

Business Responsibility

Sustainability Reporting (BRSR)

It is well known fact that the eco-system for businesses to operate is determined by the available natural and physical resources, regional /national /international circumstances and business regulations, consumption demand, type and availability of investments. If the businesses adopt ethics and values as core of their operations, Sustainable Development Goals as their driving force, and responsible business philosophy imbibed in their actions, businesses will be able to discharge their economic, legal, ethical, social and environmental responsibilities more effectively. It will not only result into more profits but will also ensure economic growth and sustainability, enhanced stakeholders' value, more sustainable and responsible products and branding, good governance, social justice and sustainability, environmental sustainability and will ensure more sustainable development. With this background and for the best future of future generations, the regulatory authorities have framed standards for Business Responsibility and Sustainability Reporting

What is BRSR?

Why is BRSR Required?

When is BRSR Used?

Who Prepares BRSR?

How is BRSR Prepared?

Who needs BRSR?

What are Benefits of BRSR?

What is BRSR?

Business Responsibility and Sustainability Reporting (BRSR). The Stock Exchange Board of India (SEBI) introduced the BRSR framework, mandating certain listed companies to disclose their Environment, Social, Governance (ESG) related information as a mandatory process. The BRSR framework aims to enhance transparency and encourage companies to adopt responsible and sustainable business practices.

BRSR is not merely presenting the data collected, but an approach to drive an organization's commitment to sustainability, and demonstrate it to the interested parties in a transparent manner.

The BRSR is an initiative towards ensuring that investors have access to standardized disclosures on ESG parameters. Access to relevant and comparable information will enable investors to identify and assess sustainability-related risks and opportunities of companies and make better investment decisions. At the same time, companies will be able to better demonstrate their sustainability objectives, position, and performance resulting in long-term value creation.

Why is BRSR Required?

At present, **Business Responsibility and Sustainability Reporting** (BRSR) is mandated for the top 1000 listed companies (by market capitalisation) in India.

Financial Year	Applicability by Market Capitalisation
2023-24	Top 150 Listed Companies
2024-25	Top 250 Listed Companies
2025-26	Top 500 Listed Companies
2026-27	Top 1000 Listed Companies

The BRSR seeks disclosures from listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs) and reporting under each principle is divided into essential and leadership indicators. The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis.

When is BRSR Used?

The Business Responsibility and Sustainability Reporting (BRSR) framework is used by companies in India to report on their environmental, social, and governance (ESG) performance.

An ESG score is a quantitative metric that measures a company's environmental, social, and governance (ESG) performance. ESG scores are used by investors, analysts, and other stakeholders to assess a company's risk and opportunities. Scores are an essential tool for investors to assess a company's sustainability and ethical performance. These scores typically range from 0 to 100, with a score of less than 50 considered relatively poor and more than 70 considered good.

In this era of Net Zero, Carbon Control, VUCA (Volatility, Uncertainty, Complexity, Ambiguity) times, being ready for the growth and profitability a good ESG score is inevitable, hence BRSR is essential.

Who Prepares BRSR?

The assigned officer with a team is assigned with the task of preparing BRSR for companies who are mandated to comply with SEBI BRSR reporting requirements need to invest in necessary mechanisms which could help in the following aspects:

Understanding BRSR

1. **Familiarize with the framework**
2. **Identify Material Issues**

Data Gathering and Analysis

1. **Data Collection**
2. **Data Quality Assurance**

Assessing and Reporting

1. **Performance Assessment**
2. **BRSR Report Preparation**
3. **External Assurance**

Implementation and Continuous Improvement

1. **Set Targets and KPIs**
2. **Implement Sustainability Initiatives**
3. **Monitor and Evaluate**
4. **Stakeholder Engagement**

How is BRSR Prepared?

India is gradually moving towards developing regulations around ESG. With the introduction of the Business Responsibility and Sustainability Report (BRR) framework, SEBI has joined a group of countries to have released comprehensive and mandatory sustainability reporting frameworks. The BRSR framework is aligned with international reporting frameworks such as GRI, IIRC, SASB, ICFD, SDGs, etc.

With the BRSR reporting, companies require to highlight sustainability-related challenges faced by them and further delve in their ESG related targets, goals, and achievements while also mapping the probable risks and opportunities they will potentially face in their ESG journey.

BRSR will act as an effective mode of communicating a company's non-financial disclosures and should be seen as the next step in ESG reporting going forward. Publishing a BRSR report should be seen as a mandatory compliance exercise as per SEBI's vision as to what it intends BRSR's purpose to be.

BRSR reporting is a compliance mandate for companies in India, and it provides an avenue for companies and global audience at large to gain deeper insights into their non-financial business risks and opportunities. This sustainability reporting framework in India pushes it to the forefront and makes it an integral ally in combating climate change and leading by example in setting strict regulatory measures and policies to conduct its businesses responsibly and sustainably.

The BRSR reporting framework lays far greater emphasis on sustainability initiatives and their disclosures by the listed companies. SEBI prescribed a guidance note to enable the companies for disclosures

BRSR report format consists of three set of disclosures:

- **General disclosures:** The objective of this section is to obtain basic information about the company – size, location, products, number of employees, CSR activities, etc.
- **Management and process disclosures:** In this section, the company is required to disclose information on policies and processes relating to the NGRBC Principles concerning leadership, governance, and stakeholder engagement. Wherever relevant, companies have been asked to provide links to their websites where these policies are available.
- **Principle-wise performance disclosures:** Responses to this section indicate how a company is performing in respect of nine Principles and Core Element of the NGRBCs. This section requires companies to demonstrate their intent and commitment to responsible business conduct through actions and outcomes.

Reporting under each principle is divided into essential indicators and leadership indicators.

- The essential indicators are required to be reported on a mandatory basis
- The reporting of leadership indicators is voluntary

Following are the 9 principles which are part of the BRSR disclosures:

Principle #	Principle Name
1	Integrity, Ethics, Transparency, Accountability
2	Safe and Sustainable Goods and Services
3	Well Being of Employees
4	Respect and Responsivness to all Stakeholders
5	Respect and Promote Human Rights
6	Respect, Protect and Restore the Enivronment
7	Responsible and Transparent Policy Advocacy
8	Promote Inclusive Growth and Sustainable Development
9	Provide Value to Consumer Responsibly

The above mentioned principles are mapped with the following 17 Sustainable Development Goals (SDG):



(Source: <https://sdgs.un.org/goals>)

Goal #	Sustainable Development Goal (SDG)
1	No Poverty
2	Zero Hunger
3	Good Health and Well-being
4	Quality Education
5	Gender Equality
6	Clean Water and Sanitation
7	Affordable and Clean Energy
8	Decent Work and Economic Growth
9	Industry , Innovation and Infrastructure
10	Reducing Inequality
11	Sustainable Cities and Communities
12	Responsible Consumption and Production
13	Climate Action
14	Life below Water
15	Life on Land
16	Peace, Justice and Strong Institutions
17	Partnerships for the Goals

The BRSR report discloses the data of the above 9 principles with the corresponding SDG's as mentioned below:

Goal #	Sustainable Development Goal (SDG)	Principle #
1	No Poverty	3,4,8
2	Zero Hunger	2,6,7,8,9
3	Good Health and Well-being	3,6,8
4	Quality Education	3,8,9
5	Gender Equality	3,4,5,8
6	Clean Water and Sanitation	2,6,8
7	Affordable and Clean Energy	2,6,7
8	Decent Work and Economic Growth	2,3,5,8
9	Industry , Innovation and Infrastructure	3,4,8
10	Reducing Inequality	2,6,7
11	Sustainable Cities and Communities	3,4,7,8
12	Responsible Consumption and Production	2,6,9
13	Climate Action	2,6,7,8
14	Life below Water	2,6,7,8,9
15	Life on Land	2,6,7,8,9
16	Peace, Justice and Strong Institutions	1,3,4,5,8
17	Partnerships for the Goals	1,7,8

Following is an example of SDG mapped with Principles:

Section B: Management and process disclosures									
This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.									
Disclosure question	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1b. Has the policy been approved by the Board? (Yes / No)	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
1c. Web link of the policies, if available	Refer to the Whistleblower Policy, Infosys Code of Conduct and Ethics	Refer to the Supplier Code of Conduct	Refer to Infosys Code of Conduct and Ethics, HSE Policy	Refer to our CSR Policy and ESG vision 2030	Refer to our Supplier Code of Conduct, Human rights statement ¹¹	Refer to our HSE Policy ¹²	Refer to our ESG vision 2030	Refer to our CSR Policy ¹³ , Responsible Supply Chain and Supplier Diversity Policy, Supplier Code of Conduct	Refer to our Infosys Code of Conduct and Ethics, ESG Vision 2030, Privacy statement
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes	Yes	No	No	Yes	Yes	No	Yes	No
4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustline) standards (e.g. SA 8000, CHSAS, ISO, BRS) adopted by your entity and mapped to each principle.	ISO 9001:2015, GRI Standard 2021, UNGC Principles, OECD-Principles of Corporate Governance, UN SDGs	ISO 9001:2015, GRI Standard 2021, ISO 14001:2015, CBMI	ISO 9001:2015, GRI Standard 2021, ISO 45001:2018, Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, UNGC Principles	ISO 9001:2015, GRI Standard 2021, ISO 14001:2015, ISO 45001:2018	ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, GRI Standard 2021, Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, UNGC Principles	ISO 9001:2015, GRI Standard 2021, ISO 14001:2015, ISO 45001:2018, PAS 2060:2014, ISO 22301:2019, SASB, TCFD, UN SDGs, Carbon Disclosure Project (CDP)	ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, GRI Standard 2021, UN SDGs	ISO 9001:2015, GRI Standard 2021, ISO 14001:2015, ISO 45001:2018, GRI Standard 2021, UN SDGs	ISO 9001:2015, GRI Standard 2021, ISO 27001:2022, ISO 27701:2019, SASB
5. Specific commitments, goals and targets set by	In 2020, we became carbon neutral, 30 years ahead of the timeline set by the Paris Agreement. In October 2020, we launched our ESG vision and								

(Source: <https://www.infosys.com/>)

What are Benefits of BRSR?

- Enhances Transparency and accountability
- Helpful for investors to make better & informed investment decisions
- Increases Stakeholders Trust
- Helps more meaningful engagement with stakeholders
- Improves Risk Management
- Helps to look beyond financials and focus on social and environmental impacts in addition to performance
- Helps to develop a much better sustainable long-term strategy
- Aligns with Global Standards
- Helps to create Brand image
- Facilitate larger investments into companies with higher ESG metrics
- Better employees' retention and engagement through pursuit of ESG initiatives
- Opportunity to establish or streamline internal systems and processes
- Identifying and assessing sustainability related risks and opportunities
- Higher standards of ESG disclosures and transparency will help in attracting more capital and investment.
- Will act as an effective mode of communicating a company's non-financial disclosures
- Will help is Competitive Advantage

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A well prepared and published BRSR report helps all the following stakeholders of the entity:

- **Capital Providers (Shareholders, Bankers, Financial Institutions)**
- **Colleagues (Employees)**
- **Community**
- **Creditors**
- **Customers**