



ACGA

ACGA 20th Annual Conference

Asian Business Dialogue on Corporate Governance 2021

**Making connections between
Governance and ESG in Asia**

17 November 2021
Kerry Hotel, Hong Kong
Hybrid Conference

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Welcome & Acknowledgements

Dear Friends

Welcome to the "Asian Business Dialogue on Corporate Governance 2021", our fifth conference in Hong Kong since 2001. In a first for ACGA, this will be a hybrid event that will be webcast live from Hong Kong in front of a live audience on 17 November 2021 and with two follow-on webinar workshops on 24 November and 1 December. With the different components of ESG becoming increasingly important for companies and investors, this year's conference will explore the theme "Making connections between Governance and ESG in Asia". We have designed the programme to allow for a deeper analysis of the "G" in ESG and the critical role that governance plays in the sustainability and climate change agenda. We very much hope you enjoy the event.

We would like to thank the following companies for their continuing and generous support of the "Asian Business Dialogue":

- Principal Sponsors: **CLSA, Fidelity International**
- Supporting Sponsors: **Capital Group, CLP Holdings**
- Workshop Sponsors: **Blackpeak, UBS**

Secondly, sincere thanks to all our speakers for giving of their time to be with us and for sharing their knowledge and expertise. In keeping with our policy of ensuring our programme is as fresh as possible, the majority of speakers this year are new to the "Asian Business Dialogue". They come from a range of markets in the region and outside, and an equally broad range of sectors. In contrast to our last conference in Hong Kong in November 2020, speakers today will be joining both live and virtually.

A big thank you to the ACGA Council for assisting with conference programme design and to my hardworking colleagues in the ACGA Secretariat for putting on another excellent event. Special thanks to Irina Medukha, Jane Moir, Julia Mart, Mikky Li, Ida Chan, Edwin Chiu, Nana Li, Vivian Yau and Stephanie Lin for their dedicated administrative, logistical and programme support.

Finally, many thanks to our delegates for supporting the "Asian Business Dialogue" and participating in the discussions.

We wish you all a very enjoyable conference.

Jamie Allen

Programme

*All timings are Hong Kong time

17 November 2021

Grand Ballroom 1, Level 2

08:15

Registration starts for delegates attending in person

Coffee will be served.

08:45

Online delegates to sign in

09:00 - 09:30

Conference Opening

Morning MC

Mr Anthony Muh Yi-tong, Chair, Asian Corporate Governance Association;
Asia Chairman, H.R.L. Morrison & Co, Hong Kong

09:30 - 10:45

Plenary 1: Asia overview – An ESG reality check

A review of the links between corporate governance, ESG and sustainability in Asia-Pacific. In the headlong rush towards ESG reporting and investing, are regulators putting in place consistent policies for companies and investors? Is the G receiving enough attention? How far along the climate-risk reporting curve are different Asia-Pacific markets? Which markets are being the most innovative or regressive in ESG?

Moderator

Mr Jamie Allen, Secretary General, Asian Corporate Governance Association, Hong Kong

Speakers

Ms Jane Moir, Research Director, Hong Kong & Singapore, Asian Corporate Governance Association, Hong Kong

Dr Margaret Burnett, Programme Director, Sustainability Leadership and Governance, University of Hong Kong, Hong Kong

10:45 - 11:15

Coffee Break

11:15 – 12:30

Plenary 2: Balancing the E, S and G: What smart corporate leaders need to know

A discussion focussed on the key things that corporate leaders in Asia-Pacific need to be thinking about in terms of managing environmental, social, and governance issues for the long term. How can ESG be turned from a compliance exercise to an engine for business growth? Should companies form sustainability committees in the board and senior management to address climate and other environmental risks? What does “integrated thinking” mean and why is it of value? Why are more directors reading sustainability reports? And how can boards think most constructively about diversity?

Moderator **Ms May Tan**, Independent Director, CLP Holdings; HSBC Insurance; JPM Growth and Income; Link REIT, Hong Kong

Speakers **Ms Pru Bennett**, Partner, Brunswick Group, Sydney; ACGA Council Member
Mr Adriel Chan, Vice Chair, Hang Lung Properties, Hong Kong
Ms Edith Shih, Executive Director and Company Secretary, CK Hutchison Holdings, Hong Kong

12:30 – 13:30

Lunch Break

Afternoon MC **Mr Jamie Allen**, Secretary General, Asian Corporate Governance Association, Hong Kong

13:30 – 14:15

Keynote Luncheon Speech:

“The Next Frontier: The Promise and Perils of Decentralised Finance”

The distributed ledger technology of blockchain continues to extend its tentacles and will have a significant impact on the financial system in coming years as more assets are “tokenised” and traded. As our keynote speaker recently told the *Australian Financial Review*, “DeFi (decentralised finance) is revolutionary”. Over the next decade it would, he said, create “a parallel financial system operating on the Internet”. Greg Medcraft will address the emergence of this new form of finance and its implications for central banking, financial regulation, capital market development, and the rights of investors.

Moderator **Mr Anthony Muh Yi-tong**, Chair, Asian Corporate Governance Association; Asia Chairman, H.R.L. Morrison & Co, Hong Kong

Speaker **Mr Greg Medcraft**, Independent Director, Australian Finance Group, Sydney; Former Chairman, Australian Securities and Investments Commission; Former Director, OECD Directorate for Financial and Enterprise Affairs, Paris

14:15 – 14:30

Short Break

14:30 - 15:45

Plenary 3: The New ACGA Debate - "ESG investment and engagement: Are the public markets innovating fast enough?"

The public equity investment world has experienced seismic changes in recent years: the extraordinary expansion in the range of index funds, a shift towards passive investors accounting for ever larger amounts of the ESG company engagement pie, and newly formed activist ETFs like Engine No. 1 in the US. At the same time, some fear that public equity markets are becoming less relevant as highly liquid private equity investors finance private firms for longer prior to IPO and fixed income investors increasingly turn their attention to ESG investing (eg, green bonds) and engagement strategies. How should public equity investors, both active and passive, reinvent themselves? Is the sector innovating fast enough in terms of new products and human resource capabilities for greatest impact? Does it align its own compensation with the long-term nature of its responsible investment philosophies? And when giving advice to companies, is it getting the balance right in communicating both ESG risks and opportunities?

Moderator **Mr Steven Watson**, Partner, Capital International Investors, Hong Kong;
Vice Chair, Asian Corporate Governance Association

Speakers **Ms Sheela Veerappan**, Head of Australia and New Zealand, Principles for Responsible Investment, Sydney
Mr Kei Okamura, Director of Japan Investment Stewardship, Neuberger Berman, Tokyo

15:45 - 16:15

Coffee Break

16:15 - 17:30

Plenary 4: China - The Big Issues

The regulatory and investment environment in China has undergone dramatic changes in recent months, with many investors surprised by the rapidity and direction of reform. Controls over tech-firm data, educational firms forced to adopt a non-profit model, new rules for overseas IPOs—these are just some of the changes announced. Towering above everything is the new national theme of "common prosperity", a response to inequality and an attempt to balance growth and financial stability. What are the implications of these changes for investors in the coming years? Where does ESG fit into this framework? And how will China respond to the threat to delist Chinese firms whose audited accounts cannot be inspected by American audit regulators?

Moderator **Ms Nana Li**, Research and Project Director, China, Asian Corporate Governance Association, Hong Kong

Speakers **Ms Katherine Han**, Head of ESG Research, Harvest Fund Management, Beijing
Ms Karine Hirn, Partner, East Capital, Hong Kong
Mr Arthur Kroeber, Founding Partner and Head of Research, Gavekal Dragonomics, Hong Kong/Beijing

17:30 - 17:45

Conference Closing

18:00 - 20:00

Cocktail Reception - Outdoor Deck, Level 4, Kerry Hotel

Follow-on webinar workshops

*All timings are Hong Kong time

24 November 2021, 17:00 - 18:30

“Whistleblowing warts and all”

Some of the biggest corporate frauds in modern history were triggered by whistleblowers: Enron, Worldcom, 1MDB, and Wirecard to name a few. But those who expose corporate fraud and financial manipulation can pay a high cost, from harassment and threats to lawsuits and criminal detention. How can these people be better protected? Where do the first seeds of suspicion come from and how can investors spot the red flags? What role does the media play and what should regulators be doing? And ultimately—is it worth the risk?

Moderator **Ms Jane Moir**, Research Director, Hong Kong & Singapore, Asian Corporate Governance Association, Hong Kong

Speakers **Ms Clare Rewcastle Brown**, Founder, Sarawak Report
Mr Arnaud Vagner, Director, Iceberg Research

1 December 2021, 08:00 - 09:30

“Communicating the energy transformation”

Asian energy and infrastructure companies face significant challenges in the coming decade as they try to transform their business models away from fossil fuels and move towards a Net Zero world. Firms at the forefront of this transition will likely suffer reduced returns and share prices as they set a new strategic direction by selling or writing off “stranded” assets and investing in new ones. Others that are slower to change may maintain, or even increase, short-term returns but be left with unviable and increasingly unprofitable businesses and increasing regulatory and physical climate risks. Corporate leaders face considerable challenges in communicating these challenges to their investor base. How can they ensure that their reporting and disclosure has clarity and a solid foundation? But first, how do they create the right governance processes to balance and make these complex and strategic decisions?

Moderator **Mr Yuelin Yang**, Deputy Group Managing Director, IMC Industrial Group, Singapore; ACGA Council Member

Speakers **Mr Eugene Cheng**, Group Chief Financial Officer, Sembcorp Industries, Singapore
Mr Hendrik Gordenker, Senior Advisor, JERA, Tokyo
Ms Melissa Brown, Partner, Daobridge Capital, Hong Kong

ACGA 20th Annual Conference Sponsors

Principal Sponsors



CLSA

CLSA is Asia's leading capital markets and investment group, providing global investors with insights, liquidity and capital to drive their investment strategies.

Award-winning research, an extensive Asia footprint, direct links to China and highly experienced finance professionals differentiate CLSA's innovative products and services in alternative investments, asset management, corporate finance, capital and debt markets, securities and wealth management.

As the international platform of CITIC Securities, China's leading investment bank, CLSA is uniquely positioned to facilitate cross-border capital flows and connect China with the world and the world to China.

Founded in 1986 and headquartered in Hong Kong, CLSA's global network spans 13 locations across Asia, Australia, Europe and the US.



Fidelity International

Fidelity International provides world class investment solutions and retirement expertise to institutions, individuals and their advisors—to help our clients build better futures for themselves and generations to come. As a family and management-owned company, we think generationally and invest for the long term. Helping clients to save for retirement and other long-term investing objectives has been at the core of our business for over 50 years.

We believe that investing in companies with high standards of corporate responsibility can enhance and protect investment returns for our clients. Environmental, social and governance (ESG) issues form an integral part of our investment decision-making process. Our rigorous research approach and the use of our forward-looking proprietary ratings system ensure we gain a deep understanding of ESG issues at a company level before they escalate and potentially threaten the value of our clients' investments.

As stewards, we play an important role in improving the governance of companies in which we invest. We engage directly with companies to promote good governance and sustainable corporate practices, including having robust climate governance in place. We also aim at driving behavioural change by voting against companies that do not meet our corporate governance requirements, when necessary.

Supporting Sponsors



Capital Group

Celebrating its 90th Anniversary in 2021, Capital Group is one of the oldest and largest asset management companies in the world, managing multi-asset, equity and fixed income investment strategies for different types of investors.

Since 1931, Capital Group has been singularly focussed on delivering superior, consistent results for long-term investors using high-conviction portfolios, rigorous research and individual accountability. Today Capital Group works with financial intermediaries and institutions to manage more than US\$2.6 trillion in long-term assets for investors around the world.

**Data as at 30 June 2021. Source: Capital Group*



CLP Holdings

The CLP Group is one of the largest investor-owned power businesses in Asia Pacific with investments spanning across Hong Kong, China, Australia, India, Southeast Asia and Taiwan. Hong Kong-listed CLP Holdings Limited is the holding company for the CLP Group, which has a diversified portfolio of generating assets that uses a wide range of fuels including coal, gas, nuclear and renewable sources.

Through CLP Power Hong Kong Limited, the Group operates a vertically-integrated electricity supply business that provides a highly-reliable supply of electricity to 80% of Hong Kong's population. In China, the CLP Group is one of the largest external independent power producers with a focus on low-carbon energy. In Australia, the Group's wholly-owned subsidiary EnergyAustralia is a leading integrated energy company, providing gas and electricity to about 2.43 million households and businesses. Apraava Energy, in which the Group owns 60%, is one of India's biggest renewable energy producers with operations in power generation and transmission.

CLP Holdings is included in the Global Dow – a 150-stock index of the world's leading blue chips, the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), the Dow Jones Sustainability Asia Pacific 40 Index (DJSI Asia Pacific 40), the Hang Seng Corporate Sustainability Index Series and the FTSE4Good Index.

Workshop Sponsors



Blackpeak

Blackpeak is an international investigative research firm. Founded in Asia, the firm now operates from strategic locations in key financial and economic centres across the globe, including Hong Kong, Singapore, Tokyo, Shanghai, Beijing, Guangzhou, New York, Washington DC and London.

We handle complex research assignments, including integrity due diligence, internal and external investigations, asset searches, business intelligence for institutional and hedge fund investors, stakeholder mapping and political risk research. More than 600 clients rely on Blackpeak's services, including the world's leading investment banks, corporations, law firms and asset managers.

In 2019, Blackpeak was acquired by Acuris, a provider of global data, intelligence, research and analysis. Acuris is owned by ION Investment Group, a provider of mission-critical trading and workflow solutions to financial institutions, central banks, governments and corporates.



UBS

UBS provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS is the largest truly global wealth manager, and a leading personal and corporate bank in Switzerland, with a large-scale and diversified global asset manager and a focussed investment bank. The bank focusses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.

Headquartered in Zurich, Switzerland, UBS has offices in over 50 regions and locations, including all major financial centres, and employs more than 72,000 people around the world. UBS Group AG is the holding company of the UBS Group. Under Swiss company law, UBS Group AG is organised as an *Aktiengesellschaft*, a corporation that has issued shares of common stock to investors.

The Investment Bank provides corporate, institutional and wealth management clients with expert advice, innovative solutions, execution and comprehensive access to international capital markets. It offers advisory services and provides in-depth cross-asset research, along with access to equities, foreign exchange, precious metals and selected rates and credit markets, through its business units, Global Banking and Global Markets. The Investment Bank is an active participant in capital markets flow activities, including sales, trading and market-making across a range of securities.

Organiser



Asian Corporate Governance Association (ACGA)

ACGA is an independent, non-profit membership organisation dedicated to promoting long-term and substantive improvements in corporate governance and ESG in Asia-Pacific through research, advocacy, and education. ACGA was established in Hong Kong in 1999 and continues to be the only regional organisation dedicated solely to corporate governance in Asia.

Our membership network comprises 110 blue-chip companies, including global and regional investment institutions, listed companies, financial intermediaries, professional firms and business associations based in Asia and around the world. Our investor members alone manage more than US\$36 trillion in assets under management globally. (See pages 11-12 for more details on our membership network.)

Research

ACGA carries out original research on CG and ESG across 12 Asia-Pacific markets and is well known for producing high-quality reports. In 2018, we released our landmark China CG Report, "Awakening Governance: The evolution of corporate governance in China", a 268-page report that gives a comprehensive picture of the corporate governance landscape in China. Our highly respected biennial regional survey report, *CG Watch*, provides an in-depth analysis of corporate governance in Asia and Australia and ranks the CG performance of each market against a range of CG benchmarks. In collaboration with CLSA, a founding ACGA member, our tenth *CG Watch* report was released in May 2021.

As part of an ongoing effort to inform members of new developments in corporate governance in Asia on a timely basis, we have started writing blogs and articles on market and regulatory trends as they happen. We also undertake deeper dive research into specific topics, such as gender diversity on boards, share voting in China, and ESG assurance.

Advocacy

ACGA has an extensive advocacy programme that involves engaging with financial regulators around the region on a range of issues, including most recently: the revision of investor stewardship codes, CG codes, and ESG reporting guidelines; new ideas on sustainability governance; the need to enhance shareholder protection and listing mechanisms; proposals for special purpose acquisition companies (SPACS); and gender diversity. When making submissions to regulators, we consult members and seek their specific input.

Meetings of the ACGA Investor Discussion Group (AIDG) are held quarterly so that investor members from Asia-Pacific, Europe and North America can interact and discuss issues of relevance to their own work and our advocacy. These discussions are enhanced by member participation in three specialised Working Groups focussing on Japan, Korea, and China. We also hold regular meetings of the ACGA Corporate Discussion Group (ACDG) to facilitate discussion on governance and ESG issues of relevance to listed companies, audit firms and other corporate members.

Prior to the Covid pandemic, ACGA organised member delegations to different Asian markets each year. These trips provided a platform for members to enhance their understanding of local governance rules and practices, and enabled them to engage directly with companies, regulators and other stakeholders. Over the past two years these meetings have moved online.

Education

ACGA runs an active educational programme for members and the wider public. We launched our annual conference in Hong Kong in 2001 and since then have held 19 Asian Business Dialogues in a different Asian market each year. This year marks our 20th event and first fully hybrid conference. Our 2020 conference was the first to be webcast live.

We complement our annual conference with a range of other educational events each year, including our Spring and Autumn Member Briefings (for ACGA members only), and ad hoc webinars for the wider public. In 2021 we have been pleased to work with the Principles for Responsible Investment (PRI) on a series of three webinars on China, Southeast Asia, and India. ACGA staff members also speak in around 20-30 outside events each year.

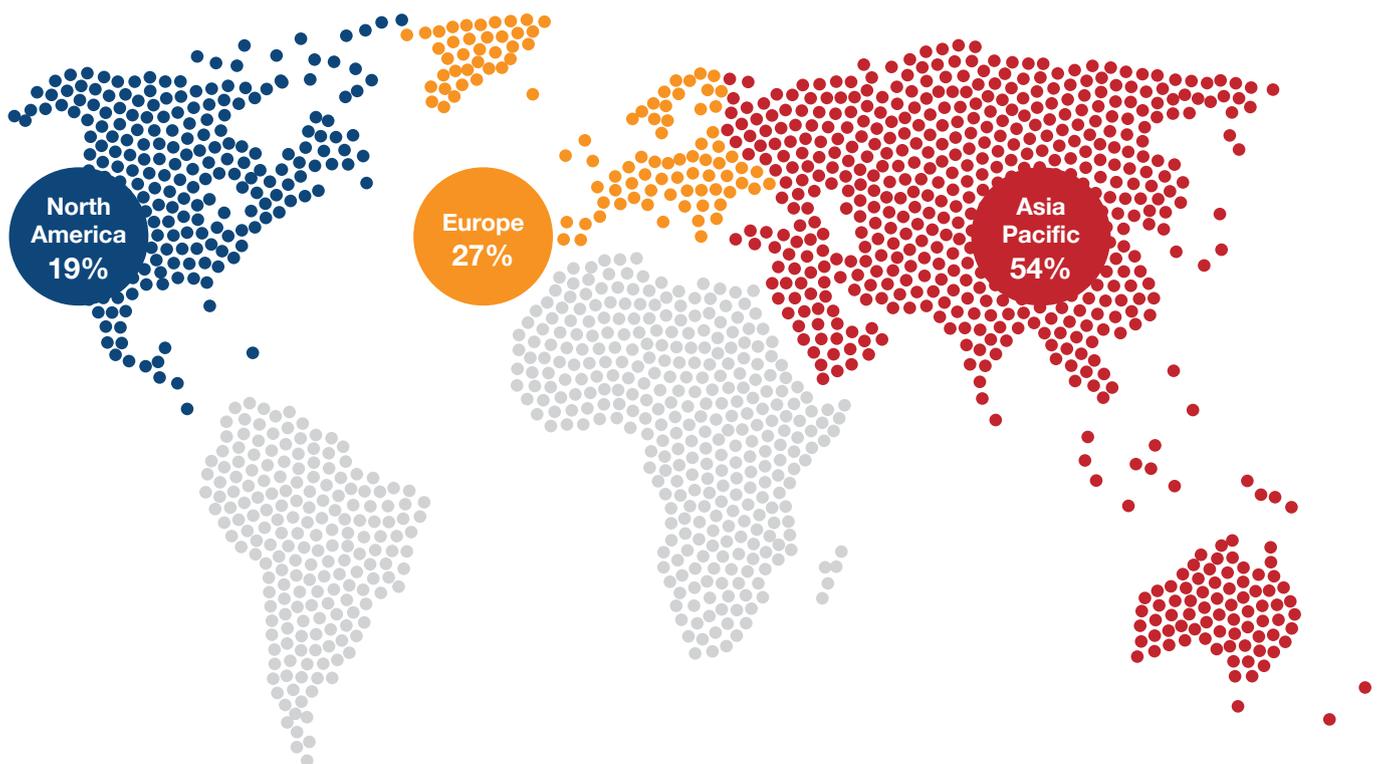
Website

In addition to news about the Association, our governance structure and member network, the ACGA website (www.acga-asia.org) contains a repository of all our research and advocacy documents over the past two decades. It also features a member-only site that offers information and content exclusively for members.

ACGA Membership Network

ACGA has a unique and influential membership network. It comprises a diverse range of around 110 global and regional companies/organisations with a direct involvement in corporate governance and ESG. Our members include pension and investment funds, financial services firms, listed companies, accounting firms, and business associations operating or investing in Asia. The following graphics provide more detail on where our members come from and who they are.

Member Distribution by Region



110 members from **17** markets with total assets under management of more than **US\$36 trillion**

North America

- Canada
- United States

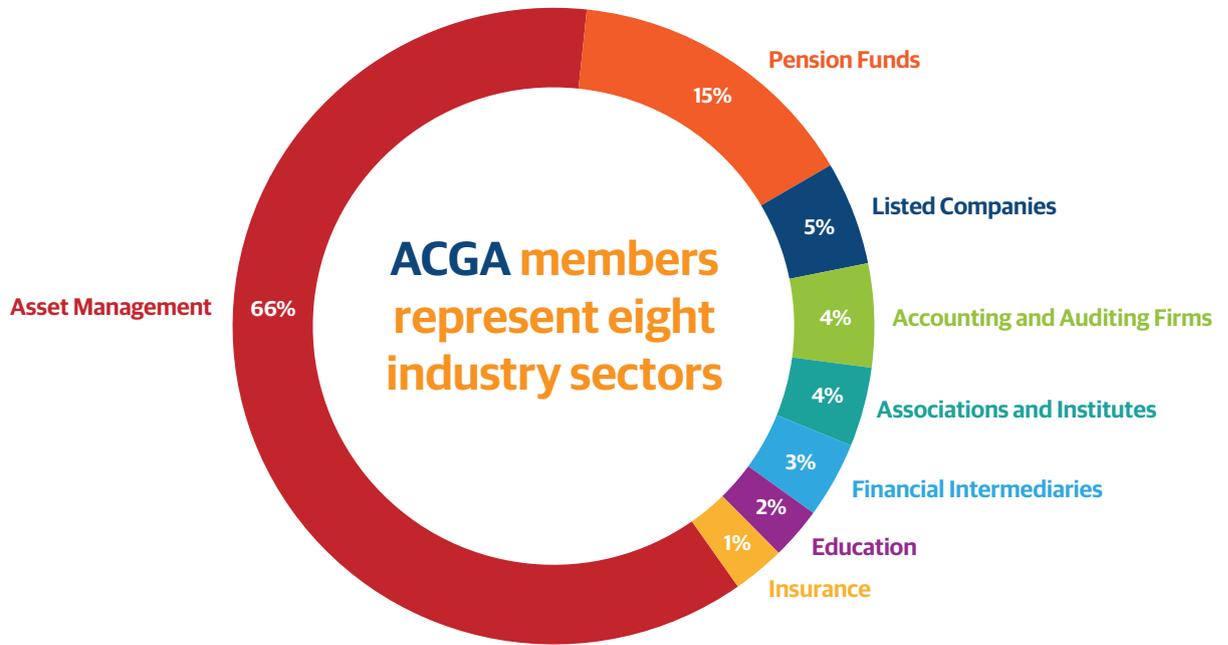
Europe/UK

- France
- Netherlands
- Norway
- Sweden
- United Kingdom

Asia-Pacific

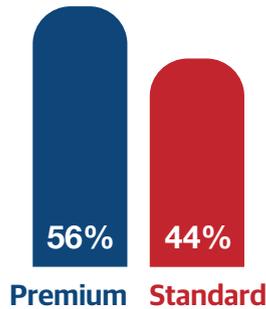
- Australia
- China
- Hong Kong
- Japan
- Korea
- Malaysia
- Philippines
- Singapore
- Taiwan
- Vietnam

ACGA Member Composition by Industry

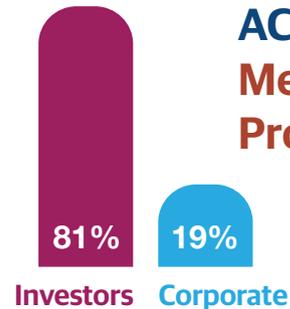


ACGA Membership Category

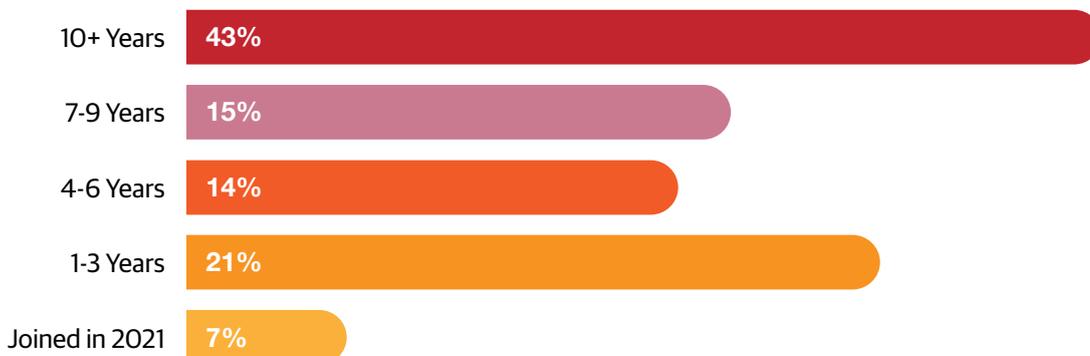
Standard membership provides access to ACGA resources and entry level services. Premium level members receive a more bespoke suite of services.



ACGA Member Profile



ACGA Members Value Our Services



Notes



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