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On the 2025 board agenda

Board Leadership Center (India)

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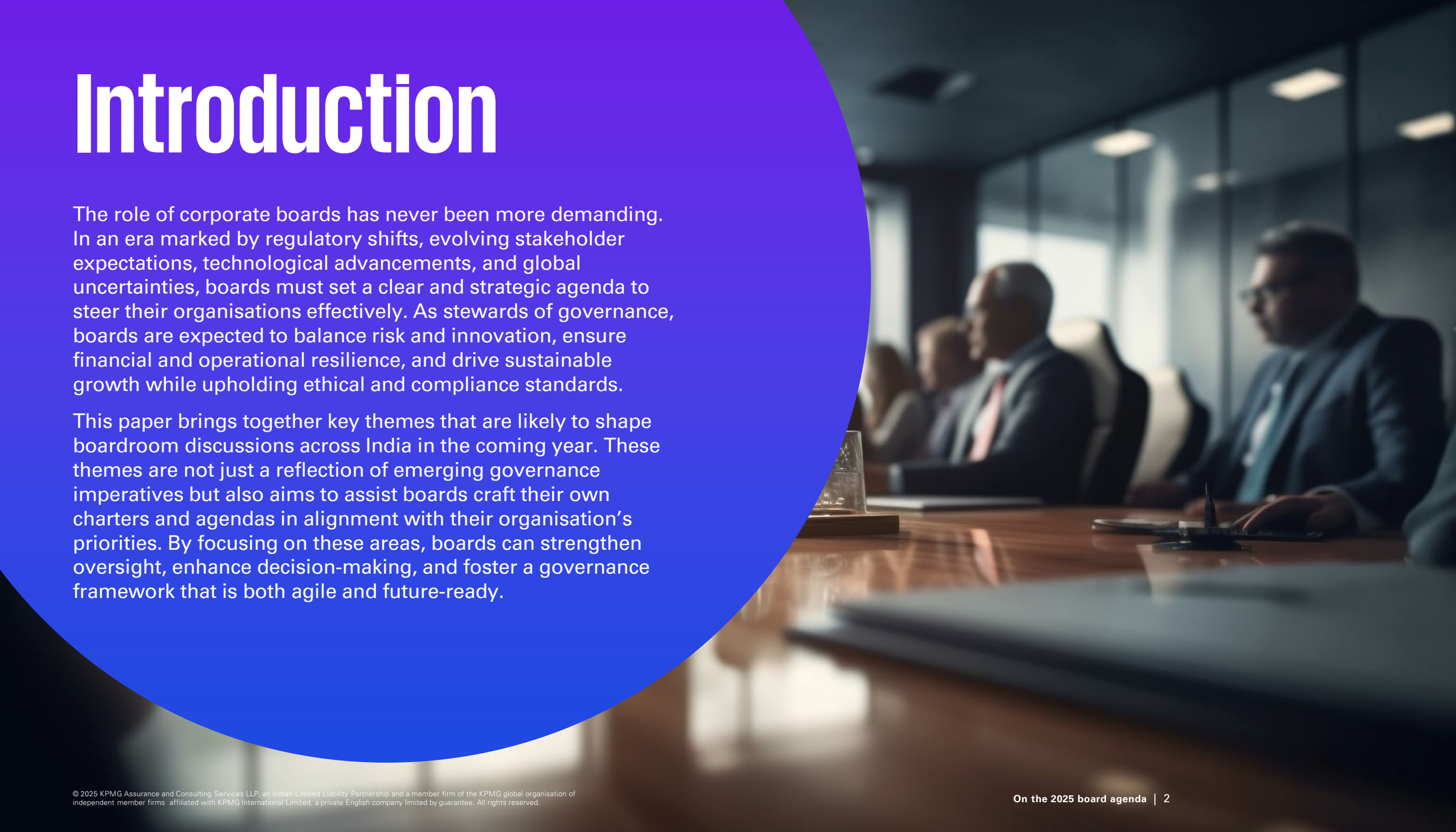
Introduction

The role of corporate boards has never been more demanding. In an era marked by regulatory shifts, evolving stakeholder expectations, technological advancements, and global uncertainties, boards must set a clear and strategic agenda to steer their organisations effectively. As stewards of governance, boards are expected to balance risk and innovation, ensure financial and operational resilience, and drive sustainable growth while upholding ethical and compliance standards.

This paper brings together key themes that are likely to shape boardroom discussions across India in the coming year. These themes are not just a reflection of emerging governance imperatives but also aims to assist boards craft their own charters and agendas in alignment with their organisation's priorities. By focusing on these areas, boards can strengthen oversight, enhance decision-making, and foster a governance framework that is both agile and future-ready.



01 Aligning with the firm's strategy and vision

A well-functioning board plays a pivotal role in ensuring that an organisation's strategic direction is both ambitious and grounded in reality. Beyond governance and oversight, boards serve as thought partners to management, helping shape and refine the firm's long-term vision while ensuring alignment with evolving market conditions and stakeholder expectations. To do this effectively, boards must **regularly revisit the firm's strategic priorities** to assess their relevance in a changing environment. This includes challenging underlying assumptions, stress-testing long-term goals against emerging risks, and ensuring strategic objectives translate into actionable plans.

Boards must also ensure a **clear link between capital allocation, growth plans, and strategy execution**, overseeing whether key investments and resource deployment align with the firm's objectives. A critical aspect of this is **business model resilience and innovation**, ensuring the firm adapts to technological advancements, sustainability imperatives, and shifts in consumer behaviour. Additionally, the firm's **talent and leadership strategy** should be evaluated in the context of long-term goals, including succession planning. At the same time, boards must be mindful of **stakeholder expectations**—from investors and regulators to employees and communities—to ensure strategic direction aligns with broader governance imperatives. Strengthening oversight requires dedicated board discussions on long-term value creation, scenario planning, and fostering a governance culture that balances ambition with accountability.

Questions for the board to consider:

- Does the company's strategic roadmap reflect long-term objectives rather than short-term pressures?
- How effectively are we embedding future-focused thinking into our decision-making processes?
- Are we proactively reassessing our strategic priorities in response to emerging industry trends and disruptions?
- Are capital allocation decisions aligned with sustainable growth and financial stability?
- Is our risk management framework agile enough to adapt to evolving market conditions?
- How can we enhance our role as strategic advisors while maintaining our independence and oversight responsibilities?
- Does the board composition offer the necessary expertise to guide company through the next phase of growth?
- Are there clear mechanisms to hold management accountable for executing strategic priorities?

02 Risk management and resilience

In an increasingly complex business environment, boards play a crucial role in ensuring that risk management is not just a compliance exercise but a strategic enabler of resilience. Effective risk oversight requires boards to move beyond traditional financial and operational risks to consider **emerging threats such as cyber risks, geopolitical uncertainties, regulatory changes, and environmental disruptions**. Boards must assess whether the organisation has a clear risk appetite, with mechanisms in place to identify, evaluate, and respond to both immediate and long-term risks.

Resilience goes beyond risk mitigation—it is about **building the organisation's capacity to adapt and recover**. Boards should evaluate whether management is stress-testing critical business functions, fostering a strong risk culture, and embedding agility in decision-making. **Crisis preparedness and response planning** must be regularly reviewed to ensure the organisation can navigate disruptions effectively. Additionally, boards should encourage a **forward-looking approach to risk**, leveraging scenario planning and data-driven insights to anticipate potential challenges. By integrating risk discussions into strategy and performance reviews, boards can help ensure that resilience remains a core part of the organisation's long-term success.

Questions for the board to consider:

- How well do we integrate risk intelligence into our strategic decision-making to anticipate and mitigate disruptions?
- Are we prepared for 'black swan' events, and how does our organisation's culture support agility in responding to unforeseen risks?
- What external risks—such as geopolitical shifts, trade restrictions—pose the biggest threat to our business model?
- Do we have an early-warning system to identify emerging risks before they escalate into crises?
- Have we conducted stress tests and scenario analyses for critical risks?
- How does our business continuity plan address multi-crisis scenarios?
- How do we ensure that ethical lapses or governance failures are detected and addressed before they escalate into reputational crises?
- Are we striking the right balance between risk-taking for growth and risk mitigation for stability?

03 Financial oversight and key audit matters

Robust financial oversight is fundamental to maintaining investor confidence and ensuring the long-term sustainability of an organisation. Boards must go beyond reviewing financial statements to ensure **transparency, accuracy, and integrity in financial reporting**. This includes overseeing **related party transactions**, ensuring they are conducted at arm's length, properly disclosed, and aligned with governance best practices to prevent conflicts of interest. Boards should also assess whether financial disclosures provide a clear and comprehensive view of the organisation's financial health, risks, and performance.

Auditor independence remains a critical pillar of financial oversight. Boards must ensure that **external and internal auditors operate with objectivity and professional skepticism**, free from undue influence. Regular engagement with auditors on **key audit matters**, material accounting judgments, and internal control effectiveness is essential.

Additionally, audit committees should take a proactive role in **evaluating financial reporting risks**, assessing the impact of evolving accounting standards, and ensuring that disclosures meet both regulatory requirements and stakeholder expectations. By fostering a culture of financial discipline and accountability, boards can strengthen trust and enhance the organisation's credibility in the market.

Questions for the board to consider:

- Are our financial oversight mechanisms aligned with current regulations and global standards?
- How does our audit committee engage with auditors to understand and address identified risks, and what procedures are in place to mitigate these risks?
- How effectively is the board scrutinising Key Audit Matters (KAMs) for transparency and accuracy?
- Do our Related Party Transaction (RPT) policies adequately safeguard against conflicts of interest, with sufficient independent oversight?
- Is our approach to auditor independence and rotation enhancing governance credibility and aligning with best practices
- How do we assess and address potential management biases in developing significant estimates and assumptions in our financial statements?

04 Strengthening governance and internal controls

A well-structured **governance and internal control framework** is essential for ensuring transparency, accountability, and risk resilience. Boards must oversee the **effectiveness of internal controls**, ensuring they are designed to prevent, detect, and mitigate risks in a rapidly evolving business landscape. **The three lines of defence model** remains a critical governance tool, helping organisations delineate responsibilities between management, risk and compliance functions, and independent assurance providers. Boards should also ensure the presence of **clear and independent reporting channels** that enable effective escalation of concerns, fostering a culture of transparency and accountability.

External oversight plays a crucial role in enhancing governance effectiveness. **Periodic independent assessments, external audits, and regulatory reviews** provide an objective perspective on control adequacy and compliance. Boards should also assess whether **internal audit functions remain truly independent**, adequately resourced, and aligned with strategic risks. Additionally, **board-level reviews of key control failures and lessons learned** can help refine governance mechanisms and prevent future lapses. By continuously strengthening oversight structures, ensuring robust internal controls, and maintaining independent assurance channels, boards can uphold governance standards and build long-term organisational resilience.

Questions for the board to consider:

- Are our internal control mechanisms robust, periodically tested, and aligned with emerging risks and regulatory expectations?
- Does our organisation effectively implement the Three Lines of Defence model, with clear roles, responsibilities, and escalation protocols?
- Do we have independent reporting channels that ensure transparency, facilitate issue escalation, and protect whistleblowers?
- Is our internal audit function truly independent, well-resourced, and aligned with the organisation's strategic and operational risks?
- How frequently do we review control failures, audit findings, and regulatory feedback to strengthen our governance framework?

05 Enhancing committee effectiveness and information flow

Board committees serve as the backbone of effective governance, but their impact depends on **clear mandates, balanced workloads, and seamless coordination**. A periodic review of committee structures helps ensure that responsibilities are well-distributed, avoiding duplication of efforts or gaps in oversight. Boards should also consider **committee rotation policies**, ensuring fresh perspectives while maintaining continuity in key areas. Aligning committee focus areas with the organisation's evolving risk landscape can further enhance governance agility.

Ensuring **information symmetry** is equally critical—board members must have timely access to relevant insights without being overwhelmed by excessive or unfocused reporting. Establishing **structured information-sharing protocols** between committees and the full board helps streamline decision-making. To keep committee mandates aligned with emerging governance trends and industry best practices, boards should leverage **external benchmarking and periodic feedback mechanisms**, including input from auditors, regulators, and independent advisors. A structured committee effectiveness review enables boards to refine governance processes, drive accountability, and ensure that committee structures remain fit for purpose.

Questions for the board to consider:

- Do committees have sufficient members, or is there an overreliance on a few directors?
- Do committee mandates remain relevant, or do they need refinement to reflect emerging governance demands?
- Are our committees working in silos, or do we have mechanisms to facilitate seamless coordination and information sharing?
- Do we have structured reporting mechanisms to ensure critical insights are shared across committees without redundancy?
- Are there topics that require joint committee sessions to enhance strategic alignment and avoid duplication of discussions?
- How can we improve communication between the board, its committees, and management to enhance decision-making agility?
- Are we leveraging subcommittees or external advisors for specialised oversight?

06 Board composition and succession planning

An effective board is built on the foundation of **diversity, expertise, and long-term continuity**. As organisations navigate an increasingly complex business environment, ensuring the right mix of skills, experience, and perspectives at both the board and leadership levels is essential. Boards should prioritise **diversity, equity, and inclusion (DEI)** in director appointments, recognising that diverse viewpoints contribute to more robust decision-making and stronger governance. A structured **board skills matrix** can help identify gaps in expertise and align board composition with the company's evolving strategic needs. Additionally, implementing **director rotation policies** can bring in fresh perspectives while maintaining institutional knowledge and governance stability.

Succession planning should extend beyond the boardroom to ensure **leadership continuity at the organisational level**. Boards must oversee structured processes for CEO and senior management succession, ensuring that leadership transitions are well-planned and do not disrupt business stability. **Regular board assessments and evaluations** help measure effectiveness, ensuring directors remain engaged, accountable, and aligned with governance best practices. Investing in **director development and continuous learning** is equally important, enabling board members to stay updated on regulatory changes, industry shifts, and emerging risks. A proactive approach to board and leadership succession strengthens resilience, fosters innovation, and ensures governance structures remain future-ready.

Questions for the board to consider:

- Do we have the right mix of skills, expertise, and perspectives to address emerging risks and opportunities?
- How does our board's diversity—across experience, industry background, and demographics—compare to leading governance practices and stakeholder expectations?
- Do we have a structured succession plan for key board roles, including the chairperson, committee heads, and independent directors?
- How do we ensure an effective balance between continuity and board refreshment?
- Are we proactively addressing director tenure, mandatory retirement policies, and underperformance?
- Are we using the outcomes of board evaluations to drive meaningful changes in composition and succession planning?

07 Ethical leadership and building a culture of integrity

Boards play a crucial role in shaping an organisation's **ethical culture and governance standards**, ensuring that integrity is embedded in both leadership actions and day-to-day decision-making. Beyond policies and codes, an organisation's true culture is reflected in **how leadership sets the tone at the top**, demonstrating ethical behaviour through their actions, communication, and decision-making. Boards must regularly assess whether this tone is being effectively cascaded across all levels of the organisation, fostering an environment where ethical conduct is not just encouraged but expected.

A conducive organisational culture is one where employees feel safe to voice concerns without fear of retaliation. Boards should oversee the effectiveness of **whistleblower mechanisms** and ensure that employees have accessible, confidential channels to report misconduct. At the same time, incentive structures must be aligned to drive **ethical behaviour**, avoiding excessive risk-taking or short-term focus that may compromise governance principles. Importantly, boards must look beyond written policies and compliance reports to assess the **real culture on the ground**, engaging with employees and stakeholders to gain deeper insights. By embedding ethics into business strategy and governance, boards can reinforce trust, accountability, and long-term sustainability.

Questions for the board to consider:

- How are we assessing the real culture beyond policies and leadership statements?
- Do employees trust our whistleblower mechanisms, and are they free from retaliation?
- Are our incentive structures reinforcing ethical behavior, not just financial results?
- What factors could cause investors, employees, or customers to lose trust in our company?
- Are there any early warning signs of cultural or ethical risks that we may be missing?
- How prepared are we to handle reputational risks, including misinformation threats?
- Do we have a clear and proactive narrative that reinforces stakeholder confidence?
- Do we need to adjust our own culture, processes, or structures to strengthen oversight?

08 Embracing innovation and digital transformation

As the business landscape evolves, boards must embrace **digital tools and emerging technologies** to enhance oversight, improve decision-making, and maintain agility. The adoption of **AI-powered analytics, automated workflows, and digital board portals** can streamline board processes, ensuring members have real-time access to critical insights. **Secure communication platforms and digital collaboration tools** can improve engagement, making board discussions more efficient and data-driven. By integrating these advancements, boards can move beyond static reports to **interactive dashboards and predictive analytics**, enabling a forward-looking approach to governance.

However, digital transformation also brings risks that boards must actively oversee. **Cybersecurity threats, data privacy concerns, and regulatory complexities** require heightened vigilance. Boards must ensure that their own digital tools meet **security and compliance standards**, while also leveraging **early warning signal tools** to stay ahead of emerging risks. By embedding technology into governance practices, boards can strengthen resilience, enhance strategic oversight, and remain equipped to navigate an increasingly digital world.

Questions for the board to consider:

- How effectively does our digital transformation strategy align with our overall business objectives and value creation goals?
- Are we investing in the necessary technologies, such as AI and machine learning, to enhance our research and development capabilities and accelerate innovation?
- Do we have a clear understanding of the potential risks associated with digital transformation, including cybersecurity threats and data privacy concerns, and how are we mitigating them?
- How are we measuring the success of our digital transformation initiatives, and do we have the right metrics in place to track progress and outcomes?
- Is our organisational culture supportive of innovation, and are we fostering an environment that encourages experimentation and agility?
- How are we ensuring that our workforce is equipped with the necessary skills and capabilities to adapt to new digital tools and processes, and what training programmes are in place to support this transition?

09 Stakeholder trust and engagement

With rising stakeholder activism and heightened expectations for corporate transparency, boards must adopt a **proactive and structured approach to stakeholder engagement**. Beyond traditional investor relations, engagement now spans **employees, customers, regulators, vendors, and the broader public**, each with unique concerns and expectations. Boards must ensure that the company's **communication strategy is transparent, responsive, and aligned with long-term value creation**. This includes adopting a **social media playbook** to monitor sentiment, address concerns, and foster open dialogues in real time. Additionally, **regular employee and vendor surveys** provide critical insights into organisational culture and supply chain dynamics, helping boards assess risks and opportunities.

Building trust requires more than periodic disclosures; it demands **consistent, two-way engagement**. Investor relations should go beyond financial updates to provide a **clear narrative on strategy, governance, and ESG commitments**, strengthening long-term investor confidence. Similarly, **structured stakeholder dialogues and feedback loops** allow boards to anticipate and address concerns before they escalate. By embedding stakeholder perspectives into decision-making, boards can **enhance corporate reputation, mitigate activism risks, and reinforce the company's social license to operate**. An engaged and informed board is better positioned to navigate complex stakeholder dynamics while upholding trust and accountability.

Questions for the board to consider:

- Are we proactively engaging with our key stakeholders—including investors, employees, vendors, and regulators—to understand their concerns and expectations?
- Do we have a structured mechanism, such as surveys or feedback loops, to assess stakeholder sentiment and incorporate insights into decision-making?
- Is our social media and public communication strategy aligned with our corporate values, and do we have a framework to address reputational risks in real time?
- How effectively are we balancing financial performance with broader stakeholder interests, including ESG commitments and long-term value creation?
- Do we have clear escalation protocols to address stakeholder activism or emerging concerns before they escalate into larger governance issues?
- How frequently does the board review and assess the effectiveness of our stakeholder engagement strategy, and what benchmarks or best practices do we use for comparison?

‘Boards should remain agile, proactive and deeply engaged to drive sustainable growth and resilience. Clear governance structures, strategic foresight, and an unwavering commitment to ethical standards will enable boards to navigate uncertainties effectively. By fostering transparency, accountability, and alignment with long-term objectives, boards can build trust with stakeholders and ensure the organisation is well-positioned for future challenges and opportunities.‘

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