

Report of the Committee on Business Responsibility Reporting

August 12, 2020

The Ministry of Corporate Affairs has been taking various initiatives for ensuring responsible business conduct by companies. As a first step towards mainstreaming the concept of business responsibility, the **'Voluntary Guidelines on Corporate Social Responsibility'** were issued in 2009. These guidelines were subsequently revised as **'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 (NVGS)'** after extensive consultations with business, academia, civil society organizations and the government.

Business Responsibility Reporting

The Securities and Exchange Board of India (SEBI) through its 'Listing Regulations' in 2012 mandated the **top 100 listed entities by market capitalization to file Business Responsibility Reports (BRRs) from an environmental, social and governance perspective.** These BRRs enabled business to demonstrate the adoption of the NVG principles and the attendant core elements with the intent of engaging businesses more meaningfully with their stakeholders going beyond regulatory financial compliance. **This was extended to top 500 companies in FY 2015-16 and further extended to top 1000 companies in December, 2019.**

Taking into account the national and international developments in the arena of business and human rights since 2011, **the NVGs have been updated and released as NGRBC (National Guidelines on Responsible Business Conduct) in March 2019 to reveal alignments with the UNGPs, UN Sustainable**

Development Goals (SDGs), Paris Agreement on Climate change etc.

In furtherance to updation and formulation of the NGRBCs, the Ministry of Corporate Affairs had constituted a 'Committee on Business Responsibility Reporting' to develop new BRR formats for listed and unlisted companies. The committee consisted of representatives from MCA, SEBI, three professional institutes, and two eminent professionals who had worked on developing the NGRBCs.

After extensive consultations with various stakeholders including businesses and their associations, professional institutes, academia, civil society organizations, central ministries and departments, the committee submitted its report to the Central Government. In its report, the committee **recommended a new reporting framework called the 'Business Responsibility and Sustainability Report (BRSR)' to better reflect the intent and scope of reporting on non-financial parameters.**

The committee recommended **two formats for disclosures: 'comprehensive format' and a 'lite version'**. The committee further recommended that the implementation of the reporting requirements should be done in a gradual and phased manner. The committee also recommended that the **BRSR be integrated with the MCA21 portal**. As a long-term measure, the committee envisions that the information captured through BRSR filings be used to develop a Business Responsibility-Sustainability Index for companies.