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Journalist:	Devina Sengupta, Suneera Tandon	Page No:	14

HUL's board advances with ESG, cybersecurity mastery

The shift is designed to ensure top executives are equipped to drive growth, retain talent

Devina Sengupta & Suneera Tandon
MUMBAI

India's largest packaged consumer goods company Hindustan Unilever Ltd (HUL) is upgrading skills and competencies of its top leadership, the board of directors, to keep pace with evolving market demands.

The company is now requiring its board members to gain proficiency in areas such as cybersecurity, data governance and environmental, social and governance (ESG) criteria.

This shift is designed to ensure the board is well-equipped to drive growth and improve talent retention capabilities. "In the last few years, the external environment in which the company operates in, and the regulatory framework governing it have undergone significant changes.

"With an ever-increasing focus on cyber security, artificial intelligence, ESG, risk management, the skills, capabilities required of directors in the context of business for efficient functioning of the board has also evolved," said the company in its annual report for 2023-24. "In view of this, the board of directors based on recommendation of the Nomination and Remuneration Committee has approved and adopted the revised Board Skill Matrix of the company on 26 February," the report added. HUL will be officially adopting new required skill sets for its board members. While earlier, key skills were essential for the board, this time it has assessed the extent of the skills required for its directors.

According to the skill-set statistics cited in the report, while 92% of its board had leadership experience, only 33% were aware about driving cybersecurity, data governance and information technology initiatives.

The entire board was aware of and skilled in need for having a "business



The skills/capabilities required for directors have evolved, said the company in its annual report for 2023-2024.

REUTERS

with a purpose", while 75% had "experience of overseeing large and complex business operations requiring proven administrative and managerial skills".

The company board currently comprises Nitin Paranjpe, Rohit Jawa, Leo Puri, Kalpana Morparia, Tarun Bajaj,

and managing director, as well as the management committee.

In April, the firm appointed B.P. Biddappa to its management committee as executive director of human resources, and chief people, transformation, and sustainability officer for South Asia.

In fact, HUL is touted to be the "CEO factory" minting executives who hold top leadership positions—CEOs and CXOs—across multinational companies the world over. Meanwhile, search firms are also on the lookout for independent directors who are well versed with the changing business requirements, with more than 1,000 independent directors nearing retirement by June 2024. These vacancies are driving companies across sectors to scout for C-suite executives and MDs capable of stepping into these roles. A HUL spokesperson said that the Board Skill Matrix is there since 2019 as per Sebi mandate, but this year, it has added two new skills, Purposeful Business and Sustainability/ESG and People and Talent Development, that play a significant role in the current external and regulatory environment.

devina.sengupta@livemint.com

TALENT REVAMP

THE board of directors revised Board Skill Matrix of the company on 26 February 2024

IT was found that barely 33% of the board members were aware about cybersecurity, IT, etc

HUL'S portfolio comprises over 50 brands, spanning 16 fast-moving goods categories

ACCORDING to the statistics, 92% of its board members had leadership skills and experience.

and Neelam Dhawan, among others.

HUL's portfolio comprises over 50 brands, spanning 16 fast-moving consumer goods categories. In FY24, the company posted a turnover of ₹59,579 crore. Its governance structure is multi-tiered, comprising board of directors, board committees, the chief execu-

Biddappa will lead the company's people agenda for South Asia, besides driving transformation initiatives in business, organization and sustainability.

This initiative coincided with India's growing importance as a market for the parent firm, Unilever, and rising visibility of local talent in its India operations.

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ESG to AI, HUL's directors will need to change with times

Consumer goods company Hindustan Unilever Ltd is overhauling the skills and capabilities required of its top leadership—the board of directors—to keep pace with the changing times and be aligned to the demands of the consumer. **>P14**