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Newsflash – Recent Amendments in the Business Responsibility and Sustainability Report Core Framework

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1.0 Background

On **18 December, 2024, SEBI's 208th Board Meeting**, certain amendments were approved by the board with a view to facilitate ease of doing business for listed entities and their value chain partners with regards to requirements under Business Responsibility and Sustainability Report (BRSR) on Environmental, Social, and Governance (ESG) disclosures, assurance and introduction of voluntary disclosures on green credits.



In this Newsflash, we provide an overview of the highlights of the said amendments.

2.0 BRSR Core Assurance Framework

SEBI has substituted "assurance" with "assessment or assurance" for BRSR Core disclosures. BRSR Core principle 6 attributes' measures will be based on intensity-based or spend based calculations. BRSR Core disclosures' assessment or assurance would be applicable for listed entities from FY 2024-25 and Value chain disclosures' related assessment or assurance would be applicable from FY2026-27.

Industry Standards Forum (ISF) comprising representatives from ASSOCHAM, CII, FICCI is developing the assessment or assurance methodology in consultation with SEBI. Carbon Accounting Proxy (CAP) methodology is introduced which offers a provisional solution for Indian enterprises to use spend-based data and estimate emissions by applying pricing information.

3.0 Value Chain & ESG Disclosures

ESG disclosures for the value chain have been made voluntary and its applicability postponed by one year to FY 2025-26 and its assessment or assurance will be applicable from FY2026-27. For the organizations reporting for the first time, reporting on their value chain disclosures of the previous year's numbers will be voluntary. The value chain scope is redefined now comprising 75% of its purchases and sales (by value) and individually comprising 2% or more of the entity's purchases or sales (by value).

4.0 Green Credits (Introduction of a leadership Indicator in BRSR Principle 6)

Inclusion of green credits in the BRSR framework aims to incentivize listed entities and their value chain partners to actively engage in plantations of trees on waste or degraded lands and river catchment areas and thus contribute in the generation of green credits. This initiative aligns with the notification issued by the Ministry of Environment, Forest, and Climate Change in February 2024, further reinforcing the commitment to promote sustainable practices across industries.

These amendments mark a shift towards more pragmatic and flexible reporting requirements. By deferring timelines and making certain disclosures voluntary, SEBI acknowledges the operational and resource constraints faced by entities while ensuring alignment with global sustainability

standards. The introduction of third-party assessments and Green Credits as leadership indicators reflects SEBI's commitment to enhancing credibility and innovation in ESG reporting.

5.0 Key Features of the Guidelines

In summary, SEBI's BRSR Core guidelines are a significant move toward streamlining sustainability disclosures in India. They make it easier for companies to report on their ESG performance while ensuring stakeholders have access to reliable and comparable data. As these guidelines become mandatory, companies should focus on building strong internal systems to track and report their sustainability metrics.

SEBI's circular links for reference:

SEBI Board meeting 18th Dec,2024

https://www.sebi.gov.in/media-and-notifications/press-releases/dec-2024/sebi-board-meeting_90042.html

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

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This Newsflash summarizes the Business Responsibility and Sustainability Report (BRSR) Core Framework Amendments in SEBIs 208th Board Meeting held on 18 December 2024. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the said judgement and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.

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