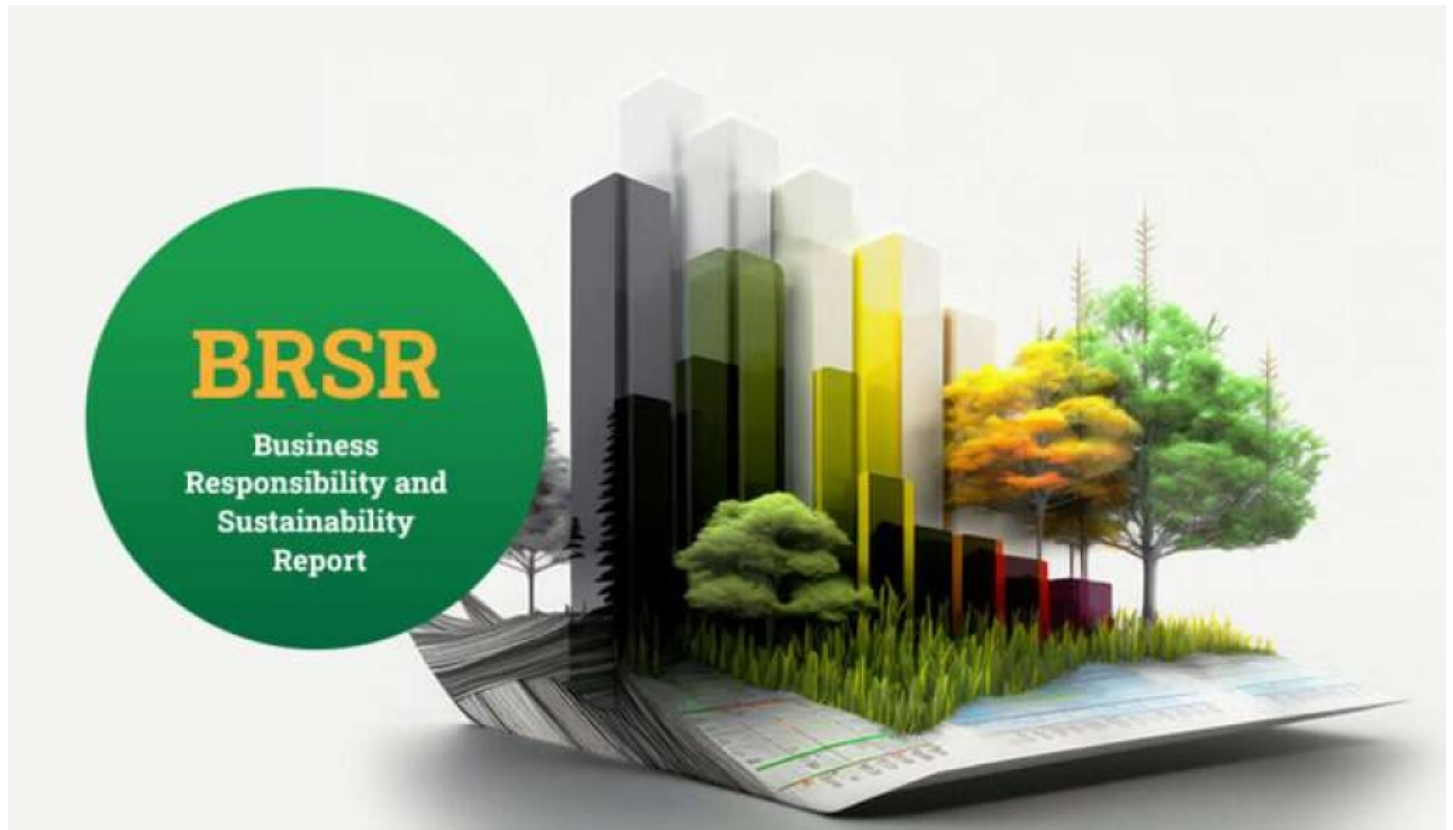


From Voluntary to Mandatory: How BRSR is Changing Corporate Transparency



Mumbai, Maharashtra Nov 6, 2025 ([Issuewire.com](https://www.issuewire.com)) - Why are firms rushing to publish comprehensive reports regarding their environmental and social impact? India's pioneering Business Responsibility and Sustainability Reporting (BRSR) Framework is the reason. What commenced as a proactive optional practice has now been legally enforced for large companies. It has been radically changing how elite companies engage with their constituents.

What does the shift from optional to required reporting mean for Indian corporations? BRSR holds companies responsible for everything from employee relations to carbon footprints; it is not a new set of compliance obligations. This transformation is creating a new paradigm where companies will be required to provide data and outcomes to substantiate claims of sustainability.

Understanding BRSR: The New Standard

In 2021, the previous Business Responsibility Report (BRR) was superseded by the BRSR. From 2022-23, all listed companies in the Indian vertical have been asked to submit their BSRs.

The BRSRs are constructed on the basis of 9 principles of NGRBC (National Guidelines for Responsible Business Conduct) introduced by SEBI.

- Business ethics and transparency
- Product responsibility and safety

- Employee welfare and rights
- Stakeholder engagement
- Environmental stewardship
- Policy advocacy and public affairs
- Inclusive growth and development
- Customer value creation
- Governance and accountability

The BRSR reports consists of 3 sections:

General disclosures - Gives the fundamental background information needed to comprehend the business concept and operational breadth.

Management disclosures - Provides an in-depth analysis of the company's strategy for ethical business practices.

Principle-wise disclosures - Brings a detailed approach to governance procedures, social responsibility programs, environmental impact management, and stakeholder engagement results.

In contrast to its predecessor, BRSR now requires businesses to provide data as well as qualitative disclosures. Due to this equilibrium, businesses are unable to get away with making ambiguous claims. They must give actual numbers and measurable outcomes to back up their claims.

The Transition from Optional to Mandatory

Companies in India used to share sustainability information if they wished to for a long time. Hard and fast rules did not exist. For this, it was challenging to believe what was being conveyed or compare reports. While some companies spoke very little, others did a fantastic job. There was no set procedure for reporting.

A major change was brought about by the BRSR Core, which required the top 1,000 listed businesses to use a uniform reporting format. The clarity, dependability, and comparability of sustainability reporting among companies have improved as a result of this statutory mandate, which has guaranteed uniform disclosure on important problems.

This significant transition happened in several stages:

First Discretion

At first, only a small number of forward-thinking businesses took the voluntary initiative to issue sustainability reports. There was no industry standard structure or system. So, these reports were very different in quality and scope.

CSR Mandate Introduction

Mandatory Corporate Social Responsibility (CSR) expenditures for specific eligible corporations were introduced by the Corporations Act of 2013. This was the first significant building block towards compulsory CSR in India.

BRR Implementation

The Business Responsibility Report for the leading listed firms was introduced under SEBI. This was primarily qualitative and allowed room for significant flexibility.

BRSR Evolution

The latest reprise of the BRSR framework contains the most comprehensive and stringent reporting requirements to date. It relies on a mixture of principles with quantifiable disclosures. Such changes reflect that there is an increasing global acceptance of the necessity of corporate transparency for sustainable development.

Important Changes BRSR Brings in

BRSR provides a distinct structure for reporting on sustainability and responsibility, which encompasses the environment, society, and governance. Companies must report information including overall energy consumption, employee treatment practices, and operational management. This provides investors and the general populace with a holistic view of the company.

Moving to BRSR has, therefore, resulted in significant changes that are improving the disclosures of corporates:

More Granular Reporting

BRSR expects businesses to furnish detailed quantitative data across multiple parameters. All must report specific metrics related to energy, water, waste, and even the demographic composition of employees, as well as community engagement. This quantifiable model of reporting removes the ambiguity that reports in the previous frameworks had.

Uniform Presentation

As opposed to voluntary reports in the past with creative presentations, BRSR comes with a uniform approach. Now, all companies will have to incorporate templates and questions framed on the basis of NGRBC 9 principles. This change will enable investors, regulators, and other interested parties to serve the purpose of benchmarking between companies easily.

External Verification

While external verification of BRSR reports (Business Responsibility and Sustainability Reporting) is currently encouraged but not mandatory, many forward-looking companies have begun engaging independent third parties to validate their reports. This trend reflects a growing emphasis on transparency, credibility, and stakeholder trust.

The regulatory roadmap for mandatory assurance has also been laid out:

- FY 2023–24: Reasonable assurance is required for the top 150 listed entities.
- FY 2024–25: Expands to the top 250 listed entities.
- FY 2025–26: Extends further to the top 500 listed entities.
- FY 2026–27: Applies to the top 1000 listed entities.

Executive Responsibilities

This Framework has placed the responsibility of the preparation and presentation of the CSR and sustainability reports on the senior management team. The BRSR disclosures are now the responsibility of the organizations' respective CEOs and board members. This led to the shifting of organizational leadership responsibility for sustainability outcomes.

Advantages of the BRSR Reporting Framework

BRSR enhances confidence and makes it easier for investors, clients, and the public to understand the initiatives being taken by various firms. It assists companies in identifying opportunities and improving productivity. Those who meet their obligations are rewarded with additional support.

The Framework assists firms in communicating relevant, accurate, and honest information about an organization's environmental, social, and governance (ESG) performance. Since there is a single template, it is easier to compare firms and identify leaders in sustainable development.

In addition, the [BRSR reporting](#) is beneficial in several aspects, such as:

Increased Access

Other constituents, along with investors, can now obtain comparable information about a corporation's sustainability profile. This access improves decision-making, and more responsible companies are preferred for better capital allocation.

Greater Responsibility

Boundless frameworks establish obligatory reporting procedures. To make stakeholders act more logically, businesses must explain their performance and actions.

Principal Advantages

Companies with a high degree of sustainability can now be evaluated using certain criteria. This advantage is hurt by the competition and promotes more corporate accountability.

Controlling Hazards

The ability of businesses to reduce ESG risks is enhanced by corporate reporting. Businesses can anticipate problems well in advance by addressing all aspects of environmental or social impact concerns.

The Final Judgment

BRSR is a tool rather than just a rule. It enables companies to honestly and transparently convey their impact, fostering trust with customers, investors, and the public at large.

So, in this new world of reporting, SGS keeps companies ahead of the curve. Our experts support the BRSR process through training and audits. Here, we acknowledge the difficulty of this change. As a result, we offer comprehensive support, from understanding the structure to producing flawless reports. Our team helps you interpret complex regulations into clear actions and enables you to fulfil the

standards with confidence.

So, if you are prepared to gain confidence by reporting accurately and clearly, let's connect to strengthen your sustainability story.

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