



Background Material on

# **Business Responsibility and Sustainability Reporting**

(Revised Edition 2021)



**Sustainability Reporting  
Standards Board  
The Institute of Chartered  
Accountants of India**  
(Set up by an Act of Parliament)



Background Material on  
**Business Responsibility and  
Sustainability Reporting (BRSR)**  
(Revised Edition 2021)



*Issued by*  
Sustainability Reporting Standards Board  
**The Institute of Chartered Accountants of India**  
(Set up by an Act of Parliament)  
**New Delhi**

## FOREWORD

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Globally, there is an increase in awareness and activism amongst stakeholders who are demanding business accountability for the social and environmental impacts on issues such as climate change, gender equality, environmental degradation, etc. Sustainability Reporting is an emerging discipline encompassing the disclosure and communication of an entity's non-financial - environmental, social, and governance (ESG) performance and its overall impact. Over the last few years, more and more entities are now preparing and disclosing their sustainability reports either under a mandate or voluntarily as per the reporting frameworks/ standards provided by standard-setting bodies/ regulators. Sustainability reporting will only be beneficial if it is of sufficient quality and the market understands and trusts the framework. It is essential that sustainability reporting framework delivers information that is fair, balanced, understandable, transparent, consistent, and comparable.

India is one of the early adopters of sustainability reporting for listed entities amongst its various other global peers. In 2012, requirement of Business Responsibility Report (BRR) containing ESG (Environment, Social and Governance) disclosures was introduced for adoption by the listed entities. Recently, in May 2021, SEBI has introduced new reporting requirement called the Business Responsibility and Sustainability Report (BRSR) with the intent towards having quantitative, qualitative and standardized disclosures on ESG parameters. The BRSR is a notable departure from the existing BRR and set a significant step towards bringing sustainability reporting at par with financial reporting. Further, companies will be able to better demonstrate their sustainability objectives, position and performance resulting into long term value creation.

Sustainability Reporting Standards Board (SRSB) of ICAI in its endeavour to strengthen sustainability reporting ecosystem, is bringing out the Revised "Background Material on Business Responsibility and Sustainability Reporting (BRSR)". The revised background material encapsulates the new reporting requirements as per the recent SEBI Circular along with necessary guidance in the domain of sustainability reporting. I compliment CA. (Dr.) Sanjeev Kumar Singhal, Chairman, CA. Durgesh Kumar Kabra, Vice-Chairman and all other members of the Board in supporting and contributing towards bringing out the publication for the benefit of members and other stakeholders.

I am confident that this publication would be extremely helpful for the members and other stakeholders in accelerating adoption of sustainable practices and in unlocking new opportunities in this emerging area.

August 19, 2021  
New Delhi

**CA. Nihar N. Jambusaria**  
President, ICAI

# PREFACE

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With the ever increasing social and environmental concerns, stakeholders are interested in understanding organisations' approach in managing sustainability issues along with potential for value creation. This demand from stakeholders has actually elevated the importance of fulfilling the responsibility of organisations to prepare sustainability report. Sustainability Reporting provides details on the competitive positioning of the business in the emerging sustainability space as well as an overview of business initiatives relating to Environment, Social and Governance (ESG) parameters. Such kind of reporting provides various added benefits, namely highlighting organisation culture, improving business performance along with the ESG dimensions, informing strategy, establishing accountability, engaging stakeholders and providing transparency.

Numerous developments are taking place globally in the emerging area of Sustainability Reporting. Indian regulatory scenario has witnessed several significant policy changes in line with global sustainability trends. Securities and Exchange Board of India (SEBI) has introduced revised disclosure norms under Business Responsibility and Sustainability Report (BRSR) format for the top 1,000 listed entities by market capitalisation from the financial year 2022-23. The new BRSR is intended towards standardizing the disclosures on ESG parameters to enable comparability across companies, sectors and time. Such disclosures shall also enable entities to engage more meaningfully with their stakeholders, by encouraging them to look beyond financials and towards social and environmental impacts.

As part of its continuous endeavour towards the enrichment of knowledge base of members and other stakeholders, Sustainability Reporting Standards Board of ICAI is bringing out the revised edition of "Background Material on Business Responsibility and Sustainability Reporting". The revised edition has been updated as per the above mentioned SEBI circular and mapping of the same with Global Reporting Initiative (GRI) has been updated. The objective is to assist chartered accountants in not only being updated in the sustainability reporting domain but also to gain an effective understanding and grasp on various dimensions of sustainability reporting, including global trends in corporate sustainability reporting.

We would like to appreciate and thank CA. Anju Ahuja and Shri Imran Ustad, subject matter experts, for sharing their experience and knowledge with us and preparing the basic draft of the background material and CA. Shashank Agrawal, special invitee, SRSB, for reviewing the contents.

We wish to place on record our sincere gratitude to CA. Nihar N. Jambusaria, President, ICAI and CA. (Dr.) Debashis Mitra, Vice-President, ICAI for their vision and support to the various initiatives of the Board. We also wish to thank our Council colleagues at the Board, viz., CA. Jay Chhaira, CA. Prafulla P. Chhajed, CA. Tarun Jamnadas Ghia, CA. Nandkishore C. Hegde, CA. Dheeraj Kumar Khandelwal, CA. Chandrashekhar V. Chitale, CA. Shriniwas Y. Joshi, CA. Aniket Sunil Talati, CA. Dayaniwas Sharma, CA. G Sekar, CA. M P Vijay Kumar, CA. Ranjeet Kumar Agarwal, CA. Anuj Goyal, CA. Pramod Jain, CA. Charanjot Singh Nanda, CA. Hans Raj Chugh, CA. Pramod Kumar



Boob, CA. Atul Kumar Gupta, Adv. Vijay Kumar Jhalani and Ms. Vidhu Sood for their continued support and guidance in activities of the Board.

We are also thankful to our co-opted members CA. Harak C Banthia, CA. Sachin Bhau Khopde and CA. Sanjeev Maheshwari and our special invitees CA. Dilip Kumar Jain, CA. Rohitt Kapur, CA. Lalit Malik, CA. Rakesh Kumar Agarwal, Shri Chaitanya Kalia, CA. Heman Sabharwal, CA. Navin Gadia, CA. Koushik Chatterjee and Dr. (CMA) Nandita Mishra, CA. Shashank Agrawal, CA. Rakesh Rathi, CA. Pratiq Shah and CA. Praveen Kumar Singhal for their invaluable views, inputs and support in the various activities of the Board.

We sincerely appreciate the efforts of CA. Jyoti Singh, Secretary, SRSB and her team CA. (Dr.) Ruchi Kansil, APO, SRSB and CA. Swati Gupta, PA, SRSB for updating and finalising the revised edition.

We are sure that the members and other stakeholders will find this background material extremely useful in developing skill and competencies to support stronger and more sustainable organisations.

**CA. (Dr.) Sanjeev Kumar Singhal**  
**Chairman**  
**Sustainability Reporting Standards Board, ICAI**

**CA. Durgesh Kumar Kabra**  
**Vice-Chairman**  
**Sustainability Reporting Standards Board, ICAI**

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# MODULE ONE: INTRODUCTION

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## 1.1. NEED FOR SUSTAINABILITY REPORTING

### 1.1.1. Background

The industrial revolution in Europe resulted in the widespread exploitation of natural resources such as timber and minerals, and vegetation removal for new settlements in the conquered colonies. The mechanization and high consumption also resulted in higher level of pollution. The environmental concerns from the resource exploitation gave rise to the concept of sustaining life on earth. The International Union for the Conservation of Nature (IUCN) published a World Conservation Strategy in 1980 that introduced the term “Sustainable Development” and referred to it as a global priority. Subsequently, the report “*Our Common Future (commonly known as Brundtland Report)*” was released by the United Nations World Commission on Environment and Development in 1987 that gave the popular definition of Sustainable Development.

### Sustainable Development

Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- The concept of ‘needs’, in particular, the essential needs of the world’s poor, to which overriding priority should be given; and
- The idea of limitations imposed by the state of technology and social organization on the environment’s ability to meet present and future needs.

### Sustainability

The concept is related to meeting the human development goals while conserving and protecting the nature, environment, and social ecosystem on which the economy and society depend. The extraction or usage of the resources to meet the present human needs should simultaneously ensure that the availability of these resources for future generations to meet their own needs is not compromised.

### Sustainability Reporting

- Traditionally, the organisations considered that economic growth and socio-environmental parameters are mutually exclusive, and hence, economic growth was the only thing that organisations used to disclose. The chemical manufacturing companies started publishing environmental reports in the 1980s as a means of image building, and the tobacco processing industries followed suit in an attempt to attract investment. This disclosure of corporate information developed into non-financial reporting such as *Sustainability Reporting* in the last 20 years as a means of demonstrating accountability and transparency to the stakeholders.



- As per the definition of the Global Reporting Initiative (GRI), “Sustainability Reporting is an overview of a company’s economic, environmental, and social impacts, caused by its everyday activities”. This 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. It is intended to assist the organisations to assess, measure, analyze and present their performance in economic, social, environmental, and governance parameters, with an objective of setting challenging targets and goals.

In the current scenario, the major investing institutions across the world review the non-financial data in order to take decisions on investment in any new venture.

- The organizations now cannot make claims about their sustainable performance without providing credible and measurable information in a world of powerful social media that has the ability to verify or cross-check with little effort. The companies are now required to be more transparent about the risks and opportunities they come across considering the potential impacts on the environment and society from their existence.

### 1.1.2. Purpose and Objective

The specific purpose and objectives for sustainability reporting varies across organisations, but in a broad sense, it intends to provide trust to the interested parties to a business, such as financial and capital providers, customers, regulatory bodies, vendors and subcontractors, employees, population affected by the operation of the organisation, civil societies, and the general public.

#### The objectives of sustainability reporting are:

- **Customers Satisfaction and retention** - People are more likely to purchase products and services from organisations that are perceived to be responsible for the prevention of pollution, conservation of natural resources, and give back to the community. Such goodwill and reputations are built by organisations through years of hard work. The Sustainability Report is one of the effective ways of demonstrating how the organisation is committed and sensitive to environmental and social issues. With more and more customers now caring about being environmentally and socially responsible, the sustainable reports are very important in attracting them.
- **Gain a Competitive Advantage** – Being transparent about the operations, supply chain, sourcing can differentiate an organisation among the many companies offering similar products or services in today’s competitive market. Many organisations have set policies to select environmentally and socially responsible organisations as their supplier, subcontractor, or service provider. An organisation with credible reporting about how sustainable they are will be able to attract investments from major players in the market.
- **Provides accountability**- The sustainability report requires the organisation to create genuine goals and targets that make the organisation accountable for the promises related to



the environment, society, and governance. The specific goals that are relevant to the organization's business with clear measurable indicators are much more likely to be achieved. This will be important when venturing out for financial assistance from banks and investors, technological tie-ups with other organisations, etc.

- **Employee Satisfaction and Retention** - The employees take pride in working for environmentally and socially responsible companies than others that focus purely on economic growth. When the employees have confidence in their management, they will have higher levels of satisfaction and engagement with the work they perform. Moreover, they get a chance to play their part in the sustainable initiatives, such as conserving power, water, or paper, and having their actions listed in the report provides them a feeling of belonging and participation. The listings such as "*companies that are good to work for*" are being published by third-party assessment agencies as well. These higher levels of employee satisfaction can attract competent resources and retain existing resources.
- **Provide specific information instead of Greenwashing** - The organisations commonly use generic terms and labels to create a positive image and branding. The terms and labels such as "organic", "natural", or "eco-friendly" are widely used by the organisations and when not backed up, are considered as "Greenwashing". However, sustainability reports provide specific information with measurable indicators.

For example, "The initiatives offset Greenhouse gas emission of 100,000 tons of Carbon dioxide every year" is more specific than "Eco-friendly".

- **Demonstrate Progress** - Sustainability reports generally make the sustainable efforts tangible to the reader. It is a way to create the image by showcasing how the organisation is progressing in various parameters and criteria. Such organisations always will command investor confidence. The interested parties will be able to review how the company has grown in the previous periods and make a judgment as they often do with financial reports.

## 1.2. GLOBAL TRENDS IN CORPORATE SUSTAINABILITY REPORTING

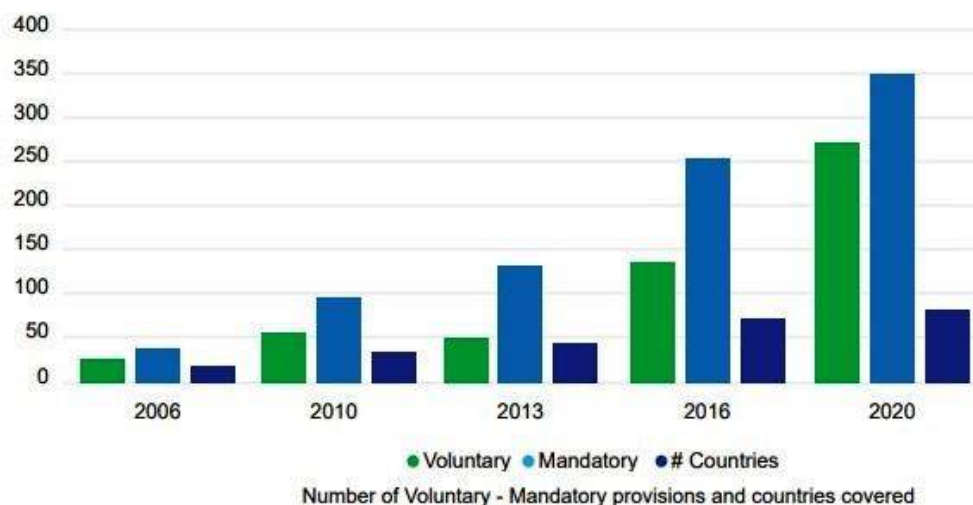
### 1.2.1. Frameworks and Instruments

There are varieties of international and local frameworks used by organisations across the globe for their corporate sustainability reporting. Only a few of them cover a wider comprehensive scope spanning all the material issues, whereas some of them operate in specific sectors, or on a single issue. There are 20 countries that have ten or more reporting frameworks in their country, with the United Kingdom having the maximum with 21 of them. The United Nations Sustainable Development Goals (UNSDG) is a key driver to most of the sustainability reporting frameworks.



As per Carrot and Sticks report (<https://www.carrotsandsticks.net/>), out of 84 major economies by GDP, there are 614 sustainability reporting instruments, of which 350 are mandatory, and the rest 264 are voluntary. There has been a considerable increase in the number of such frameworks since 2006, when there were only 65. The mandatory reporting requirements are mostly associated with the public sector or government-run companies, large corporations, multi-national business conglomerates, and listed companies in the stock exchanges. Furthermore, sector-specific and thematic reporting provisions are also becoming more common.

### Key findings of 2020



Source: Carrots and Sticks 2020: Sustainability Reporting Policy: Global trends in disclosure as the ESG agenda goes mainstream. Available at:

<https://www.carrotsandsticks.net/media/zirbzabv/carrots-and-sticks-2020-june2020.pdf>

The major providers of sustainability reporting instruments that are used across different countries are:

- Global Reporting Initiative (GRI)'s Sustainability Reporting Standards
- International Federation of Accountants (IFAC)'s ISAE 3000
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- The United Nations Global Compact (the Communication on Progress)
- The International Organization for Standardization (ISO 26000, International Standard for social responsibility)



The most widely used framework in the world is the *Global Reporting Initiative (GRI)* Sustainability Reporting Standards having 93% of the world's largest 250 corporations report on their sustainability performance through GRI. It is used in over 100 countries to report sustainability. This independent international organization, is based in Amsterdam, the Netherlands, and has operational hubs in Brazil, China, Colombia, India, South Africa, and the United States. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions, and rooted in the public interest.

Additionally, GRI is also one of the conveners with the *International Integrated Reporting Council (IIRC)* a global coalition of regulators, investors, companies, standard setters, the accounting profession, and NGOs to promote communication about “value creation” as the next step in the evolution of corporate reporting, known as *Integrated Reporting*. The mission is to establish integrated reporting in private and public sectors as a business practice and envisions that the capital allocation and corporate behavior are in line with economic growth and sustainable development.

### 1.2.2. Reporting

The state of corporate reporting has become a source of increasing debate in recent years since the world is undergoing major changes in values and priorities. Increasing transparency and accountability is a business value that fosters greater stakeholder engagement. Disclosures vis a vis how Environmental, Social and Governance (ESG) aspects are impacted by companies' activities are at the forefront. In other words, there is significant focus on non-financial information to assess company performance and value creation.

Investors all around the globe demand a clear picture of how organizations create value and what the company board is doing to preserve it. It is important that we adapt and respond quickly to these new demands and drive change towards a society that is more environmentally and socially responsible. Recent years have witnessed a spread of voluntary frameworks and growing governmental mandates prescribing varied and differential rules for ESG disclosure.

As a market-driven approach, sustainability reporting has gained momentum over the past few decades. The most widely used framework in the world is the Global Reporting Initiative (GRI) Sustainability Reporting Standards followed by Integrated Reporting Framework of International Integrated Reporting Council (IIRC).



## Key findings of 2020

1

### Reporting is improving

**78%** of member companies in our benchmark have improved their Overall scores since the baseline year 2017; **26%** have improved their *Materiality* score.

2

### The state of SDG reporting

**96%** of reports reviewed acknowledge the SDGs in some way; **93%** prioritize specific SDGs and present some evidence of alignment and contribution.

3

### The state of integrated reporting

**41%** of reports reviewed combine financial and non-financial information, up from **35%** in 2017; **18%** are self-declared integrated reports.

4

### The state of GRI reporting

**84%** of reports reviewed reference the Global Reporting Initiative (GRI), similar to **87%** in 2017; **78%** of those claim to be in accordance with Core or Comprehensive level.

5

### The emergence of SASB

**28%** of reports reviewed integrate SASB into the materiality assessment process or produce a separate SASB index, up from **7%** of our sample in 2017; **65%** of our US-headquartered sample does so.

6

### The future is digital

**15%** of reports reviewed provide a digital-first experience; **81%** of members with an offline-first approach produce complementary online content, up from **44%** in 2017.

Source: Reporting matters – Maintaining ambition amidst disruption, WBCSD 2020 Report. Available at: <https://www.wbcsd.org/Programs/Redefining-Value/External-Disclosure/Reporting-matters/Resources/Reporting-matters-2020>

The 2020 Report “Reporting matters – Maintaining ambition amidst disruption” by WBCSD evaluates the sustainability reporting across three dimensions - Principles, Content and Experience. The Report identifies trends in sustainability reporting over time since 2017, based on the 106 member companies included in both the 2017 and 2020 review cycles. It is found that -

- 78% of members have improved their Overall score
- 26% of members have improved their Materiality score
- 11% average improvement in the Overall score
- 14% average improvement in the Principles score
- 12% average improvement in the Content score
- 9% average improvement in the Experience score.



Materiality assessment is one of the important content element in Sustainability reports. Most companies undertake materiality assessment that considers stakeholder inputs. The report finds a clear majority (95%) of members reviewed undertaking materiality assessment. Further, most members (81%) disclose an overview of the process and often publish a matrix of results within the report, continuing an upward trend (2017: 82%).

Various materiality issues are identified and reported worldwide. Highest percentage of companies cite labor related issues while climate change related issues and governance related issues continued to gain prominence, with 78% of reports now prioritizing an issue in these categories. A snapshot of trends in percentage of companies with priority material issues is shown in table below:

**Percentage of companies by priority material issues**

2020	2019	2018	Material Issue Topic	2020	2019	2018	Material Issue Topic
85%	83%	74%	Labor practices decent work	59%	57%	49%	Human rights
78%	74%	60%	Climate Change	56%	48%	40%	Renewable resource use
78%	72%	66%	Governance	50%	40%	35%	Supply chain practices
70%	80%	67%	Economic	35%	35%	27%	Waste and effluents
65%	57%	49%	Product responsibility	20%	34%	20%	Non-renewable resource use
60%	54%	56%	Society	27%	28%	18%	Ecosystem services

Source: Reporting matters – Maintaining ambition amidst disruption, WBCSD 2020 Report. Available at: <https://www.wbcsd.org/Programs/Redefining-Value/External-Disclosure/Reporting-matters/Resources/Reporting-matters-2020>

### 1.2.3. Climate Change and Carbon Emissions in the Reports

Climate Change effect due to the emission of greenhouse gases (GHG) from human activity have been a topic of discussion and matter of concern in the last two decades in every environment-related forum. The use of fossil fuels for power and removal of vegetation has been under scrutiny in almost every part of the world. The review of climate change risks in the sustainability reports has increased over time with organisations reporting the extent of GHG emissions from their operations and the action plans to bring it down. The regulatory framework of emission reduction along with incentives from emission trading also has resulted in many organisations quantifying and reporting this data to the public. The Financial Stability Board considers Climate change as a risk to the stability of the global financial system resulting in the Task Force on Climate-related Financial Disclosures (TCFD) made of makers and users of financial data to recommend how companies should disclose the financial risks of climate change.

The Task Force on Climate-related Financial Disclosures (TCFD) releases an annual status report on climate-related financial disclosures. An increase of over 85% is noticed in number of organizations becoming TCFD supporters since the issue of 2019 status report.





As per Task Force on Climate-related Financial Disclosures 2020 Status Report<sup>1</sup>, disclosure of climate-related financial information has increased since 2017, but continuing progress is needed. The highlights of 2020 status report are stated below:

- Nearly 60% of the world's 100 largest public companies support the TCFD and report in line with the TCFD recommendations, or both.
- Disclosure of TCFD-aligned information increased by six percentage points, on average, between 2017 and 2019. Improvements are seen both in terms of the number of companies reporting and the quality of such reporting. However, companies' disclosure of the potential financial impact of climate change on their businesses and strategies remains low.
- Energy companies and materials and buildings companies lead on disclosure. The average level of disclosure across the Task Force's recommended disclosures was 40% for energy companies and 30% for materials and buildings companies, as per fiscal year 2019 reporting.
- One in 15 companies reviewed disclosed information on the resilience of its strategy.
- Asset manager and asset owner reporting to their clients and beneficiaries, respectively, is likely insufficient and more progress may be needed to ensure clients and beneficiaries have the right information to make financial decisions.
- Expert users find the impact of climate change on a company's business and strategy as the "most useful" for decision-making. Expert users also identified information about a company's material climate-related issues for each sector and geography and its key metrics as extremely useful for financial decision-making.
- Expert users' insights on the most useful information for decision-making may provide a road map for preparers.

#### 1.2.4. U.N. Sustainable Development Goals and Reporting

The 17 sustainable goals set by the United Nations for 2030 cover all issues relating to poverty, environment, society, culture, human rights, and economic growth. Each of these 17 goals has specific goals (total 169) to be achieved in 15 years' time. Most of the nations have made regulatory framework and guidelines to meet these goals of sustainability and has resulted in the organisations having elements of them in their annual corporate reporting.

In addition to the above, the Reporting matters – Maintaining ambition amidst disruption, WBCSD 2020 Report reveals that vast majority (93%) of members reference specific SDG's in their report.

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<sup>1</sup>Task Force on Climate-related Financial Disclosures 2020 Status Report. Available at: <https://assets.bbhub.io/company/sites/60/2020/09/2020-TCFD-Status-Report.pdf>  
<https://www.fsb.org/wp-content/uploads/P291020-1.pdf>



Nearly half (43%) of members prioritize SDG 5 and SDG 8, with a relatively small number (16%) referencing SDG 12 or more Goals. The most commonly referenced Goals were:

- 13: Climate Action (88%),
- 12: Sustainable Cities and Communities (79%) and
- 8: Decent Work and Economic Growth (73%).

SDG 1: No Poverty (24%), SDG 14: Life under Water (24%) and SDG 16: Peace, Justice and Strong Institutions (29%) were the least likely to be prioritized.

### 1.2.5. Human Rights and Reporting

With vulnerable communities and displaced people in several regions across the globe, there is a need to have corporations be responsible for human rights abuses in the areas that they operate. The Guiding Principles on Business and Human Rights from the UN establish the responsibility of businesses to respect human rights, avoid infringing them, and remedy any negative human rights impacts they are involved with.

## 1.3. SUSTAINABLE DEVELOPMENT

### 1.3.1. Origin and History

The consumption of natural resources for human needs have been happening since the beginning of civilization. The economic prosperity in ancient age was met by agriculture and the production of necessary goods such as, clothing and pottery. These activities required the clearing of trees and changing topography for land and usage of resources such as water. Fossil fuels such as, coal and firewood became necessary for production when the new techniques of production were invented. Later, when the population grew and more urban areas developed, the fight to control the resources started between communities.

#### Industrial Revolution

The manual production of goods was found not adequate to meet the demand and this gave rise to the industrial production in Europe that became a revolution that changed the trade and commerce significantly, and gave rise to new economic powers, mostly the naval powers of Europe who established colonies in the new regions they reached. The industrial revolution required natural resources in enormous quantity causing widespread destruction of nature to extract them, such as clearing forests for land and timber, and mining for minerals. The refining of petroleum to make different kinds of efficient fuels and the invention of machinery and automobiles that uses the new fuel intensified the fossil fuel combustion.

The extensive use of fossil fuels resulted in the emission of harmful gases into the atmosphere and the higher levels of industrial activity polluted the water bodies, land, and air through the emission



of effluent, smoke, and other hazardous waste. There were serious thoughts on how the life on earth can be sustained for future generations if the destruction of environment and the extraction of natural resources continue in current manner. This environmental destruction gradually became a concern for most communities in the twentieth century asking industries to reduce the contamination of water bodies and air and reduce the removal of trees.

The World Conservation Strategy was released in 1980 by the International Union for the Conservation of Nature (IUCN) that used the term “Sustainable Development” and referred it as a global priority. Later in 1987, the Brundtland Report published by the United Nations World Commission on Environment and Development had the definition of sustainable development that is popular and widely accepted across the world. It talks about meeting the present day needs without compromising the ability of future generations to meet their needs. It had two concepts of prioritizing the essential needs of the poor and limitation to conserve the ability of environment to provide the resources.

### **1.3.2. Concept of Sustainability**

#### **1. Triple Bottom Line - People, Planet and Profit**

The word Sustainability refers to the ability to exist continuously or the ability to sustain life. As per conventional thoughts and wisdom, economic progress and environmental conservation were mutually exclusive things and thought to be not considered together. But later the introduction of the concept of sustainability revolutionized the way how business is performed. In the initial stages, there were three components that are interdependent, namely economic development, social development, and environmental protection.

#### **"WHAT USE IS A SAWMILL WITHOUT A FOREST?"- ECOLOGICAL ECONOMIST HERMAN DALY**

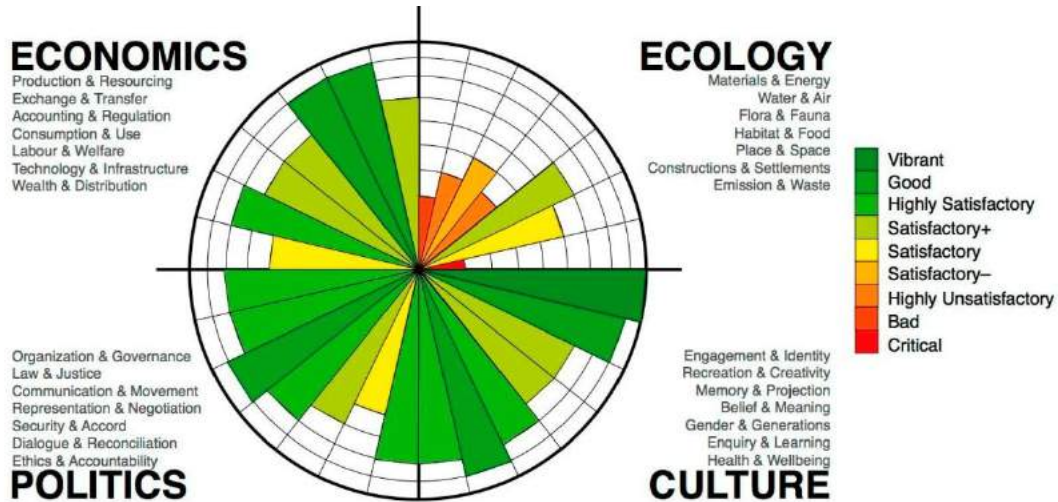
The concept revolved around having economic progress and social development without compromising the environment and these are known as the *triple bottom line* of any business. The main importance of the Triple Bottom Line and other subsequent efforts is about shifting the focus from the binary of economy and the environment when relating to progress. The creative and proactive ways of approaching decisions to minimize the unfavourable effects, and brings stability among the elements of economic growth, environment, political justice, and cultural vibrancy moves towards sustainable development.

#### **2. Circles of sustainability and the fourth dimension of sustainability**

In a recent approach aimed mostly towards a sustainable urban life, the Circles of Sustainability revolves around four domains instead of three; they are economic, ecological, political, and cultural sustainability. The representation is a circle divided into four quadrants for each of the four domains and hence the name. The major change from the triple bottom line concept is that the domain “Social” is removed and is now considered as a wider field that cuts across all the four domains. The four



domains are not just some parts that join to form sustainability, but are segments that are relevant to channelize the efforts to create a sustainable society.



**Fig: An example of circles of sustainability**

Each of these four domains has 7 sub-elements as under:

- **Ecology** -The 'ecological' is defined as the practices, discourses, and material expressions that occur across the intersection between the social and the natural realms, including the important dimension of human engagement with and within nature, ranging from the built-environment to the 'wilderness'. The 7 sub elements are Materials and Energy, Water and Air, Flora and Fauna, Habitat and Settlements, Built-Form and Transport, Embodiment and Sustenance and Emission and Waste.
- **Economics** - The 'economics' is defined as a social domain that emphasizes the practices, discourses, and material expressions associated with the production, use, and management of resources. The seven elements of Economics are Production and Resourcing, Exchange and Transfer, Accounting and Regulation, Consumption and Use, Labour and Welfare, Technology and Infrastructure, and Wealth and Distribution.
- **Politics** - The 'political' is defined as a social domain that emphasizes practices and meanings associated with basic issues of social power as they pertain to the organization, authorization, legitimation and regulation of a social life held-in-common. The seven elements of Politics are Organization and Governance, Law and Justice, Communication and Critique, Representation and Negotiation, Security and Accord, Dialogue and Reconciliation, and Ethics and Accountability.



- **Culture** - The 'cultural' is defined as a social domain that emphasizes the practices, discourses, and material expressions, which, over time, express the continuities and discontinuities of social meaning of a life held-in-common. The seven elements of Culture are Identity and Engagement, Creativity and Recreation, Memory and Projection, Beliefs and Ideas, Gender and Generations, Enquiry and Learning, and Wellbeing and Health.

When the sustainable goals were formulated by the United Nations as an improvement to the Millennium Development Goals, sustainability was modelled around five elements that interact with each other. These concepts were taken from different schools of thought of a sustainable future and can be expressed as the five Ps of sustainability- People, Planet, Prosperity, Peace, and Partnerships. This new concept revolves around identifying the ways several challenges interact and affect one another to understand these interdependencies, to arrive at the root causes of these problems, and formulate a long-term solution.

The need for peace for economic growth is a concept accepted from the initial stages of modern-day civilization. The wars and conflicts have always made trade and commerce challenging and the regions that lacked a peaceful environment always suffered hindrance to their economic prosperity. However, this was never addressed effectively in the earlier concepts of sustainable development or the way corporate organisations planned their strategies. The responsible organisations merely avoided the conflict zones for their operations as a solution to this issue and never addressed the indirect impacts of their operations that added to the conflict.

The new inclusion of mutually beneficial partnerships between communities and regions as an integral part of sustainability additional to Peace changed the way sustainability is looked at. This came out of the realization that when the communities work in isolation, it is impossible to address the challenges we face as inhabitants of the same Planet. For e.g., Climate Change is a problem everyone faces irrespective of the reasons aggravating it. The greenhouse gas emissions by the traditionally industrial nations affect every community irrespective of their contribution to GHG emissions. Hence, the solution has to be arrived at by working in partnerships by transfer of technology, capacity building, or financial and commercial support.

### 1.3.3. Corporate Social Responsibility (CSR)

The word Corporate Social Responsibility (CSR) is a type of self-regulating measure by the large organisations with the objective of meeting social goals in the communities they operate. It is often aimed to build reputation and brand image and is used along with Sustainability, and at many times interchangeably, when referring to what is expected of an organization, and the way they perform their disclosure through reporting. Even though they are generally voluntary, more and more countries are making them mandatory in some form or the other through legislative frameworks. Some countries even have a mandatory expenditure prescribed for CSR activities.



World Business Council for Sustainable Development defines CSR as, "*the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large*".

In general, it refers to conducting business in a way to meet or exceed the expectations of society in terms of ethical, legal, commercial parameters are concerned. The concept of sustainability is an integral part of CSR.

In India, the Companies Act, 2013 has formulated Section 135, Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII which prescribes mandatory provisions for Companies to fulfil their CSR.

### Corporate Philanthropy Vs. CSR

There is a general misunderstanding that CSR is the same as Corporate Philanthropy, and hence giving away for charity is often misconstrued as the only CSR activity a corporate organisation needs to engage in. Although philanthropy may be a part of the CSR strategies of a business, there is much more to CSR than simply philanthropic gestures, and charitable initiatives.

- **Involvement of the Organisation** - The major difference is the involvement of the organisation. It is quite common for the philanthropists to support a cause from a distance without having any direct involvement in them apart from following up about their contributions and the impact it made. The act of charity is completely external to the organisation with the decision-makers giving away money like they pay their taxes. But CSR aims at an overall sustainable way of operating, limiting themselves to not only benefitting the nature and community, but also benefitting the business through increased customer focus, and employee satisfaction.
- **Change in Business Practice** - Charity donations and other related philanthropic work done by an organisation do not call for a change in the ways of operation or practice. However, for a socially responsible organisation, it may have to change its core activities, often taking a higher financial burden affecting their profits. For e.g., ethical sourcing could result in the organisations completely change their supply chain.
- **Continuity and Effort** - Corporate Philanthropy may be a one-time activity or something that happens once in 6 months or a year, and does not require additional efforts. But CSR is an on-going continuous activity from the organisation that requires effort from the whole organisation. For CSR to work well, the organisation should have well laid down and communicated strategies and policies in place that are understood by the employees with clarity on what their roles are towards their fulfilment. CSR addresses other issues that affect the environment, consumers, human rights, supply-chain sustainability, and transparency for the greater good of the world at large.





- **Return on the Efforts** - The corporate philanthropy results only in the goodwill to the organisation and building an image of benevolence among the beneficiaries. It does not in any manner lessen the risks the organisation faces. But in the case of CSR, the organisation aims to attract funding, keep the investors and customers satisfied, improve employee retention and engagement, and get into successful partnerships. The aim is to have a long-term successful operation by considering all the potential risks that the business may have, and devising action plans to counter those risks.
- **Public Perception-** The act of charity does not improve the perception of the organisation by the public. In many cases, it hampers the image by making people think that the organisation managed the social and environmental issues by paying up as if in a compensation program. An organisation that exploits the workers with lower pay or companies that use child labour will still have the same bad image even if they donate to do charity. But, in case of CSR, the organisation addresses the issues due to them, with actions, and hence will have a better image among the people.

#### 1.3.4. Examples of Corporate Social Responsibility Initiatives

- I. Textile manufacturers using recycled plastic bottles and other polymer-based wastes as raw material to reduce their material footprint, and source only from ethical cotton farms. This also helps in reducing the carbon emissions of polyester processing. E.g.- Nike, Adidas
- II. Soft drink bottling plant taking efforts to conserve water (rainwater harvesting, recycling, etc.) and give back to the aquifer, to account for the water they have taken out to make the soft drink. E.g.- Pepsi, Coca Cola
- III. An energy-intensive enterprise setting up wind farms or solar plants to harvest and source the required power for its operations and / or reduction of consumption to reduce the usage. E.g.- Google, Johnson & Johnson, Cochin International Airport, Walt Disney Corporation,
- IV. FMCG Companies using delivery trucks using alternate fuels to reduce carbon emissions from the enormous number of running trucks. This required investment in new supply chain and technology. E.g.- Coca Cola
- V. Factories in remote areas setting up free education and training unit for specific programs for the local community so that they can find work in the organisation later. This helps the organisation in remote locations to get employees who will work for a long time without attrition. E.g.- Aditya Aluminum
- VI. Contract farming encouragement in terms of subsidies and technology transfer for the local people near dairy plants, poultry processing units, sugar mills, paper mills, plywood mills, etc. This ensures jobs and livelihood for the local people and raw material for the organisation. E.g.- Milma, Amul, ITC



- VII. Community-based eco-tourism initiatives in areas of vulnerable and indigenous people help the local population to preserve their culture, ensure livelihood and the organisation is able to perform business without troubling the environment. E.g.- Lampi marine national Park in Myanmar
- VIII. The pharmaceutical manufacturers taking responsibility for the addiction and side effects that arise out of the use of their drugs, and arrange awareness programs. They also may subsidize the medicines for refugees and in emergency situations. E.g. - Pfizer
- IX. Organisations providing extended paid leaves to their employees for better work-life balance, such as those given for parental leaves. E.g. - Netflix
- X. Metro Train network employing transgender people in their ticket booths, checking stations, and offices providing them a chance of having a livelihood and life with dignity. E.g.- Kochi Metro Rail Corporation

## 1.4. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDG) 2030

### 1.4.1. Background and History

The Sustainable Development Goals (SDGs) were adopted by the United Nations (UN) in 2015 as a call for action by all the 192 member states in a global partnership for peace and prosperity for the people and environment, in a long-term perspective. It was made based on the understanding that the strategies to improve economic growth, education, health, and equality should be made together with the preservation of the environment and tackling climate change.

The formulation of these SDGs was the output of years of work by the member countries and the UN, including the UN Department of Economic and Social Affairs. In the Earth summit 1992 in Rio de Janeiro, Brazil, a plan of action to build a global partnership for sustainable development was adopted. In the 2000 New York summit, the Millennium Declaration was made elaborating eight **Millennium Development Goals (MDGs)** as:

- 1. to eradicate extreme poverty and hunger;
- 2. to achieve universal primary education;
- 3. to promote gender equality and empower women;
- 4. to reduce child mortality;
- 5. to improve maternal health;
- 6. to combat HIV/AIDS, malaria, and other diseases;
- 7. to ensure environmental sustainability; and
- 8. to develop a global partnership for development.





In the 2002 Earth summit in Johannesburg, South Africa, the Johannesburg Declaration on Sustainable Development and the Plan of Implementation was adopted reaffirming the global community's commitments to poverty eradication, and to the environment, by including more emphasis on multilateral partnerships.

In the 2012 Earth summit again in Rio de Janeiro, adopted "The Future We Want" to kick start a process for the formulation of a set of Sustainable Development Goals - SDGs to build upon the eight MDGs that are ending their timeline in 2015. A thirty-member Open Working Group was set up in 2013 to generate a proposal on the sustainable development goals that resulted in the current 17 SDGs in 2015 after several consultations and discussions.

2015 was the year for many other major global agreements in sustainability such as the Paris agreement on Climate Change, Addis Ababa Action Agenda on financing for development, Sendai Framework for Disaster Risk Reduction. Now, the annual High-level Political Forum on Sustainable Development serves as the central UN platform for the follow-up and review of the SDGs.

### 1.4.2. Objective

The objective of the SDGs is to develop a sustained and inclusive Economic Growth, Social inclusion, and environmental protection, and to do so in partnership and peace. In comparison with the vertical nature of the MDGs that covered the Social and Health goals, the SDGs go beyond them to cover the economy, justice, and environment as well in a horizontal manner. It aims at thinking creatively on the sustainability challenges of today, making the right partnerships, and taking the right actions.

The MDGs that ended in 2015 resulted in a reduction in poverty by more than half compared to 1990, far more children attending primary schools, and more people getting access to clean water and essential medicines. However, still, around 800 Million people live in extreme poverty and hence the importance of further goals for a sustainable world.

The Indian subcontinent and the Sub-Saharan Africa had little progress in comparison with the rest of the world in these goals. It did very less improvements to certain groups such as the disabled, indigenous communities, rural people, and women. Hence inclusive sustainability goals became necessary to bring prosperity to everyone. And this human prosperity should go hand in hand with protecting the planet. There are four underlying principles for the SDGs; universal, sustainable, leave no one behind, and participation.

### 1.4.3. Structure and Focus Area

There are total 17 Sustainable Development Goals (SDGs) and 169 targets with a targeted timeline of 2030 that cover diverse topics from ending poverty to making partnerships, and are formed with 5 key areas of focus to leave no one and no country behind.



The five Ps of SDGs are

1. **People**
2. **Planet**
3. **Prosperity**
4. **Peace**
5. **Partnership**



The SDGs are not mere items or checklists, but a holistic approach to understanding and tackling problems faced in today's world. It focuses on identifying how several challenges connect with, impact upon each other, and comprehending these interdependencies helps in identifying the root causes to work out a long-term solution.

Sustainable development is usually viewed through three core elements of economic growth, social inclusion, and environmental protection. They are not separate boxes, but, are connected and have many things in common. SDGs also include Partnerships and Peace to these three dimensions. Partnerships strengthen the power of all stakeholders in the group and Peace brings stability and justice to the core elements. The SDGs also look at the whole planet as one. Every country and community face different challenges and the group shares the responsibility and ownership to address these challenges as a single entity collectively.

The Division for Sustainable Development Goals (DSDG) in the United Nations Department of Economic and Social Affairs (UNDESA) provides substantive support and capacity-building for the SDGs and their related thematic issues, including water, energy, climate, oceans, urbanization, transport, science and technology, the Global Sustainable Development Report (GSDR), partnerships and Small Island Developing States. DSDG plays a key role in the evaluation of UN system-wide implementation of the 2030 Agenda and on advocacy and outreach activities relating to the SDGs.

The goals 1 to 5 primarily focus on People, 6 to 15 focus on Planet and Prosperity, 16 on Peace, and 17 on Partnerships. However, many of these are interlinked and hence the elements of all five Ps can be found in the sustainable goals. For example, the Goal to end Poverty is primarily focused on People, but the indicators for the goal link to Prosperity, Peace, and Partnerships. Similarly, all the 17 goals can be seen to be cross related to all the five elements of sustainability. The global indicator framework for 2030 agenda of Sustainable Development Goals includes targets and indicators.

**There are 169 targets and 247 indicators** listed in the global indicator framework. However, only **231 indicators** are unique ones. Twelve indicators repeat under two or three different targets. The complete list of SDGs targets and indicators is available at:

[https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%202021%20refinement\\_Eng.pdf](https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%202021%20refinement_Eng.pdf)



#### 1.4.4. The 17 Sustainable Development Goals (SDGs)



#### FOCUS ON PEOPLE

1. End poverty in all its forms everywhere (GOAL 1: No Poverty)
2. End hunger, achieve food security, improved nutrition, and promote sustainable agriculture (GOAL 2: Zero Hunger)
3. Ensure healthy lives and promote well-being for all at all ages (GOAL 3: Good Health and Well-being)
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (GOAL 4: Quality Education)
5. Achieve gender equality and empower all women and girls (GOAL 5: Gender Equality)

#### FOCUS ON PLANET AND PROSPERITY

6. Ensure availability, sustainable management of water and sanitation for all (GOAL 6: Clean Water and Sanitation)
7. Ensure access to affordable, reliable, and sustainable, and modern energy for all (GOAL 7: Affordable and Clean Energy)
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (GOAL 8: Decent Work and Economic Growth)
9. Build resilient infrastructure, promote inclusive, sustainable industrialization, and foster innovation (GOAL 9: Industry, Innovation and Infrastructure)



10. Reduce inequality within and among countries (GOAL 10: Reduced Inequality)
11. Make cities and human settlements inclusive, safe, resilient, and sustainable (GOAL 11: Sustainable Cities and Communities)
12. Ensure sustainable consumption and production patterns (GOAL 12: Responsible Consumption and Production)
13. Take urgent action to combat climate change and its impacts (GOAL 13: Climate Action)
14. Conserve and sustainably use the oceans, seas, and marine resources for sustainable development (GOAL 14: Life Below Water)
15. Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss (GOAL 15: Life on Land)

### FOCUS ON PEACE

16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels (GOAL 16: Peace and Justice Strong Institutions)

### FOCUS ON PARTNERSHIPS

17. Strengthen the means of implementation and revitalize the global partnership for sustainable development (GOAL 17: Partnerships to achieve the Goal)

### Goal 1 - No Poverty

The survival of human beings in this world is fully dependent on their economy; however, the economy is not in a balanced structure across the globe. Certain facts identified by the United Nations regarding poverty across the globe are shocking.

- According to the estimates of the United Nations as of 2015, 10 percent of the world's population lived on less than **\$1.90 a day**.
- The world's largest increase in extreme poverty was identified in the Southern Asia and sub-Saharan Africa region and a further increase in poverty is expected.
- Although extreme poverty as in 2019 has come down to **7.1 percent** from **14.3 percent**, the estimate for extreme poverty for the year 2030 is going to be **6 percent** of the global population.
- Considering the economic downfall across the globe due to various pandemic threats, extreme poverty is expected to remain in the ratio of one out of five children.



- Further, it is expected that the negative effects of poverty and deprivation in the early years have ramifications that can last a lifetime.
- Out of the world's population as of 2016, nearly 4 million people did not benefit from any form of social protection.

Goal 1 comprises of five targets with indicators to measure the progress. Based on the targets, the following actions are required to be taken:

- Eradication of extreme poverty by creating policy frameworks at national, regional, and international levels.
- Supporting organization by providing guidelines for creating pro-poor and gender-sensitive development strategies and thereby accelerating the investment in poverty eradication.
- A strong system has to be developed mainly in rural areas for social protection and mainly, the measures should cover the poor and vulnerable.
- Bringing up equal rights to economic resources, by means of mobilizing resources from a variety of sources and to enhance development co-operation between developed and developing countries.
- Bringing flexibility in economic policies to help the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social, and environmental shocks and disasters.
- Least developed countries to be kept on top priority, providing support in all dimensions to develop and implement policies and frameworks to end poverty.

## Goal 2 - Zero Hunger

Food is the topmost priority among the basic needs of human beings in this world, but there is no equality in the availability of food for all human beings across the globe. Out of the world's population, 8.9 percent of the people are still starving for food. The increase in hunger is the range of 10 million people per annum.

A total of 381 million undernourished populations are found in Asia and this stands as the major population among the other regions of the world. Next to Asia, Africa has an undernourished population of 250 million. While comparing other parts of the world, the number of undernourished is growing faster in Asia and Africa.

The goal comprises of five targets with indicators to measure the progress. Based on these targets, the following actions to be taken to achieve the goal:



- Fixing a scale to identify the people living with a very poor economy and struggling for survival in a vulnerable situation. Based on the identification bring an end to hunger and undernourishment.
- Due to malnutrition 21.3 percent of the children under 5 are affected by stunting and 6.9 percent of the children under 5 are affected by wasting. This can be eradicated by making supporting the local food market with timely information about various fluctuations in the derivatives market, mainly food price volatility.
- Increasing the productivity of agriculture and income of small-scale food producers by providing support in agriculture research and sharing knowledge about advanced technology.
- Improvisation in the trading of agriculture products by removing the restriction in trading in the world agriculture market.
- Encouraging the usage of diversified seed and plant banks identified based on the genetically proven species of seeds and plants grown across the globe.

### Goal 3 - Good Health and Well being

Although the world is progressing well in the reduction of child death, still the Sub-Saharan Africa and Southern Asia regions are struggling to decrease child death. Out of the birth of five children, four children are still losing their lives. Based on the estimation of the available information, as in 2018, 6.2 million children and adolescents under the age of 15 years died mainly from preventable causes. In 2017, approximately 810 women died every day from preventable causes related to pregnancy and childbirth.

Goal 3 has nine targets. The goal aims at bringing good health and wellbeing through development in research and production of vaccines and medicines for communicable and non-communicable diseases that mainly affect developing countries. It targets -

1. Global Maternal Mortality reduction.
2. Bringing an end to the death of newborns and children less than 5 years of age.
3. Complete eradication of AIDS, tuberculosis, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.
4. Reduction in premature mortality from non-communicable diseases.
5. Prevention of usage of substances like, drugs and alcohol.
6. Bringing down the number of deaths due to road accidents.
7. Ensuring access for sexual and reproductive health care services for the entire world.
8. Achieving universal health coverage, including financial risk protection.



9. Reduction in the number of death and illness due to air and water pollution as well as soil contamination created by hazardous chemicals.

Based on the targets, the following actions are to be taken to achieve the goal:

- Reduction in global maternal mortality by bringing development in training and retention of the health workforce in developing countries.
- Controlling the usage of drugs by the implementation of global framework fitting to all the countries.

#### Goal 4 - Quality Education

In the current scenario, education remains an inaccessible right for millions of children around the world. More than 72 million children of primary education age are not in school and 759 million adults are illiterate and do not have the awareness necessary to improve both their living conditions and those of their children. Out of the total population, 617 million youth worldwide lack basic mathematics and literacy skills.

The goal comprises of seven targets with indicators to measure the progress. Goal 4 targets -

- Quality and Equal education for girls and boys.
- Providing preprimary education for girls and boys to get them prepared for primary education.
- Access to all women and men for affordable and quality technical education.
- Increasing the number of youths and adults with technical and vocational qualifications.
- Eliminating gender inequality in education.
- Improvement of literacy and numeracy of adults.
- Ensuring an increase in the percentage of men and women acquiring knowledge and skill through education.

Based on the targets, the following actions are to be taken to achieve the goal:

- Providing quality and equal education for all girls and boys by conducting awareness programs and engaging local people in such programs.
- Improving gender-equal education by upgrading educational facilities and creating a safe environment for both girls and boys.
- Increasing the number of women and men with technical qualifications by providing scholarships.
- Ensuring technical qualification to all the youths and adults in by providing education at an affordable cost.





- Increasing the number of qualified teachers so that most of the men and women will get access to minimum education.

### Goal 5 - Achieve gender equality and empower all women and girls

Even though we have come a long way in women's empowerment and gender equality, the gender-related issues and practices are deeply rooted and are still very prevalent in society irrespective of economic advancement. UN Women was established in 2010 with the objective to address these challenges. The goal covers the ending of discrimination, violence against women, and providing equal opportunity and rights to leadership, resources, and practical legal framework for gender equality.

The summary is to:

1. End all forms of discrimination against all women and girls everywhere.
2. Eliminate all forms of violence against all women and girls.
3. Eliminate forced marriage and female genital mutilation.
4. Recognize and value unpaid care and domestic work.
5. Participation and equal opportunities for leadership for women.
6. Access to sexual and reproductive health and reproductive rights.
7. Equal rights to economic resources for women.
8. Use of information and communications technology.
9. Enforceable legislation for the promotion of gender equality.

### Goal 6 - Ensure availability and sustainable management of water and sanitation for all

Access to clean water for cooking and drinking, with improved toilet facilities are important aspects of sanitation and public health. The developing countries across South East Asia and Africa have lower levels of access to these parameters. Only 71% of the total population use improved or clean water resources and just 45% use improved sanitation facilities, 673 million persons still defecate in open.

The goal aims at improving sanitation and access to improved water for all communities across the globe, reduce water pollution, improve water consumption efficiency, protect water-related ecosystems, and capacity building to help developing countries. The summary is given below:

1. Access to safe and affordable drinking water to everyone.
2. Adequate and equitable sanitation and hygiene for all.





3. Improve water quality by reducing pollution.
4. Increase water-use efficiency and address water scarcity.
5. Protect and restore water-related ecosystems.
6. Capacity-building support to developing countries in water- and sanitation.
7. Strengthen the participation of local communities.

### **Goal 7- Ensure access to affordable, reliable, sustainable and modern energy for all**

Even though the access to electricity and energy efficiency has been increasing across the globe, there are still millions who lack electrification and clean fuel for cooking and lighting. The areas that are deficient in reliable and sustainable power and energy are Latin America, Sub-Saharan Africa and South-East Asia. The goal comprises of five targets with indicators to measure the progress. The summary is given below:

1. Universal access to affordable, reliable, and modern energy services.
2. Increase the share of renewable energy in the global energy mix.
3. Double the global rate of improvement in energy efficiency.
4. Share the technology and research related to renewable energy, efficiency and cleaner fuel, and to promote investment.
5. Modern and sustainable energy services for all in developing countries, especially the least developed countries, small islands, developing States, and land-locked developing countries.

The global electrification rate rose, from 83% to 90% by 2018 giving power to most people of Latin America and South East Asia. The power deficient areas are mostly in the Sub-Saharan Africa with 548 million people who make up 53% of the total population. The access to clean fuels and technologies increased from 60% to 63% by 2018; however, the number of people without clean fuel access has increased in sub-Saharan Africa due to population growth.

### **Goal 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

The goal aims at economic productivity through the development of micro, mini and small enterprises and better resource consumption. It targets employment for all the working population regardless of sex, and disabilities to have an inclusive economy. The goal also covers the safe work environment, labour rights, tourism, and access to financial assistance.

The summary is:

1. Sustain per capita economic growth.
2. Economic productivity from technology, diversification, and innovation.



3. Growth of micro, small, and medium-sized enterprises.
4. Resource efficiency in consumption and production.
5. Full and productive employment and decent work for all.
6. Eradicate forced labour, modern slavery and human trafficking.
7. Protect labour rights and promote safe and secure working environments.
8. Sustainable tourism that creates jobs and promotes local culture and products.
9. Expand access to banking, insurance and financial services for all.
10. Trade support for developing countries, in particular, least developed countries.
11. Develop and operationalize a global strategy for youth employment.

### **Goal 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

The goal is about inclusive industrialization focusing the developing countries, especially the least developed island nations, and land-locked countries. The goal covers the support in transportation infrastructure, infrastructure development for efficiency, access to finance, information, technology, and research for industries.

The summary is:

1. Develop sustainable transport infrastructure.
2. Raise industry's share of employment.
3. Access to financial assistance for small-scale industries.
4. Upgrade infrastructure for resource efficiency.
5. Scientific research in industrial sectors.
6. International financial support to least developed countries.
7. Technology development in developing countries.
8. Access to information technology in the least developed countries.

The industrial growth rate has been slow and with the global pandemic in 2020, the industrial sector along with transportation is the worst affected. In the case of the least developed countries, the share of industries in the GDP increased marginally from 10% to 12.4% in 2019. 14% of the global workforce is employed in manufacturing with South East Asia having 18% and Sub-Saharan Africa having just 6%. The greenhouse gas emissions from industries increased gradually in 2017; however, the emissions are far lower than those of 2000 levels.



## Goal 10 - Reduce inequality within and among countries

The goal is aimed at providing all the countries equal opportunity irrespective of their status of development or financial powers. This includes special treatment to the least developed nations, safe migration of people, wage equality, assistance to the bottom poor, and investment in the least developed nations. The summary is:

1. Income growth of the bottom 40 percent of the population.
2. Social, economic, and political inclusion of all.
3. Equal opportunity, reduce discrimination, and inequalities of outcome.
4. Equality in wages.
5. Representation and voice for developing countries in decision-making.
6. Orderly, safe, regular, and responsible migration and mobility of people.
7. Special and differential treatment for developing countries.
8. Foreign direct investment to the least developed nations.
9. Reduce transaction costs of migrant remittances.

The income of the bottom 40% of the population increased in 73 of the 90 countries during the period 2012-17. However, these bottom 40% received less than 25% of the overall income when the top 10% received more than 20% of the income. As far as discrimination is concerned, one in five people from 31 countries for the period 2014-19, personally experienced discrimination on at least one ground of discrimination prohibited by international human rights law.

## Goal 11 - Make cities and human settlements inclusive, safe, resilient, and sustainable

The growth of population and rapid urbanization has given rise to slums, unsafe and inadequate infrastructure, and pollution of air and water in most cities. The issue is worse in the developing countries having cities with huge population. The total slum dwellers in 2018 crossed 1 billion accounting for 24% of the urban population. As assessed from a pool of 610 cities spread in 95 countries, convenient access to public transport is available only to half of the urban population.

The goal is about having more cities and human settlements with safe and affordable housing and transportation, sustainable urbanization with control over pollution and waste management, preparedness towards disasters and adaptability to climate change, and safe public spaces for all.

The summary is given below:

1. Adequate, safe, and affordable housing.



2. Safe, affordable, accessible, and sustainable transport systems for all.
3. Inclusive and sustainable urbanization.
4. Protect and safeguard the world's cultural and natural heritage.
5. Reduce the number of deaths and the number of people affected by natural disasters.
6. Air quality, municipal and other waste management in cities.
7. Safe, inclusive, accessible, green and public spaces for all.
8. Social and environmental links between urban, semi-urban and rural areas.
9. Resource efficiency, resilience to disasters, and climate change.
10. Support least developed countries for sustainable buildings.

### Goal 12- Ensure sustainable consumption and production patterns

The economy that depends on the consumption and production uses natural resources that put pressure on the environment. The per capita material consumption increased from 10.8 metric tons in 2010 to 11.7 metric tons in 2017, showing an upward trend in all regions, except North America and Africa. North America and Europe has a domestic material consumption of 40% above the global average. The global material footprint per capita is rising steadily over the years to 85.9 billion metric tons in 2017 from 73.2 billion metric tons in 2010. The material footprint in 2000 was less than half of the value in 2017.

The goal aims at responsible and sustainable consumption of material by efficient methods and reduction of wastage by reuse and recycling. This includes the food waste at retail and consumer levels, doing away with ineffective fossil fuel subsidies, community based sustainable tourism, transfer of technology and research know how to the developing countries to employ efficient methods of consumption.

The summary is given below:

1. 10 Year Framework on Sustainable Consumption and Production Patterns.
2. Efficient use of natural resources.
3. Reduce global food waste at the retail and consumer levels.
4. Reduce waste generation through prevention, reduction, recycling, and reuse.
5. Companies to adopt sustainable practices and report them.
6. Sustainable public procurement.
7. Information and awareness for sustainable development.



8. Support developing countries with technology.
9. Sustainable tourism that creates jobs and promotes local culture and products.
10. Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption.

### **Goal 13 - Take urgent action to combat climate change and its impacts**

The hazard arising out of climate change and natural disasters is a challenge faced by all the countries regardless of their contribution to the exploitation of natural resources. The least developing countries and small island states have been the most vulnerable areas to the effects of climate change, all the while having not being a party to exploitation of natural resources to a large extent. The global temperatures have been rising continuously for years and there is change in rainfall patterns causing widespread natural disasters such as, heavy flood and landslides.

The goal aims at strengthening our resilience to fighting climate change, climate-based hazards, and natural disasters, making policies in every nation to help this cause, help the least developed nations, island states to address these challenges. The summary is given below:

1. Resilience and adaptability to climate-related hazards and natural disasters.
2. Climate Change in National Policies.
3. Education, awareness, and training on climate change.
4. Fund for fighting climate change in the least developed countries.
5. Climate change-related planning and management in the least developed countries.

### **Goal 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development**

Marine pollution, exploitation of marine resources, destruction of corals and other marine habitats, and overfishing has been rampant across the globe, putting pressure on our oceans. The large-scale exploitation has also affected the livelihood of small artisanal fishers across nations. The subsidies to fisheries also play a part in this over exploitation. The goal aims at controlling marine pollution, protecting marine ecosystems and coastal areas, regulating overfishing, and developing research and technology in developing sustainable use of ocean resources.

The summary is given below:

1. Prevent and reduce marine pollution.
2. Protect the marine and coastal ecosystems.
3. Address the impacts of ocean acidification.
4. Regulate harvesting and end overfishing.



5. Conserve coastal and marine areas.
6. Prohibit fisheries subsidies that cause overfishing.
7. Sustainable fisheries in small island States.
8. Develop research and transfer marine technology.
9. Access for small-scale fishers to marine resources and markets.
10. International law for sustainable use of oceans and its resources.

### **Goal 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**

The exploitation of our forest resources, terrestrial biodiversity, and freshwater biodiversity has been rampant across countries, leading to many species of flora and fauna going extinct, or critically endangered. The goal aims at sustainable usage of the forest resources, freshwater biodiversity, protecting the endangered and vulnerable species of animals and plants, and ending poaching and trafficking of these species. The summary is given below:

1. Sustainable use of terrestrial and inland freshwater ecosystems.
2. Sustainable use of forest resources, halts deforestation & restore degraded forests.
3. Combat desertification, restore degraded land and soil.
4. Conservation of mountain ecosystems.
5. Prevent degradation of natural habitats.
6. Fair and equitable sharing of benefits from genetic resources.
7. End poaching and trafficking of protected species.
8. Reduce the impact of invasive alien species on land and water ecosystems.
9. Biodiversity values into national and local planning.
10. Global participation to end poaching and sustainable forest management.

### **Goal 16 - Peace, Justice and Strong Institutions**

The growth of any country is measured using various parameters like GDP, changes in stock exchange prices, etc. However, there is no fixed parameter in any country to measure the progress of peace and justice. To maintain peace, certain countries have stringent norms whereas some countries are not following such practices. There are no common criteria available in the entire world to bring equality in justice. About \$1.26 trillion US dollars are getting wasted due to corruption,



bribery, theft and tax evasion. To overcome these hassles, the United Nation has set sustainable development goal which consist of twelve targets along with specific indicators.

Based on the targets, the actions to be taken to achieve the goal are summarized below:

- Strengthening relevant national institutions to make sure that all people have equal access to justice.
- Reducing illegal flow of arms and wealth.
- Providing legal identification to all.
- Ensuring access to information for the public and protecting fundamental freedom.
- Eradication of violence against children by building strong institutions through international cooperation.

### **Goal 17 - Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development**

A stronger commitment to partnership and co-operation is needed to achieve the SDGs. Attaining the Goals will require coherent policies, an enabling environment for sustainable development at all levels and by all actors, and a reinvigorated Global Partnership for Sustainable Development. Partnerships and Goals refer to the need for cross-sector and cross-country collaboration in pursuit of all the goals by the year 2030. It is a call for countries to align policies. It is a vision for improved and more equitable trade, as well as coordinated investment initiatives to promote sustainable development across borders. It is about strengthening and streamlining cooperation between nation-states, both developed and developing, using the SDGs as a shared framework, and a shared vision for defining that collaborative way forward.

SDG 17 for the partnerships has 19 targets and their indicators are categorized as 5 in finance, 3 in technology, 1 in capacity building, 3 in trade and the rest 7 in systemic issues.

The targets broadly aim at:

- Strengthening domestic resource mobilization in developing countries.
- Attaining debt sustainability in developing countries.
- Transfer of technology in banking, communication, etc. to developing countries.
- Duty free access to the markets for the least developed countries.



## 1.5 NATIONAL GUIDELINES ON RESPONSIBLE BUSINESS CONDUCT, 2018 (NGRBC)

### 1.5.1. Background

There was no India specific corporate framework, either voluntary or mandatory, relating to sustainable development till 2011, when the Ministry of Corporate Affairs (MCA) released the National Voluntary Guidelines (NVG).

- NVG is a set of guidelines to the Indian business enterprises to operate considering their responsibilities related to economy, environment and society.
- It is based on the triple bottom line principle of sustainability, and is appropriate for organisations of every size, sector and management, and is specific to the Indian context.
- It had nine elements namely Ethics, transparency and accountability, Product life-cycle sustainability, Employee well-being, Stakeholder engagement, Human rights, Environment, Policy advocacy, Inclusive growth and equitable development, and value to customers and consumers.
- The NVG also had a guidance to implement use of its four concepts of leadership, integration, engagement, and reporting.
- It also had supplementary annexures that laid out the business case for taking up the guidelines, the related regulatory frameworks and legislation.
- It had a separate section for the Micro, Small, and Medium Enterprises (MSMEs), about the methods of application.
- The Securities and Exchange Board of India (SEBI) mandated that the organisations release an annual report on their Business Responsibility in line with the NVGs.

There were many mechanisms and guidelines that were released by the international and national bodies that urged the Indian authorities to revise and align the NVGs such as:

- The UN Guiding Principles for Business and Human Rights (UNGPs) 2011
- Annual Business Responsibility Reports (ABRRs)
- Section 135 of Companies Act, 2013
- The UN Sustainable Development Goals (UNSDGs) 2015
- Paris Agreement on Climate Change (2015)
- Core Conventions 138 and 182 on Child Labour by the International Labour Organization (ILO)

This revision of the NVGs started off after the UNSDGs were released in 2015 and finally resulted in a new principle for sustainable reporting in the Indian context, called the National Guidelines on



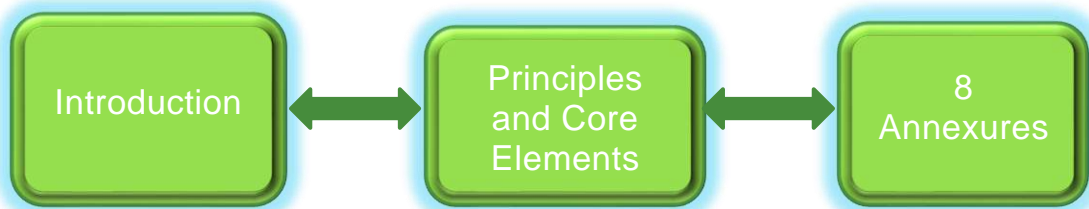


Responsible Business Conduct (NGRBC). This new mechanism is to be used by all organisations operating in India, irrespective of their size and scale of operation, sector of engagement, structure, or location. This is also applicable to foreign multinational companies that operate in India. In addition to following these guidelines, the organisations are also expected to encourage and support their suppliers, vendors, distributors, partners, and other collaborators to follow them.

### 1.5.2. Structure

There are two chapters and a set of annexures in the structure of the NGRBC.

- The first chapter is the introduction that gives the context, background, and development of the NGRBC guidelines and the drivers of formulation.
- The second chapter describes the core elements and principles of NGRBC.
- Even though the principles have been revised or updated, their explanation as in NVGs is retained in NGRBC.
- There is a total of nine principles as in the case of NVGs, and for each principle, the connected Core elements provide for their operationalization.
- There are eight annexures in the document to the nine principles.



### 1.5.3. Content of NGRBC - 9 Principles & Core Elements

A set of requirements are provided with each Principle, and they are essential to meet the essence of the corresponding Principle. The principles are all related, complement each other, non-divisible, and the expectation from the organisation is that they take up the requirements and principles holistically. India being a confluence of several diverse communities and cultures, the context of every organisation may be very different to another. When the organisations have these principles implemented, they are required to approach them with sensitivity with regard to social features such as caste, race, ethnicity, gender, age, religion, and class so as not to trigger a feeling of marginalization or discrimination.

**Principle 1- Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.**

The first principle is about the governance structure of the organisation. It should be based on ethical ways of doing business with integrity and accountability. It is based on the organisation's need to be



truthful and transparent to its stakeholders, and make all information, about the decisions taken on matters that affect them, accessible to them. This also emphasizes that the structure of governance is in line with the UN Sustainable Goal 16 for Peace, Justice, and Strong Institutions. The core elements of the principle are all about the way governance structure is to be made.

The governing structure of the organisation should:

- Formulate a system of policies and procedures that promote the principle, and prevent misuse by effective actions
- Make sure that the principles of the guideline are made available, communicated, trained, and implemented in every function and operation of the organisation.
- Encourage the implementation of this principle in the overall value chain of the business.
- Transparently report and make available the information to all the stakeholders and affected parties. This information should cover the strategies, policies, procedures, practices, financial and non-financial performance, such as pollution, resource usage, affected environment and communities.
- Comply with all the legal and statutory requirements and obligations, facilitate fair competition, and treat stakeholders with equality and justice.
- Deal strictly with third parties that violate or dilute the principle.
- Have a system that identifies and avoids all kinds of conflicts of interests among the stakeholders
- Have a system that prevents illegal and unfair practices and ensures actions against violations.
- Ensure timely payment of all taxes, levies, and duties relating to the business.

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

The second principle is related to the UN Sustainable Goal 12 for production and consumption of resources. It focuses on protecting earth's natural resources by responsible consumption, efficient production creating value adding products with reduced impacts to the environment and society throughout the product life cycle from concept to disposal. The core idea is to have circularity in the operations to have material sustainability in the whole value chain and to -

- Encourage resource-efficient and low carbon-emitting methods and technologies for the design and manufacture of products and services, lowering environmental and social impacts.
- Provide adequate and accurate information to the stakeholders about the impacts to the environment and society due to the product or service throughout the lifecycle from concept



to disposal. This can be done through product labeling, company websites, advertisements, and promotional programs.

- Make efforts to take back the waste generated such as, the used packaging or the spent consumables, reuse or recycle, or dispose them without affecting the environment or people.

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

The equity, dignity, and quality of life for the employees are the crux of this Principle and are related to the UN SDG 8 for Decent Work and Economic Growth. This covers all the people in the complete value chain, addressing all kinds of discrimination and encouraging diversity. The quality of life encompasses the whole family of the employee. There are ten core elements to the principle that covers both the organization and the entities in its value chain. Both entities must comply with the regulatory and statutory requirements, and further provide equal opportunity to all the employees during recruitment, promotions, appraisals, and exit from the organization.

The core idea is to:-

- Encourage collective bargaining, unions and associations, and have appropriate systems for grievance redressal
- Prevent child labour and slave labour in all forms
- Support work life balance for all employees
- Provide timely wages and payments with transparency in all kinds of calculations, that meets the fair wage for decent living
- Provide a safe and hygienic place of work with provisions for gender specific requirements
- Provide required training and skill up gradation for the employees with access to learning opportunities
- Prevent violence, harassment, and bullying in the workplace.

### **Principle 4- Businesses should respect the interests of and be responsive to all its stakeholders.**

The principle focuses on the fact that there are other stakeholders apart from investors, clients, and employees, and the organisation has a responsibility towards the public at large, as the operations impact the natural resources, natural habitats, water bodies, communities etc. Organisation has to take into account the expectations of all the interested parties to their business, both external and internal, and specifically to the affected vulnerable groups and communities. They have to reduce the adverse effects to any stakeholder from their products or services in any part of the life cycle. The core elements cover:



- Organisations should have system to disclose the impacts from their operations transparently to stakeholders.
- Organisation should identify their stakeholders, both external and internal, determine the expectations of these interested parties, and devise their strategies accordingly to address them.
- The benefits of the business should be passed on to the affected parties and the organisation is responsible to resolve any conflicts and grievances related to their operation with the affected parties with fair and just compensations and alternate arrangements.

### **Principle 5- Businesses should respect and promote human rights.**

The Principle is driven by the Constitution of India and the International Bill of Rights and is based on the duty of the nation to safeguard, protect, and hold up the human rights. The principle is based on the concept that the human rights are inherent to every human being, is non-negotiable, and not to be diluted in any manner for the sake of business. UN Guiding Principles on Business and Human Rights also consider the human rights as a responsibility of the business concerns and requires them to be responsible for any violation and take adequate steps to make sure that no human rights abuse happens because of their business operation. There are five core elements to this Principle as below:

- The governing structure of the business should make sure that the human rights requirements in the Constitution of India and other laws prevailing in India along with the International Bill of Rights is communicated to its employees and collaborators, and if there is any potential for human rights impact, there should be relevant authority to handle them.
- The governing system of the organisation should have policies, structure and procedure to identify and mitigate any possible human rights violations from its operation.
- The organisation should adequately address mitigation of the human rights issues arising out of their operations and have effective corrective actions to avoid recurrence.
- Have promotional programs and drives across the value chain to educate the employees and raise awareness about the human rights violations and how it can happen from their operations.
- Effective grievance redressal mechanisms in place for all the affected groups and communities to raise their concerns to the organisation.

### **Principle 6- Businesses should respect and make efforts to protect and restore the environment.**

The Principle is aligned to the UN SDG 11 for Sustainable Cities and Communities, SDG 13 for Climate Action, SDG 14 for Life below water and SDG 15 for Life above land. This is because our



responsibility to protect the nature and environment is an integral prerequisite for sustainable economic growth, and for the well-being of society. The issues of environment are interconnected from local levels to regional levels and can adversely affect a number of stakeholders via destroying the natural biodiversity of our planet through issues like pollution, resource depletion, climate change, habitat loss and poor quality of life.

The principle urges the organisations to explore and identify the potential environmental impacts arising out of their operations and supply chain, and to address them with adequate mitigating measures. It also encourages the organisations to find ways of operating by causing fewer impacts to the environment from a precautionary approach to the issues. There are six core elements linked to this principle as below:

- Systems to have identification of environmental impacts, and suitably reviewing them to formulate adequate mitigating mechanisms in the whole value chain. The review to have extra focus on environmentally fragile and protected areas, if applicable.
- The organisations should explore ways of reducing the consumption of natural resources such as fossil fuels, water, electricity, and different raw materials used such as metals, minerals, and forest products.
- The organisations should have measurable performance indicators for environmental issues such as energy, fuels, air, water, land use, pollution, waste generation, and materials.
- The organisations should have a climate change mitigation program in line with the requirements of the national legal framework and the international treaties such as the Paris Agreement.
- The organisations should look at the best practices of reuse, reduce, recycle, and recovery of the resources and materials, and encourage and motivate their stakeholders including the people in their value chain.
- Improve the performance of the organisations with respect to the environment by creative, efficient, and less carbon intensive technologies and solutions, resulting in lower resource footprint and lesser material consumption

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

The Principle is based on the understanding that national and international legal frameworks have a very important effect on the businesses that operate within that area and decide their growth prospects in a significant manner. The principle does not forbid the organisation to work with government for policy formulations but reiterates that the organisation has a responsibility to be transparent. The core elements include:



- The organisation should have a system of having complete public disclosure when in an advocacy role consistent with the NGRBC.
- The Industry associations and trade and commerce groups should be used to take up policy advocacy to the Government, especially in matters that affect the policies that relate to the organisation.
- Businesses should ensure that its policy advocacy positions promote fair competition and respect for human rights.

### **Principle 8 - Businesses should promote inclusive growth and equitable development.**

The Principle is guided by Section 135 of the Companies Act, 2013 that calls for a specific focus on disadvantaged, vulnerable, and marginalized communities. The principle is also in line with the UNSDG 17 for Partnerships for sustainability. The large section of under privileged population in India face economic and social challenges which is detrimental to the inclusive growth in the country. The principle revolves around the concept that the economic prosperity, inclusive growth, and equitable development are related to each other. The core elements to this principle are as below:

- The organisation should have systems in place to identify and address impacts to the social, cultural, and economic aspects of the people. This includes business created issues like, land acquisition and use and construction activities for new facilities.
- The organisation should make efforts to bringing up creative products, technologies, and business concerns that help the marginalized communities to have well-being and a better quality of life.
- Organisations when designing their CSR activities, should review the local and regional development priorities to help the marginalized groups and communities.
- The organisation should take care to ensure that business induced displacement or relocation of communities does not happen, and in unavoidable cases, should make sure to have mutually agreed, participative, and informed negotiations to provide fair compensation to the affected people.
- All forms of intellectual property and traditional knowledge should get the deserved respect from the organisation, and efforts should be made to ensure that benefits derived from their knowledge are shared equitably.

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

This Principle is related to the concept that the primary purpose of the business enterprise is to create wealth by producing quality products, or delivering services to the targeted customer, and keeping them satisfied to mutually benefit both the parties. The principle comprehends that the



customer has a freedom of choice of the products and services, and hence the organisations will put their efforts to provide quality at affordable and reasonable process, that are easy to use and dispose of. It also aligns with the UNSDG-12 for responsible consumption and production, when it expects the business organisations to educate, make information available to the customers about the impacts of excessive usage of the products to their well-being, and to the society or the planet. There are eight core elements for this principle as below:

- Organisations should put in their efforts to reduce the negative impacts of their products and services on consumers, natural environment and society at large.
- When conceptualizing, designing, and marketing their products, the organisation should not, in any manner, prevent the freedom of choice and fair competition.
- The organisation should transparently and accurately disclose all kinds of adverse impacts to the user, planet, society, on the biodiversity from their products. This may be done by labeling, marketing, or by providing information on their social media platforms.
- When handling customer data, the right to privacy of the customer needs to be maintained.
- Organisations should inform the consumers on the safe and responsible ways of usage, reuse, recycling, and disposal of their products, and ways to eliminate over-consumption.
- When advertising about their products, the organisations should ensure that misleading and confusing information is not exposed to the consumers about their products or its usage.
- Business enterprises should make available transparent and accessible grievance redressal and feedback management system for their consumers to raise their voices or to seek clarifications.
- Organisations, when in the business of providing essential goods and services (e.g. Utilities), should enable universal access, including to those whose services have been discontinued for any reason, in a non-discriminatory and responsible manner.

#### 1.5.4 Content of NGRBC - Annexures

##### Annexure 1- Guidance on Adoption of NGRBC

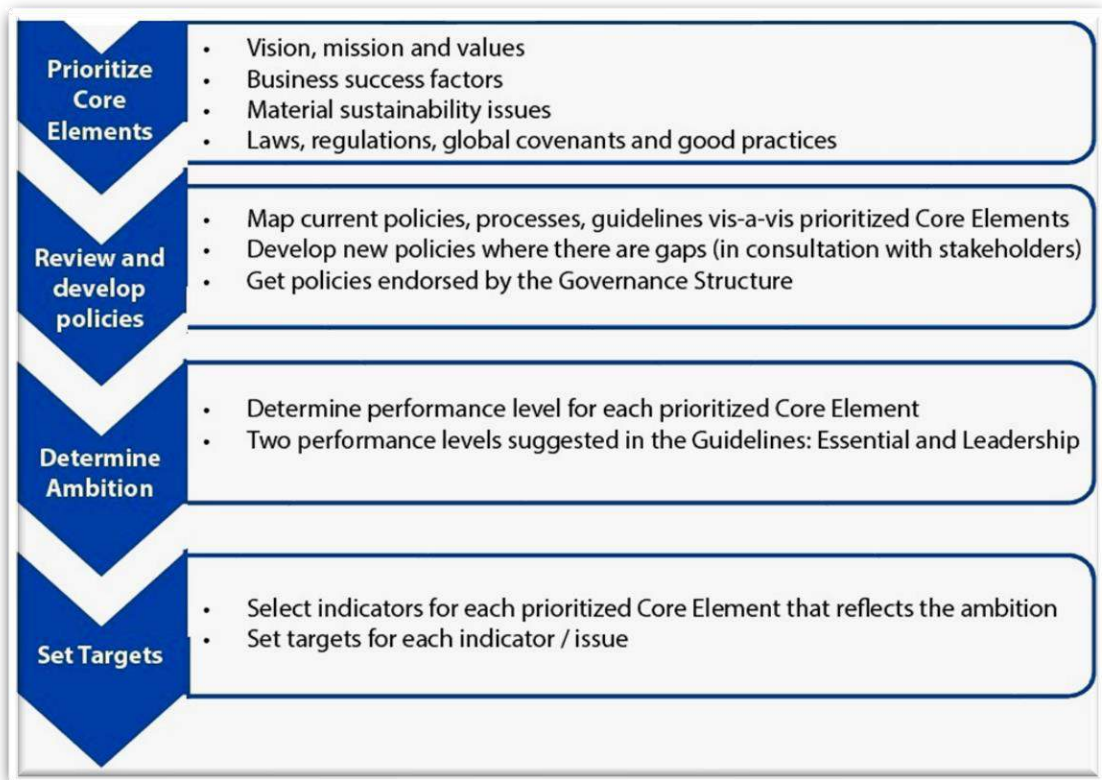
The term “*adoption*” refers to having the nine NGRBC principles in line with the organizations strategy and policies, and not as a separate additional standalone system. The principles should become the integral part of the overall behavior of the company. This will need some enablers or prerequisites such as:

- Commitment from the top management for the adoption of the nine principles
- Engagement from the employees of the organisation
- Continuous relation with the stakeholders
- Transparent public disclosures by the organization





The adoption of NGRBC is to be done in four continuous steps as in any management system. The steps are as under:



1. *Prioritize the core elements* - As a start, identify the context of the organisation, the mission and vision, and determine the sustainability issues that are more significant through a risk assessment. This review should cover the legal, regulatory, and statutory requirements that apply to the organisation.
2. *Review and develop policies* - Review the current set of policies, strategies, procedures, and standard practices in the organisation with respect to the core elements prioritized (step 1 above) and change them if required. If there is any major change to the policy, get approval from the top management.
3. *Determine Ambition* - The organisation should decide up to what level they want to take up the initiatives. The guidelines provide two levels of Essential (basic minimum thing to be done) and Leadership (challenging and additional things). This is provided elaborately in Annexure 3. The core elements identified have to be cascaded to the value chain of the business as well.





4. *Set targets* - Select suitable indicators for each of the core elements and select an appropriate target value to be achieved for each indicator. E.g. if the element is about reducing the electricity consumption, the indicator can be the %age or the units of electricity reduced, and the target can be 20% of current value, or 200,000 units per year.

### **Annexure 2- Guidance for Micro, Small and Medium Enterprises**

The Micro, Small and Medium Enterprises (MSME) are the lifeline of the economy that provide jobs to the poorer section of the society and hence an important element. However, the resources for adoption of the NGRBC guidelines are limited compared to big corporate organisations. Adoption of sustainable and ethical practices can give them entry to bigger and wider markets, and hence is a business case too.

This guideline annexure is a simplified form shown in the previous guidelines for large organisations for a two-stage process. The first one being identification of the core elements relevant to them. This should cover the mission and vision of the management, legal requirements that apply to them, and the customer requirements they have in the respective core element. The MSMEs may set their ambition level to the essential depending on their resources and set measurable indicators and targets for each of the core elements.

### **Annexure 3- Business Responsibility Reporting Framework (BRRF)**

This is a format for reporting the corporate responsibility of the organisation. It is made as three sections A, B and C. Section A has general information related to the organisation, its product or services, financial and ownership details. Section B has a list of all the policies, procedures, and strategies against each of the nine principles as a matrix. There is a total of 18 questions, of which 1 to 5 are about the policies, 6 to 10 are on governance, leadership and oversight, 11 to 14 on stakeholder engagement, and 15 to 18 on communications. Section C contains the principle wise indicators and targets segregated as two columns of Essential and Leadership that the organisation needs to choose.



### Section A

General information about products, financials, ownership

### Section B

Policies - 1 to 5

Governance & Leadership - 6 to 10

Stakeholder engagement - 11 to 14

Communications- 15 to 18

### Section C

Performance Indicators- Essential and Leadership

#### **Annexure 4 - SDGs mapped against the NGRBC principles**

17 SDGs mapped to the related NGRBC principles as a matrix.

SDG	NGRBC Principle	SDG	NGRBC Principle	SDG	NGRBC Principle
SDG-1	P3, P4, P8	SDG-7	P2, P6, P7	SDG-13	P2, P6, P7, P8
SDG-2	P2, P6, P7, P8, P9	SDG-8	P2, P3, P5, P8	SDG-14	P2, P6, P7, P8, P9
SDG-3	P3, P6, P8	SDG-9	P3, P4, P8	SDG-15	P2, P6, P7, P8, P9
SDG-4	P3, P8, P9	SDG-10	P2, P6, P7	SDG-16	P1, P3, P4, P5, P8
SDG-5	P3, P4, P5, P8	SDG-11	P3, P4, P7, P8	SDG-17	P1, P7, P8
SDG-6	P2, P6, P8	SDG-12	P2, P6, P9		

#### **Annexure 5 - Business Case Matrix**

It is a matrix on which the nine NGRBC principles are mapped against six business benefits as given below. The matrix shows the potential benefits that can be achieved against each of the principle:

1. Revenue growth and market access



2. Cost savings and productivity
3. Access to capital
4. Risk management / license to operate
5. Human capital
6. Brand value / reputation

### Annexure 6- Guidance for Businesses on Using the BRRF as a Self-Assessment Tool

The alignment to the nine principles of NGRBC can be checked using the Business Responsibility Reporting Framework (BRRF) provided in the Annexure 3. The sections B and C when filled up can be assessed using this self-assessment tool.

Section	High (20)	Medium (15)	Low (10)	Other (5)
<b>B</b>	All Complete	1,5,7,8 and 10 complete	Q 1 complete, Q 5 OR 7 OR Q 8 and seven of the others complete	Q 1 and five of others complete
<b>C</b>	All Complete	All Essential and Leadership Complete	All Essential complete	Some but not all Essential complete
<b>Overall</b>	<b>Above 180</b>	<b>150 to 180</b>	<b>120 to 150</b>	<b>Below 120</b>

### Annexure 7- Indian Laws and Principles (Indicative)

The annexure 7 shows a matrix of the nine principles of NGRBC with some of the major laws that an organisation has to comply with when operating in India. This mapping is suggestive/indicative and the organisations have to map using the laws that are relevant in their sector and operations.

### Annexure 8- Resources

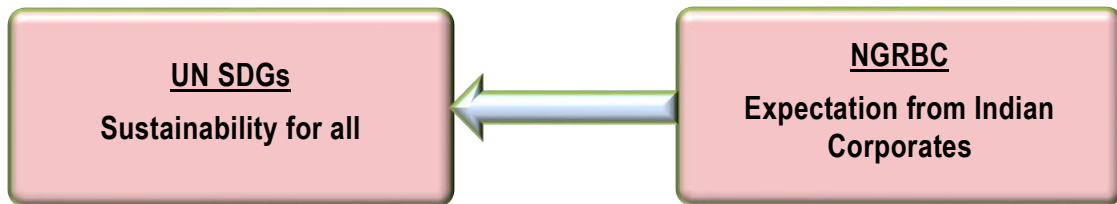
The Annexure 8 of the document give the resources referred to draft the document NGRBC principles and has segregated them as national and International origin (15 national and 23 international resources are listed in the Annexure 8)

## 1.6 DETAILED ANALYSIS OF SDGs AND NGRBC LINKAGE

The commitment to the 17 Sustainable Development Goals set by the UN in 2015 to be achieved in 2030 led to the revision of National Voluntary Guidelines (NVGs) which are updated to the NGRBC. After the NGRBC was released, the Securities and Exchanges Board of India (SEBI) in November 2019, made the Business Responsibility Report (BRR) mandatory for the top 1,000 listed companies which is in line with the nine principles of the NGRBC. The nine NGRBC principles are made in line with the 17 sustainable goals and the mapping between the two is provided in the Annexure 4 of the



NGRBC to show what principles are related to each of the 17 goals. The expectations from the organisations to contribute towards the UN sustainable development goals are given.



### U.N. Sustainable Goal 1 - End poverty in all its forms everywhere

The SDG 1 aims at eradicating poverty throughout the world, provide equal opportunity to the economic resources, and to end the climate risk exposure to the poor, by making policies and frameworks, along with strong partnerships and cooperation. There are a total of 7 indicators covering them. A significant number of the world's poor live in India and hence eradication of the extreme poverty, ensuring them equal access to economic resources is an enormous challenge that India is facing. The NGRBC principles that are designed for SDG 1 are Principles 3, 4 and 8.

- **Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value Chains - Providing decent and fair living wages to the employees in the organisation.
- **Principle 4:** Businesses should respect the interests of, and be responsive to all its stakeholders - Passing on the benefits from the business to the marginalized communities.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Section 135 of the Companies Act, 2013 calls for a specific focus on disadvantaged, vulnerable, and marginalized communities.

### U.N. Sustainable Goal 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture

The SDG 2 aims at ending hunger, providing nutritious food, and increasing agricultural production, while keeping the diversity of the seeds and species in mind. There are a total of 8 indicators covering the goal. India being an agricultural country with a huge rural population that is facing malnutrition and poverty, there is a lot for India to achieve. The NGRBC principles that are related to the Goal are the Principles 2, 6, 7, 8, and 9.

- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe - Safe products to the customer.
- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment - Conservation of the nature and environment.



- **Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent - The organisations in an advocacy role to policymaking should have public good as their focal point, and do so transparently.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Providing for the disadvantaged, vulnerable communities as prescribed by Section 135 of the Companies Act, 2013.
- **Principle 9:** Businesses should engage with, and provide value to their consumers in a responsible manner- The organisations are to disclose the content of the product in a transparent way and ensure that any impact is communicated.

### U.N. Sustainable Goal 3 - Ensure healthy lives and promote well-being for all at all ages

The SDG 3 aims at health and quality of life for every section of the society, and covers all general health indices such as, infectious diseases, infant mortality, maternal mortality, life expectancy, etc. There are 13 indicators covering this goal. India fares less than average in terms of health indices in general and has very poor values in some geographic regions due to a variety of reasons. The principles 3, 6 and 8 cover the elements of the goal for India.

- **Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains- Providing safe and healthy work environment and fair living wages to the employees in the organisation.
- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment - Conservation of nature and environment for a healthy life of the inhabitants.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Providing for the disadvantaged, vulnerable communities as prescribed by section 135 of Companies Act, 2013.

### U.N. Sustainable Goal 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The SDG 4 aims at education and learning for all with equal opportunities for access. The indicators cover different sections such as, primary education, technical and job related, etc. and are expressed as 10 measurable indicators. India as a nation lags in terms of quality education for all and faces several challenges such as poverty that augments the issue. To urge organisations to contribute towards sustainability, the NGRBC principles included are Principles 3, 8 and 9.

- **Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains - Providing skill up-gradation and learning opportunities to the employees in the organisation.



- **Principle 8:** Businesses should promote inclusive growth and equitable development - Every form of intellectual property and traditional knowledge be respected in the organisation and make efforts to ensure that benefits derived from their knowledge are shared equitably.
- **Principle 9:** Businesses should engage with and provide value to their consumers in a responsible manner- The organisations are to disclose the content of the product in a transparent way and ensure that any impact is communicated.

### U.N. Sustainable Goal 5 - Achieve gender equality and empower all women and girls

The SDG 5 aims at ending all forms of violence and discriminations due to gender differences, and to provide opportunities for empowerment to women and girls. This cover finding ways to give equal opportunity irrespective of gender and has 9 indicators covering them. The state of women in India is much worse compared to other developed countries and how the corporates can contribute to increasing equality and empowerment of women is provided in the principles 3, 4, 5 and 8 of the NGRBC.

- **Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains - providing a workplace that gives dignity and safety to women.
- **Principle 4:** Businesses should respect the interests of and be responsive to all its stakeholders - Identifying the needs of the stakeholders - women in this case.
- **Principle 5:** Businesses should respect and promote human rights - Identification of violence and other human rights issues and providing an effective grievance redressal system for women.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Organisation to ensure that equal opportunities and treatment is ensured for the women stakeholders.

### U.N. Sustainable Goal 6 - Ensure availability and sustainable management of water and sanitation for all

The SDG 6 is about ensuring clean water for drinking and other household activities, and access to hygienic toilets for all. Sanitation and clean water have been a problem in most parts of India. Even though recent drives have made the conditions better, as a country, India still lags in these parameters and indicators are used to monitor the water and sanitation coverage. The organisations in India can contribute to achieving SDG 6 through the principles 2, 6 and 8.

- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe- Reducing wastage by reuse, recovery, and recycling of effluent and by preventing water pollution. They also need to provide the extent of impact on the stakeholders.



- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment - Organisations can prevent the pollution of water bodies by reducing the consumption, wastage, effluent let off, etc.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Organisations can find out local and regional development priorities, and plan their CSR to help the communities.

### U.N. Sustainable Goal 7 - Ensure access to affordable, reliable, sustainable and modern energy for all

The SDG 7 is about ensuring reliable energy sources for lighting, cooking, and living at affordable rates for all. Electrification has improved in most parts of India, but still, there are many regions deprived of affordable power. 5 indicators cover this sustainable goal, and the principles that contribute to achieving the goal are principles 2, 6 and 7.

- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe - Energy efficient and less carbon-efficient ways of operation and production processes.
- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment - Organisations can contribute by conserving energy usage and adding renewable sources to generate their power requirement.
- **Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent - Organisations can use industry associations and trade groups to contribute towards renewable energy development in India.

### U.N. Sustainable Goal 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The SDG 8 is about economic progress, jobs, productivity, and overall prosperity for a sustainable economy. This covers the exploitation in the job market such as, child labour, forced labour and safety at work. Further, it also covers the sectors such as, sustainable tourism that boost the overall economy of a region, giving jobs to a value chain. There are 12 indicators for this sustainable goal and many of them directly relate to having a successful business enterprise that generates jobs and livelihood for many. As a nation, India needs job creation and economic progress. The ways by which organisations in India can contribute are given in principles 2, 3, 5 and 8 of the NGRBC.

- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe- Using efficient methods of operation through reuse, reduce, recycle and having a strong disclosure system to the stakeholders.
- **Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains- providing a safe and fair workplace that promotes



equality and provide equal opportunities to jobs, employment, promotions and payment of timely and fair wages.

- **Principle 5:** Businesses should respect and promote human rights - Identification of violence and other human rights issues and providing an effective grievance redressal system.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Being equal opportunity employer, preventing discrimination at work, and driving inclusive growth covering all stakeholders.

### U.N. Sustainable Goal 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

The SDG 9 is about industrialization and giving focus to small scale industries, providing infrastructure, being less carbon- intensive, and having the latest technology-based industries. There are 8 indicators related to this goal. India even though industrialized, the growth is not organic, does not cover the growth of the small-scale sector and high technology industries. Principles 3, 4 and 8 of the NGRBC cover this sustainable goal.

- **Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains - Providing a safe, hygienic, adequate environment to work, and provide decent, fair wages to the employees.
- **Principle 4:** Businesses should respect the interests of, and be responsive to all its stakeholders- Identifying the needs of the external and internal stakeholders, and addressing their issues fairly.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Addressing impacts from businesses such as land acquisition, displacement, creative products, and services to help the marginalized communities.

### U.N. Sustainable Goal 10 - Reduce inequality within and among countries

The SDG 10 is about providing opportunities to the developing countries to catch up with the western industrialized nations. The 10 indicators cover changes in trade and commerce along with adequate participation and access to markets to have a fair chance. India being a developing country also has to catch up and the organisations in India can contribute to that through principles 2, 6 and 7.

- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe - Energy efficient, with less carbon intensive ways of operation and production processes.
- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment - Organisations can contribute by having efficient use of resources, less energy-intensive methods to compete with the developed world.





- **Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent - Organisations can use industry associations and trade groups to contribute towards increasing trade exploring new markets and segments.

### U.N. Sustainable Goal 11 - Make cities and human settlements inclusive, safe, resilient and sustainable

The SDG 11 is about providing affordable housing, adequate public transport, clean and safe drinking water in the urban areas. It is covered in 9 indicators like, the proportion of slum areas, access to public transportation, access to clean drinking water, etc. India being a developing country with a considerable slum population in the major cities, has a long way to go as far as sustainable urban areas are concerned. The contributions of the Indian organisations are elaborated in principles 3, 4, 7, and 8.

- **Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains- providing decent, fair wages to the employees and work benefits contributing towards the living standard of employees.
- **Principle 4:** Businesses should respect the interests of and be responsive to all its stakeholders- Benefits from the business can be passed on to the affected communities. The organisation has to plan its operations considering the impacts on the urban areas.
- **Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent- Organisation when in an advocacy role, can affect policies that cover the urban development.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Addressing impacts from businesses such as, land acquisition, displacement, and considering issues of marginalized communities when planning their CSR activities.

### U.N. Sustainable Goal 12 - Ensure sustainable consumption and production patterns

The SDG 12 is about reducing material footprint, resource consumption, controlling wastage, recycling, and reuse to increase sustainability. The goals are covered in 11 indicators that promote efficient usage. India being a poor country with a huge population has to be responsible for the resource consumption as well as efficient production processes to ensure a sustainable way forward. Organisations in India can help in this through efficient ways of manufacturing through the principles of 2, 6, and 9.

- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe - Energy efficient, less carbon-intensive ways of operation and production processes, reduce, reuse, and recycle for waste reduction.



- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment - Organisations can prevent or reduce pollution by reducing waste disposal and emissions.
- **Principle 9:** Businesses should engage with, and provide value to their consumers in a responsible manner - Organisations should inform the consumers on safe and responsible ways of usage, reuse, recycling, and disposal of their products including ways to eliminate over-consumption.

### U.N. Sustainable Goal 13 - Take urgent action to combat climate change and its impacts

The SDG 13 is about fighting climate change by controlling the sources of GHG emissions. The goals are covered in 5 indicators that look at disaster related deaths, total greenhouse gas emissions, awareness, legal frameworks, etc. Organisations in India can help in this by reducing the GHG emissions, improving resource usage efficiency through NGRBC principles 2, 6, 7, and 8.

- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe – Energy-efficient and less carbon-efficient ways of operation and production processes, reduce, reuse, and recycling for waste reduction.
- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment- Organisations can prevent or reduce the emission of GHG to the air
- **Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent- Organisation when in an advocacy role, can affect policies that cover the climate resilience
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Organisations when designing their CSR activities, should review the local and regional development priorities to help the marginalized groups and communities.

### U.N. Sustainable Goal 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development

The SDG 14 is about conserving our marine resources and ecosystems sustainably. The goals are covered in 10 indicators that look at marine pollution, ocean acidification, overfishing, habitat destruction, mangrove and coral conservation, and help small island nations, etc. Organisations in India can help in this through NGRBC principles 2, 6, 7, 8, and 9.

- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe - The organisations should make efforts to take back the waste generated such as, used packaging or spent consumables, reusing, recycling or disposing them without affecting the environment or people.



- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment – Sustainably extract the marine resources and prevent water pollution that eventually ends up in the sea.
- **Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent - Organisation when in an advocacy role, can affect policies that cover the ocean conservation.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Organisations when designing their CSR activities, should review the local and regional development priorities to help the coastal groups and communities.
- **Principle 9:** Businesses should engage with and provide value to their consumers in a responsible manner - Organisations should inform the consumers on safe and responsible ways of usage, reuse, recycling and disposal of their products, including ways to eliminate over-consumption.

### **U.N. Sustainable Goal 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**

The SDG 15 is about conserving our forest resources and terrestrial ecosystems sustainably. The prevention of habitat destruction, deforestation, land degradation, over extraction, wildlife trafficking, poaching, other animal cruelty species protection, and control of the invasive alien. The goal is covered in 12 indicators that look at NGRBC principles 2, 6, 7, 8, and 9.

- **Principle 2:** Businesses should provide goods and services in a manner that is sustainable and safe - The organisations should review the exploitation of forest and wildlife caused by their products and its supply chain, including habitat destruction.
- **Principle 6:** Businesses should respect and make efforts to protect and restore the environment- Extract the forest resources in a sustainable manner.
- **Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent - Organisation when in an advocacy role, can affect policies that cover the forest and wildlife conservation.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Organisations when designing their CSR activities, should review the local and regional development priorities to help the forest and tribal groups and communities.
- **Principle 9:** Businesses should engage with, and provide value to their consumers in a responsible manner- Organisations should inform the consumers on safe and responsible ways of usage, reuse, recycling and disposal of their products, and ways to eliminate over-consumption.



### U.N. Sustainable Goal 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The SDG 16 is related to violence, harassment, trafficking, conflicts, crime, mafia and other hindrances to peace and human rights in general. There are 12 indicators to judge the goal achievement and cover issues like, arms trade, illicit finance, money laundering, etc. India also faces its share of violence and lack of peace that needs to be eradicated for economic prosperity, and general well-being of the population in a sustainable manner. The NGRBC principles related to this goal are 1, 3, 4, 5, and 8.

- **Principle 1:** Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable - Organisations should have a governance structure that is fair and takes a hard stand against misuse and violation. The procedures and policies are to be communicated effectively to the employees, having policies in place for transparent disclosures to the stakeholders.
- **Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains - All kinds of violence and harassment has to be addressed at the workplace.
- **Principle 4:** Businesses should respect the interests of, and be responsive to all its stakeholders - Organisation should identify their stakeholders, both external and internal, determine the expectations of these interested parties, and devise their strategies accordingly to address them.
- **Principle 5:** Businesses should respect and promote human rights - Identification of violence and other human rights issues, and providing an effective grievance redressal system.
- **Principle 8:** Businesses should promote inclusive growth and equitable development - Addressing impacts on peace from businesses that may create illicit financial movement, tax evasion, etc.

### U.N. Sustainable Goal 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development

The SDG 17 is related to co-operation between communities and nations, forging partnerships that are mutually beneficial to the parties involved, and extending help to the communities that are struggling in terms of finance, technology, climate change, and access to markets. Additional focus of the goal is towards least developed countries, small island states, and land-locked economies. This goal has 19 indicators that look at the effectiveness of partnerships between nations and communities. The NGRBC principles that relate to the sustainable goal are principles 1, 7 and 8.



- **Principle 1:** Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable - Organisations should have a governance structure that is fair, and takes a hard stand against misuse and violation. The procedures and policies are to be communicated effectively to the employees, have policies in place for transparent disclosures to the stakeholders.
- **Principle 7:** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent - Organisation when in an advocacy role, can affect policies that cover international cooperation and trade.
- **Principle 8:** Businesses should promote inclusive growth and equitable development- Organisations when designing their CSR activities, should review the local and regional development priorities.

The organisation should put their efforts to bringing up creative products, technologies and business concerns that helps the marginalized communities to have well-being and better quality of life.

## 1.7. MCA'S COMMITTEE RECOMMENDATION AND SEBI CIRCULAR ON BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING (BRSR)

### 1.7.1. Chronology

- July 2011- MCA releases National Voluntary Guidelines (NVGs)
- August 2012- SEBI circular for the top 100 listed companies to disclose BRR in line with NVG
- 2015- United Nations Sustainable Development Goals 2030 is released
- 2015-16- The applicability of BRR extended to the top 500 listed companies
- March 2019- MCA revised the NVGs to National Guidelines on Responsible Business Conduct (NGRBC)
- December 2019- The applicability of BRR extended to the top 1,000 listed companies
- August 2020- MCA report on BRR with the proposed BRSR
- May 10, 2021- SEBI Circular on BRSR by Listed Entities

### 1.7.2. Business Responsibility Reporting (BRR)

After the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs (MCA) in 2011, the Securities and Exchange Board of India (SEBI) made it mandatory for the top listed companies to disclose about non-financial data pertaining to environmental and social responsibilities through Business Responsibility Report (BRR) that was in line with the principles of the NVGs. The requirement being



applicable for top 100 listed entities based on market capitalisation at BSE and NSE as on March 31, 2012 and this was to be done as part of the Annual Reports that they publish for the stakeholders.

### 1.7.3. Applicability of BRR

This applies irrespective of the organisation's sector even if they are not in the business of industrial activity, not manufacturing any physical products or do not cause pollution (E.g.: financial services). It is mandatory for all the top 100 listed companies to have their BRR furnished to their corresponding Stock Exchanges (BSE or NSE) in electronic format, and published in their company websites. If the organisational structure has a holding company and another subsidiary company, they are required to prepare separate Business Responsibility Reports if they come under the top 100 on the list. This applicability was extended to the top 500 listed organisations from financial year 2015-16 and then later to the 1,000 top listed organisations in December 2019.

In the case of multinational companies (MNCs) and international organisations that produce a single report for its operations across the world, they will have to produce a separate report for the Indian subsidiary that elaborates their responsibility for the operations in India. If an Indian company furnishes its reporting as per any of the internationally accepted frameworks, such the Global Reporting Initiative (GRI) framework, the same report can be used along with a mapping of how the 9 principles in BRR are related to in the GRI requirements.

### 1.7.4. Format for BRR

SEBI has prescribed a specific format for this 'Business Responsibility Report' that covers the basic information about the company, its performance, and processes, as per the principles and core elements of the Business Responsibility Reporting. The format also provides a set of generic reasons which the company can use for explaining their inability to adopt the business responsibility policy. Failure to provide BRR will be considered as a violation of the Clause-55 of Equity Listing Agreement, but there is no particular level of compliance with NVG been mandated. The format is available in the SEBI website- <https://www.sebi.gov.in/legal/circulars/nov-2015/format-for-business-responsibility-report-brr-30954.html>. The format has five sections named as A, B, C, D, and E as below

- *Section A* - The general information about the organisation covering the name, address, sector, products and services offered, the locations of their units and the markets they operated.
- *Section B* - Financial details of the organisation covering the turnover, capital, profits, taxes paid, and spending on the CSR activities.
- *Section C* - Other details that cover the information related to subsidiaries and supplementary business concerns, suppliers, distributors and vendors in the value chain that the organisation shares as BRR related activities.



- *Section D* - Business Responsibility related questionnaire checklist matrix mapped against each of the nine principles with 16 questions in total.
- *Section E* - Principle wise performance for all the nine principles with specific set of questions for each of them.

### 1.7.5. MCA Committee on Business Responsibility Reporting

When the NVGs were revised to NGRBC in 2019 with respect to the UN Sustainable Development Goals, a committee was formed by MCA to consider revision of the BRR and to include the changes. It was also a consideration that BRR be extended to non-listed organisations as well. The format provided in the NGRBC for reporting the nine principles was used as the starting point and stakeholder meetings were held 15 times to gather the opinions. The NITI Aayog, that monitors the progress related to the UNSDGs (they have a tracker with indicators) in India was a special invitee for the stakeholder consultations.

The committee came out with a recommended format for the reporting called as '*Business Responsibility and Sustainability Report (BRSR)*'. Two formats are proposed for the BRSR along with separate guidance note for each of them. The format with a wider coverage version called *BRSR Comprehensive* for the listed organisations, and smaller version called *BRSR Lite* for the non-listed organisations. The structure of the new format has three sections A, B and C.

- **Section A: General Disclosures** - The section covers the general information and basic details of the organisation such as, scale, size, sector, products, employee strength, CSR activities, etc. It also covers the organisation's activity near the environmentally fragile and sensitive areas, protected zones, socially critical areas such as water deficient.
- **Section B: Management and Process** - This section covers the commitment of the organisation to the business responsibility by seeking the information related to the governance system, policies, procedures, and processes they have in place to address their responsibilities in line with the NGRBC principles. This provides an insight into the managerial infrastructure the organisation has to drive business responsibly.
- **Section C: Principle-wise performance** - The section requires the organisation to disclose how they perform with respect to each of the nine Principles and Core Elements of the NGRBCs. The organisation will have to demonstrate objectively how they will meet the commitment to responsible business conduct. The information required in the section can be provided as two categories depending on the extent of the organisation's ambition towards sustainability as essential and leadership. They can report as either of the two.
  - **Essential** - The bare minimum the organisation has to do in terms of responsible business conduct





- Leadership - The voluntary things taken up by the organisation that are beyond the basic essential things.

### The BRSR Lite

Since the organisations outside the top listed companies have no experience of non-financial reporting, expecting them to come out with a report that covers the elements listed in the comprehensive BRSR format will not be pragmatic and hence the committee has proposed the idea of a second format called the BRSR Lite. This version also has the differential category of Essential and Leadership; but much fewer in comparison to the comprehensive version, and seeks information that smaller companies should be able to provide. The Lite version was made with the intention of having the MSME organisations to also be a part of the BRSR reporting.

### 1.7.6. SEBI Circular on Business Responsibility and Sustainability Reporting (BRSR)

With the adoption of the Paris Agreement on Climate Change and UN Sustainable Development Goals, adapting to and mitigating climate change impact and transitioning to sustainable economies have emerged as major issues globally. The COVID pandemic has further accelerated the relevance of Environment, Social and Governance (ESG) considerations amongst investors and other stakeholders resulting in increased awareness and activism on their part. Reporting of entities performance and disclosure requirements for non-financial information needs to keep pace with this change and the mandate of BRSR is a significant step towards this direction. As per the amendment to Regulation 34 (2) (f) of LODR Regulations vide Gazette notification no. SEBI/LAD - NRO/GN/2021/22 dated May 05, 2021, SEBI has introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR). The format for BRSR is accompanied with a guidance note so as to enable the entities to interpret the scope of disclosures.

As per the new reporting requirements, with effect from financial year 2022-2023, filing of Business Responsibility and Sustainability Reporting (BRSR) shall be mandatory for the top 1000 listed companies (by market capitalization) and shall replace the existing BRR. Filing of BRSR is voluntary for the Financial Year 2021-22.

The disclosures from listed entities as per BRSR relates to their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs). Reporting under each principle is further divided into Essential Indicators and Leadership Indicators. The essential indicators are to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis. It is expected that listed entities endeavour to report the leadership indicators also.





## 1.8. FIDUCIARY DUTIES OF DIRECTORS TOWARDS COMPANY'S STAKEHOLDERS, COMMUNITY AND ENVIRONMENTAL PROTECTION - SECTION 166 OF COMPANIES ACT, 2013

The Companies Act, 2013 is framed with the purpose to protect the interest of various stakeholders in a company such as, top management, employees, customers, creditors, suppliers, etc. A director should act in accordance with the provisions of the Act, 2013, the Articles of Association of the company and in the best interests of the company, disregarding his personal interest. The previous Act dated 1956 did not have a specific section for the duties of the Director but listed them in the Articles of Association (AoA). Section 166 of the Companies Act, 2013 has seven sub sections, and details the fiduciary duties of the Director of an organisation along with penalties for violation. The duties from a corporate governance perspective can be summarized as:

- **Loyalty**- To act in the best interest of the company
- **Care**- Responsibility and obligation to be careful and pay attention
- **Disclosure**- Disclosure of all the material information of the company to the stakeholders
- **Conflict of Interest**- To avoid any activity that has an interest conflicting with that of the company.

From a responsible business viewpoint, the directors are responsible for disclosures to the stakeholders. All interested parties in a business spanning from customers, employees, regulators, people living in the surrounding areas, the people who get affected by the actions of the organisation have the right to know the issues that relate to them, especially those that are “Material” or significant enough to be disclosed. These duties are in line with the nine principles of NGRBC.

## 1.9. TEST YOUR UNDERSTANDING – MULTIPLE CHOICE QUESTIONS

**Q1. What are the five Ps of Sustainability in the UN sustainable Development Goals?**

- a) People, Planet, Peace, Prosperity, Partnership
- b) People, Profit, Planet, Peace, Partnership
- c) People, Planet, Politics, Prosperity, Peace
- d) People, Profit, Planet, Peace, Prosperity
- e) All of the above

**Q2. What is the most widely used Framework/Standard for Sustainability Reporting?**

- a) Good Reporting Initiative-GRI



- b) Global Reporting Initiative- GRI
- c) Corporate Sustainability Reporting- CSR
- d) Corporate Social Responsibility- CSR
- e) None of the above

**Q3. Which of the following scenario is part of a good CSR initiative?**

- a) A factory paying up for the complete hospital expenses, funeral charges and additional monetary benefits to an employee's family who lost his life in an accident happened in the factory.
- b) A car manufacturer reducing their production to half resulting in 40% reduction in electricity consumption and fewer cars on the road.
- c) A global soft drink bottler asking all their delivery vehicles to shift to electric or CNG fuel and agreed to pay for the alterations required. The total delivery transportation amounts to more than 10 million kms per day.
- d) A company sourcing material from small factories that could not afford to have minimum wages for its workers; this has resulted in having the product cheaper to end customers.
- e) None of the above

**Q4. What type of companies are required to mandatorily furnish the Business Responsibility and Sustainability Report (BRSR) as per the SEBI circular with effect from FY 2022-23?**

- a) Top 100 Listed Companies (by market capitalisation).
- b) Top 500 Listed Companies (by market capitalisation).
- c) Top 1000 Listed Companies (by market capitalisation).
- d) All listed companies on recognised Stock Exchanges.

**Q5. Which of these actions by the organisation contribute to the UN Sustainable Goal-13 for Climate Action?**

- a) Overhauling the coal fired power plant in the factory to use the rice husk as fuel
- b) Distributing free portable kerosene lamps to the tribal population; the region is not electrified
- c) Outsourcing many of the manufacturing processes to various small vendors generating 20% additional jobs, and reduction in diesel and electricity consumption by 35% and 30% respectively in the facility



- d) Mining Company providing alternate housing to the people who lost their homes due to the new mining project
- e) None of the above

**Q6. How can organisations contribute to having gender equality and women friendly work places?**

- a) Not assigning women to physically exerting activities while allocating the daily work plans
- b) Having unisex toilets in the factory of 2,000 people.
- c) Preferential treatment for women during yearly promotions
- d) Report the violent sexual harassment allegation made by women in the workplace to Police and related authorities
- e) None of the above

**Q7. Which of these cases are material enough to be reported by the organisation?**

- a) A share trading company considered transacting with the shares of an organisation that is accused of illegal mining in an environmentally fragile zone; but did not.
- b) Company's product pricing with break-up of components transparently for the coming financial year
- c) The total diesel and electricity consumption in the year by the largest EPC organisation in India.
- d) Since the organisation's market share has gone up due to better products, jobs were lost in the competitor organisation
- e) All of the above

**Q8. Which of the following statement is true?**

- a) It is mandatory for top listed companies to report their performance against 17 UN sustainable goals
- b) Multi-national companies have to furnish BRSR for their Indian subsidiary if it is in the top listed companies
- c) The top listed companies have to pay penalty if they have not met the targets set for their environmental performance
- d) Every company in India doing environmental damage has to report it using the BRSR format
- e) All of the above



**Q9. The Business Responsibility and Sustainability Reporting is to be published in which of the following way?**

- a) Electronic copy of the BRSR to the Sensex where the organisation is listed and published in the company website
- b) Electronic copy of the BRSR to SEBI and to the Sensex where the organisation is listed
- c) Submission to SEBI in electronic format
- d) Publishing in the company website with view or download option for free for the public
- e) All of the above

**Q10. The Lite version of the proposed BRSR by MCA will be applicable for what type of companies?**

- a) Non-polluting service related organisations such as the banks and insurance companies
- b) For the subsidiary companies when the main holding companies has published the report already
- c) The organisations that are not listed on the Stock Exchanges
- d) The organisation that select the “Essential” in the two categories (Essential and Leadership)
- e) All of the above

**Q11. Which one according to you is a best way of getting stakeholder opinion for a new factory being set up in a remote forest location that may require resettlement of tribal people?**

- a) Keeping a suggestion box near the CEO's office so that people can put comments
- b) Looking in the daily newspapers for opinion about the project issues
- c) Take a questionnaire survey in major cities covering 100 people each
- d) Publish in newspapers (local and national), company website and Facebook page inviting for a public meeting/hearing near the project site with one-month notice
- e) All of the above

**Q12. Who among the below is not an interested party for a new Crude Oil refinery?**

- a) The villagers near to the project site who owns the land for the proposed project.
- b) The elected representatives to Legislative Assembly and Lok Sabha from the project area



- c) NGO with mission against environmental pollution from factories operating in the project area
- d) Vegetable cooking Oil manufacturers and traders in the state.
- e) All of the above

**Q13. Which of the sentence about the UN Sustainable Development Goals is true?**

- a) The UN sustainable goals are not applicable to the least developed countries and small Island nations
- b) The goals are made with targets for every country for each of the 17 goals
- c) Publishing the BRR for top listed companies mandatorily is India's target taken from UN sustainable goal
- d) The UN sustainability goals are conceptualized with the principle of partnership and cooperation between countries
- e) All of the above

**Q14. Why did the MCA committee review the BRR and proposed a revised format?**

- a) The NVGs got revised to NGRBC after the release of UNSDG and other sustainability related mechanisms
- b) The report quality in BRR published by many companies was not satisfactory
- c) To account for the new GST requirements in the format
- d) The survey of top 100 listed organisations reported that the format for BRR was not user friendly
- e) All of the above

**Q15. How are the nine principles in NGRBC linked to 17 UN Sustainable Development Goals?**

- a) The nine principles are the UN Sustainable Development Goals that are applicable to India
- b) The 9 principles are linked to many of the 17 UNSDGs and the mapping between the two are provided in the NGRBC Annexure-4
- c) They are two separate mechanisms and do not have any relation to each other
- d) The nine principles are pre-requisites for 17 UN Sustainable Development Goals
- e) All of the above

**ANSWERS**

1. a; 2. b; 3. c; 4. c; 5. a; 6. d; 7. c; 8. b; 9. e; 10. c; 11. d; 12. d; 13. d; 14. a; 15. b.

# MODULE TWO: BRSR DISCLOSURES

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## 2.1. INTRODUCTION

In this Module, we look at the following:

- *Nine Principles of NGRBC*
- *Report of the MCA Committee on Business Responsibility Reporting (BRR)*
- *Business Responsibility & Sustainability Reporting (BRSR) Format as per SEBI Circular*
- *Comparison of BRR and BRSR Disclosures*

The Nine Principles of NGRBC are interdependent, interrelated and non-divisible, and businesses are urged to address them holistically. Each principle of NGRBC is accompanied by a set of requirements and actions that are essential to the operationalization of the Principle referred to as Core Elements. A reading of each Principle and brief description should provide a clear idea of the essential spirit and intent of the Principle.

## 2.2 NINE PRINCIPLES OF NGRBC

### 2.2.1 Background of NGRBC

**The Ten Point Charter** - The Indian Government in 2007 laid down the economic, environmental and social responsibilities of the business, and the expected practices of good governance system as a ten-point charter that covered all elements related to employees, customers, environment, society, equality, corruption, skill development, and innovation. The below mentioned ten points were the foundation on which the policy development in the country was spearheaded resulting in the National Voluntary Guidelines (NVG) in 2011:

1. **Responsibility toward employees**- Have a healthy respect for your workers and invest in their welfare
2. **Responsibility toward businesses**- Corporate social responsibility must not be defined by tax planning strategies alone; it has to extend towards fulfilling their obligations to environment
3. **Responsibility as an equal opportunity employer** - Industry must be pro-active in offering employment to the less privileged, at all levels of the job ladder
4. **Responsibility as an economic equalizer**- Resist excessive remuneration to promoters and senior executives, and discourage conspicuous consumption
5. **Responsibility toward skill development** -Invest in people and in their skills
6. **Responsibility as a 'fair-competition' player**- Desist from non-competitive behavior
7. **Responsibility toward the environment** - Invest in environment-friendly technologies



8. **Responsibility toward social and market innovation-** Promote enterprise and innovation, within your firms and outside
9. **Responsibility toward anti-corruption agenda** -Fight corruption at all levels
10. **Responsibility toward consumers-** Promote socially responsible media and finance socially responsible advertising.

### 2.2.2 NVGs and BRR

The Ministry of Corporate Affairs (MCA) released the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business (NVGs), a set of guidelines for the organisations in India, on how to demonstrate their responsibilities related to economy, environment and society. The document is available for download at [https://www.mca.gov.in/Ministry/latestnews/National\\_Voluntary\\_Guidelines\\_2011\\_12jul2011.pdf](https://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf).

This was made to suit all kinds of companies in India of varying sizes, sectors, scales and type of products and services.

The nine core elements of NVGs covered the elements of Ethics, Transparency, and accountability, Product life-cycle sustainability, Employee well-being, Stakeholder engagement, Human rights, Environment, Policy advocacy, Inclusive growth and equitable development, and Value to customers and consumers. The NVGs were based on the *triple bottom line* concept of sustainability.

The Guidelines were a refinement over the Corporate Social Responsibility Voluntary Guidelines 2009, released by the Ministry of Corporate Affairs in December 2009. NVG used the terms 'Responsible Business' instead of Corporate Social Responsibility (CSR) as the term 'Responsible Business' encompasses the limited scope and understanding of the term CSR.

The NVGs, describes the solution to the following four questions:

1. What principles define a “Responsible Business”?
2. How to adopt the principles and make a strategy for business responsibility?
3. How to adopt each principle that justifies the business case?
4. What indicators are to be used to measure the performance in Responsibility to business?

Subsequent to the NVGs, the Securities and Exchange Board of India (SEBI), in August 2012 released a circular “Business Responsibility Reports” ([https://www.sebi.gov.in/sebi\\_data/attachdocs/1344915990072.pdf](https://www.sebi.gov.in/sebi_data/attachdocs/1344915990072.pdf)) mandating the disclosure of the non-financial performance for the top 100 listed companies on BSE and NSE as on the end of the financial year 2011-12 in India in a particular format named Business Responsibility Report (BRR). The new format has five sections A, B, C, D and E of which the section D and E particularly relates to the non-financial responsibilities. In December 2015, this applicability was extended to the 500



top listed Indian companies. The applicability is irrespective of the sector in which the organisation is into; the non-polluting, non-industrial sectors such as the financial institutions are also covered.

The NVGs were revised to National Guidelines on Responsible Business Conduct (NGRBC) in 2019. This change was due to the pressure from various international mechanisms and guidelines that were released later as below:

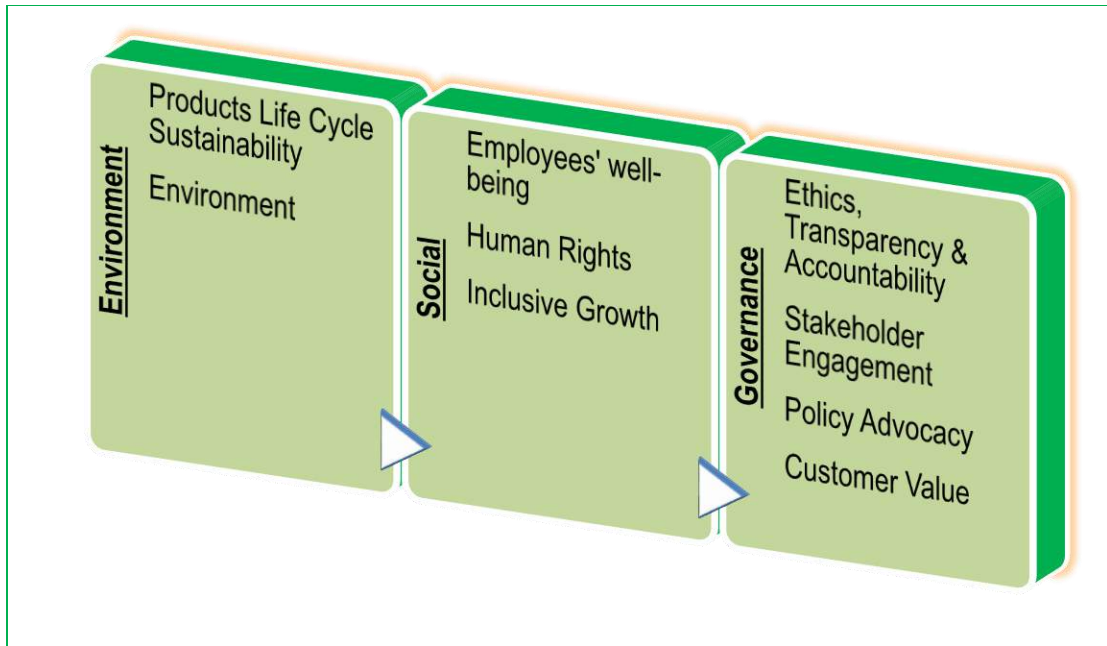
- The UN Sustainable Development Goals (UNSDGs) - (released in 2015)
- Paris Agreement on Climate Change (2015)
- Core Conventions 138 and 182 on Child Labour by the International Labour Organization (ILO)

This revision of the NVGs started off after the UNSDGs were released in 2015 and finally resulted in the National Guidelines on Responsible Business Conduct (NGRBC). This new mechanism was to be used by all kinds of organisations operating in India, irrespective of their size and scale of operation, sector of engagement, structure, or location. This is also applicable to the foreign multinational companies that operate in India. In addition to following these guidelines, the organisations are also expected to encourage and support their suppliers, vendors, distributors, partners, and other collaborators to follow them.

### 2.2.3 The Nine principles of NGRBC

The nine principles in NGRBC are categorized into the ESG components of Environment, Social and Governance with two of the nine in Environment, three in social and four in Governance. Even though they are separate, they are interlinked to each other in some way. For example, the environmental protection is closely linked to the stakeholder engagement and inclusive growth.





#### Principle 1- Ethics, Transparency and Accountability





The first principle of NGRBC revolves around the concept that any business enterprise that aims to demonstrate responsible business, needs to have ethical conduct in all its actions and policies. The concept of trust for any enterprise comes from the general perception and understanding that it performs its day-to-day business activities with utmost integrity and trustworthiness. Such reputation and goodwill is built through years of ethically accepted behavior amongst the consumers, suppliers and general public.

The first principle stresses on the need to communicate risks related to the business concern, along with the actions taken to address them, to the relevant stakeholders. The first principle also emphasizes that the business decisions in an organisation should be open to disclosure and accessible to the relevant interested parties. This applies to the actions related to all the nine principles of NGRBCs as well.

The overall behaviour and decision-making nature of the top management is also stressed in the principle as it leads to establishing the foundation for the organisation's integrity and a culture of ethics at all levels of the organisation. The downstream managers and supervisors are also influenced by the nature by which the top management conducts itself when dealing with critical situations and scenarios relating to governance, environment or society.

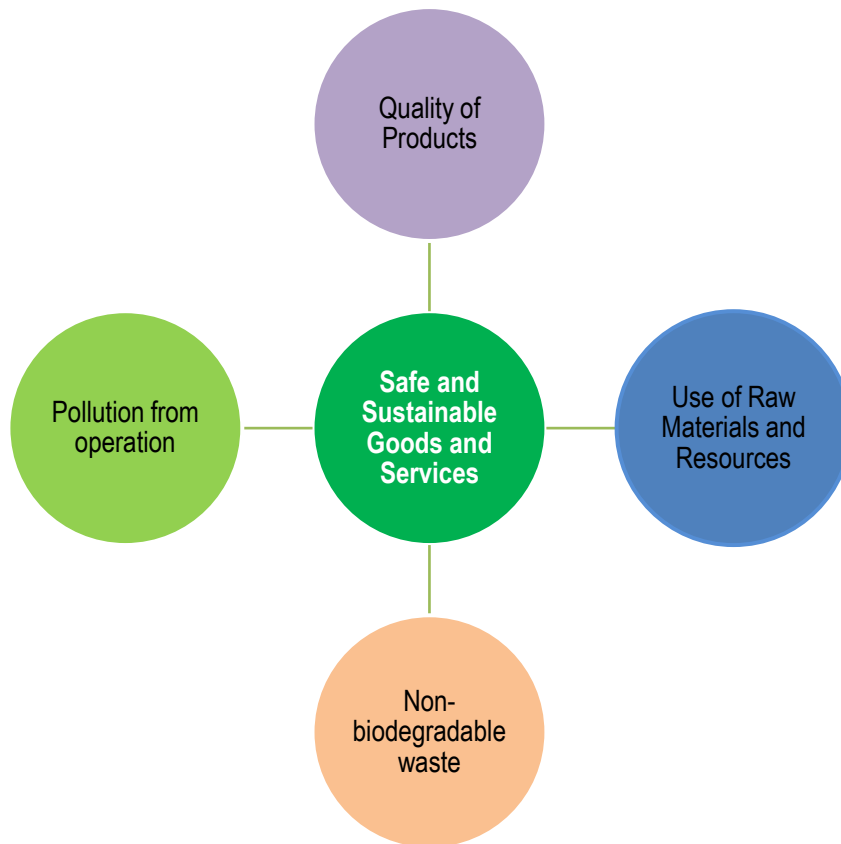
The essence of the core elements associated with the first principle are:

1. The organisations' governing structure should develop strategies, policies, procedures, and practices for their offices, factories, and work areas, ensuring that ethics is not compromised by the employees.
2. The governance structure should make sure that these nine principles are understood by the employees and implemented.
3. The entities in the value chain should be encouraged to adopt these principles by the governance structure.
4. The information relating to the policies, procedures and practices along with the performance should be made available to the stakeholders. For matters and decisions that have an effect on any of the interested parties, the organisation should make sure that the information is made available to the concerned stakeholders. In case of adverse effects, more care has to be taken for transparent disclosures.
5. All kinds of regulatory and statutory requirements to be met by the organization, give way for fair competition, and treat all stakeholders with equity.
6. The organisations should proactively respond to the outside entities that violate the nine principles of the NGRBCs by taking punitive actions if needed, or encourage them to comply with incentives. This includes their suppliers, distributors, sub-contractors or regulatory officers that may engage with the business concern.



7. The organisations should take care of all kinds of conflicts of interests and ensure that these are addressed through structures, policies and procedures of the organisation.
8. The governing structure in organisations should ensure that the business does not gets into activities that aid corruption, are illegal, or result in abusive outcomes. This also includes inaction or friendly treatment of wrongdoers.
9. The organisations have to ensure that the taxes, duties and other payables from them are met in time in full in the essence of the legal requirement.

### Principle 2 - Safe and Sustainable Goods and Services



The second principle looks at the need of the people to have good quality of life from the products available from the market. The organisations should make sure that their goods, services and the operations result in better life for the consumers and end-users. It is the responsibility of the organisation to ensure the safety and fitness for the intended use. This covers the expected physical properties, the performance, aesthetics, and revolves around the concept of customer focus. This concept is a traditional requirement by which most management systems are designed. For example,



ISO 9001 for the Quality Management Systems is widely used by organisations to demonstrate their commitment to customer focus and quality of their products and services.

This principle also aligns with the UN Sustainable Goal 12 - Responsible Production and Consumption. Traditionally, the concept covers efficiency from an economic perspective as it is the main driving force or purpose of any business to exist. This resulted in efficient usage of anything that directly relates to monetary gains, such as efficient use of electricity, raw material, fuel, consumables, water (if it affects the cost), man hours etc. The matters that were regulated by the authorities with a punitive action were also taken up by the companies. For example, the quality of effluent let off by the factories. The companies ignored the items that did not have any returns and/or not regulated by the authorities, such as controlling the packaging waste created when the products get distributed.

Any product or service goes through many transformations at various stages of conceptualization, design, manufacturing, packaging, distribution, usage and disposal known as the product life cycle. The organisation should be responsible for the environmental issues that arise in any of these stages due to wastage of material, depletion of resources such as fossil fuels, water, and electricity, unfavorable emission to air, water or soil resulting in contamination or non-biodegradable materials such as, plastics and polymers. The organisations should design and engineer their operations considering these issues that arise in the whole lifecycle of the product. For example: the soft drink manufacturers are now becoming responsible to reduce or collect back the wastage from the PET bottles they use to pack their product.

The principle urges the organisations to consider the issues that are to be looked after by the distributors, suppliers or contractors as well (additional to the ones that are directly created by the organisation themselves). For example, fuel emissions in the trucks used by the contractor for distribution, efficient use of raw material by the supplier at their factory. Here, the impacts of a product are seen comprehensively from design to disposal.

The essence of the core elements associated with the second principle is:

1. When a product is designed by the organisation, the production methods and technologies have to be devised in such a way so as to minimize the resource usage to make it sustainable. There can be savings in fuels, energy, man hours, consumables and pollution from the process.
2. The organisations are also responsible to educate and make aware their consumers and clients about their rights through methods such as, environmental and social issues, accurate and transparent product labeling, complete details of the composition and content, honest and non-misleading marketing communication, full details of contents and composition, appropriate usage instruction for safety and required disposal methods.



3. The organisations should take measures that reduce the over exploitation of the nature's resources by consuming sustainably and encourage methods for reduce, reuse and recycling of the resources.

### Principle 3 - Promote well-being of all employees including those in the value chains



The third principle relates to all the initiatives an organisation has to take for the benefit of its employees from the point of view of their dignity, health, well-being. There have been many regulatory frameworks developed as part of the labour and occupational laws in the country for having a better workplace for the employees in terms of occupational health and safety, equality, remunerations, collective bargaining etc. However, large sections of the workforce in India still face challenges at their workplaces. The situation is worse for the people employed in unorganized sectors or are working as contract labour.

The employees in the Indian context face higher levels of exploitation, harassment, and poor treatment from their employers as compared to those in the developed world, mainly due to their unequal bargaining power, and poor enforcement of labour and Occupational health and safety (OHS) laws in the country. Dignity and safety at the workplace is a domain that has lot of catching up to do for the Indian corporates. The principle from NGRBC aims at obligations from the Indian corporates to play their part in eradication and reduction of issues that workforce faces in general.

The essence of the core elements associated with the principle is:

1. The organisations should ensure compliance with all regulatory requirements as far as employees are concerned. This should also extend to the employees in the value chain.
2. The equity and equal opportunity should be the organisations' way of functioning all the way from recruitment, promotions, employment and exit of the employees.
3. The organisations are to respect the dignity of employee as a human being and should not restrict their freedom of associations, unions and other participatory mechanism for collective



bargaining of their rights and redressal of issues they face at the workplace. The act of bargaining and negotiations are to happen between entities that have equal power and hence, the employees are to have the power of bargaining with the big business enterprise by doing it collectively as a group.

4. The organisations should prevent all kinds of child labour, bonded labour and any other forms of involuntary labour, irrespective of whether payments are made to the employee in return or not.
5. The organisations should have a system in which the work-life balance of the employees is not compromised. The issue is of greater gravity in case of women workforce as they face extra load in a patriarchal society. This could be about providing adequate paid leaves, or appropriate work duration per day.
6. The businesses have to ensure timely payment of the worker's wages and compensation. The wages should be enough to meet their basic needs and economic security. Extra care should be taken for the employees with special needs.
7. The payment of the wages has to be as per the living wages, that can take care of the basic needs and provide economic security to the employees.
8. The organisations are responsible to create a workplace and work environment that is safe, hygienic and comfortable for people to work for long durations. This should include the provisions for the disabled persons as well. The required protective gear for safe working should be provided to the employees as appropriate. The organisation should conduct awareness and training sessions on the safety of workplace to the employees regularly.
9. The skill development, career development and training of the workforce is another responsibility of the organisations employing them. This should cover all kinds of competence upgradation and learning opportunities for the employees and it should be provided on an equal and non-discriminatory basis. The purpose is to have higher levels of employee morale.
10. The creation of a workplace which is free of harassment and violence is also a responsibility of the organisation where employees feel safe and secure in discharging their responsibilities. There should be sufficient modes of grievance redressal when the employees feel they face some form of harassment.

### Principle 4 - Respect for stakeholders interests and responsiveness

*Interested party or stakeholders-* The concept of interested party or stakeholders to a business has been a point of discussion in all the regulatory and voluntary systems that relate to the management system of any organisation, be it related to the quality, environment or the occupational health and safety of the workers. Interested party means any entity that has an interest in the business of the organisation. This creates some expectation from the entity towards the organisation. For example,



the customer expects the organisation to provide safe, high quality goods in time with the lowest possible price. But a nearby villager expects the organisation to operate without polluting their farms, water bodies, air quality and to provide employment opportunities (direct or indirect) to the local people.

The conventional business enterprises operate with their prime responsibilities aligned to the investors or the shareholders and their activities majorly related to the economic progress and profits. The fourth principle urges the organisations to think beyond and include all the other interested parties to their business such as employees, suppliers, distributors, sub-contractors, and nearby communities that get affected by the operations of the organisation. The stakeholders to a particular business have different levels of bargaining power and influence upon the organization, and hence care should be taken to consider everyone's concerns.



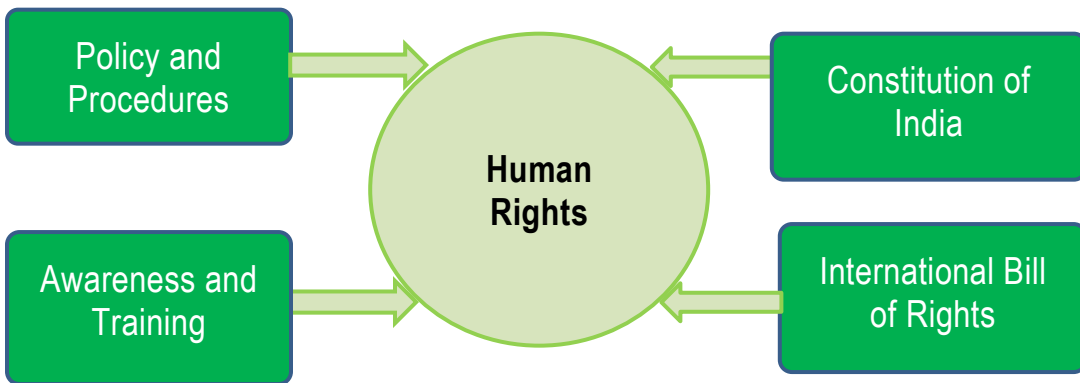
The essence of the core elements associated with the principle is:

1. The organisations have to be transparent and communicate with the stakeholders about the impacts of their operations and business decisions on the people and the nature. The policies, decisions and the impact of the operations of the organisation to the stakeholders have to be disclosed transparently with no ambiguity on the extent of the issues.



2. The organisations have to systematically determine the context of their operation and identify their interested parties. Then the business has to review the expectations of these stakeholders from the business, and plan their strategies to address these needs, if required, to the level they wish to.
3. The organisation should fairly share the benefits to the stakeholders or give an opportunity to them to benefit from the operations in an equitable manner. Further, any disputes arising out of the impacts should be fairly resolved.

**Principle 5 - Respect and promote human rights**



The concept of human rights is a vast topic that covers a wide variety of violence and belligerent abusive issues faced by people. Here, it refers to the human rights in the backdrop of the operation of the organisation. It refers to the human rights issues that happen directly or indirectly due to the operation of the business. This often happens in the case of projects in the remote areas that requires the resettlement and rehabilitation of people due to the impacts from the operation. The most common example is the mining projects or hydropower projects in the forest areas that displaces the indigenous people and tribal folk.

The project induced migration is more often than not non-voluntary and results in widespread human rights abuses on the local population. The contractors driven by the profits from the organisation (directly or indirectly) use their influence and undue force to push out the people who have no voice and bargaining power. The local population, in most cases, not having enough information about their rights and other legalities in the process, falls into unfavorable agreements and contracts and eventually is at the receiving end of the human rights abuses. In many cases, it has even resulted in the local population taking up unlawful methods of retaliation through violence and armed conflicts. Presence of such ethnic armed minorities have created absence of peace in many of the mineral rich states in India.

The fifth principle about human rights requires the organisation to prevent issues of human rights violations that arise out of their operations by treating people with dignity and respect. The





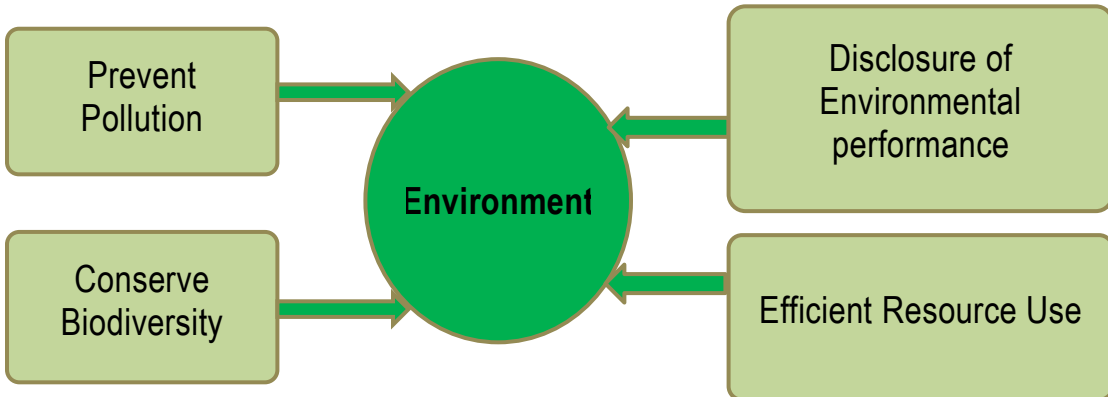
organisations are expected to follow a pragmatic approach while planning to make use of the opportunities that have a risk of human rights violation. It is based on the principles in the Constitution of India that ensure fundamental rights and achievement of human rights to every citizen of India. It also aligns with the Universal Declaration of Human Rights, in the formation of which, India played an active role. The principle takes into account the “Corporate Responsibility to Respect Human Rights”, as referred to in the United Nations “Protect, Respect, Remedy” Framework.

The essence of the core elements associated with the principle are:

1. The organisations should have a clear understanding of the human rights and various ways by which human rights can be violated from the perspective of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. The human right is a non-negotiable element that cannot be violated from the perspective of morality as well as legality. This applies to every community, population and demographic groups in India.
2. The organisations when developing their management systems, should integrate the human rights element into their policies, procedures and practices. This would ensure it to the population affected by the organisation and its operations.
3. Businesses should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
4. The organisation should channel their efforts to spread awareness and realization of human right issues and violations all through the supply chain from suppliers to end user.
5. The organisation should have an effective system of redressing the grievances relating to human rights. When the organisations come across human rights violations from outside entities such as regulatory officers, suppliers, customers etc., they should not shy away from being strict to the violators. This can include non-co-operation to the entities that do not value human rights.



### Principle 6 - Protection and restoration of Environment



The sixth principle looks at the environmental responsibility as a basic requirement for the economic prosperity and sustainability. The issues that relate to the environment or biodiversity eventually affect the local population and then later to the regional levels, if not contained. Hence, these issues have far reaching consequences and repercussions. Global issues such as climate change, global warming and conservation of endangered species are common for everyone and the organisations cannot avoid their responsibility towards these issues. The operations of the organisations affect the environment directly and indirectly and these vary with respect to the products and services they offer.



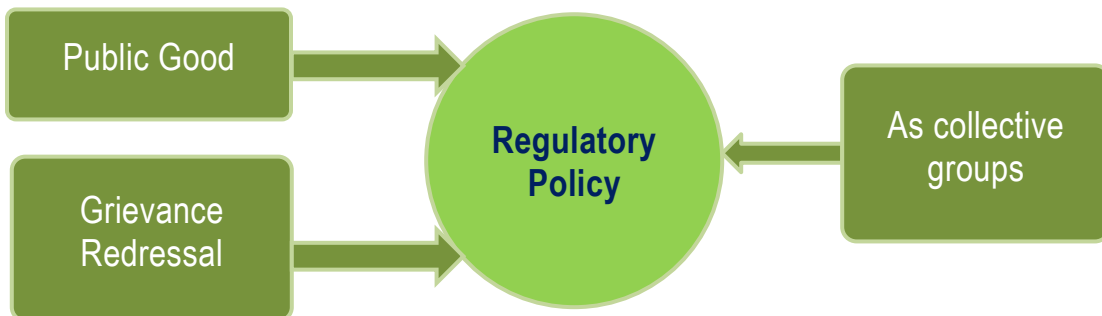
The organisation needs to look into how the wastewater, greenhouse gas emissions from fuel use and other hazardous waste is interacting with the surrounding environment. They should control the quantity, and quality of these emissions and wastes to reduce the pollution. They should also reduce the quantity of natural and national resources such as the fossil fuels, electricity and water to an optimum usage.



The core elements associated with the principle are:

1. The organisations should have policies, procedures and practices in place to assess and rectify impacts to the environment. This should cover the whole life cycle of the product.
2. The organisations have to make use of natural and manmade resources in an optimum manner to ensure their sustainability by taking feedback from the stakeholders. This will eventually reduce the quantities of waste as well.
3. The organisations have to measure their performance relating to the prevention of pollution, destruction of forests, waste generation, energy use, land use, etc.
4. The companies have to contribute towards climate change resilience in line with India's commitment to various international mechanisms such as, Paris Agreement and National Action Plans for Climate Change.
5. The organisation should explore the comparison of its activities with industry best practices to reduce, reuse and recycle/ recover materials, resources. It should also encourage suppliers and customers to do so.
6. The companies have to look out for avenues by which they can improve their performance towards various environmental responsibilities. The methods could be innovative production methods, renewable power based, cleaner technologies, efficient and natural/ eco-friendly techniques and retrofits.

#### Principle 7- Influence on Public and Regulatory Policy



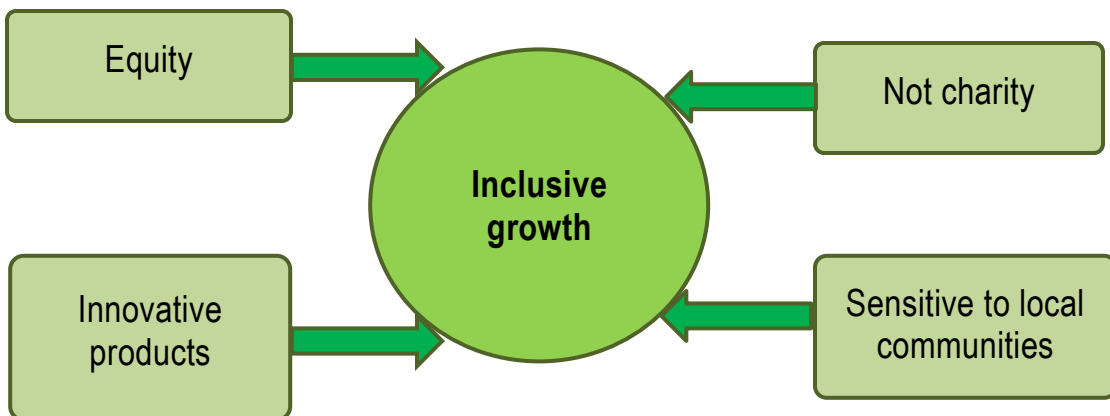
The seventh principle of influencing the policy formulation positively recognizes that the businesses operate within the framework of statutory and legislative policies of the governing authority. These frameworks both guide as well as restrict the enterprises to move forward. India being a democratic federal system of governance, such frameworks are formulated in participation with and collaboration between each of the stakeholders of which the corporate segment is a major one. For example, the NVGs, BRR and the NGRBC were made after several rounds of stakeholder consultations and public hearings that included the opinions of the industry representatives.



Corporates in any country are the backbone of their economy and they are one of the most important stakeholders to policy formulations along with the general public. The seventh principle talks about the right of organisations to have influence on and actively participate to make and review policies in the context of grievance redressal, or as part of public opinion. The purpose of their role in public advocacy is to move towards public good. The Principle further highlights that -

1. The core elements of the NGRBC have to be met holistically when the organisation go ahead with their contributions to policy formulation and policy advocacy.
2. The collective associations such as, the trade groups and industry chambers have to be utilized when moving ahead with the policy advocacy and formulation.
3. The role in policy advocacy by the organisation should be in such a way that it encourages fair competition and prevents human rights abuses.

### Principle 8 - Promote Inclusive Growth and equitable development



India being a developing nation faces several challenges in the context of social and economic progress and prosperity as compared to the developed world of European countries, North East Asian countries, North America and Australia. Even among the developing countries, India has considerable population of the world's poor and is backward in most of the human development indices used to measure growth and development. The corporates have a responsibility in this country to spearhead a growth that takes care of everyone and every kind of community without disregarding the issues faced by some of them.

The term equitable development refers to fair and impartial ways of development. This approach aims to meet the needs of underprivileged and non-represented communities that are marginalized through an institutional framework of policies and programs that compensate for the disparities they face. This preferential treatment is the positive discrimination to have a level playing field and equal opportunities for all the communities. The reservations in India and affirmative action in the USA are



all examples of such policy driven frameworks. To consider a daily life example, seats reserved for ladies or disabled in a bus ensures that they also have a chance to get a seat to sit on.

Organisations in the country are encouraged to contribute towards the development of the downtrodden and the marginalized through innovative schemes and programs that do justice to the value of the efforts the companies put in a very competitive business environment. This need is expected to be met by business actions and not charity to the poor or the marginalized. Likewise, Kochi Metro rail employed the transgender community in the stations and ticket counters to serve the customers to provide them with a decent living.

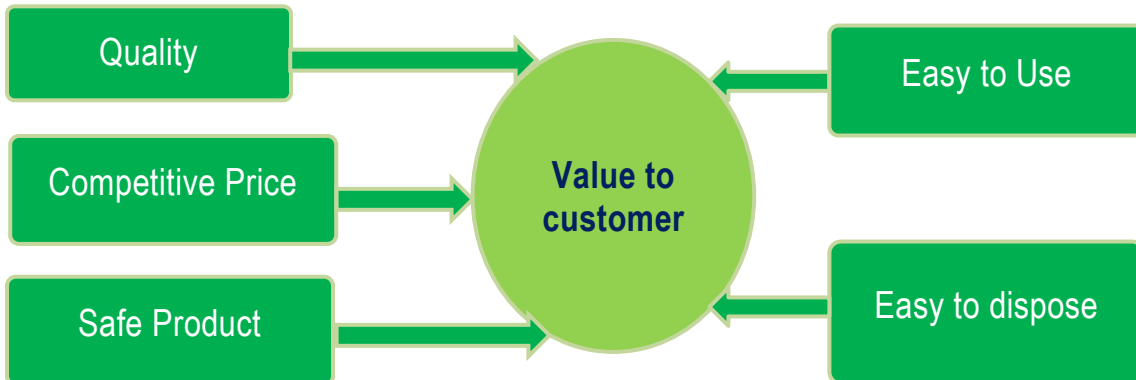
This can work only with close participation and collaboration amongst the organisations, authorities, the civil associations contributing to one another for a better livelihood, and assistance to the marginalized communities. The people in the society and the organisations which have products and services to offer are interdependent and hence it is also in the business interest of the organisations. Needless to say, people without living wages cannot support the market by purchasing the goods manufactured.

The core elements of the eighth principle are:

1. The organisation should have systems in place to identify and address impacts of their activities on the social, cultural, and economic aspects of the people. This includes business created issues like, land acquisition and use and construction activities for new facilities.
2. The organisations should review, measure and track the adverse impacts of their activities on the society and environment and make action plans to mitigate them adequately.
3. The organisation should make efforts to bring up creative products, technologies, and business concerns that help the marginalized communities to have well-being and a better quality of life.
4. Organisations when designing their CSR activities should review the local and regional development priorities to help the marginalized groups and communities.
5. The organisation should take care to ensure that business induced displacement or relocation of communities does not happen, and in unavoidable cases, should make sure to have mutually agreed, participative, and informed negotiations to provide fair compensation to the affected people.
6. All forms of intellectual property and traditional knowledge should get the deserved respect from the organisation, and efforts should be made to ensure that benefits derived from their knowledge are shared equitably.



**Principle 9 - Provide value to the consumers in a responsible manner**



The conventional system of any business includes mutually beneficial transactions between sellers and buyers satisfying both for long term continuation. The primary purpose of any business is to create or provide useful products and services to the customer in exchange of reasonable profits. So, organisations that aims to operate for a long time building up their business empire needs to consider the value that they create for one of their key stakeholder that is, the customer.

As the famous phrase about business goes “*Customer is the King*” or the Gandhiji’s talisman of Customer being the most important entity for any business concern, the organisation has to behave in a responsible manner to their customers.

In today’s world of globalization and capitalistic markets, the choices available for the customer are vast with wider varieties than ever before. The organisations have to make sure that they are able to make quality products available at reasonable prices, that are easy to use, and easily disposable after the usage is complete. If any of these is compromised, the customer will try to find other organisations that provide what they want. For example, the whole market of disposable products (mostly plastics) came up in the last few 30-40 years and threatened many traditional products with exponentially cheaper prices and ease of use and throw. However, when the disposal of the plastic items became a problem, customers moved away from the disposable products.

The organisations also have to address the issues that arise out of the long-term usage of certain products, mostly related to the health of the consumer. These are most commonly seen in food products, drugs and cosmetics. The long-term usage causes the deterioration of health and well-being of the user such as obesity, diabetes, and cancer. For example, sugar in soft drinks and bakery foods, nicotine in cigarettes, particles in asbestos. The organisations are expected to undertake awareness programs and make accurate and complete labelling so as not to misguide the user on the potential impacts from long term use of their products.



The core elements associated with the principle are:

1. Organisations should put in their efforts to reduce the negative impacts of their products and services on consumers, natural environment and society at large.
2. When conceptualizing, designing, and marketing their products, the organisation should not in any manner prevent the freedom of choice and fair competition.
3. The organisation should transparently and accurately disclose all kinds of adverse impacts to the user, planet, society, on the biodiversity from their products. This may be done by labeling, marketing, or by providing information on their social media platforms.
4. When handling customer data, the right to privacy of the customer needs to be maintained.
5. Organisations should inform the customers on the safe and responsible ways of usage, reuse, recycling, and disposal of their products, and ways to eliminate over-consumption.
6. When advertising about their products, the organisations should ensure that misleading and confusing information is not exposed to the customers about their products or its usage.
7. Business enterprises should make available transparent and accessible grievance redressal and feedback management system for their customers to raise their voices or to seek clarifications.
8. Organisations, when in the business of providing essential goods and services (e.g., Utilities), should enable universal access, including to those whose services have been discontinued for any reason, in a non-discriminatory and responsible manner.

## 2.3 REPORT OF THE MCA COMMITTEE ON BUSINESS RESPONSIBILITY REPORTING

In furtherance to updation and formulation of the NGRBCs, the Ministry of Corporate Affairs had constituted a 'Committee on Business Responsibility Reporting' to develop new BRR formats for listed and unlisted companies. The Committee in its report<sup>2</sup> submitted on May 08, 2020 refers to the words of economist Milton Friedman "the social responsibility of business is to increase its profits", shareholder primacy has been the cornerstone of business operations. The Committee stated in its report that the increasing global challenges on climate change, environmental risks, growing inequality, etc. has compelled the business leaders to rethink the role of businesses in the society and not view them merely as economic units for generating wealth.

In the verge of facing global challenges, the Business Round Table (BRT - an influential association of CEOs of the United States of America's biggest companies) along with 181 signatories in 2019

<sup>2</sup>Report of the Committee on Business Responsibility Reporting, Ministry of Corporate Affairs. Available at: [http://www.mca.gov.in/Ministry/pdf/BRR\\_11082020.pdf](http://www.mca.gov.in/Ministry/pdf/BRR_11082020.pdf)



has reaffirmed the commitment of their businesses to all stakeholders. BRT is supported by the “Davos Manifesto: The Universal Purpose of a Company in the Fourth Industrial Revolution” released in 2020 by The World Economic Forum. The Committee stated that the reaffirmed statement by big forums has asserted a move towards stakeholder capitalism and emphasized that the performance of a company must be measured not only on the return to shareholders, but also on how it achieves its environmental, social, and good governance objectives.

In its Report, the Committee recommended a new reporting framework called as the ‘Business Responsibility and Sustainability Report (BRSR)’ to better reflect the intent and scope of reporting on non-financial parameters. The Committee recommended two formats for disclosures: Comprehensive format and Lite version. The Committee further recommended that the implementation of the reporting requirements should be done in a gradual and phased manner. The Committee also recommended that the BRSR be integrated with the MCA21 portal. As a long-term measure, the Committee envisions that the information captured through BRSR filings be used to develop a Business Responsibility-Sustainability Index for companies.

On August 18, 2020 SEBI had issued a consultation paper, inviting public comments on the format of BRSR. After extensive consultations with various stakeholders including businesses and their associations, professional institutes, academia, civil society organizations, Central Ministries and Departments, SEBI decided to introduce new requirements for sustainability reporting by listed entities. SEBI vide Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 referred Applicability and Disclosure format for the Business Responsibility and Sustainability Report (“BRSR”) replacing the existing Business Responsibility Report (“BRR”). The amendment will be applicable to top 1000 listed entities (by market capitalisation) on a voluntary basis for FY 2021-22 and on a mandatory basis from FY 2022-23. The Circular introduced format of BRSR in Annexure I and the Guidance Note in Annexure II to the Circular to enable the companies to interpret the scope of disclosures.

## 2.4 SEBI CIRCULAR ON BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

The format of Business Responsibility & Sustainability Report as per Annexure - I of the SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 consists of three sections “Section A”, “Section B”, & “Section C”.

Section A provides the subtitles for explaining the General Disclosures of the business such as, details of listed entity, Products/Services, List of Operations, Market served by the entity, Details about employees, Holding, Subsidiary and Associate Companies, Corporate Social Responsibility (CSR) and Transparency & Disclosure Compliances.





Section B provides a table full of questions on Management and Process disclosures related to the businesses aimed at demonstrating the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements. The questions are framed in a fashion to help the businesses to explain their Policy and Management Processes as well as Governance, Leadership and Oversight.

Section C provides the disclosure of principle wise performance of the businesses across the nine principles of NGRBC. These principles set the basis for the businesses to substantiate their contribution for sustainable development. The desired information is categorized into “Essential” and “Leadership” indicators. While the disclosure of information for essential indicators is expected from every business that has adopted NGRBC, the disclosure of information for leadership indicators is expected of businesses which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

## SECTION A: GENERAL DISCLOSURES

This section includes seven parts -

### Part - I: Details of the listed Entity

The information requested in this Part I is more or less related to the legal status of the Listed Entity. Based on the information provided in the section, the reader will come to know about the name of the Listed Entity, year of incorporation, address of the entity (both registered & corporate), contact details of the entity (both online /offline), financial status of the entity and its Reporting Boundary. Explanations for the requested information are as follows:

1. **Corporate Identity Number (CIN) of the Listed Entity:** The number issued by the Registrar of Companies at the time of Registration under Companies Act, every company shall have a unique number.
2. **Name of the Listed Entity:** The name by which the entity has got the Certificate of Incorporation from the Registrar of Companies.
3. **Year of Incorporation:** The year in which the company was incorporated and received the Certificate of Incorporation from the Registrar of Companies.
4. **Registered office address:** Registered address means the address at which the company shall be able to receive all legal documents and lawsuit.
5. **Corporate address:** Corporate address means the place at which the company shall have its operation. Corporate address shall be used for business purpose.
6. **Email:** Official online Email-id used for only official communication.
7. **Telephone:** Telephone number either landline or Mobile used for official communication.



**8. Website:** An online web link that can provide the key information and online communication details of the company.

**9. Financial year for which reporting is being done:** The Entity has to clearly indicate the financial year for which the report is prepared. For example, If the report is prepared for the period between 1 April, 2019 and 31 March, 2020 then the report must indicate the financial year as 2019-20.

**10. Name of the Stock Exchange(s) where shares are listed:**

**11. Paid-up Capital:** The information related to the money received by the company from shareholders in exchange for shares.

**12. Name and contact details** (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.

**13. Reporting boundary** - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

## Part - II: Products/Services

The information requested in Part II tells about the business activities of the entity, products/services sold, locations of business operations, employees, to name a few. The section requires a description of each business activity and its percentage of turnover of the entity. Based on the information provided in the section, the reader shall be able to understand the brand value of the entity in terms of production and turnover. Explanations for the requested information are as follows:

**14. Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity

**15. Products/Services sold by the entity (accounting for 90% of the turnover):** The entity have to define the National Industrial Classification Code (NIC Code) and percentage turnover contribution of each such product. If the entity is involved in branding their products/ services then they have to define the each individual brand and the contribution by each branded product/service in terms of percentage of the total turnover.

S. No.	Product/Service	NIC Code	% of total Turnover contributed



### Part - III: Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

The entity has to provide information of all the national and international locations in which the entity manages different kinds of operations.

Location	Number of plants	Number of offices	Total
National			
International			

#### 17. Markets Served by the entity:

- (a) Number of locations: The number of locations of the market within the country and foreign countries for which the entity provides its service. If the market is within the country then the entity shall mention the number of states and if it is foreign country(s) then the entity shall mention the number of countries.

Locations	Number
National (No. of States)	
International (No. of Countries)	

- (b) What is the contribution of exports as a percentage of the total turnover of the entity?
- (c) A brief on types of customers.

### Part - IV: Employees

**18. Details as at the end of Financial Year:** In order to give an accurate count of the employees, the entity has to take the details of the employees at the end of the financial year.

- (a) **Employees and workers (Including differently abled):** It includes the permanent employees and workers coming under pay role with benefits like, Insurance and PF and employees other than permanent coming under contract without any benefits. All Male and Female to be mentioned in numbers and also in terms of percentage to their respective total.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)					
2.	Other than Permanent (E)					
3.	Total employees (D + E)					



WORKERS						
4.	Permanent (F)					
5.	Other than Permanent (G)					
6.	<b>Total workers (F + G)</b>					

- (b) **Differently abled Employees and workers:** It includes the differently abled employees and workers coming under payroll with benefits like, Insurance & PF and differently abled employees other than permanent coming under contract without any benefits. All Male and Female to be mentioned in numbers and also in terms of percentage to their respective total.

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)					
2.	Other than Permanent (E)					
3.	<b>Total differently abled employees (D + E)</b>					
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)					
5.	Other than permanent (G)					
6.	<b>Total differently abled workers (F + G)</b>					

- 19. Participation/Inclusion/Representation of women:** It includes the number and percentage of females appointed as members of Board of Directors and Key Management Personnel.



	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors			
Key Management Personnel			

**20. Turnover rate for permanent employees and workers:** Disclose trend of turnover rate for permanent employees and permanent workers for the past 3 years.

	FY (Turnover rate in current FY)			FY (Turnover rate in previous FY)			FY (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees									
Permanent Workers									

#### Part - V: Holding, Subsidiary and Associate Companies (including joint ventures)

**21. (a) Names of holding/ subsidiary / associate companies/ joint ventures:** This part requests the parent entity to give the details of holding, subsidiary and associate companies (including joint ventures) that are all linked with them. The details include the type of relation (holding/subsidiary/associate/joint venture) with parent entity, percentage of shares held by listed entity and whether or not the holding/subsidiary/associate/joint venture entities participate in Business Responsibility initiatives of the listed entity.

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)

#### Part - VI: CSR Details

According to Section 135 of the Companies Act, 2013, CSR is applicable to “Every company having



*net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director”.*

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No):** With reference to the clause for CSR mentioned in Section 135 of Companies Act, 2013, the entity has to declare whether CSR is applicable to the entity or not as per the criteria of Net Worth Rs.500 Crore (or more) or Turnover Rs.1000 Crore (or more) or Net Profit of Rs.5 crore (or more).

If the entity (s) declaration is “**YES**” then the entity has to fill the below details.

**(ii) Turnover (in Rs.):** In case of “**YES**” to the above clause, the turnover (Rs.1000 Crore (or more)) of the entity to be mentioned as appropriate.

**(iii) Net worth (in Rs.):** In case of “**YES**” to the above clause, the net worth (Rs.500 Crore (or more)) of the entity to be mentioned as appropriate.

#### **Part - VII: Transparency and Disclosure Compliances**

**23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:** This part insists the entity to address the complaints/ grievances filed/ pending during the financial year. The complaints/ grievances received from any of the stakeholder's group such as, Communities, Investors, Shareholder's, Employees and workers, Customers, Value Chain Partners and Others has to be mentioned as per the below table provided.

Communities refers to local communities, particularly vulnerable and marginalized groups and in regions that are underdeveloped. The complaints/ grievances received from the local communities in the current financial year and previous financial year has to be mentioned as per the below table.

Apart from local communities, the stakeholder's list includes:

- The investors who invested money in the company.
- Shareholders holding the stocks of the entity.
- Value chain partners involved in the transformation of business from idea to reality.

The entity shall also state whether or not a Grievance Redressal Mechanism exists to solve the issue. The company has to mention the number of complaints filed during the year and pending at the close of the year to be carried forward to the next financial year.



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY Current Financial Year			FY Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities							
Investors (other than shareholders)							
Shareholders							
Employees and workers							
Customers							
Value Chain Partners							
Other (please specify)							

**24. Overview of the entity's material responsible business conduct issues:** The entity needs to indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the format provided —



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements. In the first sub-section namely, Policy and Management Processes, entity's policy/ policies that cover each principle and its core elements is to be mentioned. The table below provides principle-wise illustrative list of such policies –

Disclosure Questions: Policy and management processes		Name your entity's policy/ policies that cover each principle and its core elements of the NGRBCs
<b>Principle 1 (P1)</b>	Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.  As the core elements of Principle 1 mainly discuss about strong institution and governance structure, the company may give title of the policy relevant to integrity in their business conduct & governance.	Integrity and Governance Policy
<b>Principle 2 (P2)</b>	Businesses should provide goods and services in a manner that is sustainable and safe.  As the core elements of Principle 2 mainly discuss about the efficient manufacturing of products, safety aspects and handling of goods, the company may give title of the policy relevant to goods & services and product safety.	Policy for handling Goods & Services and Product Safety





<b>Principle 3 (P3)</b>	<p>Businesses should respect and promote the well-being of all employees, including those in their value chains.</p> <p>As the core elements of Principle 3 mainly discuss about the wellbeing of the employees in terms of equality, freedom and grievance, the company may give title of the policy relevant to wellbeing of the employees.</p>	Employee Welfare and Development Policy
<b>Principle 4 (P4)</b>	<p>Businesses should respect the interests of and be responsive to all its stakeholders.</p> <p>As the core elements of Principle 4 mainly discuss about the development of the system to identify stakeholders and identifying the impacts on stakeholders, the company may give title of the policy relevant to stakeholder's wellbeing.</p>	Stakeholders Welfare Policy
<b>Principle 5 (P5)</b>	<p>Businesses should respect and promote human rights.</p> <p>The core elements of Principle 5 discuss about the involvement of the businesses to ensure their employees are aware about the prevailing human rights regulation in their country. The businesses need to ensure whether or not, it has policies, procedures to demonstrate respect on human rights for all its stakeholders under impact.</p>	Human Rights Policy
<b>Principle 6 (P6)</b>	<p>Businesses should respect and make efforts to protect and restore the environment.</p> <p>As the core elements of Principle 6 include strategies for sustainable and efficient use of natural resources, improving the environmental performance, the company may give title of the policy relevant to Environmental Protection.</p>	Environmental Protection Policy
<b>Principle 7 (P7)</b>	<p>Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.</p> <p>As the core elements of Principle 7 include the companies should undertake policy advocacy through trade and industry chambers and</p>	Public Care and Regulatory Policy



	associations, and other similar collective platforms, the company may give title of the policy relevant for Public Care and Regulations.	
<b>Principle 8 (P8)</b>	<p>Businesses should promote inclusive growth and equitable development.</p> <p>As the core elements of Principle 8 include the company should take appropriate actions to minimize any adverse impacts that it has on social, cultural and economic aspects of society, the company may give title of the policy relevant for Growth and Equitable Development.</p>	Growth and Equitable Development Policy
<b>Principle 9 (P9)</b>	<p>Businesses should engage with and provide value to their consumers in a responsible manner.</p> <p>As the core elements of Principle 9 include the company should minimize and mitigate any adverse impact of its goods and services on consumers, the natural environment and society at large, the company may give title of the policy relevant for Consumer Value Development.</p>	Consumer Value Development Policy

The snapshot of disclosures of Section B is as under:

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)									
b. Has the policy been approved by the Board? (Yes/No)									
c. Web Link of the Policies, if available									
2. Whether the entity has translated the policy into procedures. (Yes / No)									
3. Do the enlisted policies extend to your value chain partners? (Yes/No)									



4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.									
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									

### Governance, leadership and oversight

- Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure*)
- Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).
- Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.
- Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action																		
Compliance with statutory requirements of relevance to the principles, and																		



rectification of any non-compliances																			
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9										

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping businesses demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

The Principle wise essential and leadership indicators to be disclosed are as under:

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

### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:



Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category by the awareness programmes
Board of Directors			
Key Managerial Personnel			
Employees other than BOD and KMPs			
Workers			

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment					
Punishment					



3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY _____ (Current Financial Year)	FY _____ (Previous Financial Year)
Directors		
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY _____ (Current Financial Year)		FY _____ (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest.



### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/ principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If Yes, provide details of the same.

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

#### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D			
Capex			

2.
  - a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
  - b. If yes, what percentage of inputs were sourced sustainably?
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format -

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/ Service	Description of the risk/concern	Action Taken

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY _____ Current Financial Year	FY _____ Previous Financial Year

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the format provided —





	FY _____ Current Financial Year			FY _____ Previous Financial Year		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category

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

### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male											
Female											
Total											



Other than Permanent employees											
Male											
Female											
<b>Total</b>											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male											
Female											
Total											
Other than Permanent workers											
Male											
Female											
Total											

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY Current Financial Year			FY Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF						
Gratuity						
ESI						
Others – please specify						



### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male				
Female				
<b>Total</b>				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	



7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY ____ (Current Financial Year)			FY ____ (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in Respective category, who are part of association (s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association (s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
— Male						
— Female						
<b>Total Permanent Workers</b>						
— Male						
— Female						

8. Details of training given to employees and workers:

Category	FY _____ Current Financial Year					FY _____ Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male										



Female										
<b>Total</b>										
<b>Workers</b>										
Male										
Female										
<b>Total</b>										

9. Details of performance and career development reviews of employees and worker:

Category	FY _____ Current Financial Year			FY _____ Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male						
Female						
<b>Total</b>						
<b>Workers</b>						
Male						
Female						
<b>Total</b>						

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**



11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY ____ Current Financial Year	FY ____ Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees		
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.
13. Number of Complaints on the following made by employees and workers:

	FY ____ (Current Financial Year)			FY ____ (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions						
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	
Working Conditions	



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

### Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of
  - Employees (Y/N)
  - Workers (Y/N).
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY _____ (Current Financial Year)	FY _____ (Previous Financial Year)	FY _____ (Current Financial Year)	FY _____ (Previous Financial Year)
<i>Employees</i>				
<i>Workers</i>				

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **(Yes/ No)**
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	
Working Conditions	



6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.





## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY Current Financial Year			FY Previous Financial Year		
	Total (A)	No. of of employees/ workers Covered (B) (B)	% (B / A)	Total (C)	No. of of employees/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent						
Other than permanent						
<b>Total Employees</b>						
<b>Workers</b>						
Permanent						
Other than permanent						
<b>Total Workers</b>						



2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY _____ Current Financial Year					FY _____ Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C/A)		No. (E)	% (E / D)	No. (F)	% (F/D)
Employees										
<i>Permanent</i>										
Male										
Female										
<i>Other than Permanent</i>										
Male										
Female										
Workers										
<i>Permanent</i>										
Male										
Female										
<i>Other than Permanent</i>										
Male										
Female										



3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)				
Key Managerial Personnel				
Employees other than BoD and KMP				
Workers				

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
6. Number of Complaints on the following made by employees and workers:

	FY _____ Current Financial Year			FY _____ Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human Rights related issues						



7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
8. Do human rights requirements form part of your business agreements and contracts?  
(Yes/No)
9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

#### Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.
2. Details of the scope and coverage of any Human rights due diligence conducted.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	



5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY (Current Financial Year)	FY (Previous Financial Year)
Total electricity consumption (A)		
Total fuel consumption (B)		
Energy consumption through other sources (C)		
<b>Total energy consumption (A+B+C)</b>		
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)		
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an External agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.



3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY ____ (Current Financial Year)	FY ____ (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)		
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY ____ (Current Financial Year)	FY ____ (Previous Financial Year)
NOx			
SOx			
Particulate matter (PM)			



Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

<b>Parameter</b>	<b>Unit</b>	<b>FY____ (Current Financial Year)</b>	<b>FY____ (Previous Financial Year)</b>
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>		
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>		
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>			
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity			



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
8. Provide details related to waste management by the entity, in the following format:

<b>Parameter</b>	<b>FY ____ (Current Financial Year)</b>	<b>FY ____ (Previous Financial Year)</b>
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>		
E-waste <b>(B)</b>		
Bio-medical waste <b>(C)</b>		
Construction and demolition waste <b>(D)</b>		
Battery waste <b>(E)</b>		
Radioactive waste <b>(F)</b>		
Other Hazardous waste. Please specify, if any. <b>(G)</b>		
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A+B + C + D + E + F + G + H)</b>		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
<b>Total</b>		





For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
<b>Total</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.
10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link



12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any

#### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY _____ (Current Financial Year)	FY _____ (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)		
Total fuel consumption (B)		
Energy consumption through other sources (C)		
<b>Total energy consumed from renewable sources (A+B+C)</b>		
<b>From non-renewable sources</b>		
Total electricity consumption (D)		
Total fuel consumption (E)		
Energy consumption through other sources (F)		
<b>Total energy consumed from non-renewable sources (D+E+F)</b>		



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY__ (Current Financial Year)	FY__ (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area



- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY ____ (Current Financial Year)	FY ____ (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover</b> ( <i>Water consumed / turnover</i> )		
<b>Water intensity</b> ( <i>optional</i> ) – the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
– No treatment		
– With treatment		
– please specify level of treatment		
(ii) Into Groundwater		
– No treatment		
– With treatment		
– please specify level of treatment		
(iii) Into Seawater		
– No treatment		
– With treatment		



– please specify level of treatment		
(iv) Sent to third-parties		
– No treatment		
– With treatment		
– please specify level of treatment		
(v) Others		
– No treatment		
– With treatment		
– please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

<b>Parameter</b>	<b>Unit</b>	<b>FY __ (Current Financial Year)</b>	<b>FY__ (Previous Financial Year)</b>
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>		
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity (optional)</b> – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.



6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative ( <i>Web-link, if any, may be provided along-with summary</i> )	Outcome of the initiative

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

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

#### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1		
2		
3		
4		
5		
6		
7		



8		
9		
10		

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the Case	Corrective action taken

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results Communicated in public domain (Yes / No)	Relevant Web link

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:



S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts for Paid to PAFs in the FY (In INR)

3. Describe the mechanisms to receive and redress grievances of the community.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY _____ Current Financial Year	FY _____ Previous Financial Year
Directly sourced from MSMEs/ small producers		
Sourced directly from within the district and neighbouring districts		

#### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)

3.
  - (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
  - (b) From which marginalized /vulnerable groups do you procure?
  - (c) What percentage of total procurement (by value) does it constitute?





4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups

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

**Essential Indicators**

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	
Recycling and/or safe disposal	



3. Number of consumer complaints in respect of the following:

	FY _____ (Current Financial Year)		Remarks	FY _____ (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy.
- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

**Leadership Indicators**

- Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).



2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
5. Provide the following information relating to data breaches:
  - a. Number of instances of data breaches along-with impact
  - b. Percentage of data breaches involving personally identifiable information of customers

Please refer to the SEBI Circular “Business responsibility and sustainability reporting by listed entities”, No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 Dated May 10, 2021 Available at: [https://www.sebi.gov.in/legal/circulars/may-2021/business-responsibility-and-sustainability-reporting-by-listed-entities\\_50096.html](https://www.sebi.gov.in/legal/circulars/may-2021/business-responsibility-and-sustainability-reporting-by-listed-entities_50096.html)

## 2.5 COMPARISON OF BRR DISCLOSURES AND BRSR DISCLOSURES

In contrast with the SEBI prescribed format for BRR to be disclosed in the annual report, the BRSR framework emphasizes on the basic and most desired elements of sustainability and responsibility reporting. The BRSR formats have been formulated to serve as a single source of sustainability information reporting for companies across the country. The two formats differ across the components. The comparison of components as per BRR format and BRSR format is as follows:

<b>Components of BRR</b> <b>(As per SEBI prescribed format vide</b> <b>Circular No. CIR/CFD/CMD/10/2015</b> <b>dated November 04, 2015)</b>	<b>Components of BRSR</b> <b>(As per SEBI prescribed format vide Circular</b> <b>No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated</b> <b>May 10, 2021)</b>
Section A: General information about the Company	Section A: General disclosures - More detailed disclosures with few more additions.
Section B: Financial details of the Company	Shifted to Part I of Section A and Part VI of Section A in the new format.



Section C: Other details - Information about subsidiaries and BR initiatives of the subsidiaries, if any.	Shifted to Part V: Holding, Subsidiary and Associate Companies (including joint ventures) of Section A.
Section D: BR information - Details of the BR efforts based on the 9 principles of the NVG framework	Section B: Management and Process Disclosures - Structures, policies and processes put in place toward adopting the principles and core elements based on the NGRBC framework
Section E: Principle-wise performance	Section C: Principle-wise performance disclosure Essential Indicators and Leadership Indicators in a much more detailed manner are included.

## 2.6 TEST YOUR UNDERSTANDING – MULTIPLE CHOICE QUESTIONS

### Q1. Why were the NVGs revised to NGRBC?

- a) As per the new international mechanisms such as US Sustainability Development Goals and Paris Agreement
- b) It had a deadline date and had to be revised for the next period
- c) The organisations were ignoring the NVGs
- d) To cover the Micro, Small, Medium Enterprises
- e) All of the above

### Q2. Which of the following is not one of the nine principles?

- a) Ethics, Transparency and Accountability
- b) Prevention of contagious diseases.
- c) Protection of Environment
- d) Employee well-being
- e) All of the above

### Q3. Which one of the following is not as per the principle of Ethical approach?

- a) Avoiding the company owned by one of the directors when transportation is outsourced to contractors
- b) Engaging a consultant to give commission to client for obtaining a tender.
- c) The organisation transparently reporting the potential pollution from the new project



- d) Prevention of funding by a bank to an organisation involved in illegal arms dealing
- e) All of the above

**Q4. Which one of the following is true for Sustainable consumption Principle?**

- a) The sustainable use principle does not include efficient use of electricity
- b) The principle of sustainable consumption is taken from the SDG-1 for poverty eradication
- c) The organisation has to have zero waste and reuse everything as per the NGRBC principle for
- d) The companies should take efforts to take back the packaging waste.
- e) All of the above

**Q5. What accounts for forced labour?**

- a) Person having to pay money to the company, working there to compensate for it (at same rate as others)
- b) Employee does not like his work; but he is forced to work as he is the only earning member in his family
- c) Women forced by her in laws to take up a job
- d) Employer asking employee to send the monthly report when he is on holidays
- e) All of the above

**Q6. What is the best source to refer for guidance when reviewing human rights?**

- a) The Companies Act
- b) Occupational Health & Safety Law
- c) The Constitution of India
- d) Google web search
- e) None of the above

**Q7. What is not an effective way to fight climate change?**

- a) Reducing the fossil fuel usage by changing the process
- b) Installing solar panels to power the headquarters office
- c) Reduce the electricity drawn from the grid and use DG set instead
- d) Install a waste heat recovery system for energy efficiency.
- e) None of the above



**Q8. How can organisations involve in policy advocacy relating to pollution?**

- a) Only if the organisation is nonpolluting service-based company.
- b) They can engage in policy advocacy for the public good in ethical manner
- c) When the policy is for another state where the organisation does not operate
- d) Only if the organisation is in the top 100 listed organisations
- e) None of the above

**Q9. How should an organisation behave in the need for resettlement of people?**

- a) Get Police help to evict the people who refuse to move out for a project of national interest.
- b) They should provide fair compensation after mutual agreement to the people in such a way that their livelihood is not threatened
- c) Convince the people to donate their land for national cause
- d) Give compensation slightly above the market rate and ask them to leave
- e) None of the above

**Q10. For a new chemical factory, the effluent let out can contaminate the river; how to disclose the issue?**

- a) Explain the extent of the damage the contamination can create and give them the detail mitigating system of water treatment before the let off
- b) After the wastewater treatment, the pollution is completely contained and hence there is no need to disclose it
- c) Pay for the construction of few bore wells in the nearby villages so that every house has clean water.
- d) The Pollution control board has approved it; so nothing to be done.
- e) All of the above

**ANSWERS**

1. a; 2. b; 3. b; 4. d; 5. a; 6. c; 7. c; 8. b; 9. b; 10. a

## MODULE THREE: BRSR DISCLOSURES

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### 3.1. INTRODUCTION

In Module 2, we looked at the BRSR disclosures and covered the BRSR format as per SEBI Circular.

In this Module, we look at the following:

- *Aspects related to quality and utility of disclosures*
- *Guidance Note for Business Responsibility & Sustainability Reporting Format as per SEBI Circular*
- *Business Responsibility & Sustainability Reporting Format Lite*
- *Guidance Note for Business Responsibility & Sustainability Reporting Format Lite*

The Guidance Notes provide clarity on the definitions and interpretation of questions covered in BRSR formats. The objective of the Guidance Notes is to facilitate the preparation of BRSR reports by companies. The terms used in the reports are aligned to the NGRBC, Companies Act, 2013, and any other applicable standards. Two guidance notes are provided, one for the SEBI BRSR format and another for MCA BRSR Lite.

The BRSR Lite Version as recommended by the Committee on Business Responsibility Reporting considered the fact that only the top 500 listed companies have so far been involved in sustainability and business responsibility reporting and recommended a Lite version with fewer disclosures in number and disclosure of information which is relatively easier to compile.

### 3.2. ASPECTS RELATED TO QUALITY AND UTILITY OF DISCLOSURES

The study conducted by the Committee on Business Responsibility Reporting was based on the analysis of data from the SEBI BRR reports filed by Indian Companies. The study revealed that the SEBI BRR reporting was an important step towards enhancing the awareness of corporates towards sustainability and business responsibility disclosures. The study pointed out that although the companies had reported complete information, the information provided lacked accuracy and clarity. The data provided by the companies lacked consistency which made comparability difficult. The study showed that disclosures pertaining to supply chain and contract labor were the weakest. The ability of the companies to respond to the question's principle- wise is tabulated below:



**Ability of companies to respond to SEBI-BRR questions and how it has been addressed in the formats**

NVG / NGRBC Principle	Specific question	Ability of the company to respond	How it has been addressed in the proposed formats
1	Policy relating to Principle 1	All responded	Not applicable.
1	Number of stakeholder complaints received and resolved	Most responded on numbers; few on resolution	With regard to complaints, the proposed format specifically seeks the number of complaints at the beginning of the year, complaints received during the year and complaints pending resolution at the end of the year.
2	Resource use by products whose design has incorporated social or environmental concerns	Limited response	<p>Question simplified to briefly describe the actions taken to mitigate the adverse environmental and social impacts in production and disposal as identified in the Life Cycle Assessments<sup>3</sup> or any other means.</p> <p>Additional Information:</p> <ul style="list-style-type: none"> <li>Life Cycle Assessments (LCA) for any or all of its top 3 brands/ products manufactured</li> <li>Percentage of R&amp;D and capital expenditure (capex) investments in specific technologies to improve the</li> </ul>

<sup>3</sup>As per ISO 14040:2006(en) – “Environmental management - Life cycle assessment - Principles and framework”, Life Cycle Assessment is compilation and evaluation of the inputs, outputs and the potential environmental impacts of a product system throughout its life cycle. Available at: <https://www.iso.org/obp/ui/#iso:std:iso:14040:ed-2:v1:en>





			environmental and social impacts.
2	Procedures for sustainable sourcing	About half of the companies responded	No change as the question is critical from a human rights perspective and for protection of environment.
2	Mechanism to recycle waste and extent of recycling done	Over 90% of the companies responded to the question on mechanism, very few responded to a detailed extent	Question has been made more specific.
3	Numbers of employees broken down by gender, disability, contract/casual, etc.	Over 90% of the companies responded	Details sought in a more granular manner.
3	Number of complaints related to child labour, involuntary labour, cases on sexual harassment	Over 95% of the companies responded	No change required.
3	Safety and skill upgradation programmes for employees	Most companies responded in the affirmative but data not provided	More granular data sought as this is a critical issue.
4	Mapping of stakeholders and identification of disadvantaged, marginalised, vulnerable	Over 95% of the companies responded	No change required.
5	Existence of a human rights policy, its coverage, and instances of	Almost 100% of the companies responded	Question retained; Additional information sought.



	complaints and resolution		
6	Strategies/initiatives to address global environmental issues	Over 90% of the companies responded	No change required.
7	Membership of industry association, policy advocacy channels	Over 95% of the companies responded	Question retained; More details sought under leadership indicators.
8	Details of CSR interventions	All companies responded in line with the Companies Act	Additional details sought.
9	Consumer complaints data	Most companies have provided these details	More granular details sought on the nature of complaints.
9	Product labelling	Over 60% of the companies responded	Question retained.
9	Cases of unfair trade practices, irresponsible advertising, etc.	Over 90% of the companies responded	Modified to seek information on corrective action under leadership indicators.

The Committee highlighted some additional aspects and issues that could improve the quality and utility of disclosures. They are presented in the table below along with how the proposed formats address them:

Additional information to be sought in the proposed formats S. No.	Changes proposed by the study	How addressed in BRSR
1.	The information sought must be in a standardised form	The format has been revamped to include quantitative and qualitative information in a standardised manner.



2.	Guidance must accompany the formats to enable companies to interpret questions unambiguously	Guidance document will form a part of the BRSR.
3.	Companies may be encouraged to extend their policies to value chain partners	Several questions in the BRSR seek information related to value chains.
4.	Questions relating to how the businesses are being responsible for the well-being of contract/casual employees must be included	BRSR seeks these details.
5.	Disclosures may also be sought on initiatives taken by companies to address the gender gap	BRSR seeks disaggregated data for women employees and those that are differently abled.

### 3.3. GUIDANCE NOTE FOR BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT AS PER SEBI CIRCULAR

The Guidance Note for Business Responsibility and Sustainability Reporting Format provides general and point wise specific instruction/guidance for preparation of the BRSR and is appended as Annexure II of the SEBI Circular.

The general instruction/guidance relates to:

#### 1. Inter-operability of reporting framework

In case the information/data sought in the BRSR format is already disclosed in the annual report of the listed entity based on internationally accepted reporting frameworks such as GRI, SASB, TCFD, Integrated Reporting, the listed entity can provide a cross-reference to the same and need not disclose the same information twice in the annual report.

The cross reference should be the specific mention of 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.

#### 2. Consistency in reporting boundary

Listed entities shall ensure consistency in reporting boundary across the report. This refers to Question 13 of Section A wherein it is to be mentioned that whether the reporting is done for the entity on a stand-alone or consolidated basis.



### 3. Applicability

In case some of the disclosures sought under the BRSR is not applicable to the reporting listed entity, say an entity belonging to the service industry, the entity can state that such disclosure is not applicable along-with reasons for the same.

### 4. Reporting Period

“Reporting period” refers to the financial year for which BRSR is being prepared.

### 5. Features of information provided

The listed entity should provide clear, complete and concise responses along with the web-links to the relevant document, if available.

### 6. Relevant Principles

The term “Principles” refers to the Principles 1 to 9 as laid down in the National Guidelines for Responsible Business Conduct discussed under Section 1.5 of Module 1.

### 7. Specific Cases

- a) With regard to information sought on complaints, a column of “Remarks” is added wherein the entities can explain reasons for pending complaints (if any) or can give a brief on the nature of the complaints, wherever required.
- b) 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.

The specific point wise instruction/guidance provided in the Guidance Note is as under:

## SECTION A: GENERAL DISCLOSURES

### Part II - Products / Services

#### 14. Details of business activities (accounting for 90% of the turnover):

The details of business activities shall be in line those given in Form MGT-7 prescribed by MCA.

#### 15. Products / Services sold by the entity (accounting for 90% of the entity's Turnover)

- Enter the names of the top products manufactured or services provided by the listed entity that account for 90% of its turnover (in descending order) along-with the individual contribution of such products / services to the total turnover.
- Enter the National Industrial Classification (NIC) 5-digit code. Use reference <http://mospi.nic.in/classification/national-industrial-classification/alphabetic-index-5digit>



## Part IV - Employees

### 18. Details as at the end of the Reporting Period

- a. Employees and workers (including differently abled).
- b. Enter the total number and percentage of employees and workers (including differently abled).
- c. Classify the same on the basis of Permanent, and Other than Permanent.
- d. For each category of employees/workers, enter the number of male/ female.
- e. Provide reasons of in case there is any significant change in number of employees/ workers from the beginning to the end of the reporting period.

#### Explanation:

- *Employee as defined under Sec 2(l) of the Industrial Relations Code, 2020 and means, any person (other than an apprentice engaged under the Apprentices Act, 1961), employed by an industrial establishment to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union. Ref- <https://egazette.nic.in/WriteReadData/2020/222118.pdf>*
- *Worker as defined under Sec 2(zr) of Industrial Relations Code, 2020 and means any person (except an apprentice as defined under clause (aa) of section 2 of the Apprentices Act, 1961) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and includes working journalists as defined in clause (f) of section 2 of the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 and sales promotion employees as defined in clause (d) of section 2 of the Sales Promotion Employees (Conditions of Service) Act, 1976, and for the purposes of any proceeding under this Code in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched or otherwise terminated in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person—*
  - (i) *who is subject to the Air Force Act, 1950 (45 of 1950), or the Army Act, 1950 (46 of 1950), or the Navy Act, 1957 (62 of 1957); or*
  - (ii) *who is employed in the police service or as an officer or other employee of a prison; or*
  - (iii) *who is employed mainly in a managerial or administrative capacity; or*



- (iv) who, being employed in a supervisory capacity, draws wages exceeding eighteen thousand rupees per month or an amount as may be notified by the Central Government from time to time. Ref.- <https://egazette.nic.in/WriteReadData/2020/222118.pdf>
- *Permanent employee or Permanent Worker refers to an employee or worker, employed for full-time or part time work, for an indeterminate period. The term “other than permanent employee” or “other than permanent worker” refers to employees or workers who are employed for a fixed term that ends when a specific time period expires, or on completion of a specific task or an event such as the end of a project or return of a replaced employee. “Other than permanent” employees or workers could be employed directly by the entity or through third party contractors.*
- *Differently abled employees / workers may be identified on the basis of the definition of “persons with disabilities” in The Rights of Persons with Disabilities Act, 2016 and rules made there under.*

**19. Participation/Inclusion/Representation of women (including differently abled)**

- *Enter the total number and percentage of females comprising the Board of Directors and Key Management Personnel as per the Companies Act, 2013.*

**Explanation:**

**Board of Directors or Board as defined under Sec 2(10) of the Companies Act 2013**, in relation to a company, means the collective body of the directors of the company.

**Key Management Personnel as defined under Sec 2(51) of the Companies Act 2013**, in relation to a company, means—

- (i) *The Chief Executive Officer or the managing director or the manager;*
- (ii) *The company secretary;*
- (iii) *The whole-time director;*
- (iv) *The Chief Financial Officer; and*
- (v) *Such other officer as may be prescribed*

Reference- <http://ebook.mca.gov.in/default.aspx>

**20. Turnover rate for permanent employees and workers**

- *The entity shall disclose the trend of turnover rates for permanent employees and workers for the past three years.*



- The entity shall calculate the turnover rate for a financial year, for a particular category, based on the following formula:  $(\text{No. of persons who have left the employment of the entity in the FY} \times 100) / \text{Average no. of persons employed in the category}$
- Average number of persons employed in a category shall be calculated as  $(\text{Persons employed in the category at the beginning of FY} + \text{Persons employed in the category at the end of FY}) / 2$ .
- Further, persons leaving the employment of the entity shall include those who leave the entity voluntarily or due to dismissal, termination, retirement or death in service.

#### **Part V: Holding, Subsidiary and Associate Companies (including joint ventures)**

##### **21. The entity needs to disclose**

- (a) Names of the entities which are - holding /subsidiary / associate companies/ joint ventures
- (b) Indicate whether holding /subsidiary / associate companies/ joint ventures
- (c) Percentage of shares held by listed entity
- (d) Does the entity participate in the Business Responsibility initiatives of the listed entity?

##### **Explanation:**

1. As defined under Sec 2(10) of the Companies Act 2013, "associate company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation—For the purpose of this clause—

- (a) the expression "significant influence" means control of atleast twenty per cent of total voting power, or control of or participation in business decisions under an agreement;
- (b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

2. As defined under Sec 2 (46) of the Companies Act 2013, "holding company", in relation to one or more other companies, means a company of which such companies are subsidiary companies;

Explanation—For the purposes of this clause, the expression "company" includes any body corporate.

3. As defined under Sec 2(87) of the Companies Act 2013, subsidiary company or subsidiary, in relation to any other company (that is to say the holding company), means a company in which the holding company—



- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

Explanation—For the purposes of this clause -

- (a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;
- (b) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- (c) the expression "company" includes any body corporate;
- (d) "layer" in relation to a holding company means its subsidiary or subsidiaries.

Reference-<http://ebook.mca.gov.in/default.aspx>

## Part VII: Transparency and Disclosure Compliances

### 23. Grievance redressal mechanism for stakeholders on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct for the Current and Previous Financial Year

- *Enter the group of stakeholders from which complaints have been received.*
- *For each such identified group of stakeholders select yes or no as the case may be for Grievance Redressal Mechanism in Place.*
- *If Yes, then mention the weblink for grievance redress policy.*
- *Enter the number of complaints filed by each stakeholder group and number of complaints pending resolution at close of year along with remarks wherein the entities can explain reasons for pending complaints (if any) or can give a brief on the nature of the complaints, wherever required.*

#### Explanation:

**Stakeholder as per National Guidelines on Responsible Business Conduct<sup>4</sup>:** Individual or group concerned or interested with or *impacted by the activities of the businesses and vice-versa, now or in the future. Typically, stakeholders of a business include, but are not limited to, its investors/ shareholders, employees (and their families), customers, communities, value chain members and other business partners, regulators, civil society actors, and media.*

<sup>4</sup> National Guidelines on Responsible Business Conduct, MCA, GOI. Available at: [https://www.mca.gov.in/Ministry/pdf/NationalGuideline\\_15032019.pdf](https://www.mca.gov.in/Ministry/pdf/NationalGuideline_15032019.pdf)





*For example, NGOs such as, human rights activists are groups interested in the Company's activities and are the stakeholders.*

**Note:** The local community can range from persons living adjacent to an organization's operations, to those living at a distance who are still likely to be impacted by their operations.

**Value Chain as per National Guidelines on Responsible Business Conduct:** An organization's value chain encompasses the full range of an organization's upstream and downstream activities that convert input into output by adding value. It includes entities with which the organization has a direct or indirect business relationship and which either (a) supply products or services that contribute to the organization's own products or services, or (b) receive products or services from the organization.

**Grievance Redressal Mechanism as per National Guidelines on Responsible Business Conduct:** Mechanism for any stakeholder individually or collectively to raise and resolve reasonable concerns affecting them without impeding access to other judicial or administrative remedies. The mechanism should be:

- *Transparent and unbiased governance structures*
- *Accessible*
- *Based on dialogue and mediation*

## **24. Overview of the entity's material responsible business conduct and sustainability issues**

### **Explanation:**

- **'Sustainability' as per National Guidelines on Responsible Business Conduct** is defined as the outcome achieved by balancing the social, environmental and economic impacts of business. It is the process that ensures that business goals are pursued without compromising any of the three elements.
- The entity shall disclose the material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to its business, along-with the following:
  - 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. 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.

## 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 principles and the core elements.

Q.No.	Field Name	Instruction/Guidance
<b>Policy and Management Processes</b>		
5, 6.	Specific commitments, goals and targets set by the entity along with performance, if any	<p>1. The entity may disclose if it has any specific commitment, goal or target against any of the principles. Such disclosures may include the following:</p> <ul style="list-style-type: none"> <li>• Baseline and context for goals and targets</li> <li>• Entities covered such as subsidiaries / associates / joint ventures / value chain partners</li> <li>• Expected result or outcome, in quantitative or qualitative terms</li> <li>• Expected timeline for achieving each goal and target</li> <li>• Whether goals and targets are mandatory (based on legislation) or voluntary. If they are mandatory, the organization should list the relevant legislation.</li> </ul> <p>2. The entity shall state the performance achieved against each goal or target. Any change in goals with regard to timelines, partial achievement of a goal or delay in achievement should also be specifically indicated, and where possible, with reasons.</p>



		3. The entity need not strictly follow the tabular format for this disclosure. The issues for each principle can be covered in a running format.
<b>Governance, leadership and oversight</b>		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>1. The listed entity shall include a statement from the director who is responsible for preparation of the report, highlighting the relevance of sustainability to the organization. Such statement can include the following:</p> <ul style="list-style-type: none"> <li>• The overall vision and strategy of the organization for the short-term, medium term, and long-term, with respect to managing the significant environmental and social impacts that the organization causes, contributes to, or that are directly linked to its activities, products or services</li> <li>• Strategic priorities and key topics for the short and medium-term with respect to sustainability</li> <li>• Broader trends influencing the sustainability priorities of the entity</li> <li>• Key events, achievements, and failures during the reporting period</li> <li>• Views on performance with respect to targets</li> <li>• Outlook on the organization's main challenges and targets</li> <li>• Any other items pertaining to the organization's strategic approach.</li> </ul> <p>2. The listed entity can place this disclosure at the beginning of the report or under Section B.</p>
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	1. The entity shall disclose the highest executive authority in the organization who is responsible for implementation of



		<p>the policies disclosed at Question 1 of Section B and highest authority responsible for their oversight. Such authority could be a director of the board, committee of the board, senior management personnel or a committee of employees.</p> <p>2. In case a committee is the highest authority, then the composition of the committee shall be disclosed, including the following: Name of individuals, Designation and in case of director, DIN and category (Chair / ED / NED / ID).</p> <p>3. In case an individual is the highest authority, the name, designation and in case of director, DIN and category (Chair / ED / NED / ID) shall be disclosed.</p> <p>4. In case, different authorities are responsible for the implementation of different policies, the same may be indicated.</p>
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>1. The entity shall indicate 'Yes' if it has a specified Committee of the Board or a director of the Board of the entity who is responsible for decision making on sustainability related issues.</p> <p>2. In case a Committee of the Board is responsible, its composition shall be disclosed, including the following: name of individual, designation and in case of director, DIN and category (Chair / ED / NED / ID). In case a director is responsible, DIN and category (Chair / ED / NED / ID) shall be disclosed.</p> <p>3. In case the response to this question is the same as that to question 8, the entity need not repeat its response and can cross-refer to the same.</p>



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section requires entities to demonstrate their performance in integrating the NGRBC Principles and their Core Elements with key processes and decisions. The questions in this section have been divided into two categories:

1. **Essential:** Disclosed by every entity that is mandated to file this report.
2. **Leadership:** Those that are voluntary disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable

Essential Indicators		
Q. No.	Field Name	Instruction/Guidance
2.	Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount	<ul style="list-style-type: none"> <li>The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website.</li> </ul>
4.	Details of anti-corruption or anti bribery policy	<p>The disclosure on the anti-corruption or anti bribery policy may include the following:</p> <ul style="list-style-type: none"> <li>Risk assessment procedures and internal controls</li> <li>Mechanism to deal with complaints on bribery / corruption</li> <li>Coverage of trainings on anti-corruption issues.</li> </ul>
Leadership Indicators		
2.	Processes to avoid/ manage conflict of interests involving members of the Board/ KMPs?	<ol style="list-style-type: none"> <li>Conflict of interest refers to a situation where an individual is confronted with choosing between the requirements of his or her function and his or her own private interests.</li> <li>The entity shall disclose whether there are processes to ensure that conflict of interests involving members of the Board/ KMPs are avoided or managed along-with details of such processes.</li> </ol>



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

Essential Indicators		
Q.No.	Field Name	Instruction/Guidance
2.	<b>Sustainable Sourcing</b> a. Does the entity have procedures in place for sustainable sourcing? b. If yes, what percentage of inputs were sourced sustainably?	<p>“Sustainable Sourcing” essentially refers the integration of social, ethical and environmental performance factors into the process of selecting suppliers</p> <p>(a) Select Yes if the organization has the procedures for sustainable sourcing in place.</p> <p>(b) The entity shall indicate what proportion of its inputs (by quantity or value – please specify) are sourced from suppliers who are either covered by the company’s sustainable sourcing programmes and/or are certified to be compliant with social and environmental standards such as SA 8000, ISO 14001, OHSAS 18001 or relevant labels like Rainforest Alliance, Rugmark, RSPO etc.</p>
3.	Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life	<p>Mention the process(es) that the entity follows to reclaim products for reuse, recycle and safe disposal of products at the end of life to minimise impact on the environment, separately for</p> <p>(a) Plastics (including packaging),</p> <p>(b) E-waste</p> <p>(c) Hazardous waste and</p> <p>(d) Other waste</p> <p>1. Reclaiming refers to collecting products and their packaging materials at the end of their useful lives, for reusing, or recycling or safe disposal. Reclaimed items can include products and their packaging materials that are collected by or on behalf of the organization, by a third-party contractor.</p>



		<p>2. Preparation for re-use means checking, cleaning, or repairing operations, by which products or components of products are prepared to be put to use for the same purpose for which they were conceived.</p> <p>3. Recycling refers to reprocessing of products or components of products, to make new materials.</p> <p>4. Disposal refers to any operation which is not recovery. Further, safe disposal excludes uncontrolled waste disposal such as open burning and dumping.</p>
4.	<p><b>Extended Producer Responsibility Plan</b></p> <p>Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.</p>	<p>Extended Producer Responsibility means the responsibility of a producer for the environmentally sound management of the product until the end of its life. The Uniform Framework for Extended Producers Responsibility issued by the Ministry of Environment, Forest and Climate Change places responsibility on producers, importers and brand owners to establish a system for collecting back the plastic waste generated due to their products and submit a plan for such collection with the relevant Pollution Control Board(s). Details available at <a href="https://moef.gov.in/wp-content/uploads/2020/06/Final-Uniform-Framework-on-EPR-June2020-for-comments.pdf">https://moef.gov.in/wp-content/uploads/2020/06/Final-Uniform-Framework-on-EPR-June2020-for-comments.pdf</a></p>
<b>Leadership Indicators</b>		
1.	<p><b>Life Cycle Assessment</b></p> <p>Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?</p>	<p>1. Product Life Cycle refers to 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. In the case of services, it refers to all activities and processes from the design to delivery.</p> <p>2. Life cycle assessment is an analytical procedure that involves assessment of the</p>



		<p>potential environment or social impacts of a product or service, throughout its life cycle.</p> <p>3. Boundary of LCA refers to the scope for which the assessment was conducted. For example, in the case of products, the boundary of LCA could be the following:</p> <ul style="list-style-type: none"> <li>• Cradle-to-grave is the full Life Cycle Assessment from resource extraction ('cradle') to use phase and disposal phase ('grave').</li> <li>• Cradle-to-cradle is a specific kind of cradle-to-grave assessment, where the end-of-life disposal step for the product is a recycling process.</li> <li>• Cradle-to-gate is an assessment of a partial product life cycle from resource extraction (cradle) to the factory gate (i.e., before it is transported to the consumer).</li> </ul>
4.	Recycled or reused input material as percentage of total input material	<p>For each category of input material, the percentage of re-used and recycled input material may be calculated as ((total recycled + re-used input material used)*100) divided by (total input material used to manufacture the entity's products or to provide services).</p> <p>The entity may use the total weight or the total volume of materials for calculating this field.</p>
6.	Reclaimed products and their packaging materials (as percentage of products sold) for each product category.	<p>The entity shall calculate the percentage of reclaimed products and their packaging materials for each product category using the following formula:</p> <p>Percentage of reclaimed products and their packaging materials = (Products and their packaging materials reclaimed within the reporting period) / (Products sold within the reporting period)</p>





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

Essential Indicators		
Q.No.	Field Name	Instruction/Guidance
1.	Measures for well-being of employees and workers	<ul style="list-style-type: none"> <li>The total number of employees/workers, permanent, other than permanent, male, female and total to be mentioned.</li> <li>Under each category, enter the number covered by welfare measures such as Health insurance, Accident insurance, Maternity and Paternity benefits, and Day Care facilities.</li> </ul> <p>In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.</p>
3.	<b>Accessibility of workplaces</b> Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.	Accessibility refers to physical accessibility such as wheelchair ramps, braille signage and accessible restrooms, and digital accessibility, where information and communication technology is accessible to all and/or compatible with assistive technology devices
5.	Return to work and Retention rates of permanent employees / workers that took parental leave	<ol style="list-style-type: none"> <li>Parental leave refers to maternity and paternity leave.</li> <li>The entity shall use the following formulas to calculate return to work rate, for each category of employee (male / female / others):  <math display="block">\frac{\text{(Total number of employees that did return to work after parental leave in the reporting period * 100)}}{\text{(Total number of employees due to return to work after taking parental leave)}}</math> </li> </ol>



		<p>leave in the reporting period) = <b>Return to work rate</b></p> <p>3. Retention rate determines who returned to work after parental leave ended and were still employed 12 months later. It shall be calculated using the following formula:</p> <p>(Total number of employees retained 12 months after returning to work following a period of parental leave * 100)/ (Total number of employees returning from parental leave in the prior reporting period)</p>
8.	Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation	<p>1. Training on health and safety can include general training on health and safety as well as training on specific work-related hazards, hazardous activities, or hazardous situations. It can also include training on mental health.</p> <p>2. Training programs on skill upgradation can include both internal training courses and funding support for external training or education.</p>
9.	Details of performance and career development review imparted to employees and workers	<ul style="list-style-type: none"> <li>• Under each category, enter the no. of employees and workers (both permanent and other than permanent), Male / Female.</li> <li>• Regular performance and career development review refers to review based on criteria known to the employee/ worker and his or her superior. Such a review is undertaken with the knowledge of the employee.</li> </ul>
10.	<p><b>Health and safety management system</b></p> <p>(a) Whether an occupational health and safety management system has been implemented by the</p>	<p>1. Occupational health and safety risk refers to the combination of the likelihood of occurrence of a work-related hazardous situation or exposure, and the severity of injury or ill health that can be caused by the</p>



	<p>entity? (Yes/ No).</p> <p>(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?</p> <p>(c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)</p> <p>(d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)</p>	<p>situation or exposure. An occupational health and safety system is a systematic approach to manage such risks.</p> <p>2. The listed entity shall disclose the processes used to identify work-related hazards and assess risks on a routine and non-routine basis. Work-related hazards refer to a source or situation with the potential to cause injury or ill health.</p>
11.	<p>Safety related incidents for Employees and Workers.</p>	<ul style="list-style-type: none"> <li>The listed entity shall calculate the Lost Time Injury Frequency Rate (LTIFR) as follows:  <math display="block">\frac{\text{(No. of lost time injuries in FY} \times 1,000,000)}{\text{(Total hours worked by all staff in same FY)}}</math> </li> <li>Lost time is an indicator of the loss of productivity for an organization as a result of a work-related injury or ill-health. Work related injury and ill-health arise from exposure to hazards at work and are directly related to performance of work-related tasks.</li> <li>Recordable work-related injury or ill-health results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness.</li> </ul> <p>Under this disclosure, the listed entity shall disclose the total number of employees / workers affected by work-related injuries or ill-health, across all incidents during the reporting period and the prior year. In case</p>



		<p>the same employee or worker is injured multiple times, say thrice, in separate incidents, the same shall be reported as 3.</p> <ul style="list-style-type: none"> <li>• The entity shall report the number of fatalities of employees/ workers during the reporting period and the prior year, as a result of work-related injury.</li> <li>• High consequence work-related injury or ill-health results in an injury from which the employee/ worker cannot or is not expected to recover fully to the previous health status. This disclosure excludes fatalities.</li> </ul>
12.	Measures taken by the entity to ensure a safe and healthy work place	The entity shall report the measures taken to prevent or mitigate significant negative health and safety impacts that are directly linked to its operations, products or services. Also indicate whether these measures are taken for a specific set of activities, employees/ workers or facilities of the entity.
<b>Leadership Indicators</b>		
3.	Rehabilitation and suitable employment of employees / workers	<ul style="list-style-type: none"> <li>• Of the employees/ workers having suffered high consequence injuries/ ill-health, the listed entity shall disclose the number of employees/ workers rehabilitated or placed in suitable employment during the reporting period. This disclosure can also include family members of the affected employees/ workers, who have been placed in suitable employment.</li> <li>• Rehabilitation' refers to a process aimed at enabling persons with disabilities to attain and maintain optimal, physical, sensory, intellectual, psychological environmental or social function levels.</li> </ul>



**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

Essential Indicators		
Q.No.	Field Name	Instruction/Guidance
1.	Process for identification of key stakeholders	<ul style="list-style-type: none"> <li>The entity shall disclose the basis for determining stakeholders and determining the groups with whom to engage or not to engage.</li> </ul>
2.	<b>Key stakeholder groups</b> List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.	<ul style="list-style-type: none"> <li>Select the key stakeholder groups (e.g. employees, communities etc.) identified by the business</li> <li>Select Yes or No, as the case maybe as to whether each such identified stakeholder belongs to Vulnerable and Marginalised Group.</li> <li>Select the channel of communication and the frequency of engagement with them –</li> <li>Channel - Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website</li> <li>Frequency - Annually/ Half yearly/ Quarterly from Drop Down List</li> <li>Purpose and scope of engagement including key topics and concerns raised during such engagement.</li> <li>The listed entity shall specify the channels of through which stakeholders can access relevant information and if applicable, whether such information is available in regional/ local languages.</li> </ul> <p>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. These groups in India can be identified on</p>



		<p>the basis, inter alia, of the following:</p> <ul style="list-style-type: none"> <li>• Gender and transgender (women, girls et al.)</li> <li>• Age (children, elderly et al.)</li> <li>• Descent/identity/ethnicity (caste, religion, scheduled castes, scheduled tribes, et al.)</li> <li>• Occupation (displaced, landless small / marginal farmers, migrant workers, et al.)</li> <li>• Persons with disability</li> <li>• Political or religious beliefs</li> </ul> <p>Reference: National Guidelines for Responsible Business Conduct, available at the following link:  <a href="https://www.mca.gov.in/Ministry/pdf/NationalGuideline_15032019.pdf">https://www.mca.gov.in/Ministry/pdf/NationalGuideline_15032019.pdf</a></p>
<b>Leadership Indicators</b>		
2.	Using stakeholder consultation to support the identification and management of environmental, and social topics.	<p>The entity can indicate if stakeholder engagement is used to support the identification and management of environmental, and social topics. If so, the entity can disclose the key concerns that have been raised through stakeholder engagement and how the organization has responded to this concern, including through changes or modifications in its policies or in its activities.</p> <p>For each concern, the entity should mention the stakeholder group that raised the concern.</p>
3.	Details of instances of engagement with and actions taken to address the concerns of vulnerable/marginalized groups.	<p>The entity can disclose the key concerns that have been raised through engagement with vulnerable/marginalized groups and how the organization has responded to this concern, including through changes or modifications in its policies or in its activities.</p>



### PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators		
Q.No.	Field Name	Instruction/Guidance
1.	Training on human rights issues and policies	<ul style="list-style-type: none"> <li>Enter the number and percentage of employees and workers under different categories who were provided training on human rights policies and issues during the current and previous financial year.</li> <li>Training programs on human rights issues and policies for employees and workers could include aspects of human rights that are relevant to operations, including the applicability of the human rights policies or procedures to the work done by employees / workers.</li> </ul>
3.	Details of remuneration/ salary/ wages (including differently abled)	<p>Enter the number and the Median remuneration, salary, or wages paid, as the case may be to Board of Directors, KMPs, employees other than BoD and KMP and workers as male, female (including differently abled).</p> <p><b>Remuneration</b></p> <p>As per sec 2(78) of Companies Act 2013, Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961 (43 of 1961)</p> <p>Reference: <a href="http://ebook.mca.gov.in/default.aspx">http://ebook.mca.gov.in/default.aspx</a></p> <p><b>Salary</b></p> <p>As per Income Tax Act, 1961, Salary includes:</p> <ul style="list-style-type: none"> <li>Wages</li> <li>any annuity or pension</li> <li>any gratuity</li> <li>any fees, commissions, perquisites or profits in lieu of or in addition to any salary or wages</li> <li>any advance of salary</li> <li>the annual accretion to the balance at the credit of</li> </ul>



		<p>an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under Rule 6 of Part 'A' of the Fourth Schedule; and</p> <ul style="list-style-type: none"><li>the aggregate of all sums that are comprised in the transferred balance as referred to in sub-rule (2) of Rule 11 of Part A of the Fourth Schedule of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under sub-rule (4) thereof</li></ul> <p>Ref- <a href="https://www.incometaxindia.gov.in/Acts/Income-tax%20Act,%201961/1968/102120000002035669.htm">https://www.incometaxindia.gov.in/Acts/Income-tax%20Act,%201961/1968/102120000002035669.htm</a></p> <p><b>Wages</b></p> <p>As per Sec 2(y) of Code on Wages, 2019, Wages means all remuneration whether by way of salaries, allowances or otherwise, expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes:</p> <ul style="list-style-type: none"><li>i. basic pay</li><li>ii. dearness allowance</li><li>iii. retaining allowance, if any, but does not include<ul style="list-style-type: none"><li>a. any bonus payable under any law for the time being in force, which does not form part of the remuneration payable under the terms of employment</li><li>b. the value of any house-accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the appropriate Government</li><li>c. any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon</li></ul></li></ul>
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		<ul style="list-style-type: none"> <li>d. any conveyance allowance or the value of any travelling concession</li> <li>e. any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment</li> <li>f. house rent allowance</li> <li>g. remuneration payable under any award or settlement between the parties or order of a court or Tribunal</li> <li>h. any overtime allowances</li> <li>i. any commission payable to the employee</li> <li>j. any gratuity payable on the termination of employment</li> <li>k. any retrenchment compensation or other retirement benefit payable to the employee or any ex gratia payment made to him on the termination of employment</li> </ul>
		<p>Provided that, for calculating the wages under this clause, if payments made by the employer to the employee under clauses (a) to (i) exceeds one-half, or such other per cent. as may be notified by the Central Government, of the all remuneration calculated under this clause, the amount which exceeds such one-half, or the per cent. so notified, shall be deemed as remuneration and shall be accordingly added in wages under this clause.</p> <p>Provided further that for the purpose of equal wages to all genders and for the purpose of payment of wages, the emoluments specified in clauses (d), (f), (g) and (h) shall be taken for computation of wage.</p> <p>Explanation: Where an employee is given in lieu of the whole or part of the wages payable to him, any remuneration in kind by his employer, the value of such remuneration in kind which does not exceed fifteen per cent. of the total wages payable to him, shall be deemed to form part of the wages of such employee</p>



		<p>Ref-  <a href="https://labour.gov.in/sites/default/files/THE%20CODE%20ON%20WAGES%2C%202019%20No.%2029%20of%202019.pdf">https://labour.gov.in/sites/default/files/THE%20CODE%20ON%20WAGES%2C%202019%20No.%2029%20of%202019.pdf</a> </p>
6.	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	<p>1. 'Sexual Harassment' includes any one or more of the following unwelcome acts or behaviour (whether directly or by implication) namely:</p> <ul style="list-style-type: none"> <li>i. physical contact and advances</li> <li>ii. a demand or request for sexual favours</li> <li>iii. making sexually coloured remarks</li> <li>iv. showing pornography</li> <li>v. any other unwelcome physical, verbal or non-verbal conduct of sexual nature</li> </ul> <p>2. 'Discrimination' refers to unjust or prejudicial treatment of people, especially on the grounds of, but not limited to, caste, creed, sex, race, ethnicity, age, colour, religion, disability, socio-economic status or sexual orientation.</p> <p>3. As per Sec 2(ii) of the Child Labour (Prohibition &amp; Regulation) Act, 1986 (as amended), 'Child' means a person who has not completed is 14th year of age. It prohibits the employment of adolescents in the age group of 14 to 18 years in hazardous occupations and processes and regulates their working conditions where they are not prohibited. Ref-  <a href="https://labour.gov.in/sites/default/files/act_3.pdf">https://labour.gov.in/sites/default/files/act_3.pdf</a> </p> <p>4. 'Forced Labour' or 'Involuntary Labour' refers to all work or service that is extracted under the menace of penalty. It also includes terms such as, bonded labour and modern slavery. It also includes any labour for which the worker receives less than the government stipulated minimum wage.</p>



**PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment**

Essential Indicators		
Q. No.	Field Name	Instruction/Guidance
1.	Details of total energy consumption and energy intensity	<ol style="list-style-type: none"> <li>1. The entity shall report the total electricity consumed, fuel consumed and energy consumed from other sources during the reporting period, as applicable. Entities may also specify the other sources, in case the same are significant.</li> <li>2. Energy can be purchased from sources external to the organization or produced by the organization itself (self-generated). If the organization generates electricity from a non-renewable or renewable fuel source and then consumes the generated electricity, the energy consumption shall be counted only once.</li> <li>3. The above data shall be reported in terms of Joules or multiples such as Giga Joules. Entities should consistently apply conversion factors, for converting fuel consumption into Joules, for the data disclosed. In case, different standards and methodologies are used, the same should be disclosed. Entities should also disclose any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.</li> <li>4. Energy intensity per rupee of turnover shall be calculated as the total energy consumed divided by the total turnover in rupees.</li> <li>5. Apart from turnover, entities may on a voluntary basis, provide energy intensity ratio, based on other metrics, such as: <ul style="list-style-type: none"> <li>• units of product</li> <li>• production volume (such as metric tons, litres, or MWh)</li> </ul> </li> </ol>



		<ul style="list-style-type: none"> <li>• size (such as m2 floor space)</li> <li>• number of full-time employees.</li> </ul>
2.	<b>PAT Scheme of the Government of India</b> Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.	Perform Achieve and Trade (PAT) scheme ("Scheme") has been launched by Bureau of Energy Efficiency under the National Mission for Enhanced Energy Efficiency (NMEEE) [details available at the following link: <a href="https://beeindia.gov.in/content/pat-3">https://beeindia.gov.in/content/pat-3</a> ]. Under the Scheme, certain sites/ facilities are identified as designated consumers and targets are set for such entities in relation to the energy consumption.
3.	Details of total water withdrawn, consumed and water intensity ratio	<ol style="list-style-type: none"> <li>1. The entity shall report the total water withdrawn for any use, along-with a break-up of its source into the following:               <ul style="list-style-type: none"> <li>• Surface water - refers to water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams</li> <li>• Ground water – refers to water that is being held in, and that can be recovered from, an underground formation</li> <li>• Third party water – refers to municipal water and other private suppliers of water</li> <li>• Seawater/ desalinated water – refers to water in a sea or ocean</li> <li>• Other sources - Entities may specify the other sources, in case the same are significant.</li> </ul> </li> <li>2. The entity shall report the total water consumption. Total water consumption is a measure of water used by an organization, that it is no longer available for use by the</li> </ol>



		<p>ecosystem or local community, such as water that has been withdrawn and incorporated into products or has evaporated or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party. It also includes water that has been stored during the reporting period for use or discharge in a subsequent reporting period.</p> <p>If the entity cannot directly measure its water consumption, it may calculate this using the following formula:</p> $\text{Total water consumption} = \text{Total water withdrawal} - \text{total water discharge.}$ <p>3. Water intensity per rupee of turnover shall be calculated as the total water consumed divided by the total turnover in rupees.</p> <p>4. Apart from turnover, entities may on a voluntary basis, provide water intensity ratio, based on other metrics, such as:</p> <ul style="list-style-type: none"> <li>• units of product;</li> <li>• production volume (such as metric tons, litres, or MWh);</li> <li>• size (such as m<sup>2</sup> floor space);</li> <li>• number of full-time employees</li> </ul> <p>5. Entities should also disclose any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.</p>
4.	<b>Zero Liquid Discharge Policy</b> Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation	A zero liquid discharge system involves using advanced 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.
5.	<b>Disclosure of air emissions</b>	<ul style="list-style-type: none"> <li>• Entities should disclose unit and amount of</li> </ul>



	Provide details of air emissions (other than GHG emissions) by the entity	<p>emissions for each parameter of emission such as NO<sub>x</sub>, PM etc.</p> <ul style="list-style-type: none"> <li>Entities should disclose any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.</li> </ul>
6.	Provide details of Scope 1 and Scope 2 greenhouse gas (GHG) emissions and GHG intensity	<ol style="list-style-type: none"> <li>The term 'green-house gas' covers the following gases: <ul style="list-style-type: none"> <li>Carbon dioxide (CO<sub>2</sub>)</li> <li>Methane (CH<sub>4</sub>)</li> <li>Nitrous oxide (N<sub>2</sub>O)</li> <li>Hydrofluorocarbons (HFCs)</li> <li>Perfluorocarbons (PFCs)</li> <li>Sulphur hexafluoride (SF<sub>6</sub>)</li> <li>Nitrogen trifluoride (NF<sub>3</sub>)</li> </ul> </li> <li>Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by the entity. Source refers to any physical unit or process that releases GHG into the atmosphere. Further, any emissions that are not physically controlled but result from intentional or unintentional releases of GHGs, such as equipment leakages, methane emissions (eg: from coal mines), shall also be included in the calculations.</li> <li>Scope 2 emissions are energy indirect emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the entity.</li> <li>Entities may, on a voluntary basis, provide a breakup of the Scope 1 and Scope 2 emissions into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>.</li> <li>The entity shall exclude any GHG trades (purchase, sale or transfer of GHG emissions) from the calculation of Scope 1 and Scope 2 GHG emissions.</li> <li>The unit for the disclosures shall be metric</li> </ol>



		<p>tonnes of CO<sub>2</sub> equivalent. Further, entities should disclose the standards, methodologies, assumptions and/or calculation tools used, including sources of the global warming potential (GWP) rates and emission factors used.</p> <p>7. Scope 1 and Scope 2 emission intensity per rupee of turnover shall be calculated as the total Scope 1 and Scope 2 emissions generated divided by the total turnover in rupees.</p> <p>8. Apart from turnover, entities may on a voluntary basis, provide Scope 1 and Scope 2 GHG emission intensity ratio, based on other metrics, such as:</p> <ul style="list-style-type: none"> <li>• units of product</li> <li>• production volume (such as metric tons, litres, or MWh)</li> <li>• size (such as m<sup>2</sup> floor space)</li> <li>• number of full-time employees</li> </ul>
8.	Details of waste generated, recycled & re-used and disposed off by the entity	<p>1. The entity shall report the total waste generated in its activities, with a break-up as per the categories specified in various Waste Management Rules issued by the Ministry of Environment, Forests &amp; Climate Change.</p> <p>2. For each respective category of waste generated (plastic, e-waste, bio-medical waste, construction and demolition waste, battery waste, radio-active waste, other hazardous and other non-hazardous waste), the entity shall report the waste that is recovered through recycling, preparing for re-use or through other recovery operations. Guidance on these terms is given below:</p> <ul style="list-style-type: none"> <li>• Waste may be recovered through any operation wherein products, components of products, or materials that have become waste are prepared to fulfill a purpose in place of new products, components, or</li> </ul>



		<p>materials that would otherwise have been used for that purpose. Preparation for re-use and recycling are examples of recovery operations.</p> <ul style="list-style-type: none"> <li>• Preparation for re-use means checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived.</li> <li>• Recycling refers to reprocessing of products or components of products that have become waste, to make new materials.</li> </ul> <p>3. For each respective category of waste generated (plastic, e-waste, bio-medical waste, construction and demolition waste, battery waste, radio-active waste, other hazardous and other non-hazardous waste), the entity shall disclose the waste that is disposed with the break-up of the disposal method, as follows:</p> <ul style="list-style-type: none"> <li>• Waste that is incinerated – incinerations refers to controlled burning of waste at high temperatures</li> <li>• Waste that is sent to a landfill - landfilling refers to depositing of waste in sanitary landfills, and excludes uncontrolled waste disposal such as open burning and dumping</li> <li>• Other disposal operations: Entities may specify the other disposal operations used, in case the same are significant.</li> </ul> <p>4. Entities should disclose any contextual information necessary to understand the data, such as any standards, methodologies, assumptions and/or calculation tools used.</p>
9.	<b>Waste Management Practices</b> Describe the waste	1. The entity may consider including a description of the activities that lead to significant waste-





	management practices adopted in your establishments.	<p>related impact and the actions taken to manage the impact from such waste. Such actions could include the following:</p> <ul style="list-style-type: none"> <li>• Improving materials selection and product design</li> <li>• Using recycled, re-used or renewable materials</li> <li>• Substituting inputs that have hazardous characteristics with inputs that are non hazardous</li> </ul> <p>2. If the waste generated by the organization in its own activities is managed by a third party, the entity may consider including a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations.</p>
10.	Details of Environmental Impact Assessments (EIA) undertaken	<ul style="list-style-type: none"> <li>• This disclosure shall be made, if the entity has undertaken EIA in compliance with applicable environmental laws.</li> <li>• Enter name and brief details of project, EIA Notification No. and date.</li> <li>• Enter Yes or No: <ul style="list-style-type: none"> <li>○ whether EIA conducted by independent external agency</li> <li>○ whether results communicated in Public Domain</li> <li>○ Enter the Weblink if available.</li> </ul> </li> </ul>
<b>Leadership Indicators</b>		
1.	Break-up of the total energy consumed from renewable and non-renewable sources	<p>1. The entity shall provide a break-up of electricity, fuel and other energy consumption (Refer: P6, Essential Question 1), from renewable and non-renewable sources.</p> <p>2. Non-renewable energy sources are those that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes. These include fuel distilled from petroleum or</p>



		<p>crude oil, such as gasoline, diesel fuel, jet fuel, and heating oil; natural gas, such as compressed natural gas (CNG), and liquefied natural gas (LNG); fuels extracted from natural gas processing and petroleum refining, such as butane, propane, and liquefied petroleum gas (LPG); coal; and nuclear power.</p> <p>3. Renewable energy sources are those that can be replenished in a short time through ecological cycles or agricultural processes. Renewable energy sources can include geothermal, wind, solar, hydro, and biomass.</p>
2.	Details related to water discharged	<p>1. The entity shall report the total water discharged i.e. the total effluents, water released (unused or after use) for which the organization has no further use, along-with a break-up by destination (to surface water, groundwater, seawater, sent to third parties or others – refer the guidance at Question 3 of Essential indicators under P6) and by level of treatment.</p> <p>2. The organization can break down its water discharge by the following treatment levels:</p> <ul style="list-style-type: none"> <li>• Primary treatment, which aims to remove solid substances that settle or float on the water surface;</li> <li>• Secondary treatment, which aims to remove substances and materials that have remained in the water, or are dissolved or suspended in it;</li> <li>• Tertiary treatment, which aims to upgrade water to a higher level of quality before it is discharged. It includes processes that remove, for example, heavy metals, nitrogen, and phosphorus.</li> </ul> <p>In case an organization withdraws and discharges water of good quality that does not require treatment, the same can be explained.</p>



		3. Entities should also disclose any contextual information necessary to understand how the data has been compiled, such as any standards, methodologies, assumptions and/or calculation tools used.
3.	Details of water withdrawn, consumed and discharged in areas of water stress	<p>1. Areas of water stress are those where there is inability to meet the human and ecological demand for water. It can refer to the availability, quality, or accessibility of water. Further, areas classified as “over-exploited” or “critical” by the Central Groundwater Board, shall fall under area of water stress. (Ref: <a href="http://cgwb.gov.in/gwresource.html">http://cgwb.gov.in/gwresource.html</a>).</p> <p>2. The entity may also refer to the Guidance at Question 3 of Essential indicators and Question 2 of Leadership Indicators under P6.</p>
4.	<b>Scope 3 Emissions</b> Details of total Scope 3 emissions & its intensity	<p>1. Scope 3 emissions are indirect GHG emissions (not included in energy indirect (Scope 2) GHG emissions) that occur outside of the organization, including both upstream and downstream emissions.</p> <p>2. Upstream categories can include purchased goods and services, capital goods, upstream transportation and distribution, business travel, etc. Downstream categories can include downstream transportation and distribution, processing of sold products, end-of-life treatment of sold products etc.</p> <p>3. Entities may, on a voluntary basis, provide a breakup of the Scope 3 emissions into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>.</p> <p>4. The entity shall exclude any GHG trades (purchase, sale or transfer of GHG emissions) from the calculation of Scope 3 GHG emissions.</p> <p>5. The unit for the disclosures shall be metric tonnes of CO<sub>2</sub> equivalent. Entities should</p>



		<p>consistently apply global warming potential (GWP) rates and emission factors used for the data disclosed and also disclose the source of the rates / factors. Further, entities should disclose the standards, methodologies, assumptions and/or calculation tools used, including sources of the global warming potential (GWP) rates and emission factors used.</p> <p>6. Scope 3 emission intensity per rupee of turnover shall be calculated as the total Scope 3 emissions generated divided by the total turnover in rupees</p> <p>7. Apart from turnover, entities may on a voluntary basis, provide Scope 3 GHG emission intensity ratio, based on other metrics, such as:</p> <ul style="list-style-type: none"> <li>• units of product</li> <li>• production volume (such as metric tons, litres, or MWh)</li> <li>• size (such as m2 floor space)</li> <li>• number of full-time employees.</li> </ul>
5.	<p><b>Impact on biodiversity</b></p> <p>Provide details of significant direct &amp; indirect impact of the entity on biodiversity in ecologically sensitive areas along with prevention and remediation activities</p>	<ul style="list-style-type: none"> <li>• The ecologically sensitive areas reported by the entity at Question 10 of Essential indicators under Principle 6, the entity can report any impact of its operations that could adversely affect the integrity of such an area, either directly or indirectly, by substantially changing its ecological features, structures, and functions across its whole area, and over the long term, so that habitat, its population levels, and the particular species that make the habitat important cannot be sustained.</li> </ul>

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



Leadership Indicators		
Q. No.	Field Name	Instruction/Guidance
1.	Details of public policy positions advocated by the entity	<ol style="list-style-type: none"> <li>1. The entity shall disclose issues that are the focus of its participation in public policy development.</li> <li>2. Further, the entity shall provide the details of methods resorted to in each case including affiliation with other similar business entities by forming coalitions, representing through trade chambers, social marketing, etc.</li> <li>3. The entity shall select Yes or No, as the case may be, for the availability of information on each public policy advocated in public domain.</li> <li>4. Select the appropriate frequency of Board review, such as: <ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Half-yearly</li> <li>• Annually</li> <li>• Others, please specify</li> </ul> </li> <li>5. Also provide the link of the document containing details of such public policy position advocated in the public domain, if available.</li> </ol>

### PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators		
Q. No.	Field Name	Instruction/Guidance
1.	Details of Social Impact Assessments (SIA) undertaken for projects in the current financial year	<p>This disclosure shall be made, if the entity has undertaken SIA in compliance with laws such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.</p> <p>Select Yes or No, as the case may be:</p> <p>(a) Whether the said assessment has been</p>



		<p>conducted by an independent external agency.</p> <p>(b) Whether information on such impact assessment is available in public domain. Also provide the link of the document containing details of such social impact assessment in the public domain.</p>
3.	Describe the mechanisms to receive grievances of the local community	Local communities are 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. The local community can range from persons living adjacent to an organization's operations, to those living at a distance who are still likely to be impacted by these operations.
4.	Percentage of inputs directly sourced from MSMEs/ small producers	<p>1. Small producers mean those where the owner herself or himself is a worker and includes informal and/or producers such as self-help groups and home-based workers as well as producer-owned entities such as cooperatives, producer companies.</p> <p>2. MSME is defined by Ministry of MSME as:</p> <ul style="list-style-type: none"> <li>• <b>Micro:</b> Investment in Plant and Machinery or Equipment not more than Rs.1 crore and Annual Turnover not more than Rs. 5 crore.</li> <li>• <b>Small:</b> Investment in Plant and Machinery or Equipment not more than Rs.10 crore and Annual Turnover not more than Rs. 50 crore.</li> <li>• <b>Medium:</b> Investment in Plant and Machinery or Equipment not more than Rs.50 crore and Annual Turnover not more than Rs. 250 crore.</li> </ul>
<b>Leadership Indicators</b>		
2.	CSR projects undertaken by your entity in aspirational districts as identified by government bodies	<ul style="list-style-type: none"> <li>• Provide the information on CSR projects undertaken by the entity in designated aspirational districts state-wise as identified by government bodies and the amount spent.</li> <li>• As per the 'Transformation of Aspirational</li> </ul>



		Districts' programme of the Government, a list of districts has been identified for quick and effective transformation. For additional details, refer to the following link: <a href="http://www.niti.gov.in/about-aspirational-districts-programme">http://www.niti.gov.in/about-aspirational-districts-programme</a>
4.	Details of the benefits derived and shared from the intellectual properties owned or acquired by your company based on traditional knowledge shared	<p>Provide brief information of intellectual properties based on traditional knowledge owned or acquired by the business in the current Financial Year, mention Yes / No for Owned or Acquired, as the case may be. Select Yes or No as the case may be whether benefit arising out of such IPRs are shared on the lines of Access to Biological Resources and Associated Knowledge and Benefits Sharing Regulations, 2014.</p> <p><b>Intellectual Properties</b></p> <p>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.</p> <p><b>Traditional Knowledge</b> 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.</p> <p>Briefly outline the basis for calculating the benefits shared by the company with the "owners" of such traditional knowledge.</p>
6.	Details of beneficiaries of CSR Projects	<p>For each CSR Project undertaken by the company, enter:</p> <p>(a) total number of beneficiaries</p>



		(b) percentage of such beneficiaries belonging to vulnerable and marginalized groups.
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**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

Essential Indicators		
Q. No.	Field Name	Instruction/Guidance
4.	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. In this regard, mention the number of instances and reasons for voluntary or forced recall of products of the entity.
Leadership Indicators		
1.	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.

### 3.4. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT LITE

The Committee on Business Responsibility Reporting considered the fact that only the top 500 listed companies have so far been involved in sustainability and business responsibility reporting. The Committee recommended a trimmed down BRSR Lite version for companies that are inexperienced with sustainability reporting and BRR formats. The questions in the BRSR Lite version are fewer in number, and the required information is relatively easier to compile. The disclosures as per BRSR Format Lite are as under:

#### SECTION A: GENERAL DISCLOSURES

##### I. Company details

1. Corporate Identity Number (CIN) of the Company (if applicable)
2. Name of the Company
3. Year of incorporation





4. Registered office address
5. Corporate address
6. E-mail
7. Telephone
8. Website
9. Financial year for which reporting is being done
10. Whether shares listed on recognized Stock Exchange(s): Yes/No
11. Authorised Capital
12. Paid-up Capital

## II. Products/services

13. Sector(s) in which the company is engaged:

Number of business activities (*Pre-fill from MGT-7*)

S. No.	Main Activity group code	Description of Main Activity group	Business Activity Code	Description of Business Activity	% of Turnover of the company

14. Top 3 Products/Services sold by the company by Turnover (including both manufactured and traded)

S. No.	Product/ Service	NIC Code	% of total Turnover contributed	Brand(s) associated with the product/service and % of total Turnover contributed by the Brand(s)				
				Brand 1	Contribution to % of total Turnover	Brand 2	Contribution to % of total Turnover	(Add More Columns)
1								
2								
3								

15. What is the contribution of exports to total turnover of the Company in percentage?

## III. Operations



16. Location of top 3 plants (in case of manufacturing businesses) or operations/offices (in case of non-manufacturing) in India by contribution to turnover

**a. National:**

Categories are as follows:

- **Category A:** In or within 50 km of protected areas like National Parks, Wild life Sanctuaries, Biosphere Reserves, Wetlands, etc.
- **Category B:** In or within 50 km of Biodiversity Hotspots.
- **Category C:** In high water-stressed zones defined as “Over-exploited” or “critical” by the Central Groundwater Board.
- **Category D:** Within Coastal Regulation Zones.

State ( <i>Drop Down List</i> )	(State 1)	(State 2)	(State 3)
Turnover (%)			
District ( <i>Drop Down List</i> )	(District)	(District)	(District)
Category A	Yes/No ( <i>Radio Button</i> )	Yes/No ( <i>Radio Button</i> )	Yes/No ( <i>Radio Button</i> )
Category B	Yes/No	Yes/No	Yes/No
Category C	Yes/No	Yes/No	Yes/No
Category D	Yes/No	Yes/No	Yes/No

**b. International**

Location of top 3 plants (in case of manufacturing businesses) or operations/offices (in case of non-manufacturing businesses) in foreign countries by contribution to Turnover.

Country ( <i>Drop Down List</i> )	Turnover (%)
(Country 1)	
(Country 2)	
(Country 3)	

**IV. Employees**

17. Details as at the end of Financial Year:



## a. Employees (including differently abled):

S. No.	Particulars	Total	Male (%)		Female (%)		Other (%)	
			No.	% (Auto Calculate)	No.	% (Auto Calculate)	No.	% (Auto Calculate)
1.	Permanent							
2.	Other than Permanent							
3.	Total							

## b. Differently abled Employees:

S. No.	Particulars	Total	Male (%)		Female (%)		Other (%)	
			No.	% (Auto Calculate)	No.	% (Auto Calculate)	No.	% (Auto Calculate)
1.	Permanent							
2.	Other than permanent							
3.	Total							



c. Workmen (including differently abled):

S. No.	Particulars	Total No. of Workmen	Male (%)		Female (%)		Other (%)	
			No.	% (Auto Calculate)	No.	% (Auto Calculate)	No.	% (Auto Calculate)
1.	<b>Permanent</b>							
a.	Unskilled							
b.	Semi-skilled							
c.	Skilled							
d.	Highly Skilled							
2.	<b>Other than Permanent</b>							
a.	Unskilled							
b.	Semi-skilled							
c.	Skilled							
d.	Highly Skilled							
3.	<b>Total</b>							

d. Differently abled workmen:

S. No.		Total No. of Workmen	Male (%)		Female (%)		Other (%)	
			No.	% (Auto Calculate)	No.	% (Auto Calculate)	No.	% (Auto Calculate)
I.	<b>Workmen Permanent</b>							
a.	Unskilled							
b.	Semi-skilled							
c.	Skilled							
d.	Highly Skilled							



II.	<b>Other than Permanent</b>							
a.	Unskilled							
b.	Semi-skilled							
c.	Skilled							
d.	Highly Skilled							
	<b>Total</b>							

18. Participation/ Inclusion/ Representation of women (including differently abled):

	Total	No. of Females (including differently abled)		No. of females who are differently abled persons	
		No.	% (Auto Calculate)	No.	% (Auto Calculate)
Board of Directors					
Key Management Personnel					

#### V. Holding, Subsidiary and Associate Companies (including joint ventures)

19.(a) Names of subsidiary / associate companies

\*No. of subsidiary/associate companies for which information is to be given –

S. No.	Name of the company	CIN/ FCRN	Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held	Does the company participate in the Business Responsibility initiatives of the parent company? (Yes/No) (Radio Button)

(Pre-fill from MGT-7 except for last column)

- (b) Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? **[Less than 30%, 30-60%, More than 60%]**



VI. **CSR Details:** (Pre-fill from Form AOC-4 if CSR is applicable to the company. If not, it may fill the details voluntarily)

20.(a) (i) Whether CSR is applicable as per section 135: **(Yes/No)**

(ii) Turnover (in Rs.)

(iii) Net worth (in Rs.)

(b) Net Profits for last three financial years

Financial year ended			
Profit before tax (in Rs.)			
Net Profit computed u/s 198 adjusted as per rule 2(1)(f) of the Companies (CSR Policy) Rules, 2014 (in Rs.)			

21. Average net profit of the company for last three financial years (as defined in explanation to sub-section (5) section 135 of the Act (in Rs.).

22. Prescribed CSR Expenditure (two per cent of the amount as in item 21 above).

23. (a) Total amount spent on CSR for the financial year (in Rs.)

(b) Amount spent in local area (in Rs.)

(c) Manner in which the amount spent during the financial year as detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	CSR project or activity identified	Sector in which the project is Covered	State/ Union Territory where the Project/ Program was Undertaken	Specify the district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects or programs (in Rs.)	Expenditure on Administrative overheads (in Rs.)	Mode of Amount spent
1								
2	(Insert more Rows)							
	Total							



## 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 Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Name your company's policy/policies that cover each principle and its core elements of the NGRBCs. <i>(Text Box for Name)</i>									
b. Has the policy been approved by the Board? (Yes/No) <i>(Radio Button)</i>									
c. Web Link of the Policies <i>(Text Box)</i>									
2. Do the enlisted policies extend to your value chain partners? (Yes/No) <i>(Radio Button)</i>									
3. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your company and mapped to each principle <i>(Text Box for Name)</i>									
4. Details of Review of NGRBCs by the Company:									
<b>Subject for Review</b>	<b>Review undertaken by</b>						<b>Frequency (Annually/ Half yearly/ Quarterly) <i>(Drop Down List)</i></b>		
Performance against above policies and follow up action	Board Committee								
	Any other Committee or CEO								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board Committee								
	Any other Committee or CEO								
<b>Stakeholder Engagement</b>									
5. Describe the process of identifying key stakeholder groups of the company <i>(Text Box)</i>									



6. What are the channels through which Stakeholder's can access information about the company on issues relevant to them?	Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) <b>(Drop Down List)</b> . In case of any other medium, please specify. <b>(Text Box)</b>
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7. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The company does not consider the Principles material to its business (Yes/No) <b>(Radio Button)</b>									
The company is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) <b>(Radio Button)</b>									
The company does not have the financial or/human and technical resources available for the task (Yes/No) <b>(Radio Button)</b>									
It is planned to be done in the next financial year (Yes/No) <b>(Radio Button)</b>									
Any other reason (please specify) <b>(Text Box)</b>									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping businesses demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential level is expected from every business that has adopted these Guidelines, the leadership level is expected of businesses which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable

#### Essential Indicators

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings with regulators/ law enforcement agencies imposed on your company by regulatory/ judicial institutions in the financial year.





Monetary						
	NGRBC Principle (Drop Down List)	Adjudicating Authority (Drop Down List as per data required to be entered in services. ecourts.gov.in – Supreme Court & Case Type, Case Number & Year; High Court & Bench; District Court & State, District & Court Complex.	Case Name (Text Box)	CNR No. (Text Box)	Brief of the Judgement/Award (Text Box)	Has an appeal been preferred? (Yes/No) (Radio Button)
Penalty/ Punishment Fine						
Award						
Compounding fee						
Non-Monetary						
	NGRBC Principle (Drop Down List)	Adjudicating Authority (Drop Down List as per data required to be entered in services ecourts.gov.in – Supreme Court & Case Type, Case Number & Year; High Court & Bench; District Court & State, District & Court Complex.)	CNR No. (Text Box)	Brief of Judgement	Has an appeal been preferred? (Yes/No) (Radio Button)	
Imprisonment						
Punishment						



2. Details of the Appeal/ Revision preferred in cases where fines/ penalties have been impugned.

Case (Populate Q.3 above)	Name from	NGRBC Principle (Drop Down List)	Adjudicating Authority (Drop Down List as per data required to be entered in services.ecourts.gov.in Supreme Court & Case Type, Case Number & Year; High Court & Bench; District Court & State, District & Court Complex.)	CNR No. (Text Box)	Details (Text Box)

3. Number of complaints / cases of bribery/corruption received/ registered in the financial year.

	Current Financial Year	Previous Financial Year
Number of complaints/ cases of bribery, corruption registered with law enforcement agencies against the company or lodged with the Company internally		(Pre-fill from previous financial year)

4. Details of disclosure of interest involving members of Board:

(a)

	Current Financial Year	Previous Financial Year
Number of instances of disclosure of interest by the Directors		(Pre-fill from previous financial year)

(b)

	Current Financial Year	Previous Financial Year
Number of complaints received in relation to issues of Conflict of Interest of the Directors		(Pre-fill from previous financial year)

### Leadership Indicators

1. Have full details of non-disputed fines/penalties imposed on your company by regulatory and judicial bodies in the financial year been made available in public domain. Provide web links/ details of places where such reports are available.



2. Provide details of such instances (up to 3) where corrective actions have been taken on the above punishment/fines/penalties imposed.
3. Provide details of such instances (up to 3) where corrective measures were taken on the complaints / cases of corruption and conflicts of interest.

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

**Essential Indicators**

1. Has the company conducted Life Cycle Assessments (LCA) for any or all of its top 3 brands/ products manufactured?

NIC Code*	Product/ Service	% of total Turnover contributed	Life Cycle Assessment conducted in the Current Financial Year (Yes/No) (Radio Button)	Whether conducted by independent external agency (Yes/No) (Radio Button)	Results communicated in public domain (Yes/No) (Radio Button)
(Pre-fill from Section A: Q14.)					

2. List 3 of your products or services whose design has incorporated social or environmental concerns and/or risks and briefly describe the actions taken to mitigate the adverse environmental and social impacts in production and disposal as identified in the LCA or any other means.

Product / Service	Action Taken

3. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the company, respectively.



	Current Financial Year	Previous Financial Year (Pre-fill from previous financial year)
R&D		
Capex		

- Describe the processes in place to safely collect, reuse, recycle and dispose after sale and at the end of life of your products, separately for (a) Plastics (including packaging) (b) E-waste and (c) other waste.

### Leadership Indicators

- Percentage of input material (by value of all inputs) to total inputs sourced from suppliers:

(% input)

	Current Financial Year	Previous Financial Year (Pre-fill from previous financial year)
Adhering to national and international codes/certifications/labels/standards (refer Q 4, Section B)		
Adhering to internal standards/guidelines		
Directly sourced from MSMEs/ small producers		
Sourced directly from within the district and neighbouring districts		

- Describe the improvements in environmental and social impacts of product and processes due to R&D and Capex Investments in specific technologies.
- Percentage of recycled or reused input material to total raw material (by value) used in production for Current FY and Previous Financial Year.

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

### Essential Indicators

- a. Details of measures for the well-being of employees (including differently abled):



Category	% of employees covered by										
	Total (Pre-fill from Section A: Q17 of current financial year.)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No.	% (Auto Calculate)	No.	% (Auto Calculate)	No.	% (Auto Calculate)	No.	% (Auto Calculate)	No.	% (Auto Calculate)
I. Permanent											
a. Male											
b. Female											
c. Other											
d. Total											
II. Other than Permanent											
a. Male											
b. Female											
c. Other											
d. Total											

b. Details of welfare measures for differently abled employees:

Category	% of differently abled employees covered by										
	Total (Pre-fill from Section A: Q17 of current financial year.)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No .	% (Auto Calculate)	No .	% (Auto Calculate)	No .	% (Auto Calculate)	No .	% (Auto Calculate)	No .	% (Auto Calculate)
I. Permanent											
a. Male											
b. Female											
c. Other											



d. Total											
<b>II. Other than Permanent</b>											
a. Male											
b. Female											
c. Other											
d. Total											

c. Details of welfare measures for workmen (including differently abled):

Category	% of workmen covered by										
	Total (Pre-fill from Section A: Q17 of current financial year.)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No	% (Auto Calculate)	No	% (Auto Calculate)	No	% (Auto Calculate)	No	% (Auto Calculate)	No	% (Auto Calculate)
I. Permanent											
a. Male											
b. Female											
c. Other											
d. Total											
II. Other than Permanent											
a. Male											
b. Female											
c. Other											
d. Total											



d. Details of welfare measures for differently abled workmen:

Category	% of differently abled workmen covered by										
	Total (Pre-fill from Section A: Q17 of current financial year.)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		No.	% (Auto Calculate)	No	% (Auto Calculate)	No.	% (Auto Calculate)	No.	% (Auto Calculate)	No.	% (Auto Calculate)
I. Permanent											
a. Male											
b. Female											
c. Other											
d. Total											
II. Other than Permanent											
a. Male											
b. Female											
c. Other											
d. Total											

2. Details of statutory dues (PF, Gratuity, ESI) deducted and deposited with the authorities approved by government, for Current FY and Previous Financial Year.

Statutory Dues	Current Financial Year			Previous Financial Year ( <i>Pre-fill from previous financial year</i> )		
	No. of employees and workmen eligible for deduction	Deducted as prescribed	Deposited	No. of employees and workmen eligible for deduction	Deducted as prescribed	Deposited
PF						
Gratuity						
ESI						



3. Is there a mechanism available to receive and redress grievances for the following categories of employees and workmen? If yes, please name the mechanism.

	<b>Yes/No (Radio Button)</b> <i>(If Yes, then populate Text Box for Name of mechanism)</i>
Permanent Workmen	
Other than Permanent Workmen	
Permanent Employees	
Other than Permanent Employees	

4. Number of Complaints made by employees and workmen:

	<b>Current Financial Year</b>			<b>Previous Financial Year (Pre-fill from previous financial year)</b>		
	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>
Sexual Harassment						
Working Conditions						
Health & Safety						
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other ( <b>Text Box</b> )						

5. Percentage of membership of employees and workmen in association(s) or Unions recognised by the Board:





Category	Current Financial Year			Previous Financial Year (Pre-fill from previous financial year)		
	Total (Pre-fill from Section A: Q17 of current financial year.)	No.	% (Auto Calculate)	Total	No.	% (Auto Calculate)
<b>Employees</b>						
Permanent						
Other than permanent						
<b>Total</b>						
<b>Workmen</b>						
Permanent						
Other than permanent						
<b>Total</b>						

6. Details of safety related incidents during the current Financial Year

Safety Incident/Number	Current Financial Year	Previous Financial Year (Pre-fill from previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-man hours worked)		
Accidents at the workplace		
Fatalities caused		
Permanent disability caused		
Temporary disability caused		



### Leadership Indicators

1. a. Details of training to employees and workmen (% to total no. of employees/workmen in the category):

Category	Current Financial Year					Previous Financial Year <i>(Pre-fill from previous financial year)</i>				
	Total <i>(Pre-fill from Section A: Q17 of current financial year.)</i>	On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
		No.	% <i>(Auto Calculate)</i>	No.	% <i>(Auto Calculate)</i>		No.	% <i>(Auto Calculate)</i>	No.	% <i>(Auto Calculate)</i>
Employees										
Male										
Female										
Other										
Total										
Workmen										
Male										
Female										
Other										
Total										

- b. Details of training imparted to the differently abled employees and workmen (% to total no. of differently abled employees/workmen in the category):



Category	Current Financial Year					Previous Financial Year (Pre-fill from previous financial year)				
	Total (Pre-fill from Section A: Q17 of current financial year.)	On Health and Safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
		No.	% (Auto Calculate)	No.	% (Auto Calculate)		No.	% (Auto Calculate)	No.	% (Auto Calculate)
Differently abled Employees										
Male										
Female										
Other										
Total										
Differently abled Workmen										
Male										
Female										
Other										
Total										

2. Provide the corrective actions taken for children/adolescents identified as employed in your establishments and value chain.
3. Provide the corrective actions taken for forced/involuntary labour identified in your establishments and value chain.



4. Provide the actions taken to prevent adverse consequences to the complainant in discrimination and harassment cases.
5. Provide the corrective actions taken on the outcomes of health and safety audits of your establishments, including value chain partners.
6. Percentage of accident-affected employees/ workmen rehabilitated and placed in suitable employment.

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

**Essential Indicators**

1. List stakeholder groups identified as key for your company as described in Section B, Q. 5, and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No) ( <i>Radio Button</i> )	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) ( <i>Drop Down List</i> ), Other ( <i>Text Box</i> )	Frequency (Annually/ Half yearly/ Quarterly) ( <i>Drop Down List</i> )	Whether environment and social issues discussed. (Yes/No) ( <i>Radio Button</i> )

**Leadership Indicators**

1. Provide details of 3 instances as to how the inputs received from stakeholders were incorporated into policies and activities of the company.



## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicators

1. a. Details of remuneration/salary/wages (including differently abled):

	Male		Female		Other	
	Number	Average remuneration/ salary/ wages	Number	Average remuneration/ salary/ wages	Number	Average remuneration/ salary/ wages
Board of Directors						
Key Managerial Personnel						
Employees other than BoD and KMP						
Workmen						

b. Details of remuneration/salary/wages of differently abled:

	Male		Female		Other	
	Number	Average remuneration/ salary/ wages	Number	Average remuneration/ salary/ wages	Number	Average remuneration/ salary/ wages
Board of Directors						
Key Managerial Personnel						
Employees other than BoD and KMP						
Workmen						



2. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**
3. Describe the internal mechanisms in place to redress grievances related to human rights issues.

### Leadership Indicators

1. Stakeholders groups covered by the grievance redressal mechanism for Human Rights issues:

S.No.	Name of Stakeholder Groups ( <i>Populate from Principle 4, Essential Indicator Q1</i> )	Whether Vulnerable or Marginalized (Yes/No) ( <i>Radio Button</i> )	Whether covered by grievance redressal mechanisms covered by Human Rights issues (Yes/No) ( <i>Radio Button</i> )

2. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

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

#### Essential Indicators

1. Details of energy and water consumption by the company:

Parameter	SI Unit	Current Financial Year	Previous Financial Year ( <i>Pre-fill from previous financial year</i> )
Energy consumed/turnover			
Water consumed/turnover			
% water consumed from recycled & harvested sources			
% water consumed from groundwater sources			



2. Air emissions and liquid discharges per unit of production for the 3 major facilities of the company as reported to regulatory authorities:

Parameter/Unit (SO <sub>x</sub> , NO <sub>x</sub> , SPM etc. specified by the MoEFCC, CPCB, SPCBs etc.)	Performance	Current Financial Year			Previous Financial Year ( <i>Pre-fill from previous financial year</i> )		
		Plant 1	Plant 2	Plant 3	Plant 1	Plant 2	Plant 3
	Permissible Limit						
	Actual Measured Value						
	Permissible Limit						
	Actual Measured Value						
	Permissible Limit						
	Actual Measured Value						
	Permissible Limit						
	Actual Measured Value						

### Leadership Indicators

1. What are the material environmental risks to the business identified and the mitigation measures adopted by the company with regard to the following:

Environmental component	Risk(s) identified ( <i>Text Box</i> )	Mitigation measures adopted ( <i>Text Box</i> )
Land use		
Emissions		
Water		
Energy		
Biodiversity		
Other		



2. Percentage of renewable energy consumed to total energy consumed:

	Current Financial Year	Previous Financial Year <i>(Pre-fill from previous financial year)</i>
%age of renewable energy consumed to total energy consumed		

3. Provide details of solid waste management relating to the following aspects:

	Current Financial Year	Previous Financial Year <i>(Pre-fill from previous financial year)</i>
%age of non-biodegradable waste to total waste generated		
%age of recyclable waste to total waste generated		
%age of hazardous waste to total waste generated		

4. Briefly describe the solid waste management practices adopted in your establishments.

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

#### Essential Indicators

1.
  - a. Number of affiliations with trade and industry chambers/ associations.
  - b. List the top 5 trade and industry chambers/ associations you are a member of/are affiliated to, on the basis of no. of members.

S.No.	Name of the trade and industry chambers/ associations <i>(To be populated as a Drop Down List from Annexure-A. If 'Other', populate Text Box)</i>	Scope of Entity (State/National) <i>(Drop Down List)</i>
1.		
2.		
3.		





4.		
5.		

### PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

#### Essential Indicators

- Describe the mechanisms to receive and redress grievances of the community.
- Have the benefits derived of the various intellectual properties owned or acquired by your company based on traditional knowledge been shared equitably?

S. No.	Intellectual Property based on traditional knowledge (Text Box)	Owned/ Acquired (Yes/No) (Radio Button)	Benefit shared (Yes/No) (Radio Button)

- List of adverse orders and case details of intellectual property rights disputes related to traditional knowledge during the FY.

Adjudicating Authority (Drop Down List as per data required to be entered in services.ecourts.gov.in – Supreme Court & Case Type, Case Number & Year; High Court & Bench; District Court & State, District & Court Complex.)	Name of the opposing party (Text Box)	CNR No (Text Box)	Brief of the Judgement/ Award (Text Box)	Has an appeal been preferred? (Yes/No) (Radio Button)

#### Leadership Indicators

- Provide the following information on CSR projects undertaken by your company in designated aspirational districts as identified by government bodies:



S. No.	State ( <i>Drop Down List</i> )	Aspirational District ( <i>Drop Down List</i> )	Amount spent ( <i>Number Box</i> )

2. Details of the benefits derived of the various intellectual properties owned or acquired by your company based on traditional knowledge shared:

S.No.	Intellectual Property based on traditional knowledge ( <i>Pre-fill from Principle 8, Essential Indicator Q. 2</i> )	Owned/ Acquired (Yes/No) ( <i>Radio Button</i> )	Basis of calculating benefit share ( <i>Text Box</i> )

3. Details of corrective actions taken in intellectual property related cases wherein usage of traditional knowledge is involved.

Details of negative social impact identified ( <i>Text Box</i> )	Corrective action taken ( <i>Text Box</i> )

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

#### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.



2. % of products and services (by turnover) of your business carrying information about:

	%age of products and services carrying information
Environmental and social parameters relevant to the product	
Safe and responsible usage	
Recycling and safe disposal	
Not Applicable <b>(Yes/No) (Radio Button)</b>	

3. Number of consumer complaints in respect of:

	Current Financial Year			Previous Financial Year (Pre-fill from previous financial year)		
	At the beginning of the year	Received during the year	Pending resolution at end of year	At the beginning of the year	Received during the year	Pending resolution at end of year
Data privacy						
Advertising						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other <b>(Text Box)</b>						



### Leadership Indicator

1. Channels / platforms where information on products and services of the company can be accessed (provide web link if applicable).

## 3.5. GUIDANCE NOTE ON BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT LITE

The Guidance Note for filling up the BRSR Lite format is given at Annexure 3B of the Report of the MCA Committee on Business Responsibility Reporting which is as under:

### SECTION A: GENERAL DISCLOSURES

#### Part I: Company Details

The information required at Serial numbers 2 to 6, 11 and 12 (highlighted in blue) is auto filled once the CIN is entered at Serial number 1.

1. **CIN No.** : The number can be entered or searched by entering Company name under 'Find CIN' option on MCA Services.
2. **Name of Company** : *Auto filled after entering the CIN.*
3. **Year of Incorporation** : *Auto filled after entering the CIN.*
4. **Registered office address** : *Auto filled after entering the CIN.*
5. **Corporate address** : *Auto filled after entering the CIN.*
6. **Email** : *Auto filled after entering the CIN.*
7. **Telephone** : *Contact details of the Company to be entered*
8. **Website** : *Company Website details to be entered*
9. **Financial year for which reporting is being done:** (Drop-Down List):
  - *Relevant financial year to be selected from the drop down list*
10. **Whether shares listed on recognized Stock Exchange(s):**
  - *Option applicable for the financial year to be selected*
11. **Authorised Capital:** *Auto filled after entering the CIN.*
12. **Paid-up Capital:** *Auto filled after entering the CIN.*

#### Part II: Products/Services

13. **Sector (s) in which the company is engaged/Number of business activities**

*These details are pre-filled from the eForm MGT 7 filed by the Company.*



**14. Top 3 Products / Services sold by the company by Turnover and brands associated with them:**

- Enter the names of the top 3 products and their contribution to the total turnover
- Enter the National Industrial Classification (NIC) 5-digit code using ref: <http://mospi.nic.in/classification/national-industrial-classification/alphabetic-index-5digit>
- Enter the names of brands associated with these products, and their contribution to the total turnover for each product.

**15. What is the contribution of exports to total turnover of the Company in percentage?**

- Enter the percentage contribution of exports to the total turnover of the Company for the financial year.

**Part III: Operations**

**16. Location of top 3 plants (in case of manufacturing businesses) or operations/offices (in case of non-manufacturing) in India by contribution to turnover:**

- From the Drop down list, Select the State and District in the country where the **top 3** plants (in case of manufacturing businesses) and/ or areas of operation/offices (in case of non-manufacturing businesses), by turnover, are situated
- Provide the turnover from each of these plants as percentage of total turnover.
- Enter if these locations fall into any of the vulnerable categories A to D by selecting 'Yes' or 'No'.

**Explanation:**

The categories are defined as under:

- **Category A:** In or within 50 km of Protected Areas (areas in which human occupation or at least the exploitation of resources is limited such as National Parks, Wild-life Sanctuaries, Conservation Reserves, Community Reserves and Marine Protected Areas. Ref- [http://www.wiienviis.nic.in/Database/Protected\\_Area\\_854.aspx](http://www.wiienviis.nic.in/Database/Protected_Area_854.aspx)
- **Category B:** In or within 50 km of Biodiversity Hotspots (According to Conservation International, to qualify as a hotspot a region must meet two strict criteria: it must contain at least 1,500 species of vascular plants (> 0.5% of the world's total) as endemics, and it has to have lost at least 70% of its original habitat. Ref- [http://www.bsienviis.nic.in/Database/Biodiversity-Hotspots-in-India\\_20500.aspx](http://www.bsienviis.nic.in/Database/Biodiversity-Hotspots-in-India_20500.aspx)
- **Category C:** In high water-stressed zones defined as "Over-exploited" or "critical" by the Central Groundwater Board.



- **Category D:** Within Coastal Regulation Zones (the coastal stretches of the country and the water area up to its territorial water limit, excluding the islands of Andaman and Nicobar and Lakshadweep and the marine areas surrounding these islands, as Coastal Regulation Zones. Ref- <https://egazette.nic.in/WriteReadData/2019/195679.pdf>

**(b) International**

*If the Company has plants and/or offices in international locations:*

- *Select the Countries for the **top 3** (by turnover) international locations of plants in case of manufacturing businesses and that of operations in case of non-manufacturing or service provider entities from the drop-down list.*
- *Enter the percentage of turnover in respect of each country.*

**Part IV: Employees**

**17. Details as at the end of Financial Year with respect to -**

- Employees (including differently abled)
- Differently abled Employees
- Workmen (including differently abled)
- Differently abled Workmen
- *Enter the total number of employees and workmen (including differently abled) in the company.*
- *Classify the same on the basis of Permanent, and Other than Permanent.*
- *For each category of employees/workmen, enter the number of male, female and other category of employees/workmen. The % for each category will be auto calculated.*

**Explanation:**

- **Employee as defined under Sec 2(K) of the Code on Wages, 2019** means, any person (other than an apprentice engaged under the Apprentices Act, 1961), employed on wages by an establishment to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union. Ref- <https://egazette.nic.in/WriteReadData/2019/210356.pdf>
- **Workman as defined under Sec 2(s) of Industrial Disputes Act, 1947** means any person (including an apprentice) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of



*employment be express or implied, and for the purposes of any proceeding under this Act in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person—*

- (i) *who is subject to the Air Force Act, 1950 (45 of 1950), or the Army Act, 1950 (46 of 1950), or the Navy Act, 1957 (62 of 1957); or*
- (ii) *who is employed in the police service or as an officer or other employee of a prison; or*
- (iii) *who is employed mainly in a managerial or administrative capacity; or*
- (iv) *who, being employed in a supervisory capacity, draws wages exceeding ten thousand rupees per mensem or exercises, either by the nature of the duties attached to the office or by reason of the powers vested in him, functions mainly of a managerial nature.*

Ref.- [https://labour.gov.in/sites/default/files/THEINDUSTRIALDISPUTES\\_ACT1947\\_0.pdf](https://labour.gov.in/sites/default/files/THEINDUSTRIALDISPUTES_ACT1947_0.pdf)

#### **18. Participation/Inclusion/Representation of women (including differently abled):**

- *Enter the total number of persons (including differently abled) comprising the Board of Directors and Key Management Personnel as per the Companies Act, 2013.*
- *Also enter the number of females and differently abled females in both the categories. The % will be auto calculated.*

#### **Explanation:**

- **Board of Directors or Board as defined under Sec 2(10) of the Companies Act 2013**, in relation to a company, means the collective body of the directors of the company.
- **Key Management Personnel as defined under Sec 2(51) of the Companies Act 2013**, in relation to a company, means—
  - (i) *the Chief Executive Officer or the managing director or the manager;*
  - (ii) *the company secretary;*
  - (iii) *the whole-time director;*
  - (iv) *the Chief Financial Officer; and*
  - (v) *such other officer as may be prescribed*

Ref- <https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf>



**Part V: Holding, Subsidiary and Associate Companies (including joint ventures)**

**19. Names of subsidiary / associate companies, CIN number, type and % age of shares**

- *Auto filled from MGT 7 filed by Company.*

**(a) Does the company participate in the Business Responsibility initiatives of the parent company?**

- *Select the Radio Button Yes / No.*

**(b) Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company?**

- *Select Yes or No, as the case may be.*

**If yes, then indicate the percentage of such entity/entities?**

*Select the percentage of participation for each entity from the drop-down list / radio buttons.*

(i) **Less than 30%**

(ii) **30-60%**

(iii) **More than 60%**

**Part VI: CSR Details**

**20. (a) (i) Whether CSR is applicable as per section 135: (Yes/No) (Radio Button):**

- *If Form AOC-4 has already been filed by the company for the current financial year, click the Pre-fill button.*
- *On clicking the button, system shall automatically display the details of items to be filled regarding the CSR project or activity being undertaken by the company and implementing agencies.*
- *Select Yes or No as the case may be.*

*When CSR applicability selected as 'No', the other details required in this section are optional.*

**ii) Enter the turnover and net worth of the company in rupees.**

**20. (b) Net Profits for the last three financial years:**

- *To be filled if the CSR applicability is selected as 'Yes' in 20(a).*
- *Enter the details with respect to three immediately preceding financial years viz.:*
  - *Financial year ended*
  - *Profit before tax (in Rupees)*





- *Net Profit computed u/s 198 adjusted as per rule 2(1)(f) of the Companies (CSR Policy) Rules, 2014 (in Rupees)*
- *Financial year should be entered in descending order starting with the immediate preceding financial year. E.g. 2015, 2014, 2013... so on*
- *Adjusted net profit mentioned above would be considered for calculating the average net profit as specified in explanation of sub-section (5) of the section 135.*
- 21. Average net profit of the company for last three financial years (as defined in explanation to sub-section (5) section 135 of the Act (in Rs.)**
  - *Average net profit (as defined in explanation to sub-section (5) section 135 of the Act) of the company during the three immediately preceding financial years will be auto-calculated based on amounts entered in field 'Net Profit computed u/s 198 adjusted as per rule 2(1)(f) of the Companies (CSR Policy) Rules, 2014 (in Rupees)'.*
  - *Amount can be entered manually if CSR is not applicable however make sure that the same is in Rupee figures.*
- 22. Prescribed CSR Expenditure (two per cent of the amount as in item 21 above):**
  - *2% the amount as in item 21 will be auto calculated.*
  - *In case of average loss during the last three financial years, prescribed CSR expenditure can be manually entered (if any). Enter value in Rupee figures only*
  - *First mention the 'Number of CSR activities'*
  - *If the number is more than 20, fill the first 19 rows and provide consolidated details in 20th row. In case the number of programmes / projects / activities are more than 20, attach the details of remaining projects / programmes in an excel sheet under attachment section 'Details of remaining CSR activities'.*
- 23. (a) Total amount spent on CSR for the financial year (in Rs.):**
  - *Enter the total amount spent on CSR for the financial year in Rupees.*
- (b) Amount spent in local area (in Rs.):**
  - *Enter the total amount spent on CSR for the financial year, within the local limits of company. Enter value in Rupees.*
- (c) Manner in which the amount spent during the financial year as detailed below:**
  - *Enter the details of amount spent for CSR in tabular format given.*



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Q.No.	Field Name	Instruction/Guidance
<b>Policy and Management Processes</b>		
1.	<p>(a) Name the policy/policies that cover each principle and its core elements of the NGRBC</p> <p>(b) Has the policy being approved by the Board?</p> <p>(c) Weblinks of policies</p>	<p><i>Name the policy or policies that cover its Core Elements.</i></p> <p><i>Select Yes or No, as the case may be, for each principle</i></p> <p><i>Enter the link of the document containing the Policy placed in the public domain.</i></p>
2.	Do the enlisted policies extend to your value chain partners?	Select Yes or No, as the case may be, for each principle.
3.	Name of the national and international codes/ certifications/ labels/ standards adopted by your company and mapped to each principle	Under each principle, enter which national and international code, certification, label or standard which have been adopted by the company covering the provisions of that Principle.
<b>Governance, leadership and oversight</b>		
4.	<p>Details of Review of NGRBCs by the Company:</p> <p>(a) Performance against above policies and follow up action</p> <p>(b) Compliance with statutory requirements of relevance to the principles and rectify any non-compliances</p>	<p>Select the frequency of review by each reviewing entity from the drop down menu:</p> <ul style="list-style-type: none"> <li>– Board Committee</li> <li>– Any other Committee</li> <li>• Quarterly</li> <li>• Half-yearly</li> <li>• Annually</li> </ul>



Stakeholder Engagement		
5.	Process for identification of key stakeholders	In about 50 words, enter the criteria used and steps undertaken to identify stakeholders. If details are available in the website, please provide the weblink.
6.	Channels of Communication & Accessing Information	Select the Tick boxes the applicable options. (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website). In case of any other medium please specify.
7.	<p>If the Answer to question (1) above is “No” :</p> <ol style="list-style-type: none"> <li>1. The company does not consider the Principles material to its business (Yes/No)</li> <li>2. The company does not have the financial or/human and technical resources available for the task (Yes/No)</li> <li>3. It is planned to be done in the next financial year (Yes/No)</li> <li>4. Any other reason (please specify)</li> </ol>	<ul style="list-style-type: none"> <li>• Select Yes or No, as the case may be for each principle</li> <li>• Select Yes or No, as the case may be for each principle</li> <li>• Select Yes or No, as the case may be for each principle</li> <li>• Enter the reason on the Text Box</li> </ul>

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

The instructions for filling the Section C for each principle are detailed in the Guidance note. The questions under the Essential indicators for each principle are mandatory, whereas the questions covered under the Leadership indicators are voluntary so to provide the Companies an opportunity to present their impacts and outcomes.



The “Report of the Committee on Business Responsibility Reporting” is available at: [http://www.mca.gov.in/Ministry/pdf/BRR\\_11082020.pdf](http://www.mca.gov.in/Ministry/pdf/BRR_11082020.pdf)

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

Essential Indicators		
Q.No.	Field Name	Instruction/Guidance
1	Details of fines and penalties imposed, imprisonment and punishment awarded; appeals/ revisions filed	Stating the relevant NGRBC Principle, enter the details of Adjudicating Authority, the case number and brief of the Judgment or Award under which such fines and penalties have been imposed or imprisonment and punishment have been awarded. Select Yes or No, as the case may be if an appeal been preferred.
2	Details of the Appeal/ Revision preferred in cases where fines/ penalties have been impugned	In cases where fines/ penalties have been impugned, details of the Appeal/ Revision preferred be given as regards each principle of NGBRC.
3	Number of complaints/ cases of bribery/ corruption registered with law enforcement agencies against the business	<p>Enter the number of complaints/ cases of bribery/ corruption registered in the current financial year against the company/ employee(s) of the company with law enforcement agencies or lodged with the Company internally.</p> <p><b>As per Sec 2(d) of Prevention of Corruption Act 1988, Undue Advantage</b> means any gratification whatever, other than legal remuneration.</p> <p>Explanation: For the purposes of this clause the word “gratification” is not limited to pecuniary gratifications or to gratifications estimable in money;</p> <p>The expression “legal remuneration” is not restricted to remuneration paid to a public servant, but includes all remuneration which he is permitted by the Government or the organisation, which he serves, to receive</p> <p>Ref-  <a href="https://indiacode.nic.in/bitstream/123456789/9317/1/corruptiona1988-49.pdf">https://indiacode.nic.in/bitstream/123456789/9317/1/corruptiona1988-49.pdf</a> </p>



4.	Details of disclosure of interest involving members of Board	<p>(a) Enter the number of instances of disclosure of interest made by the directors as per section 184 of the Companies Act, 2013 in the current financial year.</p> <p>(b) Enter the number of complaints involving conflict of interest pertaining to Board members, received in the current financial year.</p>
<b>Leadership Indicators</b>		
Q.No.	Field Name	Instruction/Guidance
1.	Have full details of non-disputed fines/ penalties imposed on your business by regulatory and judicial bodies in the year been made available in public domain	<p>Disclose whether or not non-disputed fines/penalties imposed on business by regulatory and judicial institutions have been placed in public domain or not. Also provide the channels for such communication e.g. website, annual report, newspaper advertisements, etc.</p> <p>Provide the web links to access such information online.</p>
2.	Provide details of such instances (up to 3) where corrective actions have been taken on the above fines/penalties imposed	Companies are required to narrate up to three instances involving punishment/ fines/ penalties imposed wherein corrective actions have been taken.
3.	Provide details of such instances (up to 3) where corrective actions were taken on the complaints/ cases of corruption and conflicts of interest.	Companies are required to narrate up to three instances where corrective actions have been taken on the complaints/ cases of corruption and conflicts of interest to prevent recurrence of such instances in future.



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

Essential Indicators		
Q.No.	Field Name	Instruction/Guidance
1.	Has the company conducted Life Cycle Assessment (LCA) <sup>5</sup> for any or all of its top 3 products manufactured	<p>The NIC Code of the top 3 Products manufactured or services provided by the company on the basis of their share in the turnover will be pre-filled from Question 14 of Section A.</p> <p>Select Yes or No, as the case may be, whether:</p> <ul style="list-style-type: none"> <li>the LCAs have been conducted in the current financial year.</li> <li>the said assessment has been conducted by an independent external agency.</li> <li>Results have been communicated in public domain.</li> </ul>
2.	List 3 of your products or services whose design has incorporated social or environmental concerns and/or risks and briefly describe the actions taken to mitigate the adverse environmental and social impacts in production and disposal as identified in the LCA or any other means	Describe the social /environmental risks or concerns identified through the LCA for the product/ Service. Whom did they pose a risk to? What measures have been taken to address them and what are the outcomes?
3.	Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D	Enter the percentage of R&D and capex investments made by the company in specific technologies to improve the impact of its product and processes on environment and society to total R&D investment and total capex investment, respectively made by the company in the current financial year.

<sup>5</sup>As per ISO 14040:2006(en) – “Environmental management - Life cycle assessment - Principles and framework”, Life Cycle Assessment is compilation and evaluation of the inputs, outputs and the potential environmental impacts of a product system throughout its life cycle. Available at: <https://www.iso.org/obp/ui/#iso:std:iso:14040:ed-2:v1:en>



	investments made by the company.	
4.	Describe the processes in place to safely collect, reuse, recycle and dispose your products at the end of life	<p>Mention the process(es) that the company follows to safely collect, reuse, recycle and dispose its products at the end of their useful life to minimise impact on the environment, separately for</p> <ul style="list-style-type: none"> <li>(a) plastics (including packaging)</li> <li>(b) E-waste and</li> <li>(c) other waste</li> </ul> <p><b>As per Rule 2(o) of Plastic Waste Management Rules, 2016, Plastics</b> means material which contains as an essential ingredient a high polymer such as polyethylene terephthalate, high density polyethylene, Vinyl, low density polyethylene, polypropylene, polystyrene resins, multi-materials like acrylonitrile butadiene styrene, polyphenylene oxide, polycarbonate, Polybutylene terephthalate</p> <p><b>As per Rule 2(o) of Plastic Waste Management Rules, 2016, Plastic Waste</b> means any plastic discarded after use or after their intended use is over.</p> <p>Ref-  <a href="http://www.mppcb.nic.in/proc/Plastic%20Waste%20Management%20Rules,%202016%20English.pdf">http://www.mppcb.nic.in/proc/Plastic%20Waste%20Management%20Rules,%202016%20English.pdf</a> </p> <p><b>As per Rule 3(1)(r) of E-waste (Management) Rules, 2016, E-Waste</b> means electrical and electronic equipment, whole or in part discarded as waste by the consumer or bulk consumer as well as rejects from manufacturing, refurbishment and repair processes.</p> <p>Ref-<a href="http://greene.gov.in/wp-content/uploads/2018/01/EWM-Rules-2016-english-23.03.2016.pdf">http://greene.gov.in/wp-content/uploads/2018/01/EWM-Rules-2016-english-23.03.2016.pdf</a></p>
<b>Leadership Indicators</b>		
1.	Percentage of input material (by value of all inputs) to total inputs sourced from suppliers	Enter the percentage of input material (by value) sourced to total material sourced by the company (by value) during the current financial year from:



		<p>(a) suppliers adhering to internal or external sustainability standards / codes / policies of the company.</p> <p>(b) Adhering to internal standards/guidelines</p> <p>(c) MSMEs and small producers within the district and neighbouring districts</p>
2.	Describe the improvements in environmental and social impacts of product and processes due to R&D and Capex Investments in specific technologies	<p>Mention the improvements witnessed in the environmental and social impacts of product and processes due to R&amp;D and Capex Investments in specific technologies.</p> <p>The company may provide data on per unit consumption of energy, water and raw material before and after the R&amp;D intervention. If the improvement is in the use of the product also (e.g. detergent or fridge), this data also may be provided.</p>
3.	Percentage of recycled or reused input material to total raw material used in production	Enter the percentage of raw material (recycled or reused) used in production to total raw material used by the company during the current financial year.

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

Essential Indicators		
Q. No.	Field Name	Instruction/Guidance
1.	Details of employees and workmen covered by employee welfare measures	<p>(a) and (c) Enter the number of employees/workmen, including differently abled employees/workmen, covered by welfare measures such as Health insurance, Accident insurance, Maternity and Paternity benefits, Day Care facilities. The % will be auto calculated.</p> <p>For each category of employees/workmen, enter the number of male, female and other category of employees/workmen. The % will be auto calculated.</p> <p>(b) and (d) Enter the number of differently abled employees/workmen covered by welfare measures such as Health insurance, Accident insurance, Maternity and</p>





		<p>Paternity benefits, Day Care facilities. The % will be auto calculated.</p> <p>For each category of differently abled employees/workmen, enter the number of male, female and other category of employees/workmen. The % will be auto calculated.</p> <p><b>Maternity benefits</b></p> <p><b>As per sec 2 (h) of Maternity Benefit Act, 1961, Maternity Benefit</b> means the payment referred to in sub-section (1) of section 5.</p> <p><b>Sec 5 (1):</b> Subject to the provisions of this Act, every woman shall be entitled to, and her employer shall be liable for, the payment of maternity benefit at the rate of the average daily wage for the period of her actual absence immediately preceding and including the day of her delivery and for the six weeks immediately following that day.</p> <p>Explanation: For the purpose of this sub-section, the average daily wage means the average of the woman's wages payable to her for the days on which she has worked during the period of three calendar months immediately preceding the date from which she absents herself on account of maternity, or one rupee a day, whichever is higher</p> <p>Ref - <a href="https://labour.gov.in/sites/default/files/TheMaternityBenefitAct1961.pdf">https://labour.gov.in/sites/default/files/TheMaternityBenefitAct1961.pdf</a></p>
2.	Details of statutory dues deducted and deposited with the authorities approved by government	Enter the details of statutory dues (PF, Gratuity, ESI) deducted and deposited with the authorities approved by government for the current financial year.
3.	Is there a mechanism available to receive and redress grievances for each category of employees and workmen	<p>Select Yes or No as the case may be.</p> <p>Mention the grievance redressal mechanism available with the company to receive and redress grievances of each of the above segment of employees.</p>



<p>4.</p>	<p>Number of complaints made by employees and workmen</p>	<p>Mention the number of complaints of Sexual Harassment, Working Conditions, Occupational Health, Discrimination at workplace, Child Labour and other complaints received during the year and Forced Labour/Involuntary Labour at the beginning of the year, received during the year and pending resolution at the end of the year for all the employees and workmen.</p> <p>Any complaint received from employees or workmen but not falling in any of the above categories may be mentioned under 'Others'</p> <p><b>Sexual Harassment under Sec 2(n) of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</b> includes any one or more of the following unwelcome acts or behaviour (whether directly or by implication) namely:</p> <ul style="list-style-type: none"> <li>i. physical contact and advances</li> <li>ii. a demand or request for sexual favours</li> <li>iii. making sexually coloured remarks</li> <li>iv. showing pornography</li> <li>v. any other unwelcome physical, verbal or non-verbal conduct of sexual nature</li> </ul> <p>Ref-<a href="http://legislative.gov.in/sites/default/files/A2013-14.pdf">http://legislative.gov.in/sites/default/files/A2013-14.pdf</a></p> <p><b>Health and Working Conditions</b></p> <p><b>Sec 23 of the Occupational Safety, Health and Working Conditions Code Bill, 2019</b> states that</p> <ul style="list-style-type: none"> <li>(1) The employer shall be responsible to maintain in his establishment such health and working conditions for the employees as may be prescribed by the Central Government.</li> <li>(2) Without prejudice to the generality of the power conferred under sub-section (1), the Central Government may prescribe for providing all or any of the following matters in the establishment or class of establishments, namely: <ul style="list-style-type: none"> <li>i. cleanliness and hygiene</li> <li>ii. ventilation, temperature and humidity</li> </ul> </li> </ul>
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		<ul style="list-style-type: none"> <li>iii. environment free from dust, noxious gas, fumes and other impurities</li> <li>iv. adequate standard of humidification, artificially increasing the humidity of the air, ventilation and cooling of the air in work rooms</li> <li>v. potable drinking water</li> <li>vi. adequate standards to prevent overcrowding and to provide sufficient space to employees or persons, as the case may be, employed therein</li> <li>vii. adequate lighting</li> <li>viii. sufficient arrangement for latrine and urinal accommodation to male, female and transgender separately for employees maintaining hygiene therein</li> <li>ix. effective arrangements for treatment of wastes and effluents; and</li> <li>x. any other arrangement which the Central Government considers appropriate.</li> </ul> <p>Ref- <a href="https://labour.gov.in/sites/default/files/186_2019_LS_Eng_0.pdf">https://labour.gov.in/sites/default/files/186_2019_LS_Eng_0.pdf</a></p> <p><b>Child Labour</b></p> <p><b>As per Sec 2(ii) of the Child Labour (Prohibition &amp; Regulation) Act, 1986, Child</b> means a person who has not completed is 14th year of age.</p> <p>The amendment Act, 2016 prohibits the employment of adolescents in the age group of 14 to 18 years in hazardous occupations and processes and regulates their working conditions where they are not prohibited.</p> <p>Ref- <a href="https://labour.gov.in/sites/default/files/act_3.pdf">https://labour.gov.in/sites/default/files/act_3.pdf</a></p>
5.	Percentage of membership in association(s) or Unions recognised by the Board of permanent employees who are members of the employee association(s)	Enter the no. of employees and workmen (both permanent and other than permanent) who are member of association(s) or Unions recognised by the Board of the company, as a % of the total number of employees / workmen, respectively.



	recognised by the management	
6.	Details of safety related incidents	Enter the Lost Time Injury Frequency Rate (LTIFR) during the current financial year. If the same is not available, provide the data pertaining to Accidents at the workplace, Fatalities, Permanent Disability and Temporary disability caused during the current financial year.
<b>Leadership Indicators</b>		
1.	Details of Training imparted to the employees and workmen	Under each category of employee/ workmen, enter the total no. of employees who were given training on health and safety measures and skill upgradation during the current financial year.  Under each category of differently abled employee workmen, enter the total no. of employees who were given training on health and safety measures and skill upgradation during the current financial year.
2.	Provide the corrective actions taken for children/ adolescents identified as employed in your establishments / value chain	Briefly outline the steps in about 100 words. If details are available in the website, please also provide a weblink.
3.	Provide the corrective actions taken for forced/ involuntary labour identified in your establishments / value chain	
4.	Provide the actions taken to prevent adverse consequences to the complainant in discrimination and harassment cases	
5.	Provide the corrective actions taken on the outcomes of health and safety audits of your	



	establishments, including value chain partners	
6.	% of accident-affected persons rehabilitated and placed in suitable employment	

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

Essential Indicators		
Q. No.	Field Name	Instruction/Guidance
1.	List stakeholder groups identified as key for your business and frequency of engagement with each stakeholder group.	<p>Select the key stakeholder groups (e.g. employees, communities etc.) identified by the business. Select Yes or No, as the case maybe as to whether each such identified stakeholder belongs to Vulnerable and Marginalised Group. If yes, enter the group they belong to.</p> <p>Select the channel of communication and the frequency of engagement with them.</p> <p>Select Yes or No, as the case may be as to whether environment and social issues are discussed with each such stakeholder.</p>
Leadership Indicators		
1.	Provide details of instances as to how the inputs received from stakeholders are incorporated.	Mention at least 3 instances where inputs received from stakeholders are incorporated by the company.

**PRINCIPLE 5: Businesses should respect and promote human rights**

Essential Indicators		
Q. No.	Field Name	Instruction/Guidance
1.	Details of remuneration/ salary/ wages	(a) Enter the number and the Average remuneration, salary, or wages paid, as the case may be to Board of Directors, KMPs, other employees and workmen as male, female and others (including differently abled).



		<p>(b) Enter separately the number of differently abled personnel and the Average remuneration, salary, or wages paid, as the case may be to Board of Directors, KMPs, other employees and workmen as male, female and others.</p> <p><b>Remuneration</b>  <b>As per sec 2(78) of Companies Act 2013,</b> <b>Remuneration</b> means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961 (43 of 1961)  Ref-  <a href="https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf">https://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf</a></p> <p><b>Salary</b>  <b>As per Income Tax Act, 1961, Salary</b> includes:</p> <ol style="list-style-type: none"> <li>wages</li> <li>any annuity or pension</li> <li>any gratuity</li> <li>any fees, commissions, perquisites or profits in lieu of or in addition to any salary or wages</li> <li>any advance of salary</li> <li>the annual accretion to the balance at the credit of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under Rule 6 of Part 'A' of the Fourth Schedule; and</li> <li>the aggregate of all sums that are comprised in the transferred balance as referred to in sub-rule (2) of Rule 11 of Part A of the Fourth Schedule of an employee participating in a recognised provident fund, to the extent to which it is chargeable to tax under sub-rule (4) thereof</li> </ol> <p>Ref-<a href="https://www.incometaxindia.gov.in/Acts/Income-tax%20Act,%201961/1968/102120000002035669.htm">https://www.incometaxindia.gov.in/Acts/Income-tax%20Act,%201961/1968/102120000002035669.htm</a></p> <p><b>Wages</b>  <b>As per Sec 2(y) of Code on Wages, 2019, Wages</b> means all remuneration whether by way of salaries,</p>
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		<p>allowances or otherwise, expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes:</p> <ul style="list-style-type: none"> <li>i. basic pay</li> <li>ii. dearness allowance</li> <li>iii. retaining allowance, if any,</li> </ul> <p>but does not include</p> <ul style="list-style-type: none"> <li>a. any bonus payable under any law for the time being in force, which does not form part of the remuneration payable under the terms of employment</li> <li>b. the value of any house-accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the appropriate Government</li> <li>c. any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon</li> <li>d. any conveyance allowance or the value of any travelling concession</li> <li>e. any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment</li> <li>f. house rent allowance</li> <li>g. remuneration payable under any award or settlement between the parties or order of a court or Tribunal</li> <li>h. any overtime allowances</li> <li>i. any commission payable to the employee</li> <li>j. any gratuity payable on the termination of employment</li> <li>k. any retrenchment compensation or other retirement benefit payable to the employee or any ex gratia</li> </ul>
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		<p>payment made to him on the termination of employment</p> <p>Provided that, for calculating the wages under this clause, if payments made by the employer to the employee under clauses (a) to (i) exceeds one-half, or such other per cent, as may be notified by the Central Government, of the all remuneration calculated under this clause, the amount which exceeds such one-half, or the per cent. so notified, shall be deemed as remuneration and shall be accordingly added in wages under this clause</p> <p>Provided further that for the purpose of equal wages to all genders and for the purpose of payment of wages, the emoluments specified in clauses (d), (f), (g) and (h) shall be taken for computation of wage.</p> <p>Explanation: Where an employee is given in lieu of the whole or part of the wages payable to him, any remuneration in kind by his employer, the value of such remuneration in kind which does not exceed fifteen per cent of the total wages payable to him, shall be deemed to form part of the wages of such employee</p> <p>Ref-  <a href="https://labour.gov.in/sites/default/files/THE%20CODE%20ON%20WAGES%2C%202019%20No.%2029%20of%202019.pdf">https://labour.gov.in/sites/default/files/THE%20CODE%20ON%20WAGES%2C%202019%20No.%2029%20of%202019.pdf</a> </p>
2.	Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?	Select Yes or No as the case may be
3.	Describe the internal mechanisms to address and redress grievances related to human rights issues	Briefly describe the mechanisms in place to address and redress grievances related to human rights issues in about 100 words. If details are available in the website, please also provide a weblink.





Leadership Indicators		
1.	Stakeholders groups governed by the grievance redressal mechanism for Human Rights issues	<p>The list of stakeholders will be collated from Question No. 1 of Principle 4.</p> <p>Select Yes or No as the case may be as to whether each group has been covered by grievance redressal mechanism.</p> <p>Enter whether these groups have been covered by awareness programmes.</p>
2.	Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.	Provide details about the changes made in the business processes of the company in response to addressing the human rights complaints/ grievances.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

Essential Indicators		
Q.No.	Field Name	Instruction/Guidance
1.	Details of Energy and water consumed by the company	<p>(a) Aligned with India's Nationally Determined Contributions (NDCs), under the Paris Agreement, 2016 provide details of energy and water consumption by the Company in its operations. It is the total net quantity of energy consumed by the operations of the business divided by its total turnover. It excludes consumption in the value chain and during product use.</p> <p>(b) Total quantity of water consumed by the operations of the business divided by its total turnover. It excludes consumption in the value chain and during product use.</p> <p>(c) Percentage of water consumed from recycled and harvested sources to total water consumed.</p> <p>(d) Percentage of water consumed from groundwater sources to total water consumed.</p>
2.	Air emissions and liquid discharges for the 3 major Facilities as	<p>For each of the 3 major facilities the following data is required to be provided for the current financial year:</p> <ul style="list-style-type: none"> <li>• Permissible limit for emissions under relevant law</li> </ul>



	reported to the regulatory authorities	<ul style="list-style-type: none"> <li>Actual Measured value of such emissions and discharges</li> </ul>
<b>Leadership Indicators</b>		
1.	What are the material environmental risks identified and the mitigation measures adopted by the business	Enter the details of material environmental risks identified either as a result of the EIA conducted by the company or any other analysis, pertaining to Land use, Emissions, Water (including marine life), Energy (including electricity) and Biodiversity or any other aspect impacting the environment . Also provide the details of mitigation measures adopted for the risks so identified.
2.	Percentage of renewable energy consumed to total energy consumed	Compute and enter the percentage of renewable energy consumed to total energy consumed during the current financial year.
3.	Details of solid waste management	(a) Compute and enter the percentage of non-biodegradable waste to total waste generated during the current financial year. (b) Compute and enter the percentage of recyclable waste to total waste generated during the current financial year. (c) Compute and enter the percentage of hazardous waste to total waste generated during the current financial year.
4.	Briefly describe the solid waste management practices in your workplaces	Briefly outline the steps undertaken for solid waste management. If details are available in the website, please also provide a weblink. (in about 100 words)



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

Essential Indicators		
Q.No.	Field Name	Instruction/Guidance
1.	Details of the trade and industry chambers/ associations you are a member of or are affiliated to	<p>(a) Mention the number of affiliations with trade and industry chambers/ associations on the basis of no. of members.</p> <p>(b) Select the names of such trade and industry chambers/ associations. If any other, Specify in the Text Box.</p> <p>Also select the scope of the trade association, industry chamber, etc. as to whether it is state level or national level.</p>

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

Essential Indicators		
Q. No.	Field Name	Instruction/Guidance
1.	Describe the mechanisms to receive grievances of the local community	Describe the mechanism in about 50 words
2.	Brief information on the various intellectual properties owned or acquired by your business based on traditional knowledge where the benefits derived therefrom are shared equitably	<p>Provide brief information of intellectual properties based on traditional knowledge owned or acquired by the business in the current Financial Year, Select Owned or Acquired, as the case may be. Select Yes or No as the case may be whether benefit arising out of such and IPRs are shared on the lines of Access to Biological Resources and Associated Knowledge and Benefits Sharing Regulations, 2014.</p> <p><b>Intellectual Properties</b></p> <p>Intellectual property refers to creations of the mind: inventions; literary and artistic works; and symbols, names and images used in commerce. Intellectual property is divided into two categories:</p> <p>i. Industrial Property includes patents for inventions, trademarks, industrial designs and geographical indications.</p> <p>ii. Copyright covers literary works (such as novels, poems and plays), films, music, artistic works (e.g., drawings, paintings, photographs and sculptures) and architectural design. Rights related to copyright include those of performing artists</p>



		<p>in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programs.</p> <p>Ref: <a href="https://www.wipo.int/about-ip/en/">https://www.wipo.int/about-ip/en/</a></p> <p><b>Traditional Knowledge</b></p> <p>Traditional knowledge in a general sense embraces the content of knowledge itself as well as traditional cultural expressions, including distinctive signs and symbols associated with TK.</p> <p>Traditional knowledge in the narrow sense refers to knowledge as such, in particular the knowledge resulting from intellectual activity in a traditional context, and includes know-how, practices, skills, and innovations.</p> <p>Ref- <a href="https://www.wipo.int/tk/en/tk/">https://www.wipo.int/tk/en/tk/</a></p>
3.	List of adverse orders and case details of intellectual property rights disputes related to traditional knowledge during the FY	<p>In case of such orders, enter the name of the Adjudicating Authority, name of the opposing party wherein the company is involved in case pertaining to intellectual property rights dispute along with the Case No. of such case.</p> <p>Mention the brief of the Judgment or Award of such case.</p> <p>Also Select Yes or No as the case may be as to whether an appeal has been preferred.</p>
<b>Leadership Indicators</b>		
1.	CSR projects undertaken by your company in designated aspirational districts as identified by government bodies	Select the aspirational districts from the dropdown menu and their states where the CSR activities were undertaken and the amount spent.
2.	Details of the benefits derived of the various intellectual properties owned or acquired by your company based on traditional knowledge shared	The list of IPR will be pre-filled from E5. Briefly outline the basis for calculating the benefits shared by the company with the “owners” of such traditional knowledge.



3.	Details of corrective actions taken in intellectual property related cases wherein usage of traditional knowledge is involved.	Enter the details of the corrective action taken by the company against each such order.
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**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

Essential Indicators		
Q. No.	Field Name	Instruction/Guidance
1.	Describe the mechanisms in place to receive and respond to consumer feedback	In about 100 words, outline the mechanism put in place by the company to receive and respond to consumer feedback. If more details are available on the website of the Company, please provide the weblink.
2.	% of goods and services of your business carrying information relevant to consumers	Enter the %age of goods and services by turnover carrying information regarding: <ul style="list-style-type: none"> <li>• Environmental and social parameters relevant to the product such as energy used, water consumed, number of people involved in its production etc.</li> <li>• Safe and responsible usage</li> <li>• Recycling and safe disposal of the product after use</li> </ul> Please note that if the question is not relevant to your product/service, please enter "Not applicable".
3.	Number of consumer complaints	Enter the number of consumer complaints received and number of consumer complaints pending resolution at close of year for both, the current financial year with respect to: <ul style="list-style-type: none"> <li>(i) Data Privacy</li> <li>(ii) Advertising</li> <li>(iii) Delivery of essential services</li> <li>(iv) Restrictive Trade Practices under Competition Act, 2002</li> <li>(v) Unfair Trade Practices under Consumer Protection Act, 1986</li> </ul>



		<p><b>Restrictive Trade Practices</b></p> <p><b>Sec 3 of Competition Act, 2002</b>, states that No enterprise or association of enterprises or person or association of persons shall enter into any agreement in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse effect on competition within India.</p> <p><b>Sec 4 of Competition Act, 2002</b>, states that No enterprise or group shall abuse its dominant position.</p> <p><b>Sec 6 of Competition Act, 2002</b>, states that No person or enterprise shall enter into a combination which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India and such a combination shall be void.</p> <p>Ref-  <a href="https://www.cci.gov.in/sites/default/files/cci_pdf/competition_act2012.pdf">https://www.cci.gov.in/sites/default/files/cci_pdf/competition_act2012.pdf</a></p> <p><b>Unfair Trade Practices</b></p> <p><b>Sec 2 (1) (r) of Consumer Protection Act 1996</b>, <b>Unfair trade practice</b> means a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practices.</p> <p>Ref-  <a href="http://ncdrn.nic.in/bare_acts/Consumer%20Protection%20Act-1986.html">http://ncdrn.nic.in/bare_acts/Consumer%20Protection%20Act-1986.html</a></p>
<b>Leadership Indicators</b>		
1.	Channels/ platforms where information on goods and services of the business can be accessed.	<p>In 100 words, 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.</p> <p>Also provide the link of the document containing such information as available in the public domain.</p>



### 3.6. TEST YOUR UNDERSTANDING - MULTIPLE CHOICE QUESTIONS

- Q1. Which of the following statements is true in respect of SEBI Circular on BRSR?**
- a) The format is mandatory for top 1000 listed companies specified by SEBI.
  - b) The BRSR comprehensive format is optional for all Companies
  - c) The Companies can select any of the two formats for reporting.
  - d) None of the above.
- Q2. Which of the following not part of the General Disclosures in BRSR Lite format?**
- a) Holding, Subsidiary and Associate Companies (including joint ventures)
  - b) Transparency and Disclosure Compliances
  - c) CSR details
  - d) Operations
- Q3. Which one of the following is a reporting requirement in Section B- Policy and Management Process?**
- a) Separate Policy covering each principle
  - b) Multiple policies covering one principle
  - c) Multiple principles covered by one policy
  - d) Any of the above.
- Q4. Which of the following are mandatory under Principle wise Performance disclosures in Section C?**
- a) Leadership indicators
  - b) Profitability indicators
  - d) Essential indicators
  - e) All of the above
- Q5. Which of the following is true about the awareness programmes conducted on the Principles for Value Chain Partners?**
- a) This is covered under Leadership Indicator.
  - b) This is covered under Essential Indicator.
  - c) This is not required as a part of the BRSR reporting.
  - d) This can be reported as additional information.



- Q6. Which of the following is true about BRSR reporting?**
- a) It is based on the NGRBC requirements.
  - b) It is based on the NVG framework
  - d) It is based on the Companies Act
  - e) None of the above
- Q7. Which of the following is true with respect to Principle wise performance disclosures?**
- a) Essential indicators would be phased out in future
  - b) Leadership indicators would gradually move to Essential indicators
  - c). None of the above
- Q8. Which of the following is part of reporting on principle to protect and restore the environment?**
- a) Air emissions and liquid discharges
  - b) Energy and water consumed by the company
  - c) Solid waste management practices
  - d) All of the above
- Q9. Which of the following is the rationale for the reporting mechanisms to resolve grievances of the local community?**
- a) To meet the CSR spending requirement
  - b) To ensure that there are no disputes which affect the continuity of business operations?
  - c) To promote inclusive growth and equitable development
  - d) None of the above
- Q10. Why is the Life Cycle Assessment (LCA) for manufactured products important?**
- a) To ensure that the product meets customer satisfaction
  - b) To ensure that the product is free from manufacturing defects
  - c) To ensure that the product is sustainable at all stages of its lifecycle
  - d) All of the above

## ANSWERS

1. a; 2. b; 3. d; 4. d; 5. a; 6. a; 7. b; 8. d; 9. c; 10. c.



# MODULE FOUR: BRSR VIS-À-VIS GLOBAL FRAMEWORKS

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## 4.1 INTRODUCTION

In Module 3, we looked at aspects related to quality and utility of disclosures, Guidance Note for Business Responsibility and Sustainability Reporting Format, Business Responsibility and Sustainability Reporting (BRSR) Format Lite and Guidance Note for Business Responsibility and Sustainability Reporting Format Lite.

In this Module, we look at the following:

- Global Reporting Initiative (GRI)
- Integrated Reporting (IR) Framework
- Mapping of BRSR with GRI and IR Frameworks
- Sustainable Finance

As sustainability reporting has become more common, various reporting frameworks have been developed. The two widely accepted reporting frameworks are developed by the Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC). The integrated reporting framework takes a step further by suggesting that sustainability issues should not be dealt with separately from annual financial issues, but instead in an integrated report.

The wider objective of sustainability can be achieved by taking due account of environmental, social and governance (ESG) considerations when making investment decisions in the financial sector. Sustainable Finance gives market participants a choice to act in a responsible way and to support positive change in day-to-day business. In the past decade, forms of sustainable finance have grown substantially due to an increasing demand by institutional and retail investors to better reflect sustainability issues in their investment choices. Investors are increasingly choosing to integrate ESG factors in their investment decisions.

## OVERVIEW OF GRI AND IR FRAMEWORKS (GLOBAL)

## 4.2 GRI – GLOBAL REPORTING INITIATIVE

Global Reporting Initiative (GRI) is an independent international organization that has been working on corporate sustainability reporting since 1997. GRI's mission is to empower decision-makers and network of stakeholders through its standards for sustainability reporting. (<https://www.globalreporting.org>). GRI in collaboration with the United Nations Environmental Protection Agency and the United Nations Global Compact aids the production, on-going review and assessment of the GRI Standards.



The GRI Sustainability Reporting Standards (GRI Standards) comprises a group of modular reporting standards which are available for adoption by any organization to report about its activities, initiatives and impacts on aspects related to sustainability. The GRI Standards are developed through a transparent, multi-stakeholder process and are issued by the Global Sustainability Standards Board (GSSB), an independent standard-setting body created by GRI.

### 4.2.1 Background to GRI Standards

GRI Standards provide an international, standardized language that businesses could use to report on their business sustainability efforts, pertaining to disclosure of information relating to corporate impacts, both negative and positive, on environmental, social and economic aspects.

The GRI Standards help businesses produce a sustainability report to facilitate assessment of business activities and to work towards improvements in a more sustainable business, economy and the world.

The first draft of the Standards was released in 1997 followed by an enhanced revised version in 2000. This has been updated with new releases of the Standards, the latest being the 2016 GRI Standards. These Standards were developed by the United States-based non-profit group [Ceres](#) (Coalitions for Environmentally Responsible Economies), a Boston Massachusetts based organization formed in 1989, which has been working in the area of Corporate Governance.

The GRI Standards are developed in accordance with international labor practices and environmental requirements, such as, International Organization for Standardization -ISO 14000 series, which includes ISO 14010, ISO 14011, ISO 14012 and ISO 26000, set out guidelines for assessing environmental impact, while Occupational Health and Safety Assessment Series - OHSAS 18001 lays down a health and safety risk management system.

Many organizations in more than 90 countries currently use the GRI Standards to report sustainability information. The GRI Standards are referred to in the policy or regulation in more than 40 countries and regions, and by more than 20 stock exchanges around the world. The usage and adoption of the GRI standards is increasing rapidly with the increasing awareness and importance of sustainability requirements.

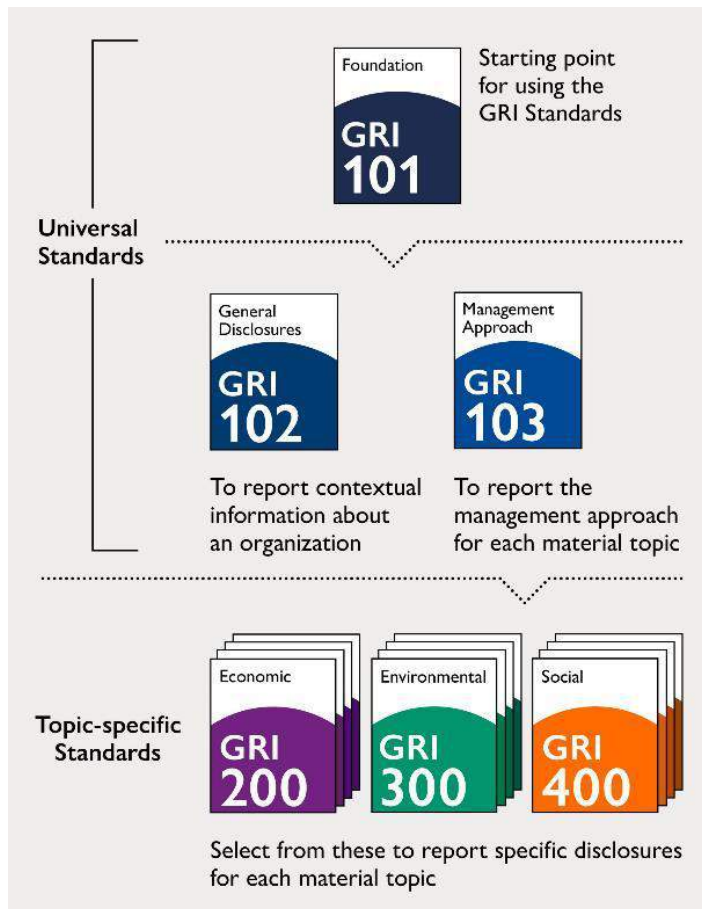
In addition, since December 2014, the European Commission Directive adopted a new obligation that large multinational corporations should provide a non-financial disclosure to the markets. That is, it became law that public companies with more than 500 employees should provide a report detailing environmental and social facets of business, using recognized frameworks such as the GRI Standards.

GRI reporting enables disclosure of information in a systematic and standard manner which is easily quantifiable and compared. The benefits of using a structured and standardized approach can lead to improvements in sustainability performance, risk management, stakeholder relations, employee engagement, benchmarking sustainability performance and building credibility for an organization.



The full set of GRI Standards can be downloaded at [www.globalreporting.org/standards](http://www.globalreporting.org/standards)

#### 4.2.2 GRI Standards



GRI Standards are structured in a set of interrelated modules that can be referenced and used together.

There are three core modules, known as GRI's 100 series. This GRI 100 series are universal standards that apply to every organization aiming to develop a sustainability report. The set of GRI Standards includes:

- 3 Universal Standards that apply to every organization preparing sustainability report
- 34 Topic-specific Standards (on e.g., water, occupational health and safety, anti-corruption) for reporting on material topics



Organizations can select and use the relevant topic-specific standards, based on the material topics that reflect the reporting organization's significant economic, environmental, and social impacts; or substantively influence the assessments and decisions of stakeholders.

Organizations can select one of the following approaches to use GRI Standards:

1. Selected GRI Standards can be used, which might constitute a 'GRI-referenced' report.
2. GRI Standards can be used as a set to prepare a sustainability report in accordance with the GRI Standards (Core or Comprehensive option).

The GRI Standards include:

- Requirements: that is mandatory instructions.
- Recommendations: These are cases where a particular course of action is encouraged, but not required.
- Guidance: These sections include background information, explanations and examples to help organizations better understand the requirements.

GRI Universal standards are as follows:

- GRI Standards 101: Foundation 2016
- GRI Standards 102: General Disclosures 2016
- GRI Standards 103: Management Approach 2016

*Topic-specific Standards are as follows:*

*GRI 200: Economic*

- *GRI 201: Economic Performance 2016*
- *GRI 202: Market Presence 2016*
- *GRI 203: Indirect Economic Impacts 2016*
- *GRI 204: Procurement Practices 2016*
- *GRI 205: Anti-corruption 2016*
- *GRI 206: Anti-competitive Behavior 2016*
- *GRI 207: Tax 2019*

*GRI 300: Environmental*

- *GRI 301: Materials 2016*
- *GRI 302: Energy 2016*



- *GRI 303: Water and Effluents 2018*
- *GRI 304: Biodiversity 2016*
- *GRI 305: Emissions 2016*
- *GRI 306: Waste 2020*
- *GRI 307: Environmental Compliance 2016*
- *GRI 308: Supplier Environmental Assessment 2016*
- GRI 400: Social*
  - *GRI 401: Employment 2016*
  - *GRI 402: Labor/Management Relations 2016*
  - *GRI 403: Occupational Health and Safety 2018*
  - *GRI 404: Training and Education 2016*
  - *GRI 405: Diversity and Equal Opportunity 2016*
  - *GRI 406: Non-discrimination 2016*
  - *GRI 407: Freedom of Association and Collective Bargaining 2016*
  - *GRI 408: Child Labor 2016*
  - *GRI 409: Forced or Compulsory Labor 2016*
  - *GRI 410: Security Practices 2016*
  - *GRI 411: Rights of Indigenous Peoples 2016*
  - *GRI 412: Human Rights Assessment 2016*
  - *GRI 413: Local Communities 2016*
  - *GRI 414: Supplier Social Assessment 2016*
  - *GRI 415: Public Policy 2016*
  - *GRI 416: Customer Health and Safety 2016*
  - *GRI 417: Marketing and Labeling 2016*
  - *GRI 418: Customer Privacy 2016*
  - *GRI 419: Socioeconomic Compliance 2016*



All organisations that use the GRI Standards are required to comply with the Universal Standards – GRI 101: Foundation 2016, GRI 102: General Disclosures 2016 and GRI 103: Management Approach 2016.

After referencing the Universal GRI Standards, an organization can then look at the topic-specific GRI Standards to report on what is known ‘Material Topics’. “A material topic is a topic that reflects a reporting organization’s significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders” (GRI 101: Foundation 2016, Key Terms).

### 4.2.3 GRI 101

GRI 101 serves as a starting point for using the GRI Standards. It sets out the Reporting Principles which all reporting organizations are required to apply if they wish to claim their sustainability report has been prepared in accordance with the GRI Standards.

The Reporting Principles also provide the organization with a basis for determining its material topics that reflect the reporting organization’s significant economic, environmental, and social impacts or substantively influence the assessments and decisions of stakeholders.

The GRI Reporting Principles listed below share characteristics with the suitable criteria defined in the AICPA Attestation Standards: Objectivity, Measurability, Completeness and Relevance. GRI Standards can therefore be used as a basis for suitable criteria in an assurance engagement.

**GRI Reporting Principles for defining report content** (see “Reporting Principles” within GRI 101: Foundation 2016 for more detailed explanations).

GRI Reporting Principles for defining report content	GRI Reporting Principles for defining report quality
Stakeholder Inclusiveness	Accuracy
Sustainability Context	Balance
Materiality	Clarity
Completeness	Comparability
	Reliability
	Timeliness

### 4.2.4 GRI 102

#### GRI 102: General Disclosures

##### Organisational Profile

102-1 Name of the organization



- 102-2 Activities. Primary brands, products, and services:
- 102-3 Location of organization's headquarters.
- 102-4 Location of operations
- 102-5 Ownership and legal form
- 102-6 Markets served
- 102-7 Scale of the organization
- 102-8 Information on employees and other workers
- 102-9 Supply chain
- 102-10 Significant changes to the organization and its supply chain
- 102-11 Precautionary Principle or approach.
- 102-12 External initiatives
- 102-13 Membership of associations

### Strategy

- 102-14 Statement from senior decision-maker
- 102-15 Key impacts, risks, and opportunities

### Ethics and integrity

- 102-16 Values, principles, standards, and norms of behavior
- 102-17 Mechanisms for advice and concerns about ethics

### Governance

- 102-18 Governance structure
- 102-19 Delegating authority
- 102-20 Executive-level responsibility for economic, environmental, and social topics
- 102-21 Consulting stakeholders on economic, environmental, and social topics
- 102-22 Composition of the highest governance body and its committees
- 102-23 Chair of the highest governance body
- 102-24 Nominating and selecting the highest governance body
- 102-25 Conflicts of interest



- 102-26 Role of highest governance body in setting purpose, values, and strategy
- 102-27 Collective knowledge of highest governance body
- 102-28 Evaluating the highest governance body's performance
- 102-29 Identifying and managing economic, environmental, and social impacts
- 102-30 Effectiveness of risk management processes
- 102-31 Review of economic, environmental, and social topics
- 102-32 Highest governance body's role in sustainability reporting
- 102-33 Communicating critical concerns.
- 102-34 Nature and total number of critical concerns
- 102-35 Remuneration policies
- 102-36 Process for determining remuneration
- 102-37 Stakeholders' involvement in remuneration
- 102-38 Annual total compensation ratio
- 102-39 Percentage increase in annual total compensation ratio

### Stakeholder engagement

- 102-40 List of stakeholder groups
- 102-41 Collective bargaining agreements
- 102-42 Identifying and selecting stakeholders
- 102-43 Approach to stakeholder engagement
- 102-44 Key topics and concerns raised

### Reporting Practice

- 102-45 Entities included in the consolidated financial statements
- 102-46 Defining report content and topic Boundaries
- 102-47 List of material topics
- 102-48 Restatements of information
- 102-49 Changes in reporting
- 102-50 Reporting period





- 102-51 Date of most recent report
- 102-52 Reporting cycle
- 102-53 Contact point for questions regarding the report
- 102-54 Claims of reporting in accordance with the GRI Standards
- 102-55 GRI content index
- 102-56 External assurance

#### 4.2.5 GRI 103: Management Approach

This Standard includes general requirements and disclosures for reporting the management approach for material topics. These are set out in the Standard as follows:

- General requirements for reporting the management approach
- Disclosure 103-1: Explanation of the material topic and its Boundary
- Disclosure 103-2: The management approach and its components
- Disclosure 103-3: Evaluation of the management approach

Material topics are those that reflect an organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders. The list of material topics is reported in Disclosure 102-47 of GRI 102: General Disclosures. For more information on identifying material topics, see GRI 101: Foundation.

The explanation of why the topic is material can include:

- a description of the significant impacts identified and the reasonable expectations and interests of stakeholders regarding the topic;
- a description of the process, such as due diligence, that the organization used to identify the impacts related to the topic.

Boundary is the description of where the impacts for a material topic occur and the organization's involvement with these impacts.

##### 103-1: Explanation of the material topic and its Boundary

For each material topic, the reporting organization shall report the following information:

- (a) An explanation of why the topic is material.
- (b) The Boundary for the material topic, which includes a description of:
  - (i) where the impacts occur;
  - (ii) the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts or is directly linked to the impacts through its business relationships.
- (c) Any specific limitation regarding the topic Boundary.



### 103-2: The management approach and its components

The reporting organization shall report the following information-

- a. An explanation of how the organization manages the topic.
- b. A statement of the purpose of the management approach.
- c. A description of the following, if the management approach includes that component:
  - i. Policies.
  - ii. Commitments.
  - iii. Goals and targets
  - iv. Responsibilities.
  - v. Resources.
  - vi. Grievance mechanisms
  - vii. Specific actions, such as processes, projects, programs and initiatives

### 103-3: Evaluation of the management approach

The reporting organization shall report the following information-

An explanation of how the organization evaluates the management approach, including:

- i. the mechanisms for evaluating the effectiveness of the management approach;
- ii. the results of the evaluation of the management approach;
- iii. any related adjustments to the management approach.

### GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed

201-2 Financial implications and other risks and opportunities due to climate change

201-3 Defined benefit plan obligations and other retirement plans

201-4 Financial assistance received from government

### GRI 202: Market Presence 2016

202-1 Ratios of standard entry level wage by gender compared to local minimum wage

202-2 Proportion of senior management hired from the local community



**GRI 203: Indirect Economic Impacts 2016**

203-1 Infrastructure investments and services supported

203-2 Significant indirect economic impacts

**GRI 204: Procurement Practices 2016**

204-1 Proportion of spending on local suppliers

**GRI 205: Anti-corruption 2016**

205-1 Operations assessed for risks related to corruption

205-2 Communication and training about anti-corruption policies and procedures

205-3 Confirmed incidents of corruption and actions taken

**GRI 206: Anti-competitive Behavior 2016**

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

**GRI 207: TAX**

207-1 Approach to tax

207-2 Tax governance, control and risk management

207-3 Stakeholder engagement and management concerns related to tax

207-4 Country-by-country reporting

**4.2.6 300 Series (Environmental Topics)**

**GRI 301: Materials 2016**

301-1 Materials used by weight or volume

301-2 Recycled input materials used

301-3 Reclaimed products and their packaging materials

**GRI 302: Energy 2016**

302-1 Energy consumption within the organization

302-2 Energy consumption outside of the organization

302-3 Energy intensity

302-4 Reduction of energy consumption

302-5 Reductions in energy requirements of products and services



### **GRI 303: Water and Effluents 2018**

- 303-1 Interactions with water as a shared resource
- 303-2 Management of water discharge-related impacts
- 303-3 Water withdrawal
- 303-4 Water discharge
- 303-5 Water consumption

### **GRI 304: Biodiversity 2016**

- 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
- 304-2 Significant impacts of activities, products, and services on biodiversity
- 304-3 Habitats protected or restored
- 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

### **GRI 305: Emissions 2016**

- 305-1 Direct (Scope 1) GHG emissions
- 305-2 Energy indirect (Scope 2) GHG emissions
- 305-3 Other indirect (Scope 3) GHG emissions
- 305-4 GHG emissions intensity
- 305-5 Reduction of GHG emissions
- 305-6 Emissions of ozone-depleting substances (ODS)
- 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

### **GRI 306: Waste 2020<sup>6</sup>**

- 306-1 Waste generation and significant waste-related impacts
- 306-2 Management of significant waste-related impacts
- 306-3 Waste generated

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<sup>6</sup> GRI 306: Waste 2020 will be effective for reports or other materials published on or after 1 January 2022. GRI 306: Effluents and Waste 2016, can continue to be used for reports or other materials published on or before 31 December 2021. Earlier adoption is encouraged.



306-4 Waste diverted from disposal

306-5 Waste directed to disposal

**GRI 307: Environmental Compliance 2016**

307-1 Non-compliance with environmental laws and regulations

**GRI 308: Supplier Environmental Assessment 2016**

308-1 New suppliers that were screened using environmental criteria

308-2 Negative environmental impacts in the supply chain and actions taken

**4.2.7 400 Series (Social Topics)**

**GRI 401: Employment 2016**

401-1 New employee hires and employee turnover

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

401-3 Parental leave

**GRI 402: Labor/Management Relations 2016**

402-1 Minimum notice periods regarding operational changes

**GRI 403: Occupational Health and Safety 2018**

403-1 Occupational health and safety management system

403-2 Hazard identification, risk assessment, and incident investigation

403-3 Occupational health services

403-4 Worker participation, consultation, and communication on occupational health and safety

403-5 Worker training on occupational health and safety

403-6 Promotion of worker health

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

403-8 Workers covered by an occupational health and safety management system

403-9 Work-related injuries

403-10 Work-related ill health



**GRI 404: Training and Education 2016**

404-1 Average hours of training per year per employee

404-2 Programs for upgrading employee skills and transition assistance programs

404-3 Percentage of employees receiving regular performance and career development reviews

**GRI 405: Diversity and Equal Opportunity 2016**

405-1 Diversity of governance bodies and employees

405-2 Ratio of basic salary and remuneration of women to men

**GRI 406: Non-discrimination 2016**

406-1 Incidents of discrimination and corrective actions taken

**GRI 407: Freedom of Association and Collective Bargaining 2016**

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

**GRI 408: Child Labor 2016**

408-1 Operations and suppliers at significant risk for incidents of child labor

**GRI 409: Forced or Compulsory Labor 2016**

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

**GRI 410: Security Practices 2016**

410-1 Security personnel trained in human rights policies or procedures

**GRI 411: Rights of Indigenous Peoples 2016**

411-1 Incidents of violations involving rights of indigenous peoples

**GRI 412: Human Rights Assessment 2016**

412-1 Operations that have been subject to human rights reviews or impact assessments

412-2 Employee training on human rights policies or procedures

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

**GRI 413: Local Communities 2016**

413-1 Operations with local community engagement, impact assessments, and development programs



413-2 Operations with significant actual and potential negative impacts on local communities

**GRI 414: Supplier Social Assessment 2016**

414-1 New suppliers that were screened using social criteria

414-2 Negative social impacts in the supply chain and actions taken

**GRI 415: Public Policy 2016**

415-1 Political contributions

**GRI 416: Customer Health and Safety 2016**

416-1 Assessment of the health and safety impacts of product and service categories

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

**GRI 417: Marketing and Labeling 2016**

417-1 Requirements for product and service information and labeling

417-2 Incidents of non-compliance concerning product and service information and labeling

417-3 Incidents of non-compliance concerning marketing communications

**GRI 418: Customer Privacy 2016**

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

**GRI 419: Socioeconomic Compliance 2016**

419-1 Non-compliance with laws and regulations in the social and economic area

## 4.3 INTEGRATED REPORTING FRAMEWORK

The Integrated Reporting Framework was released in 2013<sup>7</sup> by the International Integrated Reporting Council<sup>8</sup> (IIRC) after extensive consultation and testing by businesses and investors throughout the world. The purpose of the Framework is to establish Guiding Principles and Content Elements that govern the overall content of an integrated report, and to explain the fundamental

<sup>7</sup> In January, 2021, The International Integrated Reporting Council (IIRC) has published revisions to the International <IR> Framework, originally released in 2013, to enable more decision-useful reporting. This latest version applies to reporting periods commencing 1 January 2022. However, earlier application is welcome. International Framework 2013/2021 comparison is available at:

<https://integratedreporting.org/wp-content/uploads/2021/03/Framework-comparison-2013-to-2021.pdf>

<sup>8</sup> In June 2021, The International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB) have officially announced their merger to form the Value Reporting Foundation (VRF).

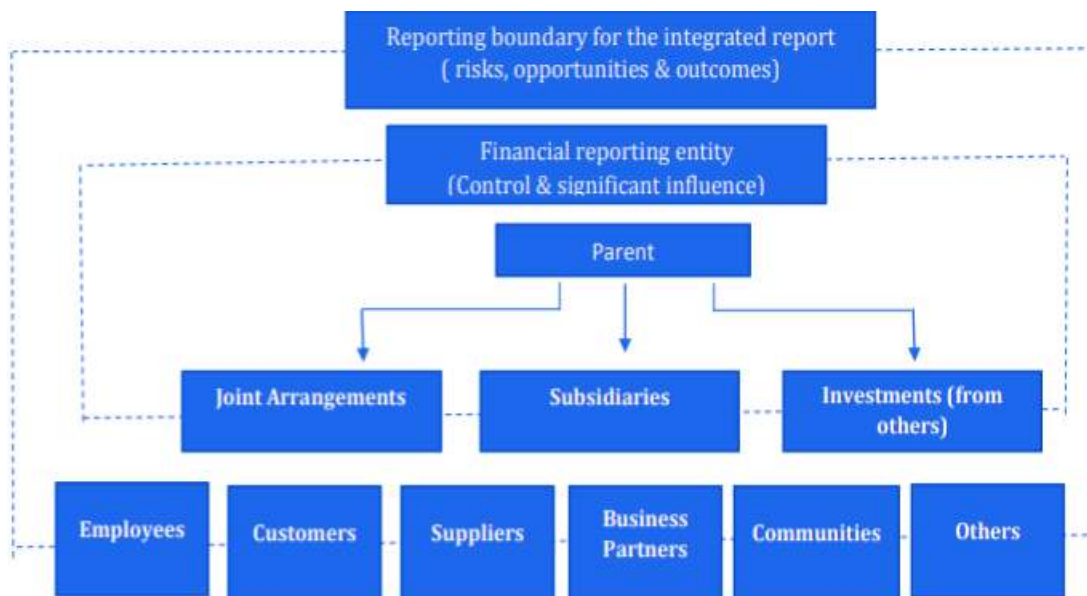


concepts that underpin them. This Framework is primarily in the context of private sector, for-profit companies of any size but it can also be applied, adapted as necessary, by public sector and not-for-profit organizations.

In the revised framework, besides the creation of value, aspect of value preservation and value erosion is also stressed upon. Process through which value is created, preserved or eroded is provided.

### 4.3.1 Reporting Boundary

The boundary for an integrated report is wider in scope, including the financial reporting entity and the other stakeholders. The financial reporting entity is determined according to the applicable financial reporting standards. The scope of integrated reporting extends to looking beyond the financial entity, that is, other entities/stakeholders beyond the financial reporting entity that have a significant effect on the ability of the financial reporting entity to create value.



Entities/ stakeholders considered in determining the reporting boundary (source: IIRC Framework)

### 4.3.2 Structure of the Integrated Reporting Framework

The Integrated Reporting Framework takes a principles-based approach and provides the Guiding Principles and Content Elements for preparation of the integrated report.





## A. Guiding Principles

The Guiding Principles underpin the preparation of the report and informs about both the content of the report and method of presentation of the information. The seven guiding principles are:

- 1) **Strategic focus and future orientation:** An integrated report should provide insight into strategic objectives, and how those objectives relate to (i) the organization's ability to create and sustain value over time and (ii) the resources and relationships on which the organization depends.
- 2) **Connectivity of information:** An integrated report shows the connections between the different components of the organization's business model, external factors that affect the organization, and the various resources and relationships on which the organization and its overall performance depend.
- 3) **Stakeholder relationships:** An integrated report provides insight into the organization's relationships with its key stakeholders and how and to what extent the organization understands, takes into account and responds to their needs.
- 4) **Materiality:** An integrated report should disclose information about all matters that affect the organisations ability to create value over the short, medium and long term.
- 5) **Conciseness:** An integrated report should be concise
- 6) **Reliability and completeness:** An integrated report should provide reliable and complete information that is material without error.
- 7) **Consistency and comparability:** An integrated report should provide information that is consistent over time and enables comparison with other organisations.

## B. Content Elements

The Integrated Reporting Framework provides eight content elements in the form of questions to be considered by the organization while preparation of integrated report. The content elements are:

- 1) **Organizational overview and external environment:** What does the organization do and what are the circumstances under which it operates?
- 2) **Governance:** How does the organisations governance structure support its ability to create value in the short, medium and long term?
- 3) **Business Model:** What is the organization's business model?
- 4) **Risks and opportunities:** What are the key risks and opportunities that affect organisation's ability to create value in the short, medium and long term and how is the organisation dealing with them?



5) **Strategy and resource allocation:** Where does the organization want to go and how does it intend to get there?

6) **Performance:** How has the organization performed against its strategic objectives and related strategies? What are the outcomes in terms of effects on the capitals?

7) **Outlook:** What challenges and uncertainties is the organization likely to encounter in achieving its strategic objectives and what are the resulting implications for its strategies and future performance?

8) **Basis of preparation and presentation:** How does an organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?

#### 4.3.3 Features of the Integrated Reporting Framework

- 1) This framework is principles-based.
- 2) The framework aims to balance between flexibility and prescription to recognize uniqueness of an organization at the same time serve as a comparable standard.
- 3) It identifies information included in an integrated report for assessing the organization's ability to create value.
- 4) The primary focus of the framework is the private sector, but it can also be applied to public sector and not-for-profit organizations.
- 5) The framework does not lay down specific key performance indicators (KPIs) or measurement methods.
- 6) The framework requires judgment to decide material matters, and the application of generally accepted measurement and disclosure methods.
- 7) The information in the integrated report is prepared on the same basis as, or is easily reconcilable with other published information.

#### 4.3.4 Form of Integrated Report

The integrated report is based on connectivity of information to communicate how value is created over time.

The integrated report could be:

- 1) Either a standalone report or be a part of another communication. The report should be distinguishable, designated, identifiable and be more than a summary in other communications.
- 2) Prepared in response to existing compliance requirements.
- 3) Linked to a web based or paper-based link to more detailed information.



An integrated report should include a statement that includes:

- 1) An acknowledgement of those charged with governance accepting responsibility to ensure the integrity of the report.
- 2) An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report.
- 3) Their opinion or conclusion about whether the integrated report is presented in accordance with this Framework or, it should explain:
  - What role those charged with governance played in its preparation and presentation?
  - What steps are being taken to include such a statement in future reports?
  - The time frame for doing so, which should be no later than the organization's third integrated report that references this Framework.

#### 4.3.5 Types of Capital and Value Creation

All organizations depend on various forms of capital for their activities and performance. The capitals are stocks of value that increase, decrease or get transformed through the activities and outputs of the organization. For example, an organization's financial capital is increased when it makes a profit, and the intellectual capital increases when the organization obtains a patent or copyright.

The Integrated Reporting Framework has categorized the capitals under six types:

- 1) Financial Capital
- 2) Manufactured Capital
- 3) Intellectual Capital
- 4) Human Capital
- 5) Social and Relationship Capital
- 6) Natural Capital

#### 4.3.6 Integrated Report and the flow of Capitals

Features of an Integrated Report and the flow of capitals are:

- 1) An integrated report provides information on the resources and relationships with respect to an organization – referred to as “the capitals”.
- 2) The report lays out the interaction of the capitals with the external environment to create value over the short, medium and long term.



- 3) The ability of an organization to create value for itself enables financial returns to the owners of financial capital. This is interrelated to the value the organization creates for stakeholders and society at large through its activities, interactions and relationships. The factors that are material to the organization's ability to create value for itself are included in the integrated report.
- 4) The actions of an organization can involve an increase or a decrease in the value stored in some capitals, resulting in net increase or decrease to the overall stock of capitals.
- 5) The overall stock of capitals is not fixed, but constantly flows or changes from one type to another, as an increase, decrease or a transformation from one type of capital to another. For example, when an organization spends money on research and development, R & D costs reduce its financial capital. The impact is that financial capital gets transformed into intellectual capital.

## 4.4 MAPPING OF REPORTING FRAMEWORKS

Businesses/ organisations report as per one or many reporting frameworks such as the Integrated Reporting Framework laid down by the International Integrated Reporting Council (IIRC), GRI Standards, National Voluntary Guidelines (NVGs), United Nations Sustainable Development Goals (UN SDGs) and many others. These frameworks/standards relate to each other reporting frameworks and sustainability initiatives. The following two sections highlight such connections and enable organizations to fulfill multiple reporting requirements.

### 4.4.1 Mapping of BRSR as per SEBI Circular with GRI Standards

The table below provides the relevant GRI Standard(s) and disclosures that relate to each section from the BRSR Framework.

BRSR as per SEBI Circular	GRI
<b>SECTION A: GENERAL DISCLOSURES</b>	
<b>I. Details of the listed entity</b>	Not covered.
1. Corporate Identity Number (CIN) of the Listed Entity	
2. Name of the Listed Entity	<b>GRI 102: General Disclosures Disclosure 102-1</b> Name of the organization
3. Year of incorporation	Not covered.
4. Registered office address	<b>GRI 102: General Disclosures Disclosure 102-3</b> Location of the headquarters
5. Corporate address	



6. E-mail 7. Telephone	<b>GRI 102: General Disclosures Disclosure 102-53</b> Contact point for questions regarding the report
8. Website	Not covered by the GRI Standards.
9. Financial year for which reporting is being done	<b>GRI 102: General Disclosures Disclosure 102-50</b> Reporting period
10. Name of the Stock Exchanges(s) where shares are listed	<b>GRI 102: General Disclosures GRI 102-5</b> Ownership and Legal Form a. Nature of ownership and legal form.
11. Paid-up Capital	<b>GRI 102: General Disclosures Disclosure 102-7 (a-iv)</b> Scale of the organization a. Scale of the organization, including: iv. total capitalization (for private sector organizations) broken down in terms of debt and equity
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Not covered
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	<b>GRI 102: General Disclosures Disclosure 102-45</b> Entities included in the consolidated financial statements The reporting organization shall report the following information: a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.



<b>II. Products/Services</b> 14. Details of business activities (accounting for 90% of the turnover)	Not covered.
15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)	<b>GRI 102: General Disclosures Disclosure 102-2 (b)</b> Activities, brands, products and services b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.
<b>III. Operations</b> 16. Number of locations where plants and/or operations/offices of the entity are situated	<b>GRI 102: General Disclosures Disclosure 102-4</b> Location of operations
17. Markets served by the entity: a. Number of locations National (No. of States) International (No. of Countries) c. A brief on types of customers	<b>GRI 102: General Disclosures Disclosure 102-6</b> Markets served i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries
b. What is the contribution of exports as a percentage of the total turnover of the entity	Not covered
<b>IV. Employees</b> 18. Details as at the end of Financial Year: a. Employees and workers (including differently abled): Male (%) Female (%) 1. Permanent 2 Other than Permanent 3. Total Employees: b. Differently abled Employees and workers: Male (%) Female (%)	<b>GRI 102: General Disclosures GRI 102-7</b> Scale of the organization a. Scale of the organization, including: i. total number of employees; <b>Disclosure 102-8</b> Information on employees and other workers a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by regional



<p>1. Permanent</p> <p>2 Other than Permanent</p> <p>3.Total differently abled employees and workers</p>	<p><b>GRI 405: Diversity and Equal Opportunity</b></p> <p><b>Disclosure 405-1 (b-iii)</b></p> <p>c. Percentage of employees per employee category in each of the following diversity categories:</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p>
<p>19. Participation/Inclusion/ Representation of women:</p> <p>Total number and percentage of females comprising the Board of Directors and Key Management Personnel as per the Companies Act, 2013.</p>	<p><b>GRI 405: Diversity and Equal Opportunity</b></p> <p><b>Disclosure 405-1 (b-iii)</b></p> <p>b. Percentage of employees per employee category in each of the following diversity categories:</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p>
<p>20. Turnover rate for permanent employees and workers for the Current, previous and prior to previous Financial year.</p>	<p><b>GRI 401: Employment</b></p> <p><b>Disclosure 401-1</b></p> <p>Total number and rate of employee turnover during the reporting period, by age group, gender and region.</p>
<p><b>V. Holding/Subsidiary and Associate Companies (including Joint Ventures)</b></p> <p>21. (a) Names of holding / subsidiary / associate companies / joint ventures, type and % age of shares. Does the entity participate in the Business Responsibility initiatives of the listed entity?</p>	<p><b>GRI 102: General Disclosures</b></p> <p><b>Disclosure 102-45 (b)</b></p> <p>Entities included in the consolidated financial statements</p> <p>b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>
<p><b>VI. CSR Details</b></p> <p>22.(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013</p> <p>(ii) Turnover (in Rs.)</p>	<p><b>GRI 103: Management Approach</b></p> <p><b>Disclosure 103-2 (c-v)</b></p> <p>The management approach and its components</p>



<p>(iii) Net worth (in Rs.)</p>	<p>c. A description of the following, if the management approach includes that component.</p> <p>v. Resources</p> <p><b>GRI 413: Local Communities</b></p> <p><b>Disclosure 413-1</b></p> <p>Operations with local community engagement, impact assessments, and development programs</p> <p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <p>i. social impact assessments, including gender impact assessments, based on participatory processes;</p> <p>ii. environmental impact assessments and ongoing monitoring;</p> <p>iii. public disclosure of results of environmental and social impact assessments;</p> <p>iv. local community development programs based on local communities' needs;</p> <p>v. stakeholder engagement plans based on stakeholder mapping;</p> <p>vi. broad based local community consultation committees and processes that include vulnerable groups;</p> <p>vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;</p> <p>viii. formal local community grievance processes.</p>
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<p><b>VII. Transparency and Disclosure Compliances</b></p> <p>23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct</p> <p>24. Overview of the entity's responsible business conduct issues.</p>	<p><b>GRI 102: General Disclosures</b></p> <p><b>Disclosure 102-16</b></p> <p>Values, principles, standards and norms of behavior</p> <p><b>GRI 103: Management Approach, to be used together with</b></p> <p><b>GRI 205: Anti- corruption</b></p> <p><b>Disclosure 103-2</b></p> <p>The management approach and its components</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p>
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## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

<p><b>Policy and Management Processes</b></p> <p>1.a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs</p> <p>b. Has the policy been approved by the Board?</p> <p>c. Web Link of the Policies</p> <p>2. Whether the entity has translated the policy into procedures.</p> <p>3. Do the enlisted policies extend to your value chain partners?</p> <p>4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fair trade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle</p>	<p><b>Disclosure 102-43</b></p> <p>Approach to stakeholder engagement</p> <p><b>Disclosure 102-55 (b-ii)</b></p> <p>GRI content index</p> <p>b. For each disclosure, the content index shall include:</p> <p>ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;</p> <p><b>GRI 103: Management Approach</b></p> <p>General requirements for reporting the management approach</p> <p>1.2 If there is no management approach for a material topic, the reporting organization shall describe:</p> <p>1.2.1 any plans to implement a management approach; or</p>
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	<p>1.2.2 the reasons for not having a management approach.</p> <p><b>Disclosure 103-2 (c-i and c-vi)</b></p> <p>The management approach and its components</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>vi. Grievance mechanisms</p> <p><b>Disclosure 103-3</b></p> <p>Evaluation of the management approach</p> <p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p>
<p>5. Specific commitments, goals and targets set by the entity with defined timelines, if any</p> <p>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met</p>	<p><b>GRI 103: Management Approach</b></p> <p><b>Disclosure 103-2</b></p> <p>The management approach and its components</p> <p>A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>



<p><b>Governance, leadership and oversight</b></p> <p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements(ies)</p>	<p><b>GRI 102: General Disclosures</b></p> <p><b>Disclosure 102-14</b></p> <p>Statement from senior decision-maker</p> <p>a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability</p> <p><b>Disclosure 102-15</b></p> <p>Key impacts, risks, and opportunities</p> <p>a. A description of key impacts, risks, and opportunities</p>
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)</p>	<p><b>GRI 102: General Disclosures</b></p> <p><b>Disclosure 102-18</b></p> <p>Governance structure</p> <p>a. Governance structure of the organization, including committees of the highest governance body.</p> <p>b. Committees responsible for decision-making on economic, environmental, and social topics.</p> <p><b>Disclosure 102-20</b></p> <p>Executive-level responsibility for economic, environmental, and social topics</p> <p>a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.</p> <p>b. Whether post holders report directly to the highest governance body</p>
<p>9. Does the entity have a specified committee of the Board/ Directors responsible for</p>	<p><b>GRI 102: General Disclosures</b></p> <p><b>Disclosure 102-18 (b)</b></p> <p>Governance structure</p>



decision making on sustainability related issues?	<p>b. Committees responsible for decision-making on economic, environmental, and social topics.</p> <p><b>Disclosure 102-26</b></p> <p>Role of the highest governance body in setting purpose, values, and strategy</p>
<p>10. Details of Review of NGRBCs by the Company</p> <p>11. Has the entity carried out independent assessment/ evaluation of the working of its policy by an external agency?</p>	<p><b>GRI 102: General Disclosures</b></p> <p><b>Disclosure 102-31</b></p> <p>Review of economic, environmental, and social topics</p> <p><b>Disclosure 102-52</b></p> <p>Reporting cycle</p>
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated.	Not covered.

## 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	
1. Percentage Coverage by training and awareness programmes on any of the Principles during the financial year.	<p><b>GRI 205: Anti-corruption</b></p> <p><b>Disclosure 205-2</b></p> <p>Communication and training about anti-corruption policies and procedures</p> <p>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p> <p><b>GRI 403: Occupational Health and Safety</b></p> <p><b>Disclosure 403-5</b></p> <p>Worker training on occupational health and safety</p> <p>The reporting organization shall report the following information for employees and for workers who are not employees but whose</p>



	<p>work and/or workplace is controlled by the organization:</p> <p>a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.</p> <p><b>GRI 404: Training and Education</b></p> <p><b>Disclosure 404-2</b></p> <p>Programs for upgrading employee skills and transition assistance programs</p> <p>a. Type and scope of programs implemented and assistance provided to upgrade employee skills.</p>
2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year.	<p><b>GRI 307: Environmental Compliance</b></p> <p><b>Disclosure 307-1</b></p> <p>Non-compliance with environmental laws and regulations</p> <p>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</p> <ol style="list-style-type: none"> <li>total monetary value of significant fines;</li> <li>total number of non-monetary sanctions</li> </ol> <p><b>GRI 416: Customer Health and Safety</b></p> <p><b>Disclosure 416-2</b></p> <p>Incidents of non-compliance concerning the health and safety impacts of products and services</p> <p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of <b>products</b> and <b>services</b> within the <b>reporting period</b>, by:</p> <ol style="list-style-type: none"> <li>incidents of non-compliance with regulations resulting in a fine or penalty;</li> <li>incidents of non-compliance with regulations resulting in a warning</li> </ol>



	<p><b>GRI 417: Marketing and Labeling</b></p> <p><b>Disclosure 417-2</b></p> <p>Incidents of non-compliance concerning product and service information and labelling</p> <p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty.</p> <p><b>Disclosure 417-3</b></p> <p>Incidents of non-compliance concerning marketing communications</p> <p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii. incidents of non-compliance with regulations resulting in a warning</p> <p><b>GRI 419: Socioeconomic Compliance</b></p> <p><b>Disclosure 419-1</b></p> <p>Non-compliance with laws and regulations in the social and economic area</p> <p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <p>i. total monetary value of significant fines;</p> <p>ii. total number of non-monetary sanctions</p>
<p>3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.</p>	<p>Not covered.</p>



<p>4. Does the entity have an anti-corruption or anti-bribery policy?</p>	<p><b>GRI 102: General Disclosures</b></p> <p><b>Disclosure 102-16</b></p> <p>Values, principles, standards and norms of behavior</p> <p><b>GRI 103: Management Approach</b></p> <p><b>Disclosure 103-2</b></p> <p>The management approach and its components</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p>
<p>5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.</p>	<p><b>GRI 205: Anti-corruption</b></p> <p><b>Disclosure 205-3</b></p> <p>Confirmed incidents of corruption and actions taken</p> <p>d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</p>
<p>6. Details of complaints with regard to conflict of interest.</p>	<p><b>GRI 102: General Disclosures</b></p> <p><b>Disclosure 102-25</b></p> <p>Conflicts of interest</p> <p>a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.</p> <p>b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <p>i. Cross-board membership;</p> <p>ii. Cross-shareholding with suppliers and other stakeholders;</p> <p>iii. Existence of controlling shareholder;</p> <p>iv. Related party disclosures.</p>



7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.	Not covered.
<b>Leadership indicators</b>	
1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year	Not covered.
2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?	<b>GRI 102: General Disclosures</b> <b>Disclosure 102-25</b> Conflict of Interest a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.
<b>PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE</b>	
<b>Essential Indicators</b>	
1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.	<b>GRI 103: Management Approach</b> <b>Disclosure 103-2</b> The management approach and its components <b>c. A description of the following, if the management approach includes that component:</b> <b>v. Resources</b>
2. a. Does the entity have procedures in place for sustainable sourcing? 2. b. If yes, what percentage of inputs were sourced sustainably?	Not covered.
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a)	<b>GRI 306: Waste</b> <b>Disclosure 306-2</b> Management of significant waste-related impacts





Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.	
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.	<b>GRI 301: Materials</b> <b>Disclosure 301-3</b> Reclaimed products and their packaging materials
<b>Leadership Indicators</b>	
1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry).  2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.	<b>GRI 102: General Disclosures</b> <b>Disclosure 102-15</b> Key Impacts, Risks and Opportunities  <b>GRI 103: Management Approach</b> <b>GRI 201: Economic Performance</b> <b>Disclosure 201-2</b> Financial implications and other risks and opportunities due to climate change. a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: i. a description of the risk or opportunity and its classification as either physical, regulatory, or other iv. the methods used to manage the risk or opportunity  <b>GRI 413: Local Communities</b> <b>Disclosure 413-2</b> Operations with significant actual and potential negative impacts on local communities



	<b>GRI 416: Customer Health and Safety</b> <b>Disclosure 416-2</b> Incidents of non-compliance concerning the health and safety impacts of products and services
3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).	<b>GRI 301: Materials</b> <b>Disclosure 301-2</b> Recycled input materials used
4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.	<b>GRI 306: Waste</b> <b>Disclosure 306-4</b> Waste diverted from disposal
5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.	<b>GRI 301: Materials</b> <b>Disclosure 301-3</b> Reclaimed products and their packaging materials
<b>PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS</b>	
<b>Essential Indicators</b>	
1.a. Details of measures for the well-being of employees b. Details of measures for the well-being of workers 2. Details of retirement benefits, for Current FY and Previous Financial Year	<b>GRI 401: Employment</b> <b>Disclosure 401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees.
3. Accessibility of workplaces Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.	Not covered.



4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.	Not covered.
5. Return to work and Retention rates of permanent employees and workers that took parental leave.	<b>GRI 401: Employment</b> <b>Disclosure 401-3</b> Parental Leave <ol style="list-style-type: none"> <li>Total number of employees that were entitled to parental leave, by gender.</li> <li>Total number of employees that took parental leave, by gender.</li> <li>Total number of employees that returned to work in the reporting period after parental leave ended, by gender.</li> <li>Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.</li> <li>Return to work and retention rates of employees that took parental leave, by gender</li> </ol>
6. Is there a mechanism available to receive and redress grievances for permanent and other than permanent categories of employees and worker? If yes, give details of the mechanism in brief.	<b>GRI 103: Management Approach</b> <b>Disclosure 103-2</b> The management approach and its components vi. Grievance mechanisms
7. Membership of employees and worker in association(s) or Unions recognised by the listed entity	Not covered.
8. Details of training given to employees and workers	<b>GRI 102: General Disclosures</b> <b>Disclosure 102-16</b> Values, principles, standards <b>Disclosure 102-17</b> Mechanisms for advice and concerns about ethics



	<p><b>GRI 205: Anti-corruption</b>  <b>Disclosure 205-2</b>  Communication and training about anti-corruption policies and procedures</p> <p><b>GRI 403: Occupational Health and Safety</b>  <b>Disclosure 403-5</b>  Worker training on occupational health and safety</p> <p><b>GRI 404: Training and Education</b>  <b>Disclosure 404-1</b>  Average hours of training per year per employee</p> <p><b>Disclosure 404-2</b>  Programs for upgrading employee skills and transition assistance programs</p> <p><b>GRI 410: Security Practices</b>  <b>Disclosure 410-1</b>  Security personnel trained in human rights policies or procedures</p> <p><b>GRI 412: Human Rights Assessment</b>  <b>Disclosure 412-2</b>  Employee training on human rights policies or procedures</p>
9. Details of performance and career development reviews of employees and worker	<p><b>GRI 404: Training and Education</b>  <b>Disclosure 404-3</b>  Percentage of employees receiving regular performance and career development reviews.</p>
<p>10. Health and safety management system:</p> <p>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?</p> <p>b. What are the processes used to identify work-related hazards and assess risks on</p>	<p><b>GRI 403: Occupational Health and Safety</b></p>



<p>a routine and non-routine basis by the entity?</p> <p>c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)</p> <p>d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)</p>	
11. Details of safety related incidents.	<b>GRI 403-9: Work-related injuries</b> <b>GRI 403-10: Work-related ill health</b>
12. Describe the measures taken by the entity to ensure a safe and healthy workplace.	<b>GRI 403: Occupational Health and Safety</b>
13. Number of Complaints on Working Conditions, Health and Safety made by employees and workers	Not covered.
14. Assessments for the year for Health and safety practices, Working Conditions.	<b>GRI 403: Occupational Health and Safety</b>
15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	<b>GRI 403: Occupational Health and Safety</b> <b>Disclosure 403-2</b> Hazard identification, risk assessment, and incident investigation
<b>Leadership Indicators</b>	
1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)	<b>GRI 401: Employment</b> <b>Disclosure 401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees.
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.	Not covered.



3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.	Not covered.
4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?	<b>GRI 404: Training and Education</b> <b>Disclosure 404-2</b> Programs for upgrading employee skills and transition assistance programs. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.
5. Details on assessment of value chain partners on Health and Safety Practices, Working Conditions.	<b>GRI 414: Supplier Social Assessment</b> <b>Disclosure 414-2</b> Negative social impacts in the supply chain and actions taken
6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.	Not covered.
<b>PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS</b>	
<b>Essential Indicators</b>	
1. Describe the processes for identifying key stakeholder groups of the entity. 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.	<b>GRI 101: Foundation</b> <b>Stakeholder Inclusiveness Principle</b> 1.1 The reporting organization shall identify its stakeholders and explain how it has responded to their reasonable expectations and interests.



	<b>GRI 102: General Disclosures</b> <b>Disclosure 102-40</b> List of stakeholder groups <b>Disclosure 102-42</b> Identifying and selecting stakeholders
<b>Leadership Indicators</b>	
1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board. 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity. 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.	<b>GRI 102: General Disclosures</b> <b>Disclosure 102-21</b> Consulting stakeholders on economic, environmental, and social topics a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body. <b>GRI 102: General Disclosures</b> <b>Disclosure 102-43</b> Approach to stakeholder engagement <b>GRI 103: Management Approach, used together with:</b> • <b>GRI 411: Rights of Indigenous Peoples</b> • <b>GRI 413: Local Communities</b> <b>Disclosure 103-2 (c-vii)</b> The Management Approach and its components vii. Specific actions, such as processes, projects, programs and initiatives <b>GRI 413: Local Communities</b> <b>Disclosure 413-1 (a-vi)</b> Operations with local community engagement, impact assessments, and development programs



	<p>a. Percentage of operations with implemented local community engagement, impact assessments, and/ or development programs, including the use of:</p> <p>vi. broad based local community consultation committees and processes that include vulnerable groups;</p> <p><b>Disclosure 102-44</b></p> <p>Key topics and concerns raised</p> <p>a. Key topics and concerns that have been raised through stakeholder engagement, including:</p> <p>i. how the organization has responded to those key topics and concerns, including through its reporting;</p> <p>ii. the stakeholder groups that raised each of the key topics and concerns.</p>
<p><b>PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS</b></p>	
<p><b>Essential Indicators</b></p>	
<p>1. Percentage of employees and workers that have been provided training on human rights issues and policy (ies) of the entity.</p>	<p><b>GRI 410: Security Practices</b></p> <p><b>Disclosure 410-1</b></p> <p>Security personnel trained in human rights policies or procedures</p> <p>a. <b>Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.</b></p> <p><b>GRI 412: Human Rights Assessment</b></p> <p><b>Disclosure 412-2</b></p> <p>Employee training on human rights policies or procedures</p> <p>b. Percentage of employees trained during the reporting period in human rights policies</p>





	or procedures concerning aspects of human rights that are relevant to operations.
2. Details of minimum wages paid to employees and workers.	<b>GRI 202: Market Presence</b> <b>Disclosure 202-1</b> Ratios of standard entry level wage by gender compared to local minimum wage.
3. Details of Median remuneration/salary/wages of Board of Directors (BoD), Key Managerial Personnel, Employees other than BoD and KMP and Workers.	Not covered.
4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business	<b>GRI 102: General Disclosures</b> <b>Disclosure 102-20</b> Executive-level responsibility for economic, environmental, and social topics.
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.	<b>GRI 103: Management Approach</b> <b>Disclosure 103-2</b> vi) Grievance mechanisms <b>GRI 406: Non-discrimination</b> <b>GRI 407: Freedom of Association and Collective Bargaining</b> <b>GRI 408: Child Labour</b> <b>GRI 409: Forced or Compulsory Labour</b> <b>GRI 410: Security Practices</b> <b>GRI 411: Rights of Indigenous Peoples</b> <b>GRI 412: Human Rights Assessment</b>
6. Number of Complaints made by employees and workers on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and Other human rights related issues.	Not covered.



7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.	Not covered.
8. Do human rights requirements form part of your business agreements and contracts?	<b>GRI 412: Human Rights Assessment</b> <b>Disclosure 412-3</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.
9. % of your plants and offices that were assessed for the Year on Child labour, Forced/involuntary labour, Sexual harassment, Discrimination at workplace, Wages, and Others.	<b>GRI 412: Human Rights Assessment</b> <b>Disclosure 412-1</b> Operations that have been subject to human rights reviews or impact assessments.
10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.	<b>GRI 103: Management Approach</b> <b>Disclosure 103-2</b> <b>vii. Specific actions, such as processes, projects, programs and initiatives</b> <b>GRI 406: Non-discrimination</b> <b>Disclosure 406-1</b> Incidents of discrimination and corrective actions taken. <b>GRI 407: Freedom of Association and Collective Bargaining</b> <b>GRI 408: Child Labor</b> <b>GRI 409: Forced or Compulsory Labor</b> <b>GRI 410: Security Practices</b> <b>GRI 411: Rights of Indigenous Peoples</b> <b>GRI 412: Human Rights Assessment</b>
<b>Leadership Indicators</b>	
1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.	<b>GRI 103: Management Approach</b> <b>Disclosure 103-2</b> The management approach and its components



	<p>vii. Specific actions, such as processes, projects, programs and initiatives</p> <p><b>GRI 406: Non-discrimination</b>  <b>GRI 407: Freedom of Association and Collective Bargaining</b>  <b>GRI 408: Child Labor</b>  <b>GRI 409: Forced or Compulsory Labor</b>  <b>GRI 410: Security Practices</b>  <b>GRI 411: Rights of Indigenous Peoples</b>  <b>GRI 412: Human Rights Assessment</b></p>
2. Details of the scope and coverage of any Human rights due-diligence conducted.	<p><b>GRI 103: Management Approach</b>  <b>Disclosure 103-3</b>  Evaluation of management approach</p> <p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach.</p> <p><b>GRI 406: Non-discrimination</b>  <b>GRI 407: Freedom of Association and Collective Bargaining</b>  <b>GRI 408: Child Labor</b>  <b>GRI 409: Forced or Compulsory Labor</b>  <b>GRI 410: Security Practices</b>  <b>GRI 411: Rights of Indigenous Peoples</b>  <b>GRI 412: Human Rights Assessment</b></p>
3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.	Not covered.
4. Percentage of value chain partners that were assessed for Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/ Involuntary Labour, Wages, and Others.	<p><b>GRI 414: Supplier Social Assessment</b>  <b>Disclosure 414-1</b>  New suppliers that were screened using social criteria</p>



5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.	<b>GRI 414: Supplier Social Assessment</b> <b>Disclosure 414-2</b> Negative social impacts in the supply chain and actions taken
<b>PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT</b>	
<b>Essential Indicators</b>	
1. Details of total energy consumption (in Joules or multiples) and energy intensity	<b>GRI 302: Energy</b> <b>Disclosure 302-1</b> Energy consumption within the organization <b>Disclosure 302-2</b> Energy consumption outside of the organization <b>Disclosure 302-3</b> Energy intensity
2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.	Not covered.
3. Provide disclosures related to water like withdrawal from various sources, water consumption, water intensity.	<b>GRI 303: Water and Effluents</b> <b>Disclosure 303-3</b> Water Withdrawal <b>Disclosure 303-5</b> Water Consumption
4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	Not covered.
5. Please provide details of air emissions (other than GHG emissions) by the entity.	<b>GRI 305: Emissions</b> <b>Disclosure 305-6</b>



	<p>Emissions of ozone-depleting substances (ODS)</p> <p><b>Disclosure 305-7</b></p> <p>Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</p>
6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.	<p><b>GRI 305: Emissions</b></p> <p><b>Disclosure 305-1</b></p> <p>Direct (Scope 1) GHG emissions</p> <p><b>Disclosure 305-2</b></p> <p>Energy indirect (Scope 2) GHG emissions</p> <p><b>Disclosure 305-4</b></p> <p>GHG emissions intensity</p>
7. Does the entity have any project related to reducing Green House Gas emission?	<p><b>GRI 305: Emissions</b></p> <p><b>Disclosure 305-5</b></p> <p>Reduction of GHG emissions</p>
8. Provide details related to waste management by the entity.	<p><b>GRI 306: Waste</b></p> <p><b>Disclosure 306-3</b></p> <p>Waste generated</p> <p><b>Disclosure 306-4</b></p> <p>Waste diverted from disposal</p> <p><b>Disclosure 306-5</b></p> <p>Waste directed to disposal</p>
9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.	<p><b>GRI 306: Waste</b></p> <p><b>Disclosure 306-2</b></p> <p>Management of significant waste-related impacts</p>
10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where	<p><b>GRI 304: Bio-diversity</b></p> <p><b>Disclosure 304-1</b></p> <p>Operational sites owned, leased, managed in, or adjacent to, protected areas and</p>



environmental approvals / clearances are required.	areas of high biodiversity value outside protected areas
11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.	Not covered.
12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules there under (Y/N). If not, provide details of all such non-compliances.	<b>GRI 307: Environmental Compliance</b> <b>Disclosure 307-1</b> Non-compliance with environmental laws and regulations
<b>Leadership Indicators</b>	
1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources.	<b>GRI 302: Energy</b> <b>Disclosure 302-1</b> Energy consumption within the organization
2. Provide details related to water discharged.	<b>GRI 303: Water and Effluents</b> <b>Disclosure 303-4</b> Water discharge a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination b. A breakdown of total water discharge to all areas in megaliters
3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)	<b>GRI 303: Water and Effluents</b> <b>Disclosure 303-4</b> Water discharge c) Total water discharge to all areas with water stress in megaliters <b>Disclosure 303-5</b> Water consumption



	b. Total water consumption from all areas with water stress in megaliters.
4. Please provide details of total Scope 3 emissions & its intensity.	<b>GRI 305: Emissions</b> <b>Disclosure 305-3</b> Other indirect (Scope 3) GHG emissions
5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.	<b>GRI 413: Local Communities</b> <b>Disclosure 413-2</b> Operations with significant actual and potential negative impacts on local communities
6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives.	<b>GRI 302: Energy</b> <b>Disclosure 302-4</b> Reduction of energy consumption <b>GRI 305: Emissions</b> <b>Disclosure 305-5</b> Reduction of GHG emissions <b>GRI 306: Waste</b> <b>Disclosure 306-2</b> Management of significant waste-related impacts
7. Does the entity have a business continuity and disaster management plan?	<b>GRI 102: General Disclosures</b> <b>Disclosure 102-29</b> Identifying and managing economic, environmental, and social impacts
8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard	<b>GRI 308: Supplier Environmental Assessment</b> <b>Disclosure 308-2</b> Negative environmental impacts in the supply chain and actions taken
9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.	<b>GRI 201: Economic Performance</b> <b>Disclosure 201-2</b> Financial implications and other risks and opportunities due to climate change



	<p>2.3.3 Direct and indirect impacts (whether the impact directly affects the organization, or indirectly affects the organization via its value chain);</p> <p><b>GRI 308: Supplier Environmental Assessment</b></p> <p><b>Disclosure 308-1</b></p> <p>New suppliers that were screened using environmental criteria</p> <p>(Percentage of new suppliers that were screened using environmental criteria)</p>
<p><b>PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT</b></p>	
<p><b>Essential Indicators</b></p>	
<p>1.a. Number of affiliations with trade and industry chambers/associations.</p> <p>b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.</p> <p>2. Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.</p>	<p><b>GRI 102: General Disclosures</b></p> <p><b>Disclosure 102-13</b></p> <p>Membership of associations</p> <p><b>GRI 419: Socio Economic Compliance</b></p> <p><b>GRI 206: Anti - Competitive Behaviour</b></p> <p>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</p> <p>a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.</p> <p>b. Main outcomes of completed legal actions, including any decisions or judgments.</p>
<p><b>Leadership Indicators</b></p>	
<p>1. Details of public policy positions advocated by the entity.</p>	<p><b>GRI 415: Public Policy</b></p> <p><b>Management approach disclosures</b></p> <p>1.2.1 the significant issues that are the focus of its participation in public policy development and lobbying</p>





## PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

### Essential Indicators

<p>1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.</p>	<p><b>GRI 103: Management Approach, to be used together with:</b></p> <ul style="list-style-type: none"> <li>• <b>GRI 203: Indirect Economic Impacts</b></li> <li>• <b>GRI 413: Local Communities</b></li> </ul> <p>Operations with local community engagement, impact assessments, and development programs</p> <p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <p>i. social impact assessments, including gender impact assessments, based on participatory processes</p>
<p>2. Information on project(s) for which ongoing Rehabilitation and Resettlement (R&amp;R) is being undertaken by your entity.</p>	<p><b>GRI 201: Economic Performance</b> <b>Disclosure 201-1 (a-ii)</b></p> <p>Direct economic value generated and distributed</p> <p>a. Direct economic value generated and distributed (EVG&amp;D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p>
<p>3. Describe the mechanisms to receive and redress grievances of the community.</p>	<p><b>GRI 103: Management Approach, Disclosure 103-2</b></p> <p>The Management Approach and its components</p> <p>1.8 When reporting on grievance mechanisms as specified in Disclosure 103-2-c-vi, the reporting organization should explain for each</p>



	<p>grievance mechanism reported:</p> <p>1.8.1 The ownership of the mechanism;</p> <p>1.8.2 The purpose of the mechanism and its relationship to other grievance mechanisms;</p> <p>1.8.3 The organization's activities that are covered by the mechanism;</p> <p>1.8.4 The intended users of the mechanism;</p> <p>1.8.5 How the mechanism is managed;</p> <p>1.8.6 The process to address and resolve grievances, including how decisions are made;</p> <p>1.8.7 The effectiveness criteria used</p>
<p>4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:</p> <ul style="list-style-type: none"> <li>- Directly sourced from MSMEs/ small producers</li> <li>- Sourced directly from within the district and neighbouring districts</li> </ul>	<p><b>GRI 301: Materials</b></p> <p><b>Disclosure 301-1</b></p> <p>Materials used by weight or volume</p> <p>a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:</p> <ul style="list-style-type: none"> <li>i. non-renewable materials used;</li> <li>ii. renewable materials used.</li> </ul> <p>2.1 When compiling the information specified in Disclosure 301-1, the reporting organization should:</p> <p>2.1.2 report, for each material type, whether it was purchased from external suppliers or sourced internally (such as by captive production and extraction activities)</p>
<b>Leadership Indicators</b>	
<p>1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments.</p> <p>2. Provide information on CSR projects undertaken by your entity in designated</p>	<p><b>GRI 203: Indirect Economic Impacts</b></p> <p><b>Disclosure 203-1</b></p> <p>Infrastructure investments and services supported</p>



<p>aspirational districts as identified by government bodies.</p> <p>6. Details of beneficiaries of CSR Projects.</p>	<p><b>GRI 103: Management Approach</b>, to be used together with:</p> <ul style="list-style-type: none"> <li>• <b>GRI 203: Indirect Economic Impacts</b></li> <li>• <b>GRI 413: Local Communities</b></li> </ul> <p><b>Disclosure 103-2 (a)</b></p> <p>The management approach and its components</p> <p>a. An explanation of how the organization manages the topic.</p> <p><b>GRI 413: Local Communities</b></p> <p><b>Disclosure 413-1 (a-i and a-ii)</b></p> <p>Operations with local community engagement, impact assessments, and development programs</p> <p>a. Percentage of operations with implemented local community engagement, impact assessments, and/ or development programs, including the use of:</p> <p>i. social impact assessments, including gender impact assessments, based on participatory processes;</p> <p>ii. environmental impact assessments and ongoing monitoring;</p>
<p>3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)</p> <p>(b) From which marginalized /vulnerable groups do you procure?</p> <p>(c) What percentage of total procurement (by value) does it constitute?</p>	<p><b>GRI 204: Procurement Practices</b></p> <p><b>Disclosure 204-1</b></p> <p>Proportion of spending on local suppliers</p> <p>a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).</p>
<p>4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.</p>	<p><b>GRI 201: Economic Performance</b></p> <p><b>Disclosure 201-1</b></p> <p>Direct economic value generated and distributed</p> <p>Revenues from sale of assets can include:</p>



	<ul style="list-style-type: none"> <li>physical assets, such as property, infrastructure, and equipment;</li> <li>intangibles, such as intellectual property rights, designs, and brand names.</li> </ul>
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.	Not covered.
<b>PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER</b>	
<b>Essential Indicators</b>	
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about <ul style="list-style-type: none"> <li>Environmental and social parameters relevant to the product</li> <li>Safe and responsible usage</li> <li>Recycling and/or safe disposal</li> </ul>	<b>GRI 103: Management Approach, used together with:</b> <ul style="list-style-type: none"> <li>• GRI 416: Customer Health and Safety</li> <li>• GRI 417: Marketing and Labeling</li> <li>• GRI 418: Customer Privacy</li> <li>• GRI 419: Socioeconomic Compliance</li> </ul> <b>Disclosure 103-2 (c-vi)</b> The Management approach and its components c. A description of the following, if the management approach includes that component: vi. Grievance mechanisms
3. Number of consumer complaints wrt Data privacy, Advertising, Cyber security etc etc.	<b>GRI 417: Marketing and Labeling</b> <b>Disclosure 417-3</b> Incidents of non-compliance concerning marketing communications
4. Details of instances of product recalls on account of safety issues. 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy	Not covered.



of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.	
<b>Leadership Indicators</b>	
<ol style="list-style-type: none"> <li>1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link if applicable).</li> <li>2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.</li> <li>3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential service</li> <li>4. Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?</li> </ol>	<p><b>GRI 103: Management Approach, used together with GRI 417: Marketing and Labeling</b>  <b>Disclosure 103-2 (c-ii)</b>  The Management approach and its components  ii. Commitments</p> <p><b>GRI 417: Marketing and Labeling</b>  <b>Disclosure 417-1</b>  Requirements for product and service information and labeling</p> <p><b>GRI 206: Anti-competitive Behavior</b>  <b>Disclosure 206-1</b>  Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</p>
<ol style="list-style-type: none"> <li>5. Provide the following information relating to data breaches: <ol style="list-style-type: none"> <li>a. Number of instances of data breaches along-with impact</li> <li>b. Percentage of data breaches involving personally identifiable information of customers.</li> </ol> </li> </ol>	<p><b>GRI 418: Customer Privacy</b>  <b>Disclosure 418-1</b>  Substantiated complaints concerning breaches of customer privacy and losses of customer data</p> <ol style="list-style-type: none"> <li>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: <ol style="list-style-type: none"> <li>i. complaints received from outside parties and substantiated by the organization;</li> <li>ii. complaints from regulatory bodies.</li> </ol> </li> <li>b. Total number of identified leaks, thefts, or losses of customer data</li> </ol>



#### 4.4.2 MAPPING of GRI and IR Frameworks

The table below provides the relevant GRI Standard(s) and disclosures that relate to each of the content element of IIRC Framework.

Content of an integrated report as per IIRC Framework	GRI Standard
Organizational overview and External Environment	GRI 102 -1 to GRI 102-8, GRI 102-14 to GRI 102-17
Governance	GRI 102-16 to GRI 102-39
Business Model	GRI 102-8, GRI 102-9, GRI 203, GRI 204, GRI 103-2 and GRI 103-3
Risks and Opportunities	GRI 102-15, GRI 102-40, GRI 102-45 to GRI 102-49, GRI 103-1
Strategy and Resource Allocation	GRI 102-15 to GRI 102-17, GRI 103-1 to GRI 103-3, GRI 102-10, GRI 201-1
Performance	GRI 102-18 to GRI 102-39
Outlook	GRI 102-20, GRI 201-1, GRI 201-2, GRI 102-29
Basis of Preparation and Presentation	GRI 102-50 to GRI 102-56

#### 4.5 SUSTAINABLE FINANCE

In the past decade, various forms of sustainable finance have grown substantially due to an increasing demand by institutional and retail investors to better reflect sustainability issues in their investment choices. The investors make use of non-financial information to take/guide asset allocation decisions to improve long-term value, while also better aligning portfolios with societal values. In this respect, growing concerns over the impact of climate change and the consequences of pandemics and other disasters have drawn greater attention to environmental and social risks, combined with policy signals that the financial sector should be a driving force in advancing global sustainability. Some examine ESG factors mainly via the risk management lens as an opportunity for higher financial returns, while other institutional investors perceive ESG as non-financial objectives such as carbon emissions or other sustainability-performance targets that they aim to promote.

Environmental, social and governance (ESG) investment, sustainable investment, socially responsible investment, impact investment, moral investment are some of the terms being used more or less synonymously to define the practice of incorporating ESG factors in investment decisions.



Despite the growing interest in ESG factors, ESG integration is still challenging for many investors. The evidence of effect of ESG factors on the financial performance of investments is mixed. Studies<sup>9</sup> found that in most cases there was a positive relationship between ESG criteria and corporate financial performance, with very few instances of a negative relationship.

Further, the need of resources necessary to make informed decisions remains high. Reliable ESG data is not yet widely accessible, which may prevent institutional investors from being able to assess and analyse ESG factors and opportunities.

Institutional investors vary in their approaches to integrating ESG factors into their investment decisions and select instruments which are best suited to their portfolio and approach to ESG integration.

Institutional investors employ different strategies to integrate ESG considerations in the investment decision-making process to generate investment ideas and themes, to select individual assets for their portfolio, and also to decide on the weights of different assets in the investment portfolio. This would involve examining ESG factors at the country level, company level and asset level.

Different investment strategies available to enable institutional investors to take account of ESG factors in their portfolio construction are:

- **Screening:** It involves blacklisting sectors or companies based on one or more ESG characteristics. For example, investors prohibit investing in any company that is connected with the production, sale or use of Alcohol. Exclusionary screening is cheap and easy to implement.
- **Best-in-class:** Investors include in their portfolios the companies within each sector or industry that perform best on ESG criteria and/or exclude any companies that score below a pre-determined hurdle, regardless of what sector they are in.
- **Thematic investment:** Investors select an ESG-related theme (such as employment generation/skill development) and build a specialised portfolio of related securities.
- **Divestment:** Investors sell all of their holdings in a particular sector or industry. For example, cement stocks.
- **Engagement or Active Ownership:** Investors attempt to use their ownership stake in a company to influence its strategy. They attempt to persuade management to adopt better ESG policies and/or may have their own corporate governance specialists to engage with company boards or use a proxy service. This strategy is available to equity investors, not bond holder. ESG criteria assessed by investors at the issuer level includes —

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<sup>9</sup><https://www.oecd.org/finance/Investment-Governance-Integration-ESG-Factors.pdf>



Type	Category	Example
E	Climate change	Carbon emissions, climate change mitigation, climate change adaptation, environmental strategy
E	Pollution	Air polluting emissions, spills, waste prevention and management
E	Water	Use of water resources, water management and conservation
E	Energy	Energy consumption
E	Biodiversity	Land, flora and fauna diversity
E	Animal welfare	Animal testing
S	Privacy	Data security
S	Community involvement	Social impact of business operation, products and services
S	Human capital	Diversity and inclusion, training and development
G	Corporate governance	Board skills, balance of power and authority within the board, quality of accounting and audit, management turnover, shareholders' rights, disclosure of remuneration
G	Market behaviour and business ethics	Blocking competition, short-selling, transparency for investors
S and G	Involvement in controversial situations	Corruption, violation of human rights
S and G	Human rights in the workplace	Work conditions, health and safety, non-discrimination

Institutional investors that integrate ESG in their investments use different methods for the evaluation of ESG factors, whether they conduct the analysis in-house or outsource it. Even investors that perform their ESG analysis internally often rely on external data and other service providers for the evaluation of ESG factors.

ESG rating and index providers are a common source of data on ESG risks and opportunities. Some providers offer ESG data as a subset of their traditional financial data analysis, while others specialise in ESG data only. ESG data providers may cover all asset classes or focus on an area or category only. The following table illustrates some of the ESG index and rating providers:





## ESG INDEX AND RATING PROVIDERS

	Global data provider	ESG data only	Asset classes covered	ESG ratings/rankings	ESG indices
Bloomberg	X		All	X	X
CDP		X	All	X	
Factset	X		All	X	
GRESB		X	Infrastructure and real estate	X	
ISS Financial		X	All	X	
Morningstar	X		All	X	
MSCI	X		All	X	X
Refinitiv / Thomson Reuters	X		All	X	X
S&P's Trucost		X	All	X	
Sustainalytics		X	All	X	X
TruValueLabs		X	All	X	X

Sources: <https://www.bloomberg.com/professional/solution/esg/>; <https://www.cdp.net/en/data>; <https://www.factset.com/products-data/esg-solutions>; <https://www.gresb.com/>; <https://www.issgovernance.com/>; <https://www.morningstar.com/company/esg-investing>; <https://www.msci.com/>; <https://www.refinitiv.com/en>; <https://www.trucost.com/>; <https://www.sustainalytics.com/esg-data/>; <https://www.truvaluelabs.com/>.

ESG disclosures and ratings/indices represent an increasingly important tool for integrating sustainability considerations into the investment processes and make more informed decisions and value judgements. They help investors evaluate materiality of environmental, social and governance issues. Further, they provide a useful framework for investors to assess how these prominent non-financial factors in the short-term could affect firm performance and impact its external environment over the long term.

As per “OECD Business and Finance Outlook 2020: Sustainable and Resilient Finance”, sustainable market size has grown considerably in the past decade and was estimated to exceed USD 30 trillion in total assets in the five major markets, namely, Australia and New Zealand, Canada, Europe, Japan and the United States. at end-2019, an increase of more than 30% compared to 2016. Globally,

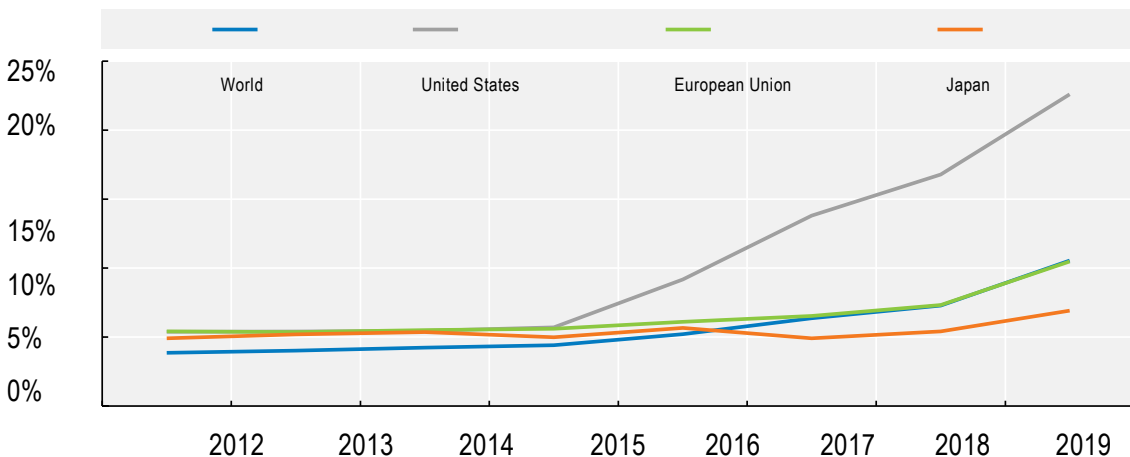


almost USD 1 trillion of assets were held in sustainable funds at end-2019. Of these, around 75% were held by institutional investors and the remaining 25% by retail investors.

Global Sustainable Investment Alliance (2018), Global Sustainable Investment Review revealed that majority of sustainable investments are allocated in public equities (51%) and fixed income (36%) assets, with the remaining share divided among real estate, private equities and other types of assets.

With respect to sustainable investments, the European Union leads into assets committed, United States follows. Japan is the third largest centre for sustainable investing, showing strong growth potential, despite a more modest AUM.

**Figure 1.1. Share of market coverage by ESG scoring companies by region, 2012-2019**



**Note:** Calculated as the number of public companies with an ESG score over the total number of public companies, in each year for the different areas.

Source: <https://www.oecd-ilibrary.org/sites/e9ed300b-en/index.html?itemId=/content/component/e9ed300b-en>

## 4.6 TEST YOUR UNDERSTANDING – MULTIPLE CHOICE QUESTIONS

**Q1. GRI Reporting Principles for defining report quality include the following:**

- a) Accuracy, Materiality and Balance
- b) Balance, Clarity and Reliability
- c) Comparability, Objectivity & Utility
- d) None of the above



**Q2. The 3 Universal standards under GRI Framework are:**

- a) Foundation, General Disclosure, & Management Approach
- b) Foundation, Boundary and Stakeholder engagement
- c) Foundation, General Disclosure & Ethics
- d) None of the above

**Q3. GRI Standards include the following;**

- a) Requirement, Explanation & Disclosure
- b) Requirement, Recommendation & Guidance
- c) Title, Description and Guidance
- d) None of the above

**Q4. The starting point for using the GRI Standards is;**

- a) Boundary & Scope
- b) Material topics
- c) Foundation
- d) All of the above

**Q5. The content principles of GRI are;**

- a) Materiality & Stakeholder Inclusiveness
- b) Sustainability Context & Completeness
- c) All of the above
- d) None of the above

**Q6. Management approach enables an organization to;**

- a) Explain how it manages economic, social, and environmental impacts related to material topics.
- b) Describe the policies and procedures related to business conduct
- c) Explain the governance and senior management structure
- d) (a) & (b)
- e) None of the above



**Q7. The requirement of the GRI Stakeholder inclusiveness principle is;**

- a) to report on employee well being
- b) Identify stakeholders and explain how it has reported to their reasonable expectations/interests.
- c) Report on the lifecycle assessments of its products
- d) None of the above

**Q8. Which of the following best describes a Material Topic as per GRI framework?**

- a) It reflects an organization's significant economic, environmental, and social impacts
- b) It substantively influences the assessments
- c) It substantially influences the decisions of stakeholders
- d) All of the above
- e) None of the above

**Q9. Which of the following are approaches to prepare a report using the GRI Standards?**

- a) Selected GRI Standards to prepare a GRI referenced Report
- b) Used as a set to prepare Sustainability report with Core Option
- c) Used as a set to prepare Sustainability report with Comprehensive Option
- d) All of the above
- e) None of the above

**Q10. The GRI Standards are issued by the following:**

- a) Global Sustainability Standards Board
- b) Global Business Responsibility Board
- c) International Auditing and Assurance Standards Board (IAASB).
- d) None of the Above

**Q11. Integrated Report Structure consists of which of the following?**

- a) Guiding Principles
- b) Content Elements
- c) (a) and (b)
- d) None of the above



**Q12. Which of the following are Guiding Principles of Integrated Reporting?**

- a) Materiality
- b) Reliability and Completeness
- c) Connectivity of Information
- d) All of the above

**Q13. Outlook in case of integrated reporting is which of the following-**

- a) Guiding Principle of Integrated Reporting
- b) Content Element of Integrated Reporting
- c) (a) and (b)
- d) None of the above

**Q14. Leadership Indicators of Principle 3 – “Businesses should respect and promote the well-being of all employees, including those in their value chains” of Section C of BRSR can be mapped with which of the following GRI Standards?**

- a) GRI 406: Non-discrimination
- b) GRI 408: Child Labour
- c) GRI 409: Forced or Compulsory Labor
- d) All of the above

**Q15. Which of the following Content Elements in integrated reporting can be linked to GRI Standard 201-1: Direct economic value generated and distributed?**

- a) Organizational Overview
- b) Outlook
- c) Performance
- d) None of the above

**Q16. Which of the following are not investment strategies available to enable institutional investors to take into account ESG factors in their portfolio construction?**

- a) Screening
- b) Bio-diversity
- c) Divestment
- d) Best-in-class



**Q17. Human Rights in the workplace is which type criteria assessed by investors at the issuer level?**

- a) Social Criteria
- b) Governance Criteria
- c) Environmental Criteria
- d) Both a) and b)

**ANSWERS**

**1. b; 2. a; 3. b; 4. c; 5. c; 6. a; 7. b; 8. d; 9. d; 10. a; 11. c; 12. d; 13. b; 14. d; 15. b; 16. b; 17. d.**

# MODULE FIVE - ASSURANCE ASPECTS

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## 5.1 INTRODUCTION

In Module 4, we looked at sustainability frameworks, Mapping of BRSR with GRI and IR Frameworks and Sustainable Finance.

In this Module, we look at the following:

- Assurance of Corporate Sustainability Report
- Assurance Framework for Corporate Sustainability Report
- Role of Accountants in helping Corporates prepare and promote use of High-Quality Comparable, Reliable and Relevant BRR Disclosures.

For sustainability reports to be credible, the reliability of the reports is important. Assurance on the reliability of sustainability information helps to enhance the confidence of the stakeholders in the accuracy and reliability of the reported information and provides the intended users with useful data for decision making.

The assurance frameworks/standards for assurance providers provides requirements and guidance on assurance engagements, other than audit or reviews of historical financial information. Such frameworks/standards for independent assurance of sustainability reports include the international standards such as the ISAE 3000 and the AA 1000 Assurance Standard.

## 5.2 ASSURANCE OF CORPORATE SUSTAINABILITY REPORT

Assurance is the process of obtaining an opinion on the reliability of information disclosed or the context of information presented based on an independent review carried out by a third party. In other words, assurance is an evaluation method that uses a specified set of principles and standards to assess the quality of an organisation's subject matter and the underlying systems, processes and competencies that underpin its performance. Assurance includes the communication of the results of this evaluation to give the subject matter credibility for its users. Auditing, verification and validation are some of the tools and processes by which assurance is obtained.

Assurance helps to enhance the confidence of the stakeholders in the accuracy and reliability of the reported information and provides the intended users with useful data for decision making. Further, assurance helps in:

- Increased recognition, trust and credibility
- Reduced risk, identification and tapping the opportunities and increased value
- Stakeholder engagement - to ensure addressing their concerns
- Improved stakeholder communication



- Robust data gathering and processes
- Improved top-level engagement
- Enhanced Quality of Disclosures – Accuracy, Balance, Clarity, Completeness, Comparability, Reliability, Materiality, Sustainability Context, Stakeholder Inclusiveness
- Improved Decision Making by Stakeholders – Customers, Investors and Analysts, ESG/Sustainability themed indices (For example - Dow Jones Sustainability Index, proposed BRSR Index), Governments
- Improved Performance - Better inputs for management decision-making, Opportunities to align with best practices, “Pressure to perform”
- Improved internal monitoring, control and reporting systems

An illustrative list of areas in which sustainability assurance is provided is as under:

- Energy Consumption
- GHG Emissions
- Other Emissions
- Waste Generation and Disposal
- Water consumption and withdrawal
- Human Rights
- Labour Standards

An organization that carries out an assurance process on its sustainability information/report by an independent agency or professional demonstrates greater commitment to sustainability. According to a recent Governance and Accountability Institute Research Report 2020<sup>10</sup>, around 90% of the public companies in the Standard & Poor's 500 Index published their sustainability reports in 2019. Out of these companies, almost one third have obtained some kind of assurance on their sustainability reports.

In addition to external assurance, it is important for an organization to ensure that the internal systems, processes and controls vis a vis sustainability information/disclosure are adequate and reliable. These internal systems are useful for the overall integrity and credibility of a report. Most companies have developed organizational policies, procedures, processes, systems, and controls to ensure the reliability of financial information and reporting.

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<sup>10</sup><https://www.ga-institute.com/research-reports/flash-reports/2020-sp-500-flash-report.html>



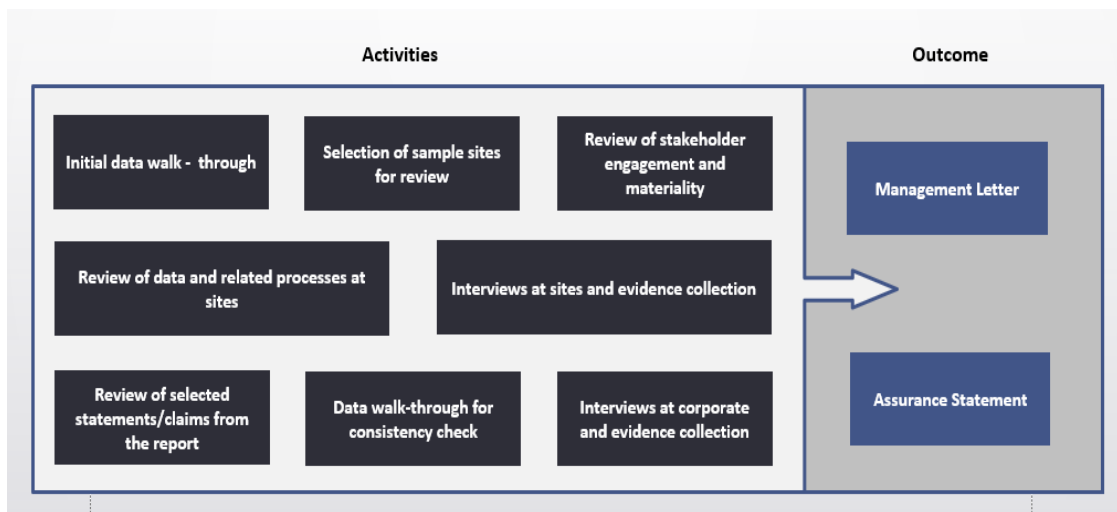


As part of corporate governance requirements, company directors are responsible to ensure and to confirm on the adequacy of an organization's internal controls to support the published financial reports. A well-established internal audit function is also a component of ensuring reliability of internal systems, processes and controls in accordance with accepted standards and frameworks. Companies can setup committees or stakeholder groups to evaluate their sustainability reporting practices and to provide recommendations for improvements on the reports.

### 5.2.1 Assurance Engagement Process

Assurance Engagement is an “Engagement in which a practitioner aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information (that is, the outcome of the measurement or evaluation of an underlying subject matter against criteria).”

The activities and outcome of an assurance process are depicted in figure below:



The assurance engagement process should be considered as an integral part of the whole reporting process and has three distinct phases: planning, execution, and reporting and feedback.

At the beginning of the assurance engagement, the reporter and assurance provider should agree – at least – to the following issues as part of project planning:

- The intended use and distribution of final sustainability disclosure information
- The reporting criteria and frameworks to be applied
- The objective and scope of information and processes to be assured (For example - assess materiality and strategy processes, assess relevance of reporting criteria, assess internal controls, assess data quality and data gathering systems quality, verify explanations of management systems and performance reporting, etc.)



- The responsibilities of management in the assurance process (For example - data collection and establishment of internal controls, etc.)
- The responsibilities of the assurance provider, including compliance with various ethical and/or legal requirements
- The access and evidence that will be supplied to the assurance provider to support the provider's conclusion report
- Expected form and content of the assurance reporter statement, and the process for feedback to the reporting entity
- Timeline and resources involved

Planning being an iterative process would be done throughout the engagement as issues come up and the process needs to be adjusted. The execution of the assurance engagement is largely shaped by the scope of assurance, the responsibilities of each party and the access and evidence to be shared with the assurance provider.

Assurance providers often offer two levels of assurance:

1. 'Reasonable assurance' (i.e. high but not absolute)
2. 'Limited assurance' (i.e. moderate).

The higher the level of assurance, the more rigorous the assurance process is, as defined in the standards and procedures used for the specific assurance engagement.

The report should include a statement identifying the criteria and methodologies used by the reporter when preparing the sustainability reporting and final report (For example - GRI G4 Guidelines, other reporting protocols, and descriptions of or reference to internal management and control procedures); and the standard(s) used to by the assurance provider to guide the assurer's approach (For example - ISAE 3000, AA1000AS, or national and sector standards).

### 5.2.2 Key Points Pertaining to Conducting Assurance Engagement

Points to be considered pertaining to assurance engagement for an organization's situation on sustainability reporting:

- Specific sustainability information report
- Identification of stakeholders
- Materiality assessment
- Standards used to report information
- Use of internal measures



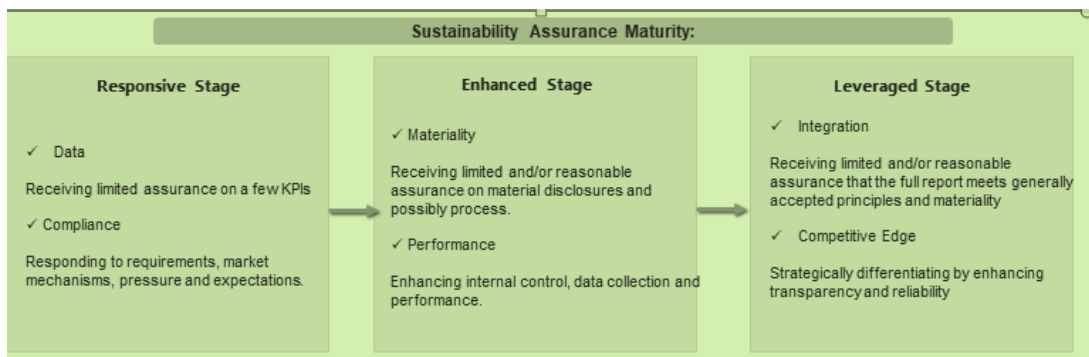
- Manner of reporting - stand-alone report, online, or integrated
- Level of assurance it is planning to obtain (reasonable or limited)
- Policies, processes, management information systems, and internal controls
- Roles and responsibilities of management
- Governance and board level involvement
- Timeline and constraints.
- The role and participation of the internal audit function
- Risk management framework

### 5.3 ASSURANCE FRAMEWORK

The assurance framework on sustainability reporting would provide the basic structure to give it shape and strength. The framework includes:

#### A. Maturity of Assurance of sustainability reporting

Over the last few decades, the assurance of sustainability reports has grown from responsive stage to leveraged stage as shown in table below:



Source: [https://docs.wbcsd.org/2016/02/WBCSD\\_Redefining\\_assurance\\_guide.pdf](https://docs.wbcsd.org/2016/02/WBCSD_Redefining_assurance_guide.pdf)

#### Responsive Stage

As per the Assurance Maturity Model, reporters in the Responsive stage are generally aware of external assurance requirements, market mechanisms, outside pressures and expectations, and seek limited assurance on data or a few KPIs in response. They are generally more externally focused on protecting value – including their reputation – as opposed to seeking internal operational benefits. The potential benefits of external assurance at this stage are therefore often more limited and short term than that of more mature stages.



### **Enhanced Stage**

Reporters entering the Enhanced stage characteristically seek external assurance at a limited or reasonable assurance level on material disclosures and potentially the reporting process. The goal here is often to develop or enhance internal control and data collection with the objective of improving sustainability performance. Reporters at this stage may actively begin seeking ways to enhance performance for their own benefit, not just in response to external pressure. This in turn means that they are more likely to begin realizing medium-to-long-term benefits.

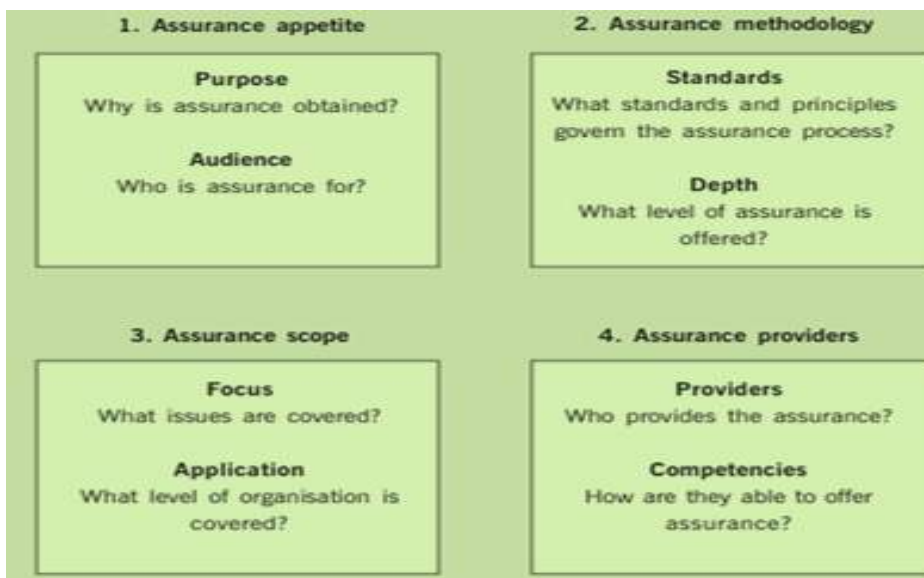
### **Leveraged Stage**

Reporters in the Leveraged stage are looking to gain a competitive advantage through strategic differentiation by enhancing transparency and reliability through assurance. They often seek assurance that the full report meets generally accepted principles including balance and materiality. These reporters often go beyond obtaining assurance on the accuracy of information. They use assurance to seek a high level of confidence in their transparency and trustworthiness that can offer multiple long-term internal and external benefits.

### **B. Approach to assurance**

Four dimensions have been used to map the current diverse approaches to assurance and to guide possible future directions for development. They are as under:

1. Assurance Appetite
2. Assurance Methodology
3. Assurance Scope and Boundary
4. Assurance Providers



Source: [https://www.comunicarseweb.com/sites/default/files/biblioteca/pdf/1301088199\\_FOSA\\_-\\_Full\\_Report.pdf](https://www.comunicarseweb.com/sites/default/files/biblioteca/pdf/1301088199_FOSA_-_Full_Report.pdf)

## I. Assurance Appetite

Assurance is for:

- **Meeting legal compliance requirements:** eg for financial and environmental reporting.
- **Convincing:** building trust and credibility or gaining specific certification.
- **Decision-making:** ensuring credible information to facilitate decision-making by stakeholders.
- **Learning:** improving management systems through use of standards and processes of continuous improvement.

Assurance is provided for stakeholders who are:

- **Indoor stakeholders:** management and board concerned with risk and value creation require assurance that information is accurate and complete.
- **Back-door stakeholders:** investors and regulators interested in assurance that looks at risk and legal breaches.
- **Front-door stakeholders:** media, NGOs, customers.

## II. Assurance Methodology

Standards inform assurance by providing normative frameworks, management standards, or process and reporting standards. They can be:



- Definitive frameworks based on international agreement or accepted science
- Membership requirements for specific markets or organisations
- Stakeholder standards that codify concerns of stakeholder groups
- Legal frameworks backed by compliance mechanisms or the potential for litigation.

Assurance is provided in different levels considering -

- Data – is the information presented accurate and complete?
- Systems – are the systems for collecting data and managing performance robust?
- Materiality/risk – is the scope of information provided sufficient? What are the implications for the company?
- Compliance/responsiveness – is the organisation meeting its commitments, responding to stakeholders and complying with standards?
- Commentary – how well is the company doing? What else should it be doing in this area?

### III. Assurance Scope

Sustainability assurance aims to cover overall performance. However, assurance can cover specific areas of performance:

- Social: For example - human rights, labour standards, diversity
- Environmental: For example - emissions, energy use, environmental management systems
- Economic: For example - financial performance, multiplier effects.

Assurance may cover different organisational units which could be:

- Specific: For example - supplier audits, product level assurance and labelling
- Company level – the assurance of statements, systems and metrics covering the whole company or group. This may take the form of assurance of a sustainability report, separate social, environmental, and financial reports, or stakeholder engagement processes.

### IV. Assurance Providers

Assurance is carried out by a range of different providers which could be both external and internal.

External providers include:

- Audit professional
- Corporate social responsibility (CSR) specialist /consultants
- Civil society organisation



- Opinion leaders/advisory panel.

Internally assurance may be provided under:

- Functional areas
- Risk assessment/internal audit
- Board level.

Organizations providing assurance-related services on sustainability information include:

1. Accountancy firms: Such firms have their own systems, controls and audit/assurance procedures (including for climate change/GHG data)
2. Engineering firms: Such firms generally offer technical certifications and engineering expertise applying a multi-disciplinary approach. The experts understand complex processes and undertake risk-based analysis.
3. Environment Consulting Firms/Sustainability services firms: Such firms focus and expertise on sustainability related issues. Often, they have experience with stakeholder matters.

A range of competencies is necessary to offer assurance such as:

- Credibility/stakeholder representation
- General assurance competency: For example - in checking data, understanding the role of assurance and analysing systems
- Process competencies: For example - communicating with stakeholders, determining materiality, and assessing the company's responsiveness
- Substantive/content competencies on relevant social, scientific, economic, and industrial issues.

### 5.3.1 Types of Assurance

Two different levels of assurance could be provided by assurance providers for aspects or elements of the sustainability information, underlying systems or processes as explained below:

#### 5.3.1.1 Reasonable Assurance

This is in the nature of an Examination engagement. In an examination engagement, the assurance provider obtains reasonable assurance in order to express his opinion on whether the subject matter of assurance reviewed in terms of the relevant criteria is free from material misstatement.

- This type of assurance is achieved when the *risk of a material mis-statement of the subject matter has been reduced to a low level*. To achieve this, the assurance provider must conduct



*extensive procedures.* The assurance provider obtains sufficient evidence to confirm whether the subject *conforms to the criteria.*

Reasonable assurance conclusions are framed in a positive manner. For example, 'Based on the procedures performed, in our opinion, the management assertion on [subject matter] is properly prepared'.

Practitioner will understand the internal controls in place for preparation of subject matter including evaluation of both its design and actual implementation. This will include assessing the SOPs for data measurement, collation across the company, internal reviews and their outcomes/ corrective actions, IT tools used for data compilations etc.

This assurance involves analysing the existing systems and preparedness of personnel involved to collect and collate data related to KPIs. It involves exhaustive evidence gathering procedures.

### 5.3.1.2 Limited Assurance

This is in the nature of a Review engagement. In a review engagement, the assurer obtains limited assurance and provides a conclusion about whether any material modifications are required in the subject matter in order for it to be in accordance with the relevant criteria. Review engagements are narrow in scope, involve limited procedures, and the outcome is more specific but lower level of assurance than examination engagements.

The level of assurance is based upon the following:

- Specific objectives of the engagement
- Degree of assurance required by the organization
- Importance of the sustainability information to the decision-makers
- Expectations of internal and external users of the sustainability information
- Alignment with financial reporting and disclosure
- Factors relating to the prevailing legal and regulatory requirements
- Cost and benefit analysis of the different levels of assurance.

This type of assurance is achieved when the risk of a material mis-statement of the subject matter has been reduced through the collection of evidence, but not to the low level required by reasonable assurance.

To achieve this, the assurance provider performs different or fewer tests than those required for reasonable assurance or uses smaller sample sizes for the tests performed.

The assurance provider's conclusion provides comfort over whether the *subject is plausible against the criteria.*





Evidence gathering procedure limited to inspection, recalculations, establishing audit trail on sample basis, probing, trend analysis etc.

Limited assurance conclusions are framed in a negative manner. For example, 'Based on the testing performed; nothing has come to our attention to indicate that the management assertion on [subject matter] was not properly prepared.

## 5.4 ASSURANCE STANDARDS FOR LIMITED/ REASONABLE ASSURANCE

There are various national and international standards and frameworks used by assurance service providers for assuring non-financial/sustainability disclosures. The two key assurance standards that are widely used for providing assurance of sustainability information are:

- Assurance Engagements Other than Audits or Reviews of Historical Financial Information – ISAE3000<sup>11</sup>
- AccountAbility 1000 Assurance Standard (AA1000AS)

AA1000AS is designed by sustainability professionals to focus on the quality of an organisation's reporting and performance, with emphasis on materiality, impact, stakeholders and strategy. On the other hand, ISAE 3000 for "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" is a standard for any assurance engagement focusing on procedures, terms of engagement and engagement performance.

ISAE3000 and AA1000AS are technically complementary and can be applied together in an assurance process. There is no underlying methodological conflict between the two standards.

### 5.4.1 ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information<sup>12</sup>

ISAE 3000 is the International Standard on "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by International Auditing and Assurance Standards Board (IAASB) of International Federation of Accountants (IFAC). The standard consists of guidelines for the ethical behavior, quality management and performance of an ISAE 3000 engagement.

<sup>11</sup> ICAI has issued a "Guidance Note on Reports or Certificates for Special Purposes" based on the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

<sup>12</sup> Complete text on ISAE 3000 is available at:

<https://www.ifac.org/system/files/downloads/b012-2010-iaasb-handbook-isae-3000.pdf>



#### 5.4.1.1 Features of ISAE 3000

- This ISAE is effective for assurance engagements where the assurance report is dated on or after December 15, 2015.
- The members of the engagement team and the engagement quality control reviewer are subject to Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code).
- The practitioner who is performing the engagement is a member of a firm that is subject to International Standard on Quality Control (ISQC).
- Where a subject-matter specific ISAE is relevant to the subject matter of a particular engagement that ISAE applies in addition to this ISAE.
- The practitioner shall comply with each requirement of this ISAE.
- Primary Objective of ISAE 3000: To obtain either reasonable assurance or limited assurance, as appropriate, about whether the subject matter information is free from material misstatement.
- When reasonable or limited assurance cannot be obtained and a qualified conclusion in the practitioner's assurance report is insufficient in the circumstances for purposes of reporting to the intended users, the practitioner must disclaim a conclusion or withdraw (or resign) from the engagement, where withdrawal is possible under applicable law or regulation.
- If the engaging party imposes a limitation on the scope of the practitioner's work in the terms of a proposed assurance engagement such that the practitioner believes the limitation will result in the practitioner disclaiming a conclusion on the subject matter information, the practitioner shall not accept such an engagement.
- The practitioner shall not agree to a change in the terms of the engagement where there is no reasonable justification for doing so. If such a change is made, the practitioner shall not disregard evidence that was obtained prior to the change.
- ISAE 3000 recognizes two types of reports:
  - Type 1 report provides assurance on the suitability of design and existence of controls.
  - Type 2 report provides assurance on suitability of design, existence and operational effectiveness.
- The standard consists of guidelines for the ethical behavior, quality management and performance of an ISAE 3000 engagement.
- ISAE 3000 recognizes two types of assurance engagement-
  - Reasonable assurance engagement



- Limited assurance engagement
- This ISAE uses the terms “reasonable assurance engagement” and “limited assurance engagement”. The objective of a reasonable assurance engagement is a reduction in assurance engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of the practitioner’s conclusion.
- The objective of a limited assurance engagement is a reduction in assurance engagement risk to a level that is acceptable in the circumstances of the engagement, but where that risk is greater than for a reasonable assurance engagement, as the basis for a negative form of expression of the practitioner’s conclusion.
- Statement that the firm of which the practitioner is a member applies ISQC 1, or other professional requirements at least as demanding.
- A statement that the practitioner complies with the independence and other ethical requirements of the IESBA Code, or other professional requirements at least as demanding.
- Requirements of ISAE 3000 include the following:
  - Risk and materiality Ethics – the Code
  - Quality control
  - Engagement acceptance
  - Planning
  - Suitability of criteria
  - Professional scepticism
  - Obtaining evidence
  - Using experts
  - Documentation
  - Reporting

#### 5.4.1.2 Content of ISAE 3000 Report

An ISAE 3000 report generally consists of the following:

- Scope of the report
- Standard used
- Control framework
- Risk management system



- Control matrix including risks, control objectives and controls.

**The content of the ISAE 3000 report includes:**

- Clear title

A title that clearly indicates the report is an independent assurance report.

- An addressee

An addressee identifies the party or parties to whom the assurance report is directed. Whenever practical, the assurance report is addressed to all the intended users, but in some cases there may be other intended users.

- Subject Matter Information and Underlying Subject Matter

The underlying subject matter may include:

- The point in time or period of time to which the evaluation or measurement of the subject matter relates;
- Where applicable, the name of the entity or component of the entity to which the subject matter relates; and
- An explanation of those characteristics of the subject matter or the subject matter information of which the intended users should be aware, and how such characteristics may influence the precision of the evaluation or measurement of the subject matter against the identified criteria, or the persuasiveness of available evidence.

- Identification of Applicable Criteria

The assurance report identifies the criteria against which the subject matter was evaluated or measured so the intended users can understand the basis for the practitioner's conclusion. The assurance report may include the criteria, or refer to them if they are contained in an assertion prepared by the responsible party that is available to the intended users or if they are otherwise available from a readily accessible source.

- Inherent Limitations

Where appropriate, a description of any significant, inherent limitation associated with the evaluation or measurement of the subject matter against the criteria should be included in the assurance report.

While in some cases, inherent limitations can be expected to be well understood by readers of an assurance report; in other cases it may be appropriate to make explicit reference in the assurance report.



When the criteria used to evaluate or measure the subject matter are available only to specific intended users, or are relevant only to a specific purpose, a statement restricting the use of the assurance report to those intended users or that purpose: in addition, whenever the assurance report is intended only for specific intended users or a specific purpose, the practitioner considers stating this fact in the assurance report. This provides a caution to readers that the assurance report is restricted to specific users or for specific purposes.

- A statement to identify the responsible party and to describe the responsible party's and the practitioner's responsibilities.
- Statement on engagement performance in accordance with ISAE 3000.
- Statement that the firm of which the practitioner is a member applies ISQC 1, or other professional requirements at least as demanding.
- A statement that the practitioner complies with the independence and other ethical requirements of the IESBA Code, or other professional requirements at least as demanding.
- An informative summary of the work performed as the basis for the practitioner's conclusion

The summary will help the intended users understand the nature of the assurance conveyed by the assurance report. ISA 700, "The Auditor's Report on Financial Statements" and ISRE 2400, "Engagements to Review Financial Statements" provide a guide to the appropriate type of summary. Where no specific ISAE provides guidance on evidence-gathering procedures for a particular subject matter, the summary might include a more detailed description of the work performed.

- The practitioner's conclusion  
The report must clearly state the assurance provider's conclusion and the basis for conclusion
- The practitioner's signature
- The date of the assurance report
- The location in the jurisdiction where the practitioner practices.

#### 5.4.2 AccountAbility 1000 Assurance Standard (AA1000AS)

The AA1000 Series is comprised of three standards:

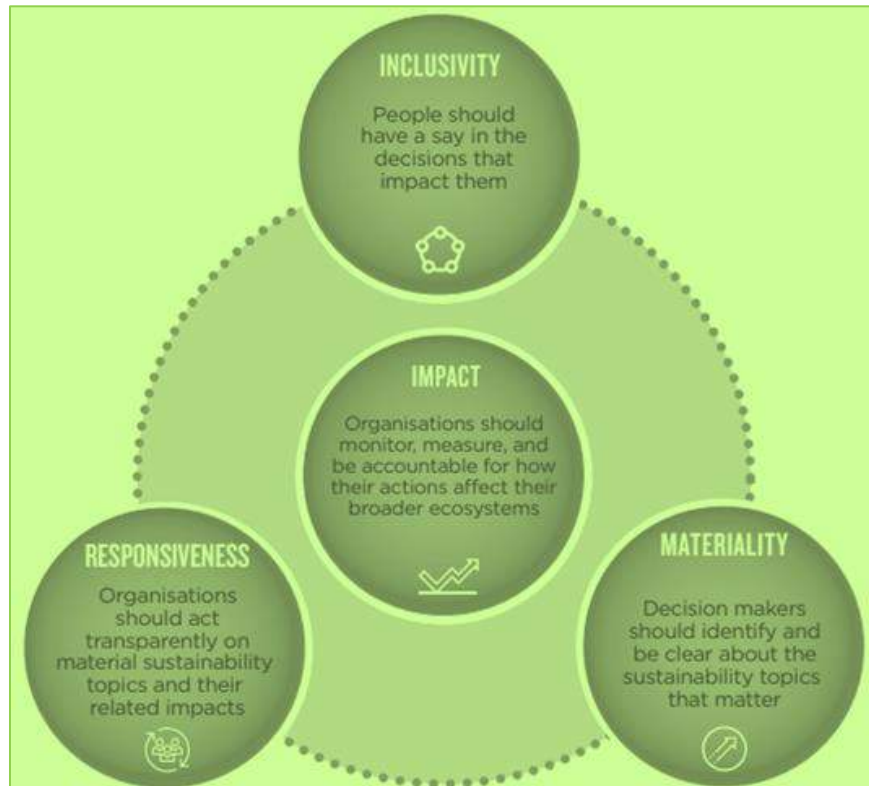
- Accountability Principles (AA1000AP, 2018)
- AA1000 Assurance Standard (AA1000AS, 2008) with 2018 Addendum, v3 released in August 2020
- AA1000 Stakeholder Engagement Standard (AA1000SES, 2015) – Revision in Progress



**AA1000AS v3** is a standard for assurance on sustainability information of any type:

- Based on application of the AA1000 Accountability Principles (AA1000AP)
- Focuses on the processes required for responsible and complete assurance engagements.

The AA1000 Series of Standards are founded on four principles as shown in figure below:



Source: [https://www.accountability.org/static/3ff15429033873cdc775212ca63572fb/aa1000as\\_v3\\_final.pdf](https://www.accountability.org/static/3ff15429033873cdc775212ca63572fb/aa1000as_v3_final.pdf)

The AA1000AS v3 can be used immediately. Beginning 1 January 2021, when it fully replaces the AA1000AS (2008), the AA1000AS v3 will be the only recognised AA1000 Assurance Standard.

The AA1000AS v3 describes:

- How to define the scope and preconditions to be met when accepting an assurance engagement where the standard is used.
- How to perform an engagement in accordance with the standard.
- How to issue the final Assurance Statement and optional Report to Management.



Sustainability assurance in accordance with the AA1000AS v3 assesses and provides conclusions on:

- The nature and extent of adherence to the AA1000 AccountAbility Principles.
- If defined in the scope of the engagement, the reliability and quality of disclosed information on sustainability performance.

### **Preconditions for accepting an AA1000AS v3 Assurance Engagement**

- 1. Independence and Impartiality** - An assurance provider shall not accept an assurance engagement if its relationship with the reporting organisation or its stakeholders will impede the production of a robust, independent, objective, and impartial assurance statement.
- 2. Competence** - An assurance provider shall accept an assurance engagement only if it possesses the necessary competencies to deliver all aspects of the assurance engagement. The assurance provider should be prepared to make information readily available to interested stakeholders regarding the competencies and capabilities of the assurance Practitioners Involved In Its Assurance Engagement.
- 3. Engagement Agreement**- Before accepting an assurance engagement, the assurance provider shall be satisfied that the requirements of the AA1000AS v3 can be met by the reporting organisation. The terms and conditions of the engagement between the assurance provider and the reporting organisation shall be agreed upon in writing prior to the commencement of the engagement.

### **Types of Assurance Engagements**

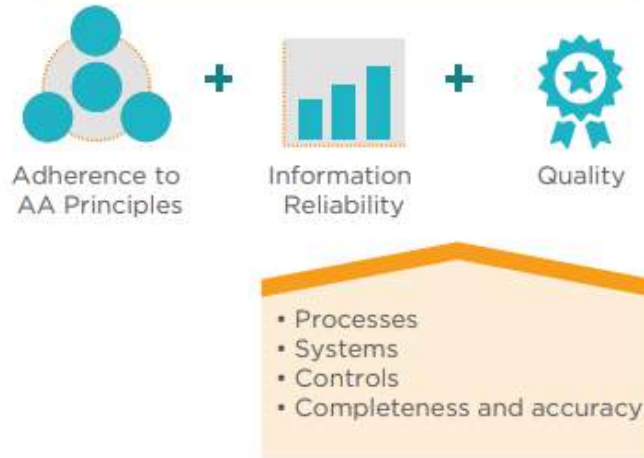
There are two types of Assurance Engagements namely, Type 1 and Type 2 as depicted in the figure below. According to the AA1000AS v3, an assurance engagement may be carried out to promote a “High” or a “Moderate” level of assurance and the assurance provider shall agree upon the level of assurance to be provided.



## TYPE 1



## TYPE 2



Since different subject matters may be addressed in a single assurance engagement, a High level of assurance may be provided for some subject matter while a Moderate level of assurance may be provided for others. This should be clearly noted in the Assurance Statement. The features of two types of assurance are tabulated below:

Type 1 Assurance Engagement	Type 2 Assurance Engagement
<ul style="list-style-type: none"> <li>The assurance provider shall review and assess the extent of the organisation's adherence to all four AA1000 Accountability Principles and provide relevant findings and conclusions.</li> <li>In Type 1 Assurance Engagement, Assurance Provider is required to review and assess evidence of the use of relevant processes, systems and controls, and available performance information.</li> </ul>	<ul style="list-style-type: none"> <li>The Assurance Provider shall assess the extent of the organisation's adherence to all four AA1000 Accountability Principles and provide relevant findings and conclusions and shall additionally, assess and evidence the reliability and quality of specified sustainability performance and disclosed information, providing relevant findings and conclusions.</li> <li>The Assurance Provider shall not accept a Type 2 Assurance Engagement unless there are suitable criteria for assessing specified performance and disclosed information.</li> </ul>





<p>Level of Assurance – High</p> <p>Evidence gathered by communicating with sources including those outside company on:</p> <ul style="list-style-type: none"> <li>• Process of identification of stakeholders</li> <li>• Mechanism of engaging with them and timing</li> <li>• Response to the issues raised by stakeholder</li> <li>• Involvement in identification of material issues</li> <li>• Corroborating issues identified with independent media and secondary literature review</li> </ul>	<p>Level of Assurance – High</p> <p>Same methodology as Type 1 High level. Additional procedures:</p> <ul style="list-style-type: none"> <li>• Extensive depth of evidence gathering at all levels of the organisation</li> <li>• Detailed corroborative evidences sought</li> </ul>
<p>Level of Assurance – Moderate</p> <p>Evidence gathering to be limited to only internal sources of the company. Limited corroborative evidence gathering including secondary literature review.</p>	<p>Level of Assurance – Moderate</p> <p>Same methodology as Type 1 Moderate level. Additional procedure:</p> <ul style="list-style-type: none"> <li>• Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organisation as necessary.</li> <li>• Emphasis is on the plausibility of the information.</li> </ul>

The assurance provider shall use criteria drawn from the AA1000AP (2018) in order to assess adherence to the AccountAbility Principles. Other legally required statements or supplementary standards used in order to enhance the robustness and relevance of the overall assurance engagement shall be included in the criteria used where applicable.

The assurance provider shall identify and agree with the reporting organisation on all disclosures (For example - reports, website content, mandated filings, or regulatory disclosures) to be covered by the assurance engagement.

### Conducting an AA1000AS v3 Engagement

#### AA1000AS v3 Engagement involves:

**1. Planning the Engagement** - The assurance provider shall plan the assurance engagement in order to perform it effectively. The assurance provider shall document the key resource



requirements, evidence to be gathered, tasks, activities, deliverables, and timeline in an Engagement Plan.

### **2. Performing the Engagement** - The assurance provider shall perform the engagement with -

- Due Care and Documentation - Assurance providers and individual assurance practitioners shall clearly evidence the exercise of due care at all times in accordance with the material needs of the users of the Assurance Statement, the purpose and scope of the assurance process, and the established criteria. The assurance provider shall document evidence, retaining relevant evidence where necessary.
- Assessment of Adherence to the AA1000 Accountability Principles (Type 1) - The assurance provider shall review and assess findings and conclusions on the nature and extent of an organisation's adherence to the AA1000 Accountability Principles using the criteria in the AA1000AP (2018).
- Assessment of Specified Sustainability Performance Information (Type 2) - If included in the scope of the assurance engagement, the assurance provider shall assess and report findings and conclusions on the reliability and quality of specified sustainability information.
- Limitations - The assurance provider shall take appropriate action, and reference where necessary, if limitations encountered during the engagement make it impossible to continue the engagement.

### **Issuing an AA1000AS v3 Assurance Statement and Optional Report to Management**

The assurance engagement in accordance with the AA1000AS v3 would result in assurance statement and/or Report to Management as mentioned below:

#### **1. Assurance Statement** - An Assurance Statement that is in accordance with the AA1000AS v3 shall include the following information at a minimum:

##### **Assurance Information**

- Intended users of the Assurance Statement
- Responsibilities of the reporting organisation and assurance provider
- Reference to the AA1000AS v3 and other assurance standard(s), if used
- Description of the scope, subject matter, the type, and level of assurance provided
- Reference to criteria used
- Description and sources of disclosures covered
- Description of methodology
- Limitations and approach used to mitigate limitations



- Notes on the independence and competencies of the assurance provider
- Name of the assurance provider
- Date and place

#### **Performance Related Information**

- Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact (in all instances)
- For Type 2 assurance, findings and conclusions concerning the reliability and quality of specified performance information

**2. Report to Management** - Based upon the engagement agreement between the reporting organisation and the assurance provider, the assurance provider shall prepare a Report to Management.

### **5.5 ROLE OF ACCOUNTANTS IN HELPING CORPORATES PREPARE AND PROMOTE USE OF HIGH-QUALITY COMPARABLE, RELIABLE, AND RELEVANT BRR DISCLOSURES**

An organization can obtain external assurance from the professional assurance providers, or other external groups or persons.

It is important to ensure that the external assurance is conducted by:

- Competent persons
- Following professional standards
- Applying systematic, documented, and evidence-based processes.

There are following expectations from the assurance providers:

- Independence from the organization to ensure objectivity of opinion and conclusions
- Demonstrated competence
  - in the sustainability subject matter
  - in assurance practices
- Application of quality control procedures to the assurance engagement

The assurance of sustainability information requires the following capabilities from the professionals:

- Understanding of the business, industry, internal and external factors that affect the organization



- Understanding the importance of sustainability from the corporate financial and strategic perspective
- Knowledge of the reporting frameworks and their interpretations in specific contexts
- Evaluation of organizational policies, internal systems, processes and controls
- Experience in the use of systems and tools for collection, analysis and reporting data and information
- Expertise in audit, assurance, attestation procedures

In addition to the relevant competence and capabilities, sustainability assurance engagement requires skill in working with stakeholders and teams involving technical expertise and specialists, as required.

Sustainability assurance requires an understanding of the overall context of enhanced sensitivity to the corporate obligation to environmental and public interest. Sustainability assurance engagements call for an enhanced level of comfort on part of the professional in dealing with multi stakeholder perspectives, non-financial data, the macroeconomic factors, the strategic choices and decision making facing an organisation.

The sustainability assurance involves- a clear understanding of

- the intended users
- specific requirements
- user and client expectations
- Manner in which the sustainability information and the assurance report would meet the requirements of the intended users' needs.

The work of the sustainability assurance engagement involves interfacing with highly technical sustainability topics, such as, Greenhouse gas emissions, or situations relevant to the specific industry sector, stakeholder communities or the geographical location in which the organization operates.

It is important for an assurance provider to understand the scope of the engagement. The assurance engagement would depend upon the specific sustainability information presented and whether the organization requests complete assurance on all aspects of reporting or only on selected aspects of sustainability activities or information.

The limitations on the scope of assurance and the reported information, exclusions, associated reasons, and the effect on the materiality of the sustainability report need to be clearly understood and documented by the assurance provider.



It is very important to note the importance of sustainability information and its usage by various stakeholders including investors for investment decision-making. The assurance engagement involves interactions and information from directors and senior managers at the highest level of governance in the organization. The other parties in the organisation involved in the sustainability assurance engagement are the teams working in preparing the sustainability information, such as, the sustainability department, CSR, quality control, and the internal audit.

The assurance service provider should:

- Be keenly aware of the broad range of sustainability / non-financial aspects of the entity (client) and the value creation on various forms of capitals.
- Understand the connectedness between financial and sustainability processes / performance / reporting of businesses.
- Familiarize oneself with the non-financial reporting requirements, especially the proposed BRSR Reporting (recommended by MCA Committee).
- Inquire and assess the governance, policies, data management systems and reporting maturity of the Company on non-financial aspects.
- Equip oneself with knowledge on assurance standards to provide high degree of credibility on non-financial reporting.

Certified accountants are qualified and experienced professionals possessing independence, objectivity, credibility and integrity to qualify as assurance providers.

Due to the evolving nature of sustainability concerns and requirements, it is very important for the sustainability assurance professionals to keep themselves continuously up to date with evolving practices in sustainability reporting around the world.

In addition to the assurance work on the content of the sustainability reports, the professionals could play a big role in providing value added suggestions to improve internal controls, policies, management processes, information systems and procedures, to enhance the reporting, quality of information and improve the business efficiency.



## Role of accountancy profession



Source: Accountants, Purpose and Sustainable Organisations, Association of Chartered Certified Accountants, April 2020

Accountancy has always contributed in creating and protecting value of businesses for the long term. This is best exemplified by the profession's core heritage in audit and assurance. The need for company financial statements to be fairly prepared in accordance with generally accepted accounting principles, and then audited independently to assess whether or not the picture presented is 'true and fair', has been a cornerstone of confidence for investors and has underpinned the world's businesses and financial systems since the profession's inception. Through reliable, transparent and insightful financial information, accountants and auditors have always helped organisations manage operations and risk effectively to meet strategic objectives, and to attract and access investment. They have been central in supporting an environment of trust that has allowed businesses to grow and flourish for the longer term.

Besides this, the public-interest role of the accountancy profession benefits economies and society through different areas as under:

- 1. Capacity building:** Professional bodies supporting the development of communities and national economies and thus their work contributes towards achieving The UN Sustainable Development Goals.
- 2. Setting standards and frameworks:** The profession's role in promoting and developing transparent, relevant, fair, consistent and comparable outcomes for all stakeholders along with fixing accountability and trustworthiness in those charged with governance. Harmonising reporting standards would ensure comparability, quality, understanding and transparency of information for economic decision making.
- 3. Regulation, compliance, and monitoring:** Governance of the profession to uphold the quality of the profession is central to public interest.



**Accounting for Sustainability: From sustainability to business resilience**<sup>13</sup> highlights the important role accountants can, and must, play in embracing sustainability challenges. It also provides guidance on how to ensure that the organisations that accountants serve are resilient, by linking these challenges to a broader business agenda and strategy.

The International Federation of Accountants (IFAC) suggests eight practical ways for accountants to make a difference and fulfil their role as business partners as under:

1. **Identify and connect** key trends and impacts to the organisation's strategy, business model and performance.
2. **Integrate** significant natural and social capital issues into decision-making processes.
3. **Assess the benefits** of tackling environmental and social issues (eg cost reduction; revenue generation).
4. **Organise internal systems** and processes to ensure what matters is measured and managed.
5. **Link the strategy and resources** to the creation of value for stakeholders.
6. **Drive efficiency** by reducing waste and controlling costs.
7. **Provide credibility** to the information and data produce through effective oversight and governance.
8. **Communicate clearly** to ensure transparency.

**Further, accountants can guide the organisations they are associated with towards sustainable business practices in the following ways:**

- Identify the environmental and social trends that will impact on the company's ability to create value over time.
- Explain the impact of sustainability issues in robust business terms, including how and when they could affect the business.
- Develop KPIs that support strategic and sustainable goals.
- Apply management accounting tools and techniques, such as scenario planning of natural resource availability, lifecycle costing, and carbon foot-printing, to help integrate sustainability matters into the decision-making process.

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<sup>13</sup><https://www.icas.com/landing/sustainability/practical-tools-and-links/eight-ways-accountants-can-contribute-to-sustainability>



- Produce reports which include data on business impacts on sustainability. It would inform stakeholders about strategic planning and various decisions taken like budgeting and pricing decisions, investment appraisals etc.
- Develop a reporting strategy (as per any framework, for example, The International Integrated Reporting Framework) that integrates sustainability issues to ensure that relevant financial and non-financial information is disclosed.

## 5.6 TEST YOUR UNDERSTANDING – MULTIPLE CHOICE QUESTIONS

**Q1. Assurance helps in:**

- a) Improved Stakeholder Communication
- b) Improved Top Level Engagement
- c) Increased Recognition, Trust and Credibility
- d) All of the above

**Q2. What are the activities in an assurance process?**

- a) Selection of Sample Sites for review
- b) Management Letter
- c) Assurance Statement
- d) Both Management letter and Assurance Statement

**Q3. What can be the levels of assurance provided by an Assurer?**

- a) Reasonable Assurance
- b) Limited Assurance
- c) a) and b)
- d) a) or b)

**Q4. What types of organisations are not providing Assurance-related services?**

- a) Accountancy Firms
- b) Sustainability Services Firms
- c) Engineering Firms
- d) None of the above

**Q5. Which of the following is considered in Enhanced Stage of Sustainability Assurance Maturity?**

- a) Data
- b) Integration
- c) Performance





- d) None of the above
- Q6. Assurance Methodology consists of which of the following?**
- a) Purpose
  - b) Depth
  - c) Competencies
  - d) Focus
- Q7. ISAE 3000 is framed by which of the following organisation?**
- a) IFAC
  - b) AICPA
  - c) ICAEW
  - d) None of the above
- Q8. Which is not the requirement of ISAE 3000?**
- a) Quality Control
  - b) Planning
  - c) Using Experts
  - d) None of the above
- Q9. Adherence to AA 1000 Principles are considered in:**
- a) Type 1 Engagement Only
  - b) Type 2 Engagement Only
  - c) Both Type 1 Engagement and Type 2 Engagement
  - d) None of the above
- Q10. Which of the following is not an AA 1000 AS principle?**
- a) Inclusivity
  - b) Comprehensiveness
  - c) Materiality
  - d) Impact

## ANSWERS

1. d; 2. a; 3. d; 4. d; 5. c; 6. b; 7. a; 8. d; 9. c; 10. b.

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Background Material on

# **Business Responsibility and Sustainability Reporting**

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## **Sustainability Reporting Standards Board The Institute of Chartered Accountants of India**

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