

**UNDERSTANDING BUSINESS RESPONSIBILITY  
AND SUSTAINABILITY REPORTING (BRSR)  
DISCLOSURES**

**RVO ESTATE MANAGERS & APPRAISERS  
FOUNDATION**

## **Valuation - Importance**

Valuation is an essential pre-requisite in choosing investments for a portfolio, in deciding on the appropriate price to pay or receive in a takeover and in making investment, financing and dividend choices while running a business.

Valuation is required throughout the life cycle of a business entity. From the time a company is incorporated with infusion of funds to the stage of its liquidation, valuation is a critical process at various stages of running of the company. Over the years, valuation has witnessed momentous changes and developments and it continues to evolve.

## Valuation - Importance

- Technology has played a key role in changing the way businesses and investors approach valuation nowadays. Advanced technologies like Machine Learning, Artificial Intelligence and Data Analytics are increasingly being used to analyse data and identify trends that can impact the valuation of businesses and assets.
- Moreover, with the emergence and increased adoption of digital assets nowadays, we are entering a new era of technology. Digital assets are anything that can be stored electronically and typically that have value such as currency, property titles, securities, and patents. Considering the unique properties of digital assets and the quickly evolving state of technology, it is important to value digital assets in a standardized way. The valuation of digital assets is often done through the use of Financial Models, Estimations, Statistical Analysis and other Metrics. Although valuation of digital assets differs based on the type of asset and use, there are few common methods used to determine the value of a digital asset.

## VALUATION AND ITS GROWING IMPORTANCE

Ever since, the incorporation of Registered Valuer Organisation by the benign 3 Institutes as section 8 companies, the scope of valuation among the professional fraternity has never stopped mounting. The valuation techniques and objectives were streamlined based upon specialization and banks and other entities started relying on the professional valuers over to the contemporary practices. The scope of valuation expanded beyond boundaries and reached a limit such that it has become indispensable and inseparable part of business.

Valuation also is a self-evaluation tool to the entrepreneur to boost up the existing business clientele and to take different track if it is not in line with the results in the books. It largely depends on the technical skill and experience of the valuer to determine the long run projection. A Valuer with considerable experience with a traditional method will only end up in a wrong conclusion and hence a 360 degree approach and sound knowledge on the area of operations is indispensable to value any kind of Asset.

## **VALUATION AND ITS GROWING IMPORTANCE**

**Valuation, the cornerstone of financial decision-making, transcends national borders, influencing investment decisions, corporate strategies and policy by delving (detailed and careful search) into the regulatory frameworks that govern valuation practices, the prevalent valuation methodologies, the degree to which non-financial metrics like ESG (environmental, social, and governance) scores are integrated into these methodologies, standardisation of valuation practices, the training and accreditation required for professionals in the valuation industry, adoption of technological tools in valuation practices, implications of the diverse valuation practices for investors, businesses, and policymakers, and the challenges and limitations inherent in the current valuation landscapes.**

## **Environmental, Social and Governance (ESG)**

Environmental, Social and Governance (ESG) factors are becoming increasingly important in valuation. In India, ESG factors are gaining acceptance and companies are beginning to recognize their importance.

**Environmental, Social and Governance (ESG) are three key factors used to measure a company's sustainability and social responsibility performance. ESG is more than good intentions. It's about creating a tangible, practical plan that achieves real results. Success is not about climate change, diversity and disclosures alone. It's about embedding these principles - and more across your business - from investment to sustainable innovation.**

Both global and Indian business operations have been undergoing significant changes amidst externalities such as climate change, finite resource availability, deteriorating ecosystems and evolving stakeholder expectations.

## **Environmental, Social and Governance (ESG)**

The Covid-19 pandemic and associated business disruptions have only heightened and reinforced the need for action, making ESG a critical agenda for companies as they are focusing on long-term sustainable growth. In 2013, India became the first country to mandate corporate social responsibility with the Companies Act of 2013. This tenet was previously suggested in the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released in 2011 before being included in the Companies Act 2013. Additionally, the top 500 listed firms in India by market cap were instructed by SEBI to disclose indicators of business responsibility and sustainability through Business Responsibility Reporting (BRR). SEBI in India plays the role of market regulator, regulating securities, and protecting the interests of the stakeholders in the market.

## **Environmental, Social and Governance (ESG)**

SEBI is also responsible for the implementation of an efficient ESG policy mechanism. In 2021, SEBI issued a circular containing details of new sustainability related reporting requirements called the Business Responsibility and Sustainability Report (BRSR), which brings India's sustainability reporting to global reporting standards. The new Environment, Social, and Governance (ESG) reporting format outlines mandatory ESG policies and requirements for the top 1000 listed companies by market capitalization. The format is based on the nine principles stipulated in the "National Guidelines on Responsible Business Conduct" (RBC Guidelines). The RBC Guidelines addresses key sustainability matters, such as business ethics and transparency, human rights, environmental safety, and fair labour practices. The reporting format is mandatory from FY 2022- 23 but is voluntary for FY 2021-22. This is to provide companies with sufficient time to adapt to the new reporting compliance.



## **Business Responsibility and Sustainability Reporting (BRSR)**

The BRSR is aimed at securing transparent and standardized disclosures by companies on their ESG parameters and sustainability-related risks. This approach is expected to help companies better demonstrate their sustainability objectives, position, and performance to the market, resulting in long-term value creation and increasing the ability of investors to make informed ESG-related decisions.

The current developments underline the imperatives for countries to make this planet a better place to live. The harsh truth for all countries, whether rich or poor, is that as long as society is economically unbalanced as well as unstable, fuelling sustainable economic and social growth addressing all sections of the society and the environmental concerns is a pipe dream. The requirement is a sincere, open and inclusive mind set as well as gigantic effort, calling for a new model of development that will simultaneously give a push to positive economic advancement, provide a framework for sustainability in decent living for all in an inclusive manner and reverse the damage already caused to the environment at the least, failing which any endeavour towards SDG's are bound to be piecemeal and / or exclusive and / or inadequate. In this context, ESG through crystal clear policy measures is suggested as the route to be pursued for marching towards attaining Sustainable Development Goals (SDG's).

## **Corporate Social Responsibility (CSR)**

CSR is already an existing framework under the provisions of Companies Act, 2013 applicable to both listed companies as well as unlisted companies. CSR provisions are mandatorily applicable to a company based on thresholds of Profits, Turnover and Net Worth. Every company which fulfils any one of the following three criteria namely

- Net profits of Rs. 5 Crores or more in the preceding financial year or
- Turnover in the preceding financial year of Rs. 100 Crores or more or
- Net worth as at the end of the preceding financial year of Rs.500 Crores or more

is mandatorily required to have in place a CSR policy outlining the areas in which the company will spend for CSR related activities. The mandatory required quantum of CSR spend is 2 per cent of average net profits made in the preceding three financial years or for if it has not completed three years since its incorporation, then since incorporation. There are detailed provisions in the Companies Act, 2013 and the rules prescribed thereunder namely Companies (Corporate Social Responsibility Policy) Rules, 2014 to regulate the CSR spends by the companies.

## **Social Stock Exchange (SSE)**

In the case of SSE, the Technical Group constituted by SEBI has issued a consultation paper in May 2021 inviting comments from stakeholders. The regulatory provisions for setting up of SSE and other related matters including Social Audit and reporting are yet to be prescribed. SSE is expected to create a major impact on the ESG scenario in India.

## **Business Responsibility Report (BRR) converging to Business Responsibility and Sustainable Report (BRSR)**

BRR, which was prescribed to be effective from the financial years ending on or after 31<sup>st</sup> December, 2012 for 100 listed entities initially is currently applicable mandatorily to the top 1000 listed entities by market capitalisation. SEBI has extended the scope of this report by including the concepts of “Sustainability” under the framework of “Business Responsibility and Sustainability Reporting”. For the FY 2021-22, the reporting under the BRSR framework for the top 1000 listed entities and other entities is voluntary, but from FY 2022-23 onwards, BRSR reporting is mandatorily applicable to top 1000 listed entities and reporting under BRR framework will be discontinued from FY 2022-23,

## ESG related Acts

- Environment Protection Act, 1986
- Air (Prevention and Control of Pollution), Act, 1981
- Water (Prevention and Control of Pollution), Act, 1974
- Hazardous Waste (Management Handling and Transboundary Movement) Rules, 2016
- Factories Act, 1948
- Industrial Relations Code

## **ESG related Acts**

- Occupational Safety
- Health and Working Conditions Code
- Companies Act, 2013
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
- Prevention of Money Laundering Act, 2002
- Prevention of Corruption Act, 1988

## **Future ESG trends**

- Compulsory BRSR ESG Reporting
- Supply Chain Due Diligence
- Data Privacy & Effective Management of IA
- Transition to a Circular Plastic Economy
- Greenwashing Scrutiny, regulation, and litigation will increase

## Individual Responsibilities

- Reduce Energy Consumption
- Sustainable Transportation
- Conserve Water
- Waste Reduction
- Recycle and Compost
- Mindful Consumption
- Energy – Efficient Home
- Plant – Based Diet
- Educate



## India's Business Responsibility and Sustainability Reporting (BRSR)

- The Securities and Exchange Board in India (SEBI) developed the Business Responsibility and Sustainability Reporting (BRSR) to mandate Indian companies to provide quantifiable metrics on sustainability-related factors, such as respect for human rights or environmental protection.
- The foundation for India's ESG regulatory framework was laid with the introduction of Business Responsibility Reporting (BRR) guidelines in 2009. The new BRSR, in effect since 2023, is more closely aligned with globally accepted reporting frameworks like the GRI (Global Reporting Initiative) and TCFD (Task Force on Climate Related Financial Disclosure). It requires the top 1,000 listed companies in India to respond to 140 questions, divided into 98 essential indicators (mandatory) and 42 leadership indicators (voluntary).

## India's Business Responsibility and Sustainability Reporting (BRSR)

Business Responsibility and Sustainability Reporting (BRSR) is an integrated reporting framework. Its purpose is to increase the level of reporting on environmental, social, and governance (ESG) performance. BRSR requires enterprises to report ESG performance indicators to ensure that they practise responsible business and achieve sustainable development.

### Objectives of BRSR Implementation

#### Primary objectives of BRSR implementation are:

1. To encourage companies to adopt sustainable business practices and integrate ESG considerations into their operations.
2. To encourage the comparability and quality of non-financial information disclosed in the reports.
3. To ensure that Indian companies comply with the international standards and frameworks of sustainability reporting.
4. To improve stakeholder engagement and establish trust by ensuring that comprehensive ESG disclosures are made.

# India's Business Responsibility and Sustainability Reporting (BRSR)

## BRSR Due Date

The BRSR report is to be submitted by the 1000 largest listed companies (by market capitalisation) as part of the annual reports being filed with SEBI, from FY 2022-23 onwards.

## BRSR Format

**The BRSR Format is organised into three pivotal sections:**

- 1. General Disclosures:** This segment provides a brief description of the company, what it provides, how it runs, the people behind it, and its compliance with the law.
- 2. Management and Process Disclosures:** This section focuses on the details of the company's operations. It outlines the policies, procedures, and measures implemented in the conduct of ethical business and promotion of environmental responsibility.
- 3. Principle-wise Performance Disclosures:** In this section, businesses are required to report on how they have complied with the nine key principles outlined under the National Guidelines on Responsible Business Conduct (NGRBC). These principles cover a number of essential aspects such as ethical business conduct, product management, employee welfare, effective shareholder communication, human rights, environmental care and sustainability, advocacy in public policy, economic development, and customer value.

# India's Business Responsibility and Sustainability Reporting (BRSR)

## Principles of BRSR reporting

1. Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
2. Businesses should provide
3. goods and services in a manner that is sustainable and safe.
4. Businesses should respect and promote the well-being of all employees, including those in their value chains.
5. Businesses should respect the interests of and be responsive to all their stakeholders.
6. Businesses should respect and promote human rights.
7. Businesses should respect and make efforts to protect and restore the environment.
8. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
9. Businesses should promote inclusive growth and equitable development.
10. Businesses should engage with and provide value to their consumers in a responsible manner.

# India's Business Responsibility and Sustainability Reporting (BRSR)

## Benefits of BRSR Reporting

Implementing reporting protocols offers numerous benefits to businesses, including:

- ❑ **Enhanced transparency and accountability:** Reporting of how a company is doing assists stakeholders in making good decisions about that company since they are aware of its status.
- ❑ **Improved risk management:** It is possible to state that through the identification and management of risks associated with the environment and society, companies can minimise possible negative impacts and increase their organisational resilience.
- ❑ **Increased stakeholder trust:** Over-emphasis on disclosure can help build confidence and strengthen relations with stakeholders like investors, customers, employees, and society.

## India's Business Responsibility and Sustainability Reporting (BRSR)

- ❑ **Competitive advantage:** Sustainable and responsible business-focused organisations can achieve competitive advantage by attracting the best talent, enhancing the company's image and meeting stakeholder expectations.
- ❑ **Alignment with global standards:** BRSR reporting ensures that Indian corporations conform to other globally recognised sustainability reporting frameworks, hence ensuring that there is a holistic recognition and comparability.
- ❑ **Driving sustainable development:** BRSR reporting supports sustainable business practices which helps companies achieve the UN sustainable development goals and affirm India's commitment to sustainable development.

Therefore, BRSR reporting is a major advancement towards sustainable business and responsible business conduct in India. As a strengthened ESG reporting guide, BRSR reporting enables companies to demonstrate their ESG engagement and improves their reporting transparency for stakeholders.

## **BRSR - Business Responsibility Report (BRR) converging to Business Responsibility and Sustainable Report (BRSR)**

### **A. Climate Change and Sustainability**

- ESG compliance, Benchmarking and Capacity Building
- Net Zero Roadmaps for Business and Government
- Carbon Sequestration, Carbon footprint and Climate Bond Advisory
  - Climate Risk Assessment and Management
- Carbon credits/ Carbon Financing/Climate Transparency
- Sustainability Performance and Disclosures
- GHG Emission Inventory and Energy Analysis

## **BRSR - Business Responsibility Report (BRR) converging to Business Responsibility and Sustainable Report (BRSR)**

- Green Technology Initiatives
- Transport GHG Mitigation Actions
- Renewable Energy & Corporate Energy Strategy
- Perform Achieve Trade (PAT) Advisory
- Water Balancing/Water Neutrality/Water Footprint/Water Pollution
- Inclusive Economic Growth (IEG)
- National Clean Air Programme (NCAP)/Pollution Abatement



## **BRSR - Business Responsibility Report (BRR) converging to Business Responsibility and Sustainable Report (BRSR)**

### **B. Solid Waste Management**

Wet Waste/Compost/Bio-mechanisation/ Dry Waste/MRF/Recycling/ Legacy Waste Remediation/C&D Waste/Plastic and E-Waste/Hazardous Waste

### **C. Wastewater Management**

Sanitation (Septic Tank, Soak pit etc.), Off-Site centralized network (Treatment Technology, Nature waste etc.), Municipal Sludge, Recycle & Reuse in Liquid Waste/promoting Circular Economy.

### **D. Lake Rejuvenation**

Preparation of technical reports (preliminary & feasibility), DPR for lake development, lake rejuvenation, and waterfront development

## India's Business Responsibility and Sustainability Reporting (BRSR)

The disclosure requirements are grouped into nine core categories, based on the **principles of the National Guidelines** for Responsible Business Conduct introduced by SEBI:

- **Environmental protection:** Key performance indicators cover electricity consumption, water usage and air emissions.
- **Human rights:** Focus on human rights violations and minimum and fair wages.
- **Integrity:** Performance indicators include anti-corruption, anti-bribery and conflicts of interest policies.
- **Employee well-being:** Metrics focused on parental benefits, employee accessibility and the percentage of unionized workers.

## India's Business Responsibility and Sustainability Reporting (BRSR)

- **Inclusive growth:** Policies favoring vulnerable and marginalized groups.
- **Sustainable goods and services:** Information on investments in social and environmental impacts.
- **Responsible consumer engagement:** KPIs encompass handling consumer complaints and feedback, product recall procedures and cybersecurity and data privacy policies.
- **Stakeholder responsiveness:** Describing engagement with vulnerable and marginalized groups.
- **Responsible public policy engagement:** Listing trade and industry affiliations and detailing issues relating to anticompetitive conduct.

## **India's Business Responsibility and Sustainability Reporting (BRSR)**

The BRSR report should be published as an integral part of a company's annual report, allowing for transparent disclosure of non-financial performance alongside the financial parameters.

Business Responsibility and Sustainability Reporting (BRSR) is a reporting framework under which the top 1000 listed companies (by market capitalisation) are mandated to disclose their ESG performance in a quantitative and standardised format from FY 2022–23 onwards.

The BRSR framework is a mandatory disclosure mechanism for top 1000 listed companies or businesses to report their performance on environmental, social and governance (ESG) aspects and demonstrate their commitment to responsible business practices.

## **India's Business Responsibility and Sustainability Reporting (BRSR)**

BRSR reporting can help companies create long-term value by promoting sustainable business practices. By considering the environmental and social impact of their operations, companies can identify opportunities to reduce costs, improve efficiency, and develop innovative products and services.

- **BRSR Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**
- **BRSR Principle 8: Businesses should promote inclusive growth and equitable development.**

The BRSR is the first framework in India that requires Indian companies to provide quantitative metrics on sustainability-related factors.

## BRSR – GUIDANCE / DISCLOSURES

SEBI's guidance documents provides details on three kinds of disclosures—general, management and process, and “principle wise” (principle-based).

### **General disclosures encompass basic company information.**

This includes addresses of offices and plants, details of products and services (these should account for 90% of total business turnover), exchanges where the company is listed, and reporting boundary, that is, whether disclosures refer to a stand-alone entity or part of a consolidated portfolio of companies. Employee counts and representation by gender, diversity, and inclusion and differently abled status are also required, along with data on employee turnover and number of complaints and grievances filed against the company.

## BRSR – GUIDANCE / DISCLOSURES

**Management and process disclosures provide evidence that companies are adhering to the structures, policies, and processes specified in the National Guidelines on Responsible Business Conduct (NGRBC).**

Disclosures that are provided in this section are not about adherence to specific principles outlined in the NGRBC. But about higher-level policy and management processes, including statements by directors and boards regarding governance, leadership and oversight. Companies need to show that policies not only exist, but they have been approved and enacted in the context of time-bound company goals.

**Principle wise performance disclosures are focused on more quantitative data relating to 9 basic principles of the National Guidelines on Responsible Business Conduct (NGRBC).**

This set of disclosures within the BRSR is aimed at helping organizations demonstrate how their operations impact environmental and social metrics. Businesses need to demonstrate with clear data and examples on how they are integrating fundamental principles in their key processes and measuring these decisions through KPIs. To this end, companies need to disclose the percentage of R&D and capital expenditure investment as well.

## BRSR – GUIDANCE / DISCLOSURES

Each principle of wise disclosure has two components –

- ❖ **Essential indicators** – Which are mandatory and include data on environmental factors such as energy, emissions, water, and waste. As well as social impact of the company's operations, along with details of employee training around these principles.
- ❖ **Leadership indicators** - Which are voluntary and aimed at companies “which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible,” as stated in the reporting framework. These include ethics awareness programs for value chain partners, product and service life-cycle assessments, employee protections such as insurance and transition programs. Leadership indicators also comprise advanced reporting on biodiversity, energy consumption, scope 3 greenhouse gas emissions and supply chain disclosures.



## **GUIDANCE NOTE FOR BUSINESS RESPONSIBILITY & SUSTAINABILITY**

As India moves to mandatory ESG reporting, the BRSR is aimed at improving compliance, consistency, and communication around non financial disclosures.

### **GUIDANCE NOTE FOR BUSINESS RESPONSIBILITY & SUSTAINABILITY**

#### **REPORTING FORMAT**

##### **I. GENERAL GUIDANCE**

##### **II. SECTION A: GENERAL DISCLOSURES**

##### **III. SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

##### **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

## **GUIDANCE NOTE FOR BUSINESS RESPONSIBILITY & SUSTAINABILITY**

### **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable** - Performance indicators include having anti-corruption and anti-bribery policies in place, details of regulatory actions against the organization, and details of conflict-of-interest complaints.

**PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe** - Performance indicators include investments to improve environmental and social impacts, details of reclamation, reuse, recycling and disposal procedures, and details of extended producer responsibility plans and life-cycle assessments.

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains** - Performance indicators include the percentage of employees that are covered by health and accident insurance, paternity benefits, day care benefits and retirement benefits; amount of accessibility for differently abled workers and percentage of unionized workers.

## **GUIDANCE NOTE FOR BUSINESS RESPONSIBILITY & SUSTAINABILITY**

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders** - Performance indicators include having stakeholder groups that include vulnerable and marginalized people, number of communication channels used and frequency of engagement, and details of consultation processes.

**PRINCIPLE 5 Businesses should respect and promote human rights** - Performance indicators include the percentage of employees who have received training on human rights issues, percentage of workers paid minimum wage, and board and management remuneration in comparison to industry medians.

**PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment** - Performance indicators include year-over-year electricity and fuel consumption, water withdrawal by source (such as surface water, groundwater, and seawater)

## **GUIDANCE NOTE FOR BUSINESS RESPONSIBILITY & SUSTAINABILITY**

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent** - Performance indicators include number of affiliations with trade and industry associations, details of issues related to anticompetitive conduct and details of public policy positions advocated by the organization.

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development** - Performance indicators include details of social impact assessments, information on projects involving rehabilitation and resettlement and details of procurement policies that favour marginalized or vulnerable groups.

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner** - Performance indicators include consumer complaint and feedback mechanisms, details of safety-related product recalls and existence of cybersecurity and data privacy policies.

## **BRSR I. GENERAL GUIDANCE**

1. **Inter-operability of reporting framework-** Those listed entities which prepare and disclose sustainability reports (as part of annual report) based on internationally accepted reporting frameworks such as GRI, SASB, TCFD, Integrated Reporting, can cross-reference the disclosures made under such framework to the disclosures sought under the BRSR. Further, in case the data sought in the reporting format is already disclosed in the annual report, the listed entity can provide a cross-reference to the same.

Thus, an entity need not disclose the same information twice in the annual report. However, the entity should specifically mention the page number of the annual report or sustainability report where the information sought under the BRSR format is disclosed as part of the report prepared based on internationally accepted reporting framework.

## **BRSR I. GENERAL GUIDANCE**

- 2. Consistency in reporting boundary-** The BRSR seeks disclosure of the reporting boundary i.e. whether the reporting is done for the entity on a stand-alone or consolidated basis (Reference: Question 13, Section A). Listed entities shall ensure consistency in reporting boundary across the report.
- 3. Applicability-** Some of the disclosures sought under the BRSR may not be applicable to certain industries, say the service industry. In such cases, the entity can state that such disclosure is not applicable along-with reasons for the same.
- 4.** The term “reporting period” refers to the financial year for which BRSR is being prepared.

## **BRSR I. GENERAL GUIDANCE**

- 5.** The listed entity should endeavour to provide clear, complete and concise responses. The web-links to the relevant document may be provided, if available.
- 6.** The information sought on complaints in the format are accompanied with a column of “Remarks” where entities can explain reasons for pending complaints (if any) or can give a brief on the nature of the complaints, wherever required
- 7.** With regard to disclosures relating to gender, the format specifies male and female, however in case the entity has employed persons who have not disclosed gender or belong to any other gender, a separate column of “Other” may be added for such disclosures.

## **BRSR I. GENERAL GUIDANCE**

8. The term “Principles” refers to the Principles 1 to 9 as laid down in the National Guidelines for Responsible Business Conduct.

9. In addition to the disclosures sought under the format, the entity may disclose any other relevant sustainability related information at appropriate places.



## **II. SECTION A: GENERAL DISCLOSURES**

- 1.**Details of business activities - The details of business activities shall be in line those given in Form MGT-7 prescribed by MCA.
- 2.**Products sold /services offered by the entity - the top products manufactured or services provided by the listed entity that account for 90% of its turnover
- 3.**Details of employees and workers – disclose the total number of employees and workers, along-with the associated break-up by gender (male / female) and into permanent / other than permanent. Various Acts and definitions.
- 4.**Participation / inclusion / representation of women (including differently abled) – Define BOD and KMP.

## II. SECTION A: GENERAL DISCLOSURES

5. Turnover rate for permanent employees and workers – Turnover rate , Average rate of employee.

6. Holding /subsidiary/associate / companies /joint ventures – Definitions under Companies Act, 2013.

7. Grievance redressal mechanism for stakeholders – Define stakeholders / Grievance redressal mechanism / An organization's value chain.

8. Overview of the entity's material responsible business conduct and sustainability issues - Sustainability as per National Guidelines on Responsible Business Conduct /

Classify the risk / opportunity as environment or social and provide its description. For instance, risk arising from climate change can include impact on operations, worker health, demand for products or services etc.

## II. SECTION A: GENERAL DISCLOSURES

Climate change opportunities can include cost savings through resource efficiency, development of new products and services, access to new markets etc.

- Rationale for identifying the risk, which may include a description of the impact associated with the risk or opportunity.
- In case of identified risks, approach to mitigate or adapt to the risk.
- Indicate the positive and negative impact of such risk or opportunity on the financials of the company. The company shall make qualitative disclosures in this regard and should not include any forward looking quantitative information. However, in case of previous years, impact can be disclosed in quantitative terms. The entity may consider impact on parameters such as demand for products & services/ capital or operational costs/, investment opportunities etc

### III. SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

1. Specific commitments, goals and targets set by the entity along-with performance, if any - entity may disclose if it has any specific commitment, goal or target against any of the principles. for goals and targets /Expected result or outcome, in quantitative or qualitative terms / Expected timeline / performance achieved.
2. Statement by director responsible for the report for to highlight ESG issues - overall vision and strategy / Strategic priorities and key topics etc.
3. Highest authority responsible for implementation and oversight of the Business Responsibility policy (ies) –
4. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No) –

## **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**Principle 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### **Essential Indicators**

Details of fines / penalties /punishment/ award/compounding fees/ settlement amount - n the basis of materiality SEBI guidelines.

Details of anti-corruption or antibribery policy - procedures and internal Controls / Mechanism to deal / trainings on anti-corruption issues.

### **Leadership Indicators**

Processes to avoid/ manage conflict of interests involving members of the Board/ KMPs

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## **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**Principle 2 : Businesses should provide goods and services in a manner that is sustainable and safe**

### **Essential Indicators**

- 1.Sustainable sourcing - refers the integration of social, ethical and environmental performance factors into the process of selecting suppliers.
- 2.Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life - collecting products and their packaging materials at the end of their useful lives, for reusing, or recycling or safe disposal.

## IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### **Principle 2 : Businesses should provide goods and services in a manner that is sustainable and safe**

3.Extended Producer Responsibility (EPR) plan - responsibility of a producer for the environmentally sound management of the product until the end of its life. establish a system for collecting back the plastic waste generated.

4.Life cycle assessment - all the stages of a product from extraction or acquisition of raw materials through manufacturing and processing, distribution and transportation, use and reuse, recycling and disposal.

5.Recycled or reused input material as percentage of total input material -Formula use

6.Reclaimed products and their packaging materials (as percentage of products sold) for each product category. –

## **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

### **Principle 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains**

#### **Essential Indicators**

- 1.Measures for well-being of employees and workers –
- 2.Accessibility of workplaces - wheelchair ramps, braille signage and accessible restrooms, and digital accessibility
- 3.Return to work and Retention rates of permanent employees / workers that took parental leave – Parental leave refers to maternity and paternity leave.
- 4.Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation.
- 5.Details of performance and career development review imparted to employees and workers –



## IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### Principle 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains

6. Health and safety management system - Occupational health and safety risk hazardous situation or exposure, and the severity of injury or ill health.

7. Details of safety related incidents - calculate the Lost Time Injury Frequency Rate (LTIFR) as follows:  $(\text{No. of lost time injuries in FY} \times 1,000,000) / (\text{Total hours worked by all staff in same FY})$  indicator of the loss of productivity for an organization.

8. Measures taken by the entity to ensure a safe and healthy work place – report the measures taken to prevent or mitigate significant negative health and safety impacts that are directly linked to its operations, products or services.

#### Leadership Indicators

Rehabilitation and suitable employment of employees / workers - workers having suffered high consequence injuries / ill-health, include family members of the affected employees / workers, who have been placed in suitable employment.

## **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

### **Principle 4: Businesses should respect the interests of and be responsive to all its Stakeholders**

#### **Essential Indicators**

1. Process for identification of key stakeholders –
2. Key stakeholder groups - Vulnerable and Marginalized Groups refers to group of individuals who are unable to realize their rights or enjoy opportunities due to adverse physical, mental, social, economic, cultural, political, geographic or health circumstances.

#### **Leadership Indicators**

1. Using stakeholder consultation to support the identification and management of environmental, and social topics.-
2. Details of instances of engagement with and actions taken to address the concerns of vulnerable/marginalized groups.

## **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

### **Principle 5 : Businesses should respect and promote human rights**

#### **Essential Indicators**

1. Training on human rights issues and policies –
2. Details of remuneration/ salary/ wages (including differently abled) – Define salary, wages etc.
3. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues –

## **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

### **Principle 6 : Businesses should respect and make efforts to protect and restore the Environment**

#### **Essential Indicators**

- 1.Details of total energy consumption and energy intensity –
- 2.PAT scheme of the Government of India - Perform Achieve and Trade (PAT) scheme (“Scheme”) has been launched by Bureau of Energy Efficiency under the National Mission for Enhanced Energy Efficiency (NMEEE)
- 3.Details of total water withdrawn, consumed and water intensity ratio - Surface water / Ground water / Third party water / Sea-water / desalinated water / Other sources.
- 4.Zero Liquid Discharge policy - A zero liquid discharge system involves using advanced

#### **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

5.Waste-water treatment technologies to recycle, recover and then re-use the treated waste-water; towards ensuring that there is not discharge of the waste-water to the environment.

6.Disclosure of air emissions –

7.Details of Scope 1 and Scope 2 greenhouse gas (GHG) emissions and GHG intensity –

8.Details of waste generated, recycled & re-used and disposed off -

9.Description of waste management practices -# Improving materials selection and product design

➤ Using recycled, re-used or renewable materials

➤ Substituting inputs that have hazardous characteristics with inputs that are non hazardous

10.Details of Environmental Impact Assessments (EIA) –

## IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### Leadership Indicators

- ❖ Break-up of the total energy consumed from renewable and non-renewable sources –
- ❖ Details of water discharged –
- ❖ Details of water withdrawn, consumed and discharged in areas of water stress –
- ❖ Scope 3 emissions - indirect GHG emissions (not included in energy indirect (Scope 2) GHG emissions) that occur outside of the organization, including both upstream and downstream emissions.
- ❖ Impact on biodiversity - ecologically sensitive areas reported by the entity –

## **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**Principle 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### **Leadership Indicators**

Details of public policy positions advocated by the entity –

## IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### Principle 8 : Businesses should promote inclusive growth and equitable development Essential Indicators

- a) Details of Social Impact Assessments (SIA) - SIA in compliance with laws such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.
- b) Describe the mechanisms to receive grievances of the local community - defined as persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization's operations.
- c) Percentage of inputs directly sourced from MSMEs / small producers - Micro: Investment in Plant and Machinery or Equipment not more than Rs.1 crore and Annual Turnover not more than Rs. 5 crore
  - Small: Investment in Plant and Machinery or Equipment not more than Rs.10 crore and Annual Turnover not more than Rs. 50 crore
  - Medium: Investment in Plant and Machinery or Equipment not more than Rs.50 crore and Annual Turnover not more than Rs. 250 crore



## IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### Leadership Indicators

- a) CSR projects undertaken in aspirational districts –
- b) Details of the benefits derived and shared from the intellectual properties owned or acquired by your company based on traditional knowledge shared –
- ✓ **Intellectual Properties** : Intellectual property refers to creations of the mind: such as inventions, literary, musical and artistic works, and symbols, names, images and designs used in commerce, for which the IP owners are granted certain exclusive rights under the corresponding national IP laws. Common types of IP include patents (inventions), copyrights, trademarks, industrial designs, software, geographic indications and trade secrets, etc.
- ✓ **Traditional Knowledge** : refers to any indigenous, technical, ecological, scientific, medical or cultural knowledge which is not necessarily documented but is in use by or generally known to communities. Typical examples include antiseptic properties of neem, turmeric, etc.

Details of beneficiaries of CSR Projects - For each CSR Project undertaken by the company, enter:

(a) total number of beneficiaries,

(b) percentage of such beneficiaries belonging to vulnerable and marginalised groups.

## **IV. SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**Principle 9 : Businesses should engage with and provide value to their consumers in a responsible manner**

### **Essential Indicators**

Details of instances of product recalls on account of safety issues - A product recall is the process of retrieving defective and/or potentially unsafe goods from consumers.

### **Leadership Indicators**

Channels / platforms where information on goods and services of the business can be Accessed - Describe the Channels / platforms where information on goods and services of the business can be accessed. For Example, websites of the company, Mobile Apps, Help Desks, Call Centres, etc. Also, provide the link of the document containing such information if available in the public domain.

THANK YOU