



# Boardroom Questions

Governance beyond the obvious:  
Building trust through stakeholder engagement

Board Leadership Center (India)

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In an era of increasing complexity and scrutiny, corporate governance is not just about compliance but about building trust across a company's entire stakeholder ecosystem. A central question that arises is: 'How can a robust framework be established that instills confidence in the reliability and accuracy of corporate information, benefiting investors, corporates, and all other stakeholders alike?' Bridging the gap between companies and their stakeholders is critical to answering this question, ensuring that each group—from investors to employees to regulators—can trust the information they receive. A governance framework built on transparency, accountability, and engagement is essential for aligning corporate goals with stakeholder interests and fostering long-term success.

Stakeholders now expect boards to provide not only strategic leadership but also comprehensive oversight, addressing risks from financial stability to sustainability and cybersecurity. This growing responsibility extends

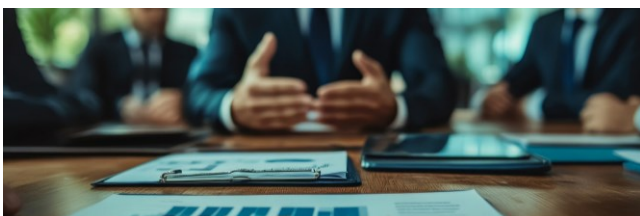
to the audit committee, whose role has expanded beyond traditional financial oversight to include broader governance areas such as ESG disclosures, internal controls, and risk alignment. Audit committee chairs in particular, must prioritise open lines of communication with investors and stakeholders, reinforcing confidence in the company's governance practices and ensuring transparency across all aspects of corporate reporting.



## Stakeholder engagement and strategic considerations:

### Investors: Enhancing trust and accountability

For investors, the reliability of corporate information is paramount. Confidence in a company's financial and operational data drives capital commitment, fueling growth. Boards must prioritise transparent communication, providing regular updates that are comprehensive and comprehensible. A robust framework should include enhanced disclosure practices, timely financial reporting, and clear explanations of strategic decisions, all of which build trust and reduce uncertainty.



### Key considerations for boards

- Are we strategically aligning our long-term objectives with investor expectations, particularly regarding ESG and financial performance metrics?
- Are we proactively communicating with investors during times of uncertainty?
- Are we identifying and addressing potential investor concerns before they escalate into significant issues?
- How are we creating mechanisms to effectively integrate investor feedback into our decision-making and governance processes?

## Customers: Fostering loyalty and market confidence

Customers today expect transparency alongside quality products. Bridging the gap between companies and customers requires visibility into actions, values, and commitments to quality. Regularly sharing accurate information on product sourcing, safety standards, and corporate responsibility builds trust and loyalty. An effective framework helps ensure customer feedback is not only heard but integrated into business strategies, leading to improved products and services.



### Key considerations for boards

- How could we better utilise customer insights to respond to market trends and anticipate future needs?
- What approaches are we implementing to ensure that customer feedback directly informs our product and service innovation cycles?
- How are we strengthening customer loyalty by aligning our engagement strategies with our broader business objectives?
- What methodologies are we using to measure the balance between customer satisfaction, operational efficiency, and profitability?

## Employees: Building engagement and trust through transparency

Employees are a company's most valuable resource, and their engagement impacts productivity and innovation. A robust framework must include clear internal communication channels that keep employees informed about strategic goals, financial health, and ethical standards. When employees trust that corporate information is accurate and aligned with their interests, they are more likely to engage and contribute positively to the corporate culture.



### Key considerations for boards

- What specific metrics are being used to assess employee engagement, and how might these insights inform our strategic initiatives?
- Are we developing innovative strategies to attract and retain top talent in a competitive labour market?
- In what ways could we enhance the effectiveness of our diversity, equity, and inclusion initiatives to ensure they produce tangible outcomes?
- How can we prepare our workforce for future challenges, such as technological advancements?

## Vendors and suppliers: Ensuring ethical and sustainable partnerships

Vendors and suppliers rely on accurate information to ensure efficient operations. Clear communication about expectations, timelines, and ethical standards is crucial. A framework that guarantees reliable information strengthens relationships, promotes long-term partnerships, and enforces sustainability and ethical sourcing practices, aligning supply chains with corporate values.



### Key considerations for boards

- How can we enhance the resilience and adaptability of our supply chain to better withstand disruptions?
- What criteria might we employ to evaluate and select vendors based on their ethical practices and sustainability commitments?
- How can we foster a culture of innovation and collaboration within our supplier relationships?
- In what ways can we manage and mitigate risks associated with third-party relationships?

## Regulators: Maintaining compliance and corporate integrity

Regulatory bodies ensure that companies adhere to legal and ethical standards. A robust governance framework must guarantee that the information provided to regulators is accurate, timely, and transparent. Proactive engagement and clear communication of compliance measures reduce legal risks and enhance the company's reputation for integrity.



### Key considerations for boards

- How might we stay ahead of regulatory changes to ensure compliance at all levels of the organisation?
- What strategies could we pursue to cultivate constructive relationships with regulators that enhance mutual trust?
- How can we ensure that our regulatory compliance efforts align with our strategic objectives?
- In what ways can we prepare for potential regulatory challenges, including investigations and audits?

## Strategic partners: Aligning goals and fostering collaboration

Strategic partnerships can enhance a company's growth and innovation potential, but success depends on trust and shared goals. A robust framework ensures that strategic partners have access to accurate information about performance, goals, and market strategies, fostering collaboration that is mutually beneficial.



### Key considerations for boards

- How do we identify and select partners whose values and objectives align with our long-term vision?
- What governance structures could we put in place to effectively manage and optimise our strategic partnerships?
- How might we evaluate the performance and success of our alliances and adapt them to changing market conditions?
- In what ways can we leverage our partnerships to drive innovation and expand our market reach?

## Communities: Strengthening social responsibility and corporate citizenship

In an era of heightened social awareness, companies must demonstrate their commitment to community engagement and environmental stewardship. A framework should be established where information about Environmental, Social, and Governance (ESG) initiatives, environmental efforts, and local engagements is readily available and reliable. By providing accurate information about these efforts, boards can foster goodwill, strengthen the company's reputation, and ensure that the community benefits from its operations.



### Key considerations for boards

- How can we ensure our operations positively impact the communities we serve?
- What strategies are we implementing to minimise our environmental footprint while promoting sustainability?
- How are we aligning our ESG initiatives with the evolving expectations and needs of the communities we engage with?
- In what ways can we measure and report our social and environmental impact to other stakeholders?

Through strategic considerations tailored to each stakeholder group, boards not only enhance their governance frameworks but also confidently navigate the complexities of today's dynamic business environment.



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