

Strategic Discussion on the Future of Risk Management and its Evolution

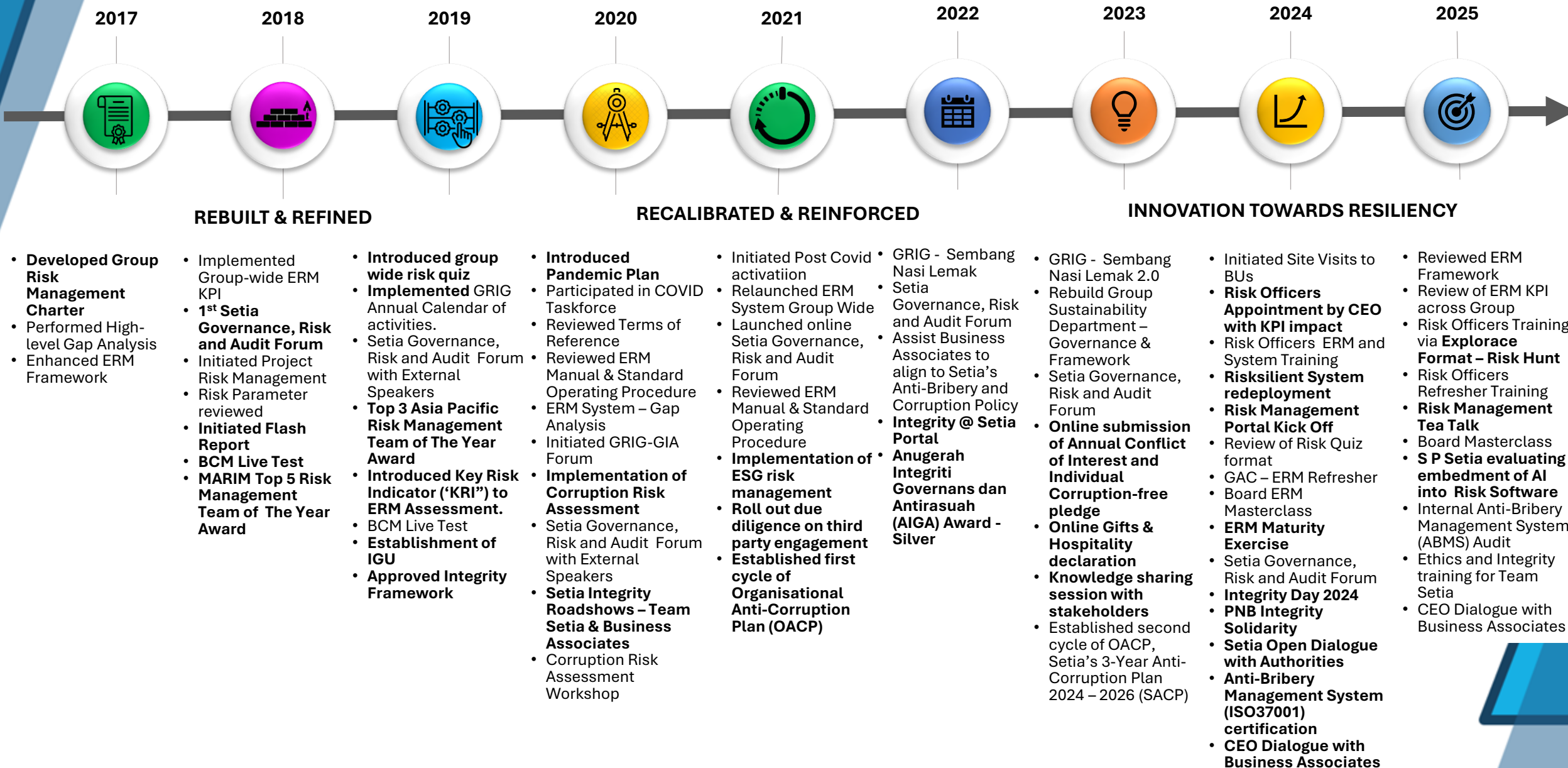
By:

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S P Setia Berhad

2017 – 2025 : SETIA RISK MANAGEMENT JOURNEY



EMBEDMENT AND OWNERSHIP

GROUP RISK, INTEGRITY AND GOVERNANCE



INTEGRATION OF RISK MANAGEMENT INTO STRATEGY

At Setia, risk management is not a parallel process — it is **strategically embedded into planning and execution of business plans and projects. No strategic proposal proceeds without comprehensive risk considerations to support informed and responsible decision making.**



Risk Assessment during the Board Retreat

2025 First Board of Directors' Meeting

High-level Risk Assessment:
S P Setia Berhad's Business Plan FY2025
Execution Risks & Mitigation Actions

28 February 2025

Stay Together. Stay Setia
livelearnworkplay

High Level Risk Assessment presented to Board

Memorandum to Board Finance and Investment Committee ("FIC")

*Key Content: High Level Risk Assessment on Proposals for Investment and Divestment



Risk Assessment for Strategy Papers

The Future Risk Management

1. Changes in Business Landscape

- Regulatory requirements influence business processes
- Stakeholders' expectations
 - Transparency and disclosure.
 - Robust governance framework.
 - Escalation process and decision making.
- Ultimate responsibility – Board of Directors
 - Exposure to penalties and law enforcements.

2. Emerging Trends

- AI and digitalization
- ESG concepts and requirements
- Mindset change & customers preferences
- Geopolitical tensions – impact to supply chain and cost of doing business

The Future Risk Management

3. Board-Level and Stakeholders Perspective

- The “bar” has been raised
- Enabling calculated risk-taking that supports innovation and growth.
- Connecting risk to strategy: how are risk exposures changing as the company grows, enters new markets, or adopts new technologies?

4. Evolving Roles of Risk Practitioners

- Being relevant and up-to-date.
- Strategic advisors and the “go-to” person for business analytic and decision making.
- Competency and Upskilling
 - New requirements / expectations
 - New technology/AI / data analytics

Conclusion

- Future risk management is not only about controls and mitigations – it's also about ability to remain relevant and agility in seizing opportunities .
- Risk owners are no longer just gatekeepers – enablers of strategy, stewards of trust, and champions of resilience.
- The journey ahead will demand bold thinking, new capabilities, and closer partnerships between boards, management, and risk professionals.

Group Activity & Presentation

- To discuss what **The Future of Risk Management**
- Write down discussion notes on mahjong papers
- Duration: 30 minutes discussion
15 presentation (2-3 minutes per group)