KNOW AND CARE BRSR

Abstract

The impact of BRSR extends **beyond national boundaries,** serving as a credible framework for **business sustainability on a global scale.** The consequences of neglecting the **3 Ps—People, Planet, and Profit—and their influence on the 3 Es—Ecology, Equity, and Economy—are already evident.** Across all nations—**developed, developing, or underdeveloped**—and at every scale, from **micro to mega enterprises,** both **local** and **global entities** must embrace the principles of **Business Responsibility and Sustainability Reporting (BRSR).** As **Prime Minister Mr. Narendra Modi** aptly states: **"Reform, Perform, Transform."** BRSR is a powerful enabler of this vision, driving organizations to reform their practices, perform with purpose, and transform sustainably for the future.

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Business Responsibility and Sustainability Reporting (BRSR) embodies what Theodore Roosevelt once wisely said: *"Nobody cares how much you know, until they know how much you care."*

In today's VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) world—it's not enough for businesses to simply *know*; they must also *care*. BRSR emphasizes the importance of both understanding and acting on the 3Ps: **People, Planet, and Profit**. It's a call to balance insight with empathy, strategy with sustainability.

P EOPLE
LANET
ROFIT

What is BRSR?

Business Responsibility and Sustainability Reporting (BRSR) provides structured disclosures on an organization's environmental, social, and economic impacts—both positive and negative. Introduced in India, by the **Securities and Exchange Board of India (SEBI)**, the BRSR framework mandates certain listed companies to report on **Environmental, Social, and Governance (ESG)** aspects as part of a standardized and mandatory process.

The primary objective of the BRSR framework is to enhance **transparency** and encourage the adoption of **responsible and sustainable business practices**. As W. Edwards Deming aptly stated, *"Without data, you're just another person with an opinion."* In this context, BRSR is not just about presenting data—it's about embedding sustainability into the core of corporate strategy and communicating that commitment transparently to stakeholders.

This initiative ensures that **investors** gain access to **reliable, comparable ESG disclosures**, empowering them to identify sustainability-related risks and opportunities more effectively and make informed investment decisions. Simultaneously, it enables **companies** to clearly articulate their sustainability goals, progress, and positioning—ultimately contributing to long-term value creation.

The BRSR framework serves as a compass to track and guide progress across the **3Ps: People, Planet, and Profit**—while also aligning with the **3Es: Ecology, Equity, and Economy.** It helps organizations assess their impact holistically and move towards a more sustainable and inclusive future.

PEOPLE	>>	**ECOLOGY**
PLANET	>>	**EQUITY**
PROFIT	>>	**ECONOMY**

Why is BRSR Required?

Currently, **Business Responsibility and Sustainability Reporting (BRSR)** is required / mandated for the top 1,000 listed companies in India by market capitalization. These companies are required to file a BRSR report with SEBI, disclosing key information about their environmental, social, and governance (ESG) initiatives and performance.

In today's business landscape, success is no longer measured by financial performance alone—it also depends on a company's broader impact on people, communities, and the environment.

Financial Year	Applicability by Market Capitalization
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 framework draws from the National Guidelines on Responsible Business Conduct (NGRBCs) and seeks disclosures from listed entities based on its nine foundational principles. Reporting under each principle is structured into two categories:

- **Essential indicators** – mandatory for all eligible companies
- **Leadership indicators** – voluntary, showcasing higher levels of commitment and best practices

By offering a structured and transparent format, BRSR enables following stakeholders to better understand how businesses are integrating responsibility and sustainability into their core operations.

- Capital Providers
- Colleagues
- Communities
- Creditors
- Customers

BRSR enables a comprehensive assessment of an organization's key capitals—including

- **Natural capital,**
- **Social capital,**
- **Human capital,**
- **Financial capital, and**
- **Manufacturing capital.**

This holistic approach helps businesses understand and communicate the value they create across multiple dimensions.

When is BRSR Used?

The **Business Responsibility and Sustainability Reporting (BRSR)** framework is a key tool used by companies in India to disclose their **Environmental, Social, and Governance (ESG)** performance. As global awareness around sustainability grows, **ESG scores**—which quantitatively measure a company's performance across these dimensions—have become increasingly important for all stakeholders to evaluate a company's risks, opportunities, and ethical standing.

ESG scores typically range from 0 to 100, where a score below 50 may indicate weak sustainability practices, while a score above 70 reflects strong ESG performance. In today's era—marked by **Net Zero commitments, Carbon Control mandates, and VUCA (Volatility, Uncertainty, Complexity, and Ambiguity)**—a strong ESG score is not just a benchmark, but a strategic imperative for sustained growth and profitability. This makes BRSR reporting essential.

Moreover, the impact of BRSR extends **beyond national boundaries**, serving as a credible framework for **business sustainability on a global scale**. The consequences of neglecting the **3 Ps—People, Planet, and Profit—and their influence on the 3 Es—Ecology, Equity, and Economy—are already evident**, reinforcing the urgency for responsible corporate behaviour.

Who Prepares BRSR?

Preparing a **Business Responsibility and Sustainability Report (BRSR)** is a critical responsibility, often entrusted to an assigned officer—**a highly rewarding and strategic career opportunity for Cost and Management Accountants (CMAs)**. Supported by a dedicated team, this officer ensures that companies mandated to comply with **SEBI's BRSR reporting requirements** invest in the right systems and processes across four key stages:

1. Understanding the BRSR Framework

- **Familiarize with the BRSR guidelines** and its alignment with the National Guidelines on Responsible Business Conduct (NGRBCs).
- **Identify material ESG issues** relevant to the company's operations and stakeholders.

2. Data Gathering and Analysis

- **Collect data** across all relevant Environmental, Social, and Governance (ESG) parameters.
- **Ensure data quality and integrity** through verification processes and internal controls.

3. Assessing and Reporting

- **Assess ESG performance** against set benchmarks and industry standards.
- **Prepare the BRSR report**, ensuring compliance with SEBI's structure and disclosure requirements.
- **Obtain external assurance**, where applicable, to enhance credibility and trust.

4. Implementation and Continuous Improvement

- **Set targets and KPIs** for sustainability performance improvement.

- **Implement sustainability initiatives** in line with business strategy.
- **Monitor and evaluate progress** through periodic reviews and updates.
- **Engage stakeholders** to gather feedback, build trust, and align expectations.

This structured approach not only ensures regulatory compliance but also strengthens the company's sustainability strategy, enhances stakeholder confidence, and positions it for long-term value creation.

When is BRSR Used?

India is steadily progressing toward establishing a robust regulatory framework around Environmental, Social, and Governance (ESG) practices. With the introduction of the **Business Responsibility and Sustainability Reporting (BRSR)** framework, the **Securities and Exchange Board of India (SEBI)** has positioned the country among a growing group of nations mandating comprehensive and standardized sustainability reporting.

The BRSR framework is **aligned with leading international standards** such as the **Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD)**, and the **Sustainable Development Goals (SDGs)**. This alignment ensures consistency, comparability, and global relevance.

Through BRSR reporting, companies are expected to:

- Highlight **sustainability-related challenges** they face.
- Disclose **ESG-related goals, targets, and achievements**.
- Map out potential **risks and opportunities** associated with their ESG journey.

BRSR serves as a vital tool for communicating a company's **non-financial disclosures** and should be recognized as a **natural progression in ESG reporting**. As envisioned by SEBI, publishing a BRSR report is not merely a compliance requirement—it reflects an organization's commitment to responsible business conduct and sustainable growth.

This reporting framework not only satisfies **national compliance** but also opens the door for **international stakeholders** to gain deeper insights into Indian companies' **non-financial risks and opportunities**. By implementing BRSR, India is setting a strong precedent in addressing climate change and advancing corporate accountability through strict sustainability policies and practices.

Structure of the BRSR Report

The BRSR format comprises three key sections:

1. **General Disclosures**

   Provides foundational information about the company, including its size, operations, location, workforce, product portfolio, and Corporate Social Responsibility (CSR) initiatives.

2. **Management and Process Disclosures**

   Focuses on the company's internal policies and governance processes related to the **National Guidelines on Responsible Business Conduct (NGRBC)** principles. This section also emphasizes leadership practices, stakeholder engagement, and provides links to relevant company policies.

3. **Principle-wise Performance Disclosures**

   Requires detailed reporting on the company's performance across the **nine principles of the NGRBCs**. Companies must demonstrate how they integrate responsible business practices into their operations, supported by measurable actions and outcomes.

- **Essential Indicators** – Mandatory disclosures that all eligible companies must report.
- **Leadership Indicators** – Voluntary disclosures that reflect a company's advanced commitment to ESG excellence.

The BRSR is not just a regulatory compliance tool—it is a strategic instrument that enables businesses to build trust, drive long-term value, and contribute meaningfully to global sustainability efforts.

The 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 Responsiveness to all Stakeholders
5	Respect and Promote Human Rights
6	Respect, Protect and Restore the Environment
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**

What are Benefits of a Well-Prepared BRSR Report?

A comprehensive and thoughtfully crafted **Business Responsibility and Sustainability Report (BRSR)** offers numerous benefits to companies and their stakeholders. It not only ensures compliance but also enhances the organization's strategic positioning in today's sustainability-driven business environment.

Strategic and Operational Benefits

- Enhances **transparency** and **accountability**
- Supports the development of a **sustainable, long-term business strategy**
- Enables organizations to **look beyond financials**, emphasizing environmental and social performance
- Helps in **identifying and assessing sustainability-related risks and opportunities**
- Provides an opportunity to **establish or streamline internal systems and processes**

Investor and Market Benefits

- Equips investors with **reliable, ESG-aligned information** to make **better, informed investment decisions**
- Attracts **larger and long-term capital investments** into companies with higher ESG metrics
- **Aligns with global ESG reporting standards** (e.g., GRI, TCFD, SDGs), ensuring **international relevance**
- Enhances **brand image** and builds **market credibility**

Stakeholder and Employee Engagement

- Increases **stakeholder trust** through meaningful and transparent disclosures
- Facilitates **more effective engagement** with stakeholders
- Improves **employee retention and engagement** by aligning company values with ESG initiatives
- Strengthens **competitive advantage** through responsible business practices

Risk Management and Communication

- Improves **risk management capabilities** by recognizing ESG-related risks early
- Acts as an **effective mode of communicating non-financial performance**
- Promotes **higher standards of ESG disclosures**, aiding in attracting **responsible investment**

Key Stakeholders Benefiting from BRSR Reporting

A well-prepared BRSR report provides valuable insights and benefits to a wide range of stakeholders, including:

- **Capital Providers** – Shareholders, banks, and financial institutions benefit from clearer ESG risk assessments.
- **Colleagues** – Gain confidence in the company's ethical and sustainable practices, boosting morale and retention.
- **Communities** – Understand how the company impacts and engages with local and global society.
- **Creditors** – Can better assess the company's long-term viability and risk exposure.
- **Customers** – Prefer to engage with brands that are socially and environmentally responsible.

Across all nations—**developed, developing, or underdeveloped**—and at every scale, from **micro to mega enterprises**, both **local** and **global entities** must embrace the principles of **Business Responsibility and Sustainability Reporting (BRSR)**. As **Prime Minister Mr. Narendra Modi** aptly states: ***"Reform, Perform, Transform."*** BRSR is a powerful enabler of this vision, driving organizations to reform their practices, perform with purpose, and transform sustainably for the future.