



Business Responsibility and Sustainability Reporting (BRSR) : Unlocking value through responsible reporting and assurance

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Foreword

With rapid change and rising stakeholder expectations, businesses in India and worldwide now face greater demands for sustainability and transparency than ever before. India took the lead by issuing sustainability reporting requirements for listed entities - “the Business Responsibility and Sustainability Reporting (BRSR)” in May 2021. The BRSR is a homegrown framework tailored to unique domestic requirements. While developing the BRSR, the Securities and Exchange Board of India (SEBI) did benchmarking with the available international frameworks such as TCFD (Task Force on Climate-Related Financial Disclosures) and GRI (Global Reporting Initiative), and there are a number of commonalities between these frameworks and the BRSR.

The reporting requirement for BRSR was made mandatory for listed entities ranked among the top 1,000 on the stock exchange based on market capitalization with effect from FY 2022-23 onwards. India became the first country to mandate assurance on BRSR Core (a subset of BRSR) for the top 1,000 listed entities in a phased manner.

While the reporting landscape continues to evolve globally as more countries implement disclosure requirements, many companies continue to provide voluntary disclosures on sustainability matters and obtain assurance to provide credible information to stakeholders. The BRSR framework stands as an opportunity to demonstrate leadership in sustainability, build trust, and contribute meaningfully to society and the environment. As companies embark on this journey, it is essential to foster a culture of integrity, innovation, and continuous learning.

Sustainability assurance is vital for building trust, enhancing transparency, and ensuring accountability in non-financial reporting. As organizations increasingly disclose environmental and social performance, independent assurance validates the accuracy and completeness of this data, reinforcing stakeholder confidence and regulatory compliance. It bridges financial and sustainability reporting, streamlines audit procedures, and supports integrated decision-making. With growing investor scrutiny and evolving global assurance standards like ISSA 5000 and ISAE 3000, assurance is no longer optional—it is a strategic imperative that signals genuine commitment to sustainable practices.

This publication ‘Business Responsibility and Sustainability Reporting (BRSR) : Unlocking Value Through Responsible Reporting and Assurance’ aims to guide organizations on their journey from mere compliance to holistic commitment, highlighting how robust BRSR reporting and credible assurance can unlock long-term value for all stakeholders. To provide a practical roadmap, this publication delves into the regulatory developments in India and how BRSR reporting acts as a driver for impactful sustainability initiatives and insights from reporting by Indian companies.

This publication also explores the importance of independent assurance, outlining current assurance practices, and the growing role of assurance providers in strengthening the credibility of sustainability disclosures. Finally, it also highlights the role of the board and audit committee and the pivotal responsibility of leadership in overseeing, integrating, and continuously improving ESG and BRSR reporting within organizational governance.

We hope this publication will serve as a practical and insightful companion for boards, audit committees, and corporate leaders, inspiring them to embrace responsible reporting as a catalyst for resilience, innovation, and inclusive growth.



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Assurance Leader



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A photograph of a man and a young child hiking on a rocky trail through a dense forest. The man is wearing a green shirt, dark pants, and a backpack, and is holding the child's hand. The child is wearing a light blue shirt and yellow boots. The forest is lush with green foliage and trees.

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Introduction

The value of transparent sustainability reporting

Nature loss poses a significant risk to global economic stability, as over half of GDP depends on healthy ecosystems. Degraded ecosystems threaten supply chains, asset values and resilience, while nature remains vital for climate action. Businesses must both halt and reverse nature loss by integrating environmental considerations into their strategies. **Upholding commitments to sustainability and addressing climate change is no longer optional—it is an urgent imperative for both businesses and individuals** to safeguard our already degraded environment from further harm.

The operations of any organization extend beyond financial outcomes, influencing both the environment and society at large. The policies it adopts, the processes it follows, and the products or services it delivers can significantly affect a wide range of stakeholders—including employees, nearby communities, customers, and suppliers. In today's landscape, stakeholders expect organizations to act responsibly and transparently. One of the ways to meet this expectation is through sustainability reporting, which enables companies to disclose their environmental, social and governance (ESG) performance.

Investor demand for increased transparency regarding ESG and sustainability information has led to the issuance and implementation of Business Responsibility and Sustainability Reporting (BRSR) for listed companies and mandatory assurance on BRSR core (a sub-set of BRSR). These measures emphasize the importance of non-financial reporting and disclosures for boards and management. Reporting on ESG risks, opportunities, goals and metrics serves to provide relevant information to customers, employees, regulators and investors concerning the company's long-term value.

As a result, boardrooms across the globe are increasingly engaged in discussions around climate change, sustainability reporting, greenhouse gas (GHG) emissions, employee welfare, gender diversity, inclusivity, the appointment of women directors, among other ESG-related parameters. To ensure effective oversight and accountability, many boards are forming dedicated committees tasked with monitoring and reporting ESG-related key performance indicators.

Companies that adopt and demonstrate strong ESG practices not only contribute positively to society and the environment but are also recognized with improved ESG ratings (an increasingly important metric for investors, regulators and partners) and are increasingly regarded as sustainable and trustworthy. Rating agencies acknowledge companies that set ambitious ESG goals and show continuous improvement in key performance indicators. The more a company demonstrates positive social impact and stakeholder engagement, establishes clear policies on board composition, executive accountability, whistleblower protections and internal controls, the better its social rating.

These practices foster confidence among investors and stakeholders, helping to reduce the risk of greenwashing¹ and support informed financial and strategic decisions. By reporting on sustainability-related key performance indicators (KPIs), organizations not only showcase their leadership's vision and commitment to long-term sustainability but also create a transparent framework for evaluating performance across ESG dimensions.

This publication serves as a guide to support organizations in their ESG journey and in formulating a roadmap for achieving their sustainability objectives.

¹ <https://www.ethicsboard.org/publications/ethics-considerations-sustainability-reporting> - the publication highlights the relevance and applicability of the International Code of Ethics for Professional Accountants (including International Independence Standards (the Code) to ethics-related challenges in the context of sustainability reporting and assurance, especially circumstances involving misleading or false sustainability information (i.e., "greenwashing").

ESG framework

The ESG framework—comprising Environmental, Social, and Governance pillars—is used to evaluate a company's sustainability and ethical impact. The sustainability reporting framework across the globe as well as the BRSR uses the ESG framework. Each pillar addresses a distinct dimension of responsible business conduct.

- **Environmental:** This pillar assesses how a company's operations affect the natural world. It focuses on issues such as pollution, waste generation, carbon emissions, resource consumption and climate change. It also highlights opportunities for companies to reduce their environmental footprint and contribute to global sustainability efforts.
- **Social:** The social dimension evaluates how a company engages with its employees, communities and broader society. Key areas include gender diversity, inclusivity, human rights, employee well-being, community involvement and ethical supply chain practices.
- **Governance:** Governance relates to the internal systems, policies, and leadership structures that guide a company's operations. It covers topics such as board composition, executive accountability, whistleblower protections, internal controls, transparency and the protection of shareholder rights.



Figure 1: ESG Framework

Together, these pillars provide a comprehensive lens through which stakeholders can assess a company's long-term value, resilience and commitment to responsible business practices.

2 Sustainability reporting: From compliance to commitment

Regulatory developments in India

India is emerging at the forefront of sustainability reporting and assurance, moving decisively beyond mere regulatory compliance and embracing a more proactive, commitment-based model in its sustainability disclosures. With robust regulatory initiatives such as the BRSR and proposed climate-related disclosure norms for financial institutions, the country has set a high benchmark for transparency, accountability and stakeholder engagement in ESG disclosures. Indian regulators are proactively aligning with international best practices, reinforcing the nation's commitment to responsible business conduct and sustainable development. This progressive approach not only strengthens investor confidence but also positions India as a model for other emerging economies striving for sustainable growth.



Business Responsibility and Sustainability Reporting (BRSR)

In response to the growing investor demand for transparency and non-financial disclosures, the Securities and Exchange Board of India (SEBI) introduced Business Responsibility Reporting (BRR) in 2012, initially mandating it for the top 100 listed companies, later expanding to the top 500 from FY 2015-16.

Building on global developments in sustainability standards, SEBI launched the Business Responsibility and Sustainability Report (BRSR) framework under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the regulation, entities listed among the top 1,000 on the stock exchange by market capitalization are required to prepare and include this report as part of their annual report, effective from the financial year 2022-23 onwards. The BRSR aims to link financial and sustainability performance and is grounded in the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs (MCA) in 2019, which align with the UN Sustainable Development Goals (SDGs).

The applicability of BRSR is explained below:

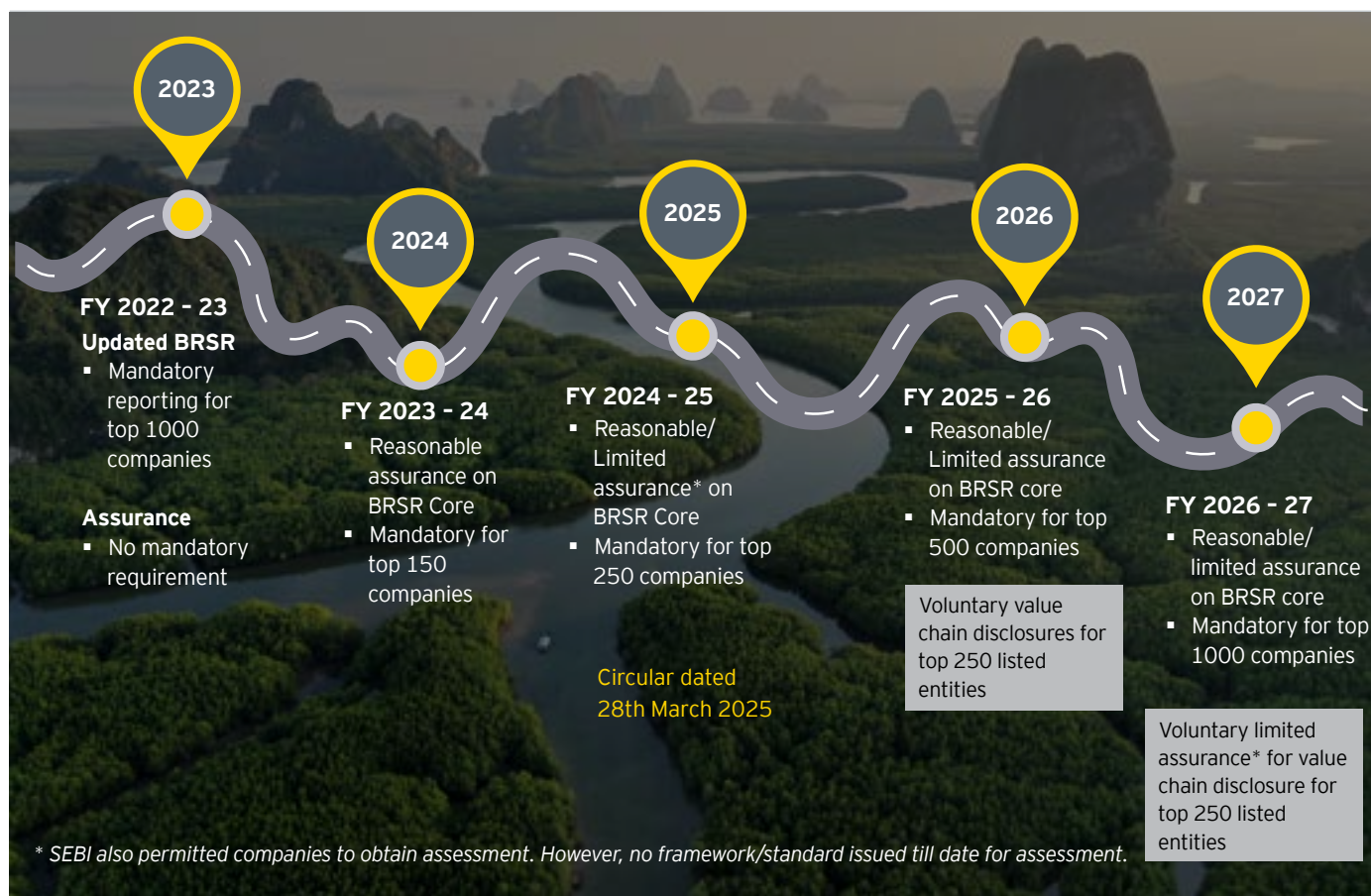


Figure 2: BRSR applicability glidepath

Since its inception, the BRSR is a defining feature of India's ESG reporting and assurance landscape. The BRSR disclosures (300+) are segregated into the following three different sections:

■ **Section A, General Disclosures**

This section requires the listed companies to provide basic information relating to products/services offered, operations, markets served by the entity, CSR details, amongst others.

■ **Section B, Management and Process Disclosures**

Section B is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

■ **Section C, Principle Wise Performance Disclosures**

The objective of this section is to help the listed companies demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. There are nine principles under which an entity is required to provide 'essential' and 'leadership'

disclosures. Essential indicators are to be provided mandatorily, and leadership indicators are voluntary in nature.

Although mandatory only for the top 1000 listed companies, the remaining listed entities, including the entities which listed their specified securities on the SME exchange, may voluntarily disclose the BRSR. Embracing BRSR brings numerous advantages, including heightened accountability, strengthened stakeholder trust, increased transparency and public disclosure of ESG initiatives.

BRSR Core

SEBI has introduced BRSR Core, a focused subset of critical ESG KPIs or metrics (46) categorized under nine ESG attributes² **requiring assurance in a phased manner beginning with the top 150 listed entities from FY 2023-24 to top 1000 listed entities by FY 2026-27**. The nine attributes of BRSR Core have a mix of both financial and non-financial attributes, which are in Figure 3 on the following page:

2 SEBI, https://www.sebi.gov.in/sebi_data/commndocs/jul-2023/Annexure_I-Format-of-BRSR-Core_p.pdf, July 2023

Environmental	Social	Governance
 Energy footprint % of energy consumed from renewable resources - Total energy consumed - Energy intensity ratios	 Enhancing employee well-being and safety - Spending towards well being of employees and workers - Safety related incidents for employees and workers	 Fairness in doing business - Instances of data breach of customers - No. of days of accounts payable
 Greenhouse gas footprints - Total scope 1 & 2 emissions - GHG emission intensity ratios	 Enabling gender diversity - Gross wages paid to females - Complaints on POSH	 Inclusive development - Input material sourced from MSME and within India - Gross wages paid in smaller towns
 Water footprint - Water consumption and its intensity - Water discharge by destination treatment level		 Openness of business - Transactions with trading houses and dealers - Related party transactions - loans/ advances and investments, sales and purchases
 Embracing circularity (waste) Waste (plastic, e- waste, bio-medical, construction, battery , radioactive waste and others) generated and intensity ratios		

Figure 3: BRSR Core attributes

Guidance and industry standards on BRSR Core

SEBI has issued Master Circular³ prescribing the requirements for Business Responsibility and Sustainability Reporting by listed entities. It also includes the Guidance Note on the key aspects of BRSR, and format for BRSR and BRSR Core. SEBI, vide its Circular⁴ dated 20 December 2024, also issued the Industry Standards on reporting of BRSR core (applicable from FY 2024-25 onwards) that have been developed by the Industry Standards Forum (ISF) comprising representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, to promote consistency and ease of implementation. These standards provide clarity and comparability in sustainability disclosures across listed entities, helping companies meet regulatory expectations and stakeholder demands more effectively. They define and explain calculation methodologies for each KPI, ensuring consistent interpretation across sectors. Some of the key elements in industry standards include amongst others:

- Detailed guidance on a spend-based approach for estimating emissions, energy consumption and/or water consumption, where a reporting entity does not have primary data and only has annual spend data for the item.

- Clear instructions for reporting entities that have offices, outlets, branches and other facilities where direct measurement of water is not available or practicable, recommending the use of estimation guidelines provided by the Central Ground Water Authority (CGWA).
- Explicit clarification regarding eligible expenditures to be included under employee and worker well-being initiatives.
- Definitions of key terms such as "purchases," "trading houses," "dealer," "distributor," "wages" and "sales" as applied to BRSR Core attributes, ensuring consistency and uniformity in reporting.
- Illustrative example calculations demonstrating the determination of PPP-adjusted revenue and output intensity ratios for entities in both manufacturing and service sectors.

By aligning with industry standards on BRSR Core, companies can streamline their internal processes, reduce ambiguity in reporting, and benefit from the best practices recognized across sectors. This not only aids regulatory compliance but also helps organizations benchmark their performance against industry peers, identify gaps in sustainability initiatives, and proactively address stakeholder concerns.

³ https://www.sebi.gov.in/legal/master-circulars/nov-2024/master-circular-for-compliance-with-the-provisions-of-the-securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-2015-by-listed-entities_88388.html

⁴ https://www.sebi.gov.in/legal/circulars/dec-2024/industry-standards-on-reporting-of-brsr-core_90091.html

Draft climate-related disclosure framework for financial institutions

The Reserve Bank of India (RBI) also announced a draft Disclosure Framework for Regulated Entities (REs) on Climate-related Financial Risks, 2024⁵. The REs (scheduled commercial banks, financial institutions, NBFCs, Tier-IV Primary (Urban) Co-operative Banks) play an important role in financing the transition towards an environmentally sustainable economy and therefore RBI proposed to implement a robust climate-related financial risk management policies and processes to effectively counter the impact of climate-related financial risks for REs ⁶. This draft disclosure framework requires disclosures across four pillars: **Governance, strategy, risk management, and metrics and targets** which are closely aligned with the IFRS S2, Climate-related Disclosures standard issued by the International Sustainability Standards Board (ISSB). **The draft framework proposes inclusion of such disclosures as a part of the RE's financial results/ statements on the website of the REs. The final framework is yet to be issued by RBI.**

MCA to establish a dedicated body to oversee ESG

A parliamentary panel has called upon the Ministry of Corporate Affairs (MCA) to establish a dedicated body to oversee ESG issues, responding to rising concerns about “greenwashing”—where companies may exaggerate or misrepresent their climate-friendly initiatives. Furthermore, the panel emphasized the need for a genuinely transparent and results-driven system to supervise Corporate Social Responsibility (CSR) activities, advocating for oversight that goes beyond compliance to guarantee measurable positive impact.

How we look at it

The sustainability regulatory landscape in India is dynamic and poised for further evolution. As global standards continue to converge, and as Indian regulators remain proactive, more companies will be brought under the fold of mandatory, assured and value chain-inclusive disclosures. The growing sophistication of digital tools and data analytics is expected to further streamline compliance and enable real-time sustainability performance tracking.

Global sustainability reporting frameworks

Regulators globally have introduced a variety of laws, frameworks, and standards to guide ESG reporting and assurance. Key among these are the Global Reporting Initiative (GRI), International Sustainability Standards Board (ISSB) standards, European Sustainability Reporting Standards (ESRS), and the Nature-related Financial Disclosures (NFDs).

Many companies have proactively begun disclosing their sustainability and ESG data by voluntarily adopting one or more of these global reporting frameworks, and many are also seeking independent assurance for the information presented.

The GRI Standards enable organizations—regardless of size or sector—to disclose their ESG impacts in a transparent, consistent and comparable manner. Structured into universal, sector and topic standards, GRI helps companies communicate how they contribute to sustainable development and manage material ESG issues.

In recent years, there has been a growing push toward harmonization among these frameworks to reduce complexity and improve consistency. The ISSB, established by the IFRS Foundation, is working to consolidate global standards and create a unified baseline for sustainability disclosures. This movement reflects the increasing importance of ESG factors in decision-making and the need for transparent, comparable and reliable data. The ISSB released its first two IFRS Sustainability Disclosure Standards—IFRS S1, General Requirements for Disclosure of Sustainability-related Financial

Information and IFRS S2, Climate-related Disclosures—in June 2023, further advancing global climate-related reporting practices. As of June 2025, 36 jurisdictions have adopted or otherwise used the IFRS Sustainability Disclosure Standards (ISSB Standards) or are in the process of finalizing steps towards introducing them into their regulatory frameworks⁷.

In July 2023, the European Commission adopted Set 1 of the ESRS (which comprised of 12 ESRS), requiring EU companies and qualifying non-EU subsidiaries (meeting specified thresholds) to report ESG topics using a double materiality approach, i.e., organizations must disclose both their impact on society and the environment, as well as how ESG factors pose financial risks and opportunities to the business. However, following representations from the companies that have already adopted the first set of ESRS and who are in process of adopting it and on account of complexity of these standards, the European Financial Reporting Advisory Group (EFRAG) released the simplified Exposure Drafts in July 2025, with final advice expected later.

As regulatory frameworks evolve—such as the EU's Corporate Sustainability Reporting Directive (CSRD), California's climate laws, Australia's sustainability reporting standards—organizations are being compelled to adopt more rigorous and standardized reporting practices, signaling a shift from voluntary to mandatory sustainability disclosures.

⁵ [RBI Draft disclosure-climate related financial risks](https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?id=4393)

⁶ https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?id=4393

⁷ <https://www.ifrs.org/news-and-events/news/2025/06/ifrs-foundation-publishes-jurisdictional-profiles-issb-standards>

BRSR reporting: A catalyst for action

Reporting is a “door opener” for driving greater impact

Sustainability unlocks the opportunity to address the most material issues – from transition planning and reducing impacts on nature, to improving working conditions and empowering organizations with robust and tailored digital solutions. Reporting offers a unique vehicle for achieving all of this and empowers entities to act and be accountable, measuring their overall value and confidence. In India, more than 1,000 companies have been reporting sustainability reporting data in the BRSR as part of their annual reports.

Insights and trends

The chart in Figure 4 on the following page entails an in-depth analysis of 1,171 companies⁸ that have reported BRSR as of 10 September 2025, across 1200+ KPIs and 20+ sectors. This data indicates the recent trends across BRSR Core and key KPIs. Statistics and values are presented in median or average terms, and, unless otherwise specified, they represent absolute values.

For example, while the absolute value of female representation in the workforce has increased, the median gross wages paid to them remain low. In addition to the highlighted KPIs in the Environmental dimension, while Scope 1 and 2 emissions have experienced a slight decrease from FY 2023-25, Scope 3 emissions have displayed a steep rise from approximately 700 million MT in 2023 to 1.757 billion MT in 2025. This highlights the growing upstream and downstream value chain emissions and is a critical area for corporate focus. Additionally, while the total waste generated has increased, recycling volumes have declined implying potential inefficiencies or reporting

gaps; consistent improvements here are vital for circular economic goals. Such mixed trends underscore ongoing challenges and the importance of integrated ESG strategies to drive improved performance in core KPIs over time.

With this rise in reporting, there is also a rise in limitations arising from said reporting. According to the NSE Circular dated 10 May 2024, common inconsistencies and non-uniform disclosures remain prevalent among BRSR reports⁹. This includes but is not limited to incomplete disclosure mapping, inadequate publicly available policies, and information and other data inconsistencies. Such challenges clearly indicate the need for assurance across all, and not just core indicators.



⁸ This data has been compiled from the EY proprietary tool ESG Compass, which provides in-depth sector-wise analysis and insights based on data from [NSE](#)

⁹ NSE Circular, https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE_Circular_10052024_1.pdf, 10 May 2024

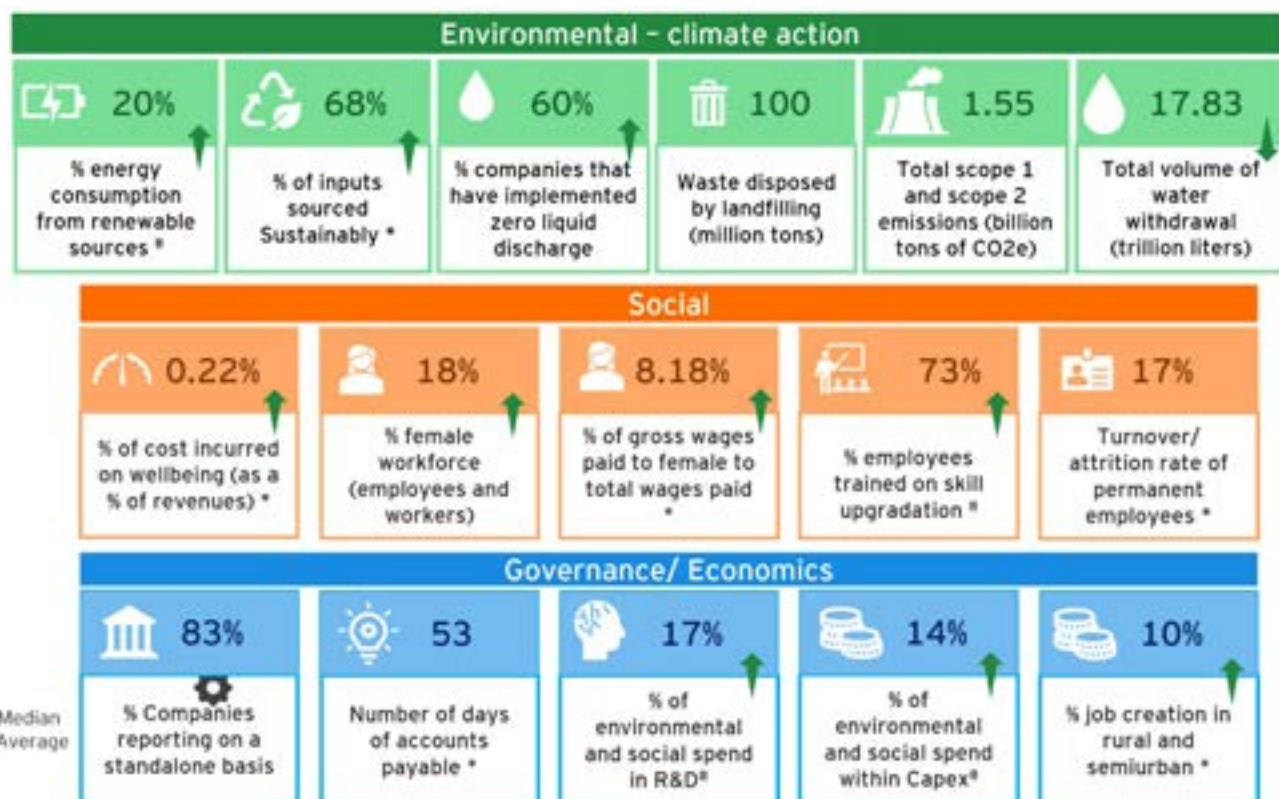


Figure 4: Insights and trends

BRSR reporting: Industry perspective

According to the sector-wise analysis in Figure 5 on the following page, of the 1,171 companies¹⁰ that have reported BRSR in FY24-25, the following trends and insights have been noted:

- The power sector reports the highest total emissions and water withdrawal, highlighting major decarbonization and water management opportunities through renewables and efficiency improvements.
- The IT sector spends the highest on well-being measures for their employees and makes the highest revenue from exports with 57% followed by healthcare (42%) and Textiles (37%).
- The average share of energy consumption from renewable sources across all BRSR-reporting companies is 20%, with the fast-moving consumer goods sector (51%) and the forest materials sector (42%) emerging as leading performers.

- The percentage of inputs sourced sustainably is lowest in the utilities (19%) and consumer services sector (23%), indicating scope for tightening supplier standards and responsible sourcing initiatives.
- The IT sector displayed the highest female wage share (22%), followed by consumer services (20%), outliers versus nearly all other sectors.
- Female workforce inclusion remains a material outlier across multiple Indian industries, highlighting a persistent gender gap and a critical area for future ESG focus and accountability.

Stakeholders including investors and rating agencies now commonly use such ESG data in decision-making, reflecting the belief that these factors impact long-term financial results and risks.

¹⁰ This data has been compiled from the EY proprietary tool ESG Compass, which provides in-depth sector-wise analysis and insights based on data from NSE

Sector	# of companies	% revenue from exports #	% energy consumption from renewable sources #	Total scope 1 and scope 2 emissions (million tons of CO2e)	Total water withdrawal (billion Liters)	% of R&D in E and S #	% Of Capex in E&S #	% of inputs sourced sustainably *	% of gross wages paid to female *	Attrition rate of permanent employees *	% of cost incurred on wellbeing (of revenues) *
Capital goods	184	20	17	31	116	20	17	75	4	14	0.22
Financial services	151	-	9	5	25	2	6	-	19	23	0.23
Healthcare	99	42	25	159	52	26	11	76	9	22	0.35
Chemicals	97	27	23	37	1146	27	17	70	5	15	0.23
Fast moving consumer goods	78	16	51	10	115	23	19	84	7	15	0.13
Automobile and auto components	75	16	23	9	43	26	21	75	5	13	0.23
Consumer durables	66	15	19	3	15	23	10	68	8	21	0.20
Consumer services	59	5	18	2	59	6	6	23	20	38	0.26
Information technology	53	57	28	1	10	8	12	56	22	19	0.89
Services	44	10	12	14	14	1	9	43	13	16	0.18
Textiles	43	37	21	12	59	11	11	42	12	18	0.15
Construction	36	5	11	4	156	12	5	76	3	21	0.13
Realty	27	-	21	0.43	20	9	6	70	16	20	0.25
Oil gas and consumable fuels	26	7	17	135	511	19	20	50	6	6	0.08
Power	26	2	17	583	14,460	9	45	100	6	9	0.17
Metals and mining	26	19	6	307	777	23	13	85	6	9	0.16
Construction materials	26	1	17	219	138	34	18	73	3	16	0.25
Media entertainment and publication	22	18	8	2	2	0	7	100	17	17	0.15
Telecommunication	13	6	6	9	2	31	8	87	11	18	0.13
Forest materials	10	9	42	6	95	29	21	100	1	9	0.16
Diversified	6	7	29	4	16	18	5	50	13	17	0.11
Utilities	4	17	6	0.05	1	50	45	19	6	23	0.28
Grand total	1171	18	20	1549	17,830	17	14	68	8	17	0.22

Figure 5: Sector-wise BRSR KPI breakdown

Note: The statistics values are presented in median(*) or average(#) terms, and unless otherwise specified, they represent absolute values.

Key gaps and challenges in BRSR reporting

While companies are reporting BRSR for last four years, they are still facing many challenges in BRSR reporting, including the need to keep up with evolving regulatory requirements, limited resources for data collection and analysis, and a lack of trust in the credibility of reported data. The complex structure and multifaceted processes involved in reporting, along with persistent deficiencies in data availability and quality, especially across intricate supply chains, further complicate comprehensive and transparent ESG disclosures.

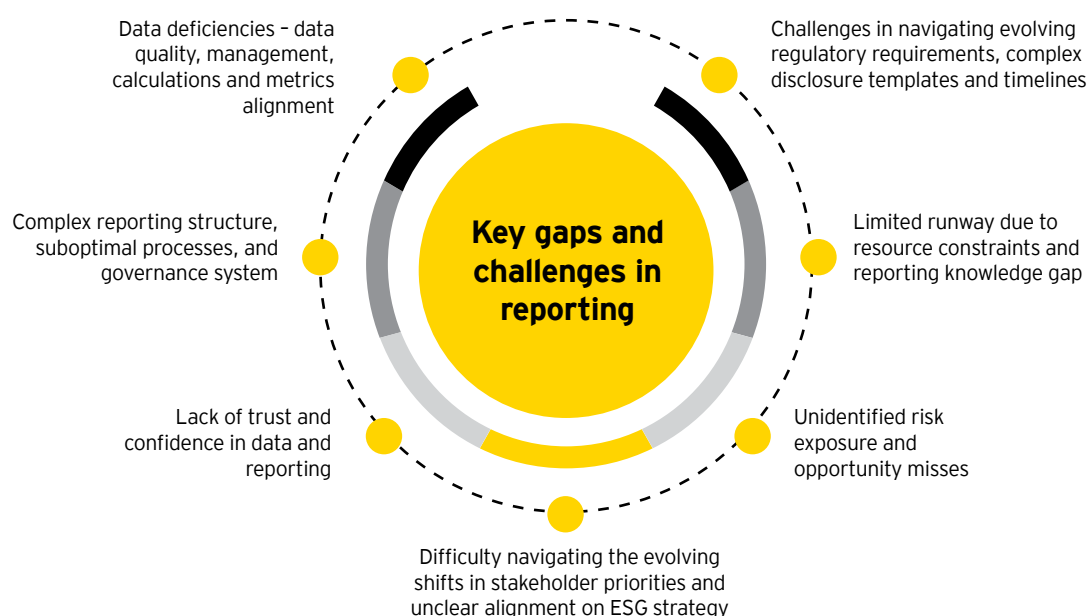


Figure 6: Key gaps and challenges in BRSR reporting

Way forward

India's ESG reporting corporate landscape is rapidly evolving, with, as mentioned, BRSR as a defining feature. Its gradual expansion will cover more companies, KPIs and value chain disclosures while focusing on impact and outcome rather than mere disclosure. Its future in India will involve an increase in mandatory and voluntary assurance to cope with investor and stakeholder interest in reliable and verified data.

	Financial year	BRSR core - assurance or assessment	Value chain disclosures (voluntary)
Glide-path	2023-24	Top 150 listed entities	-
	2024-25	Top 250 listed entities	-
	2025-26	Top 500 listed entities	Top 250 listed entities (Disclosure)
	2026-27	Top 1000 listed entities	Top 250 listed entities (Assurance/Assessment)

Figure 7: Trends in SEBI Mandated BRSR Core and Value Chain Disclosures Assurance

As illustrated in Figure 7 SEBI expanded coverage progressively each year for both direct reporting and value chain transparency. Keeping in mind this trend, companies currently complying and opting for assurance will gain a competitive advantage. Alongside, there is also a need to build capacity and awareness regarding BRSR principles and reporting requirements among key stakeholders to ensure clear compliance and disclosure. Enablers such as digitization for data collation and assurance processes can significantly improve and ease data accuracy, automation and reporting. Along with such strategic enablers, BRSR position India's corporate sector as a leader and pioneer in ESG and sustainable business practices, unlocking enhanced economic, environmental and social opportunities supporting the people, planet and business practices.



Sustainability assurance: Elevating trust

How independent assurance strengthens transparency, compliance and stakeholder confidence

As organizations navigate through an environment increasingly shaped by stakeholder scrutiny and regulatory expectations, the assurance of non-financial data (including BRSR) has emerged as a cornerstone of responsible business practice that also acts as a safeguard against greenwashing (circumstances involving misleading or false sustainability information).

Assuring the credibility and accuracy of such information goes beyond merely ensuring regulatory compliance and managing risks and plays a crucial role in building trust with stakeholders, investors and key parties, reinforcing a company's commitment to sustainable and ethical practices, enhancing brand reputation and credibility, and showcasing a company's dedication to transparency and responsibility.

BRSR assurance in India

India has emerged as a global frontrunner in sustainability assurance, setting a benchmark by mandating reasonable assurance for BRSR Core disclosures for FY 2023-24 (***which is replaced with assurance or assessment from FY 2024-25 onwards***).

As per the BRSR study of 300 listed companies for FY 2022-23¹¹ (***representing about 70% of India's listed market capitalization as of March 2023***), around one-third of the sample listed companies opted for assurance for the environmental data in BRSR even when it was not mandatory for that year. The data reveals a growing commitment among India's leading listed companies toward transparency and sustainability in ESG reporting. This proactive approach suggests an increasing recognition of the value of credible and trustworthy disclosures, driven by stakeholder demands for reliability.

We have conducted a comprehensive analysis of the top 250 listed companies in India as on 10 September 2025 for whom BRSR assurance was mandated in the financial year 2024-25. This analysis provides valuable insights into how these leading organizations are responding to the requirements for independent assurance on BRSR Core disclosures, highlighting prevailing trends and compliance level of assurance.

In essence, these trends reflect advancing standards in India's corporate sector, with more organizations voluntarily adopting robust assurance practices to enhance the integrity, comparability, and usefulness of their sustainability reports.

¹¹ *Current State of Sustainability Reporting at Corporate India*

Level of assurance

Based on our analysis, out of 250 companies for whom assurance was mandatory in FY 2024-25, 91% (229) companies obtained reasonable assurance for BRSR Core. Additionally, 59 companies out of these 229 companies have proactively obtained voluntary limited assurance on KPIs other than BRSR core (in addition to reasonable assurance on BRSR core). By obtaining assurance for non-core indicators, companies further strengthen the integrity and depth of their sustainability disclosures, promoting greater transparency and trust among stakeholders. 1% (2 companies) obtained limited assurance.

Assurance standard

SEBI has not mandated or recommended the use of any specific assurance standard under which assurance can be provided. The practitioners may provide assurance in accordance with the assurance standards issued by the International Auditing and Assurance Standards Board (IAASB) viz., International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* / International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*¹² or in accordance with the assurance standards issued by the Institute of Chartered Accountants of India (ICAI) viz., Standard on Sustainability Assurance Engagements (SSAE) 3000, *Assurance Engagements on Sustainability Information* / Standard on Assurance Engagements (SAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*. Further, disclosure should be made of the assurance standard that is used.

Of the top 250 listed companies, 63% (158) obtained BRSR assurance under ISAE 3000, 20% (52) under ICAI's SSAE 3000, 4% (9) under ISAE 3000 and SSAE 3000 both and 5% (11) have not specified the standard in their assurance report.

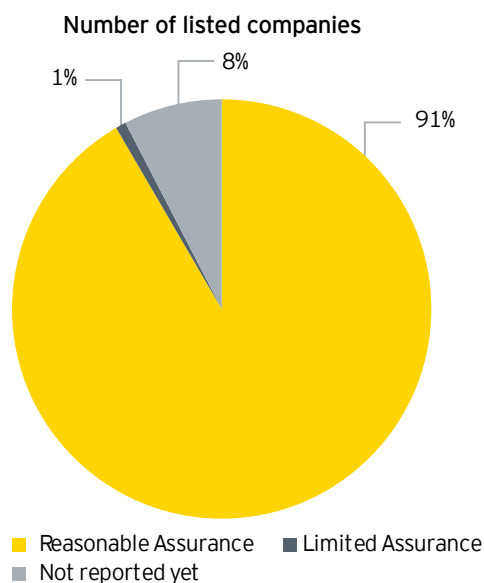


Figure 8: Level of assurance obtained by top 250 Listed Companies for FY 2024-25

91% of the companies obtained reasonable assurance – a higher level of assurance compared to limited assurance, reflecting their commitment to credible and reliable ESG reporting. Furthermore, the fact that among these 59 companies have voluntarily extended their assurance efforts to include both reasonable assurance for Core and limited assurance for non-core indicators highlights a growing trend toward comprehensive and transparent sustainability practices.

Assurance provider

It is important to note that BRSR assurance is profession agnostic. Assurance providers may be both professional accountant and non-accountant assurance practitioners, subject to the fundamental premises regarding relevant ethical requirements and quality management. A wide range of skills, including assurance skills and techniques and sustainability competence are required by assurance practitioners in order to conduct quality sustainability assurance engagements. The FAQs¹³ issued by the SEBI clarify that a listed company's statutory auditor can provide assurance on BRSR Core KPIs.

Notably for FY 2024-25, audit firms have signed 23% (59) of the assurance reports. The trend of statutory auditors attesting to sustainability assurance reports is gaining momentum in India and even globally.

¹² The International Standard on Sustainability Assurance (ISSA) 5000, issued by the International Auditing and Assurance Standards Board (IAASB), is the first comprehensive framework designed to guide assurance practitioners in evaluating and providing assurance on sustainability-related information, aiming to strengthen trust and confidence among investors, regulators, and other stakeholders.

¹³ FAQs issued by SEBI (LODR FAQs -refer Section - V) dated April 23, 2025

What makes an effective assurance provider?

- **Multidisciplinary expertise:** Effective sustainability assurance providers bring together professionals from diverse backgrounds, including audit, sustainability, engineering, and data analytics. This combination ensures all aspects of ESG reporting are thoroughly understood and evaluated.
- **In-depth subject matter and assurance expertise:** Assurance providers must have a strong grasp of sustainability frameworks, BRSR requirements, and emerging assurance standards to accurately assess and validate sustainability disclosures.
- **Understanding of client's systems and processes:** Understanding of the organization's internal controls, data sources, and business operations allows assurance providers to efficiently integrate sustainability assurance with existing audit procedures.
- **Professional independence and integrity:** Assurance providers should maintain objectivity, adhere to a strict code of ethics, and deliver unbiased conclusions to build trust among stakeholders.
- **Collaborative approach:** The ability to work alongside subject matter experts and organizational teams helps ensure comprehensive evaluation and integration of sustainability information.
- **Technological competence:** Proficiency in leveraging IT systems and data analytics tools enhances data collection, validation, and reliability in sustainability assurance engagements.
- **Strong communication skills:** Effectiveness in clearly communicating findings, recommendations, and assurance reports to various stakeholders is essential for transparency and impact.

In conclusion, before selecting an assurance provider, the Board should carefully evaluate not only the provider's technical expertise and multidisciplinary capabilities but also their understanding of the company's unique business context and sustainability objectives. It is essential to ensure the assurance provider demonstrates professional independence, a robust ethical framework, and a proven track record in sustainability assurance including an ability to deliver both limited and reasonable assurance engagements and global credibility. It is also important to assess the assurance provider's capacity to integrate financial and non-financial reporting. By prioritizing these factors, Boards can foster greater confidence in the reliability and credibility of sustainability disclosures, ultimately strengthening stakeholder trust and supporting the company's long-term ESG ambitions.



BRSR assurance: Challenges

BRSR assurance poses challenges which need to be addressed by the companies as they gear up for the upcoming years. Notable challenges include:

- The **evolving and multidimensional nature of ESG data** introduces complexity in terms of data collection, measurement and verification. Unlike financial statements, which require compliance with established accounting standards, sustainability reporting often relies on emerging reporting frameworks with limited guidance. This variability leads to inconsistencies in reporting, making it difficult to benchmark and validate information across organizations or industries.
- The integration of sustainability goals into core business operations is still an ongoing process for many companies, resulting in fragmented data, **limited internal controls over ESG metrics** which hinder seamless access to required information and at many instances even SOPs are not readily available.
- **There is limited involvement of IT functions** within organizations. The absence of robust technological integration means that ESG data often resides in disparate systems or manual spreadsheets, making extraction, aggregation, and validation arduous and prone to error. Without IT-driven solutions to automate data flows and strengthen information security, organizations face heightened risks of inconsistencies and data integrity issues ultimately undermining the reliability of sustainability disclosures and the assurance process itself.

- The **qualitative aspects of BRSR disclosures is another challenge**. Many sustainability metrics, such as corporate culture, social impact, or stakeholder engagement, are inherently subjective and resistant to strict quantification.
- **The risk of greenwashing** where companies overstate their sustainability credentials adds yet another layer of complexity, demanding heightened vigilance and skepticism from assurance professionals.

The effectiveness of BRSR Core assurance heavily depends on the skills and awareness of both assurance teams and client personnel. The resistance to change or lack of prioritization at senior management levels can hinder smooth assurance processes. Assurance requires close coordination between multiple internal and external stakeholders, including finance, compliance, IT, sales, legal, and internal auditors.

Overcoming these challenges will require collaboration, investment in expertise, and a commitment to continuous improvement. It will also require robust oversight from the Board and active involvement of the audit committee. Their leadership in establishing accountability, championing best practices, and coordinating among internal and external stakeholders is essential to ensure that BRSR assurance remains credible and reliable and fit for purpose in an ever-evolving sustainability landscape.



5 Strengthening oversight: Role of board and audit committee in sustainability reporting

Enabling transparency: Board and its committees' role in ESG reporting and assurance

The roles of the Board and its committees are pivotal in elevating the credibility and transparency of ESG disclosures, including those under BRSR. Such leadership involvement usually translates into better resource allocation, more stringent oversight and measurable progress, all of which are reflected positively in ESG evaluations. The formation of dedicated ESG committees or integration of ESG objectives into boardroom discussions signals a genuine commitment to responsible business conduct. ESG ratings recognize organizations where top leadership and Boards are actively engaged in sustainability strategy and oversight.

Active oversight is crucial—the board and audit committees must regularly evaluate the integrity of ESG data, review key disclosures, and challenge management to demonstrate the effectiveness of sustainability initiatives. They are tasked with approving BRSR-related policies, fostering alignment between sustainability commitments and business goals, and ensuring that senior management, including the Chief Executive Officer (CEO) and Chief Sustainability Officer (CSO), are directly involved in driving the agenda. By facilitating collaboration across functions—finance, compliance, operations and IT—the Board and its committees help embed strong internal controls and transparent reporting structures.

Their vigilance in overseeing both quantitative and qualitative sustainability metrics, and in engaging external auditors or independent assurers where necessary, bolsters stakeholder trust.

Ultimately, the Board and its committees become catalysts for continuous improvement by championing best practices, supporting investments in expertise and technology, and maintaining rigorous oversight of evolving sustainability frameworks.

Governance in action: Considerations for business leaders

It is important for business leaders to stay updated with global sustainability reporting and assurance standards where sustainability reporting/assurance standards are mandatory, voluntary or both for compliance and transparency. They are at the forefront of this transformation, charged with ensuring the reliability and impact of sustainability disclosures including BRSR. To rise to this challenge, business leaders must adopt structured preparation, embrace best practices, and foster a culture of responsible business.



The audit committees and Board of Directors may want to consider taking several steps to help them navigate the complex and dynamic sustainability reporting landscape. These steps may include:

1. Starting early

If business leaders determine that sustainability reporting is either required or advisable from a market perspective, they will likely want to consider the policies, processes and personnel needed to meet their regulatory and business objectives much in advance. They should proactively establish a structured timeline for gathering ESG-related data well before reporting deadlines. Identifying key data sources, assigning clear responsibilities to relevant teams or individuals, and putting in place robust communication channels can help streamline the collation process and reduce the risk of data gaps or inconsistencies. Early planning not only ensures timely and accurate reporting but also fosters accountability throughout the organisation, making it easier to trace data back to its source and address any issues as they arise.

2. Incorporating sustainability reporting into the firm's overall business strategy

Board members should uphold ethical business practices and responsible reporting, setting the tone at the top for the entire organization by ensuring sustainability goals are embedded into the company's broader strategic direction, aligning business objectives with long-term responsibility.

The Board must formally approve BRSR policies and ensure these are aligned with the company's values and strategic vision. CEO and Board sponsorship of the sustainability agenda, along with collaboration between the CSO, Chief Financial Officer (CFO) and the Board, are essential.

3. Ensuring audit committee has oversight over non-financial reporting

It is important that the audit committee must have an effective oversight of non-financial reporting processes and metrics. The audit committees should additionally define and supervise internal controls over BRSR disclosure processes, scrutinize the scope, methodology, and outcomes of both internal and external assurance activities, engage with auditors and confirm that BRSR reporting meets the requirements of relevant frameworks, regulatory mandates and stakeholder expectations. It is imperative for the members of the audit committee to monitor remediation of gaps identified during assurance and promote a philosophy of ongoing improvement in reporting practices. The committee should also oversee the integration between sustainability reporting and financial statements.

4. Leveraging technology to streamline sustainability reporting processes

Modern digital platforms and integrated reporting tools enable organizations to automate data collection, consolidate vast and varied datasets, and ensure consistency across sustainability metrics. By embedding technological solutions into sustainability reporting, organizations can enhance transparency, respond rapidly to stakeholder expectations, and continuously improve the quality and reliability of their sustainability disclosures.

5. Investing in capacity building and training

To further strengthen sustainability reporting efforts, organizations should prioritize ongoing training and capacity building for employees at all levels involved in ESG data collection, analysis, and reporting. By equipping teams with up-to-date knowledge of evolving sustainability standards, reporting frameworks, and best practices, companies can minimize errors, adapt more quickly to regulatory changes, and foster a culture of continuous improvement. Regular training programs and workshops not only enhance technical skills but also reinforce the importance of accurate, responsible reporting and ethical conduct across the organization.

Key takeaways for companies

- Integrate sustainability reporting into their core strategies by understanding their environmental impacts, setting clear goals, improving transparency and collaborating with partners to drive meaningful progress.
- Develop a robust understanding of the company's impacts and dependencies on environment, across its entire value chain.
- Implement robust processes and systems for accurate information collation, validation, and independent assurance of reported data.
- Build capability and capacity - Invest in regular training for staff on evolving sustainability requirements, reporting standards, and best practices.
- Assign clear compliance responsibilities to accountable teams and leaders, including Board and CEO of the sustainability agenda.
- Improve the quality of sustainability disclosures and providing relevant information to meet stakeholder requirements.
- Promote an ESG-focused culture across the organisation through leadership commitment and capacity building.
- Integrate internal controls for sustainability data with existing financial controls to strengthen reporting integrity.
- Ensure the Board/audit committee applies clear criteria when selecting assurance providers who meets independence requirements and has the necessary expertise for undertaking assurance in the area of sustainability.
- Monitor the regulatory landscape around ESG reporting. Due to fast-moving regulatory environment in sustainability companies will need to track new regulatory developments and understand the implications for their businesses.





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