

f i t Monthly Newsletter MAHARASHTRA

# Bulletin

MAHARASHTRA POLLUTION CONTROL BOARD

APRIL 2023

We are gladdened to present to the stakeholders MPCB's 26th edition of E-bulletin as we continue to series. This E-bulletin is an attempt to give you a brief insight into the latest happenings in the field in terms of various new initiatives undertaken, awareness programs being carried out by MPCB and introduce the reader to the breakthrough research which is being done in this field.

In this edition of the E-Bulletin, we present to you an article on BRSR (Business Responsibility and Sustainability Reporting).

We hope this E bulletin is very much valuable, informative and helpful for the readers. And we will also greet your suggestion & feedback for betterment of our future E-bulletins.

Editorial

ARTICLE

## UNDERSTANDING THE BRSR

### INTRODUCTION

The Securities and Exchange Board of India (SEBI), in March 2021 came out with ESG related disclosure requirements named BRSR for top 1000 listed companies.

### THE BASIS

BRSR seeks disclosures from listed entities on their performance against nine principles of 'National Guidelines on Responsible Business Conduct (NGRBC)'.

### THE PURPOSE

BRSR is intended towards having quantitative and standardized disclosures on ESG parameters to enable comparability across companies, sectors and time.

### THE OUTCOME

The disclosures will help investors in better investment decision making, along with businesses to effectively engage with their stakeholders on non-financial aspects.



# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING



**T**he new reporting format named, Business Responsibility and Sustainability Report (BRSR), aims to establish links between the financial results of a business with its ESG performance. This can make it easier for regulators and investors, and allied stakeholders to obtain a fair estimate of overall business stability, growth and sustainability (hitherto based on financial disclosures alone).

Sustainability reporting is the process of collecting, measuring, and disclosing information about an organization's social, environmental, and economic performance. A sustainability report is a report that is published by an organization to communicate its sustainability performance and progress to stakeholders, such as investors, customers, employees, and the public.

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

## General Disclosures

Basic company information including proximity to environmentally sensitive zones

## Management and Process

Policies & processes on leadership, governance and stakeholder engagement

## Principle-wise performance

Information aligned to each NGRBC principle & Core element



**S**ustainability reporting is becoming increasingly important as stakeholders including investors, customers, employees, and government agencies seek to understand the long-term sustainability of organizations. It is also a way for companies to demonstrate transparency, accountability, and their commitment to sustainable development.

There are various standards and frameworks that can guide sustainability reporting, such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). These standards provide guidelines on reporting metrics, such as greenhouse gas emissions, energy use, waste management, employee benefits, and social impact.



# BRSR REPORTING PROCESS

## STEP 1: Familiarization and Conceptualization



Organizations identify the exact requirements of BRSR and an assessment of where the organization is with BRSR requirements

## STEP 2: Identifying material issues and risks evaluation



Engaging with stakeholders to identify material issues and evaluating the identified material topics for integration into Enterprise Risk Management (ERM)

## STEP 3: Collection of information



Identify data owners of each of the required data sets. Establish right protocols to collect data at regular intervals

## STEP 4: Audit and review



Integration of ESG into the internal audit of the organization. Set frequencies for review of ESG performance

## STEP 5: Content development and approval



Develop the content for BRSR and integrate it as a part of the annual report.

## STEP 6: Communication and feedback



Ensure the BRSR information reaches the right stakeholders and obtain their feedback for improvements in the future.

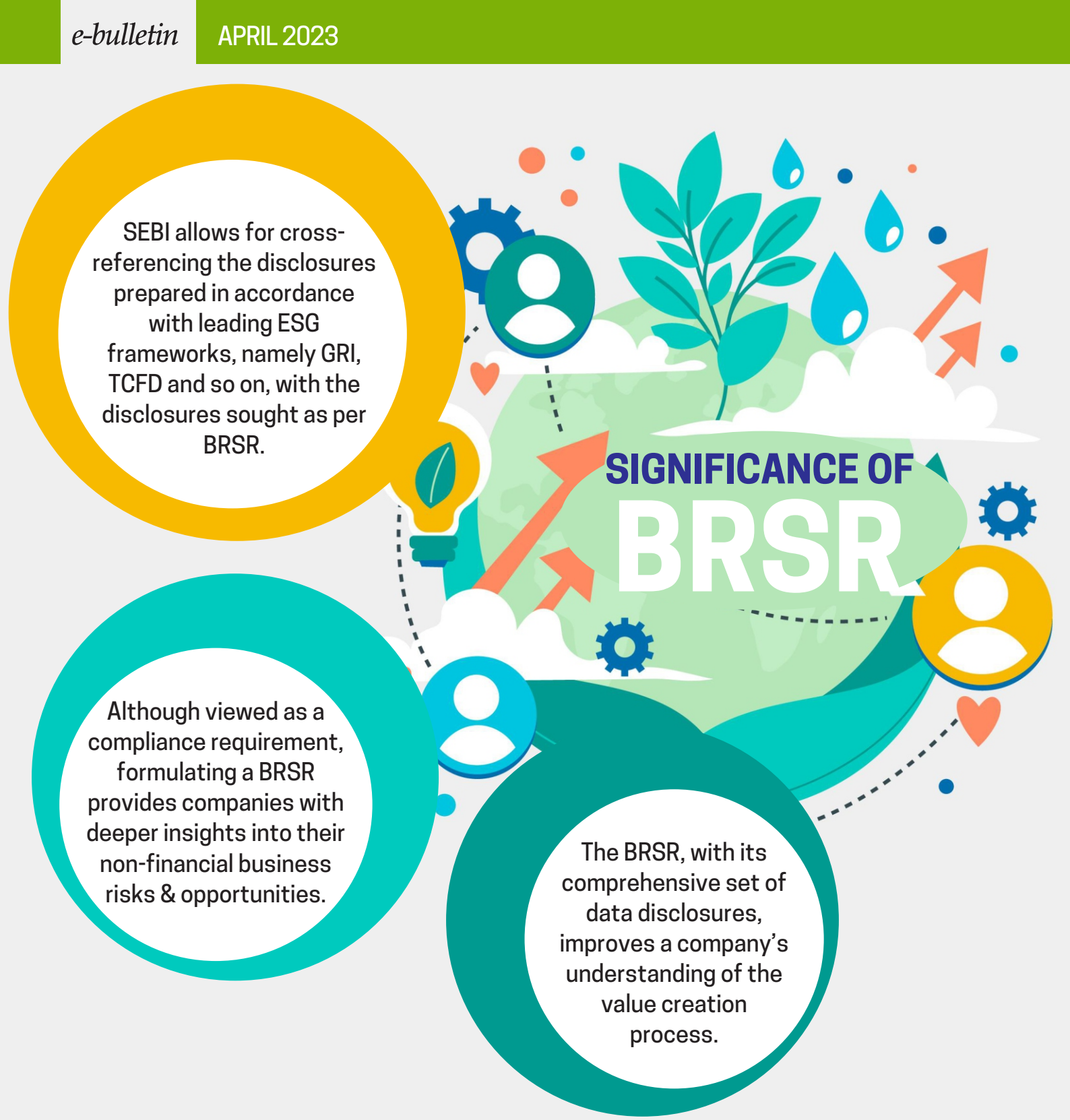




**S**ustainability reporting typically includes information on an organization's environmental impact, such as its greenhouse gas emissions, energy consumption, water use, and waste generation. It also covers social issues, such as human rights, labor practices, and community engagement, and economic indicators such as revenue growth, operating profit, and shareholder value.

Sustainability reporting can take many forms, including annual reports, sustainability reports, integrated reports, and other communication channels. Some companies also use third-party verification or certification to provide additional credibility to their reporting.

In summary, sustainability reporting is an important mechanism for companies to communicate their progress on sustainability issues to stakeholders and demonstrate their commitment to responsible business practices.



SEBI allows for cross-referencing the disclosures prepared in accordance with leading ESG frameworks, namely GRI, TCFD and so on, with the disclosures sought as per BRSR.

Although viewed as a compliance requirement, formulating a BRSR provides companies with deeper insights into their non-financial business risks & opportunities.

The BRSR, with its comprehensive set of data disclosures, improves a company's understanding of the value creation process.

## SIGNIFICANCE OF BRSR



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