

Preface

In today's evolving global landscape, businesses are being expected to go beyond financial performance and be accountable for their environmental, social and governance (ESG) impact. Stakeholders including investors, customers and regulators expect the reporting entities to go beyond financial disclosures and communicate more transparently about their ESG strategies, goals and progress. As ESG investments are on rise, financial and non-financial disclosures are to be kept at par and indeed more weightage is being given for sustainable and ESG compliant entities.

The introduction of Business Responsibility Reporting by the Securities and Exchange Board of India ("SEBI") in the year 2012 was a landmark step in institutionalizing the framework of ESG reporting in India. Later this was substituted with "Business Responsibility & Sustainability Reporting" (BRSR) introduced by SEBI in the year 2021 to better reflect the scope of the reporting requirements on ESG policies, practices and procedures in alignment with nine principles of enumerated under the 'National Guidelines on Responsible Business Conduct' (NGRBCs). SEBI has also introduced the "ESG disclosures" for value chain as per BRSR Core framework, which shall encompass the top upstream and downstream partners of a listed entity as specified by the SEBI. Listed entities are required to report the Key Performance Indicators (KPIs) in the BRSR Core for their value chain to the extent it is attributable to their business with that value chain partner.

Though, the BRSR is mandatory for top 1000 listed entities, the same can be voluntarily adopted by other entities as well.

In order to facilitate better understanding of the disclosure requirements under BRSR, the ICSI has decided to introduce this comprehensive Guidance Note on BRSR which aim to assist the reporting entities in their journey of disclosures on responsible business conduct, social and governance transformation aligned with the principles of NGRBCs. The guidance and views expressed by the ICSI in this guidance note intends to bring meaningful disclosures from the reporting entities with the help of professional brigade of company secretaries engaged in the ESG ecosystem of these entities.

I place on record my sincere thanks to all the members of ESG and Sustainability Board (ESGSB) of ICSI for their valuable contribution in finalising this Guidance

Note on BRSR under the leadership of CS Ranjeet Pandey, Chairman-ESGSB, CS Ashish Garg, Co- Chairman, ESGSB and with the presence of my council colleague CS R. Venkata Ramana, Member-ESGSB & Convener of the sub-group to finalise this Guidance Note.

I also commend the dedicated efforts put in by CS Rakesh Kumar, Deputy Director, CS Sukhmeet Suri, Executive (Academics) and CS Alex VS, Executive (Academics) under the guidance of CS Banu Dandona, Director, ICSI, in bringing out this Guidance Note on BRSR under the stewardship of CS Asish Mohan, Secretary, ICSI.

I am confident that this Guidance Note on BRSR will be immensely useful for all stakeholders and will be of practical value to those entrusted with the compliance of BRSR.

Improvement is a continuous process, which equally applicable to this Guidance Note. I would personally be grateful to the readers for offering their suggestions/ comments for further advancement of this Guidance Note.

Place : Bengaluru

Date : 20.12.2024

CS B. Narasimhan

President

The Institute of Company Secretaries of India