beyond robust environmental programs supported by legislation and information-driven development planning, Del Carmen is also pioneering efforts around developing social safety nets for its fisherfolk and small-hold farmers, enabling them to live and retire with dignity, thereby enjoying a life outside of their livelihood. Investing in people whose source of income is directly tied to the municipality's critical ecosystems ensures that the local industries they belong in prosper and endure.

A just transition to a low-carbon future must account for municipalities like Del Carmen – coastal towns that depend largely on the environment and natural resources for sustenance and survival. As social issues increasingly intertwine with climate, we will learn from the lessons of a small municipality that endeavors to leave no one behind in its pursuit for environmental conservation, sustainable development, and climate resiliency.

Alfredo M. Coro II, Mayor, Municipality of Del Carmen,
Siargao Group of Islands

The Municipality of Del Carmen's partner-driven approach to development has resulted in improvements in health service delivery, education reforms resulting to better learning quality, sustainable fisheries management, community-based tourism development and efficiency and effective local governance.

12:10
pm

Q & A WITH JAIME Z. URQUIJO



12:20
pm

CLOSING REMARKS

Alberto M. De Larrazabal, CFO, CRO, CSO and Finance Group Head,
Ayala Corp.

