

SEBI's [Consultation Paper](#) (CP) on ESG Disclosures, Ratings and Investing by Mutual Funds

BRSR Core : Mandatory KPIs	Parameterisation of ESG Ratings	Investing by ESG funds
<p>Set of select quantifiable KPIs in relation to BRSR disclosures</p> <ul style="list-style-type: none"> • Mandatory reasonable assurance for reporting entities through a glide path • Extends BRSR to supply chain • Reporting on such KPIs for the supply chain of top 250 listed entities (LEs) on a “comply or explain” basis 	<ul style="list-style-type: none"> • Proposes ESG parameters, relevant to Indian context, in at least one of the ESG ratings for an Indian company • ERPs to also provide a Core ESG Rating, based on information/reports that are assured/ verified/ audited 	<ul style="list-style-type: none"> • Voting disclosures providing clarity whether such decision is influenced by ESG reasons w.e.f. FY 23-24 • Mandatory investment of at least 65% of its AUM in BRSR Core assured companies, remaining in BRSR reporting companies • Enhanced disclosures and certifications • May launch multiple ESG schemes under each sub-category

Timelines for compliance		Proposed ESG parameters in Indian context			Enhanced disclosures & certifications
BRSR Core by LEs	BRSR Core of supply chain	Environmental	Social	Governance	<ul style="list-style-type: none"> • Security-wise BRSR Core ratings with name of ERP • Third-party reasonable assurance on scheme portfolio • Certificate from Mutual Funds based on internal ESG audit • Fund Manager’s commentary annually
FY 22-23- NA FY 23-24- top 250 LEs FY 24-25- top 500 LEs FY 25-26- top 1000 LEs	FY 24-25- Disclosures on BRSR Core FY 25-26- Assurance on BRSR Core	Energy	CSR	Compliance	
		Water	Diversity	Royalty	
		Waste Management	Inclusive Development	RPTs	
		Land use and bio-diversity			

Proposed KPIs in BRSR Core
<ul style="list-style-type: none"> • GHG emission intensity • Volume of water consumption • Capex for sustainable technology • Waste in kg/ MT • Wages to female as of % of total wages

Why this proposal?
<ul style="list-style-type: none"> • Increased reliability on BRSR through assurance • Avoidance of greenwashing • Enhanced regulations on ESG funds

Our other resources on ESG and sustainability can be accessed [here](#)

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