

Board Symposium

Post-event Summary
October 2023



Deloitte Singapore hosted the second edition of its Board Symposium on Tuesday, 31 October 2023. The Symposium focused on the transition to net zero and the emergence of a green collar workforce as well as the implications of AI disruptions for the future of the business.

This summary provides a comprehensive overview of the significant discussion points and takeaways for Boards and C-Suites from the Symposium.



Panel Discussion

Work toward net-zero in Singapore: The rise of the Green Collar workforce in a just transition



In this panel discussion moderated by **Josette Soh**, Sustainability and Climate Audit & Assurance Partner at Deloitte Southeast Asia, **Edwin Khew**, Chairman of the Sustainable Energy Association of Singapore (SEAS), and **Sze-Meng Soon**, CEO of GoNetZero™, shared their views regarding the role of corporations and ecosystem players in developing the resilience and future-readiness of the workforce in the journey toward net-zero. Here are some highlights from the session:

According to a Deloitte Asia Pacific report published in June 2023, titled "[Work toward net-zero in Asia Pacific – the rise of the Green Collar workforce in a just transition](#)", climate inaction is the greatest threat to the Asia Pacific region, and a poorly planned net-zero transition may perpetuate inequalities and hinder economic growth.

Premised on the findings of this report, the panel turned the lens towards corporations and discussed the roles that organisations, management, and Boards have to play in facilitating a just transition in Singapore. While Singapore has made good progress on the sustainability reporting front, the question on many Board members' minds is '*What's next?*', in the transition towards achieving Singapore's net-zero goals by 2050.

Boards will need to anticipate the workforce impacts of the transition towards a green economy

A critical element of the transition is the workforce. To facilitate a just and inclusive transition, companies will need to ensure their workforce is equipped with the right skills to navigate new market demands. The [International Labour Organisation estimates](#) that 18 million jobs will result from achieving the Paris Agreement's 2°C goal, from 24 million jobs created and 6 million lost.

In Singapore for example, one of the constraints in the growing renewable energy sector is the availability of skilled workers. To meet demand in these emerging areas of opportunity, Boards must take a proactive approach to skills development, ensuring their workforce is agile and equipped with the necessary know-how to pivot to new capabilities. Padded by governmental support, Singapore's strong focus on re-training workers provides an opportunity for companies to tap on resources to complement their efforts in upskilling and supporting their workforce through a just transition.

Several schemes have been launched in the last few years – for example, in 2019, [a new pathway for technicians and technologists to become chartered engineers was launched](#), allowing technicians and engineers an alternate career path to become accredited without an academic qualification. In addition, in 2020, [SEAS and NTUC unveiled a career development plan](#) to attract Singaporeans into the renewable energy sectors, to meet the demand for skilled technicians to install and maintain solar energy systems and reach Singapore’s target to achieve two gigawatt-peak of solar energy deployment by 2030.

In short, as demand for green skills and number of related jobs to fill in Singapore grows in tandem with the maturation of the green economy, Boards ought to recognise the need to continually invest in the upskilling and training of their talent. Increasingly, talent flowing into and working within the sustainability sector will hail from a diversity of backgrounds, with different perspectives and expertise to contribute along the organisational chain.

Boards need to embrace the transition with a growth mindset

As pressure from stakeholders and increasing regulatory requirements are spurring companies to act quickly, Boards must be fully aware of the accelerating shift towards decarbonisation and their role to play in this transition. Board oversight plays an important role in ensuring that organisations make genuine and sustainable progress toward accelerating decarbonisation, while being prepared to adapt plans and strategies as the landscape evolves.

It is imperative that Boards understand the implications of technology beyond the immediate term, as significant advances and investments in climate technology continue on an upward trajectory. An extant risk is when Boards focus primarily on the impact of technology in the near term, and underestimate its wider implications. In addition to continuing efforts to reduce and offset carbon emissions, Boards should adopt a long-term view and take into consideration how the significance of the role technology in the energy and climate transition will continually develop.

Industry collaborations and strategic partnerships are pivotal in engendering large and scalable impact. To hasten change, there will need to be a concerted coming together of companies, associations, policymakers, and activists to spearhead progress towards net-zero, whether in terms of co-engineering new solutions, exchanging complementary capabilities, and instituting regulatory standards.

Challenges faced by Boards in this transition

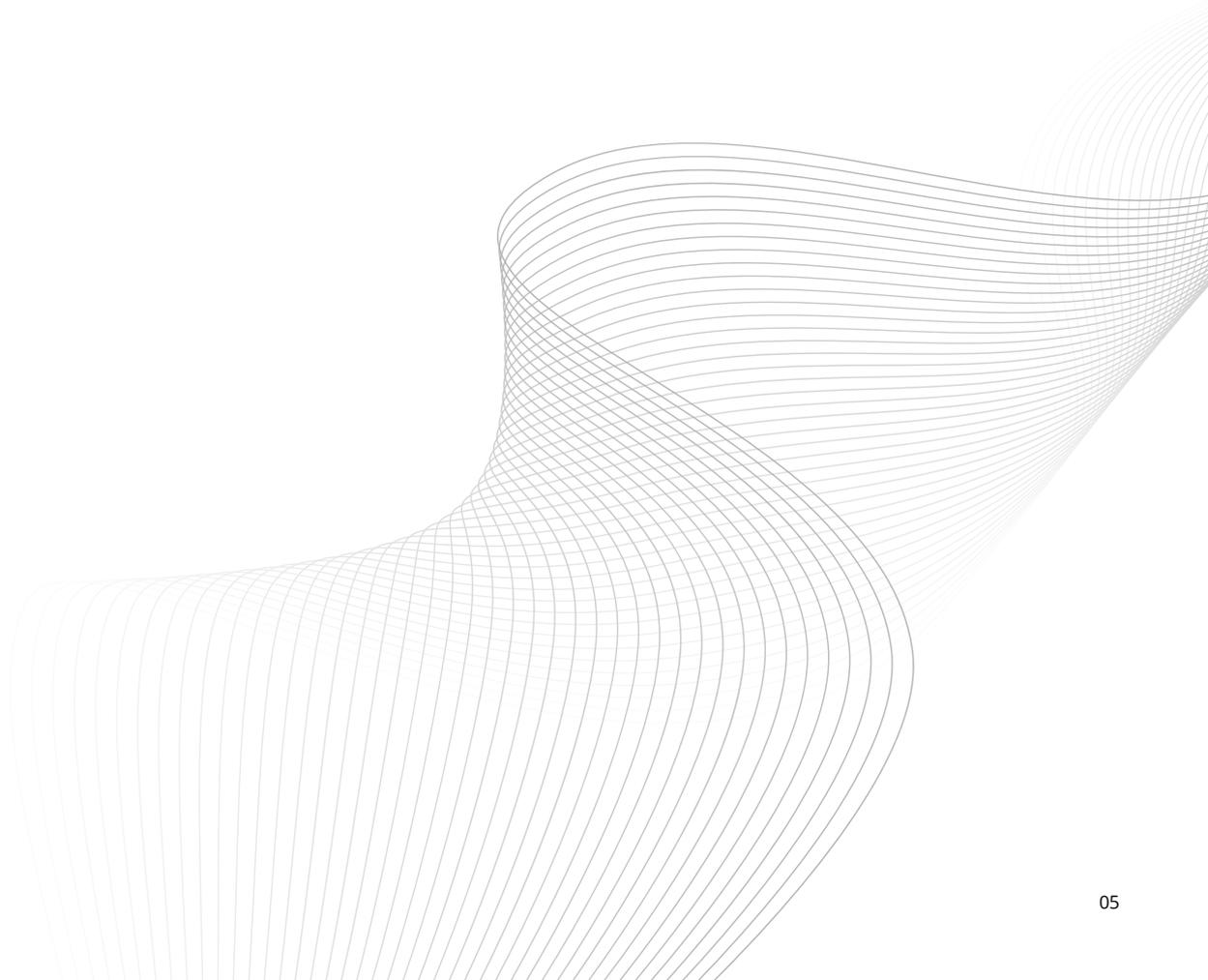
In the transition towards net-zero, Boards and organisations must navigate the heightened scrutiny and pressure over greenwashing and stricter requirements for carbon measurement. Not being able to justify what they measure or verify the numbers reported could lead to reputational risk, or increased trading costs with entities such as the European Union, which have stronger regulations and requirements in place to prevent greenwashing.

While large corporate outfits may have the fiscal resources, for instance to hire a Chief Sustainability Officer, a big challenge for Small and Medium Enterprises (SMEs) in Singapore is balancing cashflow priorities with the sustainability agenda.

For Singapore to hit its net-zero target, it is crucial to get all SMEs on board the agenda – especially considering that SMEs constitute [approximately 71% of Singapore's enterprise workforce](#). In 2022, a [sustainability alliance](#) between The Singapore Chamber of Commerce and Industry (SCCCI), SEAS, and SGTech was launched to guide and support SMEs in adopting green initiatives and enable them to measure and monitor carbon emissions. Boards of SMEs may contend with competing priorities, and consider tapping into existing initiatives such as the [Enterprise Sustainability Programme](#).

Towards a greener, low-carbon future

Achieving Singapore's net-zero goals by 2050 is a challenge that will require everyone to act together now. Boards play a critical role in ensuring their companies stay on the right path to achieving net-zero while supporting the resilience of their workforce towards a just transition.



Panel Discussion

The adoption of AI and implications for the future of business



In this session moderated by **Gautam Gorki**, Consulting Partner and Head, Data & AI for Financial Services at Deloitte Southeast Asia, **Dr. Geraldine Wong**, Chief Data Officer of GXS Bank; **Prof. Simon Chesterman**, Senior Director of AI Governance at AI Singapore and Vice Provost of Educational Innovation at the National University of Singapore; and **Ulrike Wieduwilt**, Managing Director, Russell Reynolds Associates, shared their views on the opportunities, risks, and implications for companies looking to adopt AI to transform their businesses. Here are some highlights from the session:

Key Board considerations for strategic AI investment and scalability

Boards must consider the adoption of AI initiatives holistically. By acknowledging the transformative potential of the technology, Boards may better equip the organisation for disruption while ensuring clear accountability and a robust governance framework is in place.

Board members require a comprehensive education on the capabilities and limitations of AI and must fully grasp both the broader business environment and their company's own unique business model. By assessing where AI fits into their overall strategy, and aligning it with organisational objectives, Boards may ensure that AI initiatives are integral components of the company's strategy, which in turn gives rise to innovation and sustainable growth.

Additionally, a rigorous cost-benefit analysis is pivotal for Boards – to make strategic decisions surrounding AI adoptions, Boards must weigh potential gains against opportunity costs and understand risks versus value creation. To this end, addressing the lack of a specific enterprise risk framework for AI is crucial. Given the role of the Boards in dispensing risk oversight, Boards should proactively develop strategies aligning AI initiatives with overall enterprise risk policies.

Mastering AI and navigating its pitfalls

Regulating AI involves an intricate understanding of its nuances, algorithms, and techniques, and acknowledging that a one-size-fits-all or monolithic approach does not suffice. Boards must recognise the dual nature of the technology, appreciating its potential benefits while also recognising the risks it poses, to ensure responsible AI deployment in the future.

The foremost challenge faced by organisations in the adoption of AI lies in asking the right questions. Often, organisations face pitfalls when they overestimate the capabilities of the technology, especially in handling conceptual, repetitive, and low-risk tasks. Over-trust and over-reliance on AI can lead to complacency, ignoring the nuances of complex problems.

Furthermore, the myth or belief that outsourcing tasks to AI absolves responsibility is false. Boards must grasp that they remain accountable, and instead of delegating away accountability, a deep comprehension of AI and its intricacies is a requisite for Boards. In short, the “human in the loop” approach applies in the responsible and measured regulation of AI.

Moreover, organisations must understand that AI adoption requires a runway for implementation, experimentation, and optimisation. Addressing these challenges requires strategic planning, aligning expectations, and fostering a culture of continuous improvement to ensure meaningful and sustainable AI integration.

Navigating the AI frontier with strong leadership competencies

In today's AI-driven landscape, companies are prioritising leadership qualities that meld technical expertise and strategic vision, in particular to meet the challenge of bridging technical teams with Board-level decision-makers. Increasingly, Boards are seeking talent and executives who possess a deep understanding of AI technologies with strong communication abilities, to fill the roles of CTOs, CIOs, and data engineers, and appointing them to guide companies through digital transformations. Emphasising these skills ensures that leadership teams can effectively harness AI capabilities, fostering innovation and sustainable growth in an ever-evolving business landscape.

AI can also be utilised as a smart tool for successful Board recruitment. More than dismissing AI as a replacement for human expertise and skills, AI serves as a powerful talent search machine, enabling organisations to identify individuals whose profiles might go unnoticed through traditional methods. By harnessing AI capabilities to augment searches, Boards may be empowered to uncover talent that aligns with the organisation's vision.

A balancing act: Building trust while embracing the (r)evolution of AI

In managing the AI transition, a crucial balance must be struck between building trust and retooling for the future. The evolution in data science, once solely about data processing, demands a multifaceted understanding of its application. Challenges arise when companies hire data scientists without clearly defined roles. To navigate this, organisations must assess their maturity levels, and align the skill sets and scope of data scientists with specific needs. This tailored approach ensures efficient use of resources and builds confidence in the AI journey.

Boards must also redefine existing ways of working within the organisation, focusing on continuous learning, and adapting workflows to seamlessly integrate AI technologies. Encouraging open dialogue and questioning, not only among peers but also juniors, is vital to fostering an environment where diverse perspectives shape decisions. By investing in employee skills and promoting a culture of innovation, Boards can make strategic investments that align with the company's vision, maximise value, and navigate the complexities of AI implementation effectively.

More fundamentally, fostering a culture of innovation and openness to new technologies is key. To enhance understanding and encourage adoption, companies can conduct roadshows and training sessions, and integrate data-driven practices into working teams' processes.

Boards play a vital role in understanding the strategic vision of the organisation, fostering transparency about AI goals, and allocating appropriate resources. By integrating these principles, companies can successfully manage the AI transition, fostering trust amongst stakeholders while propelling innovation.

Empowering, not overpowering humanity, with technology

Technology is a tool meant to serve humanity, not the other way around. Board members must stay informed, proactively address biases, and foster ethical practices to ensure responsible and sustainable AI integration. In our rapidly advancing world, the call to action for Boards is clear: it is essential to never stop thinking critically about our actions and the consequences they entail.

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Chief Data Officer, GXS Bank

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Edwin Khew, Chairman,

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Ulrike Wieduwilt,

Managing Director, Russell Reynolds Associates

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Gautam Gorki,

Consulting Partner and Head, Data & AI for Financial Services, Deloitte Southeast Asia

Michelle Khoo,

Centre Leader, Centre for the Edge, Deloitte Southeast Asia

Josette Soh,

Sustainability and Climate Audit and Assurance Partner, Deloitte Southeast Asia

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