

Mini Simulation / Role-Play Exercises

(For MBA, executive education, and advanced undergraduate courses)

Board Meeting on Climate Strategy

(Chapters 3–5: governance, climate transition, board oversight)

Setup

A board is debating whether to approve a major climate-related investment (renewables, energy efficiency, or supply-chain decarbonisation). The proposal is capital-intensive and may affect short-term earnings.

External pressure is increasing from investors, regulators, and employees.

Roles

- Board Chair
- Independent Director (former regulator or investor)
- Executive Director (Operations / Strategy)
- CFO
- Chief Sustainability Officer

Script Cues

- “Is this a risk-management decision or a growth investment?”
- “What happens if peers move faster than us?”
- “How much uncertainty is the board willing to tolerate?”

Tension Points

- Fiduciary duty vs long-term risk
- Consensus-driven board culture vs decisive action
- Scenario analysis credibility

Debrief Questions

- How did governance structure shape the outcome?
- What role did independent directors play?
- How did cultural context influence board dynamics?

ROLE CARD: Board Chair

Your position

You must guide the board toward a defensible decision while maintaining consensus.

Your objectives

- Ensure proper oversight
- Avoid reputational damage
- Maintain board cohesion

Key concerns

- Divided board views
- Unclear risk ownership
- External pressure influencing decisions

ROLE CARD: Independent Director

Your position

You bring external perspective and represent investor expectations.

Your objectives

- Strengthen risk oversight
- Challenge management constructively
- Ensure fiduciary duty is met

Key concerns

- Climate risk not embedded in strategy
- Weak scenario analysis
- Excessive deference to management

ROLE CARD: Executive Director (Operations / Strategy)

Your position

You are responsible for implementation feasibility.

Your objectives

- Keep operations stable
- Avoid disruption
- Manage execution risk

Key concerns

- Technology readiness
- Supply-chain impacts
- Cost inflation

ROLE CARD: Chief Sustainability Officer (CSO)

Your position

You advocate for climate ambition aligned with strategy.

Your objectives

- Secure board buy-in
- Integrate climate into enterprise risk
- Avoid symbolic commitments

Key concerns

- Board underestimating transition risk
- Delay causing loss of credibility