



वसुधैव कुटुम्बकम्  
ONE EARTH • ONE FAMILY • ONE FUTURE



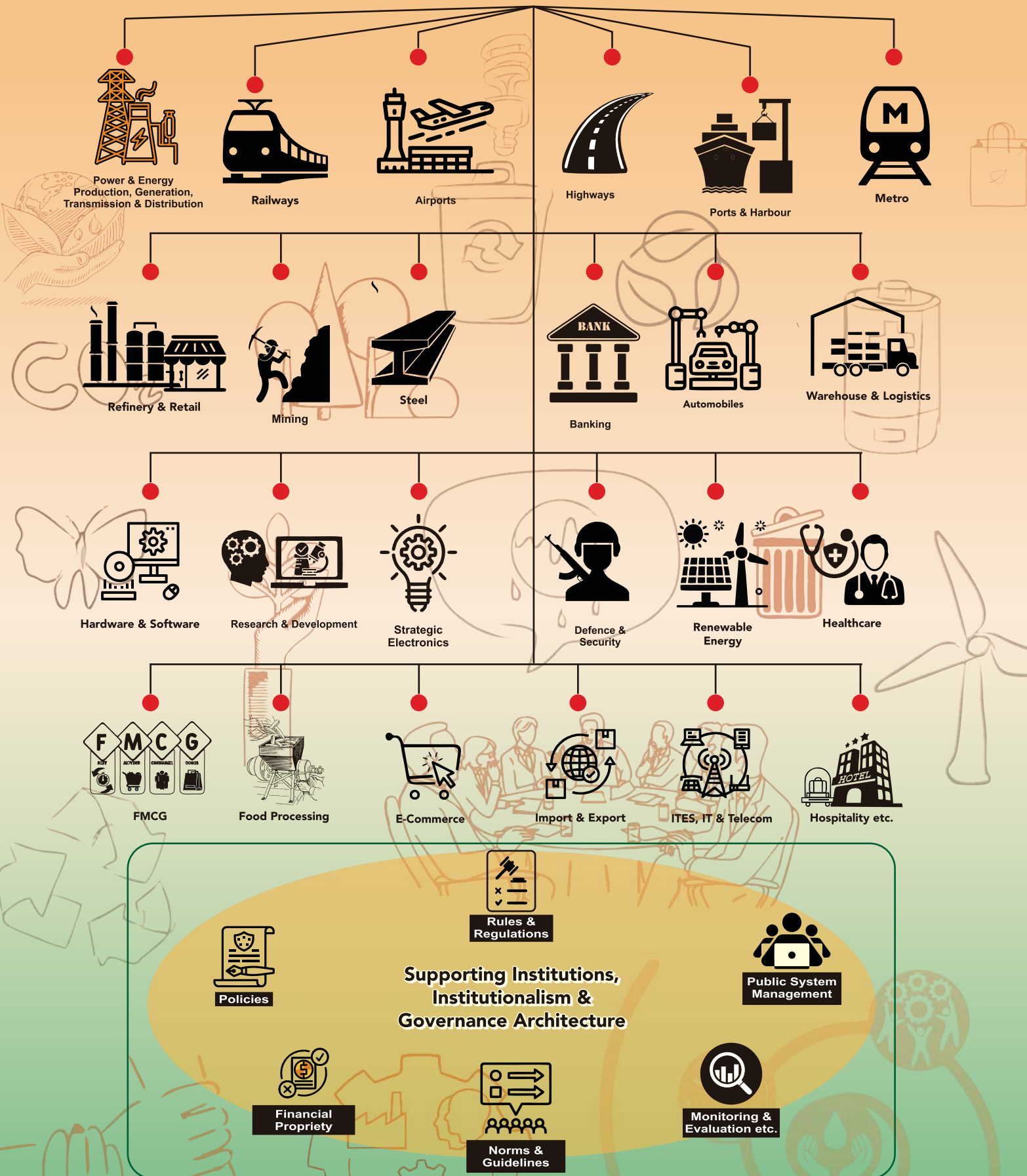
National Productivity Council



# BRSR

BUSINESS RESPONSIBILITY AND  
SUSTAINABILITY REPORTING

# Public & Private Sector Domains - Mix & Spectrum



For measuring, monitoring, and disclosing performance in areas related to ESG, Securities and Exchange Board of India (SEBI) has mandated the sustainability disclosure requirements vide its circular no. 18/2021, dated 10th May 2021. Under this Business Responsibility and Sustainability Reporting (BRSR) shall be applicable to the top 1000 listed entities (by Market Capitalization) from FY 2022-23.



# 1. Introduction to ESG and BRSR

Sustainability reporting frameworks have evolved over time and companies worldwide have adopted these frameworks for measuring, monitoring, and disclosing performance in areas related to Environmental, Social and Governance (ESG) themes. Global ESG/sustainability disclosures and frameworks such as the Global Reporting Initiative (GRI), Integrated Reporting (IR), Sustainability Accounting Standards Board (SASB), United Nations Global Compact (UNGC) and Carbon Disclosure Project (CDP) require businesses to disclose their sustainability performance as per the respective key performance indicators (KPIs) and principles.

India has been a progressive country towards engaging in international commitments and undertaking national initiatives to achieve objectives evolved towards Sustainable Development Goals (SDGs), Climate Change mitigation and resilience, and undertaking implementation of various protocols and conventions formulated under Multilateral Environmental Agreements (MEAs) and striving to achieve a green and circular economy for balanced growth, development & resource efficiencies.

With the ever-changing business environment, the investors and stakeholders seek businesses to be not only responsible but to be sustainable towards the environment and society. As companies face rising complexity on a global scale, investors may re-evaluate traditional investment approaches. Therefore, the concept of ESG (Environmental, Social and Governance) comprises the holistic approach for companies to strengthen responsibility and remain responsible to its investors as well as stakeholders while complying with various environmental, social and governance related regulatory requirements & various risks.

In the context of ESG in India, the assets under management (AUM) related funds have risen currently to Rs. 12,300 Crore, a significant rise since 2019, when it stood at Rs. 2,630 Crore.





## ENVIRONMENTAL FACTORS

It's about a company's impact on the environment. They are based on the premise that business activities have the potential to create environmental risks for ecosystems, water, air and human health. Key factors and parameters include:

- Using energy/ resources efficiently.
- Using renewable energies that emit fewer GHGs, are less polluting, and contribute less to climate change.
- Managing waste responsibly (like adopting circular economy principles);
- Having responsible practices across the value chain such as no deforestation policies or even addressing animal welfare practices.
- Adopting clean technology
- EPR and 3R policies etc.

## SOCIAL FACTORS

It's about the way businesses treat and value people. In other words, it is about the impact that companies can have on the internal and external stakeholders and the stakeholders across the entire value chain. The factors/parameters include:

- Diversity and inclusion policies to ensure no type of discrimination occurs.
- Safe and healthy working conditions for employees.
- Labour standards across supply chains that guarantee fair wages and human rights protection.
- Good relations with local communities for socio-economic development of community through various CSR programmes
- Human Rights, Work force harmony, inclusion etc.
- Fairness to vendor, supplier, distributor, partners and consumers

## GOVERNANCE FACTORS

It focuses on corporate policies and the corporate governance practices. It is about making the responsibilities, rights, and expectations of stakeholders clear so that interests are met and a consensus on a company's long-term strategy is achieved. The factors/parameters include:










- Tax strategy and financial management.
- Corporate risk management.
- Executive compensation.
- Corruption and bribery issues and Anti-corruption policies, Audit Committee.
- Board structure, composition and brand independence.
- Protecting shareholder interests & rights.
- Whistle-blower schemes/ policies
- CSR strategy, compliances etc.

The National Guidelines on Responsible Business Conduct, 2018 (NGRBC), which is an improvement over the existing National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business, 2011 (NVGs), are a means of nudging businesses to contribute towards wider development goals while seeking to maximize their profits. The NGRBC urge businesses to conduct business responsibly and sustainably and encourage and support their suppliers, vendors, distributors, partners and other stakeholders to follow Nine principles.





## PRINCIPLES

- P1**  Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.
- P2**  Businesses should provide goods and services in a manner that is sustainable and safe.
- P3**  Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P4**  Businesses should respect the interests of and be responsive to all its stakeholders.
- P5**  Businesses should respect and promote human rights.
- P6**  Businesses should respect and make efforts to protect and restore the environment.
- P7**  Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8**  Businesses should promote inclusive growth and equitable development.
- P9**  Businesses should engage with and provide value to their consumers in a responsible manner.

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This BRSR reporting format includes:

Section A – General Disclosures (Product, services, employees, grievance redressal etc.)

Section B – Management and Process Disclosures (Policy, certification, governance, and leadership etc.)

Section C – Principle wise Performance Disclosure (Essential indicators – 63, Leadership indicators – 42 covering nine principles of BRSR as per NGRBC i.e. P1, P2, P3, P4, P5, P6, P7, P8, P9)



# CPSEs (Central and State Public Sector Enterprises)

## 2. About NPC and engagement in the ESG and BRSR space

National Productivity Council is an autonomous organization under Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Govt. of India, and was established in the year 1958 with the objective of dissemination of productivity culture across all areas of economy by providing consultancy, training & research. With its vast diversified experience in the areas of resource efficiency through Cleaner Production services, Energy Management and Environment & Climate Action Group; enhancing productivity of manufacturing & service sector through Industrial Engineering Group; development of Human Resources through HRM Group; improving productivity of the farm sector through Agri Business Group and supporting the policy makers in reviewing of schemes/ policies through Economic Service Group and Monitoring and Evaluation initiatives across departments. Through its pan India presence with 12 regional offices across the country and with strength of more than 115 professionals (Engineers, Economists, Social Scientists, Management Graduates, M&E specialists and others), NPC can provide end-to-end solutions in ESG, Sustainability and BRSR compliance to CPSEs & corporations.

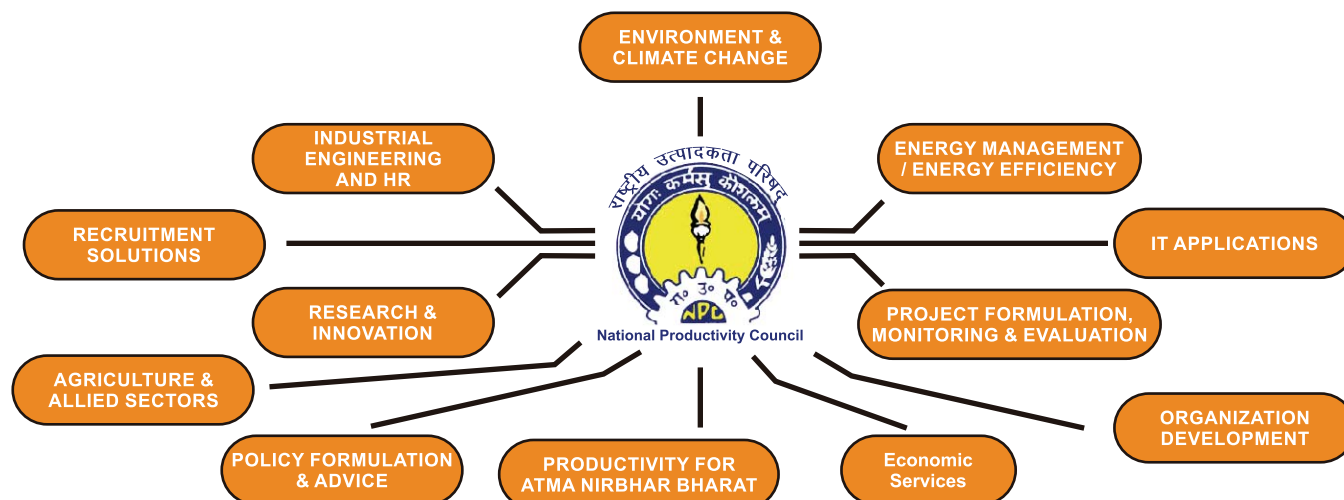
### Unique Strengths of NPC

- |  |
|--|
| • Pre-eminent organisation of Govt. of India which can also be assigned work on nomination basis         |
| • Total solutions under one roof.  |
| • Focused professionals as Engineers and domain specialists including Management Financial Professionals |
| • Time bound delivery track record   |
| • Services for Govt./PSUs/Corporates and MSMEs   |
| • Multi-disciplinary expertise   |
| • Capability to take up large scale surveys and pan India level projects                                 |
| • Independent & third party assessments and audit services   |
| • International linkages / network and outreach  |

The areas of specialization of NPC are reflected in the figure below along with key achievements by the organization.



## Areas of Specialisation / Expertise at NPC



## End to End Solutions by NPC

NPC Groups	ESG focus & specialisations	BRSR Principles
Human Resource Management/ Industrial Engineering	<ol style="list-style-type: none"> <li>1. Training needs assessment and training</li> <li>2. Grievance reporting and redressal mechanism</li> <li>3. Performance Management System (performance appraisal and rewards)</li> <li>4. Human rights issues and due diligence</li> <li>5. Capacity building</li> <li>6. Productivity linked incentive scheme</li> <li>7. Procurement management system</li> <li>8. Intellectual Property Rights management and related issues</li> <li>9. Monitoring &amp; Evaluation of CSR projects</li> </ol>	1, 3, 5, 7, 8
Environment & Climate Action	<ol style="list-style-type: none"> <li>1. Waste minimization and resource efficiency</li> <li>2. Environment audit and management system</li> <li>3. Waste management system</li> <li>4. Extended producer responsibility</li> <li>5. 3Rs (Reduce, Reuse, Recycle)</li> <li>6. Post environmental clearance monitoring</li> <li>7. Stakeholder consultation</li> <li>8. Product/service disclosure based on environmental concerns</li> </ol>	2,3,4,6,8,9
Energy Management	<ol style="list-style-type: none"> <li>1. Energy intensity assessment</li> <li>2. Energy audit</li> <li>3. Energy management system</li> <li>4. Energy efficiency</li> <li>5. Green House Gas emissions accounting</li> </ol>	2,6
<ul style="list-style-type: none"> <li>• Information Technology</li> <li>• 5S professionals</li> <li>• Economic Service</li> </ul>	<ol style="list-style-type: none"> <li>1. ISO 27001: Information Security Management System</li> <li>2. Cyber security</li> <li>3. Training and capacity building</li> <li>4. Productivity research, IPR etc</li> <li>5. Monitoring &amp; Evaluation of Schemes &amp; Programmes of Government, Public &amp; Private</li> </ol>	7,8,9

## NPC Competency Areas Synchronized with ESG Drivers

ESG DRIVERS		KNOWLEDGE VERTICAL	NPC COMPETENCY AREAS
ENVIRONMENTAL	<div>Resource Efficiency</div> <div>Carbon Emission</div> <div>3R Principles</div> <div>Food Safety</div> <div>Energy Conservation</div> <div>Cleaner Production</div> <div>Clean Technology</div> <div>EPR</div> <div>Waste Management</div> <div>Environment Management</div> <div>Suitable Agriculture</div>	<div>Energy Management</div> <div>Environment &amp; Climate Action Group</div> <div>Agri Business</div> <div>Inspection Division</div>	<p>Energy Audit, Water Audit, Energy Efficiency Studies, baseline and evaluation of PAT scheme, Resource optimization, Capacity building &amp; certification of Energy Managers &amp; Energy Auditors etc.</p> <p>Industrial Pollution prevention &amp; control, waste minimization, Comprehensive environment audit, performance evaluation of waste management infrastructure, adequacy &amp; efficacy studies, post EC compliance monitoring, environment research &amp; policy assignments</p> <p>Impact Evaluation and Assessment of various schemes related to Agriculture and allied sector of Central/ State/ Research Institutes.</p>
	<div>Workforce planning &amp; harmony</div> <div>Human Rights</div> <div>Customer Satisfaction</div> <div>Community development</div> <div>Optimization of production and productivity</div> <div>Non-executive &amp; executive remuneration</div> <div>Bonus and Incentive &amp; employee benefits</div> <div>Lean Management</div> <div>Labour relation</div> <div>Workplace safety &amp; 5S</div> <div>Resource Efficiency</div> <div>Career Progression</div> <div>Diversity &amp; inclusion</div> <div>Human Capital productivity</div>	<div>Industrial Engineering</div> <div>Economic Services</div> <div>Agri Business</div> <div>Environment &amp; Climate Action Group</div> <div>Human Resource Management</div> <div>Monitoring &amp; Evaluation</div> <div>Energy Management</div>	<p>Economic studies policies and programmes of State/ central Government and International organizations. Publishing various index for IMDB, Asian Productivity Organization on various parameters</p> <p>Third Party Audits of FBOs for Dairy sector, Food Storage/ Cold Storage &amp; Food Transportation as per FSSAI standard; Inspections of Warehouses as per WDRA Rules, 2017. Capacity building subjects related to Food Safety regulations of the country</p> <p>Organizational restructuring, Manpower Planning, HR Policy, Incentive, remuneration planning, Performance Measurement System, Non-Executive Manpower Norms as per ILO standards, Compensation Management,</p>
GOVERNANCE	<div>Socio-economic &amp; CSR Policy</div> <div>Compliance</div> <div>HR Policy</div> <div>Organizational restructuring</div> <div>Purchase &amp; Procurement policy</div> <div>Quality Management System</div> <div>Anti-corruption, RTI and whistle blower policy</div> <div>Corporate Risk Management</div> <div>Shareholder rights &amp; Audit Committee</div>	<div>Economic Services</div> <div>Industrial Engineering</div> <div>Human Resource Management</div> <div>IT Services</div> <div>Finance</div>	<p>Lean Management; Production planning &amp; resource optimization; Manpower Planning and optimization; Process Management; Workforce planning; Supply Chain Management</p> <p>Monitoring, Evaluation and Impact Assessment of various schemes, policies and programmes of State/ central Government, Socio-Economic Studies, CSR programme (Baseline and Impact Assessment)</p> <p>IT systems &amp; Financial Analytics for ESG/ BRSR</p>

Competency Areas of NPC Aligned with ESG Drivers





### 3. Objectives of NPC in ESG / BRSR space

NPC focuses on addressing ESG / BRSR reporting to benefit the corporate sector, CPSEs/ State PSEs, Institutions and Service sector to enable the process of becoming future ready in sustainability in terms of:

- Sensitizing about various dimensions of sustainability and ESG domains
- Discussion about reporting & compliance under BRSR framework of SEBI
- Contributing to learning about and understanding best practices adopted in terms of resource efficiency, socio-economic measures, community development, corporate governance practices etc amongst industry leaders
- Facilitating discussion of challenges/ issues faced by corporate sector / PSEs (Central & State) / Service Sector / Institutions
- Identifying way forward for Indian industry and business sectors for being future ready and becoming global leaders in terms of sustainability.

### 4. The range and areas of support by NPC

- Assisting corporate and business enterprises in preparing the BRSR compliance by collations, compiling, consolidating sustainability measures and benchmarks for submission to SEBI.
- Providing external assurance to corporates thereby providing independent third party assessment of the measures/ initiatives taken up by corporations in the areas of BRSR compliance/ sustainability reporting.
- Identifying best practices, undertaking Gap Analysis and need assessment of existing processes/ systems for checking the readiness/ preparedness of industrial sectors for compliance to BRSR/ ESG.
- Designing frameworks, sector specific measures, tool kits and action plans and roadmaps for implementation of BRSR/ ESG related compliance
- Enabling design of dashboards / monitoring framework and templates for periodic measuring/ monitoring of all sustainability measures being taken up by various business functions/ verticals/ units/ entire value chain of the corporations.
- Training, Capacity building & sensitization of personnel in the corporations on ESG, sustainability & BRSR compliance, and its significance.
- Providing institutional support for organizational ESG initiatives, enabling integration into business strategy and BRSR reporting.
- Engaging in in-depth processes and assets analysis and identifying the potential for resource conservation and management related actions and making recommendations and guiding enablers for implementing change.

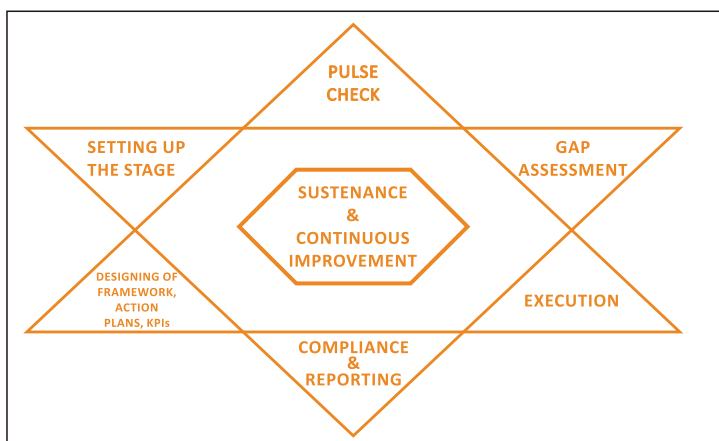


- Undertaking field assessments of installations and of inward and forward or onward value chains & the supply chains in the context of ESG aspects as per BRSR requirements.
- Facilitating skills and tool development in ESG / BRSR reporting.
- Evolving a rating and benchmarking system for the processes, infrastructure in place and proposed, and of the success factors for enabling comparison across the systems and amongst cities/regions and technical domains and guiding setting of new targets and new benchmarks and accordingly enabling organisations towards obtaining ESG funds.
- Assessing CSR initiatives and the entities involved regarding the qualitative and quantitative parameters of successes.
- Enabling the process of making more robust and standardized the existing and fresh ESG initiatives and efforts and guiding future trajectory and roadmap for the organization pertaining to ESG related strategies.
- Providing an independent impact evaluation of existing ESG/BRSR initiatives and enabling progress on the same as strategic services.

## 5. The 'SAPTAPADI' approach by NPC

NPC has developed its own unique seven step approach (SAPTAPADI) for action on ESG as an integral part of business / operations making organizations sustainable, competitive, and resilient while being ESG/ BRSR compliant. The SAPTAPADI seven steps include:

- Step 1: Pulse Check (Materiality assessment and establishing baseline)
- Step 2: Setting up the stage (ESG team, sensitization and assigning roles, ESG policy and strategy, setting up goals and objectives)
- Step 3: Gap assessment (identification of opportunities, potential and priority area for necessary intervention)
- Step 4: Designing ESG framework, Key Performance Indicators, and action plan
- Step 5: Execution
- Step 6: Compliance, documentation, and reporting
- Step 7: Improvement, sustenance, and roadmap for future ready enterprises



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# ESG: A Pathway to SDGs



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