

Revisiting Business Responsibility Reporting

Businesses across the globe have voluntarily come forward to support fight against the global pandemic COVID -19. The pandemic has forced us to reconsider almost every aspect of how we live. Our responsible and sustainable conduct both as individuals and as stakeholders of the corporate entity matters. Especially in this scenario, businesses face an abundance of risks and opportunities vis a vis environmental and social issues. The stakeholders seek disclosures from businesses on their environmental and societal impacts. The roadmap to responsible business conduct, called National Guidelines on Responsible Business Conduct (NGRBC) released in 2018 assumes even more importance. Read on...



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NGRBC guidelines are an update of 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011' (NVGs). Securities and Exchange Board of India Business Responsibility Report (SEBI-BRR) disclosure mechanism which originated from the NVGs needed a revision as per NGRBC. A Committee on Business Responsibility was constituted by the Ministry of Corporate Affairs for this purpose. The Committee released its report recently recommending that Business Responsibility Report should be called **Business Responsibility and Sustainability Report (BRSR)** to be prepared either in a comprehensive format or a

Lite version. It is a welcome step that will enhance responsible business conduct along with achieving the three pillars of the United Nations Guiding Principles (UNGP) namely, Protect – Respect – Remedy.

Introduction

Business Responsibility and Sustainability Report is an open and transparent way of disclosing non-financial information to the stakeholders. In a way, such information provides businesses a "social license to operate". The report focuses on the adoption of responsible business practices in the interest of a business's social set up and the environment on one hand and explains how an organization impacts the environment and society



over time together with its governance perspective on the other. The increased reporting of responsible business conduct and sustainable practices have benefitted businesses in the form of increased access to capital, market share, and value creation. This has also facilitated the reduction of various business and governance risks, namely, asset risk, failure risk, liability risk, regulatory and compliance risk, operational risk, strategic risk, reputational risk, information and innovation risk, and cyber risk.

COVID 19 and Responsible Business Conduct

Responsible Business Conduct (RBC) in the COVID-19¹ is a real-life test as well as a lesson for businesses to become more resilient, adaptable, and perform better in the long-term. The crisis has forced businesses to ensure that its business decisions help avoid and address potential adverse impacts on environment and society, including their supply chain. Various proactive steps and measures would most likely build more long-term value and resilience. Some of the areas include:

- Stakeholders demand of reporting on the wide range of financial, environmental, social and governance risks companies face as well as the crisis management/contingency plans put in place.
- Increased market volatility and threat to corporate brand and reputation

leading to increased investor interest in environmental, social and governance (ESG) impacts, outputs and outcomes.

- Leadership and clearly defined responsibility of top management for disaster management, continuity and contingency planning. This requires strong policies, internal controls, information systems and communication lines to understand vulnerabilities in the supply chain, and rapid start-up of operations.
- Robust health and safety management practices, including related to chemical use, hygiene and sanitation, and worker health.
- Retention of critical employee skills and know-how, quick recovery from its medium and long term effects.
- Avoidance of layoffs, maintaining wage payments, abrupt suspension of contracts, cancellation of orders through innovative ways.
- Access to fresh capital, special emergency funds and funds to ensure business continuity.

Philosophy

The Government of India's motto - *Sabka Saath Sabka Vikas* - collective efforts for inclusive growth aims to ensure that the benefits of good governance reach

everyone. This collective journey to equitably deliver benefits of growth requires the involvement of businesses, without which not much can be achieved. 'India Inc.' can contribute in the country's developmental agenda by their responsible and sustainable behaviour. Responsible Business Conduct (RBC) is one of the endeavours to achieve so which would make businesses more responsible and accountable. Indian businesses shall not only gain global prominence but also garner goodwill and growth for their business and contribute beneficially to society. Further, a whole ecosystem to 'Protect-Respect-Remedy' would be created.

A lot of emphasis is now laid on the negative impacts of business operations on environment and society. Businesses must act responsibly and sustainably and be held accountable for their environmental and social impacts. Likewise, the performance of businesses needs to be measured not only on financial parameters i.e., return to owners, but also on how businesses achieve their environmental, social, and good governance objectives. Since businesses use natural resources which are not replenishable and are finite, a natural resource scarcity is inevitable. In the process of production of goods and services, businesses damage environment through various ways and means like waste disposal, pollution. While employing human capital, businesses should respect and

¹<http://www.oecd.org/coronavirus/policy-responses/covid-19-and-responsible-business-conduct-02150b06/>

promote employee's wellbeing as well as human rights.

Environmental, social, and governance issues are now a major factor in investment decisions. Investing with an eye to environmental or social issues, not just financial returns, has become mainstream in the past decade since financiers and fund providers evaluate proposals on non-financial parameters also. Employees prefer to work for businesses that opt for sustainable raw materials, adopt non-polluting production processes, give fair rewards, and at the same time is sensitive to social issues. It is rightly said enterprise flourishes in more stable and equal societies where governance institutions are consultative and transparent which further enables all businesses to engage



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more meaningfully with their stakeholders.

The Committee on Business Responsibility Reporting

The Committee on Business Responsibility Reporting constituted by The Ministry of Corporate Affairs (MCA) was formed to revise the SEBI-BRR framework. The revision would be to incorporate the changes in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011' (NVGs) released as the 'National Guidelines for Responsible Business Conduct' (NGRBCs). Further, it was felt that NGRBC-BRR framework needs to be aligned to the broader context of United Nations Guiding Principles on Business & Human Rights (UNGPs) and Sustainable Development Goals (SDGs), along with other widely accepted international non-financial/sustainability reporting frameworks – United Nations Global Compact (UNGC), Global Reporting Initiative (GRI), Integrated Reporting (IR), CDP (formerly Carbon Disclosure Project), ISO26000, Sustainability Accounting Standards Board (SASB). The Government of India has endorsed UNGPs and is one of the Member States for the achievement of SDG's. Corporates as partners of global value chains, and/or partners of multinational companies fulfil their global commitments to demonstrate their sustainability

performance under varied reporting frameworks often encounter challenges such as multiple or repetitive disclosures. The proposed formats would be a welcome step for aligning across various reporting frameworks.

Highlights of the Report of the Committee on Business Responsibility Reporting

The Committee in its report² addressed various aspects and issues that could improve the quality and utility of disclosures by providing two standardized formats - Comprehensive format and a Lite version - to include both quantitative and qualitative information. The required disclosures would be for each NGRBC principle wherein a set of relevant quantitative parameters are chosen. The information on subjective issues would be sought through qualitative responses. A Guidance Document is included as a part of the BRSR for both Comprehensive format and Lite version to define and interpret the scope of each question which would enable consistent, comparable, complete, material, and reliable reporting by companies. Specific inclusions have been added to seek information on initiatives taken by companies related to

- value chains so that companies are encouraged to extend their policies to value chain partners

² http://www.mca.gov.in/Ministry/pdf/BRR_11082020.pdf

- responsibility of businesses towards the wellbeing of contract/casual employees
- responsibility of businesses towards women employees and those that are differently abled to address the gender gap.

Chronology of Initiatives for Responsible Business Conduct

2009 - The 'Voluntary Guidelines on Corporate Social Responsibility' issued by The Ministry of Corporate Affairs (MCA).

2011 (June) - India endorsed United Nations Guiding Principles on Business and Human Rights (UNGPs) adopted by The United Nations Human Rights Council (UNHRC).

2011 (July) - The 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011' (NVGs) issued by The Ministry of Corporate Affairs (MCA).

2012 - Mandatory filing of Business Responsibility Reports (SEBI-BRRs/ BRR) by the top 100 listed companies by market capitalisation through the Listing Agreement of The Securities and Exchange Board of India (SEBI).

2013 - Furnishing of non-financial information mandatorily by companies under The Companies Act 2013.

2015-16 (Financial Year) - Mandatory filing of Business

Responsibility Reports (SEBI-BRRs/ BRR) extended to top 500 listed companies by market capitalisation through the Listing Agreement of The Securities and Exchange Board of India (SEBI).

2018 - Constitution of the Committee on Business Responsibility Reporting by The Ministry of Corporate Affairs (MCA) while the NVGs were being updated.

2019 (March) - Release of the 'National Guidelines for Responsible Business Conduct' (NGRBCs) by The Ministry of Corporate Affairs (MCA)

2019 (December) - SEBI extended the BRR requirement to the top 1000 listed companies by market capitalisation, from the financial year 2019-20.

2020 (August) - Release of the Report of the Committee on Business Responsibility Reporting by The Ministry of Corporate Affairs (MCA).

Format for Business Responsibility and Sustainability Reporting

Both the Comprehensive format and the Lite version of BRSR has three sections namely:

Section A: General Disclosures

Section B: Management and Process

Section C: Principle-wise performance

Section A provides basic information about the company – size, location, products, number of employees, CSR activities, etc along with certain additional disclosures on proximity of a company's

operations to environmentally sensitive sites such as protected areas, water-stressed zones, etc.

Section B comprehends policies and processes, called building blocks, which are foundational in nature to enable and ensure responsible business conduct. The building blocks relate to the NGRBC Principles concerning leadership, governance, and stakeholder engagement.

Section C requires companies to demonstrate their intent and commitment to responsible business conduct as per each of the nine undermentioned Principles and Core Element of the NGRBCs.

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

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

Principle 3: Businesses should respect and promote the wellbeing of all employees, including those in their value chains.

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders.

Principle 5: Businesses should respect and promote human rights.

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

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

Principle 8: Businesses should support inclusive growth and equitable development.

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

A company should disclose its principle wise actions, impacts

and outcomes via two categories of indicators:

1. **Essential Indicators:** mandatory for all companies.
2. **Leadership Indicators:** voluntary in nature.

Essential Indicators

The essential indicators are the disclosures that need to be mentioned and adopted by all businesses, irrespective of size, sector, or ownership structure. It is expected that all businesses, investing or operating in India,

including foreign multinational corporations (MNCs) should be able to complete the Essential Indicators to consider themselves responsible at a base level – the extent to which they are able to complete this indicates how mature they are. Moreover, Indian MNCs who operate overseas will be guided by these norms governing responsible business conduct which would further facilitate alignment with local national standards applicable there. A list of principle wise essential indicators has been given below:

Principle	Essential Indicators
Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable	<ol style="list-style-type: none"> 1. Percentage coverage by training and awareness programmes on any or all the Principles in the financial year. 2. Meetings/ dialogues organised on responsible business conduct and sustainability with shareholders. 3. Details of fines/ penalties/ punishment /award/ compounding fees/ settlement amount paid in proceedings with regulators/ law enforcement agencies imposed on your company b-y regulatory/judicial institutions in the financial year. 4. Monetary and Non-Monetary details (of Point 3) 5. Details of the Appeal/ Revision preferred in cases where fines/ penalties have been impugned. 6. Number of complaints / cases of bribery/corruption received/registered in the financial year. 7. Details of disclosure of interest involving members of Board.
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	<ol style="list-style-type: none"> 1. Has the company conducted Life Cycle Assessment (LCA) for any or all of its top 3 products manufactured. 2. List 3 of your products or services whose design has incorporated social or environmental concerns and/or risks and briefly describe the actions taken to mitigate the adverse environmental and social impacts in production and disposal as identified in the LCA or any other means. 3. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the company, respectively. 4. <ol style="list-style-type: none"> a. Does the company have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of your inputs was sourced sustainably? 5. Percentage of input material (by value of all inputs) to total inputs sourced from suppliers. 6. Describe the processes in place to safely collect, reuse, recycle and dispose after sale and at the end of life of your products, separately for Plastics, E waste, Other Waste.

Principle	Essential Indicators
<p>Principle 3: Businesses should respect and promote the wellbeing of all employees, including those in their value chains</p>	<ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. Details of measures for the well-being of employees (including differently abled) b. Details of welfare measures for differently abled employees c. Details of welfare measures for workmen (including differently abled) d. Details of welfare measures for differently abled workmen. 2. Details of statutory dues (PF, Gratuity, ESI) deducted and deposited with the authorities approved by government, for Current Financial Year and Previous Financial Year. 3. Is there a mechanism available to receive and redress grievances for – Permanent Workmen, Other than Permanent Workmen, Permanent Employees and Other than Permanent Employees. 4. Number of complaints made by employees and workmen. 5. Percentage of membership of employees and workmen in association(s) or Unions recognized by the Board. 6. Assessments for the year – Child Labour, Forced/involuntary labour, Health and safety practices, Sexual Harassment. 7. <ol style="list-style-type: none"> a. Details of employees and workmen in terms of minimum wages paid. b. Details of differently abled employees and workmen in terms of minimum wages paid. 8. Details of safety related incidents during the current Financial Year. 9. <ol style="list-style-type: none"> a. Details of training to employees and workmen (% to total no. of employees/workmen in the category) b. Details of training imparted to the differently abled employees and workmen (% to total no. of differently abled employees/workmen in the category). 10. Describe the measures taken by the company to ensure a safe and healthy workplace.
<p>Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders</p>	<p>List stakeholder groups identified as key for your business and frequency of engagement with each stakeholder group.</p>
<p>Principle 5: Businesses should respect and promote human rights</p>	<ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. Percentage of employees and workmen that have been provided training on human rights issues and policy(ies) of the company in the Financial Year: b. Percentage of differently abled employees and workmen that have been provided training on human rights issues and policy(ies) of the company in the Financial Year. 2. <ol style="list-style-type: none"> a. Details of remuneration/salary/wages (including differently abled) b. Details of remuneration/ salary/ wages of differently abled. 3. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? 4. Describe the internal mechanisms to address and redress grievances related to human rights issues. 5. Stakeholders groups covered by the grievance redressal mechanism for Human Rights issues.

Principle	Essential Indicators
	<ol style="list-style-type: none"> 6. Details of Human Rights related grievances. 7. Do human rights requirements form part of your business agreements and contracts?
Principle 6: Businesses should respect and make efforts to protect and restore the environment	<ol style="list-style-type: none"> 1. Does the company have strategies/ initiatives to address global environmental issues such as climate change resource scarcity, health pandemics and emergencies, natural disasters etc.? 2. Does the company have any project related to Low Carbon Economy? 3. Have the emissions/waste generated by the company exceeded the limits prescribed under the relevant environmental laws? 4. Details of environmental impact assessments of projects undertaken by the company. 5. What are the material environmental risks to the business identified and the mitigation measures adopted by the company with regard to – land use, emissions, water, energy, biodiversity, other. 6. Details of energy and water consumption by the company. 7. Air emissions and liquid discharges per unit of production for the 3 major facilities of the company as reported to regulatory authorities. 8. What is the percentage of solid waste generated that is recycled and sent to the landfill?
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	<ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. Number of affiliations with trade and industry chambers/ associations. b. List the top 10 trade and industry chambers/ associations you are a member of/are affiliated to, on the basis of no. of members. 2. Details of adverse judicial or regulatory orders for anti-competitive conduct by your company in the current Financial Year.
Principle 8: Businesses should support inclusive growth and equitable development	<ol style="list-style-type: none"> 1. Details of Social Impact Assessments (SIA) undertaken by the company for projects in the current Financial Year. 2. Information on project(s) for which ongoing Rehabilitation and Resettlement is being undertaken by your company. 3. Provide information on CSR projects undertaken by your company in designated aspirational districts as identified by government bodies. 4. Describe the mechanisms to receive grievances of the community. 5. Have the benefits derived from the various intellectual properties owned or acquired by your company based on traditional knowledge been shared equitably? 6. List of adverse orders and case details of intellectual property rights disputes related to traditional knowledge during the Financial Year.

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Principle	Essential Indicators
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	<ol style="list-style-type: none"> 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback. 2. Percentage of products and services (by turnover) of your business carrying information about – Environmental and Social parameters relevant to the product, Safe and Responsible usage, Recycling and Safe disposal. 3. Number of consumer complaints in respect of – Data Privacy, Advertising, Delivery of Essential Services, Restrictive Trade Practices, Unfair Trade Practices, Other.

Leadership Indicators

The Leadership Indicators being voluntary in nature, provides an opportunity for many businesses/ companies who aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible. Principle- wise leadership indicators are as stated in the table:

Principle	Leadership Indicators
Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable	<ol style="list-style-type: none"> 1. Percentage coverage by awareness programmes on any or all the Principles in the Financial Year. 2. Have full details of non-disputed fines/penalties imposed on your company by regulatory and judicial bodies in the financial year been made available in public domain. Provide web links/ details of places where such reports are available. 3. Provide details of such instances (up to 3) where corrective actions have been taken on the above punishment/fines/penalties imposed. 4. Provide details of such instances (up to 3) where corrective measures were taken on the complaints/cases of corruption and conflicts of interest. 5. Does the company have a business continuity and disaster management plan?
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	<ol style="list-style-type: none"> 1. Describe the improvements in environmental and social impacts of product and processes due to R&D and Capex Investments in specific technologies. 2. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginal/vulnerable groups? From which marginal/vulnerable groups do you procure? What percentage of total procurement (by value) does it constitute? 3. Information on the impact of your products has been communicated to stakeholders. 4. Provide details of at least three instances on how the feedback received from stakeholders was used for improvements or modifications in the company's existing policies and practices. 5. Percentage of recycled or reused input material to total raw material (by value) used in production. 6. Provide separate details of quantities collected for reuse, recycling, safe disposal after sale, and at end of life of your products of – plastics, e waste, other waste.

Principle	Leadership Indicators
Principle 3: Businesses should respect and promote the wellbeing of all employees, including those in their value chains	<ol style="list-style-type: none"> 1. Provide the measures undertaken by the company to ensure that statutory dues have been deducted and deposited by the value chain partners. 2. Provide the corrective actions taken for children/adolescents identified as employed in your establishments and value chain. 3. Provide the corrective actions taken for forced/involuntary labour identified in your establishments and value chain. 4. Provide the actions taken to prevent adverse consequences to the complainant in discrimination and harassment cases. 5. Provide the corrective actions taken on the outcomes of health and safety audits of your establishments, including value chain partners. 6. Percentage of accident-affected persons rehabilitated and placed in suitable employment. 7. Details on assessment of value chain partners – Sexual Harassment, Working Conditions, Health and Safety, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and Other.
Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders	<ol style="list-style-type: none"> 1. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups. 2. Provide details of 3 instances as to how the inputs received from stakeholders are incorporated into policies and activities of the company.
Principle 5: Businesses should respect and promote human rights	<ol style="list-style-type: none"> 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. 2. Details of the scope and coverage of any Human rights due diligence conducted, including in the value chain.
Principle 6: Businesses should respect and make efforts to protect and restore the environment	<ol style="list-style-type: none"> 1. Carbon emitted per unit of production and revenue/turnover for each major product manufactured by the company. 2. Percentage of renewable energy consumed to total energy consumed. 3. Details of solid waste management - Percentage of non-biodegradable, recyclable, hazardous waste to total waste generated. 4. Briefly describe the solid waste management practices in your establishments. 5. Briefly describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes. 6. List innovative technologies, solutions and initiatives undertaken resulting in lower environment footprint adopted by the company, if any.
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	<ol style="list-style-type: none"> 1. Details of public policy positions advocated by the company. 2. Details of corrective action for anti-competitive conduct by the company taken based on adverse orders from regulatory authorities.

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Principle	Leadership Indicators
Principle 8: Businesses should support inclusive growth and equitable development	<ol style="list-style-type: none"> 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments. 2. Details of the benefits derived of the various intellectual properties owned or acquired by your company based on traditional knowledge shared. 3. Details of corrective actions taken in intellectual property related cases wherein usage of traditional knowledge is involved. 4. Details of beneficiaries of CSR Projects.
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	<ol style="list-style-type: none"> 1. Channels / platforms where information on goods and services of the company can be accessed. 2. Steps taken to inform and educate consumers, especially vulnerable and marginalised consumers, about safe and responsible usage of products and services. 3. Corrective actions taken in respect of complaints received on data privacy, advertising, and delivery of essential services. 4. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services. 5. Does the company display product information on the product over and above what is mandated as per local laws? 6. Did your company carry out any consumer survey?

Lite Version

Some small and medium enterprises (SMEs) are familiar with non-financial disclosures and prepare sustainability reports as their overseas customers seek such disclosures while many SMEs are not familiar with non-financial disclosures. A lite version with both Essential and Leadership indicators (but lesser in

number) has been proposed for those making their first effort to prepare a sustainability report with an intent to facilitate them to prepare so.

Guidance Note on BRSR

The two proposed formats are accompanied by their respective Guidance Note which will form a part of the BRSR. The Guidance Notes would

enable companies to interpret questions unambiguously and facilitate interpretation of the scope of each question. The businesses can disclose their actions on the nine principles of NGRBC in a more meaningful manner. It has also provided clear and precise definitions, wherever needed. An attempt has been made to keep the usage of terms consistent with the Companies Act, 2013, any other prevalent statute(s), and NGRBC.

Other Highlights

The proposed formats have been developed in a manner that makes it easy to be integrated with filings made on the MCA21 Portal. The information already filed on the MCA21 Portal would automatically get



prefilled. Further, where there are multiple options, dropdown menus for appropriate selection have been proposed. This feature would enable leveraging of technology for capturing machine-readable data which can further be used for data analysis and decision making.

The Committee envisions that this information provided through proposed formats would facilitate the development of a Business Responsibility-Sustainability Index which would act as a signal of market sentiment. This index will enable the evaluation of information to assess the credibility of the businesses by financial institutions, credit rating agencies, government, to name a few.

The Committee has proposed to make disclosures as per the suggested formats effective from the financial year 2021-2022 so that suitable time is available for adaptation. Over the passage of time, formal large businesses would become more mindful of their value chain partners, and, hence, considerations of business responsibility and sustainability shall also become operational to small-sized companies, LLP, and informal sector. For listed entities, the formats may be made applicable for the top 1000 listed companies (by market capitalisation) as they are already mandatorily preparing BRR, or else suitable applicability may be prescribed by SEBI. To bring unlisted companies in the regime of business responsibility

reporting, a specified threshold of turnover and/or paid-up capital may be prescribed above which mandatory reporting would be made applicable. Other unlisted companies may adopt the *lite* version of the format, on a voluntary basis, to begin with.

Role of Chartered Accountants in Non-financial Reporting

Chartered Accountants working in both the public and private sectors has played and will play a significant role in non-financial reporting. They act as preparers of reports and assurance providers of those reports. They can influence as well as guide businesses to integrate sustainability matters into all business practices dealing with strategy, finance, operations, and communications. The International Federation of Accountants³ (IFAC) has provided a matrix that highlights how accountants, depending on their position and sphere of influence, can facilitate the resilience of their organisations.

The three focus areas identified for training and capacity building of accountants are:

- Make sustainability strategic, not just tactical
- Improve the process of information and data collection, analysis, and reporting
- Communications, Reporting and Disclosure.

It is necessary to build knowledge, train professionals



The three focus areas identified for training and capacity building of accountants are making sustainability strategic and not just tactical; improving the process of information and data collection, analysis, and reporting; and communications, reporting and disclosure.

in business responsibility reporting and sustainability matters via continuing professional development. Such initiatives should include learning about related challenges and opportunities of business responsibility and sustainability reporting along with specific sustainability matters that are relevant to an industry/sector/ organisation. The proposed formats would lead to the furtherance of the need for professionals to be hand-held through various capacity building and training initiatives. Partnerships with professional institutes, business associations, industry chambers, and academic institutions need to be explored on an urgent basis. Equally important is to develop assurance standards and guidelines to ensure that there is consistency and objectivity in reporting. ■■■

Transitioning from 'doing no harm', to proactively 'doing good'.

³ https://www.ifac.org/system/files/publications/files/IFACJ3441_Accounting_for_sustainability_FINALWEB.pdf