

FAQs on Business Responsibility and Sustainability Report (BRSR)

Brief background of BRSR

The introduction of the Business Responsibility and Sustainability Report (BRSR) addressed the inconsistencies observed in the previous Business Responsibility Report (BRR) framework, where disclosures varied significantly due to the absence of standard guidelines. A study by the Indian Institute of Corporate Affairs (IICA) highlighted the need for a uniform reporting structure, leading to the development of BRSR.

Rooted in the [National Guidelines on Responsible Business Conduct](#) (NGRBC Principles) and aligned with the [United Nations' Sustainable Development Goals](#) (SDGs), the BRSR enhances corporate transparency and accountability concerning Environmental, Social, and Governance (ESG) and sustainability factors. It provides a comprehensive, standardized framework for non-financial sustainability reporting, ensuring consistency and clarity for stakeholders such as investors, regulators, and the public.

In this document, we are sharing some frequently asked questions (FAQs) on the BRSR to help address common queries and provide further clarity.

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Basic understanding of BRSR

1. What is Business Responsibility and Sustainability Reporting (BRSR)?

The Business Responsibility and Sustainability Reporting (BRSR) is a type of report comprising non-financial information. The BRSR report contains organizational information on parameters of Environmental, Social and Governance (ESG) and Sustainability aspects.

The requirement to prepare this report is specified under Regulation 32(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. According to the regulation, listed entities ranked among the top 1,000 on the stock exchange based on market capitalization are mandated to include this report as part of their annual report.

2. To which types of entities is BRSR applicable?

As discussed above, those listed entities which are ranked among the top 1000 on the stock exchange based on market capitalization are required to prepare this report.

However, apart from the top 1,000 listed entities, other entities, including those that have listed their specified securities on the SME Exchange, may voluntarily disclose the BRSR or obtain assurance on the BRSR Core, either for themselves or their value chain partners.

3. How and when should market capitalization rankings be determined or checked?

As per Reg. 3(2) of the Listing Regulations, every recognized stock exchange is required to prepare a list of entities on December 31 every year, which have listed specified securities, ranking them based on their average market capitalization from July 1 to December 31 of that calendar year.

The provisions of BRSR shall apply to a listed entity that becomes subject to compliance for the **first time** within three months from December 31 (i.e., on or before April 1) or from the beginning of the immediate next financial year, whichever is later.

4. If a listed entity is ranked among the top 1,000 entities by market capitalization on only one stock exchange and not on both, does it need to file the BRSR report with both stock exchanges or only the one where it ranks among the top 1,000?

As per [FAQs](#) released by BSE on BRSR, if a listed company is included in the top 1,000 entities by market capitalization on any stock exchange, it is required to file the BRSR report with both stock exchanges.

5. Is the requirement for preparing a BRSR report perpetual, i.e., once applicable, does it remain applicable indefinitely?

Prior to the LODR Amendment Regulations, 2024 dated May 17, 2024, effective from December 31, 2024, the provisions based on market capitalization, as outlined in Regulation 3(2) of the Listing Regulations, applied on a perpetual basis once they became applicable to a listed entity.

However, with the insertion of the new sub-regulation (2A), the regulations based on market capitalization will continue to apply to a listed entity unless its ranking changes, resulting in the entity falling outside the applicable threshold for three consecutive years, as per the list prepared under Regulation 3(2).

Additionally, under sub-regulation (2B), if a listed entity remains outside the applicable threshold for three consecutive years, the provisions based on market capitalization will cease to apply at the end of the financial year following December 31 of the third consecutive year.

For BRSR compliance, a listed entity must establish the necessary systems and processes for the relevant financial year (FY) following December 31 of the year in which it meets the market capitalization criteria. The reporting for that FY must then be completed in the succeeding FY.

M.cap as on	Whether included in list of top 1000 LEs?	Financial Year	Whether market cap provisions for top 1000 LEs are applicable?
31.12.2024	Yes	2025-26	Yes
31.12.2025	No	2026-27	Yes
31.12.2026	No	2027-28	Yes
31.12.2027	No	2028-29	No
31.12.2028	Yes	2029-30	Yes
31.12.2029	No	2030-31	Yes

6. If a listed entity voluntarily prepares a BRSR report for a financial year, is it then required to continue reporting BRSR in subsequent years?

In the case of voluntary reporting, entities have the discretion to discontinue BRSR reporting. Moreover, even eligible entities are not perpetually required to report BRSR if they remain outside the applicable threshold for three consecutive years as discussed earlier.

Given the benefits of filing a BRSR report, entities that choose not to report further may risk a negative perception from their stakeholders. Stakeholders might view the absence of BRSR reporting unfavorably, even if the decision is justifiable, potentially impacting the entity's reputation and stakeholder trust.

7. Can an eligible entity or any other entity in the case of voluntary disclosure, use a reporting format other than the one prescribed in SEBI's circular dated May 10, 2021, for BRSR?

SEBI, through its [Circular](#) dated May 10, 2021, introduced the BRSR format to ensure standardization and uniformity in reporting.

The BRSR format has been designed to capture essential information about the company, including its management, processes, and adherence to principles under Section C. This

standardized format enables the collection of comparable data across companies, making adherence to the prescribed format crucial.

Taking reference to [FAQs](#) issued by BSE on BRR and reporting by top listed entities on BRSR, we understand that while companies are encouraged to follow the format strictly for uniformity, they may enhance the presentation by adding tables, graphs, or other visual elements to improve the quality and clarity of the information (as highlighted in BSE FAQs on BRR).

Therefore, even entities voluntarily preparing BRSR are advised to adopt the provided format while incorporating graphical enhancements to make the report more presentable and informative.

8. Does the BRSR framework apply to high value debt-listed entities?

As per Regulation 15(1A) of the Listing Regulations, the provisions of Regulation 15 and Regulations 16 to 27 are applicable to High Value Debt-Listed Entities (HVDLE). The requirement to report the Business Responsibility and Sustainability Report (BRSR) is specified under Regulation 34(2)(f). This requirement is mandatory for the top 1000 listed entities based on market capitalization that have listed their specified securities. However, other listed entities, including SME-listed companies, have the option to voluntarily prepare and file the BRSR. Therefore, HVDLE may voluntarily prepare and file the BRSR.

9. Is BRSR applicable to companies engaged in financial services, such as NBFC-CICs whose primary purpose is to hold investment in group companies?

The BRSR reporting requirements apply to all top 1,000 listed entities, regardless of the nature of their business activities. Even entities without a direct customer interface, such as those primarily established to hold investments in subsidiaries, are required to prepare a BRSR report if they fall within the applicable threshold.

The principles of BRSR are designed to be generic and universally applicable, ensuring relevance across all types of companies, irrespective of their business model or operational structure.

10. If a subsidiary company is among the top 1,000 listed entities by market capitalization but its holding company is not, does the holding company need to prepare a BRSR report, or is it sufficient for the subsidiary to report on a standalone basis?

The applicability of preparing BRSR is based on the condition of whether the listed entity (irrespective of its status of being a holding or a subsidiary or another company) falls under the list of top 1000 listed entities based on market capitalization. Accordingly, if the

obligation to prepare a BRSR report applies to a listed subsidiary, it will be required to prepare and submit the BRSR report.

However, the subsidiary may include details of its holding company as required by the format within the report, ensuring compliance with the disclosure requirements.

11. Does the BRSR mandate require listed entities to compulsorily incorporate the principles outlined in the report into their business operations?

The principles of BRSR are derived from the NGRBC Principles issued by the Ministry of Corporate Affairs, India. These principles emphasize sustainability, ethical business practices, and transparency in operations, fostering positive stakeholder relationships. Entities are encouraged to adopt these principles as they contribute to long-term business value and stakeholder trust.

While non-adherence to these principles does not result in regulatory non-compliance, however, it may negatively influence stakeholder's perception. Companies must also provide justifications in the report for not incorporating any specific principles, ensuring accountability.

Having said that, failure to report the BRSR itself constitutes non-compliance with regulatory requirements, which could lead to appropriate actions by regulatory authorities.

BRSR Core and value chain partners

12. What is the BRSR core?

Pursuant to SEBI's circular dated [July 12, 2023](#), a new subset of the BRSR framework, known as BRSR Core, was introduced for assurance by listed entities. This subset includes KPIs under 9 ESG attributes tailored to the Indian and emerging market context. New KPIs such as job creation in small towns, business transparency, and gross wages paid to women were identified. Additionally, to enhance global comparability, intensity ratios based on revenue adjusted for Purchasing Power Parity (PPP) were incorporated.

13. To whom does the BRSR Core apply?

As provided in SEBI Circular dated [July 12, 2023](#), from FY 2023–24 and onwards, the top 1000 listed entities (by market capitalization) shall make disclosures as per the [updated BRSR](#) format, as part of their Annual Reports.

However, for FY 2023-24, disclosure on BRSR core was applicable only to the Top 150 Listed entities. However, it will become applicable to the Top 1000 Listed entities from FY 2026-27 onwards. For more details refer the table below:

Disclosures	For 24-25	For 25-26	For 26-27
Reasonable assurance of BRSR Core	Top 250	Top 500	Top 1000

Disclosures	FY 2024-25	FY 2025-26
ESG disclosures for the value chain	Top 250 (Comply or Explain Basis)	Top 250 (Comply or Explain Basis)
Limited assurance on above	Not applicable	Top 250 (Comply or Explain Basis)

14. What is meant by "value chain partners" in the context of BRSR?

As per SEBI's [Guidance Note](#) on BRSR, 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.

15. Is assurance on BRSR Core applicable to all entities required to report under BRSR?

Yes, however, the applicability is based on a gliding path in the manner given below. The following listed entities mentioned below are required to obtain reasonable assurance on BRSR core:

- By the financial year 2024–25: Top 250 listed entities
- By the financial year 2025–26: Top 500 listed entities
- By the financial year 2026–27: Top 1000 listed entities

Section A: General Disclosures

16. Whose name and contact details (telephone and email address) should be provided in the BRSR report for queries? Does it need to be a member of the Board of Directors?

There is no specific guidance as to who may be designated as the contact person in case of queries on the BRSR report. Practically, companies generally designate the heads of their

sustainability departments or their compliance officers for this purpose.

17. What is the definition of a "stakeholder," and who qualifies as stakeholders?

NGRBC Principles have explained the term 'stakeholders' as individual or group concerned or interested with or impacted by the activities of the businesses and vice-versa, now or in 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.

18. What is meant by "sustainability issues" in the context of BRSR?

The term 'sustainability' in this context can be understood from the definition as given in NGRBC Principles 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. An example of the material responsible business conduct and sustainability issues under clause 24 can be impact of climate change on the business- risk arising from the same can include impact on operations, demand for products or services etc, while opportunities can include cost savings through resource efficiency, development of new products and services, access to new market etc.

19. Can a listed entity switch between standalone and consolidated reporting boundaries across financial years?

Please note that while the restriction is with respect to consistency across the same report, however, based on the GRI principle on comparability (Refer [Consolidated Set of the GRI Standards 2021](#)), issues and information should be selected, compiled, and reported consistently. Reported information should be presented in a manner that enables stakeholders to analyze changes in the organization's performance over time, and could support analysis relative to other organizations. Hence, to ensure BRSR reports for respective years are comparable, companies should ensure that they maintain a consistency in reporting boundaries between two financial years.

20. Can a listed entity modify the numerical metrics from the previous year, such as changing units (e.g., from lakhs to crores) or rounding off decimals?

Refer to our response above in FAQ no. 19

Section B: Management And Process Disclosures

- 21. For the statement by the director responsible for the Business Responsibility and Sustainability Report (BRSR), highlighting ESG-related challenges, targets, and achievements, can a company designate a non-executive independent director, or does it have to be an executive director?**

There is no specific guidance on which director must provide the statement under this clause. A company may designate any director who is entrusted with the responsibility of overseeing BRSR-related activities.

- 22. Is it mandatory for a company to establish a dedicated committee for decision-making on sustainability-related issues, or can these responsibilities be delegated to existing committees such as the SRC or CSR Committee?**

No, a company is not mandatorily required to establish a dedicated committee for decision-making on sustainability-related issues. This responsibility can be delegated to either a designated director or an existing committee. However, it is essential to disclose the authority responsible for such decisions.

If a Board Committee is assigned this responsibility, its composition must be disclosed, including the name of each individual, their designation, and, in the case of directors, their DIN and category (Chair / ED / NED / ID). Similarly, if a director is responsible, their DIN and category (Chair / ED / NED / ID) must also be disclosed.

- 23. Does a company need to formulate specific policies for each of the nine principles under BRSR, or is it sufficient to incorporate these principles into existing policies?**

It is important to note that a company is not required to frame entirely new policies for each of the principles. Existing policies or procedures adopted by the company can also fulfill the requirements. Therefore, a single policy may cover one or more principles, and conversely, a single principle and its core elements may be addressed by multiple policies.

The company may adopt separate policies for each principle, based on its core elements (for example, a Code of Conduct/Ethics Policy and a Whistle Blower Policy could be aligned with Principle 1, while a Corporate Social Responsibility Policy could address Principle 8) or have such policies that cater to the requirements of more than one principle.

24. Who should evaluate the company’s performance against its ESG goals, targets, or achievements? Can this evaluation be conducted internally, or is it necessary to engage external agencies or professionals?

Under BRSR, entities are required to carry-out internal review of performance against ESG compliant policies and statutory requirements. This internal assessment may be carried-out by an authorised person such as the Director of the company or a committee of the Board or any other committee.

Additionally, the report also asks if the listed entities have to carry out independent assessment/ evaluation of the working of its policies. Review of the performance of the company against the NGRBC Principles is a very crucial element since it will act as a pathfinder to the companies, highlighting where they are lacking and more emphasis should be given. As a means of effective review, the assessment may be carried out by an external agency.

Section C - Principle Wise Performance Disclosure¹

Principle-1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

25. Are there any mandatory training and awareness programmes that a listed entity is required to provide that resonate with the NGRBC Principles?

Some of the training requirements (mandatory or recommendatory) in terms of various applicable laws and regulations on a listed entity that may qualify as a training and awareness programme for the purpose of the aforesaid disclosure may be as follows:

Topic for training/ awareness	Applicable laws	Corresponding NGRBC Principle
Sensitisation on Code of Conduct & Ethics	Regulation 17: Requires listed companies to formulate and implement a code of conduct for all board members & senior management.	Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
Familiarization of Designated Persons to insider trading rules	Regulation 9 of SEBI (PIT) Regulations, 2015	Principle 1: Businesses should conduct and govern themselves with integrity, and

¹ Note: Efforts have been made to address questions that commonly arise under relevant principles. Consequently, certain principles that require quantitative reporting or where the information is readily available to the entity itself are not covered here.

Topic for training/ awareness	Applicable laws	Corresponding NGRBC Principle
		in a manner that is ethical, transparent, and accountable.
Training on prevention of sexual harassment	Section 19(c) of POSH Act mandates the workshops and awareness programs for sensitising the employees with the act.	Principle 5: Businesses should respect and promote human rights.
Cyber Security training	Section 43A of IT Act deals with compensation for failure to protect data. It states that a body corporate negligent in implementing and maintaining reasonable security practices and procedures while handling sensitive personal data may be liable to pay damages.	Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.
Sensitisation on whistleblower mechanism	-Section 177 of Companies Act, 2013 -Regulation 22 of SEBI (LODR) Regulations, 2015	Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

Besides the aforesaid, general topics of training/ awareness, as disclosed by various companies in their BRSR disclosures include soft skills training, health and safety related awareness programmes, training/ sensitisation on ESG/ sustainability policy and goals of the company etc.

26. Whether familiarisation programmes conducted for independent directors may be included for the aforesaid disclosures?

Familiarisation programmes for independent directors are generally aimed at inducting the independent directors to the business and operations of the company, including the sector and the overall economy and regulatory environment in which the company operates. The same may also include training and awareness programmes towards avoiding and managing conflict of interest, code of conduct and ethics of the company etc, and hence, depending on the content of the familiarisation programme, the same may be included as a training/ awareness towards a topic covered under NGRBC Principles.

27. Prevention of Corruption Act, 1988 does not prescribe companies to mandatorily have written policies against corruption/ bribery. Does the company need to still have these policies in place?

While the format of BRSR only requires to disclose whether or not the companies have formulated an anti-bribery policy / anti- corruption policy, it is an important indicator on the entity's approach to issues such as bribery, corruption etc. The primary legislation in India dealing with corruption is Prevention of Corruption Act, 1988. Though it does not mandate the companies to have a written policy against corruption, it provides safeguards to companies against the corrupt practices of its employees, when the company has evidence that it has adequate safeguards to prevent the persons associated with it from undertaking such conducts of bribery or corruption.

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

28. What does 'sustainable sourcing' mean?

"Sustainable Sourcing" essentially refers to the integration of social, ethical and environmental performance factors into the process of selecting suppliers. There are various certification standards that may help in assessing whether the supplier fits the sustainability criteria, such as SA 8000, ISO 14001, OHSAS 18001, or relevant labels like Rainforest Alliance, Rugmark, Certified Sustainable Palm Oil from Roundtable on Sustainable Palm Oil, FSC 100%, FSC Recycled, and FSC Mix from Forest Stewardship Council, Better Cotton Standard System, FairTrade label etc.

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

29. Who will be categorized as 'employees'?

The *SEBI Guidance Note on BRSR* provides the meaning of the term "employees" as under Sec 2(l) of the Industrial Relations Code, 2020 and is any individual (excluding apprentices under the Apprentices Act, 1961) employed by an establishment for wages to perform skilled, semi-skilled, unskilled, manual, operational, supervisory, managerial, administrative, technical, or clerical work, whether formally agreed upon or implied. It also includes individuals declared as employees by the government, but excludes members of the Armed Forces of the Union.

30. Who will be categorized as 'workers'?

The *SEBI Guidance Note* on BRSR provides the meaning of the term "worker" as under Sec 2(zr) of the Industrial Relations Code, 2020 and as anyone employed in any industry

for manual, skilled, technical, clerical, or supervisory work, excluding apprentices under the Apprentices Act, 1961. It includes journalists and sales promotion employees, and covers those dismissed, discharged, or retrenched due to an industrial dispute. However, it excludes personnel under military acts, police, prison staff, managerial/administrative roles, or supervisors earning over a specified amount set by the Central Government.

31. How to determine whether employees/workers are permanent or other than permanent?

Based on the guidance provided under the GRI Standards, SEBI Guidance Note on BRSR provides that an employee/ worker who is employed for full time or part time for an indeterminate period (period is not defined) will be a permanent employee/ worker.

On the contrary, an employee/ worker who is employed for a fixed term (linked to completion of specific duration, task or event) will be other than a permanent employee/worker. Such categories include contract workers, employees engaged on contractual basis, freelancers, etc.

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

32. Who are considered as Vulnerable and Marginalized Groups?

As per SEBI guidance note on BRSR, Vulnerable and Marginalized Groups refers to a 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 the basis, inter alia, of the following:

- Gender and transgender (women, girls et al.)
- Age (children, elderly et al.)
- Descent/identity/ethnicity (caste, religion, scheduled castes, scheduled tribes, et al.)
- Occupation (displaced, landless small / marginal farmers, migrant workers, et al.)
- Persons with disability
- Political or religious beliefs

Principle-5 Businesses should respect and promote human rights

33. In the context of BRSR reporting, what specific human rights are covered?

Human Rights are basic rights that every human being is supposed to have. These rights include the right to life and personal liberty, the right to equality and equal protection of

law, freedom of speech and expression, etc.

Also in terms of Section 2 of the Protection of Human Rights Act, 1993, "human rights" means the rights relating to life, liberty, equality and dignity of the individual guaranteed under the Constitution or embodied in the International Covenants and enforceable by courts in India.

However, in the context of training on human rights issues and policies provided under BRSR, it means those human rights that are relevant to operations, including the applicability of the human rights policies or procedures to the work done by employees / workers. For example, human rights which ensures equal opportunities, safe working conditions, protection against harassment, prevention of forced labor etc. would be covered here.

34. Which type of work will be categorised as ‘forced labour’?

As per SEBI [Guidance Note](#) on BRSR, ‘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.

35. What is a median remuneration/ salary/ wage?

The term ‘median’ in statistics means the middle value of chronologically arranged numbers. For example, the median of numbers 1, 2, 3, 4, 5 and 6 would be 3.5 (average of 3 and 4) whereas the median of numbers 1, 2, 3, 4, 5, 6 and 7 would be 4.

Entities are not required to provide aggregate remuneration/ salary/ wage paid. The median remuneration/ salary/ wage paid to its BoD, KMPs, employees and workers are required to be disclosed.

The median remuneration paid to employees may be taken from the disclosure made in the Annual Report as per rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

36. What is the meaning of remuneration, salary and wage?

These terms have been defined under the following respective laws:

1. The term ‘Remuneration’ has been defined under [section 2\(78\)](#) of the Companies Act, 2013
2. The term ‘Salary’ has been defined under [section 17](#) of the Income-Tax Act, 1961
3. The term ‘Wages’ has been defined under [section 2\(y\)](#) of the Code on Wages, 2019

37. What are the provisions for the protection of Human Rights Defenders or Whistle blowers?

With a view to providing protection to such human rights defenders/whistle blowers, several legislative measures have been adopted in India, primarily being the Whistle Blowers Protection Act, 2011. Further, the Listing Regulations and the Companies Act, 2013 requires certain companies to have a policy framework for protection of whistle blowers.

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

38. What is the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

Perform, Achieve and Trade (PAT) scheme is a flagship programme of the [Bureau of Energy Efficiency](#) under the National Mission for Enhanced Energy Efficiency (NMEEE).

PAT is a regulatory instrument to reduce specific energy consumption in energy intensive industries, with an associated market based mechanism to enhance the cost effectiveness through certification of excess energy saving which can be traded.

39. Which companies are covered under the PAT Scheme?

As per [Perform, Achieve and Trade Cycle –VII](#) (2022-23 to 2024-25) provided by Bureau of Energy Efficiency, a total of 707 Designated Consumers have been notified in the following 9 Energy Intensive Sectors, i.e. Aluminium, Cement, Chlor-Alkali, Iron and Steel, Pulp and Paper, Textiles, Thermal Power Plant, Railways and DISCOM.

40. Whether a company not covered under the PAT Scheme is also required to make disclosures under Para 2 of Principle 6?

Specific high energy intensive industries are identified as Designated Consumers within certain key sectors, which are required to appoint an energy manager, file energy consumption returns every year and conduct mandatory energy audits regularly.²

As per [FAQs](#) released by BSE on BRSR, the disclosure under Para-2 of Principle 6 is applicable only for such entities that are identified as Designated Consumers. Other companies are advised to mention as “Not Applicable” if the Scheme is not applicable.

² <https://beeindia.gov.in/en/programmes/perform-achieve-and-trade-pat>

41. What is ‘Zero Liquid Discharge’?

Zero liquid discharge is an advanced water treatment process which purifies and recycles the wastewater at the end of the industrial process with zero liquid waste at the end.

SEBI in its [Guidance Note](#) for BRSR has explained zero liquid discharge as: 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 no discharge of the waste-water to the environment.

Principle-8 Businesses should promote inclusive growth and equitable development

42. What is Social Impact Assessment?

Social Impact Assessment (SIA), as the name suggests, is the assessment of the social impact of the activities of the entity. The International Principles for Social Impact Assessment³ defines SIA as “*the processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions*”.

43. Which entities are required to conduct SIA as per Applicable Laws?

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013⁴ mandates that a Social Impact Assessment (SIA) shall be conducted prior to the acquisition of land. This assessment evaluates the potential effects of the proposed acquisition on the local community, including economic, social, and environmental impacts. Based on this evaluation, the SIA provides recommendations to mitigate any adverse consequences, ensuring that the acquisition process is fair and transparent.

The same applies to acquisition of land by appropriate government for any purpose, including for activities to be undertaken by private companies.

44. When is an entity required to undertake Rehabilitation and Resettlement?

The provisions with respect to Rehabilitation and Resettlement becomes applicable on an entity upon such instances as are covered by sub-section (3) of section 2 of the Right to

³ <https://www.iaia.org/pdf/Sections/SIA/IAIA%20SIA%20International%20Principles.pdf>

⁴

https://www.indiacode.nic.in/bitstream/123456789/19895/1/the_right_to_fair_compensation_and_transparency_in_land_acquisition,_rehabilitation_and_resettlement_act,_2013..pdf

Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

45. What is the meaning of ‘community’?

The meaning of the term communities has been provided under SEBI guidelines on BRSR which is 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.

46. Who are considered as ‘small producers’?

As per SEBI guidelines on BRSR ‘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.

47. What is the meaning of “aspirational districts”?

The Govt of India, in 2018, had identified 112 most under-developed districts across the country under its Aspirational Districts Programme⁵ (ADP). A list along with performance of these districts can be accessed at public domain portal named “Champions of Change⁶”.

48. Who can be considered as a “marginalized/ vulnerable” group?

As per NGRBC report, vulnerable and marginalized groups refers to a 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 which may include groups identified based on:

- Gender and transgender (women, girls et al.)
- Age (children, elderly et al.)
- Descent/identity/ethnicity (caste, religion, scheduled castes, scheduled tribes, et al.)
- Occupation (displaced, landless small / marginal farmers, migrant workers, et al.)
- Persons with disability
- Political or religious beliefs

⁵ <https://www.niti.gov.in/aspirational-districts-programme>

⁶ <http://championsofchange.gov.in/site/coc-home/>

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

49. Who is a consumer?

The [National Guidelines on Responsible Business Conduct](#) defines consumer as *a person or business that buys products or services for personal use, resale or use in production and manufacture. It also includes the user of the product or service other than the buyer.*

Therefore, consumer includes

- a consumer directly purchasing from the manufacturer for the purpose of personal use
- an entity/person purchasing from the manufacturer for the purpose of
 - resale; or
 - use in production and manufacture
- a person who uses the product / service ultimately.

The aforesaid definition, as per NGRBC Principles, are wider in its scope as compared to the definition given under the Consumer Protection Act, 2019, the definition of which does not include a person obtaining goods or services for resale or commercial purpose.