

ESG ANALYSIS ON TOP 200 LISTED COMPANIES

A step towards Sustainable Future



2025

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ACKNOWLEDGEMENTS

At the outset, Stakeholders Empowerment Services (SES) would like to thank and express gratitude to NSE for providing this opportunity and a platform to present SES report on ESG practices and performance of top 200 NSE listed companies. ESG is not only a contemporary, hot and extremely relevant issue, it also touches lives of not only human beings but all creatures. From all corners, be it investors, government, regulators or all sections of society, there is pressure on companies to not only disclose but also improve their ESG performance. Securities market regulator, Securities and Exchange Board of India (SEBI) had taken a lead and prescribed a comprehensive and detailed disclosure regime through Business Responsibility and Sustainability Report (BRSR) way back in 2022 for top 1,000 listed companies. As a result of SEBI's initiative comprehensive structured data on E&S is now available for Top 1,000 listed companies. In order to improve reliability of data, due to SEBI's mandate data for top 150 entities is also assured. Thus, the focus has now shifted from mere disclosures to credible performance. Appropriately, the present Report is titled "ESG Analysis on Top 200 Listed Companies – A Step Towards Sustainable Future."

On standalone basis ESG disclosures of top 200 companies would have been available, yet meaningful analysis, comparison and benchmarking would not have been possible, had NSE not taken this initiative to get this study conducted. All stakeholders including investors would be deprived of a holistic picture and efforts of SEBI and impact of regulatory efforts would have gone unnoticed. This study is result of continuing guidance & support provided by NSE to the SES team. The purpose of this Report is to provide a brief summary of ESG footprints of selected NSE listed companies (Top 200 entities – refer sample selection), evaluated by SES ESG through its proprietary model ("Model").

The Report is result of collective efforts of NSE and SES, where data has been provided by SES ESG Research Pvt Ltd, a SEBI Registered ESG Ratings Provider, also a wholly-owned subsidiary of SES (SES ESG). NSE provided financial support, guidance and logistics; and evaluation is done by SES, using the data/ scores provided by SES ESG, who has their own model to rate. The Report (including data capturing, analysis, findings and report writing) was solely done by SES team, without any involvement of NSE; and all the Score related data was provided by SES ESG. SES has obtained all entities' ESG Scores from SES ESG for the analysis purpose and the model / methodology provided in this report is also of SES ESG.

This work would not have been possible without the unwavering dedication of the SES team and the outstanding leadership provided by Mr. Mukesh Solanki and Mr. Bhavaram Kalbi. SES extends heartfelt gratitude and appreciation to the entire SES team for their relentless efforts in compiling, analysing the extensive data, and shaping this Report into its present form.

A special note of thanks goes to the following individuals from NSE and SES:

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EXECUTIVE SUMMARY

This research/ study by SES is fourth in series of ESG Research SES has conducted, in past SES had carried out three studies on behalf of NSE on ESG practices; while two earlier studies were based on BRR (Pre BRSR era), the last study published in July, 2024 for 200 companies – based on data of FY 2022-23 (year reference of said report is referred as 2023) was based on BRSR disclosures, it was first such study based on BRSR. In first two studies conducted in pre-BRSR era, SES had highlighted impediment to any meaningful analysis of E&S parameter due to non-availability of data in systematic, structured and uniform manner. Thanks to regulatory push these issues were resolved to large extent after BRSR became mandatory. Further, in the previous study (2023) only one-year BRSR data was available, thus YoY analysis was possible to limited extent. However, this conundrum of disclosures has majorly been solved due to multiple year BRSR available for all the sample entities. Further inclusion of BRSR Core Indicators in the updated BRSR format disclosures ([weblink](#)) has enabled a short but extremely meaning full snap shot of ESG status of a company. The transition from BRR to voluntary BRSR to mandatory BRSR has not been an easy path for companies to follow, further companies faced further challenges as from reporting for FY 2023-24 additional disclosures kicked in along with core parameters being compulsorily assured in phased manner. This study includes sample of Top 200 listed entities, which also includes Top 150 companies, which were mandatorily required to provide Assurance on BRSR Core Indicators. All these top 150 companies are part of this study.

While there cannot be or rather should not be questions on SEBI's proactive stance on ESG, yet there are murmurs suggesting that its push is making business operations more challenging, leaving little time for actual commerce. However, this perception misses the larger picture. Business decisions are rendered futile if the business itself fails to survive, and ESG risks are now too significant to be postponed or addressed at convenience. Instead of viewing SEBI's actions as a burden, it should be recognized that the regulator has equipped companies with a robust self-assessment framework to cure on its own or if one is weak take outside expert help. India has a leadership status in ESG disclosures as it is the only jurisdiction with such a comprehensive disclosure and evaluation mechanism, effectively offering businesses a tool for preventive care - much like regular health check-ups that help avoid landing in the ICU or worse, appearing in an obituary. Recent judgments by the Hon'ble Supreme Court Vedanta Ltd (Tuticorin Copper Smelter), M. K. Ranjitsinh & Ors. vs. Union of India (on the tension between renewable energy development and wildlife conservation), and Noble M. Paikada vs. Union of India (on improper exemptions from environmental clearances) - serve as clear wake-up calls. These rulings affirm that it is not just SEBI, but the highest court of the land, that is now unequivocally emphasizing focus on Environment and Social factors.

Adopting ESG and sustainability practices is no longer a choice or a fashion statement - it's the only viable prescription for long-term survival of this planet and inhabitants. The *Brundtland Report* by the World Commission on Environment and Development (1987) aptly defined sustainable development as “*Fulfil the present needs without compromising the ability of future generations to meet their own needs.*” Echoing this, Australian environmentalist Arron Wood stated, “*Sustainability is treating ourselves and our environment as if we are to live on this earth forever.*”

Therefore, for companies, enduring success is possible only when ESG becomes deeply embedded in their DNA, driving them to continuously improve and perform responsibly. Solution is not with one company but combined efforts of all, punishing those who are behind and rewarding those who are ahead, is the mantra.

Against this backdrop, this Study aims to evaluate performance the Top 200 Companies on the basis a detailed evaluation model developed by SES ESG for scoring purpose and on the basis of ESG data reported by these entities in public domain, mainly BRSR and annual reports, as well as to shed light on key challenges and gaps observed in BRSR reporting by these entities.

The sample for this study was selected based on broad criteria prescribed by NSE to ensure representativeness across sectors. SES has included companies spanning 21 industries. For this analysis, SES evaluated approximately 2,850+ parameters per company, resulting in an overall review of more than 5.7 lakh data points.

Although this study follows the earlier editions, its findings are not directly comparable to all the earlier studies, as sample size is different, except for 2023 study, where sample size was same as current study. Further, as disclosure regime has changed and above all disclosures are standardized. Additionally, the evaluation framework has undergone significant refinement, incorporating SEBI's BRSR guidelines, updates in global reporting standards and SES's own evolving expertise and insights.

While the findings are not strictly comparable to those of the previous studies, limited comparisons have been drawn with the most recent 2023 study, which had same sample size. Even then, such comparisons are approached with caution due to inherent variations, increased data points due to evolution in scoring model and data inconsistencies over the years.

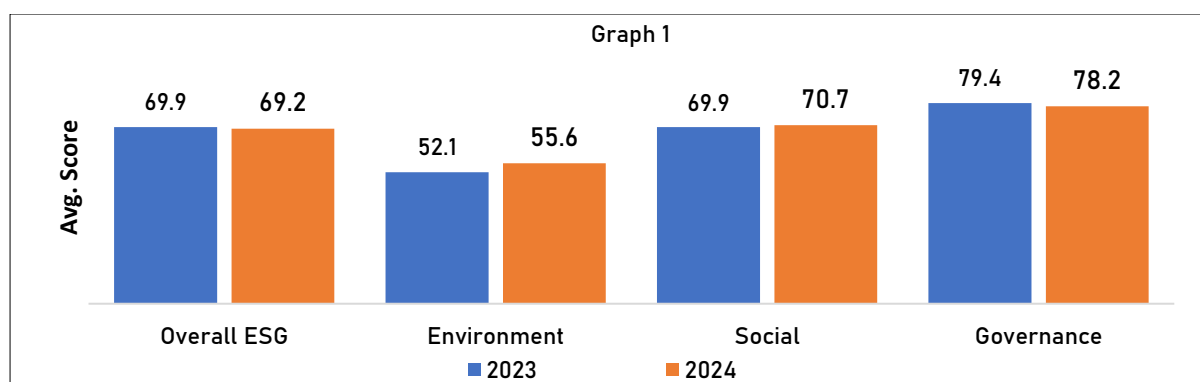
BRSR CORE INDICATORS & ASSURANCE:

- In May, 2021 SEBI amended SEBI LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to requirement of publishing BR Report, and replaced it with Business Responsibility and Sustainability Reporting (BRSR) Report. It had mandated disclosures of BRSR for top **1,000 listed companies (by market capitalization)** from FY 2022-23 onwards. BRSR is an advance version of earlier Business Responsibility Reporting (BRR), which requires disclosures on additional parameters with multiple ESG factors.
- Further, in July, 2023 SEBI introduced the BRSR Core - Framework for assurance and ESG disclosures for value chain ([weblink](#)). SEBI introduced BRSR Core, which is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) / metrics under 9 ESG attributes. *Keeping in view the relevance to the Indian / Emerging market context, few new KPIs have been identified for assurance such as job creation in small towns, open-ness of business, gross wages paid to women etc. Further, for better global comparability intensity ratios based on revenue adjusted for Purchasing Power Parity (PPP) have been included. The format of BRSR Core for reasonable assurance is placed at [weblink](#).*
- The introduction of BRSR Core has contributed to an overall improvement in the disclosure quality of sample entities. Companies are now demonstrating greater diligence in data monitoring and sequencing, and the standardized reporting format has enhanced comparability across entities.
- Furthermore, the incorporation of external assurance by independent agencies is believed to have positively influenced reliability of the data disclosed. While it may be difficult to directly attribute improvements solely to assurance mechanisms, there is a noticeable enhancement in both data quality, consistency and credibility. However, it is important to emphasize that the true objective of these disclosures and assurance requirements extends beyond mere compliance or reporting. The ultimate aim is to drive tangible improvements in environmental, social, and governance (ESG) performance - contributing meaningfully to the sustainability of life on Earth. Achieving this larger goal remains a work in progress and looks far from being optimum.

- The BRSR framework comprises two primary categories of disclosures:
 - Essential Indicators: These are mandatory for all reporting entities across relevant sectors. Nearly all companies comply with this requirement.
 - Leadership Indicators: These are voluntary and aim to highlight proactive, forward-thinking ESG initiatives, which eventually may become mandatory over the years. However, due to their non-mandatory nature, fewer companies disclose data under this section.

Key Highlights from the Study:

The Graph 1 depicts Average score (out of 100) of sample companies overall as also across 3 evaluation parameters: Environment, Social & Governance factors for previous study as well as this study.



Precise Year-on-Year comparison of score is not possible as till 2022-23 SES model had 5% weightage on 'Policy' as, first step towards ESG journey was having all required policy, over the years scores of companies increased on policy parameters. Further BRSR regime has inbuilt policy disclosure related questions, thus from 2023-24 'Policy' as a separate evaluation parameter has been dropped. Therefore, arithmetical comparison is not possible. Yet it gives an overall direction.

Among the three evaluation parameters, on average across sample, companies have largely scored better on Governance factors followed by Social. Environment being the worst. Comparatively better score on G factor is due to the fact that Governance reforms have been a work in progress for last two decades, transformed into laws by various regulatory agencies resulting in better compliance and better score. Whereas disclosures on E & S evaluation factors are in evolving stage and the companies are still exploring the way of better disclosures and reporting of performance. Thanks to the introduction of BRSR, the score on Social has improved marginally; as there is uniform disclosures on social parameters due to regulatory requirements in BRSR format. Further, it is easy to measure and monitor the data on social parameters, as influence of outside factors is low in case of social factors as compare to the environmental parameters, and due to this the score on E is significantly lower than S. Further unlike G & S, where not much difference is there between different sectors, E factor varies vastly from industry to industry, region to region and technology, its improvement depends a lot in technological advances, incremental efficiency and investment into future. One of the major improvements in the E section was the uniformity of disclosures and reporting of data on environmental parameters.

Table 1 shows the Scoring pattern of the sample companies on the basis of overall ESG parameters as well as individual parameters i.e. E, S & G.

TABLE 1: SCORING PATTERN ACROSS DIFFERENT FACTORS								
	MIN.		AVG.		MED.		MAX.	
Parameter	2023	2024	2023	2024	2023	2024	2023	2024
Overall ESG	57	55	70	69	70	69	82	81
Environment	32	34	52	56	51	54	79	83
Social	51	50	70	71	71	72	82	85
Governance	62	58	79	78	80	79	94	93

Note: Few changes have taken place in evaluation model & disclosure level of companies from 2023 to 2024 to reflect increased awareness, focus and regulatory dictate relating to Environment & Social.

ENVIRONMENT:

As seen in Table 1, E factor is the biggest impediment to higher ESG score, as across all parameter i.e. E, S & G, it has lowest minimum (34), lowest average (56), lowest median (54) and lowest maximum (83) score. Maximum spread on E factor (Maximum-Minimum) was 49, which is almost 150% of minimum score of 34. The average sample score on overall ESG is 69, whereas the average sample score on E factor is only 56. Thus, E factor is missing big on disclosures as well as performance and is also one of the major factors in low scores of many entities. On one hand the divergence is reflective of lack of mandatory provisions governing E factor, on the other hand high E scores of few companies reflects a sense of concern to E factor as these entities have made extra disclosures on voluntary basis and mitigated negative environmental impact, in contrast to lack of concern displayed by majority of the companies.

- Wide divergence in scores was also observed in sample companies within the same industry, indicating that although companies are operating within same industry yet there is asymmetry in appreciation and concern for environmentally sustainable practices and disclosure on the same.
- While the divergence in max & min score across the sample is 49; the laggard industries are FMCG with divergence of 46 and Financial Services- Banks with 43.
- Surprisingly on 4 key environmental parameters: Renewable energy (1 Company), Air emissions (3 companies), Water Consumption (2 companies) and Waste Management (1 Company), have got a score of zero. This is due to lack of initiatives or lack of disclosures of initiatives (if any taken by the Company).

General Disclosures:

- Total of 168 out of the 200 Companies i.e. 84% have disclosed environment policy.
- Across the sample entities, 92% i.e. 184 Companies made adequate disclosures on projects to reduce GHG emission, indicating a substantial level of transparency and accountability across industries regarding their GHG projects.
- 110 companies made disclosures regarding afforestation, plantation of trees. Further, in sample companies, 104 companies have disclosed presence of Environment Management Systems & certification for all plants or facilities and 28 companies have disclosed presence of Environment Management Systems & certification for some plants or facilities.
- Further, only 43 companies have disclosed about having Energy Management System for all plants and facilities; and only 22 companies have same for some of the plants and facilities.

Products / Services Disclosures:

- Procedures in place for sustainable sourcing disclosed by 142 companies. And out of these 142 companies only 110 entities have provided relative data on sustainable sourcing i.e. % of inputs sustainably sourced.
- Extended Producer Responsibility (EPR) is applicable to 93 companies and only 83 companies have submitted waste collection plan to Pollution Control Board (PCB).
- 64 companies have disclosed about having performed Life Cycle Assessments ('LCA'). While in 2023, around 54 entities had made the relevant disclosures on LCA.
- 105 companies provided information on process in place to safely reclaim products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
- Only 84 companies have actually allocated resources to R&D and 115 companies towards CAPEX i.e. less than 80% of the companies in sample (excluding Financial Services).

Energy Consumption:

- Higher disclosure rate i.e. 199 for FY 2023-24 as compared to 197 companies for FY 2022-23.
- Turnover based Energy intensity disclosures made by 190 companies and turnover based energy intensity adjusted for Purchasing Power Parity (PPP) made by 169 companies.
- Total 129 companies disclosed intensity based on output or other relevant metrics for FY 2023-24 compared to 120 companies for FY 2022-23.
- Sample companies reported 7.56% increase in average energy consumption among the 193 companies that disclosed data for both the years. About 25% (49 Companies) managed to reduce absolute energy consumption from last year. Turnover based Intensity data has reported an increase of 0.34% in the average energy consumption intensity across the sample.
- Sample companies on an average **burned 1,167 GJ to earn a revenue of ₹ 1 Crore**, whereas in power sectors same was at 17,571.36 GJ i.e. more than 15 times the overall intensity. Similarly, Insurance industry consumed only 0.63 GJ energy per crore rupees of revenue generated.
- **A Healthcare Sector Company reported 13 times increase in total energy consumption from last year and a Realty Sector Company reported 9 times increase in total energy consumption from last year.**
- One entity from Automobile & Auto Components and one from Other Financial Services have not disclosed the unit of measurements of the data.
- Capital investment on Energy Conservation Equipment's saw an average increase of 32.94% from last year.

Renewable Energy:

- Renewable energy (RE) disclosures are more or less similar compared to overall energy consumption; as RE disclosures are part of essential indicators which earlier used to be part of leadership indicators in the BRSR.
- 194 companies disclosed data on renewable energy consumption for both the years, out of these, 137 companies have managed to increase their absolute RE consumption, whereas only 116 were able to increase relative RE as a portion of total energy consumption.

- And from these, 21 entities were those where RE consumption was Nil for both the FYs, one entity had reported Nil RE for FY 2023-24; and 1 entity has reported same RE for both the FYs.

Air Emission:

- Total 193 companies have made disclosures on absolute GHG emissions (Scope 1 & 2) for FY 2023-24, nearly 190 companies have made disclosures on GHG emissions intensity linked to turnover and only 168 companies have made disclosure on GHG emissions intensity linked to turnover adjusted for PPP. Further, only 129 companies have made disclosures on GHG emissions intensity linked to Physical Output or Other Relevant Metrics.
- Although, there has been significant changes in BRSR disclosures with majority of parameters now being part of essential indicators, disclosures related to Scope 3 emissions are still part of leadership indicators. As a result, disclosures on Scope 3 emission are much less than that on others, as out of sample entities only 104 companies disclosed data on Scope 3 emission in FY 2023-24.
- There was an increase of 6.55% in the average GHG emission (Scope 1 & 2) across the sample from last year, whereas average emission intensity based on turnover has decreased by 7.30%; however, if inflation to be neglected, the effective decrease in the GHG emission intensity based on turnover would be less than 2%.
- An interesting observation is that the average GHG emission of **20 Banks** included in Financial Services – Banks was **1,69,632** TCO₂e (Only considered those banks which disclosed data), whereas the average emission of **14 Entities** solely operating in Automobiles industry (excluding 2 entities operating in Tyre & Tubes Manufacturing) was **1,68,700** TCO₂e only.

Water Consumption / Effluents Management:

- In this section, analysis is done for only 182 companies; as 18 entities from the financial services-others industry which are NBFCs have been excluded for analysis on water and only for waste water management analysis is done for 143 entities and excludes 57 entities, out of which 48 belonging to Financial Services- Banks, Insurance and Others, **1 entity from Power**, 2 entities from Oil Gas & Consumable Fuels, 3 entities from Consumer Services, 1 entity from Consumer Durables, 1 entity from Information Technology and 1 entity from Others carrying on the business of Telecom, as these entities have stated that water discharge is negligible and a few have stated it is not applicable as the companies do not have any manufacturing units. Considering their business nature, water discharge is not a material aspect for them, thus, they have not been considered in further analysis on water discharge and other water related data.
- Across the 182 entities, average absolute water consumption per entity has increased by 1.61% from last year, whereas the average water consumption intensity based on turnover has decreased by 5.51%, however, if inflation to be accounted, there is no such improvement.
- Only 139 entities disclosed information on waste water / effluents management for FY 2023-24. Out of these 138 entities have disclosed water discharge along with level of treatment in a bifurcated manner and one entity has disclosed data on total water discharged, however, not specified whether such discharge has been made with or without treatment.
- Further, 66 are equipped with mechanism on Zero Liquid Discharge (ZLD), 25 entities are either Water Positive or Water Neutral; and only 18 entities are both water positive / neutral as well as have Zero Liquid Discharge mechanism in place.

- Further, twelve out of sixteen entities operating in Automobile and Auto Components Industry are equipped with Zero Liquid Discharge and five are water positive and 4 are both water positive / neutral as well as have system in place for Zero Liquid Discharge.
- 122 companies have disclosed information regarding operations in water stressed areas, 83 of these 122 have operations in water stressed areas and 39 do not have any operations or facilities in water stressed areas.
- In sample companies, 52% of their total water consumption is in the water stressed areas, where entities operating in Realty extracting almost 70% of their water requirement from water stressed areas; and Chemical entities consuming only 8% of water from these areas.
- Further, an entity from FMCG has reported increase in water consumption by 16 folds from last year, this appears very unlikely. The Company has not provided any justification.
- Furthermore, an entity from Financial Services - Bank has reported 94 times increase in water consumption from last year, whereas the entity's revenue has merely increased by 1.23 times. The reason for such high increase is probably that for FY 2022-23, the entity had considered only its consumption from its Central Office. However, for now coverage has increased as the banks in general are reporting data basis per employee consumption as per SEBI guidelines.

Waste Management:

- Total 192 companies have made disclosures on absolute waste generation for FY 2023-24, nearly 182 companies have made disclosures waste generation intensity linked to turnover and 164 companies have made disclosure on waste generation intensity linked to turnover adjusted for PPP. Only 118 companies have made disclosures on waste generation intensity linked to Output or Other Relevant Metrics.
- 183 companies were analysed on change in waste generated from FY 2022-23 to FY 2023-24 and out of these only 58 reduced their total waste generation.
- There is an increase of 14.86% in average waste generation from last year, with Financial Services - Banks industry being worst performer with increase of more than 3 times from previous financial year. This could be a result of better recording and disclosure.
- On overall absolute basis, Oil Gas & Consumable fuels have contributed highest waste (i.e. more than 90%) among the sample entities during the last 2 FY's
- In Realty Industry & Construction Material Industry, one entity from each industry reported an increase in total waste generated by 210 times & more than 46 times respectively.
- **An industry wide issue was observed in the waste generation, where the total waste recovered or disposed by the entity is more than the total waste generated. None of the entities have provided adequate justification in this regard.**

Environmental Incidents / Controversies:

- Environmental Incidents / Controversies is a parameter where ideally there should be no scope for failure, yet only 156 companies out of 200 in the sample have scored perfect 100 in this section. Rest had either any incident(s) or controversy(ies).
- Total 22 companies have reported environment related non-compliance or incidents or controversies. These are: 3 companies in construction materials industry, 6 in Metals & Mining, 6 in Oil Gas & Consumable Fuels, 2 in Power and 1 each in FMCG, Healthcare, Chemicals, Realty and Other industries.

- Majority of these 22 entities were penalised by the Central Pollution Control Board (CPCB) for one or other non-compliance related to environment norms.
- Highest fine of total ~₹ 9.15 Crores was imposed on an entity operating in Metals & Mining Industry. An entity from healthcare was fined a penalty of ₹ 5 million for stagnation of greyish colour water, mixing of rainwater, run-off water from plant areas.
- No cases of product recall and ban due to environmental factors have been observed so far by the companies in the sample.
- An entity from Oil Gas & Consumable Fuels industry is penalised ₹ 50,00,000 for non-compliance under Environment (Protection) Act 1986 and Hazardous and Other Waste (Management and Transboundary Movement) Rules 2016 for Violation of provisions related to hazardous waste management.

Indirect Environment Impact (in case of Banks & Insurance companies):

- Direct Impact on environment by the entities operating in Financial Services Industry is not significant as compared to other industries. However, there is a large Indirect Impact on environment by these entities. Therefore, indirect impact on environment by Banks and Insurance companies has been analysed separately.
- Banks are scored based on their climate risk assessment in financing and responsible lending / financing and insurance companies on their investment exposures.
- While 14 out of 22 banks score more than 50 on climate risk assessment, only 9 were able to cross 50 on responsible lending. The Bank which has scored highest in this section has stated that, *“The Bank kickstarted the green bond market in India, by issuing India’s maiden green bond in February 2015 and went on to raise ₹ 1,645 crore (USD 260 million), through a total of three green bonds for channelizing finance towards India’s renewable energy sector. The renewable energy projects financed through the green bonds’ proceeds would annually avoid 1,117 ktCO₂e in total, with attributable avoidance of 309 ktCO₂e.”*
- Only 2 out of 7 insurance companies have scored more than 50 on indirect impact.
- None of the Insurance Company has disclosed information on the Probable Maximum Loss (PML) of insured products. As a result, the maximum and average score is very low.

SOCIAL:

Generally, focus of corporates on Environment related risks and opportunities is more than social factors. While Environment sustainability is essential, social sustainability is equally important. It helps us understand an organization’s ability to meet the needs of all relevant stakeholders, i.e. workforce (employees & workers), customers, community, suppliers, etc. and gauge companies’ performance in ensuring Diversity, Equity & Inclusion, Employee well-being, protection of human rights, etc.

Within the sample companies, the performance when compared to last FY has improved in terms of disclosure (which analyses whether disclosure has been made or not) as well as performance (which analyses the nature of disclosure) in majority companies. While the highest social score in the sample was 85 (an entity from Financial Services - Others), the lowest score was at 50 (a Company from Healthcare Industry). The low score is majorly attributed to inadequate disclosure or non-disclosure of material parameters. Further, in several companies, low score is also due to low performance in sub factors like Product quality and Cyber security.

- The average score of social factors was 71 and the median score was 72. The best performance on average basis was by Financial Services- Insurance industry, whereas the lowest average score was in healthcare industry, majorly due to concerns raised on Product Quality (negative scoring for product recalls) in few pharmaceutical companies.
- The enhanced focus, while evaluating, on performance indicators like low women workforce, high turnover rate, fatalities, no human rights training, product recalls, data breaches, etc., has resulted in low score in several companies.

Workforce:

- During FY 2023-24, IT industry had the highest count of workforce representing 21.7% of the total workforce. The second highest workforce as well as concentration (average across industry) is among financial service (Bank) and its average workforce strength is less than 50% of IT industry.
- Although majority of workforce (68.7%) was permanent, yet significant proportion (31.3%) was constituted by non-permanent workforce. Power industry reported the highest percentage i.e. 76.9% of non-permanent workforce in total workforce.
- Although not required as per BRSR, 16 companies have voluntarily disclosed gender disclosure into Male, Female and Others category, where employees/ workers belonging to 'Other' gender merely constitutes 0.012% of the total workforce of the sample.
- Women workforce constitutes 19.5% of the total workforce in the sample, where IT industry has the highest number of female workforces followed by Financial Service- Banks. These 2 industries constitute ~63% of total female workforce in the observed sample. Whereas the lowest women workforce was observed in Construction materials industry. Further, the median % of female workforce is 11.80%, indicating that in majority of companies, the female workforce % is less than 15% of total workforce.
- When compared to last FY, women workforce has increased by a total of 7.6% (female employees increased by 5.3% and female workers increased by 25.4%).
- IT, Financial Services, Consumer Services and Healthcare had the highest average of female workforce per Company. These 4 sectors have at least two common factors- a clean safe working environment away from industrial clutter, secondly involves continuous human interaction. Does this indicate a correlation between women workforce and human interactions/ human relations? Are women better at soft skills like human relations/ interaction?
- Only 176 companies reported for having differently abled workforce and they constitute 0.53% of the total workforce, where Financial Services-Banks have the highest number as well as % differently abled workforce (total 22,046 employed in the industry).
- The average turnover rate for permanent Employees during the year was 15.0% (decreased from 16.7% last FY) and for permanent workers its was 7.9% (decreased from 8.3% last FY).

Human Rights:

- For human rights training, 12 companies did not disclose adequate training data. Further, a total of 52 companies reported human rights training coverage of 100% workforce and whereas in 31 companies the training coverage was less than 20%.
- A total of 136 companies have paid more than minimum wage to 100% of their employees during the year, where out of 11 companies from IT Sector, 10 companies had paid more than minimum

wage to more than 99% of their employees. Whereas among workers, 64 companies reported that 100% of their workers are being paid more than the minimum wage (only 122 companies had disclosed data on minimum wage for workers).

- Adequate disclosure on gender-wise median remuneration was not disclosed for employees by 8 companies and by 22 companies for workers. Among employees, median remuneration for male employees was more than female employees in 144 companies and material gap (>20%) was observed in 80 companies. Whereas among workers, in 48 companies, there was a material gap in median remuneration of male-female workers.
- The total number of sexual harassment complaints increased from 1,436 in FY 2022-23 to 1,940 in FY 2023-24 i.e. a 35% increase from last year. Out of 1,940 complaints in FY 2023-24, 1,044 complaints i.e. 53.8% complaints were upheld upon investigation.
- Total 2,105 complaints were recorded on issues like Workplace discrimination, wages, other human rights related issues. The number decreased from 6,026 complaints in FY 2022-23.
- All 200 companies in the sample have an internal mechanism to redress grievances related to human rights issues.

Health & Safety:

- 199 companies out of total sample have Occupational health & safety management system.
- With regards to well-being benefits, several companies have not disclosed whether such benefits were provided to non-permanent workforce or not. Total coverage (calculated as per total workforce as disclosed in Section A of BRSR) for well-being benefits across sample during FY 2023-24: Health Insurance - 86%, Accident Insurance - 84%, Maternity Benefits - 92%, Paternity Benefits - 50% and Day Care Facility- 29%.
- Across the sample, a differential treatment in providing well-being benefits to Permanent and Non-Permanent Workforce as well as Employees and Workers was observed. Hence, there appears a clear bias in providing benefits to those who can afford it or are relatively better off, whereas those who are vulnerable and cannot afford are denied and are left uncovered.
- During FY 2023-24, only ~59% of total workforce was given training on Health & Safety, while 60% employees were covered, only 56% workers were given the said training. The lowest training coverage was seen in Oil Gas & Consumable Fuels industry, at only ~18%, which given the nature of business and level of risk involved is alarming.
- During the year, safety related incidents recorded: 6,287 Recordable Work-Related Injuries (last FY: 5,790), 195 fatalities (last FY: 204), 277 High consequence work-related injury or ill-health (last FY: 418 injuries). No case of fatality was reported by 146 companies during FY 2023-24.
- 3,426 complaints were recorded on Health & Safety (last FY: 2566 complaints) and 5,795 complaints (last FY: 5,307 complaints) were recorded on Working conditions during the year. Interestingly, Oil & Gas industry had recorded the highest number fatalities and work-related injury, however, has reported no complaints on working condition and Health & safety during the year.

Customer Orientation & Welfare:

- Total 132 complaints received on Advertising and 35,57,579 complaints received on Delivery of Essential Services. In the Power industry, complaints on delivery of essential services constituted

~91% of the total consumer complaints received during the year (1 Oil & Gas company recorded 9,21,805 complaints).

- Complaints on Unfair trade practices was highest among Financial Services- Banks & Insurance industries (constituted 97% of total complaints on unfair trade practices).
- 198 out of 200 companies have disclosed that they have a mechanism in place to receive & redress customer complaints & feedback.

Product/ Service Quality:

- For Product/ Service Quality, companies from Financial Services- Banks, Insurance and Others were excluded, considering their nature of business.
- Out of 152 companies who were scored for Product/ Service quality, only 127 companies have obtained certification on Quality Management System (*E.g. ISO 9001*).
- During FY 2023-24, 14 out of 133 companies had recorded 8,161 instances of voluntary recall on account of safety issues and whereas 7 companies had recorded 18,345 instances of forced recalls. Out of these 14 companies, 1 Consumer Durables Company had recorded 8,015 voluntary recalls and 18,324 Forced recalls.

Community Engagement & CSR:

- Out of 200 companies, 190 companies have affirmed that they have a Community Grievance Redressal Mechanism.
- 192 companies have disclosed number of days of accounts payables for FY 2023-24, out of which 182 companies had recorded number of days of accounts payables of less than 180 days during FY 2023-24.
- The average input material sources directly from MSME/ Small producers was 32.9% (out of total sourcing).
- With regard to Job creation in smaller towns, 13 companies did not disclose adequate disclosure. The average percentage of job creation in rural and semi-urban areas were 12.75% and 10.17%, respectively (out of total jobs created during the year).
- **Political donations:** While 179 companies have made no political donations in last 3 FYs, 15 companies made Political Donation in each of last 3 financial years.
- The actual CSR Spent during the year of the sample companies has increased by 15.4% when compared to last FY, whereas the CSR expenditure i.e. including the amount transferred to Unspent Account/ Prescribed Funds, has increased by 17.2%. Further, 3 companies from Oil & Gas industry, Capital Goods and Power industry, failed to meet the statutory CSR obligation during the year, hence, were non-compliant with the provisions of Companies Act, 2013.

Cyber Security & Data Privacy:

- Out of 200 companies, only 147 companies disclosed their Policy on cyber security for public access and no disclosure regarding such policy was made by 3 companies.
- During the year, 127 companies had disclosed that they have obtained IT/Cyber Security related certifications (*E.g. ISO 27001*).
- During last 2 FYs, 153 out of 199 companies has reported no case of data breach. Further, during FY 2023-24, 9 companies had recorded cases of data breach/ cyber security breach.

- With regard to complaints, 8 companies had received 121 complaints on data privacy and 6 companies had recorded 8,28,489 complaints in cyber security during the year (8,24,254 complaints were recorded by one single Banking Company).

Financial Inclusion (in case of Banks & Insurance companies):

- All 29 companies engaged in Banking and Insurance have discussed Financial Inclusion in its Annual Report for FY 2023-24.
- With regard to financial schemes, only 10 out of 22 Banks have disclosed information on all financial schemes, of which 8 had discussed with the same with quantifiable data.

GOVERNANCE:

Average score on Governance factors, across the sample companies was 79, with a high of 94 and low of 62. Median score was 80. High governance scoring companies are the ones which apart from mandatory requirement have also aspired to meet non-mandatory good governance practices having taken a leap beyond tick box approach and mere legal compliance, venturing into policies that protect and defend interest of stakeholders.

Board Size & Composition -

- The average board size in the sample companies is **~9.28** directors (as at 31st December, 2024), which is lower compared to last year's study (as of 30th September, 2023), when it was **~10.2**. In both years, the average board size exceeds the minimum legal requirement of 6 directors.
- A concerning finding in the recent study is that **5 companies** (all Public Sector Undertakings (PSUs)) did not meet the legal minimum board size of **6 directors**. This is a significant increase compared to last year, when **only one** PSU (from the Financial Services sector) in the sample failed to meet this requirement.
- It was further noted that **39 companies** (Includes 37 PSUs) **did not comply with SEBI LODR requirements** regarding the **number of Independent Directors (IDs)**. Other 2 non-PSU Companies were 1-1 each from the Metals & Mining and Oil Gas & Consumable Fuels sectors. In last year's study, only **20 companies** were found non-compliant with board composition requirements. This increase is primarily due to the expiration of terms for many Independent Directors in PSUs during 2024, particularly in November and December.
- The average number of IDs were **~4.44**. Total **109 companies** out of 200 have more than the average of 4.44 IDs, indicating a strong focus on independence in these companies. Last year, the average number of IDs were **~5.4**, which is quite high compared to this year.

Chairperson -

- In the sample, **81 companies** had Executive Directors (EDs) serving as Chairpersons, an increase from 72 companies in the previous study. Additionally, only **37 companies** had an Independent Chairperson, **down from** 44 companies in last study.

Women Directors -

- This year's study showed significantly different results compared to previous study. The number of companies with no women directors increased from 2 to 18, and those with no independent women directors rose from 7 to 30, which are non-compliant with legal requirements of at least one-woman ID on the Board.

- Also, this year's study shows 64 companies (32%) exceeded the legal minimum requirement by appointing two or more women IDs, compared to 72 companies (36%) last year.

Board Age -

- Among the sample companies, there were 24 Executive Directors (EDs) over 70 years old, 19 of whom were promoters. In comparison, 21 EDs over 70 years old were reported last year, including 16 promoter directors.
- It was found that 40 IDs in the sample companies were above the age of 75 years.

Attendance at Board Meetings & AGMs -

- There has been a slight decline in overall board attendance this year. While 140 companies recorded over 90% board attendance down from 170 last year and only 17 companies achieved perfect 100% attendance, compared to 32 in the previous year.
- However, there was a noted increase in the number of companies conducting **10 or more board meetings** in FY 2023–24, with **48 companies** (including 20 PSUs and 12 PSBs), compared to **40 companies** in FY 2022–23 (including 16 PSUs and 10 PSBs).
- During FY 2023-24, 113 companies had full board attendance at AGMs, which is considered good governance. However, this is lower compared to FY 2022-23, when 129 companies in the sample had full board attendance at AGMs.

Time Commitments & Directorships -

- Out of total 1,548 directors, **28 directors (~2%)** hold more than 5 listed directorships. However, this reflects a slightly declining trend, down from 30 directors reported in last year's study. All directors comply with SEBI's directorship limit (maximum 7 listed directorships).

Board Committees -

- **Audit Committee (AC):** It is notable that 32 companies have less than the required 67% ID representation in their ACs, compared to only 3 companies in last year's study.
- All non-compliant companies are either PSUs or PSBs. 24 PSUs and 8 PSBs were non-compliant due to a lack of sufficient IDs.
- 8 companies lack an Independent Chairman for AC. 14 companies have not disclosed or not designated / reported chairmanship records of AC.
- **Nomination & Remuneration Committee (NRC):** While all NRCs were compliant last year, this year's study found that 28 companies fall short of the required 67% ID representation.
- All non-compliant companies are either PSUs or PSBs. 25 PSUs and 3 PSBs were non-compliant due to a lack of sufficient IDs.
- 8 companies lack an Independent Chairman NRC. 12 companies have not disclosed or not designated / reported chairmanship records of NRC.
- **Stakeholders Relationship Committee (SRC):** 13 companies do not have ID representation.
- **Risk Management Committee (RMC):** 12 companies lack ID representation.
- It may be noted that in last year's study, all companies had at least one Independent Director in the SRC and RMC.

Board Tenure & Stability -

- **Executive Directors (EDs):** Average Association is 18+ years, previous study ~19 years.
- **Independent Directors (IDs):** Median association is just ~3 years, previous study ~4 years. Also, only ~45 (5%) IDs are associated with the companies or group for more than 10 years. However, as per last year study, 174 (~16%) were associated with the companies or group for more than 10 years.

Board Remuneration Distribution -

- **EDs** accounted for ~90% of the total board remuneration, while Non-Executive Directors (including NEDs and IDs) shared the remaining 10%. This remuneration pattern remained largely consistent with the previous year.
- **Among Promoter EDs** 47% received more than ₹10 Crores. In last year study, 41% of ED Promoter received more than ₹ 10 crore as remuneration.
- Further, only ~2% of NEDs (Non-Independent) earned >₹ 2.5 crores as a remuneration, whereas in last year study 3% of NEDs (Non-Independent) received more than ₹ 2.5 crores as a remuneration.
- It was also observed that only ~4% of Independent Directors (39 IDs) earned more than ₹ 1.5 crore among sample companies in this year's study, and almost similar to that in last year's study, only ~3% (35 IDs) received more than ₹ 1.5 crore.

Gender Bias in Remuneration -

- Women directors held ~19% of board positions but received only ~5.65% of total board remuneration.
- In sample companies, the healthcare industry had the highest-paid Women directors and they are Promoters or related to promoters.
- No major difference was found in women directors remuneration analysis across both years.

Statutory Auditors' Tenure & Compliance -

- 3 companies did not comply with provisions of Companies Act, 2013 (Section 139) which mandates a 5-year tenure for statutory auditors.
- 2 resignations of Statutory Auditors during FY 2023-24 and 1 resignation post FY 2023-24.

Statutory Auditor Fees & Governance Concerns -

- Total Audit fees increased by 12.28% from ₹ 397.29 Cr (FY-23) to ₹ 446.08 Cr (FY-24). Total remuneration for auditors grew ~14% YoY (including Non-audit Fee).
- High non-audit fees (50%+ of total audit fees) in 7 companies, which risk auditors' independence.

Audit Qualifications -

- 15 companies had audit qualifications at least once in the past 3 years and among these 7 companies have qualifications in FY 2023-24. Further, among these companies, 6 companies had repetitive audit qualifications.
- 40 companies had observations in Secretarial Audit Reports, all of which provided responses in their Annual Reports.

Contingent Liabilities -

- 4 and 5 companies had contingent liabilities of more than 100% of net worth during FY 2023 and FY 2024 respectively. 145 and 141 companies reported contingent liabilities less than 20% of net worth during FY 2023 and FY 2024 respectively.

Related Party Transactions (RPT) Disclosures -

- All companies disclosed RPT policies on their websites.
- **9 companies** had >50% of their purchases involving related parties over the past two years. Similarly, **9 companies** recorded >**50%** of their sales with related parties during the same period.

Shareholding Pattern Data -

- ~**99%** of shareholders in number belongs to the public others category but hold only **10.37%** of total market capitalization, indicating high participation but low ownership. This marks a slight increase from **10.29%** last year, showing marginal growth in public others shareholding.
- Also, institutional shareholding decreased from **32.90%** in Dec'2023 to **32.51%** in Dec'2024 and promoter shareholding slightly increased from **56.17%** in Dec'2023 to **56.54%** in Dec'2024.

Investor Complaints -

- Complaints decreased by 33% (from 68,993 in FY 2023 to 46,085 in FY 2024). However, pending complaints increased from 307 (0.44%) to 571 (1.24%), indicating a rise in unresolved cases.

Shareholders' Voting Trends

- Public institutional shareholders voted >10% against 834 resolutions out of total 3,818 resolutions, while public others voted >10% against only 104 resolutions.
- In sample companies, 12 resolutions were defeated due to shareholder opposition from 1st April, 2023 to 31st December, 2024. Whereas in last year study (1st April, 2022 to 31st December, 2023), 16 resolutions were defeated and institutional shareholders voted more than 10% against on ~960 resolutions out of 4,084 resolutions, there is a slight decline in both against vote and defeated resolutions in this year study.

Regulatory Actions

- 133 companies reported no regulatory penalties in the last three years. **67 companies** faced penalties during last three years.

Insider Trading Compliance

- All companies disclosed their Insider Trading Policy on their website.
- Only 1 company reported insider trading violations in FY 2023-24, while 5 companies had violations over the past three years.

Ethics, Bribery, and Corruption Compliance

- 16 companies and 13 companies reported disciplinary actions for bribery/corruption against Board of Directors (BOD), Key Managerial Personnel (KMPs), employees, or workers for FY 2023 and FY 2024 respectively.

THEMATIC NOTES

A. Beyond Carbon: India's Bold Leap with Green Credit Market

In 2023, as an emerging economy, India exhibited remarkable leadership in undertaking initiatives for the cause of environment. On the international front, India presided over the G20 Summit and hosted the G20 Environment, Climate and Sustainability Working Group (“ECSWG”). The summit themed “**One Earth, One Family, One Future**” concluded with India putting forth a unique concept of “**Mission LiFE: Lifestyle for Environment**” to promote a sustainable and environment friendly way of living. ([Weblink](#))

At the 28th Conference of Parties (COP-28) to the United Nations Framework Convention on Climate Change (“UN-FCCC”), Prime Minister Mr. Narendra Modi launched the **Green Credit Initiative**. Highlighting the limitations in the current Carbon Credit system which is largely influenced by commercial interests, the Green Credit Initiative is aimed at incentivising voluntary and proactive environmental activities. ([Weblink](#)) Prime Minister Modi referred the environment concern as the Earth’s Health Card, and insisted that we will have to think in our policies and decisions as how we can add positive points i.e. Green Credit to the Earth’s Health Card.

Green Credit – A concept to replace Carbon Credit:

Introduction: Green Credit is a market-based, voluntary mechanism designed to incentivize individuals, communities and businesses to undertake environmentally beneficial actions. This is also referred as a rewards system for sustainability, where participants earn “Green Credits” by doing eco-friendly activities like planting trees, conserving water, managing waste or using renewable energy. Green Credits are issued two years post activity implementation, following validation by The Indian Council of Forestry Research and Education (ICFRE).

Green Credits can then be used for afforestation compliance, ESG reporting, CSR, or traded in the market, or redeemed depending on the rules of the program.

Green Credit Programme (GCP): GCP seek to encourage environmentally friendly practices rooted in tradition and conservation; reflecting the ideas of LiFE concept. The GCP is a voluntary, market-based initiative **launched** by the Ministry of Environment, Forest and Climate Change (MoEFCC), aims to incentivize environmentally beneficial activities by awarding Green Credits.

Rules on GCP by MoEFCC: The Government of India notified the **Green Credit Rules, 2023** on October 12, 2023 ([weblink](#)), under the Environment (Protection) Act, 1986. These rules establish a market-based mechanism to incentivize voluntary environmental actions by awarding tradable “Green Credits” to individuals, communities, and organizations.

Eligible Activities: The Programme rewards the following eco-friendly actions, Tree plantation, Water conservation and harvesting, Sustainable agriculture practices, Waste management, Air pollution reduction, Mangrove conservation and restoration, Eco-mark certification for green products, Sustainable building and infrastructure development.

Administrative Framework: The ICFRE serves as the Administrator to the Programme, and is responsible for its implementation and to develop detailed guidelines and processes, including methods for valuing green credits and verifying activities.

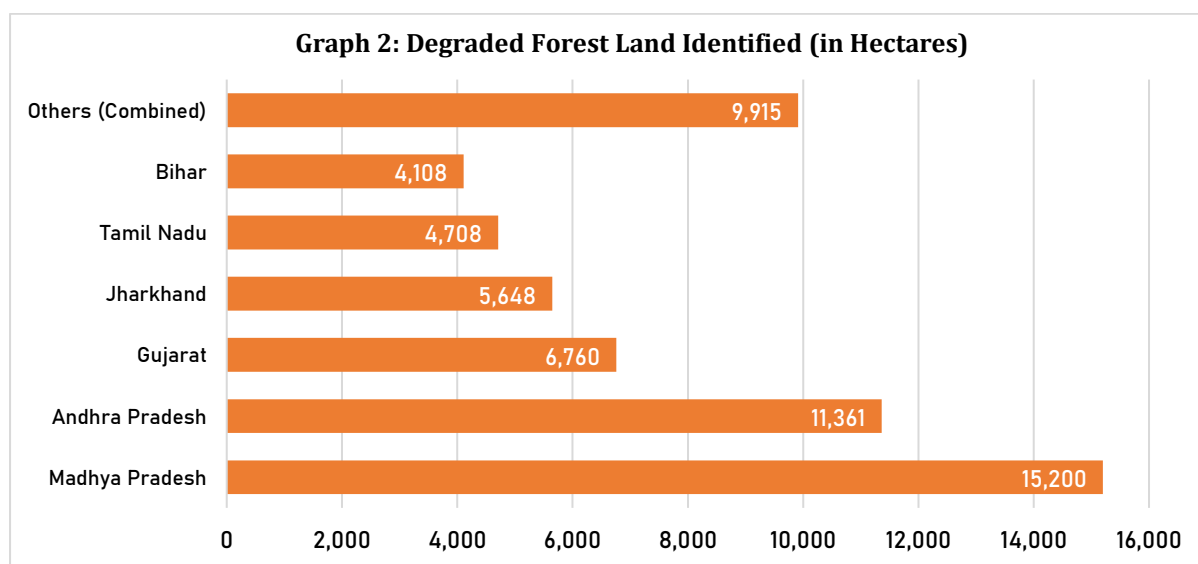
Green Credit Registry (GCR) - an electronic database - will be established to manage registration, issuance and tracking of green credits.

Integration with Carbon Credits: GCP activities that lead to measurable carbon emission reductions are also eligible under the Carbon Credit Trading Scheme, 2023. This dual eligibility enhances the attractiveness of participating in the GCP.

Foundations of Green Credit Systems: Green credit systems are based on environmental economics and aim to internalize the external costs of environmental damage by rewarding positive ecological actions. Rooted in the ‘polluter pays’ principle, they use market-based tools to align private incentives with public environmental goals. These systems draw from the theory of ecosystem services, which values benefits like air and water purification, carbon sequestration, and biodiversity. Green credits function as a form of payment for ecosystem services (PES), offering financial incentives for sustainable practices.

Methodology for calculation of Green Credit: Further, on 22nd February, 2024 under the Green Credit Rules, 2023, the Central Government, on the recommendation of the Administrator, has notified the Methodology for calculation of Green Credit in respect of tree plantation as per the sub-rule (1) of rule 5 of the Green Credit Rules, 2023. ([weblink](#))

Degraded Forest Land Allocation under Green Credit: As of early 2025, 17 Indian states have collectively allocated over 57,700 hectares of degraded forest land for afforestation under the Green Credit Programme (GCP). The leading contributors under this are in Graph 2 below:



Source: Government data cited by [The Print \(Feb 2025\)](#)

Regulatory Requirements - SEBI Circulars:

It is to be noted that post the commencement of GCP by the Government of India, SEBI, introduced voluntary disclosures on Green Credits via a circular dated 28th March, 2025 ([weblink](#)).

The said circular states that, “In Principle 6 of BRSR, an additional leadership indicator shall be included seeking disclosures on green credits in the following format - 8. How many Green Credits have been generated or procured: a. By the listed entity; b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners.”

Challenges and Concerns: The GCP, while innovative, faces several theoretical and practical challenges that must be addressed to ensure its effectiveness and integrity. One major concern is the potential for greenwashing, where corporations may engage in superficial or misleading environmental actions to earn green credits without achieving genuine impact. Additionally, if not implemented with sensitivity and oversight, the programme could inadvertently harm forest-dwelling communities,

especially if land-use changes are pursued without adequate safeguards or consent. Another critical issue is the need for clear, robust guidelines to prevent double counting, particularly with carbon credits, so that environmental benefits are accurately accounted for and not exaggerated.

India's Green Credit Programme (GCP) vs Global Frameworks:

While India's Green Credit Programme (GCP) is relatively unique in its scope and integration across multiple environmental actions, at the Global forefront, other nations too have developed comparable systems to promote sustainability. Across the globe, several countries and regions have implemented or are exploring green credit or similar mechanisms that link environmental action with economic incentives, to Promote green finance, encourage sustainable land use, support renewable energy, facilitate climate action through market mechanisms, etc.

Some of the comprehensive initiatives and sustainability frameworks are:

1. China - Green Credit Policy: Formulated in 2007, the policy initiative guides banks to support environmentally friendly projects and restricts lending to polluting industries. Policy, encourages banks to offer favorable credit terms for low-carbon, energy-efficient, and eco-friendly projects; and aimed at reducing funding for high-pollution sectors.

2. European Union - EU Taxonomy & Sustainable Finance: Focuses on directs capital flows to sustainable activities through an EU-wide classification system. Green Bonds and green mortgages are promoted to support climate-positive actions. The EU Emissions Trading System (ETS) also uses a market mechanism akin to credit trading for emissions reduction.

3. Brazil - Forest Credit Programs: Offers 'forest credits' or 'environmental reserve quotas' for reforestation and conservation. Developed under Brazil's Forest Code. Where, the landowners exceeding legal forest preservation requirements can trade excess credits with others.

4. United States - Conservation Banking & Carbon Credits: Uses market-driven conservation credits for habitat protection and also issue renewable energy credits (RECs) for solar, wind, and other green sources. Under the same, developers can purchase conservation credits to offset environmental impacts i.e. credits to offset habitat loss, water usage, or emissions.

5. Costa Rica – Payment for Environmental Services (PES): Landowners are financially compensated for ecosystem services like forest conservation. Funding comes from fuel taxes and water fees. This model is considered a global best practice in incentivizing voluntary green behaviour through structured credits / payments.

Concluding Note:

In line with global momentum around ESG and sustainability, recent development by Regulators in India, including BRSR and GCP has led a strong foundation for greater future of India Inc. on ESG fronts, particularly in environmental conservation.

GCP lays the foundation for a structured, market-based approach to support India's decarbonisation targets and promote sustainable development across various sectors. By incentivizing voluntary environmental actions, it encourages a shift toward greener practices and responsible living.

However, as the programme is still in its nascent stages, it is crucial to establish strong checks and balances to prevent potential misuse by influential individuals or corporations. Developing robust and transparent methodologies for credit allocation, along with consistent monitoring and oversight, will be essential to ensure that the programme effectively meets its twin objectives: environmental conservation and economic growth.

B. ESG Investments: *Righteousness versus Returns:*

In recent years, debate is why sacrifice returns for ESG? The answer lies in never ending debate ‘*Righteousness versus Returns*’. Environmental, Social, and Governance (ESG) investing has emerged as a powerful force in the financial world, attempting to align and integrate moral responsibility with wealth creation. This approach to investing considers not just financial returns, but also how companies perform as stewards of nature, how they manage relationships with employees, suppliers, customers, and the communities in which they operate, and how well they are governed.

While ESG investing resonates deeply with values of sustainability and social justice, it raises an important question: Does prioritizing ESG mean sacrificing returns?

While sceptics argue ESG may underperform due to limited exposure to high-return sectors, research indicates otherwise. Studies show many ESG funds match or outperform traditional portfolios, with ESG-aligned companies often displaying stronger risk management, lower volatility and greater resilience during downturns. However, ESG investing isn’t risk-free, issues like greenwashing and inconsistent standards remain challenges.

Short term vs long term returns debate has added a new dimension - sustainable returns over long period. And the moment one adds sustainable in its evaluation parameter, appropriate risk premium or discount as one may call must be included in case ESG factors are ignored. Can one sustain without ESG in long run? Looking at damaging consequences of environmental degradation due to neglect over the years, it is not rocket science to answer the question. Obviously, answer is that one cannot ignore ESG, especially in long run.

Investing is now finding a perfect balance between purpose and profit. As frameworks improve and investor expectations shift, the traditional trade-off between righteousness and returns is fading. ESG is increasingly seen not as a sacrifice, but as a smarter, forward-looking investment strategy.

Data reveals that investors in India have yet to realise benefits of ESG investing, the lukewarm sentiment towards ESG investments is a pointer in the direction, as ESG schemes are not attracting same volume of funds as other schemes. Although, contrary to belief, returns on ESG schemes are not much different from benchmarks. Whatever gaps one may find can be attributed as insurance premium for sustained returns.

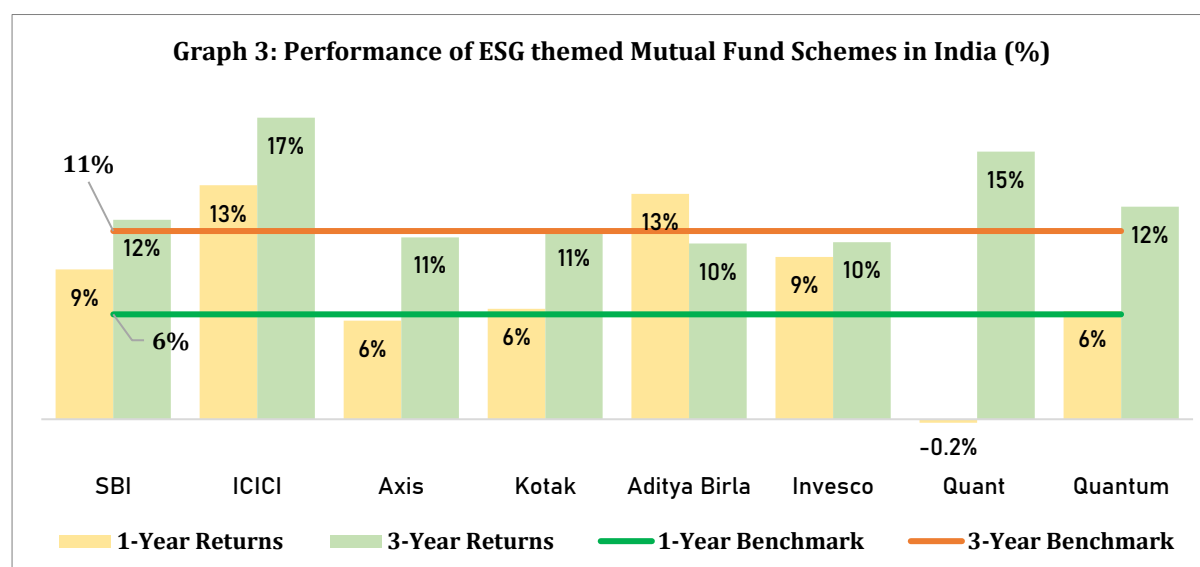
Table 2 - ESG Mutual Fund Schemes in India and their AUM in the respective ESG Fund.

TABLE 2: ESG Mutual Fund Schemes in India and their AUM in the respective ESG Fund		
Sr No.	Mutual Fund Scheme	AUM as on 31st March, 2025 (In ₹ Crores)
1.	SBI ESG Exclusionary Strategy Fund	5,433.24
2.	ICICI Prudential ESG Exclusionary Strategy Fund	1,428.28
3.	Axis ESG Integration Strategy Fund	1,213.80
4.	Kotak ESG Exclusionary Strategy Fund	847.62
5.	Aditya Birla Sun Life ESG Integration Strategy Fund	605.06
6.	Invesco India ESG Integration Strategy Fund	452.84
7.	Quant ESG Equity Fund	278.05
8.	Quantum ESG Best in Class Strategy Fund	91.90

Data sourced from AMFI.

As of February 2025, the Indian Mutual Fund Industry manages Assets Under Management (AUM) worth over ₹ 64.53 lakh crore. However, ESG-based mutual fund schemes represent only a marginal segment of the market, with a combined AUM of approximately ₹ 11,000 crore, accounting for less than 0.18% of the total industry AUM. Currently, the ESG mutual fund space in India consists of 10 dedicated schemes, each applying a thematic investment approach based on Environmental, Social, and Governance (ESG) criteria. In the above table 8 funds are reported as per data available on AMFI website having AUM as well as 1-year and 3-years returns to give a comparative picture.

Graph 3 - Performance of ESG themed Mutual Fund Schemes in India.



Note: Data sourced from AMFI.

Returns based on Mutual Fund Scheme Returns on Direct Plan basis as on 31st March, 2025.

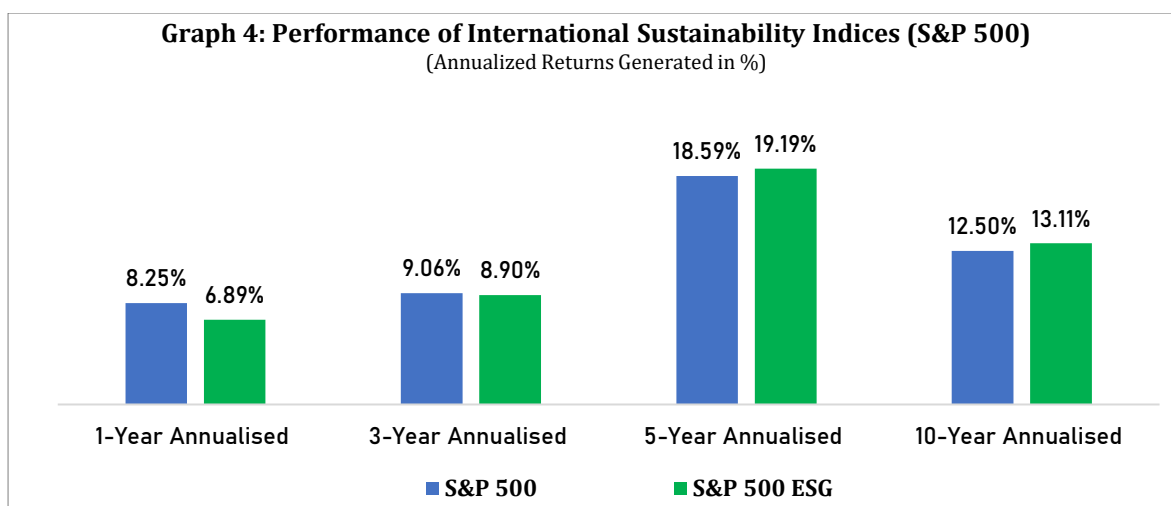
Benchmark Details: NSE 100 ESG Total Return Index as per AMFI data.

Mutual Fund Scheme Details: **SBI** ESG Exclusionary Strategy Fund, **ICICI** Prudential ESG Exclusionary Strategy Fund, **Axis** ESG Integration Strategy Fund, **Kotak** ESG Exclusionary Strategy Fund, **Aditya Birla** Sun Life ESG Integration Strategy Fund, **Invesco** India ESG Integration Strategy Fund, **Quant** ESG Equity Fund, **Quantum** ESG Best in Class Strategy Fund.

The introduction of indices like the Nifty100 ESG Index and Nifty100 Enhanced ESG Index has provided standardized benchmarks for evaluating ESG schemes. Despite this, ESG-focused funds have struggled to meet investor return expectations when compared to broader market strategies. As of March 2025, the Nifty100 ESG Index delivered a 1-year return of 4.2% and a 3-year CAGR of 14.1%, while the Nifty 500 Index delivered a 1-year return of 4.1% and a 3-year CAGR of 18.9% ([weblink](#)). This data is a perfect selling point for sustainable investing. Last 1-year returns being much lower than 3-year return indicates that markets were down. While ESG returns in 3-year basis are lower compared to benchmark, the fact that 1-year returns are better in ESG schemes vs benchmark, indicates that sustainable investment performance must be and can be tested only when going gets tough.

Moving away from the domestic markets, the performance of international ESG indices vis-à-vis their standard counterparts assures of such transition.

Graph 4- Performance of International Sustainability Indices (S&P 500).



Data sourced from S&P Global [website](#) as on 31st March, 2025.

United States of America (“US”) has a longer history of ESG investing and can be considered to be a more evolved and mature ESG Investing market. The surge in ESG themed investments in the American markets can be traced back to the early 2000’s.

It was precisely in 2005 that Standard & Poor’s (“S&P”) S&P 500 ESG Index was constructed. The S&P 500 comprises of top 500 US Listed companies and covers approximately 80% of the available market capitalization, whereas the S&P 500 ESG Index (renamed as S&P 500 Scored & Screened Index) is constituted with the same weights as the S&P 500 Index consisting of companies with the best ESG performance. While on shorter tenures S&P 500 has performed better than S&P 500 ESG, on longer tenures later has overshadowed the former.

Presently rightly or wrongly some investors, analysts and academics differentiate and classify investments into ESG oriented and other, they further compare returns. As a result, at times ESG investing might appear to be an inferior choice. The question that one needs to ask, how long investment could be bucketed into two silos; ESG and Non-ESG? The differentiation is non-sustainable, eventually if business has to sustain in long run emphasis on ESG is must. There is no choice. Over long period there wouldn’t be any Non ESG investment.

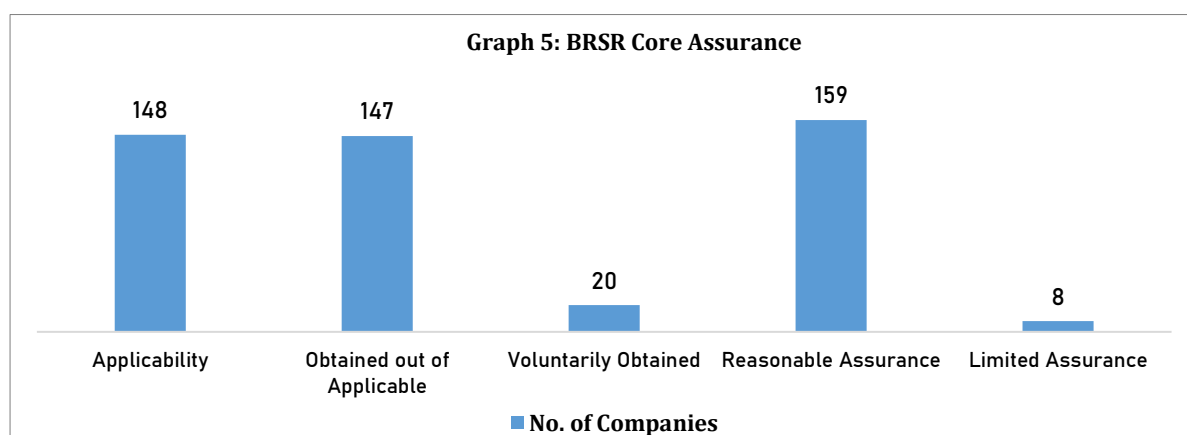
C. BRSR Core Assurance Requirement vs Disclosures:

As discussed in Executive Summary, SEBI had mandated disclosures of BRSR for top 1,000 listed companies (by market capitalization) from FY 2022-23 onwards, and further, via circular dated 12th July, 2023 the disclosures of BRSR in updated format including Core Indicators for all the top 1,000 entities effective from FY 2023-24 onwards.

The said circular also required the Listed entities shall mandatorily undertake **Reasonable Assurance** of the BRSR Core in phased manner from Top 150 listed entities for FY 2023-24, Top 250 listed entities for FY 2024-25, Top 500 listed entities for FY 2025-26 and Top 1,000 listed entities for FY 2026-27.

However, via Circular dated 28th March, 2025 ([weblink](#)), SEBI has announced revision in provisions of BRSR Core Assurance, and as per the latest circular, the word ‘Assurance’ has been replaced with ‘Assessment or Assurance’ wherever applicable in the SEBI’s Master Circular. In the rationale for such change, SEBI has stated the following: *“In order to facilitate ease of doing business, decrease cost and effort for listed entities and their value chain partners for verifications of sustainability reporting, as well as make the process profession agnostic...”*

The data on BRSR Core Assurance of sample companies has been analysed in Graph 5:



While the BRSR Core Assurance applicability is for Top 150 listed entities based on Market Capitalization, however, 2 entities have been excluded from the Top 150 lists, as their financial year ends at September or December, thus, BRSR Core Assurance was not applicable as at 31st March, 2024, and their data in this report is as at their respective year end i.e. September / December, 2023.

Out of 148 entities, one entity from Capital Goods Industry has not done Reasonable Assurance of BRSR Core Indicators for FY 2023-24, thus, it is **non-compliant** with SEBI Legal Requirements.

Further, over and above legal applicability, 20 sample entities have done Core Assurance on voluntary basis. Out of these total 167 entities who have done assurance, 159 have done Reasonable Assurance and remaining 8 entities have done Limited Assurance.

D. Power Sector: The Energy Guzzler in Disguise:

The power sector has long been seen as a key player in utilization of environmental resources i.e. usage of energy, water consumption and high air emission. However, an in-depth look at the performance data reveals that this sector often wears the mask of a villain in discussions of environmental impact, despite its pivotal role as an enabler of industrial activity. Especially in case of Energy Consumption, while companies in the power sector may appear to be contributing heavily to energy consumption, their real contribution goes far beyond mere consumption; they serve as the foundation for the energy needs of every other industry.

The power industry serves as a crucial supplier of energy to all other industries. So, while their energy consumption figures appear large, this consumption is not reflective of inefficiencies within the sector itself but rather of the vital energy they provide to fuel economic activity across multiple sectors.

The BRSR (Business Responsibility and Sustainability Report) methodology doesn't subtract or offset the energy they generate, making it appear that the power sector disproportionately harms the environment, when in fact, they are the enablers of the industrial world.

To properly assess the sector's sustainability efforts, we must look beyond just looking at gross consumption and consider the broader context of energy generation and its distribution across industries. The real challenge lies in communicating the true role of the power sector and not just as a consumer of energy, but as a contributor to industrial life.

Another view on the matter is that while power generating entities are consuming energy, but they are distributing it to other industries, thus, indirectly those entities sourcing energy from power generators are the actual power consumers. Similar to the Scope 3 emission, where the emission counted as Scope 1 or 2 in the actual user for example in case emission from flights is counted in the flight operating entities as Scope 1 or 2, and the same is largely counted into the end consumer as Scope 3. Can there be a similar metrics of calculation of power consumption for power generating entities?

This question is for the regulators, industry and experts to address at large, as this is neither in the domain of SES nor an entity like us would be able to provide a solution due to limited expertise and resources. However, regulators can understand the severity of this issue while reading this report as almost on all of the environmental parameters, power sector looks like a villain. The real metric for performance of power industry will be to measure efficiency in the form of energy generated as % of energy consumed. It is the energy lost in the process is real adverse effect on environment. In fact, all utilities, be it power industry or water supply must be assessed on output-input efficiency. This efficiency factor must serve as benchmark.

Without providing any judgement on the said concept and without concluding the issue highlighted, this study raises a question for the readers to introspect think for a solution.

SAMPLE SELECTION

In each of the study carried on behalf of NSE on ESG practice sample size has gradually increased from 50 in Report published in 2020, based on data of FY 2018-19 to previous study based on 200 entities published in July, 2024 (based on FY 2022-23 data); and that remain same in current study, which is also for Top 200 entities (based on FY 2023-24 data).

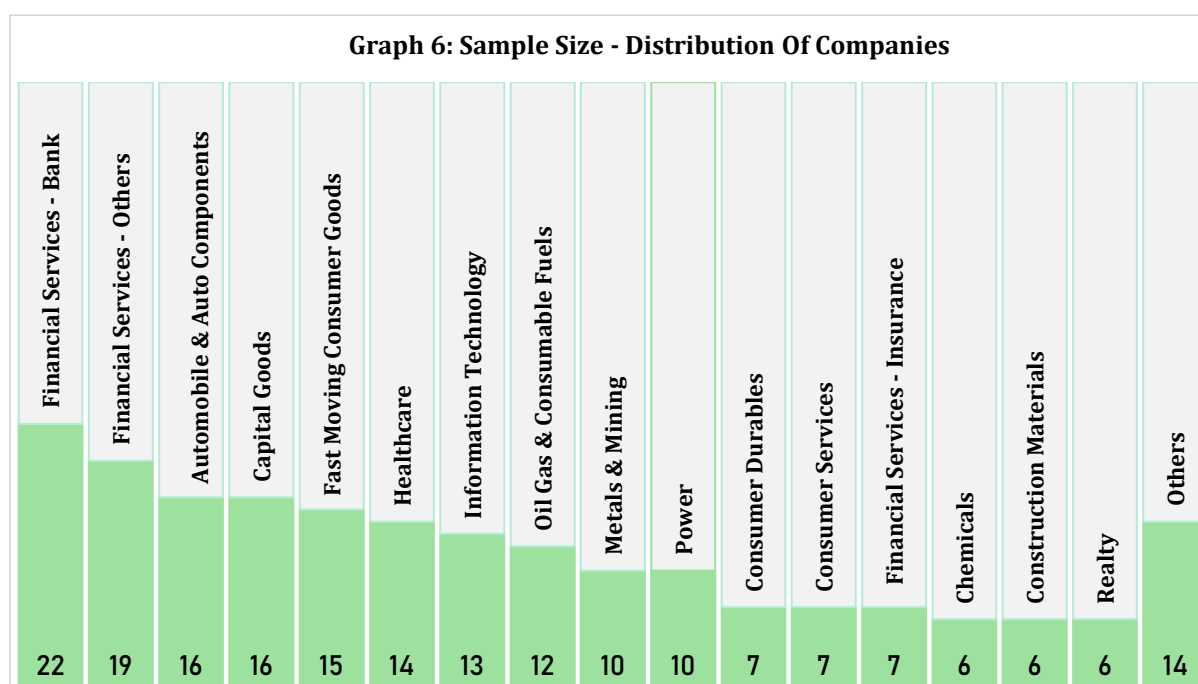
Sample was gradually enlarged to 200 companies in 2024 study as data availability had improved and to cover all multiple companies across major sectors, and has been kept same in current study to provide a comparative analysis. The sample companies cover ~78% of Market capitalisation of NSE Listed companies.

It may be noted that some Indian listed companies, going beyond legal requirements of BRSR, also published Integrated Reports or Sustainability Reports or ESG Reports as well which were also considered while doing the analysis.

Criteria for inclusion in sample:

- ✓ Top 200 companies by market capitalisation of NSE as on 31st March, 2024.
- ✓ Company must have disclosed Business Responsibility & Sustainability Report for FY 2023-24.

Graph 6 & 7 represents industries covered in the Sample with number of companies from each industry.



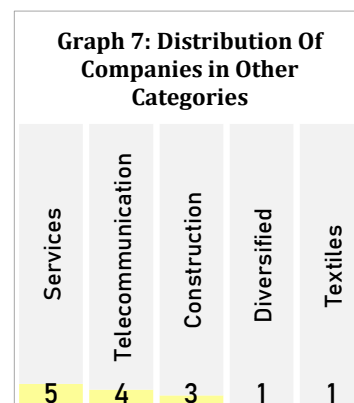
Industry classification is based on NSE (Source: NSE [website](#)). Industry wise Complete list of companies ([Annexure II](#)).

FINANCIAL SERVICES - OTHERS - BREAKUP:

- ✱ 17 Non-Banking Non-Insurance Financial Services,
- ✱ 1 Holding Company, and
- ✱ 1 Asset Management Company.

SAMPLE SUMMARY:

- 200 Listed Companies,
- 21 Industries,
- For analysis purpose: clubbed 21 industries into 17 industry groups,
- Industries with less than 6 companies are classified as ‘Others’ and include: Services, Telecommunication, Construction, Diversified and Textiles.
- Market Capitalisation: ~78% of Nifty listed companies (as on 31st March, 2024).
- Promoter Managed – 191, Professionally Managed – 9;



In these 191 Promoter managed companies, promoters’ shareholding distribution is as per Table 3.

- Sample companies have average promoter holdings at 54.94% (as on 31st December, 2024)

Table 3: Shareholding Distribution					
Promoter’s Shareholding →	No Promoters	<0 – 25%	<25% - 50%	<50% - 75%	75%+
Sample (#) → 200	9	7	45	124	15
Sample (%) → 100%	4.5%	3.5%	22.5%	62.0%	7.5%

- As can be seen from table 3, there are 9 entities in the sample, which are operating as professionally managed entities with Nil promoter holding.
- On the other hand, there are 15 entities in the sample which have significant promoter influence / control with more than 75% promoter holding.
- Legally, a listed entity must maintain a minimum public shareholding of 25%. However, of the 15 entities mentioned above, 14 are Public Sector Undertakings (PSUs) that remain under government ownership and control, effectively exempted from such legal obligations.
- And one entity is a recently listed entity, which has time to comply with the said legal requirement. Thus, technically there is no non-compliance per-se.

ESG HIGHLIGHTS

ESG MODEL AND ANALYSIS STATISTICS:

Sample companies were analysed based on pre-determined set of questions and parameters.

TABLE 4: EVALUATION STATISTICS	
QUESTIONS IN THE MODEL	PARAMETERS ANALYSED IN EACH COMPANY
'QUESTIONS'	'PARAMETERS'
798	2,850+
TOTAL PARAMETERS ANALYSED	5,70,000+

To arrive at ESG score of sample companies, over five and half lakh parameters were analysed i.e. on an average over 2,850 parameters were used for one company.

ESG FOOTPRINT:

ESG Scores¹ are also categorised into ESG Footprint levels, higher the score, higher the footprint and lower the risk.



ESG SCORE DISTRIBUTION:

Graph 8, ESG & Factor wise distribution (Minimum, Average, Median, Maximum)

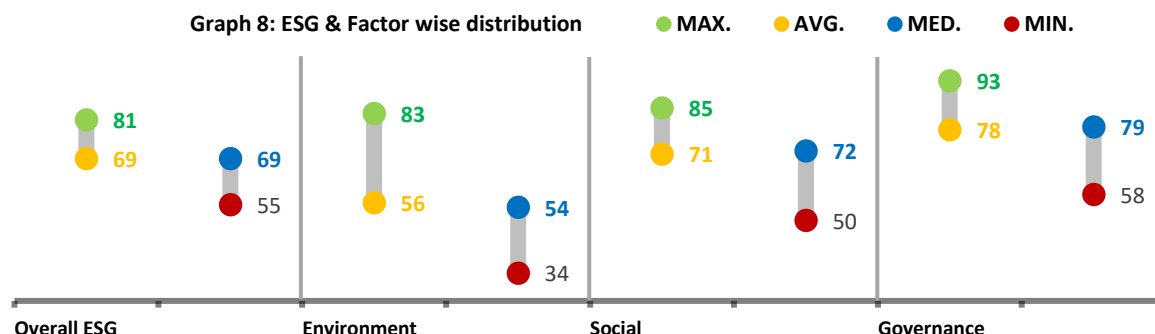


TABLE 5		YEAR	OVERALL ESG	ENVIRONMENT	SOCIAL	GOVERNANCE
PARAMETERS						
MAX.	2023		82	79	82	94
	2024		81	83	85	93
MIN.	2023		57	32	51	62
	2024		55	34	50	58
AVERAGE	2023		70	52	70	79
	2024		69	56	71	78
MAX-MIN Spread	2023		25	47	31	32
	2024		26	49	35	35
MAX-AVG Spread	2023		12	27	12	15
	2024		12	27	14	14

¹ ESG score of a Company is out of 100.

Variance between Max & Min has increased for Overall ESG scores, Environment, Social and Governance parameters. Also, the MAX-AVG Spread has increased for the social parameter, whereas the same for Overall ESG and Environment Score has remained same from previous study, and slightly decreased in case of Governance parameters.

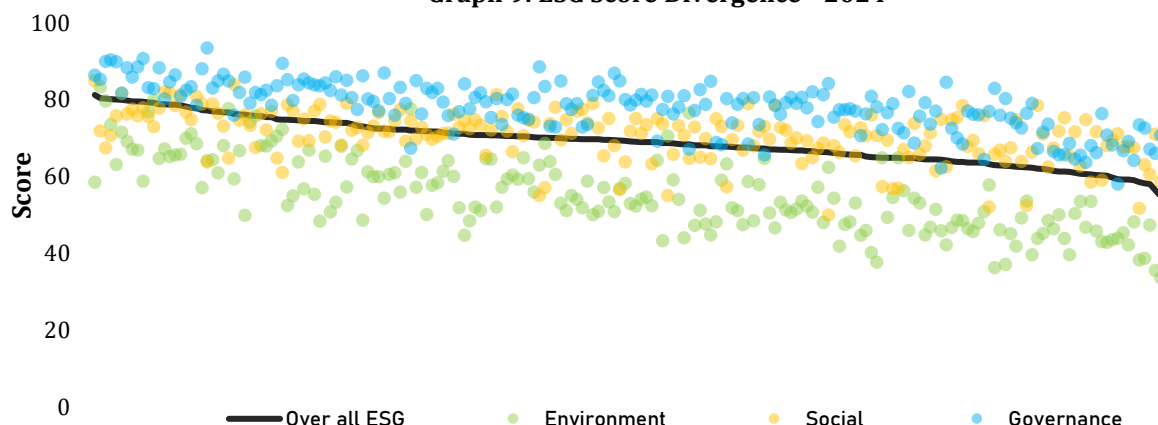
Among E, S & G parameters, lowest variance between Max & Average is 14 for Social as compared to 27 in E which is highest. Earlier there was inadequate information on E&S issues / parameters, however, BRSR requires disclosures on various parameters on E&S pillar. Based on scores & analysis of E&S parameters, it appears that it was easier or one would say it is still easier for companies to provide disclosures on Social as compared to Environment. In case of social the companies have data in some form or other and if not, it is easy for the companies to capture data compared to Environment, wherein those not recording data on environment had to create an infrastructure to capture data (e.g. installing water meters to capture the data on water withdrawal).

TABLE 6: OVERALL ESG SCORING PATTERN ACROSS DIFFERENT INDUSTRIES						
PARAMETERS	MAX.	AVG.	MED.	MIN.	MAX-MIN Spread	MAX-AVG Spread
Sample	81	69	69	55	26	12
Information Technology	80	75	75	68	12	5
Financial Services - Others	81	75	76	64	17	6
Financial Services - Bank	80	73	72	61	19	7
Automobile and Auto Components	79	71	70	63	16	8
Others	75	70	70	61	13	5
Financial Services - Insurance	77	69	74	59	18	7
Realty	77	69	69	60	16	8
Fast Moving Consumer Goods	79	69	70	55	24	11
Healthcare	75	68	68	62	12	7
Consumer Durables	74	68	67	65	9	6
Consumer Services	76	68	68	61	14	8
Construction Materials	71	66	67	62	9	5
Power	71	66	67	59	12	5
Oil Gas & Consumable Fuels	72	66	65	61	12	6
Capital Goods	71	65	67	60	10	5
Metals & Mining	69	64	64	58	11	5
Chemicals	66	61	60	57	10	5

- On average basis, IT Industry and Financial Services - Others have topped the list of being the highest scoring industries in the sample at an average of 75.
- These are followed by the Banking Industry; while direct impact of Banking Industry is not material, however, indirect environmental impact viz. climate risk assessment in investments / loan advancing and sustainable financing play an important role.
- Barring exceptions, the top industries have better disclosures and performance on E & S, compared to other industries in the sample.
- Least divergence observed in Consumer Durables (9) and Construction Materials Industries (9).
- Lowest average score was observed for Chemicals Industry.

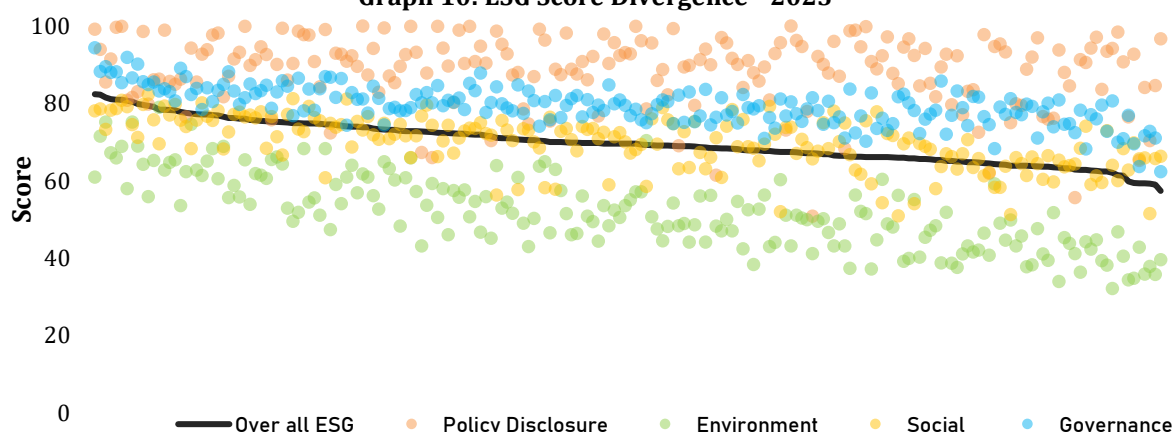
Highlights ESG Score of each sample companies and divergence of score across Environment, Social & Governance for each of the sample company is provided in below graph:

Graph 9: ESG Score Divergence - 2024



Note: Overall ESG score of companies has been sorted from high to low (Left to Right)

Graph 10: ESG Score Divergence - 2023



Note: Overall ESG score of companies has been sorted from high to low (Left to Right)

Note: It is to be noted that till last year's ESG Model, SES used to consider Policy Disclosures as one of the parameters for ESG Scores with 5% weightage out of total ESG Score. Companies' score on Policy disclosures used to be in higher side i.e. last year samples' average was 89; and from such high scores on policy and low scores on E&S, it can be said that making policy is low hanging fruit but implementation is difficult. Having consistently demonstrating that most companies have very high Policy score but same is not reflected in ESG Score. Having proved SES point, this section of analysis was removed effective 2024 study as now the policy disclosures are majorly got translated to action. Refer methodology and ESG Model section in the end of this report for more information.

- From Graph 9, it can be observed that in case of high ESG scoring companies, the divergence among E, S & G is very narrow, which indicates that a company has to excel on all three parameters E S & G to have a leadership status.
- However, when we move towards right, and till extreme right, the divergence gap widens, which indicates that their inconsistent performance pulls the score down.
- From 2023 to 2024, one major change can be observed is that the gap between the E score and overall ESG score has reduced over the last year, as few companies' E score has come close to ESG score, however, the E score for most of the companies is still below the ESG score, which indicates that there is scope for improvement in disclosures and especially performance of the company i.e. to mitigate its negative impact on the environment. Top scoring companies on E pillar are either carbon neutral, water neutral, zero liquid discharge, zero waste to landfill etc.

- Low scoring companies are the one who has scope for improvement in majority of the aspects of the E, S & G pillar.

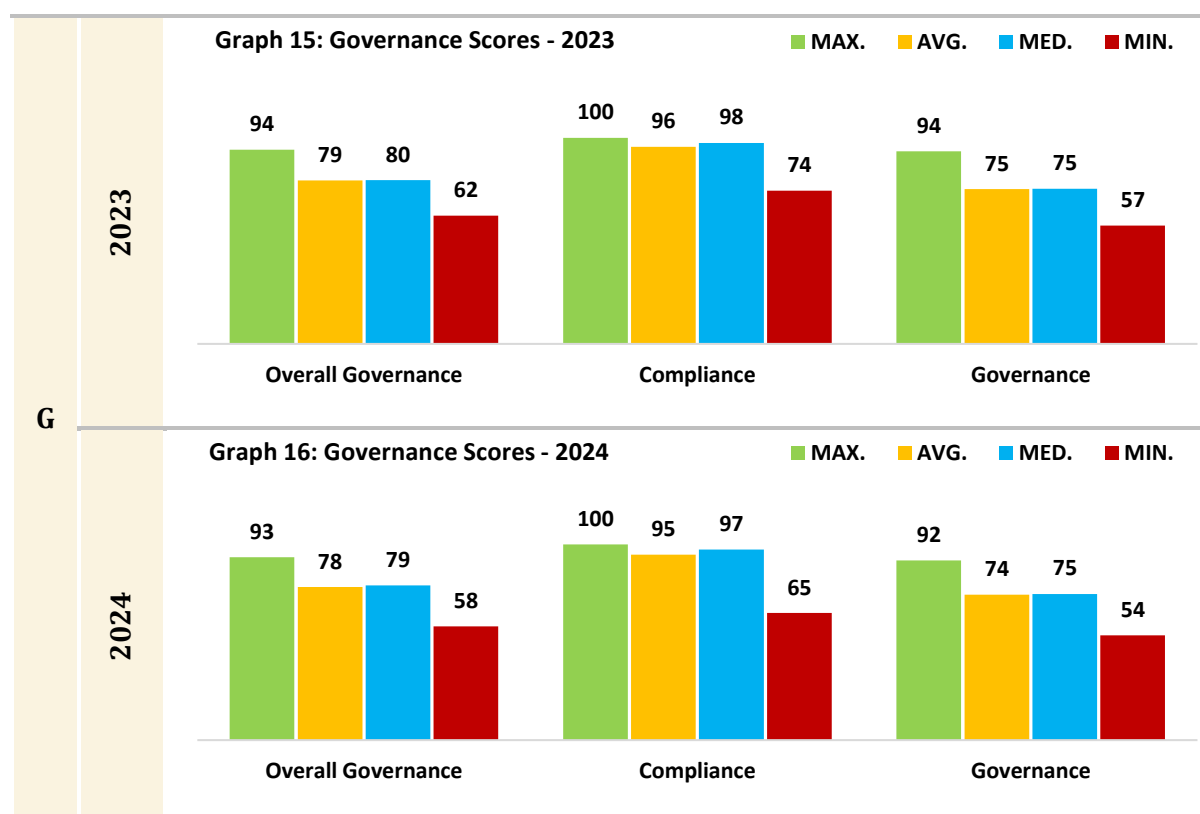
Post 2021 study, SES went further in analysing ESG score, and now also shows score based on Disclosures & Performance of respective E & S pillar, Compliance & Governance Score for G pillar and also provides for controversy exposure score which is based on any negative controversy / incidents.

Graph 11 to 14 provide bifurcated scores for last two studies:



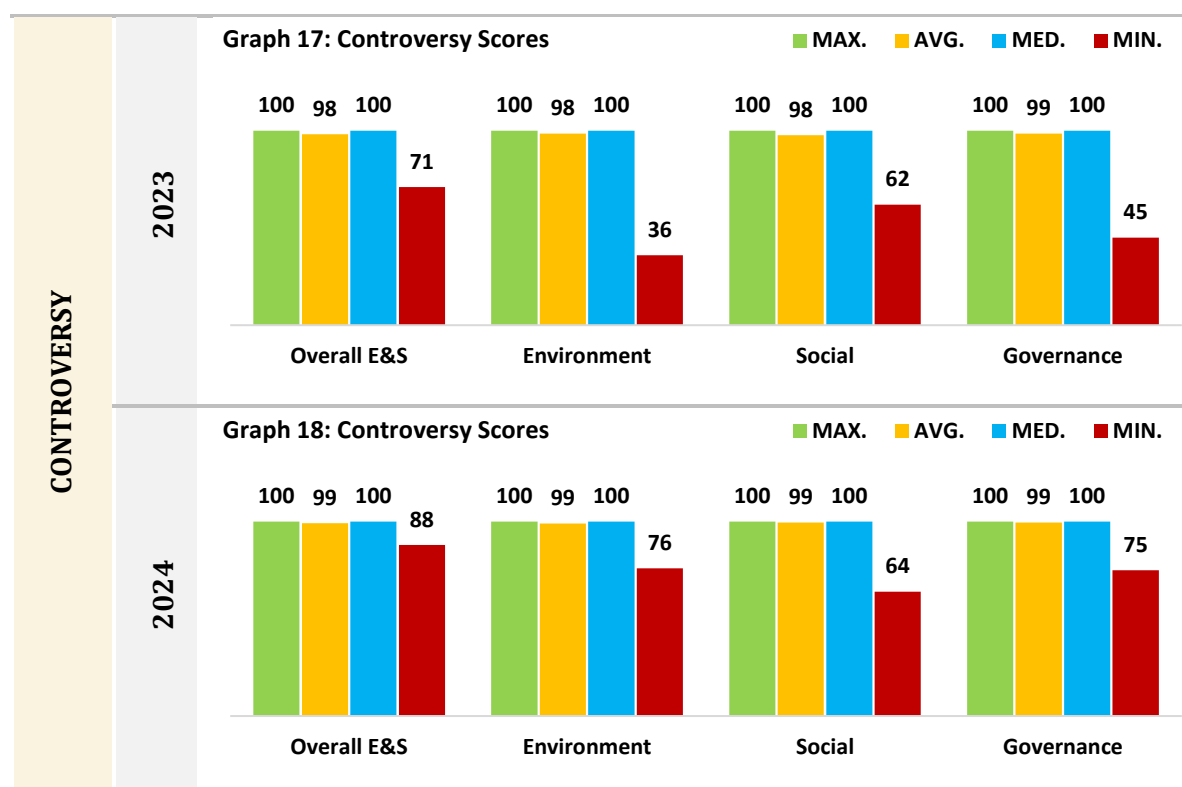
- On overall E&S disclosures, it can be observed that while the maximum score has slightly increased from study, the minimum has further decreased among the sample entities. This has been the case on both Disclosures as well as Performance parameters. why
- Further, from Disclosures perspective, the improvement has been higher on Social factors in both the cases of maximum as well as minimum scores, however, on the performance parameters, the maximum score has significantly increased on Environment parameters from 82 in previous study to 87 in current study, whereas the minimum score has decreased slightly from 27 to 25; and further, on social parameters, performance factors' maximum score has slightly increased from 90 in previous study to 92 in current study and minimum score has significantly improved from 41 in previous study to 49 in current study.

Graphs 15 and 16 provide Governance score bifurcated in Compliance and Good Governance:



- Compliance is the minimum a company is expected to do. It is mandatory to comply with all the applicable laws. However, good governance is beyond such compliance. It is taking step beyond what is minimum to achieve higher governance. SES as a policy not only looks into mere compliance tick-box but also analyses what is the good governance practice followed by the Company.
- Compliance concerns were observed relating to non-compliance with appointment of directors or disclosures in notice of general meeting seeking such director appointment, not liable to retire by rotation, auditor appointment and non-disclosures of proposed audit fees of new auditor, etc. Further, actions taken by the relevant Regulatory authority and also penalties imposed by Stock Exchanges for non-compliance of listing obligations were also taken into account for compliance score.
- From the table 15 and 16, it can be inferred that on an overall basis there is a decline in scores on governance from previous study, mainly on account of decrease in compliance score. The low compliance score is largely attributed to the non-compliant boards of PSUs, majorly owing to less than legally required number of Independent Directors on the board.

Graphs 17 and 18 provide Controversy Score on each factor:



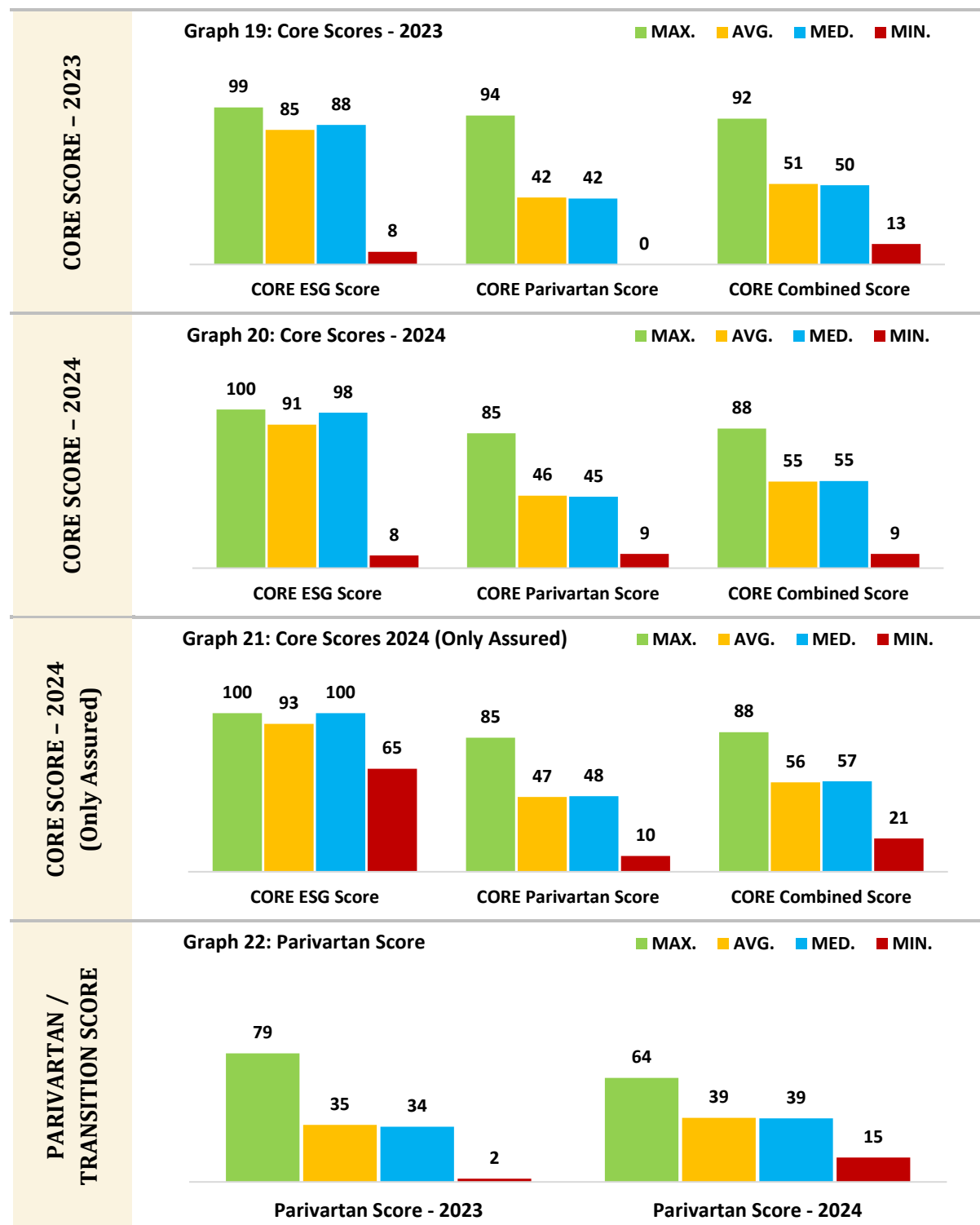
SES realise impact of controversy can vary not only basis the type of controversy but also from investor to investor. Therefore, SES accounts only for established controversies. Any non-established controversy is highlighted and left for investors to assess impact. SES just highlight the same, for example Hindenburg report Created huge controversy but in SES opinion, allegations were half baked unsubstantiated without any legal force. If we as independent evaluator treated it extremely serious and changed score. We would have a difficult situation now as Hon'ble Supreme Court has not found anything. Therefore, such unconfirmed and sometimes motivated controversies are just highlighted by SES giving users a choice to use their wisdom and evaluation parameters to decide seriousness of such controversy. Any confirmed controversy or negative incident is scored negatively. For instance, a fire incident resulting in fatalities will have negative scoring in Social pillar; plant shutdown due to action from National Green Tribunal for violating waste water discharge norms will result in negative scoring in Environment pillar, and an established controversial case like accounting discrepancies in financial statements would lead to negative scoring in Governance pillar.

CORE, CORE ASSURED & PARIVARTAN SCORE:

While, SEBI has mandated Top 150 companies to mandatorily undertake reasonable assurance of the BRSR Core from FY i.e. FY 2023-24 onwards. However, SES had started analysing CORE parameters based on BRSR format for FY 2022-23, excluding new data points (that were introduced as Core Indicators for FY 2023-24).

Further, the analysed data points for FY 2022-23 were majorly unassured as per disclosures made by companies in BRSR for FY 2022-23, as it was not legally required as per SEBI circulars. However, the data points for FY 2023-24 on Core Indicators are majorly assured as it was mandated for top 150 entities and further, 20 more entities have taken volunteer assurance of their BRSR Core Indicators for 2023-24 from the sample entities.

The difference of pre-assurance and post assurance mandate is clearly visible from the graphs 19 to 22, as the Graph 19 provides Core Scores for 2023, where data was not assured and Graph 21 provides Core Score for 2024 of those entities who had assured BRSR data for 2024. Thus, the jump can be seen clearly on Core ESG Scores, which majorly comprise of disclosures.



- Average Core ESG Score for 2023 was at 85, whereas the same for 2024 is at 91 and further, increases to 93 if only assured entities are considered. Significant change in Core ESG Score can be

observed on the minimum parameters between the unassured entities and assured entities, as among the sample entities minimum score is 8, whereas among the assured entities it is at 65.

- Compared to Core ESG Score, average Core Parivartan Score was only 42, which improved to 47 in 2023-24; and the lowest score from Zero in 2023 has slightly improved at 8.
- In case of overall ESG analysis including Core and non-core parameters, average Parivartan Score was 35 in 2023, which improved to 39. While the highest Parivartan score has decreased from 79 in 2023 to 64 in 2024 with decrease by whopping 15. However, the lowest score has increased from 2 in last study to 15 in 2024, indicating that the spread is decreasing on the Parivartan parameters. As almost all companies are showing gradual improvements in their performances.
- Lower scoring companies have either made disclosures only for one year or data was not adequately disclosed for all parameters.

SCORING MODEL - FACTORS

In SES ESG scoring model companies in 2024 were assessed broadly on 3 factors; Environment, Social and Governance.



I – ENVIRONMENT

- | | |
|-------------------------------------|--|
| 1.1. GENERAL DISCLOSURES | 1.6. WATER CONSUMPTION |
| 1.2. SUSTAINABLE PRODUCT / SERVICES | 1.7. EFFLUENTS / WASTE WATER MANAGEMENT |
| 1.3. ENERGY CONSUMPTION | 1.8. WASTE MANAGEMENT |
| 1.4. RENEWABLE ENERGY | 1.9. ENVIRONMENTAL COMPLAINT & INCIDENTS |
| 1.5. AIR EMISSIONS | 1.10. INDIRECT ENVIRONMENT (FOR BANKS / INSURANCE) |



II – SOCIAL

- | | |
|---------------------------------------|--|
| 2.1. WORKFORCE DIVERSITY & MANAGEMENT | 2.5. PRODUCT / SERVICE QUALITY |
| 2.2. HUMAN RIGHTS | 2.6. CSR, COMMUNITY RELATIONS & ENGAGEMENT |
| 2.3. HEALTH & SAFETY | 2.7. CYBER SECURITY & DATA PRIVACY |
| 2.4. CUSTOMER ORIENTATION & WELFARE | 2.8. FINANCIAL INCLUSION (FOR BANKS / INSURANCE) |



III – GOVERNANCE

- | | |
|-------------------------------------|---|
| 3.1. BOARD INDEPENDENCE & DIVERSITY | 3.5. AUDIT & FINANCIAL REPORTING |
| 3.2. BOARD COMMITTEES | 3.6. STAKEHOLDERS ENGAGEMENT, OWNERSHIP & CONTROL |
| 3.3. DIRECTOR'S REMUNERATION | 3.7. ETHICS, BRIBERY & OTHER GOVERNANCE FACTORS |
| 3.4. STATUTORY AUDITORS | |

For more detailed information, refer 'ESG Model: Evaluation & Assessment Factors'– [Refer Annexure I](#)

EVALUATION FRAMEWORKS:









- *National Voluntary Guidelines, Business Responsibility Report, Legal requirements relating to Environment & Social, Companies Act, 2013, various Regulations / legal requirements of SEBI and relevant other applicable legal requirements or voluntary frameworks.*
- *United Nations Principles for Responsible Investing; Global Reporting Initiative – GRI Standards; Value Reporting Foundation: International Integrated Reporting Council – IR Frameworks & SASB Standards; Sustainable Development Goals; Task Force on Climate-Related Financial Disclosures; UNGC Principles, International Organization for Standardization and relevant frameworks.*

*National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 (NVGs)

I - ENVIRONMENT

Scores obtained by sample companies on E factor have been analysed mainly covering Company's disclosures according to BRSR requirements and related to impact of operations on the environment and steps being implemented by the Company to mitigate its effect on the environment and its performance by evaluating whether the Company managed to reduce its impact on environment and was meeting the targets set.

Note: Significant changes have taken place in regulatory dictate relating to Environment, increased awareness & focus major being mandatory BRSR requirements and introduction of BRSR Core and Assessment. To keep pace and reflect changes in disclosure requirements evaluation model has also undergone few changes from 2023 to 2024. As a result, changes in score in 2024 compared to 2023 does not necessarily mean changes only in performance; different regulatory requirements, enhanced overall industry practices and in-depth evaluation may also have slightly impacted the score.

EVALUATION STATISTICS								
2024	QUESTIONS			297	PARAMETERS			1,017
2023	QUESTIONS			291	PARAMETERS			793
YEAR	SCORE – ENVIRONMENT							
2024	MAX.	83	AVG.	56	MED.	54	MIN.	34
2023	MAX.	79	AVG.	52	MED.	51	MIN.	32
BEST PERFORMING INDUSTRY*					BEST PERFORMING COMPANY*			
	63.2- Financial Services - Banks (2024)					83.3- Financial Services - Banks (2024)		
	58.3 – Healthcare (2023)					79.0 – Financial Services (2023)		
	61.4 – Healthcare (2024)					79.9- Fast Moving Consumer Goods (2024)		
	55.9 – Information Technology (2023)					75.2 – Financial Services (2023)		
	59.2 – Automobile and Auto Components (2024)					72.3- Healthcare (2024)		
	54.8 – Consumer Durables (2023)					75.2 – Financial Services (2023)		
Note: Top 3 Industry: Average industry score; Top 3 Company: Top scoring company (referred as respective Industry)								
WORST PERFORMING INDUSTRY*					WORST PERFORMING COMPANY*			
	43.9 – Chemicals (2024)					33.7- FMCG Industry (2024)		
	43.4 – Chemicals (2023)					32.1 – FMCG Industry (2023)		

Note: Top 3 Industry: Average industry score; Top 3 Company: Top scoring company (referred as respective Industry)

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

***Note:** In above representation on Best and Worst Industries and Companies, all 17 Industries groups have been considered, as this analysis is of the overall Environment Score including Direct as well as Indirect Impact. However, while analysing individual parameters, for example, energy consumption, etc., entities operating in Financial Services Industry have been excluded from the Best and Worst consideration; as major portion of their impact is covered in the Indirect Environmental Impact analysed in the last section of Environment, which covers only Banks and Insurance Companies. As a result, in some section(s) best and worst sector/ company and the table of maximum, average, median and minimum representation may be different as financial services industry may have been excluded. In maximum and minimum representation on the overall Environment factors as above, score of all 200 sample entities have been considered to show holistic view.

Scores & Distribution:

Table EV1 represents the Scoring pattern of Overall Environment parameters across the Sample entities and the industries considered in the sample.

TABLE EV1: SCORING PATTERN ON ENVIRONMENT ACROSS DIFFERENT INDUSTRIES						
PARAMETERS	MAX.	AVG.	MED.	MIN.	MAX-MIN Spread	MAX-AVG Spread
Sample	83	56	54	34	49	27
Financial Services - Bank	83	63	61	40	43	20
Healthcare	72	61	63	45	27	11
Automobile and Auto Components	71	59	62	42	29	12
Information Technology	69	58	60	44	25	11
Financial Services - Others	72	58	59	46	26	14
Realty	68	56	57	43	25	12
Others	64	56	58	44	20	8
Construction Materials	65	55	54	49	16	10
Oil Gas & Consumable Fuels	65	54	52	46	19	11
Fast Moving Consumer Goods	80	53	53	34	46	27
Financial Services - Insurance	67	52	48	38	29	15
Power	65	52	51	42	23	13
Capital Goods	65	51	51	42	23	14
Metals & Mining	58	51	50	45	13	7
Consumer Durables	65	50	48	38	27	15
Consumer Services	68	50	49	37	31	18
Chemicals	54	44	43	36	18	10

Interpretation/ Commentary:

- On average basis, Financial Services - Bank and Healthcare industry has performed better in comparison to others industries, with average score of 63 and 61, respectively; against the sample average of 56. Similarly, IT, Financial Services - Others (NBFCs) and Automobile & Auto Components industries' average has also surpassed the average score of sample entities.
- On Maximum Score basis, Financial Services – Banks has highest score (83), followed by FMCG (75) and Financial Services - Others (72) and Healthcare (72).
- Among the minimum score, Construction Materials industry has scored highest i.e. 49; whereas the minimum score across the sample is only 34 by an entity operating in FMCG Industry.
- The Max-Min spread is 49, which is much higher than the minimum score of 34. It indicates that there is large gap to be filled by many entities to match performance of the entities who have scored better. Only four industries have max-min spread of less than 20 which are Chemicals, Construction Materials, Metals & Mining and Oil Gas & Consumable Fuels.
- The lowest spread is in Metals & Mining industry, due to maximum being merely 58, showing that there is industry wide poor performance.
- Within sectors performance variance is wide, indicating that low scores are not on account of sector specific issues alone but on account of lack of attention or concern by the individual entities across

all the sectors. For example, in FMCG Sector maximum score is more than two times the minimum score, indicating a large gap within the Industry.

- The laggards missed out mainly due to inadequate disclosures on data, initiatives and targets. Since, data or initiatives were not disclosed adequately, SES could not ascertain the performance.
- Companies which have made better disclosures and are backed by positive performance i.e. reducing the impact on environment through business operations have generally scored higher.

Table EV2 represents the Scoring pattern across the ten sub factors or parameters of Environment among the sample entities.

Table EV2: Scoring pattern across different broad categories in 'Environment'								
Parameter	MIN.		AVG.		MED.		MAX.	
	2023	2024	2023	2024	2023	2024	2023	2024
2.1. General Disclosures	11	18	77	82	79	83	100	100
2.2. Sustainable Products/Services	12	20	57	64	58	66	95	96
2.3. Energy Consumption	3	4	36	39	35	38	82	77
2.4. Renewable Energy	0	0	31	37	31	35	83	97
2.5. Air Emissions	0	0	38	42	36	41	93	92
2.6. Water Consumption	1	0	44	49	40	47	97	95
2.7. Effluents Management	0	1	69	71	80	85	100	100
2.8. Waste Management	0	0	48	49	51	52	94	92
2.9. Environmental Incidents	30	35	96	97	100	100	100	100
2.10. Indirect Environment Impact	3	4	37	46	28	48	84	92

Interpretation/ Commentary:

- In 2023 & 2024, across 10 Sub factors evaluated under Environment, only in 3 factors (General Disclosures, Effluents Management and Environmental Incidents) perfect score of 100 was obtained by few companies.
- Highest Median score was for 'Environmental Incidents' factor at 100, indicating that in more than 50% of sample companies there was no Environmental Incidence. Clearly indicating that Sample companies are aware of the risks arising out of environmental incidents on the business continuity followed by Effluents Management at 85.
- Highest average score of 97 was observed in Environmental Incidents (indicating almost no or negligible incidents) followed by General Disclosures (82).
- Surprisingly on 4 key environmental parameters; Renewable energy (1 Company), Air emissions (3 Companies), Water Consumption, (2 Companies) and Waste Management (1 Company), some Sample companies have got a score of zero.
- Further, average score on Renewable Energy and Air Emissions was less than 50 i.e. less than half of Maximum score in these categories, which indicates that there is a lot of scope for improvement in the sample companies. If one Company can do it, others can at least do the same if not better.
- Once again it is emphasized that lack of disclosures could be the factor behind low scores.







1.1. GENERAL DISCLOSURES & PRACTICES

Assessment Factors: Company's disclosures and practices relating to environment are analysed:

- GHG Emissions projects,
- Waste Management Practices,
- Board-level oversight of climate-related issues,
- Business Continuity/ Disaster Management Plan,
- Environment related certifications,
- Environment Policies / Climate Change policies.
- Green building & Afforestation.



BRSR Reference: Principle 2 & 6

EVALUATION STATISTICS									
2024	QUESTIONS			29	PARAMETERS			68	
2023	QUESTIONS			29	PARAMETERS			69	
YEAR	SCORE – GENERAL DISCLOSURES & PRACTICES								
2024	MAX.	100	AVG.	82	MED.	83	MIN.	18	
2023	MAX.	100	AVG.	77	MED.	79	MIN.	11	
BEST PERFORMING INDUSTRY*					BEST PERFORMING COMPANY*				
	87.5- Power (2024) 87.7- Construction Materials (2023)					97.5- Information Technology (2024) 97.5- Information Technology (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company									
WORST PERFORMING INDUSTRY*					WORST PERFORMING COMPANY*				
	75.13- Consumer Services (2024) 70.1- Consumer Services (2023)					53.4- Consumer Durables (2024) 47.0- Others (2023)			

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company.

**Note: The above analysis of best and worst does not include Financial Services Industry and the entities operating in this industry; reasons for this are explained in the Environment Summary above.*

- Questions / evaluation parameters under General disclosure are sector / industry agnostic and applicable in equal measure to all the companies. Disclosures practices relating to environment (as detailed under assessment factors) were analysed.
- Majority of scores have been better in 2024 compared to 2023. The minimum score which was 11 in 2023 further moved up to 18 in 2024. In 2023 & 2024, the lowest scoring entity was from Consumer Durables Industry.
- 👍 In 2024, Power Industry (average of 87.5) has outperformed all other industries/ sectors. Next best is Oil Gas & Consumable Fuels Industry (average of 87.2).
- All Companies under Power industry have disclosed and discussed on Business Continuity.
- All Automobile and Auto Components, Chemicals, Construction Materials, Healthcare, Metals & Mining, Realty, Oil Gas & Consumable Fuels and Power companies have made disclosures on their GHG projects.

- All Companies under Metals & Mining, Oil Gas & Consumable Fuels and Power industry have discussed about afforestation and majority of them amongst other industries have disclosed presence of environment related certification.
- All Consumer Services, Oil Gas & Consumable Fuels and Power companies have disclosed presence of environmental policies.
- Chemicals, Consumer Services, Construction Materials, FMCG, Realty, Metals & Mining and Oil Gas & Consumable Fuels have identified environmental risks and opportunities.
- All industries except Financial services have disclosed & discussed on waste management practices.

General Disclosure & Practices Related to Environment:

The responsibility for the oversight of an organization's sustainability and environmental, social, and governance (ESG) matters lies firmly with the board of directors. They are ultimately accountable for the long-term success of an organization, and it is important as part of modern corporate governance to embed sustainability and ESG into decision-making and long-term growth strategies. Therefore, companies on a sustainability transformation journey need strong board leadership and members with adequate sustainability literacy.

Board level oversight over climate related issues:

- Board level oversight over climate related issues, 166 companies out of 171 (97%) total sample companies have made the relevant disclosure.
- **Note:** Financial Services (Bank and Insurance) i.e. 29 entities were excluded and do not form part of the calculation.
- 👍 Capital Goods, Metals & Mining, Power, Realty, Construction Materials, Chemicals, Consumer Services, FMCG, IT, Oil & Gas and Consumer Durables industries have observed 100% disclosure rate in board level oversight over climate related issues.
- Lowest disclosure rate is observed under Financial Services – Other sector where 17 out of 19 sample companies i.e. 89% have made disclosure. Most Companies have either SRC, CSR, ESG, and RMC committee or a Whole-time director or Managing Director overlooking climate related issues. Their responsibility includes ensuring relevant sustainability and ESG matters to be incorporated into governance, decision making and risk management, setting targets and achieving them, monitoring of processes and putting procedures in place for the same.

Project related to reducing Green House Gas emission:

- In case of projects related to reducing GHG emission, the overall disclosure rate stands at 92% i.e. approx. 184 companies out of sample entities made adequate disclosures on these projects during FY2024, indicating a substantial level of transparency and accountability across industries regarding their GHG projects. This suggests a growing awareness of environmental issues and a willingness to address them through disclosure and reporting mechanisms as the disclosure rate during FY 2022-23 stood at 88% i.e. only 175 companies out of sample.
- Sectors heavily reliant on fossil fuels, such as Oil Gas & Consumable Fuels and Power, have a more pronounced focus on GHG emissions management due to the environmental impact of their operations and the transition towards renewable energy sources.
- GHG projects disclosures depict the energy efficiency improvements corporates are willing to make, investments in renewable energy, supply chain corporation.

- 🔴 Worst performing industry w.r.t disclosing information on such GHG projects are Financial Services - Banks and Financial Services - Others with disclosure rate of 77% and 74% respectively.

However, the same has improved when compared with FY 2022-23 where disclosure rate was at 59% & 53% respectively.

- 🟢 Capital Goods & Information Technology Industry has made improvement with 100% disclosure during FY 2023-24.

Environmental Policies:

- Most Companies have disclosed a common environment policy which covers topics such as energy, air emission and water consumption, etc. While some entities have disclosed BRSR policy covering regulations on environment, social and governance parameters of the Company.
- Total 168 out of the 200 Companies i.e. 84% have disclosed environment policy and total 197 out of 200 companies have stated in Principle 6 of BRSR, that the Company has a policy on environment, however, no separate disclosures on the website has been made. 3 entities belonging to Financial Services sector have not discussed on environment policy.
- 🔴 Companies falling under Financial services - Bank & Insurance industry have the lowest rate of disclosure on environment policies. For example, only 57% i.e. 4 out of 7 have disclosed environment policy under Financial Services - Insurance sector followed by Financial Services - Bank sector with 59% i.e. 13 out of 22 entities.
- 🔴 Further, Chemical industry has also failed where only 67% of the companies have made disclosures on environmental policy.
- Power and Metals & Mining are the 2 industries where disclosure rate on average was 59% & 60% respectively for all environmental policies.
- 🟢 Construction Materials, Consumer Services and Power Industries have made 100% disclosure relating to environment policy.

Identification of environmental risks/ opportunity:

- 🟢 193 companies have identified environment related risk or opportunities; and out of which 128 such companies have disclosed strategies or initiatives to address environmental issues caused by them. Highest (100%) disclosures are observed in 11 industries out of 17 industries in relation to strategies or initiatives to address environmental issues and lowest in Consumer Durables & Financial services (Insurance) industry i.e. 86%.
- Although 100% entities belonging to Chemicals and Construction Materials have identified environment related risk or opportunities, only 50% of them have disclosed specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated compared to last year where 64% entities from Chemicals and 57% entities from Construction Materials had disclosed specific initiatives.

Waste management practices:

- 100% disclosure rate observed in all sectors for waste management practices except financial sector.
- Waste management is not perceived as a core operational concern within the financial sector as only 95% entities in banking industry, 86% entities in insurance industry and 95% entities which are NBFC's have disclosed the data w.r.t. waste management practices adopted when compared to other industries directly involved in manufacturing or production, which have made better disclosures.

Financial institutions appears to prioritize other ESG issue such as climate risk management and switching towards green energy etc., over waste management.

-: Leading Endeavours (The Trend Setters) :-

- XXX has set up nearly 35 MWp of capacity of Solar Power plants including rooftop ones which has helped the organization in reducing its GHG Emissions. This large-scale solarisation has helped us in carbon footprint avoidance to the tune of 23,033 MTCO₂-equivalent during FY 2023-24.

(a Company from – Capital Goods Industry)

- Low COD/Lows TDS wastewater is treated in Effluent Treatment Plant while High COD/High TDS wastewater is treated in in-house Multiple Effect Evaporator (MEE) first or disposed off through Common approved MEE facilities outside as per Regulatory authorization. Incinerable waste (solid and liquid) is sent for disposal to common incinerator facilities (TSDF) and to cement industries for co processing or pre-processing facilities. MEE salt coming from inhouse MEE being disposed off as per regulatory authorization.

(a Company from – Chemicals Industry)

- Major energy conservation schemes implemented are “Improved heat integration in Benzene Column reducing steam usage”, “Cracker Gas Compressor Turbine revamp for improved efficiency” and “Introduction of Azeotropic distillation column in PTA to reduce steam consumption” to name a few. Apart from these initiatives the Company has also utilised agri-based biomass as renewable fuel to produce green energy at pet-chem and polyester sites.

(a Company from – Oil Gas & Consumable Fuels Industry)


- The utilization of hazardous chemicals within the terminal is kept to a minimum. The primary hazardous chemicals used are Liquid Nitrogen (Liq. N₂), Sodium Hydroxide (NaOH), soda ash, hypochlorite, High-Speed Diesel (HSD), and Glycol. It is important to note that no waste is produced during the handling of these chemicals. However, any hazardous waste generated from the handling of biocides, lubricating oil, and similar substances is disposed of in a manner that is both environmentally responsible and friendly.

(a Company from – Oil Gas & Consumable Fuels Industry)

Afforestation & Bio-diversity:

- 110 companies made disclosures regarding afforestation or plantation of trees. Lowest disclosure is seen under Consumer Services industry where only 2 companies out of 7 have disclosed information regarding the same.

 Construction companies, Metals & Mining, Oil Gas & Consumable Fuels and Power Industries have made **100%** disclosure on bio-diversity / plantation.

 However, only 38 companies out of 171 companies have disclosed **bio-diversity policy**. Zero percent disclosure rate has been observed in 4 Industries i.e., Chemicals, Consumer Services, Financial services (Others) and Realty industry. **Note:** Financial Services (Bank and Insurance) i.e. 29 entities were excluded and do not form part of the calculation.

- The best disclosure practiced under Bio-diversity policy is by Construction materials industry with 5 out of 6 followed by Metals and Mining with 8 out of 10 companies; and Consumer Durables and Financial services industries being worst with zero disclosure rates.

-: Leading Endeavours (The Trend Setters) :-

- 50 Hectare Afforestation developed in xxx. Pledge has been made at WEF's 1t.org to plant 100 million trees by 2030.

(a Company from – Metals and Mining Industry)

- 6,157 trees planted by XYZ in FY 2023-24 with a survival rate of 100%. Further, it has stated “*Our operational model has been designed to encourage increased transplantation, creation of green belts and*

undertaking of afforestation projects in protected areas. Efforts to protect and conserve the biodiversity in and around our operations further enhances our commitment to protecting our environment.”.

(a Company from – Realty Industry)

Business Continuity/ Disaster Management Plan:

*A **business continuity plan (BCP)** is a document that consists of the critical information an organization needs to continue operating during an unplanned event.*

The BCP states the essential functions of the business, identifies which systems and processes must be sustained, and details how to maintain them. It should consider any possible business disruption.

- The overall disclosure rate stands at 90% i.e. only 180 companies out of 200 entities made adequate disclosures on business continuity plan during FY 2023-24; improved when compared to FY 2022-23, where the disclosure rate was 75% (149/200).
- 👍 100% performance has been seen in 4 Industries which are Financial Services – Banks, Metals & Mining, Oil Gas & Consumable Fuels & Power during FY 2023-24 w.r.t disclosing and having a business continuity/ disaster management plan in action.
- Most companies have Risk Management Committee overlooking such plan and monitoring its execution and effectiveness.
- 👎 Least performing industry under this parameter are Chemicals & Construction Materials industries. As such disclosure is a part of leadership indicators as per BRSR format, many companies have not disclosed such leadership indicators.

However, as a good governance & transparency measure, industries must follow the best practice by disclosing the data related to leadership indicators as well.

Environment Management Systems:

*International Organisation for standardization (“ISO”) states that “14001:2015 sets out the criteria for an environmental management system and can be certified to. It maps out a framework that a company or organization can follow to set up an effective environmental management system. **It can be used by any organization regardless of its activity or sector.**”*

- 47 companies belonging to Financial Services Industry are excluded for the purpose of below calculation as it is not material to the industry.
- 👍 Out of remaining 153 companies, **104 companies** have disclosed presence of Environment Management Systems & certification for **all plants or facilities** and **28 companies** have disclosed presence of Environment Management Systems & certification for **some plants or facilities**. Rest 21 companies have not made any disclosure.
- 👍 100% existence of Environment Management System is observed in Chemicals & Construction Materials industries. Further, for Power & Capital Goods the disclosure rate is at 90% and 81% respectively, followed by Metals and mining Industry with 80%.

As one of the disclosure requirements regarding an entity’s management and process is name of national and international codes / certifications / labels / standards adopted by the Company and mapped to each principle, each Company shall thrive to disclose and if not adopted ISO14001:2015 then to take further steps for adoption as it can complement and improve the organization's compliance management.

-: Leading Endeavours (The Trend Setters) :-

- The plant is ISO 14001:2015 and ISO 45001:2018 certified and has reached carbon neutrality, mainly through in-house solar energy and the purchase of green energy.

(a Company from – Automobile and Auto Components Industry)

- All our manufacturing and R&D sites in India, as well as our headquarters in XXX, are certified for ISO 14001 and ISO 45001, highlighting our commitment to the environment.

(a Company from – Healthcare Industry)

Energy Management Systems:

For organizations committed to addressing their impact, conserving resources and improving the bottom line through efficient energy management, we developed ISO 50001. Designed to support organizations in all sectors, this ISO standard provides a practical way to improve energy use, through the development of an energy management system (EnMS).

- ISO Organisation

- 47 companies belonging to Financial Services Industry are excluded for the purpose of below calculation as it is not material to the industry.
- While primarily 68% (104 out of 153) of the Companies in the sample have disclosed Environment Management Systems for all plants and facilities, only **28%** (43 out of 153) have disclosed about having Energy Management System for all plants and facilities.
- Further, 14% of the sample entities (22 out of 153 entities) have disclosed about certification (ISO 50001) on Energy Management System for some plants and facilities.
- 🔴 88 Companies have neither disclosed any information nor discussed about Energy Management Systems.
- 👍 5 out of 6 companies under Construction Materials industry have disclosed existence of Energy Management Systems and certification for all plants and facilities, and is again best in the sample as last year.
- 🔴 None of the entities from Consumer services, FMCG, Healthcare and Realty industries have discussed or disclosed any information about the Energy Management System.
- Power sector having the highest energy demands has 80% of its entities implementing Energy Management System.
- Healthcare facilities have a substantial energy demand due to 24/7 operations and specialized medical equipment. Despite this, as per data, only 5 entities have Energy Management System for some of their plants/ facilities to improve their energy needs.

-: Leading Endeavours (The Trend Setters) :-

- At ABC, we implement our decarbonisation efforts through a two pronged approach: investing in innovation for energy efficiency and increased use of renewable energy. At present, 57% of our manufacturing units are ISO 50001: 2018 certified on Energy management systems.

(a Company from – Healthcare Industry)

- XYZ is certified to ISO 50001:2018 standards for Energy Management Systems (EnMS) across 22 campuses in India. Out of these, 2 campuses were added under certification in FY 2024, continuing our commitment to energy conservation and management.

(a Company from – Information Technology Industry)

LEED Certification:

LEED (Leadership in Energy and Environmental Design) is the world's most widely used green building rating system. LEED certification provides a framework for healthy, highly efficient, and cost-saving green buildings, which offer environmental, social and governance benefits. LEED certification is a globally recognized symbol of sustainability achievement, and it is backed by an entire industry of committed organizations and individuals paving the way for market transformation.

- USGBC Organization

- Highest disclosure of LEED certification for all plants and facilities is observed in Realty Sector with 67% rate followed by IT sector with 15% rate. Establishment of LEED certified green buildings offer productive, safe and healthy workplaces for employees, clients and contractors and also set a benchmark in the industry.
- Presence of LEED certification is zero for all plants or facilities in Chemicals, Construction Materials, Consumer Durables, Consumer Services, Metals & Mining, Oil Gas & Consumable Fuels and Power Industries.
- Manufacturing and industrial facilities often have different energy and water needs, unique ventilation requirements, high equipment loads, 24/7 operations, and programmatic relationships with other buildings that make pursuing strong efficiency measures challenging. Recognizing the unique challenges that often exist in manufacturing facilities, USGBC has developed industry-specific guidance and certain LEED credits were adapted to reflect the needs of the industrial sector.
- Green buildings also ensure that manufacturers are good stewards for their communities and help protect residents and workers, promoting a healthy environment and economy.

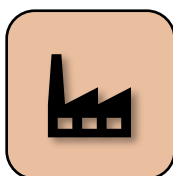
-: Leading Endeavours (The Trend Setters) :-

- Our xxx facility is a green building that serves a dual purpose, housing both our corporate offices and our valves manufacturing operations. Our xxx manufacturing process holds a GREENCO Gold certification, **reflecting our commitment to reducing GHG emissions**. Furthermore, our CPVC PRO, SILENCIO, and DRAINPRO products are GREENPRO Certified, with CPVC PRO additionally receiving a GRIHA certification.

(a Company from – Capital Goods Industry)

- Your Company is a pioneer in the green building movement, with 40 buildings having received Platinum certification by USGBC/IGBC.

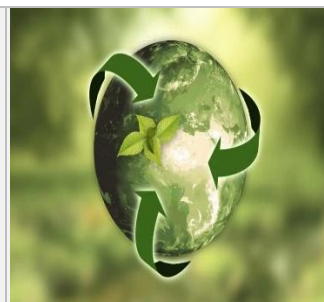
(a Company from – FMCG Industry)







1.2. SUSTAINABLE PRODUCTS / SERVICES

Assessment Factors: Company's disclosures and practices relating to products or services impacting environment due to:

- Sustainable Sourcing / Resource Efficiency,
- EPR,
- Product life cycle assessment (LCA),
- Product packaging,
- Impact on Environment from Value Chain,
- Reclaiming of products.



BRSR Reference: Principle 2 & 6.

EVALUATION STATISTICS								
2024	QUESTIONS			26	PARAMETERS			55
2023	QUESTIONS			25	PARAMETERS			59
YEAR	SCORE – SUSTAINABLE PRODUCTS / SERVICES							
2024	MAX.	96	AVG.	64	MED.	66	MIN.	20
2023	MAX.	95	AVG.	57	MED.	58	MIN.	12
BEST PERFORMING INDUSTRY*					BEST PERFORMING COMPANY*			
 77.7- Information Technology (2024) 74- Information Technology (2023)					 95.7- Metals & Mining (2024) 94.9- Metals & Mining (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY*					WORST PERFORMING COMPANY*			
 51.9- Consumer Services (2024) 45.5- Capital Goods (2023)					 20.5- Power (2024) 12.3- Metals & Mining (2023)			

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company.

**Note: The above analysis of best and worst does not include Financial Services Industry and the entities operating in this industry; reasons for this are explained in the Environment Summary above.*

- Unlike general disclosures where all questions and parameters were applicable uniformly across the Sample, in this section only relevant questions and parameters of the model were applicable to companies depending on nature of operation of particular industry. E.g. Packaging in Financial Services companies was not applicable and not evaluated.
- 👍 Highest score was observed in IT industry in FY 2023-24. IT companies have made disclosures on parameters applicable to them such as sustainable sourcing / initiatives that result in better environment, sustainable practices.
- 👎 Lowest score is observed in a Company from Power Sector.
- 👍 Minimum, maximum, average and median scores, all have improved marginally.
- Consumer Services industry has scored lowest, as there were limited disclosures on investment in Research and Development (R&D) as well as Capital Expenditure and LCA.

48 entities belonging to Financial Services sector are excluded from analysis in this section as the parameters are not applicable to the Financial Service industry.

Sustainable Sourcing & Initiatives:

Sustainable sourcing is the integration of social, ethical and environmental performance factors into the process of selecting suppliers. It includes green purchasing guidelines that might pertain to certain products or commodities and purchasing sustainably preferable products and services (products made from recycled or re-manufactured materials).

- Companies do not exist in isolation; their supply chain is integral part of their operations and is of utmost importance for sustainable operations. Sustainability initiatives of a Company in isolation would leave the Company unprepared and open to risks from possible unsustainable operations of its Business Partners. Extending business responsibility initiatives of the Company across its supply chain including its suppliers, associates, distributors can have a lasting impact on the company's sustainable performance and preparedness in the long run.
- 👍 128 companies out of 152 considered in analysis, have disclosed specific initiatives or if any innovative technology or solutions adopted to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated.
- 142 companies have disclosed that they have procedures in place for sustainable sourcing and only 110 companies from those 142 have provided relative data on sustainable sourcing i.e. % of inputs sustainably sourced.
- 👍 41% of the entities have sourced around 90% to 100% of their inputs sustainably.
- 👎 Lack of uniformity was noticed in disclosures made under this category. While some companies provided data in absolute numbers, others provided in relative terms. In few cases, data was provided only for a particular plant or location rather than for Company as whole. Therefore, holistic comparison across sample was not feasible.

-: Leading Endeavours (The Trend Setters) :-

- We've actively engaged with 80.46% of our suppliers (by value) to assess their sustainability practices, using a globally recognised assessment platform, Eco-Vadis. Encouragingly, 38.01% of them have responded positively by undergoing assessments and sharing their sustainability scorecards with us.
(a Company from – Oil Gas & Consumable Fuels Industry)
- 100% of XYZ's suppliers/vendors abide by SUPPLY CHAIN STANDARDS AND RESPONSIBILITIES CODE FOR SUPPLIERS AND VENDORS which includes evaluation of suppliers/vendors against various ESG parameters. Also, 100% of the suppliers/vendors OEKO-tex certified.
(a Company from – Others (Textile) Industry)
- XYZ is on an ESG Transforming journey, and it believes supplier collaboration as crucial to doubling its effect. We have initiated sensitising and encouraging our vendors to follow the road of sustainability with the goal of driving sustainable behaviour beyond their manufacturing facilities. Keeping in mind the best interests of the patients, the Company endeavours to work with responsible suppliers who adhere to the uniform quality, social and environmental standards as XYZ.
(a Company from – Healthcare Industry)
- XYZ is a member of WeConnect International, a global initiative that helps women business owners compete in the global marketplace by becoming suppliers to large firms. The partnership enables XYZ to discover women-owned businesses to meet its procurement needs.
(a Company from – Consumer Services Industry)

Extended Producer Responsibility (EPR):

“Extended Producer Responsibility” means the responsibility of a producer for the environmentally sound management of the product until the end of its life. The Uniform Framework for Extended Producers Responsibility issued by the Ministry of Environment, Forest and Climate Change places responsibility on producers, importers and brand owners to establish a system for collecting back the plastic waste generated due to their products and submit a plan for such collection with the relevant Pollution Control Board(s) (details available at [website](#).)

– SEBI BRSR Guidelines

- Out of 93 companies where EPR is applicable only 84 companies i.e., 90% have submitted waste collection plan to Pollution Control Board (PCB) which is similar to the disclosure rate during FY 2022-23.
- 🟢 Construction Materials, Consumer Services, FMCG, Healthcare, Metals & Mining, Oil Gas & Consumable Fuels and Power industries are the sectors who have 100% disclosure rate for procedure in place for EPR and submission of waste collection plan to Pollution Control Board (PCB).
- 🔴 Automobile and Auto Components have the lowest i.e., 69% disclosure rate in terms of Sectors who have submitted EPR plans. Out of 16 entities under Automobile and Auto Components, all 16 have disclosed EPR’s applicability and only 11 of them have submitted the plan in line with EPR to PCB. Other 5 entities have not disclosed the steps taken to address the non-submission of waste collection plan to PCB.
- 1 out of 9 entities which does not have EPR plan in place, has stated that, *“The organisation is not presently implementing an Extended Producer Responsibility plan. However, it recognises the significance of such a plan and intends to explore its implementation in the coming years.”*
- Further, another Company has stated that, *“Yes, EPR is applicable to us for end of life tyres, plastics (as importer and brand owner). We are in the process of complying with the waste collection plan.”*
- Under Consumer Durables industry 5 out of 6 entities have submitted the plan to PCB and only 1 entity has not submitted the plan and has disclosed that, *“Yes. The Company has complied with EPR registration on plastics used in packaging, e-waste and batteries. As per the revised guidelines for PWM Rules Rule No 9 published in the Gazette of India on 14th March 2014, CG - DL- E-15032024-253031, **submission of plans to PCBs is not mandatory if the EPR guidelines are met by the Brand owner.** Currently, we are in process of developing the waste collection plan in line with extended producer responsibility guidelines across our operations.”*

Life Cycle Assessment (LCA):

LCA addresses the environmental aspects and potential environmental impacts (e.g. use of resources and the environmental consequences of releases) throughout a product's life cycle from raw material acquisition through production, use, end-of-life treatment, recycling and final disposal (i.e. cradle-to-grave).

ISO 14040 ([Weblink](#))

- Out of the 152 companies only 64 companies i.e. ~42%, have disclosed about having performed Life Cycle Assessments (‘LCA’) of their product. While in 2023, around 54 companies had made the relevant disclosures on LCA. Thus, entities performing LCA have increased from last year.
- 🔴 None of the companies under Consumer Services industry have performed LCA. As for example one of them have stated that, *“Given the inherent nature of the Company’s service-oriented business*

model, the environmental footprint associated with its operations is relatively modest. Thus, the Company has not undertaken any Life Cycle Perspective / Assessments (LCA) for its services during the current financial year.”

Another one has stated that “As XYZ is in the Hospitality business and comes under a service-sector, the disclosure is not applicable to the business.”

- 90% of the Metal & Mining entities have disclosed performance of their LCA carried out. One of the companies has disclosed the products for which LCA was conducted by a third party and also communicated results for the same on their website. Most of them had identified no significant social or environmental concerns and risk.
- One of the companies from other sector (tele-communication) has mentioned that, “it is a digital solutions provider and does not manufacture any tangible products hence the life-cycle approach is not applicable to the Company's offerings.”
- LCA is not only to be carried out for companies manufacturing products but also by those in services businesses. As to evident, BRSR also provides disclosures on ‘LCA of a product or services.’
- Point to be noted is that the regulator has questioned an entity’s conduct of life cycle assessment for any of its products (for manufacturing industry) or for its services (for service industry). However, entities from service industry have directly stated as not applicable.

It is important to understand that LCA quantifies climate impact of a service from cradle to grave as it works for product as well. It helps the user of the report to understand the impact and quality of present service from the future one.

-: Leading Endeavours (The Trend Setters) :-

- The Company conducted Life Cycle Assessment (LCA) study as per ISO 14040/44 standard, using the approach of “cradle to grave” for their products. The study established the baseline impact of ‘1 tonne of; their production’ for facilities of XYZ.
- By taking product sustainability perspective, the Company demonstrates how improvements in material utilisation and right-first-time manufacturing can reduce emissions during the production phase. For this; XYZ has conducted Product Carbon Footprint (Cradle to Gate) for its 12 Products. This streamlines the process of undertaking life cycle studies of products and enables an understanding of GHG emission hotspots and trade-offs in the steel product value chain, which can be used to inform new product developments and optimise existing manufacturing routes.

(companies from Metals & Mining industry)

Reclaiming of Products:

- 👍 105 companies provided information on processes in place to safely reclaim products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
- 👍 Construction Materials & Realty industry are highest in terms of disclosures i.e., 100% disclosures on having processes in place to safely reclaim their products at the end of life.
- FMCG industry has 93% disclosure rate on having processes in place to safely reclaim their products at the end of life. Most of their plastic waste is recycled through authorized waste handler, e-waste is safely collected, stored and disposed to Pollution Control Board authorized recyclers/ refurbishers, hazardous waste is disposed as per applicable norms after required treatment in the Effluent Treatment Facilities/ or through approved value chain partners. However, on this parameter, the

performance of these entities in safely reclaiming their product at the end of the life cycle cannot be assured and very subjective considering the impact of these products, as the categories of these products are very vast.

- The reason for high disclosure rate of reclaim in FMCG is due to the very nature of industry, as this industry contributes major in the overall disposal of waste in the environment on daily basis, as majority of these products in FMCG involves packaging containing plastic waste. Thus, if this industry fails in reclaiming their products at the end of life, it will release a large portion of plastic waste in the environment resulting in pollution.
- An entity from FMCG industry has a PET buyback policy, wherein the entity buys back the used PET and R-PET bottles of their products by establishing bottle buy - back centres at some of their warehouse locations; and in return they also pay to the customers for their efforts.
- An entity from Oil Gas and Consumable Fuels Industry has mentioned that, *“Product recycling is not practiced in this sector. The product portfolio consists mainly of crude oil, natural gas and value-added products (LPG, Naphtha, C2 -C3, kerosene oil, SKO etc).”*
- In industry like Oil Gas and Consumable Fuels, one shall understand that reclaiming products involves restoring the performance characteristics of used oils and other materials to a near-new state through processes like cleaning, drying, and removing impurities, rather than simply discarding them.

U.S. Geological Survey (USGS) is an agency of the U.S. Department of the Interior whose work spans the disciplines of biology, geography, geology, and hydrology has framed guidelines for successful oil and gas reclamation. ([Link](#))

-: Leading Endeavours (The Trend Setters) :-

- The Company follows circular economy principles in the manufacturing and end use stage of the product lifecycle. The plastic used for packaging as well as generated otherwise is co-processed in cement kiln. The Company is plastic negative. Cement manufacturing process does not produce any E-waste. However, E-waste is produced from office operations. All of e-waste generated is sold to registered recyclers.

Major quantity of hazardous waste generated during the process is co-processed in kiln within plant as per the permission from State Pollution Control Board. Remaining hazardous waste is sent to common incinerator authorised by State Pollution Control Board.

- In addition, the Company has its waste management arm 'XXXX' which collect and disposes the waste from other industries as alternate fuels and raw materials.

(companies from Construction Materials industry)

- The Company has established a comprehensive process for the reuse and recycling of plastic, e-waste, and hazardous materials such as used oil and solvents. Our commitment to sustainability is evident, **with 98% of our packaging material being recyclable**. Furthermore, all our plants are equipped with Effluent Treatment Plants (ETP) to treat hazardous waste. Additionally, we ensure proper disposal of e-waste by collaborating with authorized e-waste recyclers.

The Company disposes all hazardous waste only to government-approved waste management agencies. All batteries are sent to Pollution Control Board authorized manufacturers only as part of the buy-back program. Additionally, we have introduced 100% recycled PET bottles for xxx in select sub-territories, marking a key milestone in our sustainable packaging journey. Recycled 5.86 lakh MT of used PET bottles till CY 2024 since 2019. Implementing 100% phased recycling of used PET bottles and collection from end-users.”

(companies from FMCG industry)

R&D and Capital Expenditure (Capex):

Investing in Research and Development (R&D) as well as Capital Expenditure in specific technologies aimed at improving the environmental and social impacts of products and processes is essential for sustainable business practices. In following areas such investments can make a significant difference:

1. Renewable Energy Technologies,
2. Energy Efficiency Solutions,
3. Waste Reduction and Recycling Technologies,
4. Water Conservation and Treatment Technologies,
5. Social Impact Initiatives,
6. Green Buildings and Infrastructure, etc.

By allocating resources to R&D and capital expenditure (CAPEX) in these specific technologies and initiatives, businesses can not only improve their environmental and social performance but also gain a competitive advantage in a rapidly evolving market focused on sustainability.

- Out of 152 companies - only 84 companies (55%) have actually allocated resources to R&D and 115 companies (76%) towards CAPEX among the companies in sample.

❗ None of the entity in Consumer Service industry has allocated resources to R&D. One Company has stated that, *“The Company’s principle nature of business is to procure everyday use products from reputed brands/manufacturers and provide the same to end consumers.”*

This depicts a picture that there is lack of investment in research, while the objective is to assess environmental impact such as Carbon Footprint, Resource Consumption & Waste Management. Social impact such as Fair Labor Practices, Community Engagement & Diversity and Inclusion.

-: Leading Endeavours (The Trend Setters) :-

- XYZ has implemented various initiatives within its R&D and Capex domains to address environmental and social concerns. These initiatives include: -
 Acquiring specialised testing equipment to analyse small quantities of chemicals during the initial stages of production, thereby reducing trial materials usage and minimising waste. - Designing faucets specifically aimed at conserving water consumption. - Procuring laboratory testing equipment to monitor in-process parameters, thus reducing material wastage by preventing post-production rejections. - Developing low Volatile Organic Compound (VOC) solvents to meet demand for environmentally friendly and safe solutions. - Enhancing the infrastructure of test laboratories to maintain a clean air environment.
- Major expenditure reported as: Installation of Regenerative Burner based Combustion System in Reheat Furnaces, installation of 2x30 kWp Solar Photo Voltaic (SPV) Power Plant and establishment of Selective Catalytic Reduction (SCR) manufacturing facility.
- (1) JC-DMP1-059 ESP for biomass boiler - Air pollution control equipment installed on the biomass-fired boiler as per GPCB norms. (2) JC-PMP1-038 ETP Triton Aerators - By using these aerators, impacts projected are: A) 73,000 KWH units per annum are going to be saved. B) Carbon emissions will be reduced by 58 tonnes per annum. C) Effluent parameters maintenance will be constant. (3) Scrap yard for hazardous waste (4) Sewage treatment plant of capacity of 200 KLD.

(companies from Capital Goods industry)

- 1. Use of environmentally friendly chemicals in designing architectural paints;

2. Development of products with lower carbon footprint;
3. Development of high solid products to reduce VOC emissions;
4. Development of air- drying systems for industrial products which require baking at present. Some baking systems are being converted to low bake systems which will require lower energy.

(a Company from Consumer Durables industry)

- As part of ongoing efforts at XYZ, the Company is focused on developing and deploying innovative technologies aimed at reducing environmental impact and fostering social progress. During the year, XYZ has achieved significant milestones as listed below:

1. Fuel Cell Technology: The Company has successfully delivered two commercial systems: One system was provided to the Indian Defense Ministry for high-altitude backup power applications. Another system was supplied to XXXXX, powering India's inaugural Hydrogen Fuel Cell Inland Vessel.

2. Sodium-ion Battery Technology: The Company has launched the Na-ion battery technology and currently, the Company is engaged in developing pilot projects with interested customers and is actively seeking partners to license technology for large-scale manufacturing.

3. Biomass-based Hydrogen Generation: The Company has commenced the scale-up of this technology in collaboration with an industry partner.

(a Company from IT industry)







1.3. ENERGY CONSUMPTION

Assessment Factors: Company's disclosures & practices related to energy consumption:

- Disclosure of data on total energy consumption / energy intensity;
- Disclosure of data on energy consumption from specific sources;
- Reduction in total energy consumption / energy intensity;
- Steps taken to conserve energy or reduce energy consumption;
- Investment on energy conservation equipment;
- Targets set and its achievements.



BRSR Reference: Principle 2 & 6.

EVALUATION STATISTICS								
2024	QUESTIONS			14	PARAMETERS			84
2023	QUESTIONS			13	PARAMETERS			55
YEAR	SCORE – ENERGY CONSUMPTION							
2024	MAX.	77	AVG.	39	MED.	38	MIN.	4
2023	MAX.	82	AVG.	36	MED.	35	MIN.	3
BEST PERFORMING INDUSTRY*				BEST PERFORMING COMPANY*				
		48.0 – Construction Materials (2024)				77.3 – Fast Moving Consumer Goods (2024)		
		50.0 – Metals & Mining (2023)				82.0 – Chemicals (2023)		
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY*				WORST PERFORMING COMPANY*				
		29.11 – Consumer Services- (2024)				8.78 – Consumer Services (2024)		
		26.8 – Consumer Services (2023)				12.6 – Consumer Durables (2023)		

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company.

**Note: The above analysis of best and worst does not include Financial Services Industry and the entities operating in this industry; reasons for this are explained in the Environment Summary above.*

🔴 In 2024, scores of the best and worst performing industries as well as Company are lower than those in 2023.

- Overall there is an increase in average score on Energy Consumption from last year. However, the highest scoring entity's score has decreased in current FY.

Energy Consumption (Absolute):

An increase in energy consumption, especially from non-renewable sources like thermal power plants results in an increase in greenhouse gases (GHGs) emission. GHGs contribute to various environmental issues, like global warming, ocean acidification, smog pollution, ozone depletion, etc. Therefore, it is essential for a company to reduce its energy consumption and intensity.

For meaningful analysis of energy consumption performance of a Company, it is important that disclosures related to energy consumed during the particular financial year are made properly and comprehensively. Introduction of BRSR has made it easier for the Companies to disclose data in a specific format, which enables analysts/ users to compare and track the performance.

Further, enhanced BRSR disclosures i.e. inclusion of Core Indicators, has resulted in better overall disclosures on Energy Consumption data, introduction of Bifurcated disclosures on Renewable and Non-Renewable Energy Consumption as well as disclosures on intensities based on turnover adjusted for purchasing power parity (PPP) and intensity in terms of physical output or other relevant production or operational metrics.

Analysis of energy consumption, intensity, etc. for the purpose of performance track and comparison includes only those entities who have disclosed energy consumption and relevant data in Joules or multiples. However, for the disclosures and scoring purpose, all the entities who have disclosed data on relevant parameters have been considered.

Table E1, highlights the number of companies which have made disclosures on energy consumption during last two FYs in their BRSR Report for FY 2023-24:

TABLE E1: NUMBER OF COMPANIES DISCLOSING ENERGY CONSUMPTION (ABSOLUTE)					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Total	200	197	98%	199	99%
Automobile and Auto Components	16	16	100%	16	100%
Capital Goods	16	16	100%	16	100%
Chemicals	6	6	100%	6	100%
Construction Materials	6	6	100%	6	100%
Consumer Durables	7	7	100%	7	100%
Consumer Services	7	7	100%	7	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Financial Services - Bank	22	22	100%	22	100%
Financial Services - Insurance	7	7	100%	7	100%
Healthcare	14	14	100%	14	100%
Information Technology	13	13	100%	13	100%
Metals & Mining	10	10	100%	10	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Power	10	10	100%	10	100%
Others	14	14	100%	14	100%
Realty	6	6	100%	6	100%
Financial Services - Others	19	16	84%	18	95%

Number of companies which disclosed data in BRSR for FY 2023-24.

- The above disclosures are as per the BRSR Report for FY 2023-24.
- In FY 2023-24, only one entity from Other Financial Services has not disclosed data on absolute energy consumption.
- One Company which has not disclosed data on energy consumption for FY 2023-24 is also part of the three companies which have not disclosed the same data for FY 2022-23.
- The reason behind the entity not disclosing data is stated as “X being a finance Company does not own any manufacturing unit/ facility. Therefore, this principle has very limited applicability. However, being an energy conscious organization has taken various initiatives in the direction of energy conservation on a continuous basis.”

- Other two entities which have disclosed data for FY 2023-24 and not for FY 2022-23, have commonly reported that “Y is a NBFC and is not involved in manufacturing of any kind of product.”

Energy Consumption Intensity:

Total energy consumption by entities as a metric to track the performance of the entities on energy basis is not a perfect tool, as the entities involved in the sample are of very different size and industry. Thus, the energy intensity based on turnover as well as turnover adjusted for Purchasing Power Parity (PPP) is a vastly better measure to compare the performance of the entities as well as of the relevant industries.

Earlier, there was no common metric and the BRSR format required disclosure of energy consumption intensity based on the turnover of the entity and intensity based on other relevant metrics, which varied from industry to industry.

Now, with the introduction of modified BRSR Framework by SEBI require that:

- Entities must report intensities for revenue adjusted for Purchasing Power Parity (PPP) and output-based intensity for energy consumption, GHG emissions (Scope 1 & 2), water consumption and waste generation.
- PPP conversion rates: Entities should use the latest PPP rate for India as published by the IMF and disclose the rate used in BRSR reporting. The same rate should be used for both the current and previous financial years.
- Output-based intensity calculation:
 - Manufacturing entities should use Total Production as the output measure.
 - Service entities should use Full-Time Equivalent (FTE) as the input measure.
- Entities may voluntarily provide additional intensity ratios based on metrics such as unit of product, production volume, or employee count, etc.

Table E2, highlights the number of companies which have made disclosures on energy intensities linked to revenue:

TABLE E2: ENERGY INTENSITY LINKED TO REVENUE									
INDUSTRIES	#	Linked to Turnover				Linked to Turnover adjusted for PPP			
		2023		2024		2023		2024	
		#	%	#	%	#	%	#	%
Total	200	188	94%	190	95%	157	79%	169	85%
Capital Goods	16	16	100%	16	100%	16	100%	16	100%
Consumer Durables	7	6	86%	7	100%	6	86%	7	100%
Healthcare	14	14	100%	14	100%	14	100%	14	100%
Information Technology	13	13	100%	13	100%	13	100%	13	100%
Realty	6	6	100%	6	100%	5	83%	6	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%	11	92%	11	92%
Metals & Mining	10	10	100%	10	100%	9	90%	9	90%
Fast Moving Consumer Goods	15	15	100%	15	100%	11	73%	13	87%
Consumer Services	7	7	100%	7	100%	6	86%	6	86%
Chemicals	6	6	100%	6	100%	5	83%	5	83%
Automobile and Auto Components	16	15	94%	15	94%	12	75%	13	81%

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Power	10	10	100%	10	100%	8	80%	8	80%
Financial Services - Others	19	15	79%	16	84%	14	74%	15	79%
Others	14	13	93%	13	93%	9	64%	10	71%
Financial Services - Bank	22	19	86%	19	86%	11	50%	15	68%
Construction Materials	6	6	100%	6	100%	4	67%	4	67%
Financial Services - Insurance	7	5	71%	5	71%	3	43%	4	57%

Number of companies

- BRSR format provides specific disclosures on the energy consumption intensity based on turnover and turnover adjusted for PPP.
- As per the data disclosed above, majority of the entities who have made disclosures on the energy consumption intensity based on turnover are also the ones who have made disclosures on the energy consumption intensity based on turnover adjusted for PPP.
- 100% disclosure rate has been observed from entities belonging to Capital Goods, Information Technology and Healthcare industry on disclosures on the energy consumption intensity based on turnover and turnover adjusted for PPP.
- Entities belonging to Financial Services - Insurance Industry have the lowest disclosure rate as majority of these entities have stated that they have not collated data for either of the financial year.
- 2 entities belonging to Construction Material industry, 2 from Financial Services industry have stated that energy consumption intensity linked to turnover adjusted for PPP is Not Applicable to them.
- Further 1 Company from Consumer Services industry has stated that since their entire operations are based in India, such disclosure is not applicable to them. This shows that the Company has not understood the objective behind such disclosures.
- However, the BRSR format does not mandate that PPP has to be disclosed only if there is an export. Further, intensity linked to PPP is introduced for global comparability of the intensity / data; and some of the companies without any exports have also disclosed information on PPP adjusted revenue. Therefore, ideally the disclosures should have been made by the respective entity.

Table E3, highlights the number of companies which have made disclosures on energy intensity linked to Physical output or other relevant metrics:

TABLE E3: ENERGY INTENSITY LINKED TO PHYSICAL OUTPUT / OTHER RELEVANT METRICS					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Total	200	120	60%	129	65%
Construction Materials	6	6	100%	6	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Metals & Mining	10	8	80%	9	90%
Automobile and Auto Components	16	13	81%	14	88%
Chemicals	6	4	67%	5	83%
Realty	6	4	67%	5	83%
Power	10	8	80%	8	80%
Healthcare	14	11	79%	11	79%
Fast Moving Consumer Goods	15	10	67%	11	73%
Information Technology	13	7	54%	8	62%
Financial Services - Bank	22	12	55%	13	59%

Consumer Durables	7	3	43%	4	57%
Others	14	7	50%	7	50%
Capital Goods	16	7	44%	7	44%
Consumer Services	7	3	43%	3	43%
Financial Services - Insurance	7	1	14%	2	29%
Financial Services - Others	19	4	21%	4	21%

Number of companies

- BRSR format provides specific disclosures on the energy consumption intensity based on physical output, however, same is optional in case of Other Relevant Metrics as may be selected by the entity.
- The data in Table E3 includes disclosure made by entities on the energy consumption intensity either based on physical output or intensity based on other relevant metrics or both.
- The data in Table E3 establishes that disclosure level drops when disclosures is made optional; only 60-65% of the sample entities disclosed intensity based on the metrics other than turnover. Marginal increase in disclosures on energy consumption intensity based on physical output / other relevant metrics has been observed from previous financial year.
- Disclosures on relevant metrics were varied from industry to industry i.e. entities from Construction Materials disclosed intensity based on tonnes of cementitious material produced, entities from auto industry disclosed intensity based on number of vehicles produced, entities from financial services disclosed intensity based on Total Loan Portfolio, entities from real estate disclosed intensity based on area of portfolio i.e. total leasable and saleable area in sq. mtr. etc.
- Further, while majority of the other entities operating in service industries disclosed intensity based on full-time employees (FTE) or total employees or total workforce, some entities also disclosed the same on basis of area of offices / premises in square meter, etc.
- Construction Materials and Oil Gas & Consumable Fuels industries are the best performing having the highest disclosure rate of 100% for 2 consecutive years. While Financial Services- Insurance & Financial Services- Others industries being at the lowest in the table having disclosure rate less than 30% for FY 2022-23 as well as FY 2023-24.
- One of the entities which has not disclosed the energy intensity on other relevant metrics stating that, “due to the diverse segments of XYZ, there is no single type of physical output for its services & products”. Similar disclosure concerns are observed in water consumption, GHG emission and waste generation for that entity.

Disclosures (Measurement Units) - Uniformity?

To compare absolute and relative performance of companies, it is important that the industry makes uniform disclosures. Thanks to the introduction of BRSR, data disclosures have become consistent at-least from the sources of energy perspective. However, uniformity is missing big in case of measurement units. Although, most of the companies have made disclosures in Joules or other multiples of Joules, however, not all companies within a particular industry have made uniform disclosures by way of having common measurement units.

- Approx. 170 entities from the sample have disclosed energy consumption in GJ (Gigajoule) and 23 entities in multiples of joules. However, 6 entities have disclosed data in units other than joules.
- While in case of absolute energy consumption, majority of the entities had common measurement unit viz. GJ, however, the same was not in the case of energy intensity, especially in case of metrics

other than turnover. As for the intensity based on turnover, majority of the entities have disclosed it similar to energy consumption's absolute data i.e. energy consumption in joules or multiples vs the turnover in rupees or multiples.

- Further, in case of intensity based on physical output or other relevant metrics, some companies have disclosed intensity linked to production, plant wise production, number of employees, etc. Therefore, no holistic comparison across Sample was possible, merely based on Company's disclosures. Thus, intensity performance was only measured on the basis of energy consumption vs revenue.

Absolute Energy Consumption & Energy Consumption Intensity- Performance:

Table E4: Analyses performance of companies with respect to energy consumption i.e. whether the companies managed to decrease absolute energy consumption and energy intensity linked to revenue.

TABLE E4: PERFORMANCE: CHANGE IN ENERGY CONSUMPTION & INTENSITY						
INDUSTRIES	FROM FY 2022-23 to FY 2023-24 (#)					
	EC		Intensity		Both	
	↓	↑	↓	↑	↓	↑
Total	49	144	100	84	39	74
Automobile and Auto Components	2	13	8	6	2	6
Capital Goods	6	10	11	5	6	5
Chemicals	3	3	2	4	1	2
Construction Materials	1	5	3	3	1	3
Consumer Durables	1	6	2	4	1	4
Consumer Services	0	7	4	3	0	3
Fast Moving Consumer Goods	3	12	9	6	3	6
Financial Services - Bank	7	15	16	3	7	3
Financial Services - Insurance	1	6	2	2	1	2
Financial Services - Others	3	12	10	5	3	5
Healthcare	3	10	11	2	3	2
Information Technology	2	11	5	8	2	8
Metals & Mining	2	8	3	7	1	6
Oil Gas & Consumable Fuels	7	5	1	11	1	5
Power	2	8	2	8	1	7
Others	5	9	9	4	5	4
Realty	1	4	2	3	1	3

Number of companies, which disclosed data. | EC- Energy consumption | Intensity- Energy consumption intensity linked to turnover. | ↓ - Number of Companies where absolute Energy Consumption & intensity decreased and ↑ - Number of Companies where absolute Energy Consumption & intensity increased from last year. | Note: Excludes companies whose data was not comparable or who has not disclosed data in any of the two financial years.

Exclusion: Total 16 Entities are excluded due to:

- 12 companies which have not disclosed intensity data for FY 2022-23.
- An entity's energy consumption from the Healthcare Sector as per BRSR disclosure has increased more than 13 times and intensity has increase more than 11 times. The reason for such high increase as stated by the entity is that "Due to a change in the calorific value used for reporting in FY 2023-24, we have reported a large differentiation in values as compared to FY 2022-23."

- Also, an entity's energy consumption from Realty as per BRSR disclosure has increased more than 9 times and intensity has increase more than 15 times. The reason for such high increase is not disclosed by the entity.
- Further, one entity from Automobile & Auto Components and one from Other Financial Services have not disclosed the unit of measurements of the data.

Analysis:

- Across the sample entities considered for absolute energy consumption, only 49 entities were able to decrease their absolute energy consumption, whereas the same has increased for 144 companies which indicates that ~75% of the companies consumed more energy y-o-y.
- None of the entities from **Consumer Services** Industry were able to decrease their total energy consumption, where highest increase in energy consumption by 2 of the entities was up to 42% from previous financial year.
- 👍 Banks, Capital Goods and Healthcare industry are the industries with better performance. As their number signifies efficient energy operations.
- However, **more than half of the companies improved energy intensity**, which implies that some are managing energy use more efficiently relative to their revenue growths.
- Service sectors (like Banking and Financial Services) appear to be leading in energy efficiency, while heavy industries and manufacturing show mixed or poor performance.
- While industries such as **Automobile and Auto Components, Consumer Durables, Banks** have seen an increase in the number of entities where the absolute energy consumption has risen, the number of entities with an increase in energy intensity relative to turnover is even smaller. This is primarily due to lower reporting on energy intensity data.
- Similarly, industries like Capital Goods, Construction Materials, Consumer Services, FMCG, Insurance, NBFCs, IT, Metals & Mining, Realty and Healthcare have experienced cases like the number of entities where the absolute energy consumption has risen and the number of entities with an increase in energy intensity relative to turnover is even smaller. However, in these cases, the number of entities reporting on both parameters aligns more closely.
- 11 out of 12 entities operating in Oil Gas & Consumable Fuels industry have reported increase in their energy consumption intensity from last year as most entities having complex and energy-demanding projects, the probable reasons for such increase could be due to investing in Power Plants to support refineries and shifts in the product mix.
- It is to be noted that while increase or decrease in energy consumption by an entity from last year to current year on an absolute basis may not be an adequate measure to considering it as positive or negative trait, as there are multiple factors which could lead to changes in absolute energy consumptions, such as expansion of business operations, increase in overall production / operations due to higher demand, coverage on disclosures of data, other environmental or non-controllable factors. Therefore, instead of absolute energy consumption, more emphasis is to be placed on the changes in the energy consumption intensities.

Industry Wise Energy Consumption Analysis:

Table E5: Analyse industry wise performance on the energy consumption on the basis of total energy consumption by each industry as well as average energy consumption per entity in the industry.

TABLE E5: ENERGY CONSUMPTION INDUSTRY WISE (IN TJ)					
INDUSTRIES	2023		2024		CHANGE
	EC	AVG.	EC	AVG.	%
Total #	95,83,573	49,656	1,04,15,234	53,411	7.56%
Capital Goods	15,683	980	12,757	797	-18.66%
Financial Services - Others	1,058	66	1,101	61	-7.52%
Chemicals	26,730	4,455	25,249	4,208	-5.54%
Oil Gas & Consumable Fuels	12,68,021	1,05,668	12,78,592	1,06,549	0.83%
Realty	2,686	448	2,710	452	0.89%
Metals & Mining	24,92,865	2,49,287	25,96,031	2,59,603	4.14%
Financial Services - Bank	15,960	725	16,897	768	5.87%
Fast Moving Consumer Goods	57,758	3,851	61,675	4,112	6.78%
Healthcare	29,299	2,093	31,346	2,239	6.99%
Automobile and Auto Comp.	36,913	2,307	39,766	2,485	7.73%
Information Technology	4,905	377	5,335	410	8.77%
Construction Materials	5,95,814	99,302	6,56,106	1,09,351	10.12%
Others	1,57,620	11,259	1,76,369	12,598	11.90%
Power	48,72,774	4,87,277	55,04,279	5,50,428	12.96%
Consumer Services	2,211	316	2,639	377	19.34%
Consumer Durables	2,696	385	3,323	475	23.24%
Financial Services - Insurance	578	83	1,059	151	83.31%


All figures in TJ (Terra Joule) except % | EC – Energy Consumption | Avg. - Average Energy Consumption in that industry | % - Average % Change Y-O-Y | #Note: Excludes companies which has not disclosed data in the respective year and whose data was not comparable.

Exclusion: Total 7 Entities are excluded for FY 2022-23 and 5 for FY 2023-24 due to:

- 3 entities have not disclosed data for FY 2022-23 and one for FY 2023-24.
- 4 entities as discussed above in Table E4 are not included in both the years.

Analysis:

- Industry wise data was analysed based on the entities who have disclosed data on energy consumption. For FY 2022-23 out of the sample 193 entities were considered in above data and same for FY 2023-24 was 195.
- As there is difference in number of entities in both years' data, thus comparison is also provided on the basis of average energy consumption across industries.

 On average basis there is an increase of 7.56% in total energy consumption from last year.

- Further, **Insurance and Consumer Durables** industries have seen highest increase in average energy consumption from last year i.e. more than 20%.
- Out of 17 industries, only 3 industries i.e. Capital Goods, Financial Services - Others & Chemicals have managed to decrease average energy consumption from last year.
- Further, there is 19.34% increase in Energy Consumption in the **Consumer Services** industry (consisting of Hotels); as although one of them has stated that their operations are not energy

intensive yet their consumption have increased and another has stated that their fuel consumption has increased through leased DG sets and owned office vehicles.

- One of the reasons for increase in energy consumption in the Insurance Industry is that for data pertaining to FY 2022-23, one entity has stated that it does not include fuel consumption from non-renewable sources as the same fuel consumption from non-renewable sources in FY 2023-24 constitutes of ~52% of the entity's total energy consumption.
- Further, when we analyse the data, **Power industry** is having the highest energy consumption in the sample as we tend to see only the gross consumption, not the net impact or role as a supplier, unless additional context is provided. BRSR doesn't subtract or offset this consumption against the role of power distribution. So, it can seem like they are disproportionately harming the environment, when, in fact, they are enablers of all industrial activity.

For future projections, companies with energy centric operations they can provide contextual explanations like energy generated v/s energy consumed internally.

Bottom line is that yes, Power companies may look like the villains in energy consumption, but it's only because they're doing the heavy lifting of powering the rest of the economy. BRSR captures the "what," but not always the "why" so it's important to tell the story with context wherever possible. Detailed note on Power industry has been discussed under [Thematic Notes](#).

- Moving on, Metals & Mining (24.93%) and Oil Gas and Consumable Fuels (12.28%) also have the highest energy consumption after Power industry. Metals & Mining companies require massive amount of fuel and electricity for extraction and processing of iron ore, copper, zinc, etc. Oil Gas and Consumable Fuel have refineries that are more energy intensive. Although they produce fuel, refineries themselves consume a lot of it.
- Lastly Construction Materials companies need high-temperature manufacturing processes for cement, bricks, tiles and glass. Given the energy-intensive nature of cement production, particularly during kilning and grinding processes, managing energy costs effectively is paramount. Thus, Construction Materials companies have also faced increase in energy consumption.

Industry Wise Energy Consumption Intensity Analysis:

Table E6: Analyse industry wise performance on the energy consumption intensity on the basis of total energy consumption vs turnover of these industries.

TABLE E6: ENERGY CONSUMPTION INTENSITY INDUSTRY WISE					
INDUSTRIES	2023		2024		CHANGE
	#	EC in GJ / Rev. in Cr Rs	#	EC in GJ / Rev. in Cr Rs	%
Total	184/200	1,163.01	186/200	1,167.00	0.34%
Capital Goods	16/16	76.43	16/16	55.65	-27.19%
Financial Services - Bank	19/22	11.70	19/22	9.47	-19.09%
Financial Services - Others	15/19	5.12	16/19	4.26	-16.80%
Others	13/14	190.87	13/14	161.17	-15.56%
Financial Services - Insurance	4/7	0.73	4/7	0.63	-13.16%
Automobile and Auto Comp.	14/16	86.31	14/16	79.98	-7.34%
Healthcare	13/14	239.33	13/14	226.73	-5.26%
Consumer Services	7/7	32.20	7/7	30.99	-3.75%
Chemicals	6/6	629.87	6/6	621.27	-1.37%

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Construction Materials	6/6	4,061.87	6/6	4,045.63	-0.40%
Realty	5/6	148.61	5/6	152.26	2.45%
Consumer Durables	6/7	23.35	7/7	24.18	3.57%
Information Technology	13/13	9.14	13/13	9.53	4.22%
Fast Moving Consumer Goods	15/15	166.68	15/15	174.16	4.49%
Metals & Mining	10/10	3,423.53	10/10	3,637.67	6.26%
Oil Gas & Consumable Fuels	12/12	416.52	12/12	443.71	6.53%
Power	10/10	15,924.63	10/10	17,571.36	10.34%

EC in GJ – Energy Consumption in Giga Joule / Rev. in Cr Rs – Revenue in Rupees in Crores. / % - Change in Energy Intensity Y-O-Y / Note: Excludes companies which has not disclosed data in the respective year and whose data was not comparable.

TABLE E7: REVENUE GENERATED INDUSTRY WISE *					
INDUSTRIES	2023	2024		Change %	After Inflation change %
	Average Revenue	Average Revenue	Inflation Adjusted Average Revenue		
Total	44,422.13	47,326.14	44,927.34	6.54%	1.14%
Financial Services - Insurance	54,498.22	85,867.52	82,924.61	57.56%	52.16%
Financial Services - Bank	69,838.99	91,289.33	87,518.02	30.71%	25.31%
Financial Services - Others	9,818.14	12,174.71	11,644.53	24.00%	18.60%
Consumer Services	13,757.19	16,146.09	15,403.20	17.36%	11.96%
Consumer Durables	29,890.68	34,763.83	33,149.73	16.30%	10.90%
Automobile and Auto Comp.	9,416.86	10,636.60	10,128.09	12.95%	7.55%
Healthcare	12,824.51	14,327.96	13,635.44	11.72%	6.32%
Capital Goods	24,653.12	27,033.79	25,702.52	9.66%	4.26%
Others	41,270.11	43,071.27	40,842.69	4.36%	-1.04%
Information Technology	18,878.14	19,628.36	18,608.94	3.97%	-1.43%
Construction Materials	25,293.76	26,179.72	24,813.85	3.50%	-1.90%
Power	30,599.10	31,325.28	29,672.93	2.37%	-3.03%
Fast Moving Consumer Goods	23,101.53	23,608.98	22,361.49	2.20%	-3.20%
Realty	3,615.22	3,560.11	3,364.89	-1.52%	-6.92%
Metals & Mining	72,815.73	71,365.15	67,433.10	-1.99%	-7.39%
Chemicals	7,072.87	6,773.36	6,391.42	-4.23%	-9.63%
Oil Gas & Consumable Fuels	2,53,696.20	2,40,132.90	2,26,433.31	-5.35%	-10.75%

*Average Industry wise Revenue in Rupees in Crores.

Exclusion: Coverage of entities for the above table is similar to Energy Consumption analysis as done in Table E5 on the above page.

Analysis:

- Energy Intensity as stated above is based on total energy consumption in respective industry vs the operating revenue / turnover of that industry based on data in Table E7.
- Across the sample entities, there is an increase of approx. 0.34% in the Energy consumption intensity based on turnover from last year.
- The above data shows that, while across **the sample energy consumption is 1,167 GJ to earn a revenue of ₹ 1 Crore**; whereas in Power industry the same was at **17,571.36 GJ** i.e. more than 15

times the overall sample intensity. Similarly, Insurance industry consumed only 0.63 GJ energy for per crore rupees of revenue generated.

- Since turnover is in financial terms, energy consumption is in units, therefore as a thumb rule energy intensity will continue to decrease (look better and efficient use of energy) even if no efforts are made to better energy performance, as inflation will keep on increasing turnover and reduce energy intensity keeping everything else constant. While the data shows increase of 0.34% in intensity, considering the inflation of ~5.4%, effective increase is almost ~6%.
- Table E6 and E7 depicts the relationship between energy consumption, revenue growth and inflation. Thus, with increase in energy intensity being 0.34% and increase in revenue after adjusting inflation being ~1.14% means energy consumption has outpaced real revenue growth. In totality, the industries have failed to manage energy efficiency.
- Financial Services - Banks and Others and Capital Goods industries have managed to reduce energy intensity by a significant margin i.e. more than 15% decrease can be observed. The adoption of advanced digital infrastructure and cloud services supports their scalability, security, and operational excellence. Cloud service providers are often more energy-efficient due to economies of scale, better optimization, and use of renewable energy sources. Further, companies are exploring, wherein on entity from Capital Goods has stated that, “... innovative AI projects in collaboration with domestic industry, academia, and start-ups. Significant projects include AI-enabled autonomous underwater swarm drones, AI-based predictive maintenance of ship equipment, and AI-based energy management of fuel cells.”
- Further, entities belonging to Capital Goods have also been working towards installation of energy efficient Temperature & Humidity Chamber and Thermal Shock Chamber with improved GHG (Green House Gas) value, Sand Washing Facility to reclaim sand from burnt sand, Effluent Treatment plant with Zero Liquid Discharge (ZLD) System, Fume Extractors, chillers / Air Conditioners, and LED lights.
- In case of Capital Goods industry, both energy consumption and its intensity have considerable decreases. It is observed that an entity operating in this industry has reported ~94% decrease in absolute energy consumed and ~99.99% decrease in energy intensity linked to revenue, while revenue has increased by ~9.6% only. It is not understandable how these numbers are arrived as if absolute consumption and intensity are decreasing at same rate, the revenue should increase with that rate, however, that is not the case. There appears to be a discrepancy in reported data as none of the numbers disclosed by the entity complement each other.

Energy Conservation:

Section 134 of the Companies Act, 2013 states that:

134. Financial Statement, Board's Report, etc.

(3) There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

(m) **the conservation of energy**,

- The above legal provision has resulted in a forced disclosure, and as a result ‘Conservation of Energy’ was universally discussed issue across Sample in some or other form.

👉 Year on year we have observed that few companies have made only generic disclosures related to impact on conservation of energy.

- As a best practice, steps or initiatives taken and their impact should be disclosed.

-: Leading Endeavours (The Trend Setters) :-

- The Company has installed 11 Wind Energy Turbines at the XXX and XXX sites and 3 sets of Hybrid (Wind + Solar) at XXX, which have total installed capacity of 37.38 MW of renewable energy.

(a Company from Capital Goods Industry)

- We have replaced centrifugal fans with Axial flow fans and installed variable frequency drives (VFDs) to control energy consumption and indirect GHG emissions.

(a Company from Automobile and Auto Components Industry)

- Use of LNG/LCNG as a product which help to reduce the electrical Power consumption compared to use of variable inlet CNG Compressor. Differential reduced power consumption is ~0.12 Kwh/Kg, which results in energy saving of ~2000 Kwh/Day considering sale of 16000 Kg/Day at operating LNG/LCNG Stations.

(a Company from Oil Gas & Consumable Fuels Industry)

Capital Investments on Energy Conservation Equipments:

Energy is essential factor of production, however, negative impact of energy usage on environment must be reduced by increasing usage of renewable & clean sources of energy and improving energy efficiency by energy saving equipments; thus, the capital investment on energy conservation equipments plays an important role for the responsible environmental initiatives.

Further, Rule 8 of The Companies (Accounts) Rules, 2014 states that:

8. Matters to be Included in Board's Report:

(3) The report of the Board shall contain the following information and details, namely:

(A) Conservation of energy-

(i) the steps taken or impact on conservation of energy;

(ii) the steps taken by the company for utilising alternate sources of energy;



(iii) the capital investment on energy conservation equipments;

Table E8: Analyse industry wise performance on the Capital Investment on Energy Conservation Equipments in last two years.

TABLE E8: CAPITAL INVESTMENT ON ENERGY CONSERVATION EQ. (Rs. Crores)							
INDUSTRIES	2023			2024			CHANGE
	#	INV.	AVG.	#	INV.	AVG.	IN AVG. YoY
Total	78 / 200	3,327.30	42.66	74 / 200	4,196.47	56.71	32.94%
Financial Services - Others	1 / 19	0.02	0.02	2 / 19	0.1563	0.08	421.00%
Oil Gas & Consumable Fuels	7 / 12	198.96	28.42	7 / 12	922.43	131.78	363.63%
Capital Goods	8 / 16	20.38	2.55	8 / 16	66.74	8.34	227.45%
Information Technology	5 / 13	13.65	2.73	4 / 13	24.69	6.17	126.10%
Consumer Services	1 / 7	18.34	18.34	1 / 7	32.98	32.98	79.83%

Construction Materials	4 / 6	1,639.21	409.80	3 / 6	1,771.97	590.66	44.13%
Fast Moving Consumer Goods	6 / 15	134.14	22.36	5 / 15	159.19	31.84	42.41%
Consumer Durables	3 / 7	8.31	2.77	3 / 7	11.66	3.89	40.31%
Others	3 / 14	128.79	42.93	3 / 14	155.98	51.99	21.11%
Healthcare	11 / 14	398.36	36.21	10 / 14	424.01	42.40	17.08%
Metals & Mining	5 / 10	341.53	68.31	6 / 10	442.24	73.71	7.91%
Financial Services - Insurance	0 / 7	NA	NA	0 / 7	NA	NA	-
Financial Services - Bank	2 / 22	13.78	6.89	2 / 22	9.75	4.88	-29.25%
Power	5 / 10	89.06	17.81	5 / 10	59.87	11.97	-32.78%
Realty	2 / 6	23.02	11.51	2 / 6	15.01	7.51	-34.80%
Chemicals	5 / 6	95.53	19.11	4 / 6	42.61	10.65	-44.25%
Automobile and Auto Comp.	10 / 16	204.22	20.42	9 / 16	57.18	6.35	-68.89%

Number of companies which disclosed data | INV.: Amount invested on energy conservation equipment's | Avg.: Average investment per company which disclosed data.

- Highest investments were observed in Construction Materials Industry which has increased in FY 2023-24 compared to FY 2022-23.
-  Number of companies which have disclosed their data on capital investment has decreased in FY 2023-24 compared to FY 2022-23.
- The best sectors in terms of change in average capital investment y-o-y are Financial Services- Others, Oil Gas & Consumable Fuels, Capital Goods and IT industry all having average change more than 100%.
- However, Y-o-Y there is an increase of 32.94% in total capital investment, thanks to the **Construction Materials Industry** where average increased to ₹ 590.66 Crores from ₹ 409.80 Crores as the industry spent ₹ 1,771.97 Crores, as disclosed investment by 3 companies in FY 2023-24, which amounts to ~42.23% of total investment by the sample entities, impacting overall sample average positively.
- Significant change in investment from **Financial Services - Others** industry is due to one entity which has not made any investment in FY 2022-23, has invested approx. ₹ 14.28 lakhs in FY 2023-24 out of total investment of ₹ 15.63 lakhs of the industry.
- In **Oil Gas & Consumable Fuels and Capital Goods** industry, the number of companies which has made capital investment have been the same, however the amount of investment has increased significantly. One entity from Oil Gas & Consumable Fuels industry had merely invested ₹ 76 lakhs in FY 2022-23 and has invested ₹ 19.57 crores in FY 2023-24.
- Although **increase** in investment has been observed overall in **Capital Goods** industry, two companies from the same industry has observed a decrease in investment by ~95%.
- Further, highest decrease in investment was from Automobile and Auto Components industry and Chemicals industry.
-  None of the Company belonging to **Financial Services – Insurance** has made disclosures on capital investment on conservation of energy in FY 2022-23 & FY 2023-24.
- Out of the total investment of ₹ 4,196.47 Crore in FY 2023-24, Construction Materials industry contributed ₹ 1,771.97 Crores i.e. ~42%. Almost a repeat of FY 2022-23, where out of ₹ 3,327.30 Crores, this industry contributed ₹ 1,639.21 Crores i.e. ~49%. Thus, one industry is contributing almost half of the total investment on energy conservation, whereas around 13 industries are not

even contributing 10% of the total investment. In FY 2023-24, Healthcare (10.10%), Metals & Mining (10.54%) and Oil Gas & Consumable Fuels (21.98%) are the only ones contributing more than 10% after Construction Materials industry.

- The data reveals skewed pattern and lack of efforts on energy conservation by majority of the industries. Energy conservation not only requires attention and improvement, it indicates that probably energy conservation is still not a focus area **or** the companies have reached a point of diminishing returns where no further improvement can be achieved. In absence of an established acceptable benchmark, it is difficult to evaluate, however given significant increase in the energy consumption, it can be easily concluded that it is not a case of having reached peak of energy efficiency, where no further efforts are required.
- Investments in energy conservation area can be a pointer towards focus and concern that a Company has for environment, but it cannot be a measure by itself to assess the performance in area of energy conservation. As different entities will have different state of energy conservation program and their capital investment needs will not only depend on stage at which they are but also size. Unless, size, stage of energy conservation and capital investment are measured against, a benchmark assessment has practical difficulties. Yet in absence of a better metrics it is a second-best alternative.

Energy Guzzling Industries Performance on Broader Aspect:

Table E9: Analyse performance of industries with the highest energy consumption and their energy intensity, revenue growth and Capital Investment on Energy Conservation Equipments in last two years.

Industry	EC Change	Intensity Change	Revenue	Capex
Power	▲ 12.1%	▲ 10.3%	▲ 2.4%	▼ 32.8%
Metals & Mining	▲ 4.14%	▲ 6.25%	▼ 1.99%	▲ 29.49%
Oil Gas & Consumable Fuels	▲ 0.8%	▲ 6.5%	▼ 5.4%	▲ 363.5%
Construction Materials	▲ 10.12%	▼ 0.40%	▲ 3.50%	▲ 8.10%
Others	▲ 11.9%	▼ 15.6%	▲ 4.4%	▲ 21.1%

▲ - Increase in %, ▼ - Decrease in % from previous financial year to FY 2023-24.

- The above table depicts the highest energy intensive industries and co-relations between their energy consumption and efforts to conserve energy.
- **Power:** The most energy-intensive sector saw rising consumption and intensity, with lower capital investment, indicating inefficiencies or slower transition toward energy-saving technologies. This sector needs urgent energy management strategies.
- **Metals & Mining:** Despite capital investment, the energy consumption in absolute and relative terms have increased. The sector has addressed energy issues but failed in performance.
- **Oil Gas & Consumable Fuels:** Highest green investment despite falling revenue. Moderate increase in energy consumption however, the intensities are increasing.
- **Construction Materials and Others** mainly comprising of Infrastructure companies are the two industries amongst the highest energy intensive industries, which have their decreasing energy intensities with balanced approach towards capital investments.

Target Disclosures:

- The absence of set targets makes it impossible to monitor performance effectively. Therefore, the disclosure of targets becomes highly significant for meaningful performance assessment.

Table E10, provides industry wise distribution of companies disclosing targets relating to reduction of energy consumption or intensity.

TABLE E10: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)					
INDUSTRIES	#	Short-Term*		Long-Term**	
		#	%	#	%
Total	200	22	11%	26	13%
Construction Materials	6	0	0%	3	50%
Power	10	2	20%	4	40%
Chemicals	6	0	0%	2	33%
Automobile and Auto Components	16	3	19%	5	31%
Realty	6	1	17%	1	17%
Consumer Durables	7	1	14%	1	14%
Consumer Services	7	0	0%	1	14%
Healthcare	14	2	14%	2	14%
Fast Moving Consumer Goods	15	2	13%	2	13%
Metals & Mining	10	1	10%	1	10%
Information Technology	13	2	15%	1	8%
Others	14	5	36%	1	7%
Capital Goods	16	0	0%	1	6%
Financial Services - Bank	22	0	0%	1	5%
Financial Services - Insurance	7	0	0%	0	0%
Financial Services - Others	19	1	5%	0	0%
Oil Gas & Consumable Fuels	12	2	17%	0	0%

Number of companies which disclosed targets. / *up to 3 years / ** more than 3 years

- Table E10 provides data on entities which have disclosed short term as well as long term targets set to reduce the energy consumption, specific intensity of energy consumption or its impact.
- Although, 22 companies discussed about Short term targets and 26 companies discussed about long term targets, only 7 companies in the sample have discussed about target both short-term and long-term targets to reduce their energy consumption or improving its energy efficiency.
- Performance on these disclosures have been mixed from industry to industry, as a few have disclosed short-term goals, but failed to provide long-term goals and vice-versa.

:- Leading Endeavours (The Trend Setters) :-

- 25% reduction in emission intensity by FY 2024-25 against the baseline FY 2021-22.
(a Company from Power Industry)
- 53.3% reduction in specific electricity consumption per KL of finished product (KWh/KL) by 2030 compared to baseline year FY 2013-14 – Target 54.4 KWH/KL.
(a Company from Consumer Durables Industry)
- 50% Fossil Fuel consumption reduction by FY 2039-40.
(a Company from Civil Construction Industry)

Target Achievements:

- While there were better disclosures of targets to reduce or manage energy consumptions by the sample entities, however, disclosure of performance or achievement of these targets are not uniform. Thus, the analysis of target performance / achievement is not comparable.
- Very few companies from the sample have disclosed performance, and some of them are:

-: Leading Endeavours (The Trend Setters) :-

- Specific energy consumption has decreased by 29% for the Auto Sector and 10% for the Farm Equipment Sector compared to last year.
(an entity from Automobile and Auto Components industry)
- 5.20% reduction in Net energy intensity.
(an entity from Power industry)
- Intensity reduced by 32.6% per sq. ft. energy intensity in rental assets in FY 2023-24.
(an entity from Realty industry)







1.4. RENEWABLE ENERGY

Assessment Factors: Company's disclosures & practices on usage of renewable energy in its total energy mix:

- Renewable energy usage data,
- Proportion of renewable energy in total energy consumption,
- Steps or initiatives for increasing renewable energy usage,
- Targets set and its achievements.



BRSR Reference: Principle 2 & 6.

EVALUATION STATISTICS								
2024	QUESTIONS			11	PARAMETERS			60
2023	QUESTIONS			10	PARAMETERS			40
YEAR	SCORE – RENEWABLE ENERGY							
2024	MAX.	97	AVG.	37	MED.	35	MIN.	0
2023	MAX.	83	AVG.	31	MED.	31	MIN.	0
BEST PERFORMING INDUSTRY*				BEST PERFORMING COMPANY*				
	53.2 - Fast Moving Consumer Goods (2024) 44.4 – Information Technology (2023)				96.9 - Fast Moving Consumer Goods (2024) 83.1 – Information Technology (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY*				WORST PERFORMING COMPANY*				
	28.4- Oil Gas & Consumable Fuels (2024) 17.9 - Consumer Services (2023)				3.1 - Consumer Services (2024) 2.1 - Automobile & Auto Components (2023)			

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company.

**Note: The above analysis of best and worst does not include Financial Services Industry and the entities operating in this industry; reasons for this are explained in the Environment Summary above.*

- Low scoring industry is the one which have not made disclosures on essential indicators.
- Consumer Services industry is having the worst performing company as although it has stated about adoption of renewable energy yet disclosure on renewable energy provided no energy consumption from renewable sources.
- 👍 Fast Moving Consumer Goods is the best performing industry which also has the best performing Company.
- Both Industry wise and Company wise scores are more in 2024 than those in 2023. The reason for the same is multiple changes in the overall scoring model and disclosure requirements.

Renewable Energy (Absolute):

- BRSR has two major section of disclosures, one is Essential Indicators and other is Leadership Indicators. Almost all companies provide data on Essential Indicators as it is mandatory for all the relevant industries, however, Leadership Indicators are voluntary in BRSR, thus, not all the companies endeavour to provide data on Leadership Indicators.

- Until last year, Renewable Energy disclosures were part of Leadership Indicators in the BRSR. Thus, a large number of entities from the sample failed to provide adequate disclosures on energy consumption from renewable sources in previous BRSR.
- However, thanks to introduction of BRSR Core Indicators, now disclosures on Renewable Energy Consumption are also part of Core Indicators for top 1,000 listed companies to provided disclosures on the same under Essential Indicators. This has significantly improved disclosures on the energy consumption from renewable sources, especially in entities having non-material energy usage.
- An increase in the consumption of renewable energy will result in a reduction of overall GHG emission. The effect of the same can be observed based on emission reporting i.e. location based-emissions are calculated based on the average emissions factor of the grid or market based-emissions are calculated based on contractual instruments like RECs or green power agreements (PPAs). If you buy RECs, you can report lower Scope 2 emissions. Therefore, it is essential for the companies to increase energy consumption from renewable sources.

Table RE1, highlights the number of companies which have made disclosures on renewable energy (“RE”) consumption in BRSR for FY 2023-24:

TABLE RE1: # COMPANIES DISCLOSING RENEWABLE ENERGY CONSUMPTION (ABSOLUTE)					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Total	200	194	97%	198	99%
Capital Goods	16	16	100%	16	100%
Chemicals	6	6	100%	6	100%
Construction Materials	6	6	100%	6	100%
Consumer Durables	7	7	100%	7	100%
Consumer Services	7	7	100%	7	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Financial Services - Insurance	7	7	100%	7	100%
Healthcare	14	14	100%	14	100%
Information Technology	13	13	100%	13	100%
Metals & Mining	10	10	100%	10	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Power	10	10	100%	10	100%
Realty	6	6	100%	6	100%
Financial Services - Bank	22	21	95%	22	100%
Automobile and Auto Components	16	15	94%	16	100%
Others	14	13	93%	14	100%
Financial Services - Others	19	16	84%	17	89%

Number of companies which disclosed data in BRSR for FY 2023-24.

- 👍 Total 198 companies have disclosed data on renewable energy consumed during FY 2023-24.
- 👎 Lowest disclosures compliance was observed in “Financial Services- Others” during FY 2023-24, though it has improved since last FY.
- Out of 6 companies which have not disclosed any data regarding renewable energy consumption for FY 2022-23, 4 companies have disclosed adequate data for FY 2023-24.
- The number of entities which disclosed data in previous BRSR of 2023 for FY 2022-23 were only 138 as reported in previous study, against the 194 entities for FY 2022-23 as reported in current FYs

BRSR. Thus, there is a significant improvement on disclosures due to introduction of BRSR Core Indicators and inclusion of Renewable Energy disclosures under Essential Indicators.

- Further, out of these 198 entities who have provided data on renewable energy consumption in FY 2023-24, there includes 22 entities who have disclosed **Nil** energy consumption from renewable sources in FY 2023-24.

Renewable Energy - Performance:

Table RE2: Analyses performance of companies with respect to renewable energy consumption in absolute terms as well as with respect to total energy consumption i.e. whether the companies managed to increase portion of renewable energy (RE) out of total energy consumption (EC).

TABLE RE2: PERFORMANCE BASED ON RENEWABLE ENERGY CONSUMPTION (NUMBER OF COMPANIES WITH DISCLOSURES & CHANGE IN RENEWABLE ENERGY) (FROM FY 2022-23 to FY 2023-24)						
Industries	Absolute RE Consumption			RE as a portion of total EC		
	#	↓	↑	#	↓	↑
Total	171	34	137	168	52	116
Consumer Services	5	0	5	4	0	4
Chemicals	6	0	6	6	0	6
Information Technology	13	0	13	9	0	9
Realty	5	1	4	5	1	4
Financial Services - Insurance	4	1	3	4	2	2
Power	10	1	9	10	3	7
Automobile and Auto Comp.	14	1	13	14	4	10
Construction Materials	6	2	4	6	1	5
Others	12	2	10	12	2	10
Consumer Durables	6	2	4	6	2	4
Financial Services - Others	9	2	7	8	3	5
Fast Moving Consumer Goods	14	2	12	14	5	9
Capital Goods	16	3	13	16	5	11
Financial Services - Bank	15	3	12	15	6	9
Healthcare	14	4	10	14	5	9
Oil Gas & Consumable Fuels	12	5	7	11	4	7
Metals & Mining	10	5	5	10	5	5

RE as a portion of total EC – Renewable Energy Consumption as a portion of Total Energy Consumption. | Note: Excludes companies whose data was not comparable or not disclosed.

Exclusion: Total 29 Entities are excluded for Absolute RE Consumption due to:

- 21 entities have reported Nil energy consumption from renewable sources for both the years.
- 1 entity has reported Nil energy consumption from renewable sources for FY 2023-24.
- 6 entities have not disclosed data for FY 2022-23.
- 1 entity which has reported no change in energy consumption from renewable sources.

Exclusion: Total 32 Entities are excluded for RE as portion of total EC due to:

- 21 entities have reported Nil energy consumption from renewable sources for both the years.
- 1 entity has reported Nil energy consumption from renewable sources for FY 2023-24.

- 6 entities have not disclosed data for FY 2022-23.
- 4 entities which have reported no change in proportionate energy consumption from renewable sources as a % of total energy consumption from previous FY.

Analysis:

- While on absolute basis, there are 137 companies, which have managed to increase the renewable energy consumption, whereas decrease was noticed in 34 companies. However, on relative basis i.e. renewable energy consumption as a portion of total energy consumption, only 116 companies have been able to increase their proportion of RE in the total energy consumption; while the same has reduced in case of 52 companies.
- For all the 4 / 7 entities operating in Consumer services industry, 6 / 6 entities from Chemical industry and 9 / 13 entities from Information Technology industry who have disclosed data, renewable energy consumption has increased both in term of absolute consumption as well as portion of total energy consumption.

Targets Disclosures:

- Table RE3, provides industry wise distribution of companies disclosing targets relating to increase in absolute renewable energy usage and share of RE in total EC:

TABLE RE3: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)					
INDUSTRIES	#	Short-Term*		Long-Term**	
		#	%	#	%
Sample	200	53	27%	59	30%
Construction Materials	6	2	33%	6	100%
Power	10	4	40%	7	70%
Oil Gas & Consumable Fuels	12	4	33%	7	58%
Information Technology	13	3	23%	6	46%
Metals & Mining	10	4	40%	4	40%
Fast Moving Consumer Goods	15	7	47%	5	33%
Chemicals	6	1	17%	2	33%
Realty	6	1	17%	2	33%
Automobile and Auto Components	16	5	31%	5	31%
Others	14	5	36%	4	29%
Capital Goods	16	5	31%	3	19%
Financial Services - Insurance	7	3	43%	1	14%
Consumer Services	7	2	29%	1	14%
Healthcare	14	4	29%	2	14%
Consumer Durables	7	1	14%	1	14%
Financial Services - Others	19	0	0%	2	11%
Financial Services - Bank	22	2	9%	1	5%

Number of companies which disclosed targets. / *up to 3 years / ** more than 3 years.

- Table RE3 provides the entities which have disclosed the Target set for short term as well as long term basis to increase proportion of renewable energy consumption.
- While, 53 companies have discussed about Short term targets and 59 companies have discussed about long term targets, only 18 companies in the sample have disclosed both short term as well as long term targets to increase its renewable energy or renewable share in total energy mix.

-: Leading Endeavours (The Trend Setters) :-

- 1.5 MW renewable energy (Solar) installed by FY 2024-25.
(a Company from Power industry)
- Establish 20 GW Solar capacity for captive needs of XXX power and intermittent energy for Green Hydrogen.
(a Company from Oil Gas & Consumable Fuels industry)
- All plants to have access to renewable energy by 2025.
(a Company from Capital Goods industry)

Target Achievements:

- While there were better disclosures of targets to increase the share of renewable energy consumption in the total energy consumption by the sample entities in compare to absolute energy conservation, the performance or achievement of these targets are not uniformly disclosed. Thus, the analysis of target performance / achievement is not comparable on industry wise.
- Very few companies from the sample have disclosed performance along with target, some of them are:

-: Leading Endeavours (The Trend Setters) :-

- The capacity of renewable energy was increased from 62.3 MW to 94.89 MW and Energy Efficient Lighting (EEL) capacity was increased from 63.52 MW to 71.05 MW during the year.
(a Company from Oil Gas & Consumable Fuels industry)
- 36% share of renewable electricity used in operations.
(a Company from Automobile and Auto Components industry)
- Achieved zero coal status in our distillery operations by transitioning to renewable energy. In-house solar energy generation capacity has increased to 2.6 MW from 1.3 MW. 98.6% (100% achievement vs target).
(a Company from Fast Moving Consumer Goods industry)







2.5. AIR EMISSIONS

Assessment Factors: Company's disclosures & practices on Air / GHG / Carbon emissions:

- Disclosure of data on total GHG/Carbon emissions, Air emissions, specific Scope wise emission and relevant intensities,
- Steps or initiatives taken to reduce GHG /Carbon/Air emissions,
- Emissions within limits of CPCB / SPCB,
- Targets set and its achievements.




BRSR Reference: Principle 2 & 6.

EVALUATION STATISTICS								
2024	QUESTIONS			25	PARAMETERS			134
2023	QUESTIONS			25	PARAMETERS			87
YEAR	SCORE – AIR EMISSIONS							
2024	MAX.	92	AVG.	42	MED.	41	MIN.	0
2023	MAX.	93	AVG.	38	MED.	36	MIN.	0
BEST PERFORMING INDUSTRY*					BEST PERFORMING COMPANY*			
	50.5- Construction Materials (2024) 51.8 – Construction Materials (2023)					91.5- Information Technology (2024) 93.38 – Information Technology (2023)		
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY*					WORST PERFORMING COMPANY*			
	32.4- Consumer Services (2024) 26.9 – Consumer Services (2023)					7.6- Consumer Services (2024) 3.5 – Consumer Services (2023)		

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company.

***Note:** The above analysis of best and worst does not include Financial Services Industry and the entities operating in this industry; reasons for this are explained in the Environment Summary above.

 Consumer Services industry has been the least performing industry consistently.

- Although the best performing industry is Construction Materials and the best performing Company is from the Information Technology industry which is similar to last year yet the scores in 2024 are less than those in 2023.

GHG (Scope 1 & 2) Emissions (Absolute):

Greenhouse gas (GHG) emissions disclosures are a key indicator of a company's impact on the environment and its exposure to transition risk. The surge in GHG concentrations within the atmosphere has set off a chain reaction of adverse consequences, like heightened global temperatures, accelerated melting of polar ice caps, ever increasing frequency and severity of extreme weather events, as well as disruptions to ecosystems and biodiversity: all put together threatening survival of life (humans as well as animal life) and plants due to global warming, climate change, ocean acidification, smog pollution, and ozone depletion. All are majorly attributed to increased GHG emissions.

GHG emissions disclosure is a critical climate change mitigation and accountability tool, as well as a key step towards achieving ambitious emissions-reduction goals. To avoid the worst impacts of climate change, global greenhouse gas emissions need to drop by nearly half by 2030 and ultimately reach net zero. The process to achieve these GHG emissions reductions starts with GHG accounting.

Table EM1, highlights the number of companies from Sample with disclosures on GHG (Scope 1 & 2) Emissions.

TABLE EM1: #COMPANIES DISCLOSING GHG (SCOPE 1 & 2) EMISSIONS (ABSOLUTE)					
Industries	#	2023		2024	
		#	%	#	%
Total	200	191	96%	193	97%
Automobile and Auto Components	16	16	100%	16	100%
Capital Goods	16	16	100%	16	100%
Chemicals	6	6	100%	6	100%
Construction Materials	6	6	100%	6	100%
Consumer Durables	7	7	100%	7	100%
Consumer Services	7	7	100%	7	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Healthcare	14	14	100%	14	100%
Information Technology	13	13	100%	13	100%
Metals & Mining	10	10	100%	10	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Power	10	10	100%	10	100%
Others	14	14	100%	14	100%
Realty	6	6	100%	6	100%
Financial Services - Bank	22	20	91%	20	91%
Financial Services - Others	19	15	79%	16	84%
Financial Services - Insurance	7	4	57%	5	71%

Number of companies which disclosed data in BRSR for FY 2023-24.

👍 193 companies made disclosures on carbon / GHG emissions on Scope 1 & Scope 2.

👎 Low disclosure rates are observed in Financial Services Industries.

- Most Financial Services Companies have stated that disclosures pertaining to GHG is negligible or not tracked or not applicable due to the nature of their business.
- Currently, most banks only measure emissions from their own operations, which are much smaller than those associated with their lending and investing activities.
- The digital economy, with the banking and payments sector as significant contributors, consumes substantial energy and has a large carbon footprint in the overall carbon emissions of India.
- The overall high disclosure by all other sectors suggests a growing awareness of the importance of environmental transparency among companies, possibly driven by regulatory requirements, investor pressure and increasing public concern about climate change.

GHG (Scope 1 & 2) Emissions Intensity:

Emissions intensity measures the amount of GHGs released against the turnover as well as turnover adjusted for Purchasing Power Parity (PPP) or revenue or per unit of activity or output produced by the

entity. For instance, emissions intensity can be expressed as the amount of GHGs released per rupees of turnover or per unit of electricity generated by a power plant.

Table EM2, highlights the number of companies which have made **disclosures** on Scope 1 & Scope 2 Emissions intensity linked to turnover and turnover adjusted for PPP:

TABLE EM2: GHG (SCOPE 1 & 2) EMISSIONS INTENSITY LINKED TO REVENUE									
Industries	#	Linked to Turnover				Linked to Turnover adjusted for PPP			
		2023		2024		2023		2024	
		#	%	#	%	#	%	#	%
Total	200	187	94%	190	95%	156	78%	168	84%
Capital Goods	16	16	100%	16	100%	16	100%	16	100%
Healthcare	14	14	100%	14	100%	14	100%	14	100%
Information Technology	13	13	100%	13	100%	13	100%	13	100%
Consumer Durables	7	7	100%	7	100%	6	86%	7	100%
Realty	6	6	100%	6	100%	5	83%	6	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%	11	92%	11	92%
Metals & Mining	10	10	100%	10	100%	9	90%	9	90%
Fast Moving Consumer Goods	15	15	100%	15	100%	11	73%	13	87%
Consumer Services	7	7	100%	7	100%	6	86%	6	86%
Chemicals	6	6	100%	6	100%	5	83%	5	83%
Power	10	10	100%	10	100%	8	80%	8	80%
Construction Materials	6	6	100%	6	100%	4	67%	4	67%
Automobile and Auto Comp.	16	15	94%	15	94%	12	75%	13	81%
Others	14	13	93%	13	93%	9	64%	10	71%
Financial Services - Bank	22	18	82%	19	86%	11	50%	15	68%
Financial Services - Others	19	15	79%	16	84%	13	68%	14	74%
Financial Services - Insurance	7	4	57%	5	71%	3	43%	4	57%

Number of companies which disclosed data in BRSR for FY 2023-24.

- It is to be noted that the BRSR format as stated for energy consumption also provides specific disclosures on the GHG emissions intensity based on turnover and turnover adjusted for Purchasing Power Parity (PPP).
- While 193 companies have made disclosures on absolute GHG emissions for FY 2023-24, however, only 190 companies have made disclosures on GHG emissions intensity linked to turnover and only 168 companies have made disclosures on GHG emissions intensity linked to turnover adjusted for Purchasing Power Parity.
- Out of 10 companies who have not made any disclosures on GHG emissions intensity linked to turnover as well as turnover adjusted for PPP include 7 companies which belong to Financial Services industry who have not provided disclosure on absolute data of emissions as well.
- 100% disclosure rate has been observed from entities belonging to Capital Goods, Information Technology and Healthcare industry on disclosures on the emissions consumption intensity based on turnover and turnover adjusted for PPP in each of the last two years.
- Entities belonging to Financial Services - Insurance Industry have the lowest disclosure rate as majority of these entities have stated that they have not collated data for either of the financial year.

- Further 1 entity from Consumer Services industry has stated that since their entire operations are based in India, such disclosure is not applicable to them and 1 entity from Automobile and Auto Components has stated that “*Since the reported intensity is global consolidated income, there is no need for PPP adjustment.*”

Table EM3, highlights the number of companies which have made disclosures on Scope 1 & Scope 2 Emissions intensity linked to output / physical output / other relevant metrics.

TABLE EM3: EMISSIONS INTENSITY LINKED TO PHYSICAL OUTPUT/OTHER RELEVANT METRICS					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Total	200	120	60%	129	65%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Metals & Mining	10	8	80%	9	90%
Automobile and Auto Components	16	13	81%	14	88%
Construction Materials	6	5	83%	5	83%
Chemicals	6	4	67%	5	83%
Realty	6	4	67%	5	83%
Power	10	8	80%	8	80%
Fast Moving Consumer Goods	15	11	73%	12	80%
Healthcare	14	11	79%	11	79%
Information Technology	13	8	62%	8	62%
Financial Services - Bank	22	12	55%	13	59%
Consumer Durables	7	3	43%	4	57%
Others	14	7	50%	7	50%
Capital Goods	16	7	44%	7	44%
Consumer Services	7	3	43%	3	43%
Financial Services - Insurance	7	1	14%	2	29%
Financial Services - Others	19	3	16%	4	21%

Number of companies which disclosed data in BRSR for FY 2023-24.

- It is to be noted that the BRSR format provides specific disclosures on the Scope 1 & Scope 2 Emissions intensity based on physical output, however, same is optional in case of Other Relevant Metrics as selected by the entity.
- The above sample data includes disclosure made by entities on the emission intensity either based on physical output or those who have not disclosed intensity based on physical output have disclosed intensity based on other relevant metrics or both.
- The above table is evident of what leads to disclosures when it is optional; as only 60-65% of the sample entities disclosed intensity based on the metrics other than turnover. Marginal increase in disclosures on emission intensity based on physical output / other relevant metrics has been observed from previous financial year.
- However, the difference is significant if disclosures in previous BRSR to be considered. As in BRSR of 2023, only 63 entities have disclosed data on emissions intensities in terms of other relevant metrics for FY 2022-23.
- However, due to requirement under updated BRSR format, there has been significant improvement, as can be seen from the above table, where 120 entities provided the same intensities.

- 🔴 An entity from Automobile and Auto Components has not provided data on intensity linked to physical output rather stated that “Not reported as the company has diversified business profile of their product.”
- 🔴 Financial services industry involving insurance & other financial entities have observed the lowest rate on disclosure regarding emissions in absolute terms and relative terms.

Disclosures (Measurement Units) - Rare Uniformity?

- **Absolute Data:** Rare uniformity was observed as all the companies in the Sample have provided disclosures in tonnes or metric tonnes of carbon dioxide (CO₂) equivalent. Though companies as per their data size have used varied decimal options, i.e. reported either in thousands, millions or fully absolute data disclosed. Overall, there was uniformity in measurement unit.
- **Intensity Data:** While in disclosures on Intensity linked to turnover, the trend was similar to absolute data, as the companies have used tonnes of CO₂ equivalent against the turnover of the company. However, on the contrary in intensity linked to metrics other than turnover, companies have used diverse denominators to disclose intensity i.e. linked to production, plant wise production, number of employees compared with emissions, etc. as per their nature of business. No uniformity was observed in case of intensity data linked to other than turnover and same was not expected either.

Absolute GHG (Scope 1 & 2) Emission & Intensity - Performance:

Table EM4: Analyses performance of companies with respect to GHG (Scope 1 + 2) emissions i.e. whether the companies managed to decrease GHG emissions and intensity linked to revenue / turnover.

TABLE EM4: PERFORMANCE: NUMBER OF COMPANIES & CHANGE IN EMISSIONS & INTENSITY							
INDUSTRIES	FROM FY 2022-23 to FY 2023-24 (#)						
	Emission (Scope 1 + 2)			Intensity		Both	
	↓	↑	Same	↓	↑	↓	↑
Total	83	106	1	116	70	78	65
Automobile and Auto Comp.	9	7	0	12	3	9	3
Capital Goods	8	8	0	10	6	8	6
Chemicals	4	2	0	3	3	3	2
Construction Materials	2	4	0	3	3	2	3
Consumer Durables	2	5	0	2	5	2	5
Consumer Services	1	6	0	3	4	1	4
Fast Moving Consumer Goods	8	7	0	11	4	8	4
Financial Services - Bank	11	9	0	14	4	10	4
Financial Services - Insurance	2	2	0	3	1	2	1
Financial Services - Others	7	8	0	13	2	7	2
Healthcare	7	7	0	12	2	7	2
Information Technology	8	5	0	9	4	8	4
Metals & Mining	0	9	1	3	7	0	6
Oil Gas & Consumable Fuels	5	7	0	2	10	2	7
Power	3	7	0	4	6	3	6
Others	4	10	0	9	4	4	4
Realty	2	3	0	3	2	2	2

Number of companies, which disclosed data. / Intensity - Emissions intensity linked to turnover / ↓ - Number of Companies where Emissions / intensity decreased and ↑ - Number of Companies where Emissions / intensity increased from last year. / Note: Excludes companies whose data was not comparable or who has not disclosed data in any of the two financial years.

Exclusion: An entity from Realty has also been excluded from the above data, as the entity's emissions as per BRSR disclosure has increased more than 12 times and intensity increase more than 20 times. The reason for such high increase is not disclosed by the entity.

Analysis:

📉 Across the sample entities, there are only 83 companies whose Scope 1 + 2 emission has decreased from last year, whereas it has increased for 106 entities.

👍 Further, 116 entities have reduced their emission intensity linked to turnover from last year.

- 78 companies improved on both metrics, while 65 deteriorated in both showing a somewhat balanced but concerning picture.

📉 None of the entities operating in **Metals & Mining** sector were able to decrease their emission.

- One entity from Metals & Mining has neither increased nor decreased its emissions.
- More than 50% services entities operating in Banks and IT have managed to reduce their emissions.
- Where more than 95% of India's power sector emissions are emitted by coal-fired power plants, industries such as Oil Gas & Consumable Fuels, Power and Others including infrastructure companies have reported increase in their emissions from last year.
- Only one of the entities from Financial Services Insurance has reported increase in their GHG emission intensity from last year. Rest all industries have more than 1 such entities resulting in increase in GHG emission intensity.
- Financial Services- Bank, Capital Goods, FMCG and Automobile & Auto Components industries are examples where more than 50% of their entities were able to decrease their total Scope 1 & Scope 2 Emissions and Emissions intensity linked to turnover from last year.
- One of the entities from Capital goods industry has been able to eliminate Scope 2 emissions in the last 2 FY's, hence also have observed decrease in emissions intensity.
- One of the entities from **Automobile & Auto Components** has reported their emission intensity as "0" which is incorrect as per SES, further, no comment has been made by the Company upon it. Similar disclosure concern observed in case of this particular entity for its other environmental parameter intensities as well, despite reasonable assurance obtained by the Company.
- Out of the 7 **Capital Goods** entities, there was observed discrepancy in data for one of them wherein, the Company reported an increase in GHG emission due to reported increase in Scope 2 Emission from 27,885 MtCO_{2e} in FY 2022-23 to 40,264 MtCO_{2e} in FY 2023-24. Even with reported increase in GHG emissions (Scope 1+2), emission intensity relative to revenue has decreased significantly (~99.99% decrease), thus, indicating an equivalent increase in revenue. However, revenue has increased by only ~9.6%. There appears to be a discrepancy in reported data as none of the numbers disclosed by the Company complement each other. The Company has not specifically disclosed the units of the reported figures which may have led to inconsistency in data.
- While these entities might have reported decrease in emission intensity based on turnover, however, it does not necessarily guarantee the better performance on overall emission, as the emission based on turnover accounts for the increasing turnover, which is also attributed to the inflation rate. Thus, these entities might have taken adequate initiatives towards the betterment of emission, however, the impact of the inflation on turnover cannot be washed out.

Industry Wise GHG (Scope 1 & 2) Emission Analysis:

Table EM5: Analyse industry wise performance on the GHG (Scope 1 + 2) Emission on the basis of total emission by each industry as well as average emission per entity in the industry.

TABLE EM5: GHG EMISSION (SCOPE 1 & 2) INDUSTRY WISE (Unit – 000's tCO ₂ e)					
INDUSTRIES	2023		2024		CHANGE
	Emission	Average	Emission	Average	%
Sample	10,42,756	5,488	11,22,727	5,848	6.55%
Financial Services - Others	216	14	170	11	-26.48%
Information Technology	606	47	536	41	-11.59%
Chemicals	3,520	587	3,251	542	-7.64%
Fast Moving Consumer Goods	4,136	276	3,954	264	-4.39%
Financial Services - Bank	3,464	173	3,393	170	-2.07%
Realty	417	83	416	83	-0.10%
Construction Materials	1,40,212	23,369	1,45,069	24,178	3.46%
Metals & Mining	2,97,263	29,726	3,07,565	30,756	3.47%
Automobile and Auto Comp.	4,087	255	4,272	267	4.53%
Oil Gas & Consumable Fuels	1,26,416	10,535	1,32,395	11,033	4.73%
Healthcare	4,472	319	5,031	359	12.49%
Power	4,40,035	44,004	4,95,912	49,591	12.70%
Others	15,835	1,131	18,091	1,292	14.25%
Consumer Services	349	50	413	59	18.49%
Capital Goods	1,375	86	1,665	104	21.04%
Consumer Durables	326	47	471	67	44.32%
Financial Services - Insurance	25	6	123	25	293.64%

All figures in 000's tCO₂e (000's Tonne CO₂ equivalent) except % | Average - Average Emission in that industry | % - Change in Average Y-O-Y | Note: Excludes companies which have not disclosed data in the respective year and whose data was not comparable.

Exclusion: An entity from Realty Industry has been excluded from the above data, as the entity's emissions as per BRSR disclosure has increased more than 12 times. The reason for such high increase is not disclosed by the entity.

Analysis:

- Industry wise data was analysed based on the entities who have disclosed data in the tCO₂e or multiples. For FY 2022-23 out of the sample of 200 companies only 190 entities were considered in above data and same for FY 2023-24 were 192 entities.
- As there is difference in number of entities in both years' data, thus comparison is provided on the basis of average energy consumption across industries.

📉 On average basis there is an increase of 6.55% in total GHG emission from last year.

📈 Only entities from Other Financial Services, Banks, IT, Chemicals, FMCG and Realty Industries have managed to reduce their average emission.

📈 Further, Realty has reported decrease of 0.10% from last year. Most Companies falling under this sector have set targets and also 2 companies have achieved carbon neutrality in their operations.

📉 Insurance companies have seen major average increase of 293.64% being the worst due to the fact that, one of them have reported their Scope 1 & Scope 2 emissions only for FY 2023-24, for another

one of the entities, the Company might have used a different methodology for calculation of emissions in FY 2022-23 leading to a major difference in reported data for both the years. However, the Company has not provided any specific reason for the same.

- Further, in Consumer Durables Industry, one of the entities Scope 2 emissions have increased by 3 times as a result of increase in electricity consumption. Probable causes of increase are expansion of offices and showrooms i.e. increase in activities.
- Increase in Consumer Services and Capital Goods Industry has been observed due to reasons as disclosed by a few of them:
 - Last year one Company did not include full scope of Scope 1 emissions.
 - “During FY 23-24, we commissioned operations at 2 new facilities in XXX (Gujarat) and XXX (Assam). In addition, we implemented processes to track consumption at various Depots across India which was missing in previous year. This has resulted in an increased value in the electricity consumption.
 - Scope 1 Emissions for FY 2023-24 includes consideration of Refrigerants and Fire Extinguishers. This data was not available at the time of publication of the Annual Report for FY 2022-23.”
- Further, major chunk of emission is from **Power, Metals & Mining, Construction Materials and Oil Gas & Consumable Fuels** industries. These are majorly the product heavy or manufacturing entities, thus leading to high emission release in the environment.
- On one hand while reporting their data on Environment related parameters, the entities operating in Financial Services, including Banks, report that these parameters i.e. direct environment factors, are not material to them and they shy away from making adequate disclosures. However, an interesting output of the above analysis from their reporting of data is that the average GHG emission of **20 Banks** included in Financial Services Industry was **1,73,000** TCO₂e, whereas the average emission of **14 Entities** solely operating in Automobiles industry (excluding 2 entities operating in Tyre & Tubes Manufacturing) was **1,68,700** TCO₂e only. Thus, the argument of these entities contradicts their performance on the direct environment impact from Scope 1 & 2 emission.

Industry Wise GHG (Scope 1 & 2) Emission Intensity Analysis:

Table EM6: Analyses industry wise performance on the GHG emission intensity on the basis of total GHG (Scope 1 + 2) Emission vs turnover of these industries.

TABLE EM6: EMISSION INTENSITY INDUSTRY WISE					
INDUSTRIES	2023		2024		CHANGE
	#	Emission/ Revenue	#	Emission/ Revenue	%
Total	187/200	125.25	190/200	116.11	-7.30%
Financial Services - Others	15/19	1.03	16/19	0.65	-37.39%
Financial Services - Insurance	4/7	0.17	5/7	0.12	-32.49%
Financial Services - Bank	18/22	2.59	19/22	1.96	-24.62%
Information Technology	13/13	1.13	13/13	0.96	-15.28%
Fast Moving Consumer Goods	15/15	9.57	15/15	8.53	-10.81%
Consumer Services	7/7	5.08	7/7	4.85	-4.44%
Chemicals	6/6	82.94	6/6	79.99	-3.56%
Automobile and Auto Components	15/16	8.81	15/16	8.54	-3.02%
Healthcare	14/14	34.68	14/14	34.57	-0.34%

Construction Materials	6/6	923.89	6/6	923.55	-0.04%
Metals & Mining	10/10	408.24	10/10	430.97	5.57%
Capital Goods	16/16	6.70	16/16	7.26	8.34%
Realty	6/6	18.60	6/6	20.36	9.44%
Power	10/10	1,438.07	10/10	1,583.11	10.09%
Oil Gas & Consumable Fuels	12/12	41.52	12/12	45.94	10.64%
Others	13/14	41.42	13/14	50.29	21.40%
Consumer Durables	7/7	2.70	7/7	3.43	27.04%

Emission – GHG Emission in tCO₂e. / Revenue – Revenue in Rupees in Crores. / % - Change in Emission Y-O-Y / Note: Excludes companies which has not disclosed data in the respective year and whose data was not comparable.

- GHG Emission as stated in above table is based on total GHG Emission (Scope 1 + 2) in respective industry vs the operating revenue / turnover of that industry for those entities who have disclosed data on GHG Emission intensity in tCO₂e or multiples.
- 👍 Across the sample entities, there is a decrease of approx. 7.30% in the GHG Emission intensity based on turnover from last year, as it was similar trend in average intensity performance.
- While across the sample in FY 23-24 for every ₹ 1 Cr turnover, GHG emission was 116.11 tCO₂e; whereas in power sectors the same was at 1,583.11 tCO₂e i.e. approx. 13 times. On the other hand, Financial Services - Insurance industry had least intensity as it released only 0.12 tCO₂e GHG emission per crore rupees of revenue generated, being the most efficient industry.
- 👍 More than 20% decrease in average emission intensity has been reported in Financial Services- Insurance, Banks & Others industries from last year.
- 👎 Oil Gas & Consumable Fuels and Others sector which includes Infrastructure companies have reported increase in emissions as well as increase in emissions intensity by a significant margin i.e. more than 20% increase can be observed; majorly due to decrease in their revenue.
- During both financial years, **Power, Construction Materials, Metals & Mining and Oil Gas and Consumable Fuels**, these are highly emission intensive industries. These industries although have intensive operations but also need better targets and decarbonization plans.
- While on face of it, this may appear to be an encouraging sign, yet deep dive into data and reason would reveal that performance is not all that good. The reason is that intensity is turnover based, which gets impacted by inflation. Accounting for ~5.5% inflation across board, the decline would almost wipe out with less than 2% decrease.
- However, considering the wide range of sectors, the revenue performance and impact of inflation would vary significantly. Therefore, sectoral inflation holds the key to carry out perfect analysis, which is quite difficult and complicated as each industry as also unit within the industry has different impact on its turnover based on its concentration of customers, location, etc.

GHG (Scope 3) Emissions (Absolute):

Scope 3 greenhouse gas (GHG) emissions encompass indirect emissions throughout a company's value chain, beyond its direct operations. These emissions arise from sources like purchased goods and services, business travel, employee commuting, transportation, waste disposal, and product use. Often comprising the largest part of a company's carbon footprint, Scope 3 emissions carry significant environmental implications. Though more complex to measure and control compared to Scope 1 and 2 emissions, addressing Scope 3 emissions is essential for comprehensive carbon reduction and promoting sustainability across the supply chain. By understanding, quantifying, and proactively

managing Scope 3 emissions, companies can improve their environmental performance, mitigate risks, and contribute to global climate change mitigation efforts.

Scope 3 emission disclosures are part of Leadership Indicators in the existing BRSR format. Thus, the number of companies disclosing Scope 3 emissions are weigh less than that of Scope 1 & 2 emissions. Furthermore, a large part of entities who disclosed Leadership Indicators have stated in Scope 3 emissions that, will start measuring Scope 3 emission in coming years or the Company is in process of measuring Scope 3 emissions, etc.

There are certain criteria for identifying relevant Scope 3 activities.

“Purchased goods and services” comprises the largest proportion of Scope 3 emissions reported by the Cement sector, Cement companies should primarily focus their emissions reduction efforts on Scope 1 which forms the majority of the Cement sector’s total Scope 1+2+3 emissions. In contrast, around 90% of Scope 1+2+3 emissions for the Capital Goods sector are in Scope 3 category 11,” Use of sold products”, so it is critical for Capital Goods companies to focus their emissions reduction efforts on minimizing product use phase emissions.

- CDP Technical Note: Relevance of Scope 3 Categories by Sector.

Table EM7, highlights the number of companies from Sample with disclosures on GHG (Scope 3) Emissions.

TABLE EM7: #COMPANIES DISCLOSING SCOPE 3 EMISSIONS (ABSOLUTE)					
Industries	#	2023		2024	
		#	%	#	%
Sample	200	94	47%	104	52%
Metals & Mining	10	7	70%	9	90%
Oil Gas & Consumable Fuels	12	9	75%	10	83%
Information Technology	13	11	85%	10	77%
Construction Materials	6	4	67%	4	67%
Automobile and Auto Components	16	6	38%	10	63%
Power	10	6	60%	6	60%
Financial Services - Insurance	7	3	43%	4	57%
Fast Moving Consumer Goods	15	7	47%	8	53%
Capital Goods	16	8	50%	8	50%
Others	14	6	43%	7	50%
Financial Services - Bank	22	10	45%	10	45%
Financial Services - Others	19	7	37%	8	42%
Realty	6	2	33%	2	33%
Consumer Services	7	2	29%	2	29%
Healthcare	14	4	29%	4	29%
Chemicals	6	1	17%	1	17%
Consumer Durables	7	1	14%	1	14%

Number of companies which disclosed data in BRSR for FY 2023-24.

- Companies are now beginning to recognise the significance of value chain emissions and are beginning to report on the same, as seen by the rise in the reporting of Scope 3 emissions from 47% in FY 2022-23 to 52% in FY 2023-24.
- Although most companies have not made disclosures on Scope 3 emissions, the ones who have made disclosures have listed it as their achievement.

👍 IT, Construction Materials, Metals & Mining and Oil Gas & Consumable Fuels: These industries exhibited relatively high disclosure rates in both years, with percentages ranging from 67% to 90% in both the years.

👎 Lower disclosure rate has been observed in industries such as Consumer Durables and Chemicals i.e. below 20%.

- An entity from IT Industry reported Scope 3 Data for FY 2022-23, whereas not disclosed data for FY 2023-24. Rather stated as, “XXX is currently conducting a thorough GHG inventorization for all applicable categories of Scope 3 emissions and will report the same in future.”
- Industries with larger or expanded Value Chain or Supply Chain face major problems in measuring Scope 3 emissions. Thus, industries operating in the consumer durables or majorly related to services have made fewer disclosures regarding the same.
- On Scope 3 emission disclosures, a major challenge is how to calculate the adequate Scope 3 emission. As there might be cases where the two entities would have been counting the emission from one source simultaneously. For example, an entity counting its employees’ traveling emission from the airplane may not be able to adequately measure it unless they have the total number of people traveling in that airplane; and similarly going to micro level or traveling and daily emission, it is tough task to measure such emission.
- Further, one of the main reasons for this is poor data quality. Companies have to rely on data shared by their supply chain partners or third-party data to make estimations.
- The calculation of Scope 3 emissions requires personnel, resources, expertise, and efficient data management processes, which can be difficult to align across a Company’s supply chain.

Absolute GHG (Scope 3) Emission - Performance:

Table EM8: Analyses performance of companies with respect to GHG (Scope 3) emissions i.e. whether the companies managed to decrease absolute GHG emissions.

TABLE EM8: PERFORMANCE BASED ON GHG (SCOPE 3) EMISSIONS (ABSOLUTE)			
INDUSTRIES	FROM FY 2022-23 to FY 2023-24		
	#	↓	↑
Sample	88	32	56
Information Technology	10	5	5
Financial Services - Bank	8	4	4
Automobile and Auto Components	6	3	3
Capital Goods	7	3	4
Metals & Mining	7	3	4
Others	5	3	2
Financial Services - Others	7	2	5
Healthcare	4	2	2
Oil Gas & Consumable Fuels	9	2	7
Construction Materials	4	1	3
Fast Moving Consumer Goods	7	1	6
Financial Services - Insurance	3	1	2
Power	5	1	4
Realty	2	1	1
Chemicals	1	0	1

Consumer Durables	1	0	1
Consumer Services	2	0	2

Number of companies, which disclosed data. | ↓ - Number of Companies where absolute GHG Emissions (Scope 3) Decreased and ↑ - Number of Companies where absolute GHG Emissions (Scope 3) Increased from last year.

Exclusion: Out of 94 entities considered in the disclosures, 6 entities have been excluded due to:

- **1 - An entity** from IT sector has been excluded as the entity has disclosed data only for FY 2022-23 and is in process for calculating data for FY 2023-24 and shall report it in future.
- **1 - An entity** from Power has been excluded from the above data, as the entity's emissions as per BRSR disclosure has increased more than 8 times. The reason for such high increase is stated as, *"primarily caused by employee commuting, fuel - and energy related activities, purchased goods and services, capital goods, upstream transportation, business air travel and operations of contractors."*
- **1 - An entity** from Others category carrying on the business of Garment Apparels has been excluded from the above data, as the entity's emissions as per BRSR disclosure has increased more than 24 times. The reason for such high increase is that, *"Scope 3 emissions of FY 2024 include additional categories not reported in previous years. Therefore, the data cannot be directly compared to past figures."*
- **1 - An entity** from Capital Goods has been excluded from the above data, as the entity's emissions as per BRSR disclosure has increased more than 24 times. The reason for such high increase is not disclosed.
- **2 - Two entities** from Financial Services has been excluded from the above data, as the entities' emissions as per BRSR disclosure have increased more than 9 and 16 times. The reason for such high increase is that the sources from which Scope 3 emissions are measured in FY 2022-23 & FY 2023-24 differ from each other.

Analysis:

- Major Categories such as employee commute, business travel, etc. contributes to Scope 3 emissions under IT Sector. While, Downstream transportation & Distribution (Emissions from use of sold products) contribute to Scope 3 emissions as disclosed by a Company under Capital Goods industry with the highest Scope 3 emissions although Capital Goods have the lowest disclosure score.
- Scope 3 emissions have increased in entities belonging to Oil Gas & Consumable Fuels as ~ 95% of their emissions are from refining and marketing operations or from use of sold products.
- None of the entities operating in Chemicals, Consumer Durables and Consumer Services industries were able to reduce their Scope 3 emissions.

Other Air Emissions (Absolute):

Air emissions originate from a variety of sources, particularly industrial activities, which release pollutants and contaminants into the atmosphere. These emissions include a range of harmful substances like particulate matter, sulfur dioxide, nitrogen oxides, volatile organic compounds, and heavy metals. They pose significant risks to both the environment and public health, contributing to air pollution, smog formation, acid rain, and respiratory illnesses. Efforts to mitigate these emissions involve implementing pollution control technologies, enacting regulatory measures, transitioning to cleaner energy sources, promoting sustainable transportation practices, and increasing public awareness. Addressing air emissions is crucial for safeguarding human health, protecting ecosystems, and ensuring air quality remains conducive to a healthy environment for future generations.

Besides disclosure of GHG emissions, companies generally make disclosures on Nitrogen Oxide (NOx), Sulphur Oxide (SOx), Particulate Matters (PM), Hazardous Air Pollutants (HAPs), Volatile Organic Compounds (VOCs), Persistent Organic Pollutants (POPs) or Others.

Table EM9: Highlights the number of companies from Sample with disclosures on other Air Emissions.

- **Any One Parameter:** This measure where the company has disclosed data on at least one of the above parameters and have failed to do so on all parameters.
- **All Parameters:** These are the entities which have made disclosures on all of the above parameters, wherever it was applicable to them.

TABLE EM9: #COMPANIES DISCLOSING AIR EMISSIONS (ABSOLUTE)									
Industries	#	At Least One Parameter				All Parameters			
		2023		2024		2023		2024	
		#	%	#	%	#	%	#	%
Total	200	129	65%	140	70%	99	50%	112	56%
Capital Goods	16	15	94%	15	94%	14	88%	14	88%
Consumer Durables	7	6	86%	7	100%	5	71%	6	86%
Construction Materials	6	6	100%	6	100%	5	83%	5	83%
Metals & Mining	10	9	90%	9	90%	8	80%	8	80%
Healthcare	14	12	86%	14	100%	9	64%	11	79%
Automobile and Auto Comp.	16	15	94%	16	100%	11	69%	12	75%
Chemicals	6	5	83%	5	83%	3	50%	4	67%
Fast Moving Consumer Goods	15	13	87%	13	87%	10	67%	10	67%
Realty	6	6	100%	6	100%	4	67%	4	67%
Information Technology	13	9	69%	10	77%	6	46%	8	62%
Oil Gas & Consumable Fuels	12	11	92%	11	92%	7	58%	7	58%
Consumer Services	7	3	43%	4	57%	3	43%	4	57%
Others	14	10	71%	11	79%	6	43%	8	57%
Power	10	6	60%	7	70%	5	50%	5	50%
Financial Services - Others	19	1	5%	3	16%	1	5%	3	16%
Financial Services - Bank	22	2	9%	3	14%	2	9%	3	14%
Financial Services - Insurance	7	0	0%	0	0%	0	0%	0	0%

Number of companies which disclosed data in BRSR for FY 2023-24.

- While 140 companies have made disclosures on at least one parameter of air emissions for FY 2023-24, however, only 112 companies have made disclosures on all parameters of air emissions.
- Air emissions are measured on seven parameters i.e. NOx, SOx, PM, POP, VOC, HAP and Others, which are as per the industry of operations.
- A large number of entities have disclosed data on few parameters and have stated that the rest parameters were not measured or data was not available.
- A few entities have not disclosed any data and have stated that either the data is below the norms of CPCB or not applicable.
- One entity from Power sector has disclosed the other air emission data as not comparable for FY 2022-23 and disclosed data for FY 2023-24.

- One entity from Financial Services - Bank and one from Consumer Durables sector have stated that the emissions are not material.
- The disclosures are not uniform across industries, as such emissions depends upon the nature of the Company's business operation. However, Construction Materials, Capital Goods, Consumer Durables, Healthcare, Automobile & Auto Components and Realty sector have better disclosure than other sectors in FY 2023-24.

Targets Disclosures:

- Table EM10, provides for industry wise distribution of companies disclosing targets relating to reduction in carbon / GHG emissions or becoming 'Carbon Neutral' & Target set to reduce GHG emissions & its impact on short term as well as long term basis:

TABLE EM10: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)					
INDUSTRIES	#	Short-Term*		Long-Term**	
		#	%	#	%
Total	200	52	26%	122	61%
Construction Materials	6	1	17%	6	100%
Information Technology	13	5	38%	12	92%
Metals & Mining	10	5	50%	9	90%
Automobile and Auto Components	16	2	13%	14	88%
Fast Moving Consumer Goods	15	6	40%	13	87%
Others	14	6	43%	11	79%
Power	10	3	30%	7	70%
Oil Gas & Consumable Fuels	12	2	17%	8	67%
Capital Goods	16	4	25%	10	63%
Healthcare	14	4	29%	8	57%
Consumer Durables	7	1	14%	4	57%
Realty	6	3	50%	3	50%
Consumer Services	7	2	29%	3	43%
Financial Services - Insurance	7	1	14%	3	43%
Chemicals	6	1	17%	2	33%
Financial Services - Bank	22	5	23%	7	32%
Financial Services - Others	19	1	5%	2	11%

Number of companies which disclosed targets. / *up to 3 years / ** more than 3 years

- While 52 companies have discussed about Short term targets and 122 companies have discussed about long term targets. However, only 38 companies have disclosed both short term as well as long term targets to reduce GHG emissions.

-: Leading Endeavours (The Trend Setters) :-

- Reduce carbon emissions of our operations by installing solar panels on our own buildings / ATMs and improving energy efficiency of our buildings.
(a Company from Financial Services - Banks)
- To reduce Scope 3 emissions and fuel consumption in our logistics operations, we have concentrated on **shortening travel distances for both primary and secondary logistics**. Our optimization strategies have effectively cut the average market-bound distance per vehicle trip by 8 km in FY 2023-24.
(a Company from Fast Moving Consumer Goods)

- 15 Suppliers Reported emissions reduction through CDP supplier engagement & ₹ 18 lakhs Paid as CDP subscription fees on behalf of the suppliers during the reporting period.

(a Company from Power Sector)

Target Achievements:

- While there were better disclosures of targets to reduce or manage GHG emission by the sample entities, the performance or achievement of these targets are not uniformly disclosed. Thus, the analysis of target performance / achievement is not comparable on industry wise.
- Very few companies from the sample have disclosed performance, some of them are:

-: Leading Endeavours (The Trend Setters) :-

- Achieved carbon neutrality in our operations (scope 1, 2 emissions).

(a Company from Realty)

- Carbon positive for 19 years.

(a Company from FMCG)

- We have reduced our absolute carbon footprint across Scope 1 and Scope 2 by 80% in FY 2024 over a baseline of 2016, exceeding our target achievement by 10%, one year ahead of time.

(a Company from Information Technology)



1.6. WATER USAGE / 1.7 WASTE WATER MANAGEMENT





Assessment Factors: Company's disclosures & practices on water usage, withdrawal / consumption / waste water management:

- Disclosure of data on total water withdrawal, consumption and relevant water intensity, effluent management / water discharge,
- Steps or initiatives taken to reduce / re-cycle / re-use water,
- Water usage in water stress areas,
- Targets set and its achievements.



BRSR Reference: Principle 2 & 6.

WATER USAGE

EVALUATION STATISTICS								
2024	QUESTIONS			26	PARAMETERS			147
2023	QUESTIONS			25	PARAMETERS			87
YEAR	SCORE – WATER USAGE							
2024	MAX.	95	AVG.	49	MED.	47	MIN.	0
2023	MAX.	97	AVG.	44	MED.	40	MIN.	9
BEST PERFORMING INDUSTRY*				BEST PERFORMING COMPANY*				
	77.6- Construction Materials (2024)				94.9- Capital Goods (2024)			
	76.8- Construction Materials (2023)				97.4- Automobile & Auto Components (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY*				WORST PERFORMING COMPANY*				
	40.0- Consumer Services (2024)				15.43 – Consumer Services (2024)			
	26.0- Consumer Services (2023)				9.4 – Others (2023)			

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company.

*Note: The above analysis of best and worst does not include Financial Services Industry and the entities operating in this industry; reasons for this are explained in the Environment Summary above.

Note: All aspects of water consumption, withdrawal, consumption intensity, etc. includes water data of only 182 entities against the sample size of 200 entities. Data excludes remaining 18 entities, majorly from Financial Services - Others, which are NBFCs or other holding companies, as these entities have stated that water consumption at their premises is negligible and none of the entity has provided information on water consumption. Considering their business nature, water consumption is not a material aspect for them, thus, they have not been considered in further analysis on water consumption and other water related data.





Analysis:

- Excluding Financial Services entities from the sample companies, 18 entities have scored less than 30 in the water usage management.
- Only 25 entities have managed to score more than 80 in this section. Four out of these 25 entities are from Construction materials industry, being one of the highest scoring industries in water usage.

Interestingly same industry is the most sensitive in case of water usage, i.e. their major operations are based on water usage. However, their better initiatives on water conservations and their efforts towards becoming water positive has led to high score in this section. As discussed later in this report, an entity from construction materials is 11 times water positive. Construction Materials industry being the only one which has discharged 100% of its water post treatment in 2023 and 2024.

- Further, there is an increase in maximum, average and median score of the sample entities except minimum score from 2023.

WASTE WATER / EFFLUENTS MANAGEMENT

EVALUATION STATISTICS								
2024	QUESTIONS			47	PARAMETERS			158
2023	QUESTIONS			47	PARAMETERS			126
YEAR	SCORE – WASTE WATER MANAGEMENT							
2024	MAX.	100	AVG.	71	MED.	85	MIN.	0
2023	MAX.	100	AVG.	69	MED.	80	MIN.	0
BEST PERFORMING INDUSTRY*					BEST PERFORMING COMPANY*			
 94.75– Construction Materials (2024) 81.66– Consumer Durables (2023)					 100– Fast Moving Consumer Goods (2024) 100– Capital Goods (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY*					WORST PERFORMING COMPANY*			
 24.94– Consumer Services (2024) 23.67– Consumer Services (2023)					 0 – Consumer Services (2024) 0 – Oil Gas & Consumable Fuels (2023)			

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company.

*Note: The above analysis of best and worst does not include Financial Services Industry and the entities operating in this industry; reasons for this are explained in the Environment Summary above.

Note: Water discharge / effluent discharge, waste water management, etc. includes water data of only 143 entities against the sample size of 200 entities. Data excludes 57 entities, out of which 48 belonging to Financial Services- Banks, Insurance and Others, **1 entity from Power**, 2 entities from Oil Gas & Consumable Fuels, 3 entities from Consumer Services, 1 entity from Consumer Durables, 1 entity from Information Technology and 1 entity from Others carrying on the business of Telecom, as these entities have stated that water discharge is negligible and a few have stated it is not applicable as the companies do not have any manufacturing units. Considering their business nature, water discharge is not a material aspect for them, thus, they have not been considered in further analysis on water discharge and other water related data.

Analysis:

- 👍 An entity from Construction Materials industry is 11 times water positive. Second best industry is Automobile and Auto Components, where 5 out of 16 entities are water positive and 12 out of 16 entities have Zero Liquid Discharge mechanism established.
- 👎 Consumer Services Industry do not have any entity with Zero Liquid Discharge.

Water Consumption (Absolute):

Corporations are the world's largest water users, with nearly two-thirds of all water consumption going into producing ingredients for corporate supply chains. Fortunately, many corporations are adopting sustainable water use practices to strengthen their brand reputation and to manage water-related business risks.

The Government of India under its National Water Mission (NWM) aims to conserve water, reduce wastage and ensure its more equitable distribution across and within States through integrated water resources development and management, besides a goal to develop a framework for optimizing water use efficiency by 20%. This would be possible only by various sectors including industrial sector focusing on optimization and improvement of their water use efficiency. Although attempts are being made to promote sustainable water practices in industries to ensure efficient use and minimize the adverse impact on environment, there has been a need for a national guideline framework for setting up water use benchmarks in Indian industries. In the absence of an established national guideline or sector specific benchmarks on industrial water use, the implementation of water conservation and efficiency interventions remains an open-ended vision without any sector specific targets to follow and aspire for.

Corporate concerns over water are escalating, provoked by highly-publicized events around the globe and across myriad industries in which water shortages or pollution led to severe disruption of business operations or damaged a company's reputation. Some examples include:

- **Cotton:** Clothing manufacturers stopped buying cotton grown in the Aral Sea region when irrigation diversions shrank the sea to a quarter of its former size and wind-blown, chemical-laden dust and salt from the exposed lakeshore caused an outbreak of cancer.
- **Mining:** Newmont faced protests by thousands of local residents near its Peruvian gold mine due to water concerns that led the entity to relinquish access to 3.9 million ounces of gold reserves in 2004.
- **Beverages:** Citizen protests in Kerala, India forced Coca-Cola to shut down a profitable bottling plant in 2005 due to local villager's claims that the Company had caused their wells to go dry and polluted soils and groundwater with their sludge disposal. The controversy engendered an anti-Coke campaign on college campuses as far away as the United States.

These and hundreds of other similar controversies have awakened many corporations to their water-related business risks to both their operations and their reputations and prompted them to take actions to evaluate and manage these risks.

Industry at large needs to develop options to better utilise its water resources, minimize the fresh water consumption, better management of waste water and effluents, minimize water discharge, reduce operational water usage in water stressed areas, etc.

Table W1, highlights the number of companies from Sample which have made disclosures on total water consumption or total water withdrawn from various sources:

TABLE W1: # COMPANIES DISCLOSING WATER CONSUMPTION (ABSOLUTE)					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Total	182	170	93%	176	97%
Automobile and Auto Components	16	16	100%	16	100%
Capital Goods	16	16	100%	16	100%
Chemicals	6	6	100%	6	100%

Construction Materials	6	6	100%	6	100%
Consumer Durables	7	7	100%	7	100%
Consumer Services	7	7	100%	7	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Financial Services - Others	1	1	100%	1	100%
Healthcare	14	14	100%	14	100%
Metals & Mining	10	10	100%	10	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Power	10	10	100%	10	100%
Realty	6	6	100%	6	100%
Others	14	13	93%	14	100%
Information Technology	13	12	92%	12	92%
Financial Services - Bank	22	16	73%	19	86%
Financial Services - Insurance	7	3	43%	5	71%

Number of companies which disclosed data in BRSR for FY 2023-24.

- The trend of disclosures is similar to as is for energy consumption and GHG emissions. Although, there is an increase in overall water disclosures, however, still there's a lot of improvement needed.
- 100% disclosure rate has been observed from all industries except IT, Financial services- Banking & Insurance in FY 2023-24.
- Despite excluding a large number of entities, still Financial services companies mainly belonging to Banking and Insurance is way behind others by a wide margin in overall water disclosures.
- One entity from IT Industry which has not disclosed the data on water consumption has stated that, *"Our facility operators supply water for our operational needs, covered by our maintenance charges as we lease our facilities. We don't track water usage per BRSR requirements. Water is mainly used for employee consumption, and we aim for judicious use. To cut water consumption, we've installed water aerators. Wastewater is treated in our sewage treatment plant, and the recycled water is used for flushing toilets and landscaping."*
- Thus, it can be concluded that at least industries with operational reliance on water are already at full disclosure.

Water Consumption Intensity:

Table W2, highlights the number of companies which have made disclosures on Water Intensity linked to revenue, the table does not show intensity but disclosures only:

TABLE W2: # COMPANIES DISCLOSING WATER CONSUMPTION INTENSITY									
INDUSTRIES	#	Linked to Turnover				Linked to Turnover adjusted for PPP			
		2023		2024		2023		2024	
		#	%	#	%	#	%	#	%
Total	182	165	91%	173	95%	135	74%	151	83%
Capital Goods	16	16	100%	16	100%	16	100%	16	100%
Consumer Durables	7	7	100%	7	100%	6	86%	7	100%
Financial Services - Others	1	1	100%	1	100%	1	100%	1	100%
Healthcare	14	14	100%	14	100%	14	100%	14	100%

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Realty	6	6	100%	6	100%	5	83%	6	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%	11	92%	11	92%
Metals & Mining	10	10	100%	10	100%	8	80%	9	90%
Fast Moving Consumer Goods	15	15	100%	15	100%	11	73%	13	87%
Consumer Services	7	7	100%	7	100%	6	86%	6	86%
Chemicals	6	6	100%	6	100%	5	83%	5	83%
Others	14	13	93%	14	100%	8	57%	10	71%
Power	10	10	100%	10	100%	7	70%	7	70%
Construction Materials	6	6	100%	6	100%	4	67%	4	67%
Automobile and Auto Comp.	16	15	94%	15	94%	12	75%	13	81%
Information Technology	13	12	92%	12	92%	12	92%	12	92%
Financial Services - Bank	22	14	64%	19	86%	9	41%	15	68%
Financial Services - Insurance	7	1	14%	3	43%	0	0%	2	29%

Number of companies which disclosed data in BRSR for FY 2023-24.

- It is to be noted that the BRSR format as stated for water consumption also provides specific disclosures on the water consumption intensity based on turnover and turnover adjusted for Purchasing Power Parity (PPP).
- While 176 companies have made disclosures on absolute water consumption for FY 2023-24 Table W1, out of which 173 companies have made disclosures on water consumption intensity linked to turnover and only 151 companies have made disclosures on water consumption intensity linked to turnover adjusted for Purchasing Power Parity.
- 👍 100% disclosure rate has been observed from entities belonging to Capital Goods, Financial Services – Others and Healthcare industry on the water consumption intensity based on turnover and turnover adjusted for PPP in each of the last two years.
- Disclosure concerns regarding water consumption intensity linked to turnover adjusted for PPP are similar to those observed in energy consumption and emissions intensity linked to turnover adjusted for PPP i.e. low disclosure rates are observed in the companies treating the disclosure as optional or simply stating ‘Not Applicable’.

Table W3, highlights the number of companies which have made disclosures on water intensity linked to physical output or other relevant metrics:

TABLE W3: WATER INTENSITY LINKED TO PHYSICAL OUTPUT / OTHER RELEVANT METRICS					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Total	182	113	57%	123	62%
Construction Materials	6	6	100%	6	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Metals & Mining	10	9	90%	9	90%
Power	10	9	90%	9	90%
Automobile and Auto Components	16	13	81%	14	88%
Chemicals	6	4	67%	5	83%
Realty	6	4	67%	5	83%
Fast Moving Consumer Goods	15	11	73%	12	80%
Healthcare	14	11	79%	11	79%

Consumer Durables	7	3	43%	4	57%
Financial Services - Bank	22	8	36%	12	55%
Information Technology	13	7	54%	7	54%
Capital Goods	16	8	50%	7	44%
Consumer Services	7	3	43%	3	43%
Others	14	5	36%	6	43%
Financial Services - Insurance	7	0	0%	1	14%
Financial Services - Others	1	0	0%	0	0%

Number of companies which disclosed data in BRSR for FY 2023-24.

- It is to be noted that the BRSR format provides specific disclosures on the water consumption intensity based on physical output, however, same is optional in case of Other Relevant Metrics as may be selected by the entity.
- Table W3 includes disclosure made by entities on the water consumption intensity either based on physical output or based on relevant metrics or both.
- From table W3 it is evident of what leads to disclosures when it is optional; as only 57-62% of the sample entities disclosed intensity based on the metrics other than turnover. Although, a marginal increase in disclosures on water consumption intensity based on physical output / other relevant metrics has been observed from previous financial year.
- 📌 The **Capital Goods** industry is the only one out of the sample industries where the disclosure rate have decreased from the previous financial year as one entity did not report on it in FY 2023-24.
- 100% disclosure observed in **Construction Materials industry and Oil Gas & Consumable Fuels** as they have higher dependency on water for their operations and thus disclosure of water intensity linked to physical output or relevant metric helps investors understand the water risk.
- On disclosure point of view, there are companies which have not disclosed intensity linked to physical output as there might be no physical output or multiple type of physical output. Further, there's disclosure on other relevant metric whose need is to be arrived when one cannot report on physical output, as one can report intensity linked to Full-time employees or total workforce, etc. Even after having an alternative, 59 companies have not disclosed such intensity in FY 2023-24.
- Even in presence of third-party assessment, the companies are not able to report such intensities making it difficult for investors, consumers and other stakeholders to trust the information being disclosed.
- The industries that require less water in their operations, their focus typically should be on maximizing water efficiency and minimizing environmental impact while still maintaining operational effectiveness. To achieve all of this and for stakeholders to understand their practices, disclosures should be made considering it as a responsibility. Example of these industries are Financial Services and Consumer Services.

Disclosures (Measurement Units) - Uniformity?

- **Absolute data:** Most of the companies in the sample have provided disclosures in kilolitres (KL) or cubic meter of water (m³) (wherein 1 m³ is equal to 1 KL). Therefore, there is uniformity in disclosing water data irrespective of the Company or industry. Although companies as per their data size have used varied decimal options, i.e. reported either in Litres, Kilo Litres, '000 Kilolitres, Million KL, Mega KL, Million Cubic Meter (MCM), etc.

- **Intensity:** While there was better uniformity in disclosing water consumption intensity based on turnover / revenue, as majority of the companies have disclosed it based on KL per crores of revenue or millions of revenue or other related multiples were used. However, the same was not the case in disclosure on intensity based on other relevant metrics. All of the entities have used their industry related units or metrics to disclosed intensity as briefly discussed above.
- In India, much of the environmental reporting is voluntary or follows non-mandatory guidelines like the **Global Reporting Initiative (GRI)** or the **Sustainability Accounting Standards Board (SASB)**. These frameworks do not always enforce specific measurement units, leaving companies to choose the units they are most comfortable with. While this allows flexibility, it reduces the overall consistency and comparability of reports.
- The Indian listed companies are reporting as per BRSR framework which has specified measurement unit for water i.e. Kilolitres. Yet most companies have used varied decimal options.

Absolute Water Consumption & Water Intensity- Performance:

Table W4: Analyses performance of companies with respect to water consumption i.e. whether the companies managed to decrease absolute water consumption and water intensity linked to revenue.

TABLE W4: PERFORMANCE: CHANGE IN WATER CONSUMPTION & INTENSITY						
INDUSTRIES	FROM FY 2022-23 to FY 2023-24 (#)					
	WC		Intensity		Both	
	↓	↑	↓	↑	↓	↑
Total	52	116	85	79	41	69
Automobile and Auto Components	7	9	12	3	5	2
Capital Goods	7	9	13	3	7	3
Chemicals	3	3	1	5	1	3
Construction Materials	1	5	2	4	1	4
Consumer Durables	2	5	5	2	2	2
Consumer Services	2	5	4	3	2	3
Fast Moving Consumer Goods	5	9	7	7	4	6
Financial Services - Bank	7	8	11	3	7	3
Financial Services - Insurance	0	3	0	1	0	1
Financial Services - Others	0	1	0	1	0	1
Healthcare	4	10	11	3	4	3
Information Technology	3	9	4	8	3	8
Metals & Mining	2	8	3	7	0	5
Oil Gas & Consumable Fuels	3	9	0	12	0	9
Power	2	8	3	7	1	6
Others	1	12	6	7	1	7
Realty	3	3	3	3	3	3

Number of companies, which disclosed data. / WC - Water consumption / Intensity - Water consumption intensity linked to turnover. / ↓ - Number of Companies where absolute Water Consumption & intensity decreased and ↑ - Number of Companies where absolute Water Consumption & intensity increased from last year. / Note: Excludes companies whose data was not comparable or who has not disclosed data in any of the two financial years.

Exclusion: Total 2 outlier Entities are excluded due to:

- An entity from the FMCG Sector has been excluded from the above data, as the entity's water consumption as per BRSR disclosure has increased more than 16 times. The reason for such high increase is not stated by the entity. This entity has been excluded from performance on absolute increase / decrease as well as intensity performance.
- An entity from the Financial Services - Bank Sector has been excluded from the above data, as the entity's water consumption as per BRSR disclosure has increased more than 94 times. The reason for such high increase is probably that for FY 2022-23, the entity had considered only its consumption from its Central Office. Excluded from absolute increase / decrease performance, and not impact on intensity, as it is not part of entities with disclosures.

Analysis:

- 🔴 Across the sample entities, there are 116 companies whose total water consumption has increased from last year; and decrease has been observed in only 52 companies.
- 🟢 If we go by the highest number of entities in an industry where decrease in their total water consumption has been recorded, **Capital Goods** industry leads the chart. Again, water consumption varies significantly across different sub-sectors within the Capital Goods industry. However, 43.75% of them have succeeded in decreasing their water consumption. Similarly, **Automobile and Auto Components** were head-to-head with Capital Goods in performance.
- 🔴 Except Chemicals and Realty industry, less than 50% of the entities of each industry were able to reduce their absolute water consumption from last year.
- While 52 companies had disclosed decrease in absolute consumption of water, 85 companies have reported decrease in intensity. This suggests they are using less water to generate the same or higher amount of revenue, reflecting improved water management practices.
- 🟢 Most entities belonging to industries such as **Capital Goods, Automobile and Auto Components and Financial Services – Bank** are more water efficient as decrease can be observed in both water consumption and water consumption intensity linked to turnover. In this case, the number of entities where water consumption intensities decreased have outnumbered the number of entities where absolute water consumption has decreased.
- 🔴 None of the entities from **Financial Services- Insurance & Others and Oil Gas & Consumable Fuels** could decrease their water intensity linked to turnover from last year.
- Factors that contribute to performance of such industries can be combination of water stewardship activities like water saving technologies, enhanced effluent and sewage treatment, strengthened regulatory compliance, zero liquid discharge mechanism and more focus on sustainability which is observed majorly in **Chemicals industry**.

Industry Wise Water Consumption Analysis:

Table W5: Analyse industry wise performance of water consumption on the basis of total water consumption by each industry as well as average water consumption per entity in the industry.

TABLE W5: WATER CONSUMPTION INDUSTRY WISE (In Million Litre)					
INDUSTRIES	2023		2024		CHANGE
	WC	AVG.	WC	AVG.	%
Total	32,69,527	19,461	34,40,969	19,776	1.61%
Fast Moving Consumer Goods	73,365	5,240	34,678	2,477	-52.73%
Consumer Services	7,199	1,028	4,283	612	-40.51%
Realty	13,788	2,298	11,215	1,869	-18.66%
Financial Services - Bank	2,70,161	18,011	2,65,239	14,735	-18.19%
Financial Services - Insurance	22,807	7,602	36,219	7,244	-4.72%
Chemicals	21,234	3,539	20,478	3,413	-3.56%
Automobile and Auto Comp.	20,164	1,260	20,064	1,254	-0.50%
Metals & Mining	6,60,303	66,030	6,58,039	65,804	-0.34%
Capital Goods	38,373	2,398	38,710	2,419	0.88%
Healthcare	21,666	1,548	22,345	1,596	3.13%
Oil Gas & Consumable Fuels	4,71,294	39,274	4,86,494	40,541	3.23%
Construction Materials	1,04,671	17,445	1,08,905	18,151	4.05%
Information Technology	6,957	580	7,677	640	10.35%
Consumer Durables	2,372	339	2,659	380	12.10%
Power	15,12,666	1,51,267	16,96,662	1,69,666	12.16%
Others	22,495	1,730	27,289	1,949	12.64%
Financial Services - Others	12	12	15	15	25.00%

All figures in **ML (Million Litres)** except % / WC – Water Consumption / Avg. - Average Water Consumption in that industry / % - Average % Change Y-O-Y / Note: Excludes companies which has not disclosed data in the respective year and whose data was not comparable.

Exclusion: Total 2 Entities are excluded due to:

- An entity from the FMCG Sector has been excluded from the above data, as the entity's water consumption as per BRSR disclosure has increased more than 16 times. The reason for such high increase is not stated by the entity.
- An entity from the Financial Services- Bank Sector has been excluded from the above data, as the entity's water consumption as per BRSR disclosure has increased more than 94 times. The reason for such high increase is probably that for FY 2022-23, the entity had considered only its consumption from its Central Office.

Analysis:

- Industry wise data was analysed based on the entities who have disclosed data in the Litres or multiples. For FY 2022-23 out of the 182 entities, 168 entities were considered in above data and same for FY 2023-24 was 174.
- As there is difference in number of entities in both years' data, thus comparison is provided on the basis of average water consumption across industries.

- 📉 On average basis there is an increase of ~1.61% in water consumption from last year across the sample entities.
- 📈 Out of 17 industries included in above analysis, 8 industries have managed to decrease average water consumption from last year wherein, 4 industries have seen significant decrease of more than 10% in their water consumption.
- Water consumption in the **FMCG sector** is a critical issue, given that FMCG companies produce a wide range of products like beverages, food items, personal care, and cleaning products, all of which require significant amounts of water in their production processes. Water is used in various stages, including sourcing raw materials, manufacturing, processing, packaging, and cleaning. Despite the extensive importance of water in this industry, the FMCG industry has managed to decrease its water consumption by 46.50%, this could hint a possible reduction in production in certain entities.
- **Financial services - Others** have seen significant increase in average water consumption from last year. The reason for significant increase in Finance industry is that only one entity is included in the sample for data on water consumption, thus impacting the average increase.
- **Oil Gas & Consumable Fuels:** ~3.23% increase in water consumption was recorded. This suggests higher production and exploration activities in the sector.
- Additionally, there is a notable increase in case of **Power industry and other sectors** (consisting of Infrastructure); due to higher number of rollouts/ added projects and addition on new substation and construction of new units, leading to high water consumption in FY 2023-24. One entity has experienced an increase in water consumption due to adjustment in its reporting boundary.
- Although, water consumption in the **metals and mining industry** is notably high due to the intensive processes involved in extraction, refining and processing of raw materials. As per the data of water consumption of entities belonging to this industry, it can be observed that ~99% of the entities have adopted water stewardship activities which has led to decrease in water consumption. Measures such as reducing freshwater use, implementing zero liquid discharge mechanism, water recycling and reusing.

Industry Wise Water Consumption Intensity Analysis:

Table W6: Analyse industry wise performance on the water consumption intensity on the basis of total water consumption vs turnover of these industries.

TABLE W6: WATER CONSUMPTION INTENSITY INDUSTRY WISE					
INDUSTRIES	2023		2024		CHANGE
	#	WC in KL/ Rev. in Cr Rs	#	WC in KL/ Rev. in Cr Rs	%
Total	164/182	409.28	172/182	386.73	-5.51%
Financial Services - Bank	14/22	549.68	19/22	201.03	-63.43%
Fast Moving Consumer Goods	14/15	217.39	14/15	100.77	-53.65%
Consumer Services	7/7	104.75	7/7	50.25	-52.03%
Automobile and Auto Comp.	15/16	48.64	15/16	40.36	-17.02%
Capital Goods	16/16	210.23	16/16	183.21	-12.85%
Realty	6/6	615.37	6/6	548.35	-10.89%
Healthcare	14/14	168.03	14/14	153.52	-8.64%
Others	13/14	67.55	14/14	64.92	-3.89%


Consumer Durables	7/7	19.61	7/7	19.35	-1.33%
Construction Materials	6/6	689.70	6/6	693.32	0.52%
Chemicals	6/6	500.36	6/6	503.88	0.70%
Information Technology	12/13	13.20	12/13	13.94	5.59%
Oil Gas & Consumable Fuels	12/12	154.81	12/12	168.83	9.06%
Power	10/10	4,943.50	10/10	5,416.27	9.56%
Financial Services - Insurance	1/7	28.99	3/7	33.50	15.56%
Metals & Mining	10/10	729.52	10/10	922.07	26.39%
Financial Services - Others	1/1	89.45	1/1	136.01	52.04%


WC in KL – Water Consumption in Kilo Litres / Rev. in Cr Rs – Revenue in Rupees in Crores. | % - Change in Water Intensity Y-O-Y / Note: Excludes companies which has not disclosed data in the respective year and whose data was not comparable.

Exclusion: Coverage of entities for the above table is similar to Water Consumption analysis as done in Table W5 above.

Analysis:

- Coverage of entities for the table W6 are those who have disclosed data on water consumption as well as water consumption intensity, thus, data has been provided post relative comparison.
- Water Intensity as stated above is based on total water consumption in respective industry vs the operating revenue / turnover of that industry for those entities who have disclosed data on water consumption in Litres or multiples.
- Out of 17 industries included in sample, 9 have managed to decrease in the water consumption intensity and 8 were not able to reduce water consumption intensity.

 **Financial Services:** The financial services industry is largely non-industrial and therefore uses relatively low amounts of water compared to manufacturing or agriculture sectors. However, water consumption often comes from office buildings, data centers and employee amenities. The industry's focus on financial transactions and services means that water consumption isn't a major operational priority. As such, the incentive to reduce water consumption might not be strong enough to drive large-scale improvements.

 Across the sample entities, there is a decrease of approx. 5.51% in the Water consumption intensity based on turnover from last year, as it was similar trend in Energy and Emission intensity analysis.

- The above data shows that, during FY 2023-24, while across **the sample water consumption is 386.95 KL to earn a revenue of ₹ 1 Crores**; whereas in Power sectors the same was at **5,416.27 KL** i.e. more than 14 times the overall intensity. Similarly, Information Technology industry consumed only **13.94 KL** of water per crore rupees of revenue generated.
- The trend in water consumption intensity improvement shows one industry with the highest water consumption intensity i.e. **Power** and the one industry with the lowest water consumption intensity i.e. **Information Technology** both have not been able to show any positive outcome, leading to significant increase in intensity from last year.
- **Realty:** Despite a -10.89% reduction, remains one of the most water-consuming per unit of revenue.
- **Metals & mining industry** despite their slight decrease in absolute water consumption, have not performed similarly while analysing their water intensity linked to revenue. A 26.39% increase signals major drop in revenue as recorded in 3 entities out of 10.

- While the total water consumption increased by ~1.60% from last year, the water consumption intensity based on turnover decreased by ~5.51% from last year. The figures show that there has been better utilization of water resources; however, unless inflation accounting is done one cannot say that performance is good or improved.
- One may refer to Table E7 on Energy Consumption analysis to have a board view on changes in average revenue across all industries as well as average revenue after inflation adjustment. While the approx. inflation of 5.4% would have indicates the increase of revenue by 6.54%, however, if inflation is adjusted, it is only ~1.14% increase in average revenue. Thus, if the inflation adjusted revenue is neglected the decrease in water intensity of 5.51% is entirely wiped-out.

Waste Water / Effluent Discharge Management (Absolute):

Globally, wastewater discharge by companies is an important environmental concern, as it directly impacts the health of ecosystems and communities, and is closely linked to broader issues like water scarcity, pollution and sustainable industrial practices.

Recent developments show a transition towards advanced technologies and adaptation of nature-based cost-effective solutions for treatment. New low-cost technologies should be involved in wastewater monitoring and treatment plans. Data should be freely shared to improve confidence in re-using wastewater for purposes that suit the quality.

Water reuse, also known as water recycling or reclaimed water, is a crucial aspect of sustainable water management that holds immense potential for addressing growing water scarcity challenges globally. By treating waste water to a high standard, water re-use provides a viable alternative to conventional freshwater sources for various industrial and non-industrial purposes, which effectively reduces the overall fresh water consumption.

Similar to Renewable Energy disclosures, until last year, Waste Water Disclosures were part of Leadership Indicators in the BRSR. Thus, a large number of entities from the sample failed to provide adequate disclosures on waste water / effluent management in previous BRSR.

However, thanks to introduction of BRSR Core Indicators, now disclosures on Waste Water or Effluent Management are also part of Core Indicators for top 1,000 listed companies to provided disclosures on the same under Essential Indicators. This has significantly improved disclosures on waste water usage.

Table W7, highlights the number of companies from Sample which have made disclosures on total water discharge:

TABLE W7: # COMPANIES DISCLOSING WATER DISCHARGE DATA (ABSOLUTE)					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Total	143	132	92%	139	97%
Automobile and Auto Components	16	16	100%	16	100%
Chemicals	6	6	100%	6	100%
Construction Materials	6	6	100%	6	100%
Consumer Durables	6	6	100%	6	100%
Healthcare	14	14	100%	14	100%
Metals & Mining	10	10	100%	10	100%
Oil Gas & Consumable Fuels	10	10	100%	10	100%
Realty	6	6	100%	6	100%

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Fast Moving Consumer Goods	15	14	93%	15	100%
Power	9	8	89%	9	100%
Others	13	10	77%	13	100%
Capital Goods	16	14	88%	15	94%
Information Technology	12	11	92%	11	92%
Consumer Services	4	1	25%	2	50%

Number of companies which disclosed data in BRSR for FY 2023-24.

- As observed from the table W7 all industries except Capital Goods, Information Technology & Consumer Services have a disclosure rate of 100% for FY 2023-24.
- Out of 143 entities in the sample, 4 entities who have not disclosed any data on water discharge for FY 2023-24, also includes 3 entities which has also not disclosed any data on water discharge for FY 2022-23.
- 2 entities belonging to Consumer Services industry which have not disclosed data have stated that the water consumption at their premises is primarily for drinking, personal hygiene and general cleaning purposes and not for manufacturing of goods and services, therefore, details regarding the waste water discharge is not applicable to them.

Table W8, highlights the Industry wise Water discharged With Treatment (WT) and Without or No Treatment (NT) on the basis of total water discharged:

TABLE W8: WATER DISCHARGE (WITH TREATMENT vs NO TREATMENT)						
INDUSTRIES	2023			2024		
	#	WT	NT	#	WT	NT
Total	131	9.8%	90.0%	138	8.5%	91.3%
Total Excluding Power	123	61.1%	35.0%	129	56.8%	38.2%
Construction Materials	6	100.0%	0.0%	6	100.0%	0.0%
Oil Gas & Consumable Fuels	10	100.0%	0.0%	10	99.6%	0.4%
Healthcare	14	99.0%	1.0%	14	98.0%	2.0%
Fast Moving Consumer Goods	14	99.1%	0.9%	15	96.6%	3.4%
Chemicals	6	93.8%	6.2%	6	93.8%	6.2%
Capital Goods	14	73.1%	26.9%	15	87.4%	12.6%
Consumer Services	1	100.0%	0.0%	2	71.2%	28.8%
Information Technology	11	77.1%	22.9%	11	71.0%	29.0%
Others	10	52.4%	47.6%	13	60.4%	39.6%
Automobile and Auto Comp.	16	77.1%	22.9%	16	56.6%	43.4%
Consumer Durables	6	87.6%	12.4%	6	51.2%	48.8%
Realty	6	40.2%	59.8%	6	33.7%	66.3%
Metals & Mining	9	24.9%	67.6%	9	26.8%	64.9%
Power	8	6.7%	93.3%	9	6.5%	93.5%

Number of Companies, which disclosed data in the respective year. | **WT – With Treatment.** **NT – No Treatment.** | % - Percentage of water discharged with treatment and without treatment against the total water discharged by these entities.

- Table W8 data is as per disclosures in BRSR under Essential Indicators on water discharged and level of treatment which earlier used to be under Leadership Indicators making it voluntary for companies to disclose.

- While, 139 entities disclosed data for FY 2023-24 and 132 for FY 2022-23, however, the above table does not include data of one entity from Metals & Mining which has disclosed data on total water discharge however, **not specified** whether such discharge has been made with or without treatment.
- The first row of the table W8 provides data considering all the industries which have been considered for the purpose of disclosure on water discharge and the second row is an adjustment excluding entities operating in power industries as it can be observed that these entities comprise ~93% of the water discharged by them is with no treatment.
- The adjustment has been done due to the fact that two companies from Power Sector contributing together ~90% to the total water discharge. As per SES, such data might be due to reporting discrepancy, wherein one Company in BRSR for FY 2022-23, disclosed the data as ‘With Treatment’ without specifying level of treatment. However, the same in BRSR for FY 2023-24, the data is disclosed under ‘No treatment.’
- Additionally, such result is due to lower implementation of Zero Liquid Discharge systems. Industry shall realise that while there are many reasons to implement ZLD technology, the most significant is regulatory considerations for the discharge.
- Thus, after excluding power one can observe that 61.1% of the water is discharged post treatment during FY 2022-23 which has reduced to 56.8% during FY 2023-24. The marginal decrease in water discharge with treatment across all industries except Construction materials, Chemicals, Capital Goods, Others and Metals & Mining, which are the culprits to untreated discharge.
- 11 Industries have discharged majority of water post treatment, except Power, Realty and Metals & Mining. However, only 2 in FY 2022-23 and 1 in FY 2023-24, were able to discharge 100% of waste water post treatment.
- 100% water discharge with treatment has been observed due to the fact that 5/6 have stated that they have zero liquid discharge implement across all plants, thus the data is zero. One entity which has reported data has 24 manufacturing units, 12 of them have installed Zero liquid discharge plants, of which 1 is under commissioning.
- From the Table W8 it can be seen that, during both FY 2022-23 and FY 2023-24 while 4 industries have discharged almost 100% of water with treatment, however, 3 major industries i.e. **Power, Metals and Mining and Realty** have discharged more than 60% of their water without treatment.
- Major source of consumption and discharge for **Power industry** is surface water and seawater. Further, ~70% of the entities from Power Industries have water consumption and water discharge from water stress areas. Thus, making Power Industry to be in a spot light for analysing their measures towards water treatment.
- Further, **Metals & Mining** and **Realty** sectors continue to report some of the highest proportions of untreated water discharge among all industries and this does raise serious red flags. Although minimal improvement observed y-o-y in metals & mining despite the sector’s significant environmental footprint. Without proper treatment, these discharges can lead to heavy metal contamination and groundwater pollution, often disproportionately affecting local communities.

“By aligning your water treatment strategy with your unique operational profile, you unlock a multitude of benefits:

***Optimized Efficiency:** A customized solution targets your specific contaminants and challenges, ensuring that treatment processes are streamlined and resource consumption is minimized.*

Cost Reduction: A well-designed system tailored to your plant's needs reduces the reliance on expensive chemicals and minimizes maintenance requirements, translating into significant long-term cost savings.

Regulatory Assurance: By precisely addressing your plant's compliance obligations, a customized solution mitigates the risk of fines and penalties, ensuring smooth operation within the regulatory framework.

Enhanced Reliability: A bespoke system is less prone to unexpected failures, as it is designed to handle the specific conditions of your plant, leading to increased uptime and consistent performance.

Think of it as a strategic investment in the future of your power plant."

-Beyond Compliance: Your Guide to Comprehensive Water Treatment Solutions for Power Plants by Bluegen ([Link](#)).

Leading the Chart by Margin:

"Water neutrality" means balancing the total freshwater used by an industry or development with measurable water savings achieved through improved efficiency, water reuse and efforts to replenish water sources within the same watershed.

"Water positive" refers to the concept of actively contributing to the sustainable management and restoration of water resources, exceeding the water used by a company by implementing practices and technologies that reduce water consumption, improve water quality and enhance water availability.

Water neutrality aims to balance water consumption with water savings, while water positivity goes further by returning more water to the environment than is consumed.

Zero Liquid Discharge (ZLD) is a wastewater management strategy that aims to eliminate any liquid waste discharge from industrial facilities, ensuring that all wastewater is treated, purified and reused, with only solid waste remaining.

In whole analysis or scoring on the water management, the most favourable view points from the companies' side to take advantage by a margin are to become **Water Positive / Neutral** and to have **ZLD** at their operations / premises.

Table W9, highlights the number of companies which are Water Positive / Neutral and have established mechanism to ensure Zero Liquid Discharge:

TABLE W9: # COMPANIES WITH WATER +VE / NEUTRAL & ZLD				
INDUSTRIES	#	Water +Ve / Neutral only	ZLD Only	Both
Total	182	25	66	18
Construction Materials	6	5	5	5
Automobile and Auto Components	16	5	12	4
Fast Moving Consumer Goods	15	4	9	2
Capital Goods	16	2	8	1
Healthcare	14	2	5	1
Information Technology	13	2	5	1
Metals & Mining	10	1	6	1
Realty	6	1	3	1
Consumer Durables	7	1	2	1
Power	10	1	2	1
Others	14	1	5	0

Chemicals	6	0	2	0
Oil Gas & Consumable Fuels	12	0	2	0
Consumer Services	7	0	0	0
Financial Services - Bank	22	0	0	0
Financial Services - Insurance	7	0	0	0
Financial Services - Others	1	0	0	0

Number of companies which disclosed data. / WATER +VE / NEUTRAL – Number of Companies which are either water positive or water neutral. / ZLD - Number of companies which have established Mechanism of Zero Liquid Discharge (ZLD).

- Data in Table W9 shows that the **Construction Materials industry** is a clear-cut winner in terms of better initiatives to conserve water for self as well as society. One of the entities had set a target to become 10x water positive by 2030 and has already achieved this target and already at 11x water positive during FY 2023-24.
- Thus, it shows that even by virtue of being an industry which involved extensive use of water at various stages, from material manufacturing to actual on-site activities, it has performed well in terms of its water stewardship activities.
- Second best industry is **Automobile and Auto Components**, where 12 out of 16 entities are operating on ZLD mechanism and 5 are water positive. Initiatives like rainwater harvesting and groundwater recharge system, not using groundwater and sourcing water through canals are taken making them more efficient.
- Further, **Consumer Services and Financial Services** are worst performing in case of water management, as none of the entity from these industries is water positive and have also not implemented ZLD. The reason stated by them is that they do not manufacture any products and water is solely used for domestic consumption and a few have stated that they are under the phase of implementation of ZLD. It is the lack of focus or concern by these industries due to their limited water utilization or they are not willing to volunteer for strict actions towards better water utilization.

Water Management in Water Stressed Areas:

India faces significant water stress, with a large portion of the population experiencing high to extreme water stress due to a disparity between water availability and demand, exacerbated by factors like population growth, urbanization and climate change.

According to NITI Aayog's "[Composite Water Management Index](#)" report 2019, India is suffering from the most severe water crisis in its history, with almost 600 million people experiencing high to extreme water stress. The situation has significantly deteriorated, so much so that India ranked 120 of 122 countries in the water quality index (NITI Aayog 2019). Most recently, Bengaluru experienced "abnormally high temperatures in February and March" of 2024, "creating urban heat islands that crank up the heat in cities even more," as per "[Bengaluru's Water Crisis](#)" 2024, a piece written by Akshat Mehta and Nancy Saroha at the peak of Bengaluru's strife. The unprecedented heat led to "a serious water-scarcity issue" and left Bengaluru "on the brink of facing a 'Day Zero' scenario," which should serve as a wake-up call to India that we are exceptionally far from resolving or even marginally alleviating the water crisis.

This severe water stress not only disrupts the basic functions of daily life, but, "in cities like Chennai and Ranchi, it has led to violent clashes, distress and desperation, as the lakes and reservoirs dried up and people had to fight and fend for water for their everyday needs," as per this [2019 EPW editorial](#).

Given the extreme nature of the consequences of water scarcity, access to safe and clean drinking water is evidently a fundamental human right, necessary for health and well-being, as outlined by the United Nations as well.

“How businesses can tackle the problem?”

*The water issue is the reverse of the carbon problem; the cause is global, but its manifestation is highly spatial and can be addressed in a concentrated way. Not all basins have equal priority. In fact, several basins have water withdrawals that are well within sustainable limits. Rather than tackling water use across every geography, a more efficient route is for companies to understand how they are interacting with basins that are projected to become water stressed and focus efforts there. **Apple, for example**, anchors its water stewardship policies by mapping its global water use against regions with heightened water risk. As a result, it focuses its efforts on three regions accounting for 52 percent of its total water use: Maiden, North Carolina; Mesa, Arizona; and Santa Clara Valley, California.*

There are three spheres of influence that companies can affect to help mitigate water stress: direct operations, supply chain, and wider basin health. Some companies are already taking action in all three areas.”

-Water: A human and business priority Article by McKinsey.

Given that corporations are at the heart of modern India's economic landscape, addressing water stress in this sector requires a multifaceted approach involving sustainable water management practices, efficient utilization techniques, improved effluent management and heightened awareness about water conservation among companies.

Existing Leadership Indicators of BRSR format provides disclosures on water stressed areas where the entities have operations, nature of operations / plants / facilities in these areas, water consumption, water withdrawal, water discharge in these areas, etc.

Note: Operation, water consumption and water discharge from water stressed areas etc. includes water data of only 153 entities against the sample size of 200 entities. Data excludes remaining 47 entities belonging to Financial Services- Banks, Insurance and Others as these entities have stated that water consumption is negligible and a few have stated it is not applicable as the companies do not have any manufacturing units. Considering their business nature, operations in water stressed areas is not a material aspect for them, thus, they have not been considered in further analysis on operations in water stressed areas.

Table W10, highlights the number of companies from sample which have made disclosures on their operations in water stressed areas:

Note:

A – Number of Companies which disclosed information on Operations or No Operations in Water Stressed Areas. (B+C)

B – Number of Companies which does not have operations in Water Stressed Areas.

C – Number of Companies which have operations in Water Stressed Areas.

D – Number of Companies which disclosed Total Water Consumption from Water Stressed Areas.

E – Number of Companies which disclosed Total Water Discharge in Water Stressed Areas.

TABLE W10: # COMPANIES WITH DISCLOSURES ON WATER STRESSED AREAS						
INDUSTRIES	#	A	B	C	D	E
Total	153	122	39	83	80	78
Automobile and Auto Components	16	14	6	8	8	8
Capital Goods	16	13	5	8	7	7

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Chemicals	6	3	1	2	2	2
Construction Materials	6	4	0	4	4	3
Consumer Durables	7	6	3	3	3	3
Consumer Services	7	4	2	2	2	1
Fast Moving Consumer Goods	15	10	0	10	10	10
Financial Services - Others	1	0	0	0	0	0
Healthcare	14	12	2	10	9	10
Information Technology	13	11	3	8	7	8
Metals & Mining	10	9	2	7	7	6
Oil Gas & Consumable Fuels	12	12	5	7	7	6
Power	10	8	1	7	7	7
Others	14	11	6	5	5	5
Realty	6	5	3	2	2	2

Number of companies.

- The disclosures in Table W10 are as per the Annual Report and BRSR Report for FY 2023-24.
- From the A column in above table, all industries have disclosed information on operations or no operations in at least one entity water stressed areas except Financial has not disclosed any data.
- Disclosure rate of industries whose major operations are water centric i.e. Oil Gas & Consumable Fuels, Construction Materials, Fast Moving Consumer Goods, Metals & Mining, Power is more than 50% on information on Operations or No Operations in Water Stressed Areas.
- B column includes 39 companies in total who have made disclosures on water stressed areas and have stated that the respective section is not applicable to them as they do not have material operations or premises in water stressed areas, thus, they have been excluded from further disclosures on water consumption / discharge in water stressed areas.
- Further, C column includes 4 companies which have disclosed that they operate in water stressed areas however, not disclosed the name of the area or nature of operations.
- Less than 50% of the entities belonging to Realty sector operates in water stressed areas. Rest all industries have more than 50% of their entities operating in water stressed areas. Operating in water-stressed areas presents several challenges for companies, as water scarcity can directly impact their operations, financial performance and reputation. Worst performing industries in this particular matter are Construction Materials and FMCG.
- D column refers to disclosure on water consumption from water stressed areas where 3 entities out of 83 having operations in water stressed areas have not disclosed their water consumption from such areas belonging 1-1 each from Capital Goods, Healthcare & IT industry.
- From E column on disclosures on water discharge in water stressed areas, out of those operating on water stressed areas, five entities have not disclosed data on water discharge in those areas.

Table W11, highlights the water consumption by the companies from the water stressed areas against the total water consumption by those companies:

TABLE W11: WATER CONSUMPTION IN STRESSED AREAS (ML)						
INDUSTRIES	2023			2024		
	#	WC(S)	%	#	WC(S)	%
Total	77/83	16,53,753	62%	80/83	15,02,590	52%
Chemicals	2/2	356	9%	2/2	299	8%
Oil Gas & Consumable Fuels	7/7	86,018	21%	7/7	89,043	21%
Fast Moving Consumer Goods	10/10	5,428	22%	10/10	6,341	25%
Consumer Services	2/2	429	17%	2/2	570	25%
Healthcare	8/10	8,612	69%	9/10	4,552	33%
Metals & Mining	7/7	4,30,050	74%	7/7	2,26,250	39%
Others	5/5	6,156	36%	5/5	8,947	44%
Consumer Durables	3/3	367	39%	3/3	449	46%
Automobile and Auto Comp.	8/8	6,220	47%	8/8	6,139	48%
Information Technology	7/8	1,888	51%	7/8	2,276	51%
Construction Materials	4/4	41,138	48%	4/4	47,483	53%
Capital Goods	6/8	1,720	49%	7/8	1,703	57%
Power	6/7	10,60,817	71%	7/7	11,03,205	66%
Realty	2/2	4,553	66%	2/2	5,333	70%
Financial Services - Others	0/0	-	-	0/0	-	-

Number of Companies, which disclosed data in the respective year vs those who have operations in Water Stressed Areas. / All figures in **ML (Million Litres)** except % / WC(S) – Water Consumption in Water Stressed Areas. / % - **Percentage of water consumed in water stressed areas, against the total water consumption by the industry.** / Note: Excludes companies which have not disclosed data in the respective year and who do not have operations in water stressed areas.

- As it can be inferred from the operations of entities operating in the **Power** Industry, that the water consumption at Power industries is majorly from the water stressed areas.
- Another industry having high water consumption from water stress regions is **Metals & Mining**. One of the entities has stated that 67% of their plants operate in high water-stress areas. Regular water security check, use of high technology for lower water consumption forms centrepieces of their water management process. Further, efforts have given results like achieving water positivity. Despite being the 2nd highest industry to contribute to the water consumption from stressed areas three entities from this industry has been able to decrease their water consumption from such areas and one reported a decrease of ~75%.
- In **Chemicals** industry proportion of water consumption from stressed areas is low, even though most prevalent use of water by them is for cooling. Many chemical reactions generate heat and the reaction vessel must then be cooled. Water is used as an ingredient or a processing medium in thousands of chemical products, from chlorine to petroleum.
- Efforts are taken by these entities in Chemical industry towards water conservation as one of them has actually incurred capital expenditure (capex) investment in installation of STP at to reduce 2KLD and 3KLD water demand respectively in the water stress zones.

Water Guzzling Industries Performance on Broader Aspect:

Table W12: Analyse performance of industries with the highest water consumption and their water intensity, revenue growth and water consumption from stressed areas from FY 2022-23 to FY 2023-24.

Industry	WC Change	Intensity Change	Revenue Change	WC in Stressed Areas
Power	▲ 12.16%	▲ 9.56%	▲ 2.34%	▲ 3.99%
Metals & Mining	▼ 0.34%	▲ 26.39%	▼ 1.99%	▼ 47.38%
Oil Gas & Consumable Fuels	▲ 3.23%	▲ 9.06%	▼ 5.35%	▲ 3.42%
Financial Services - Bank	▼ 18.19%	▼ 63.15%	▲ 138.46%	▼ 63.15%
Construction Materials	▲ 4.05%	▲ 0.52%	▲ 3.50%	▲ 0.53%

▲ - Increase in %, ▼ - Decrease in % from previous financial year to FY 2023-24.

- The above table depicts the highest energy intensive industries and co-relations between their energy consumption and efforts to conserve energy.
- **Power:** Water is used for cooling purposes in thermal power plants (coal, gas, nuclear), hydropower production, and sometimes for cleaning and maintaining equipment. Power has seen relatively moderate increase in all of the above parameters. Water use in stressed areas also increased, suggesting that the industry's reliance on water from regions facing water scarcity may be growing.
- **Metals & Mining:** Despite slight reduction in water consumption and revenue, the water consumption intensity linked to revenue has increased suggesting that the entities have become more water intensive in their operations.
- **Oil Gas & Consumable Fuels:** This industry has similar needs for water as Power industry. Moderate increase in total water consumption and also from stressed areas calls for urgent need of attention.
- **Financial Services - Banks:** Although being a service industry, banking entities are the 4th largest contributor in the water consumption data. The entities in the industry have performed well in all parameters. This concludes that banks are generating greater revenue and have adopted better water management systems.
- **Construction Materials:** The Construction Materials industry has seen a small increase in water consumption and intensity, which correlates with the sector's moderate revenue growth. The increase in water consumption from stressed areas is minimal, suggesting that the industry is somewhat mindful of sourcing water from regions under stress.

Target Disclosures (Water Usage):

Table W13, provides industry wise distribution of companies disclosing targets on water.

TABLE W13: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)					
INDUSTRIES	#	Short-Term*		Long-Term**	
		#	%	#	%
Total	182	63	35%	71	39%
Construction Materials	6	6	100%	6	100%
Metals & Mining	10	6	60%	7	70%
Automobile and Auto Components	16	8	50%	11	69%
Fast Moving Consumer Goods	15	8	53%	10	67%
Power	10	3	30%	6	60%
Realty	6	4	67%	3	50%
Healthcare	14	9	64%	7	50%
Consumer Durables	7	1	14%	3	43%
Information Technology	13	6	46%	5	38%
Others	14	4	29%	5	36%
Chemicals	6	1	17%	2	33%
Capital Goods	16	4	25%	4	25%
Consumer Services	7	0	0%	1	14%
Oil Gas & Consumable Fuels	12	1	8%	1	8%
Financial Services - Bank	22	2	9%	0	0%
Financial Services - Insurance	7	0	0%	0	0%
Financial Services - Others	1	0	0%	0	0%

Number of companies which disclosed targets. / *up to 3 years / ** more than 3 years

- Above table provides the entities which disclosed Target set to reduce overall water consumption, specific intensity of water consumption or its impact on short term as well as on long term basis.
- While, 63 companies have discussed about Short term targets and 71 companies discussed about long term targets, only 42 companies in the sample have disclosed both short term as well as long term targets to reduce overall water consumption.
- As per the data disclosed above all entities belonging to Construction Material industry have disclosed short term & long-term targets on reduction of water consumption. While, not a single entity within the Financial Services - Insurance and Others sector has disclosed any targets.

-: Leading Endeavours (The Trend Setters) :-

- 10x Water Positive by 2030.
(a Company from Construction Material)
- 15% reduction in water intensity by FY 2024-25 against the baseline year FY 2021-22.
(a Company from Metals & Mining)
- Reduce Water Intensity in operations by 30% by FY 2026 from base year FY 2019.
(a Company from FMCG)
- To achieve 2.50 m3/MWh specific water consumption.
(a Company from Power)

Target Disclosures (Waste Water / Effluents):

Table W14, provides industry wise distribution of companies disclosing targets relating to reduction of Effluents / Waste Water Discharge.

TABLE W14: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)					
INDUSTRIES	#	Short-Term*		Long-Term**	
		#	%	#	%
Total	143	54	38%	53	37%
Construction Materials	6	6	100%	6	100%
Automobile and Auto Components	16	10	63%	10	63%
Metals & Mining	10	8	80%	6	60%
Information Technology	12	5	42%	5	42%
Others	13	5	38%	5	38%
Consumer Durables	6	2	33%	2	33%
Fast Moving Consumer Goods	15	5	33%	5	33%
Realty	6	2	33%	2	33%
Capital Goods	16	4	25%	4	25%
Consumer Services	4	0	0%	1	25%
Healthcare	14	3	21%	3	21%
Oil Gas & Consumable Fuels	10	2	20%	2	20%
Chemicals	6	1	17%	1	17%
Power	9	1	11%	1	11%

Number of companies which disclosed targets. / *up to 3 years / ** more than 3 years

- Table W13 shows the entities which have disclosed data on Targets set to reduce overall effluents/ waste water discharge or its impact on short term as well as on long term basis.
- While 54 companies have discussed about Short term targets and 53 companies discussed about long term targets, only 51 companies in the sample have disclosed both short term as well as long term targets to reduce overall water consumption.

:- Leading Endeavours (The Trend Setters) :-

- Towards water neutrality – 35% water conservation/ restoration by 2025.
(a Company from Healthcare)
- Maintain Zero Discharge from all owned facilities.
(a Company from IT)
- Reduction in specific effluent generated per KL of finished product (L/KL) from 82.4 for FY 2013-14 to 17.5 (79% reduction) for FY 2025.
(a Company from Consumer Durables)

Target Achievements:

- While there were better disclosures of targets to reduce water consumption and to manage waste water / effluents by the sample entities, the performance or achievement of these targets are not uniformly disclosed. Thus, the analysis of target performance / achievement is not comparable on industry wise.
- Very few companies from the sample have disclosed performance, some of them are:

-: Leading Endeavours (The Trend Setters) :-

- 1x Water Positive.
(a Company from Construction Material)
- 72% reduction in water intensity achieved by FY 2023-24.
(a Company from Metals & Mining)
- 3 out of 4 industrial sites are at Net Zero water levels.
(a Company from FMCG)
- 230% giving back through rainwater conservation to become water positive.
(a Company from Automobile and Auto Components)
- Achieved 36% water conservation / restoration.
(a Company from Healthcare)
- Achieved 2.25 m3/MWh in FY 2023-24.
(a Company from Power)
- Increased water efficiency by 19.1% indexed to sales.
(a Company from Others i.e. Diversified business)
- 80% reduction in specific effluent generated achieved i.e. 16.1 L/KL in FY 2023-24.
(a Company from Consumer Durables)



1.8. WASTE MANAGEMENT

Assessment Factors: Company's disclosures & practices related to Waste Generation & Management:



- Disclosures on total waste as well as types of waste (Hazardous, Non-Hazardous and other specific waste), waste intensity,
- Steps or initiatives taken to reduce / recycle / re-use,
- Recovery / Disposal of waste (disclosures and performance);
- Targets set and its achievements.



BRSR Reference: Principle 2 & 6.

EVALUATION STATISTICS				
2024	QUESTIONS	28	PARAMETERS	165
2023	QUESTIONS	26	PARAMETERS	79

YEAR	SCORE – WASTE MANAGEMENT							
2024	MAX.	94	AVG.	48	MED.	51	MIN.	0
2023	MAX.	94	AVG.	48	MED.	51	MIN.	0

BEST PERFORMING INDUSTRY*		BEST PERFORMING COMPANY*	
	72.71 – Fast Moving Consumer Goods (2024)		91.7 – Fast Moving Consumer Goods (2024)
	71.9 – Fast Moving Consumer Goods (2023)		93.7 – Fast Moving Consumer Goods (2023)

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

WORST PERFORMING INDUSTRY*		WORST PERFORMING COMPANY*	
	36.7 – Consumer Durables (2024)		2.01 – Consumer Durables (2024)
	43.8 – Consumer Services (2023)		16.0 – Oil Gas & Consumable Fuels (2023)

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company.

**Note: The above analysis of best and worst does not include Financial Services Industry and the entities operating in this industry; reasons for this are explained in the Environment Summary above.*

- FMCG is the highest scoring industry and also has an entity being the highest scoring Company.
- Consumer Durables, have more than doubled their waste generation from last year. As a result, an entity from consumer durables industry has performed worst in this section.

Waste Management (Absolute):

Effective and efficient safe waste management is vital for protecting both people and the planet. When waste is managed well, it stops diseases from spreading by cutting down on places where pests and germs can thrive. Effectively getting rid of hazardous materials protects from harmful toxins and pollutants. Responsible waste management encourages recycling, which saves natural resources and reduces the need to dig up new materials. By taking care of waste properly, we keep air, water, and soil clean for now and for the future. In short, focusing on waste management is key to keep everyone healthy, safeguarding the environment and ensuring better quality of life for all.

Corporates play a big role in the overall impact of the waste on the environment, especially in a Country like India, corporates at large, have a bigger role to play to create better and safe environment.

Government of India has notified various rules with respect to Solid, Plastic, E-waste, Bio-Medical, hazardous & construction waste management in 2016. These, rules have created stricter norms and risks as well a window of opportunity for companies.

Ministry of Environment, Forest and Climate Change has issued the E-Waste (Management) Rules, 2022 which is in effect from the 1st April, 2023. The official notification contains chapter-wise rules and regulations, responsibilities, procedures, modes and ways to tackle e-waste management.

The generation, **improper treatment and disposal** of waste can pose harm to human health and environment. Therefore, it is critical for companies to minimise waste generation at their business locations and to ensure that the disposal of waste is harmless to the environment. Alternatively, it is important that companies recycle their waste to the best extent possible. A point to ponder, probably no government would need to call for mission ‘Clean Ganga’ or ‘Clean Yamuna’ if everyone learned the art of Waste management. Another related point is a question; Are industries or companies sole generators of waste?

The **Waste to Wealth Mission** assists and augments the “**Swachh Bharat and Smart Cities projects**” by leveraging science, technology and innovation to create circular economic models that are financially viable for waste management to streamline waste handling in the country.

Responsible waste management is not just an environmental necessity - it’s a strategic move that can benefit all sectors of society. When companies and industries adopt sustainable waste practices, they reduce costs, improve their public image, foster innovation and comply with regulations. Societies benefit from healthier living environments, job creation and sustainable resource use. If we treat waste not as a burden but as an opportunity for innovation, we can unlock economic, environmental and social advantages that positively impact future generations.

This framework suggests that responsible waste management could become the foundation for a circular economy, where waste is continuously repurposed and every entity in the chain, whether a person, Company or industry, actively contributes to a more sustainable future.

Analysis in this report on waste management provides, how effectively the companies have performed on providing transparent disclosures on waste management and their efforts and performance on how effectively they have managed the waste generated by them.

Table WT1, highlights the number of companies from Sample which have made disclosures on waste generation during last two FYs in their BRSR Report for FY 2023-24:

TABLE WT1: TOTAL WASTE GENERATED (ABSOLUTE)					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Total	200	183	92%	192	96%
Automobile and Auto Components	16	16	100%	16	100%
Capital Goods	16	16	100%	16	100%
Chemicals	6	6	100%	6	100%
Construction Materials	6	6	100%	6	100%
Consumer Services	7	7	100%	7	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Healthcare	14	14	100%	14	100%
Metals & Mining	10	10	100%	10	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%

Power	10	10	100%	10	100%
Others	14	14	100%	14	100%
Realty	6	6	100%	6	100%
Information Technology	13	12	92%	13	100%
Financial Services - Others	19	13	68%	17	89%
Financial Services - Bank	22	15	68%	19	86%
Consumer Durables	7	6	86%	6	86%
Financial Services - Insurance	7	5	71%	5	71%

Number of companies which disclosed data in BRSR for FY 2023-24.

- Disclosures have improved from the last year and 192 companies were able to provide disclosures on waste generated for FY 2023-24.
- Financial Services & Consumer Durables Industry are still worse in case of providing adequate disclosures on waste management.
- One of the Company from Financial Services – Insurance has mentioned that, “*The company is engaged in the service sector (Non-Life Insurance) and does not have any solid waste generated as part of its business operations.*”
- Further, most companies under the Financial Services industry have not justified non-disclosure of data or simply stated it as ‘*Not Applicable*’. Few others have stated that, the amount generated is negligible in terms of metric tonnes, hence it is not relevant to their activities.
- However, as a responsible corporate, they should provide adequate disclosures on waste generated such as e-waste, battery waste, paper waste and plastic waste or other non-hazardous waste from their operations as being relevant to the industry. Practically it is almost impossible for an entity to operate at such large scale without any waste generation.

Waste Generation Intensity:

Total waste generated alone may not provide an accurate comparison among entities of different sizes and industries. Thus, by using waste intensities based on number of different criteria, it is expected to collate more accurate & relevant information.

Waste intensity based on turnover, is expected to account for the fact that larger entities may naturally produce more waste due to their scale of operations.

Further, adjusting turnover for Purchasing Power Parity (PPP) refines this comparison by accounting for variations in local economies, making it more meaningful when comparing entities across different countries. PPP-adjusted turnover allows for a fairer comparison of economic activity and waste generation, as it standardizes differences in currency values.

This approach would provide insights into how well entities are managing waste relative to their economic output and the local economic conditions they operate in.

Table WT2, highlights the number of companies which have made disclosures on waste intensity:

TABLE WT2: WASTE INTENSITY LINKED TO REVENUE									
INDUSTRIES	#	Linked to Turnover				Linked to Turnover adjusted for PPP			
		2023		2024		2023		2024	
		#	%	#	%	#	%	#	%
Total	200	159	80%	182	92%	146	73%	164	82%

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Capital Goods	16	16	100%	16	100%	16	100%	16	100%
Healthcare	14	14	100%	14	100%	14	100%	14	100%
Information Technology	13	12	92%	13	100%	12	92%	13	100%
Realty	6	5	83%	6	100%	5	83%	6	100%
Oil Gas & Consumable Fuels	12	11	92%	12	100%	10	83%	11	92%
Metals & Mining	10	10	100%	10	100%	9	90%	9	90%
Consumer Services	7	6	86%	7	100%	6	86%	6	86%
Chemicals	6	6	100%	6	100%	5	83%	5	83%
Others	14	12	86%	14	100%	9	64%	10	71%
Construction Materials	6	5	83%	6	100%	3	50%	4	67%
Automobile and Auto Comp.	16	12	80%	14	93%	10	67%	12	80%
Fast Moving Consumer Goods	15	9	90%	9	90%	7	70%	7	70%
Power	10	13	81%	14	88%	12	75%	13	81%
Consumer Durables	7	5	71%	6	86%	5	71%	6	86%
Financial Services - Bank	22	10	45%	18	82%	8	36%	15	68%
Financial Services - Insurance	7	5	71%	5	71%	4	57%	4	57%
Financial Services - Others	19	8	42%	12	63%	11	58%	13	68%

Number of companies which disclosed data in BRSR for FY 2023-24.

- As per the data disclosed above, industries who have made 100% disclosures on the waste intensity based on turnover are also the ones who have made the highest disclosures on the waste intensity based on turnover adjusted for PPP.
- Also, if we observe the pattern among all waste parameters i.e. from generation, intensity to recovery and disposal, Financial Services & Consumer Durables Industries are the ones with lowest disclosure rate on all these waste parameters which easily differentiates them from the rest and signifies their importance on disclosure.
- Entities belonging to Financial Services- Insurance have the lowest disclosure rate as entities have stated that they have not collated data for either of the financial year and few entities have only disclosed the data as Not Applicable.
- 2 entities belonging to Construction Materials Industry have disclosed that waste intensity linked to turnover adjusted for PPP is not applicable to them. ***‘Since we are not exporting any product, hence revenue earned is in INR only and PPP adjustment is not applicable.’***

Table WT3, highlights the number of companies which have made disclosures on waste generation intensity linked to Physical output or other relevant metrics:

TABLE WT3: WASTE INTENSITY LINKED TO PHYSICAL OUTPUT / RELEVANT METRICS					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Sample	200	105	53%	118	59%
Construction Materials	6	5	83%	6	100%
Oil Gas & Consumable Fuels	12	11	92%	12	100%
Chemicals	6	4	67%	5	83%
Realty	6	4	67%	5	83%
Fast Moving Consumer Goods	15	10	67%	12	80%
Metals & Mining	10	7	70%	8	80%

Automobile and Auto Components	16	11	69%	12	75%
Healthcare	14	10	71%	10	71%
Power	10	7	70%	7	70%
Financial Services - Bank	22	7	32%	11	50%
Information Technology	13	6	46%	6	46%
Capital Goods	16	7	44%	7	44%
Consumer Durables	7	3	43%	3	43%
Consumer Services	7	3	43%	3	43%
Others	14	5	36%	5	36%
Financial Services - Insurance	7	2	29%	2	29%
Financial Services - Others	19	3	16%	4	21%

Number of companies which disclosed data in BRSR for FY 2023-24.

- It is to be noted that the BRSR format provides specific disclosures on the waste intensity based on physical output, however, same is optional in case of other relevant metric as opted by the entity.
- The above sample includes disclosure made by entities on the waste intensity based on physical output and those who have not disclosed intensity based on physical output have disclosed intensity based on relevant metric. A few of them have disclosed intensity for both the metrics.
- Only 59% of the sample entities disclosed intensity based on the metrics other than turnover for FY 2023-24. **Marginal increase** in disclosures on waste intensity based on physical output or based on other relevant metric has been observed from previous year.
- Disclosing waste intensity, which measures waste generated per unit of output, allows stakeholders (investors, customers, regulators) to assess an organization's environmental performance and track its progress towards sustainability goals.

Disclosures (Measurement Units) - Uniformity?

- Among companies which have made disclosures on waste have generally provided disclosures in Metric tonnes or kilograms or kilo tonnes. Thus, unlike other metrics, waste generation disclosures are synchronized and comparable with each other's, as almost all have disclosed in form of mass or weights or their multiples; except for few companies, which have provided multiple disclosures including some waste in form of number of units, litres, etc. **These entities have been considered only for the purpose of disclosures and not considered in performance comparison.**

Absolute Waste Generated & Waste Intensity- Performance:

Table WT4: Analyses performance of companies with respect to waste generated i.e. whether the companies managed to decrease absolute waste generated and waste generated linked to revenue.

TABLE WT4: PERFORMANCE: CHANGE IN WASTE GENERATED & INTENSITY						
INDUSTRIES	FROM FY 2022-23 to FY 2023-24 (#)					
	WG		Intensity		Both	
	↓	↑	↓	↑	↓	↑
Total	58	125	67	92	51	90
Automobile and Auto Comp.	7	9	9	4	6	4
Capital Goods	3	13	5	11	3	11
Chemicals	0	6	0	6	0	6

Construction Materials	4	2	4	1	4	1
Consumer Durables	1	5	1	4	1	4
Consumer Services	1	6	3	3	1	3
Fast Moving Consumer Goods	6	9	7	5	6	5
Financial Services - Bank	5	10	3	7	3	7
Financial Services - Insurance	3	2	4	1	3	1
Financial Services - Others	5	8	3	5	3	5
Healthcare	3	11	6	8	3	8
Information Technology	3	9	3	9	3	9
Metals & Mining	3	7	3	7	2	6
Oil Gas & Consumable Fuels	5	7	4	7	4	6
Power	2	8	4	5	2	5
Others	5	9	6	6	5	6
Realty	2	4	2	3	2	3

Number of companies, which disclosed data. | WG – Waste Generation | Intensity – Waste Generation Intensity linked to turnover. | ↓ - Number of Companies where absolute waste generation & intensity decreased and ↑ - Number of Companies where absolute waste generation & intensity increased from last year. | Note: Excludes companies whose data was not comparable or who has not disclosed data in any of the two financial years.

- 125 entities from the sample have reported increase in their waste generation, whereas only 58 were able to reduce the same.
- Further, while 58 companies have reported reduced absolute waste generation, 67 companies have reported reduced intensity, indicating a better performance.
- **Chemical Industry** has seen the worst performance, where 6 out of 6 entities have observed increase in their total waste generated as well as waste intensity linked to turnover.

Major category of waste in Chemical industry is Other hazardous waste as it plays a critical role as a by-product of manufacturing processes, requiring specialized management to protect human health and the environment and includes waste that is toxic, reactive, corrosive or ignitable.

- Only **Construction Material industry** has seen better performance, where 4 out of 6 entities have reduced their total waste from last financial year. Further, 4 out of 5 entities who have disclosed data on waste intensity linked to revenue have reduced their intensity from last financial year.
- In Consumer Services Industry an entity's waste generation as per BRSR disclosure has increased more than 28 times. The reason for such high increase as stated by the entity is that "plastic waste and corrugated boxes generated within the premises was not quantified in FY 2022-23."
- Further under Realty industry an entity's target for FY 2023-24 was enhancement in waste data monitoring for 100% coverage and thus the increase is due to improvement in boundaries of data monitoring and recording.
- There are cases where total waste generated and intensity linked to turnover both have increased which indicates operational and economical inefficiency in waste management of the companies. Such entities are forming part of industries like **Information Technology, Metals & Mining and Oil Gas & Consumable Fuels**, where little to no change has been observed in number of entities whose waste generation and waste intensity linked to turnover has increased.
- While industries such as Automobile & Auto Components, Construction Materials, Consumer Durables, Consumer Services, FMCG, Banking, NBFCs, Power and Realty have seen an increase

in the number of entities where the absolute waste generated has risen, the number of entities with an increase in waste intensity relative to turnover are slightly on lower side. This is primarily due to lower reporting on waste intensity data.

- Similarly, industries like **Capital Goods, Insurance and Healthcare** have experienced cases like the number of entities where the absolute waste generated has risen and the number of entities with an increase in waste intensity relative to turnover is even smaller. However, in these cases, the number of entities reporting on both parameters aligns more closely.
- Further, Healthcare is one of those industries where for 11 out of 14 companies' absolute waste had increased from last year, waste intensity increased for 8 companies out of 14. It's a classic case of how absolute waste and waste intensity (waste per unit of output, like revenue or production) can move in different directions. The probable reasons could be revenue increased faster than waste for some companies or some companies might have dealt with temporary increases in consumables, but those are not necessarily reflective of worsening waste efficiency overall.

Industry Wise Waste Generation Analysis:

Table WT5: Analyses industry wise performance on the waste generation on the basis of total waste generated by each industry as well as average waste generated per entity in the industry.

TABLE WT5: TOTAL WASTE GENERATED INDUSTRY WISE (MT) #					
INDUSTRIES	2023		2024		CHANGE
	WG	AVG.	WG	AVG.	%
Sample	4,53,37,20,756	2,47,74,430	5,46,37,52,110	2,84,57,042	14.86%
Financial Services - Others	8,704	670	9,074	534	-20.30%
Financial Services - Insurance	5,277	1,055	4,412	882	-16.40%
Automobile and Auto Comp.	8,42,068	52,629	8,56,570	53,536	1.72%
Fast Moving Consumer Goods	15,46,844	1,03,123	16,73,378	1,11,559	8.18%
Capital Goods	6,27,599	39,225	7,10,756	44,422	13.25%
Power	1,83,58,641	18,35,864	2,15,67,201	21,56,720	17.48%
Oil Gas & Consumable Fuels	4,27,66,10,346	35,63,84,195	5,12,62,56,833	42,71,88,069	19.87%
Healthcare	3,85,414	27,530	4,73,723	33,837	22.91%
Others	5,57,363	39,812	6,94,459	49,604	24.60%
Chemicals	5,62,239	93,707	7,22,843	1,20,474	28.56%
Metals & Mining	23,08,40,600	2,30,84,060	30,44,36,330	3,04,43,633	31.88%
Consumer Services	70,250	10,036	97,094	13,871	38.21%
Realty	9,41,169	1,56,862	15,09,140	2,51,523	60.35%
Consumer Durables	46,770	7,795	82,481	13,747	76.36%
Information Technology	33,848	2,821	66,457	5,112	81.21%
Construction Materials	22,79,788	3,79,965	45,71,246	7,61,874	100.51%
Financial Services - Bank	3,834	256	20,115	1,059	313.67%

All figures in MT (Metric Tonnes) except % / WG – Waste Generated / Avg. - Average Waste Generated in that industry / % - Average % Change Y-O-Y / Note: Excludes companies which has not disclosed data in the respective year and whose data was not comparable, i.e. where data was disclosed in units not multiple to Metric Tonnes.

- Across the sample entities, there is an average increase of approx. 14.86% in the total waste generation from last year.

- On overall absolute basis, **Oil Gas & Consumable fuels** has contributed highest waste (i.e. more than 93%) among the sample entities during the last 2 FY's.
- Particular reasons for higher waste are that one entity contributes 99% to the total waste of the industry where the overburden is more than actual waste.
- The business operations of Oil Gas & consumable fuels involve gas distribution and supply of natural gas to domestic, commercial, industrial, vehicle users, etc. Other hazardous waste may comprise of items such as sludge, oily rags, slop oil among others. Whereas, other non-hazardous waste may comprise of items such as scrap metal, wooden scrap, etc. Also, significant proportion of the waste **may** consist of metal scraps originating from the installation of steel pipelines which is the basic necessity of the business.
- The second highest contributor of waste is **Metal and mining Industry**. It is observed across the sample companies that; other non-hazardous waste comprises of major chunk of total waste generated. These wastes typically include materials like waste rock, overburden, slags, mine water, solid waste, fly ash and mine tailings, along with general industrial and municipal waste like packaging, scrap metal and construction debris. Overburden is the soil and rock that are removed to access the ore deposit.
- **Financial Services - Banks** has recorded a significant increase as an entity's total waste increased 14 times owing to inclusion of DG Oil in other hazardous waste in FY 2023-24.
- When compared to the last year, **Financial Services (Insurance)** Industry has made significant decrease in their average waste generation from last year followed by **Financial Services (Others)** as there are the only 2 industries which were able to reduce their average waste generation.

The decrease in e-waste in the financial services industry may result from both genuine waste reduction efforts and insufficient reporting. While many financial institutions have improved sustainability practices, it's also possible that some are not fully transparent about their e-waste generation, which could result in incomplete or misleading data in their reports.

- Increase under **Consumer Services and Consumer Durables** industry is owing to the nature of business as under Consumer Services majority of the waste is either plastic waste or is non-hazardous waste which represents carton waste, Scrap (paper and cardboard) as disclosed by the entities. And for Consumer Durables non-hazardous waste mainly forms part of Paper/Cardboard, Wood, Metal as disclosed by one of the Company.
- Similarly, in **Realty Industry & Construction Material Industry**, 1-1 entity's waste generation has increased by ~ 210 times & more than 46 times respectively. The Realty and Construction Industries are major generators of waste, with construction and demolition (C&D) waste being one of the largest solid waste.
- Upon summarising one can infer that Realty Industry & Construction Material Industry usually have the highest chunk of waste, but as per the data Oil Gas & Consumable Fuels are the highest contributor in the sample. While all these industries generate significant waste, the oil and gas industry generally produce a larger volume and a wider variety of waste streams, including hazardous materials, compared to the construction industry, which primarily deals with construction and demolition materials.

Industry Wise Waste Generation Intensity Analysis:

Table WT6: Analyse industry wise performance on the waste intensity on the basis of total waste generated vs turnover of these industries.

TABLE WT6: WASTE INTENSITY INDUSTRY WISE					
INDUSTRIES	2023		2024		CHANGE
	#	TW in MT/ Rev. in Cr Rs	#	TW in MT/ Rev. in Cr Rs	%
Total	159/200	32.5580	181/200	36.4061	11.82%
Financial Services - Insurance	5/7	0.0053	5/7	0.0037	-29.55%
Automobile and Auto Comp.	13/16	1.9057	14/16	1.6784	-11.93%
Capital Goods	16/16	3.0586	16/16	3.1004	1.37%
Healthcare	14/14	2.9890	14/14	3.2547	8.89%
Power	9/10	128.3160	9/10	141.6574	10.40%
Others	12/14	1.4885	14/14	1.6521	10.99%
Consumer Services	6/7	1.0254	7/7	1.1393	11.10%
Oil Gas & Consumable Fuels	11/12	0.4782	11/12	0.5371	12.31%
Financial Services - Others	8/19	0.0033	12/19	0.0038	13.32%
Fast Moving Consumer Goods	12/15	3.6913	14/15	4.3736	18.48%
Construction Materials	5/6	24.5461	6/6	29.1017	18.56%
Chemicals	6/6	13.2487	6/6	17.7864	34.25%
Metals & Mining	10/10	317.0202	10/10	426.5896	34.56%
Realty	5/6	51.6593	6/6	73.7902	42.84%
Consumer Durables	5/7	0.4470	6/7	0.6782	51.74%
Information Technology	12/13	0.0633	13/13	0.1187	87.39%
Financial Services - Bank	10/22	0.0044	18/22	0.0131	193.93%

TW in MT – Total Waste in Metric Tonnes / Rev. in Cr Rs – Revenue in Rupees in Crores. | % - Change in Waste Intensity Y-O-Y | Note: Excludes companies which has not disclosed data in the respective year and whose data was not comparable.

Exclusion: An entity from Oil Gas & Consumable Fuels has been excluded in FY 2023-24 as its absolute waste forms ~93% of the total waste of all sample entities in FY 2023-24 and it has not disclosed waste intensity for FY 2022-23.

Analysis:

- Across the sample entities, there is an average increase of approx. 11.82% in the waste intensity linked to revenue from last year.
- Similar to absolute waste industry wise, only Financial Services (Insurance) Industry** has made significant decrease in their waste linked to revenue when compared to last year.
- Highest increase in Financial Services (Bank) Industry** is mainly due to inadequacy in disclosure in previous FY as can be observed from to disclosure entities.
- The above data shows that, during FY 2023-24, while across the sample waste generation is ~**36.41 MT to earn a revenue of ₹ 1 Crores**; whereas in **Metals & Mining** sector the same was at ~**426.59 MT** i.e. more than 11 times the overall intensity.

- Average absolute waste increased by 14.86% from last year and the waste intensity based on turnover increased by 11.82% from last year. This concludes that waste is growing faster than revenue and performance is declining in both absolute and relative terms.
- Entities belonging to Power have the 2nd highest waste intensity linked to turnover. During FY 2023-24, while across the sample waste is **36.41 MT to earn a revenue of ₹ 1 Crores**; whereas in **Power** sector the same was at **141.66 MT** i.e. more than 3 times the overall intensity.

Category Wise Waste Generation Analysis:

- Table WT7: Analyses waste generation for each category of waste as a percentage of total waste generated by each industry in that respective category. For example, Column A provides the bifurcation of Other Hazardous waste generated by each entity, where Metals & Mining industry has contributed to almost 60% of total waste in this category in last two years.

TABLE WT7: TOTAL WASTE GENERATED INDUSTRY WISE ON EACH CATEGORY						
INDUSTRIES	Other Hazardous Waste (A)		Other Non-Hazardous Waste (B)		Battery waste (C)	
	2023	2024	2023	2024	2023	2024
Total Waste (MT) (Sample)	50,07,985	53,36,566	4,52,70,34,851	5,45,61,50,647	41,404	58,135
Automobile & Auto Comp.	1.5%	1.4%	0.0%	0.0%	1.8%	1.7%
Capital Goods	0.7%	0.7%	0.0%	0.0%	2.4%	2.2%
Chemicals	9.3%	11.7%	0.0%	0.0%	0.3%	0.1%
Construction Materials	5.6%	4.2%	0.0%	0.1%	0.9%	0.7%
Consumer Durables	0.1%	0.1%	0.0%	0.0%	0.4%	0.4%
Consumer Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fast Moving Consumer Goods	1.0%	1.2%	0.0%	0.0%	0.6%	0.4%
Financial Services - Bank	0.0%	0.0%	0.0%	0.0%	1.6%	4.5%
Financial Services - Insurance	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Financial Services - Others	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
Healthcare	4.8%	4.6%	0.0%	0.0%	0.7%	0.7%
Information Technology	0.0%	0.0%	0.0%	0.0%	2.5%	1.4%
Metals & Mining	60.2%	59.6%	5.0%	5.5%	3.0%	2.7%
Oil Gas & Consumable Fuels	16.5%	16.2%	94.4%	93.9%	1.0%	2.1%
Power	0.1%	0.1%	0.4%	0.4%	3.4%	4.0%
Realty	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%
Others	0.1%	0.2%	0.0%	0.0%	80.8%	78.6%
INDUSTRIES	Plastic Waste (D)		E-Waste (E)		Bio-medical Waste (F)	
	2023	2024	2023	2024	2023	2024
Total Waste (MT) (Sample)	4,66,400	5,07,733	24,835	26,132	7,838	7,817
Automobile & Auto Comp.	9.4%	10.3%	2.1%	4.7%	0.1%	0.1%
Capital Goods	15.8%	14.9%	9.6%	1.8%	1.0%	0.6%
Chemicals	0.9%	1.0%	0.1%	0.1%	0.0%	0.0%
Construction Materials	21.2%	15.9%	1.7%	1.5%	0.4%	0.7%
Consumer Durables	1.1%	1.2%	3.5%	2.5%	0.0%	0.0%
Consumer Services	2.7%	3.4%	0.3%	0.2%	0.0%	0.0%
Fast Moving Consumer Goods	38.4%	41.5%	1.2%	1.3%	0.6%	0.6%

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Financial Services - Bank	0.1%	0.2%	1.6%	4.3%	0.0%	0.0%
Financial Services - Insurance	0.0%	0.8%	1.7%	0.8%	0.0%	0.0%
Financial Services - Others	0.0%	0.0%	33.8%	31.7%	0.0%	0.0%
Healthcare	4.1%	4.3%	0.6%	1.1%	73.7%	88.9%
Information Technology	0.1%	0.1%	8.0%	6.3%	1.6%	1.8%
Metals & Mining	2.2%	1.7%	4.7%	6.9%	19.6%	1.0%
Oil Gas & Consumable Fuels	2.5%	2.9%	1.8%	1.9%	0.6%	1.5%
Power	0.3%	0.6%	2.0%	7.2%	1.8%	2.7%
Realty	0.2%	0.2%	0.3%	0.1%	0.0%	0.0%
Others	0.9%	1.0%	27.1%	27.6%	0.6%	1.9%

INDUSTRIES	Construction and Demolition Waste (G)		Radioactive Waste (H)	
	2023	2024	2023	2024
Total Waste (MT) (Sample)	11,35,233	16,65,065	44	7
Automobile & Auto Comp.	3.0%	1.9%	0.0%	0.0%
Capital Goods	2.9%	2.1%	0.0%	0.0%
Chemicals	0.0%	0.4%	0.0%	0.0%
Construction Materials	1.1%	1.6%	0.0%	4.0%
Consumer Durables	0.3%	1.6%	0.0%	0.0%
Consumer Services	0.1%	0.1%	0.0%	0.0%
Fast Moving Consumer Goods	1.0%	1.2%	2.3%	0.0%
Financial Services - Bank	0.0%	0.1%	0.0%	0.0%
Financial Services - Insurance	0.0%	0.0%	0.0%	0.0%
Financial Services - Others	0.0%	0.0%	0.0%	0.0%
Healthcare	0.4%	3.7%	2.3%	26.9%
Information Technology	1.2%	2.5%	8.2%	1.6%
Metals & Mining	9.1%	14.9%	0.0%	0.0%
Oil Gas & Consumable Fuels	2.2%	1.6%	0.0%	0.0%
Power	6.2%	6.0%	0.0%	0.0%
Realty	41.8%	40.8%	0.0%	0.0%
Others	30.7%	21.5%	87.2%	67.5%

% - Waste by each Industry as a portion of total waste generated in each category of waste.

- Top row of the table WT7 provides Total waste generated by the sample entities for each category.
- Table WT7 shows that under other hazardous waste, Metals & mining industry has been highest contributor with 59.6% of the total other hazardous waste generated in FY24. Further, under other non-hazardous waste, highest contributor is oil gas & consumable fuels industry with ~94% during FY 2024.
- Further, under Battery waste, industries like infrastructure, ports, aviation, tele-communication, etc which are broadly classified under the head 'Others', have contributed highest with 78.6% of the total battery waste during FY 2024.
- Further, on Plastic Waste, FMCG has been highest contributor with 41.5% of the total plastic waste generated in FY24. For, E-Waste it is Financial Services (Others) industry with 31.7% contribution to total waste.

- As expected, under Bio-Medical waste, Healthcare industry has been the highest contributor with ~89% to total waste.
- In Construction and Demolition Waste, Realty industry, has contributed highest in FY24 as well as FY23, Similarly, for radioactive waste, it is industries like infrastructure, ports, aviation, telecommunication, etc which are broadly classified under the head ‘Others’, have contributed highest waste with 67.5% of the total radioactive waste during FY24.

Table WT8: Analyses waste generated by the Industries on each category as a percentage of total waste generated by that Industry. For example, first row provides the bifurcation of each category of waste generated by Auto industry as a proportion of total waste generated by Auto industry. Which shows that more than 80% of the waste in Auto industry is Other Non-Hazardous waste.

TABLE WT8: TOTAL WASTE GENERATED INDUSTRY WISE (MT)						
INDUSTRIES	Other Hazardous Waste (A)		Other Non-Hazardous Waste (B)		Battery waste (C)	
	2023	2024	2023	2024	2023	2024
Sample	0.11%	0.10%	99.85%	99.86%	0.00%	0.00%
Automobile & Auto Comp.	8.99%	8.93%	81.65%	80.93%	0.09%	0.11%
Capital Goods	5.35%	5.10%	77.10%	79.01%	0.16%	0.18%
Chemicals	83.13%	86.02%	15.99%	12.28%	0.02%	0.00%
Construction Materials	12.26%	4.92%	82.81%	92.73%	0.02%	0.01%
Consumer Durables	9.23%	7.56%	68.93%	51.10%	0.37%	0.28%
Consumer Services	0.17%	0.07%	79.59%	81.23%	0.02%	0.02%
Fast Moving Consumer Goods	3.28%	3.78%	84.37%	82.39%	0.02%	0.01%
Financial Services - Bank	0.16%	0.47%	64.06%	67.98%	17.48%	13.15%
Financial Services - Insurance	0.00%	0.00%	91.27%	1.52%	0.00%	1.00%
Financial Services - Others	0.00%	0.01%	2.10%	7.25%	0.91%	1.26%
Healthcare	62.31%	51.86%	29.81%	29.06%	0.08%	0.08%
Information Technology	0.41%	0.28%	50.52%	32.20%	3.00%	1.23%
Metals & Mining	1.31%	1.05%	98.64%	98.87%	0.00%	0.00%
Oil Gas & Consumable Fuels	0.02%	0.02%	99.98%	99.98%	0.00%	0.00%
Power	0.04%	0.03%	99.56%	99.48%	0.01%	0.01%
Realty	0.11%	0.01%	49.37%	54.85%	0.01%	0.00%
Others	1.10%	1.66%	28.19%	38.51%	6.03%	6.58%
INDUSTRIES	Plastic Waste (D)		E-Waste (E)		Bio-medical Waste (F)	
	2023	2024	2023	2024	2023	2024
Sample	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%
Automobile & Auto Comp.	5.22%	6.11%	0.06%	0.14%	0.00%	0.00%
Capital Goods	11.72%	10.63%	0.38%	0.07%	0.01%	0.01%
Chemicals	0.77%	0.69%	0.01%	0.00%	0.00%	0.00%
Construction Materials	4.34%	1.76%	0.02%	0.01%	0.00%	0.00%
Consumer Durables	11.25%	7.69%	1.85%	0.78%	0.00%	0.00%
Consumer Services	17.96%	17.58%	0.09%	0.06%	0.00%	0.00%
Fast Moving Consumer Goods	11.59%	12.61%	0.02%	0.02%	0.00%	0.00%
Financial Services - Bank	7.58%	4.72%	10.18%	5.54%	0.00%	0.00%

Financial Services - Insurance	0.57%	92.51%	7.80%	4.58%	0.00%	0.00%
Financial Services - Others	0.58%	0.06%	96.42%	91.40%	0.00%	0.02%
Healthcare	4.95%	4.59%	0.04%	0.06%	1.50%	1.47%
Information Technology	0.88%	0.80%	5.84%	2.46%	0.36%	0.21%
Metals & Mining	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Oil Gas & Consumable Fuels	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Power	0.01%	0.01%	0.00%	0.01%	0.00%	0.00%
Realty	0.12%	0.07%	0.01%	0.00%	0.00%	0.00%
Others	0.75%	0.72%	1.21%	1.04%	0.01%	0.02%
INDUSTRIES	Construction and Demolition Waste (G)		Radioactive Waste (H)			
	2023	2024	2023	2024		
Sample	0.03%	0.03%	0.000%	0.000%		
Automobile & Auto Comp.	3.98%	3.78%	0.000%	0.000%		
Capital Goods	5.29%	5.00%	0.000%	0.000%		
Chemicals	0.09%	1.00%	0.000%	0.000%		
Construction Materials	0.55%	0.57%	0.000%	0.000%		
Consumer Durables	8.37%	32.58%	0.000%	0.000%		
Consumer Services	2.17%	1.03%	0.000%	0.000%		
Fast Moving Consumer Goods	0.72%	1.19%	0.000%	0.000%		
Financial Services - Bank	0.54%	8.14%	0.000%	0.000%		
Financial Services - Insurance	0.36%	0.40%	0.000%	0.000%		
Financial Services - Others	0.00%	0.00%	0.000%	0.000%		
Healthcare	1.30%	12.88%	0.000%	0.000%		
Information Technology	38.97%	62.82%	0.011%	0.000%		
Metals & Mining	0.04%	0.08%	0.000%	0.000%		
Oil Gas & Consumable Fuels	0.00%	0.00%	0.000%	0.000%		
Power	0.38%	0.46%	0.000%	0.000%		
Realty	50.38%	45.06%	0.000%	0.000%		
Others	62.70%	51.47%	0.007%	0.001%		

% - Waste in each category as a portion of total waste generated in that respective industry or in total.

- Table WT8 provides the data of waste generation by each Industry in their respective category as a percentage of total waste generated by that Industry.
- The table shows that for each industry, which category of waste was significant or highest. For example, in **Financial Services Industry (Others)** 91.4% of the total waste generated in FY 2023-24 was **E-Waste**.
- Similarly, 92.51% of the total waste generated in **Financial Services (Insurance)** Industry was **Plastic Waste**, which is highest for any Industry. As, for one of the Company it appears that, it has re-classified the data during FY 2023-24 and has included its 'other non-hazardous waste' under 'Plastic waste'.
- Further, in **Healthcare industry** merely 1.47% of the total waste was **Bio-medical** waste, still it is highest as compare to other industries.

- Surprising figures in the table WT8 is **IT industry's Construction and Demolition Waste generations**, which is more than 62% of the total waste generated in IT industry for FY 2023-24, which was only ~32% in previous FY. The reason for this figure could be due to expansion of projects by an entity, although not specifically stated.
- The **chemical industry** generates various hazardous wastes, including toxic chemicals, heavy metals and other harmful substances. Hazardous waste is the highest contributor for 5 out of 6 companies under chemical industries.
- Other non-hazardous waste is highest in **Oil Gas & Consumable Fuels** as one the Company produced the highest amongst its peers which is 5,12,47,04,929 MT while that by its lowest peer is 123.07 MT in FY 2023-24. The difference is definitely due to the varying scale of operations of two peers in the same sector.
- The high is due to overburden: The Company has stated that, *“In Opencast mining, the soil and rocks above the coal seam are excavated and discarded as waste, while the fragmented rock, known as Overburden (OB), is piled into dumps.”*

Waste Recovery / Disposal (Absolute):

As per SEBI Guidelines for BRSR, every entity shall disclose information regarding total waste recovered through recycling, re-using or other recovery operations.

Guidance on these terms is given below:

- Waste may be recovered through any operation wherein products, components of products, or materials that have become waste are prepared to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose. Preparation or making waste ready for re-use and recycling are examples of recovery operations.
- Preparation for re-use means checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived. Recycling refers to reprocessing of products or components of products that have become waste, to make new materials.

Further, for each respective category of waste generated (plastic, e-waste, bio-medical waste, construction and demolition waste, battery waste, radio-active waste, other hazardous and other non-hazardous waste), the entity shall disclose the waste, that is disposed, with the break-up of the disposal method, as follows:

- Incineration - incinerations refer to controlled burning of waste at high temperatures;
- Landfilling - landfilling refers to depositing of waste in sanitary landfills, and excludes uncontrolled waste disposal such as open burning and dumping;
- Other disposal operations: Entities may specify the other disposal operations used, in case the same are significant.

Table WT9, highlights the number of companies from Sample which have made disclosures on total waste recovered or disposed-off during last two FYs, as per BRSR disclosures:

TABLE WT9: # COMPANIES DISCLOSING WASTE RECOVERY / DISPOSAL DATA (ABSOLUTE)					
INDUSTRIES	#	2023		2024	
		#	%	#	%
Sample	200	168	84%	177	89%
Automobile and Auto Components	16	16	100%	16	100%
Capital Goods	16	16	100%	16	100%
Chemicals	6	6	100%	6	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Healthcare	14	14	100%	14	100%
Information Technology	13	13	100%	13	100%
Metals & Mining	10	10	100%	10	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Power	10	10	100%	10	100%
Realty	6	6	100%	6	100%
Others	14	13	93%	14	100%
Consumer Services	7	6	86%	6	86%
Consumer Durables	7	5	71%	5	71%
Financial Services - Others	19	9	47%	13	68%
Construction Materials	6	3	50%	4	67%
Financial Services - Bank	22	11	50%	13	59%
Financial Services - Insurance	7	3	43%	4	57%

Number of companies which disclosed data in BRSR for FY 2023-24.

- Out of 192 companies which had made disclosures on waste generated for FY 2023-24, only 177 companies have also disclosed information on waste recovery or waste disposal which means 15 companies have failed to report their waste recycling and disposal practices.
- 👍 Industries such as Automobile and Auto Components, Capital Goods, Chemicals, FMCG, Healthcare, IT, Metals & Mining, Oil Gas & Consumable Fuels, Power, Realty, etc., have seen 100% disclosures on above parameters in FY 2023-24.
- 👎 Similar to waste generation, majority of the companies from Financial Services Industry have failed to disclose information on waste recovery / disposal. Such companies have only made general disclosures regarding waste recycling and management. Most have made statements such as *"Not Applicable. Since the company provides Financial Services and does not manufacture any product."*
- If we observe closely, Industries such as Consumer Durables, Consumer Services and Construction Materials have seen an average increase in total waste from last year, however failed in their duty to disclose proper mechanism on recovery and disposal of such waste.
- Industries with high levels of disclosure demonstrate a commitment to environmental stewardship and may be implementing waste recovery strategies and sustainable practices in better manner.

Waste Recovery / Disposal Performance:

Table WT10: Analyses performance of companies with respect to waste recovery / disposal data i.e. bifurcation on Waste Recovered (WR) vs Waste Disposed (WD):

TABLE WT10: WASTE MANAGEMENT (RECOVERED vs DISPOSED) (ABSOLUTE)							
INDUSTRIES	#	2023			2024		
		#	RW	DW	#	RW	DW
Sample	200	168	98.9%	1.1%	177	99.3%	0.7%
Oil Gas & Consumable Fuels	12	12	100%	0%	12	100%	0%
Construction Materials	6	3	86%	14%	4	98%	2%
Fast Moving Consumer Goods	15	15	97%	3%	15	97%	3%
Financial Services - Others	19	9	80%	20%	13	92%	8%
Chemicals	6	6	87%	13%	6	90%	10%
Metals & Mining	10	10	82%	18%	10	89%	11%
Realty	6	6	94%	6%	6	88%	12%
Information Technology	13	13	54%	46%	13	88%	12%
Financial Services - Insurance	7	3	68%	32%	4	87%	13%
Others	14	13	97%	3%	14	87%	13%
Automobile and Auto Comp.	16	16	79%	22%	16	81%	19%
Healthcare	14	14	68%	32%	14	68%	32%
Capital Goods	16	16	58%	42%	16	67%	33%
Power	10	10	66%	34%	10	62%	39%
Consumer Durables	7	5	79%	21%	5	60%	40%
Financial Services - Bank	22	11	46%	54%	13	40%	60%
Consumer Services	7	6	15%	85%	6	13%	87%

Number of Companies, which disclosed data in the respective year. / RW – Recovered Waste. DW – Disposed Waste.

- There is slight improvement in overall performance among the sample entities, as the waste recovery has crossed 99.3% vs 98.9% in previous year, and below 0.7% of the waste is being disposed which is in lower side as compared to previous year.
- However, on industry wise basis, only one industry has been able to recover 100% i.e. Oil Gas & Consumable Fuels.
- 🔴 **Consumer Services** Industry again, has been worst performing industry among all, which disposed 87% of waste in FY 2023-24 against recovery of merely 13%.
- Most companies have recycled their waste by sending it to authorised recyclers and to make useful products out of it.
- Measures such as partnering with authorised waste recyclers, Central Pollution Control Board by obtaining recycling certificates, green certificates and managing waste as per EPR regulations; have led to improvement in the overall performance among the sample entities.
- Further, in comparison to data on waste generation, disclosures on waste recovery/disposal are below par. As the entities have provided better disclosures in bifurcated manner on waste generation, however, in case of waste recovery or disposal, there are no specific disclosures on each category of waste recovered or disposed. Therefore, a tabular representation / analysis on each category of waste was not possible in case of waste recovery/disposal.

- However, to show a holistic picture of waste recovery & disposal, it is reported that across the sample entities, while total waste generation for FY 2023-24 was at **5,46,37,48,531 Tonnes**, total waste recovered during this period was **5,39,48,07,855 Tonnes** and total disposed waste was **4,02,55,617 Tonnes**. This data shows the total waste recovered and disposed as 99.47% of the total waste generated. However, no information available on remaining 0.53% waste, as some entities have not disclosed information on waste recovery or disposal.
- Total waste generated by **Realty** industry has increased however it has failed to improve its recovery whereas, the disposal share has increased since last year.
- Industries such as FMCG, Power, Consumer Durables, Financial Services - Bank and Consumer Services have performed similar to Realty.

An Issue of Reporting the Waste Data:

- There are certain entities from different industries namely, Construction Materials, Power and FMCG, where such entities have disclosed waste recovered or waste disposed in absolute numbers greater than the amount of total waste generated by the respective industry. It can only be possible if the entity has either recovered or disposed waste from the previous year's waste generated and there is only accounting interchange or the entity has recovered or disposed waste from outside the entity's operations, i.e. waste collected from the society or nearby areas.
- However, none of the entity has briefly explained reason for the above issue. Lack of clarity creates doubts on veracity of these numbers.

-: Leading Endeavours (The Trend Setters) :-

- Through the co-processing technology, the Company provides a 'Zero Landfill' solution that doesn't create any additional emission and in addition avoids soil contamination, water and air pollution coming from landfill sites, recovering energy and minerals from the waste materials.
(a Company from Construction Materials industry)
- About 36 MT of Vermi-compost was harvested from the 3 Vermicompost facilities and utilized during FY 2023-24.
(a Company from Oil Gas & Consumable Fuels industry)
- XYZ's XXXX campus has installed vermicompost beds to manage biodegradable waste. Vermicomposting is a sustainable waste management system that utilises earthworms to decompose dry leaves and other organic waste, converting it into nutrient-rich compost, thus reducing fire hazards and improving campus cleanliness. This initiative aligns with global sustainability efforts, promotes a circular economy and minimises landfill waste.
(a Company from Oil Gas & Consumable Fuels industry)
- Wet waste generated is treated through our On-Site Waste Converter (OWC). Waste treated is thereafter used for gardening/landscaping purposes.
(a Company from Realty industry)

Targets Disclosures:

- The absence of set targets makes it impossible to monitor performance effectively. Therefore, the disclosure of targets becomes highly significant for accurate performance assessment.

Table WT11, provides industry wise distribution of companies disclosing targets relating to better management of waste including reduction in waste, recovery and disposal of waste.

TABLE WT11: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)					
INDUSTRIES	#	Short-Term*		Long-Term**	
		#	%	#	%
Sample	200	56	28%	46	23%
Automobile and Auto Components	16	4	25%	9	56%
Construction Materials	6	2	33%	3	50%
Metals & Mining	10	4	40%	4	40%
Power	10	3	30%	4	40%
Chemicals	6	1	17%	2	33%
Fast Moving Consumer Goods	15	11	73%	5	33%
Realty	6	2	33%	2	33%
Information Technology	13	5	38%	4	31%
Consumer Durables	7	3	43%	2	29%
Capital Goods	16	1	6%	3	19%
Consumer Services	7	3	43%	1	14%
Healthcare	14	9	64%	2	14%
Others	14	4	29%	2	14%
Financial Services - Others	19	2	11%	2	11%
Financial Services - Bank	22	0	0%	1	5%
Financial Services - Insurance	7	0	0%	0	0%
Oil Gas & Consumable Fuels	12	2	17%	0	0%

Number of companies which disclosed targets. / *up to 3 years / ** more than 3 years

- Above table provides the entities which could disclosed the Target set to reduce overall waste generation, better process to recover the generated waste and reduce effective waste disposal.
- While 56 companies have discussed about Short term targets and 46 companies discussed about long term targets, only 15 companies in the sample have disclosed both short term as well as long term targets to reduce overall waste generation.

-: Leading Endeavours (The Trend Setters) :-

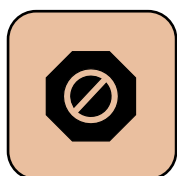
- Zero-Waste-to-Landfill (ZWL) Certified Company for 100% of operating renewable energy generation plants by FY 2024-25 & Single-use-Plastic-Free (SuPF) Certified Company for 100% of operating renewable energy generation plants by FY 2023-24.
(a Company from Power industry)
- Reduction in specific hazardous waste per KL of finished product (kg/KL) from 2.7 in FY 2013-14 to 0.45 (83% reduction) in FY 2030 & reduction in specific Non-hazardous waste per KL of finished product (Kg/KL) from 14.1 in FY 2013-14 to 6.0 (57% reduction) in FY 2030.
(a Company from Consumer durables industry)
- Achieve 100% product recyclability by 2030.
(a Company from Automobile and Auto Components industry)
- 3x increase in gainful utilisation of smelting process waste by 2025.
(a Company from Metals and Mining industry)

Target Achievements:

- While there were better disclosures of targets to reduce waste generation and to manage waste recovery or disposal by the sample entities, the performance or achievement of these targets are not uniformly disclosed. Thus, the analysis of target performance / achievement is not comparable on industry wise.
- Very few companies from the sample have disclosed performance, some of them are:

-: Leading Endeavours (The Trend Setters) :-


- Sustained ZWL status for all operating plants & sustained SuPF status for all operating plants.
(a Company from Power industry)
- 77% reduction in specific hazardous waste generated per KL of finished product achieved i.e. 0.61 Kg/KL in FY 2023-24 & 47% reduction in specific non-hazardous waste generated per KL finished product achieved i.e. 7.53 Kg/KL in FY 2023-24.”
(a Company from Consumer durables industry)
- In FY 2023-24, XYZ surpassed its waste reduction goals by achieving a 12% reduction in waste intensity and a 7% reduction in absolute waste generation, compared to a target of a 4% year-on-year reduction.”
(a Company from FMCG industry)
- Achieved >80% recyclable products (ICEs and EVs)
(a Company from Automobile and Auto Components industry)



2.9. ENVIRONMENTAL COMPLIANCE & INCIDENTS

Assessment Factors: Environmental incidents which may pose a risk for the Company or its reputation.

EVALUATION STATISTICS								
2024	QUESTIONS			9	PARAMETERS			25
2023	QUESTIONS			9	PARAMETERS			27
YEAR	SCORE – ENVIRONMENTAL COMPLIANCE & INCIDENTS							
2024	MAX.	100	AVG.	97	MED.	100	MIN.	35
2023	MAX.	100	AVG.	96	MED.	100	MIN.	30

- Data on environmental incident was sourced from disclosures made by the Companies in their Annual or Sustainability Report or disclosure on stock exchanges.
 - Environment incidents are defined as incidents affecting the environment, caused by business operations of company through its products, processes, inputs used etc.
 - Impact on Company's business operations due to change in regulatory requirement relating to environment standards was also analysed.
-  Oil Gas & Consumable Fuels and Metals and Mining Industries have been the least performing industries to have complied with environmental laws or be controversy / incidents free, as 6-6 entities each from these industries have scores less than 100 in this section.

Environmental Compliances, Incidents & Controversies:

Environmental Compliance refers to the act of conforming to legal or regulatory environmental requirements and policies. Some examples of environmental elements that organisations need to comply with are; release of toxic inventories, Storm water permits and Waste management.

Environmental Non-Compliance means:

- Release of any Hazardous Material into the environment, any storm drain, sewer, septic system or publicly-owned treatment works, in violation of any effluent or emission limitations, standards or other criteria or guidelines established by any Environmental Law;
- any non-compliance of physical structure, equipment, process or premises with the requirements of building or fire codes, zoning or land use regulations or ordinances or conditional use permits;
- any non-compliance with federal, state or local requirements governing occupational safety/ health;
- any operations, procedures and designs which do not conform to the statutory or regulatory requirements of any Law (including land use regulations and ordinances) intended to protect public health, welfare and the environment;
- failure to obtain permits, licenses, variances or other governmental authorizations necessary for the legal use and/or operation of any equipment, process or any activity at the Properties; or

- vi. the operation and/or use of any process or equipment in violation of any permit condition, schedule of compliance, administrative or court order, etc.

Incidents or Controversies: Apart from the environmental non-compliances as highlighted above, there are cases of controversies or incidents which the companies encounter in their regular operations. These can vary from ban or recall of products or services, operational controversies due to internal issues or other external affairs, or any sort of controversy or incident which leads to disturbance in daily operations of an entity.

A product recall is the process of retrieving defective and/or potentially unsafe goods from consumers. The existing BRSR format provides disclosure in this regard, to mention the number of instances and reasons for voluntary or forced recall of products of the entity.

Bans can be placed on products and product-related services if there is a risk that they may cause serious injury, illness or death.

It is to be noted that Product recall or ban in this section is analysed only from environment perspective and detailed analysis on product / services ban has been conducted in Social section under sub-section- Product / Service Quality. Companies must disclose if any product was recalled or banned during the year which had significant impact on the environment. Also, such companies shall disclose if any environmental impact assessment projects undertaken for corrective measures.

Table EIC1, Analyses industry wise performance on the compliance with the applicable environmental laws / regulations / guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder, also whether such industries are incident / controversy free:

TABLE EIC1: PERFORMANCE ON COMPLIANCE WITH ENVIRONMENTAL LAWS & INCIDENT OR CONTROVERSY FREE RATE			
Industries	#	Compliant & No Controversy/ Incidents	
		#	%
Sample	200	178	89%
Automobile and Auto Components	16	16	100%
Capital Goods	16	16	100%
Consumer Durables	7	7	100%
Consumer Services	7	7	100%
Financial Services - Bank	22	22	100%
Financial Services - Insurance	7	7	100%
Financial Services - Others	19	19	100%
Information Technology	13	13	100%
Fast Moving Consumer Goods	15	14	93%
Healthcare	14	13	93%
Others	14	13	93%
Chemicals	6	5	83%
Realty	6	5	83%
Power	10	8	80%
Construction Materials	6	3	50%
Oil Gas & Consumable Fuels	12	6	50%
Metals & Mining	10	4	40%

Number of companies with disclosures.

👍 Companies under Automobile and Auto Components, Capital Goods, Consumer Durables, Consumer Services, Financial Services and Information Technology are **100% compliant with Environmental Laws** and **100% incident / controversies free industries** as disclosed in their respective Annual Reports, BRSR, Sustainability report, website, etc.

- Such performance demands true and fair disclosures and the highest level of care in the operations and things in the surrounding or environment at large. Stringent legal proceedings scare companies from committing anything harmful to the environment which benefits all investors, suppliers, employees and public at large. This can be viewed as a benchmark for other industries. Of all factors, consistency matters in reporting the same.
- No cases of product recall and ban due to environmental factors have been observed so far by the companies in the sample.

👎 Across the sample entities, 22 entities have reported non-compliance under one or other environment related act or regulations or encountered incidents or controversies.

- Most companies have taken all steps to ensure that pollution norms and consent to operate terms are met and regular monitoring.
- Below are the entities which have reported such non-compliances or incidents:

Construction Materials Industry:

- Non-compliance u/s 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for Exceedance of Ambient Air Quality Monitoring results and results of ETP & STP outlets of Cement Plant.
- Non-compliant with EPA, Air Act, Water Act, as Composite EC of plant and colony not accepted by SPCB, Fugitive emission from clinker silo and clinker bulk loading point. High Stack emission and STP inlet and outlet flow meter not installed for which penalty of ₹164.83 lakhs was imposed.

Realty:

- 3 different fines were imposed for Non-adherence instance during NGT Ban, DJB and MCD and other for carrying out construction activities without taking measures of controlling air pollution as per Air Pollution Control Guidelines dated 07/11/2023 issued by Commissioner, PCMC, as per Order of the Hon'ble Bombay High Court passed in PIL/3/2023.

Oil Gas & Consumable Fuels:

- A Company has been directed to pay Environmental compensation of ₹ 2 crore by CPCB for not installing VRS within the timelines prescribed by the Hon'ble Supreme Court and CPCB.
- West Bengal Pollution Control Board (WBPCB) issued directives to XXXX in view of excess PM emission from KHDS stack on 11.11.2022 and also, issued notices to XXXX seeking reason for non-compliance with respect to regulatory standard in respect of samples collected on 17.05.2023 for lead and TSS in outlets of new and old ETPs and final outlet to river XXXX.
- A Company is penalised ₹ 50,00,000 for non-compliance under Environment (Protection) Act 1986 and Hazardous and Other Waste (Management and Transboundary Movement) Rules 2016 for Violation of provisions related to hazardous waste management.

Further, other penalties have been imposed due to undertaking drilling activities without obtaining prior mandatory consent from the Assam State Pollution Control Board and a show cause notice due to oil spill is also issued by Maharashtra Pollution Control Board.

Metals & Mining:

- Environmental Liability was accrued for ₹ 9.15 crores due to disposal of hazardous material generated during the course of manufacturing or mining operation i.e., disposal of spent pot lining, Phospho Gypsum, Slag etc.
- Show Cause Notices were issued by different state pollution control board due to Non-compliance under The Water (Prevention and Control of Pollution) Act and Air (Prevention and Control of Pollution) Act of environmental standards at 3 different plants/locations.

Fast Moving Consumer Goods:

- Central Ground Water Authority has imposed a penalty of ₹ 1.00 lakh a show cause notice was issued to the Company for its one Industrial area (Y Industrial Area in X) where an inspection revealed that the unit was discharging 'trade' effluents into the water bodies in violation of the Water (Prevention & Control of Pollution Act), 1974.

Chemicals:

- A Company in its BRSR have disclosed that, “*There was an instance where XYZ couldn't comply with the law and faced penalty of ₹ 50 lakhs.*” However, it has not disclosed information regarding the stated non-compliance.

Other than above discussed matters, below table also provided the environmental incidents:

SELECTED INCIDENTS:

- The State Environment Impact Assessment Authority, Madhya Pradesh December 19, 2021 passed an order to revoke the environment clearance granted to xxx limestone mine (5.82 hectare), village xxx, District run by XYZ Limited. The order was passed for the failure on the part of XYZ Limited in filing six monthly reports on time.
- Order of the National Green Tribunal (Central Zone Bench, Bhopal) in the matter of Mr. XXXX Vs XXXX Chemical Division & Others dated 09/02/2023.

The NGT, acting on the complaint of industrial pollution against XXXX chemical division located in the town of XXXX Madhya Pradesh directed a four member committee to visit the site and submit a report within six weeks.

It was alleged that the industry was discharging chemical water into the open land damaging the soil and water. The chemical water from the premises is “*discharged into an industrial drain purposefully made by the officials of the industry which flows into Chambal river located around 300 meters and thereby the toxic water is drained into the Gandhi Sagar dam downstream the Chambal nadi*” the applicant said. This water is supplied to XXXX and XXXX for consumption.

(companies from – Construction Materials)

- Order of the National Green Tribunal regarding illegal coal mines in XXXX, Jharkhand, in the matter of XXXX vs Ministry of Coal & Others dated 04/07/2023.

The matter is related to illegal coal mines in XXXX, Jharkhand which belong to XXXX area under XXXX.

About 20-25 people have lost their lives due to illegal mining in the Central XXXX. It is also alleged that the said mines fall in the forest area and due to the mining operations, a part of a temple has also sunk into the ground. It is also alleged that about 1500-2000 people including women and children are engaged in illegal coal mining in tunnels which can any day result in a major tragedy.

(a Company from – Oil Gas & Consumable Fuels Industry)

- Judgement of the National Green Tribunal (Eastern Zone Bench, Kolkata) in the matter of XXXX Vs State of Odisha & Others dated 26/11/2021. An application was filed in the NGT against the XXXX for unauthorizedly usurping the XXXX river in the district XXXX, Odisha in connivance with the state authorities located at Bhubaneswar, Odisha. XXXX river has been filled with earth, thereby completely obliterating the river and constructed the industrial unit over the said land for construction of an integrated steel plant with a captive power plant at XXXX, Odisha. It is stated that no prior permission has been sought by the XXXX from the concerned authorities before filling up the XXXX river. The NGT said that XXXX has interfered with nature by changing the natural course of XXXX which cannot now be restored and imposed a cost of Rs. 2,00,00,000/- (Two Crore) upon XXXX, for filling up the original XXXX with earth and constructing its industrial complex thereon at a time when it had not received sanction from the government of Odisha for diversion of the XXXX through an alternate diversion into the XXXX Minor Irrigation Project.”

Green Tribunal (NGT) order dated March 20, 2023, the EC was granted to XXXX with respect to two interconnected projects an Integrated Steel Plant and a captive jetty project in Odisha stand suspended and the matter is remitted to the MoEF&CC for fresh appraisal and decision in light of the observations cited in the said order.

(a Company from – Metals & Mining Industry)



2.10. INDIRECT ENVIRONMENTAL IMPACT

BANKS

Assessment: Indirect impact on environment by Banks through organisation wherein they lend or invest.

EVALUATION STATISTICS								
2024	QUESTIONS			30	PARAMETERS			59
2023	QUESTIONS			30	PARAMETERS			59
YEAR	SCORE – INDIRECT ENVIRONMENTAL IMPACT- BANKS							
2024	MAX.	92	AVG.	52	MED.	50	MIN.	4
2023	MAX.	84	AVG.	43	MED.	46	MIN.	3

Note: The disclosures and scoring in this section include **22 Banks** forming part of sample entities of 200 as analysed in this report.

Analysis:

Although banks may not be directly implicated in activities that lead to tangible environmental harm, it is imperative to recognize their indirect influence on ecological wellbeing. While they abstain from direct involvement in resource extraction or pollution, banks wield substantial power in funding industries and endeavours that harbour adverse environmental ramifications. Whether funnelling capital into ventures associated with fossil fuel extraction, deforestation-linked agriculture, or projects lacking adequate environmental safeguards, banks inadvertently contribute to the perpetuation and exacerbation of environmental degradation. Consequently, while their impact may not be readily discernible, the latent influence of banks on the environment cannot be dismissed, underscoring the paramount importance of embracing responsible and sustainable banking practices.

As the global landscape is evolving, Banks' role will become even more important in supporting and strengthening actions that will contribute and assist in creating a long-term positive impact through their lending practices and banking activities.

The increasing recognition of potential indirect effects of banking institutions has resulted in integrating sustainability into the overall corporate social responsibility strategy.

- The average score of 52 and divergence of 88 between maximum and minimum score i.e. almost 23 times the top-bottom, indicates that Banks' disclosures regarding indirect environmental impact are weak, not uniform and there is large scope for improvement for a large number of Banks.
- Under this section, Banks are scored based on their disclosures and performance on two major sections i.e. Climate Risk Assessment in Financing and Sustainable Financing or Responsible Lending by the Banks.

Climate Risk Assessment in Financing:

YEAR	SCORE STATISTICS							
2024	MAX.	95	AVG.	58	MED.	57	MIN.	5
2023	MAX.	91	AVG.	48	MED.	55	MIN.	5

- Under this section, Banks are scored based on their disclosures regarding:
 - Discussion on Climate risks and mitigations in Risk Management Policy;
 - Board’s oversight on climate-related risks and opportunities;
 - Policy on Climate change and its impact;
 - Industry Wise disclosure of Loan exposures;
 - Disclosures on UN Principles for Responsible Banking (UNPRB) / UNEP Finance Initiative;
 - Disclosures on classification of sector lending;
 - Disclosures of Exclusion list w.r.t. Investment.

👍 Two Banks which scored highest in this section has disclosed information on almost all parameters.

- One of the Bank has stated that: *“It offers EV loans at lower interest rates and contributes to the development of the electric vehicle ecosystem by financing auto ancillaries and charging infrastructure players. In FY 2023-24, the Bank’s book size towards EV financing stood at ₹ 139.29 crore.”*

Further, it has also stated that: *“The Bank is one of only five Accredited Entities for the Green Climate Fund in India.”*

- Other Bank has disclosed its **Decarbonising Lending Portfolio**: *“Under the oversight of our ESG Committee, we are reducing our exposure to carbon-intensive sectors like thermal power and coal within our **Wholesale Banking portfolio in alignment with India’s Net Zero ambitions.** While thermal power remains crucial for the country’s economic growth in the medium term, we understand that India’s ambitious plans for renewable energy, green hydrogen, carbon trading, and technological innovation are critical for its low-carbon transition amidst global challenges. At the same time, it is important for this transition to be just and equitable, particularly for vulnerable sections and communities.”*
- Banks are also analysed based on the disclosure of process and frequency with which board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues, wherein 9 entities have not disclosed the aforesaid.
- Banks shall also categorise their risks such as credit risk, market risk, liquidity risk, and operational risk. 86% i.e. 19 out of 22 banks have categorised their risks well.
- Out of the 22 sample banks, 5 have an exclusion list w.r.t their investments. Such list is prohibiting funding projects which have a negative impact on the environment, health and safety.
- 👎 3 out of 22 Banks have scored less than 20% in this section and 5 out of 22 banks have scored less than 30%.
- 👎 None of these 5 Banks have specifically disclosed the significant concentrations of credit exposure to carbon-related assets or classified lending in various sectors based on severity of Climate Risk.

Responsible Lending/ Sustainable Financing:

YEAR	SCORE STATISTICS							
2024	MAX.	86	AVG.	40	MED.	37	MIN.	0
2023	MAX.	86	AVG.	31	MED.	22	MIN.	0

- Under this section, Banks are scored based on their disclosures regarding:
 - Having Provisions & Targets for Sustainable Financing;
 - Issuance of Green Bonds in lending;
 - Disclosures on investments in projects that have positive societal and environmental impact;
 - Information on extension of subsidized loans for Sustainable Business or Business which are addressing the Global Climate related issues, etc.

👍 The Bank which scored highest in this section has disclosed information on majority of parameters.

- It has stated that: *“The Bank kickstarted the green bond market in India, by issuing India’s maiden green bond in February 2015 and went on to raise ₹ 1,645 crore (USD 260 million), through a total of three green bonds for channelizing finance towards India’s renewable energy sector. **The renewable energy projects financed through the green bonds proceeds would annually avoid 1,117 ktCO₂ e in total, with attributable avoidance of 309 ktCO₂e.**”*
- Another Bank with high score in this section has stated that: *The Bank’s Chief Financial Officer heads the Sustainable Finance unit as the highest ranking executive responsible for the Bank’s sustainability strategy, reporting directly to the MD & CEO.”*
- Another Company has also disclosed that it raised, USD 250 million through green bonds in accordance with the ESG Financing Framework in FY 2024.
- One bank has disclosed its key ESG transactions as following;
 - *“Our presence in renewable energy segment includes loans towards a) **two renewable energy greenfield solar power projects** in XXX with an aggregate capacity of **541 MW** for large private sector developers b) **towards a Renewable energy Infrastructure Investment Trust.***
 - *Commercial banking division disbursed loans totaling **₹ 412 crore across solar energy projects, waste management initiatives, and water infrastructure projects promoting efficiency.***
 - *Allocated a total of **₹ 263 crore under SME loans such as bio-gas energy generation and distribution and other non-conventional energy projects.**”*
- One of the Bank in higher scoring category has stated that: *“...we have adopted an enhanced and more comprehensive “ESG & Climate Change Assessment” framework, as part of our overall credit assessment for wholesale corporate borrowers - replacing our erstwhile “SEMS Framework”. Further, the Bank has in place a “Sustainable Financing Criteria” Framework (“the Framework”) to enhance our portfolio from a climate and ESG perspective.”*

It has also disclosed, *“26% of the wholesale loans approved in value terms were subject to enhanced E&S due diligence in line with our ESG Risk Management Framework.”*

👎 2 out of 22 Banks have scored Zero in this section, with nil disclosures.

👎 Further, 10 out of 22 have scored less than 30 in this section, with negligible disclosures.

INSURANCE COMPANIES

Assessment: Indirect impact on environment by Insurance companies due to their investment exposure.

EVALUATION STATISTICS								
2024	QUESTIONS			52	PARAMETERS			105
2023	QUESTIONS			52	PARAMETERS			105
YEAR	SCORE – INDIRECT ENVIRONMENTAL IMPACT- BANKS							
2024	MAX.	58	AVG.	30	MED.	21	MIN.	4
2023	MAX.	48	AVG.	23	MED.	19	MIN.	3

Note: The disclosures and scoring in this section include **7 Insurance Companies** forming part of sample entities of 200, as analysed in this report.

Analysis:

- The average score of mere 30, maximum score of 58 and divergence of 54 score i.e. 15 times the top-bottom, indicates that Insurance companies' disclosures regarding indirect environmental impact are weak i.e. below par, not uniform and there is large scope for improvement.

Insurance companies can affect the environment indirectly through the way they handle risks and make decisions about what to insure. For example, they might encourage or discourage certain activities based on how risky they are for the environment. When they provide insurance for industries like oil drilling or large-scale farming, they can indirectly support practices that harm the environment, like climate change or habitat destruction. Also, the money they get from selling insurance is often invested in different projects, some of which might have bad effects on the environment, like building roads or mining. So even though insurance companies aren't directly hurting the environment, their choices can still have an impact, and it's important to think about how they can do things in an eco-friendlier way.

Insurers will likely need to work through some major challenges as they seek to adjust for nature risk in their underwriting and client relationships. Biodiversity-related risks are often systemic risks that are difficult to measure and come saddled with potential knock-on effects that can vastly increase financial losses and may render standard insurance practices ineffective.

Despite these obstacles, the industry likely has the capacity to innovate and evolve much in the same way that it appears to be transforming to help address climate risks. Most insurers have built teams, risk-identification processes and other frameworks and processes focused on climate risk.

These resources and approaches can be extended to nature risk with the appropriate guidance, which now exists due to the [Taskforce on Nature-related Financial Disclosures](#) (TNFD) and others.

- Under this section, Insurance companies are scored based on their disclosures regarding:
 - Discussion of Climate risks and mitigations in Risk Management Policy,
 - Board's oversight on climate-related risks and opportunities,
 - Industry Wise disclosure of investment exposure,
 - Restriction on investments in certain sectors, etc.
- The entity which has scored maximum has made better disclosures although not best. It has stated that *"We already are the first Indian insurance company to become a signatory to UN Principles for Responsible Investment (UNPRI), a body whose goals are to understand the investment*









implications of ESG issues and to support signatories in integrating these issues into investment and ownership decisions.”

- Insurance companies can integrate ESG into their investment framework by engagement with investee companies on material ESG impacts.
- 👍 Other practices include: *“Implementing a screening policy that considers governance risks and industries with potential social or environmental concerns is a proactive step taken towards responsible investment. By restricting investment in industries like coal and thermal power, which significantly contribute to climate change, the Company has aligned its investment strategy with sustainability goals. This approach not only helps to mitigate environmental risks but also demonstrates a commitment to ethical and socially responsible investing.”*
- 👎 2 out of 7 insurance companies have scored less than 10%, which is very low. These entities have not made adequate disclosures on any of the above-mentioned parameters.
- 👎 None of the Insurance Company has disclosed information on the Probable Maximum Loss (PML) of insured products. As a result, the maximum and average score is very low.

II – SOCIAL

Scores obtained by sample companies on S factor have been analysed under this head, mainly covering Company's disclosure regarding its relationship with its human capital and relationship with its stakeholders. Analysis included evaluation of practices and policies adopted by the Company for fair and equitable treatment of all stakeholders.

Note: Significant changes have taken place in regulatory dictate relating to Social, increased awareness & focus, major being mandatory BRSR requirements and introduction of BRSR Core and Assessment. To keep pace and reflect changes in disclosure requirements evaluation model has also undergone few changes from 2023 to 2024. As a result, changes in score in 2024 compared to 2023 does not necessarily mean changes only in performance; different regulatory requirements, enhanced overall industry practices and in-depth evaluation may also have slightly impacted the score.

EVALUATION STATISTICS								
2024	QUESTIONS			303	PARAMETERS			1,148
2023	QUESTIONS			295	PARAMETERS			806
YEAR	SCORE – SOCIAL							
2024	MAX.	85	AVG.	71	MED.	72	MIN.	50
2023	MAX.	82	AVG.	70	MED.	71	MIN.	51
BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY				
	77.1- Financial Services- Others (2024)				85.0- Financial Services- Others (2024)			
	74.6- Consumer Durables (2023)				82.3- Financial Services (2023)			
	75.3- Information Technology (2024)				84.0- Financial Services- Others (2024)			
	73.9- Information Technology (2023)				81.2- Financial Services (2023)			
	73.0- Others (2024)				82.1- Financial Services- Others (2024)			
	72.5- Power (2023)				81.1- Others (2023)			
Note: Top 3 Industry: Average industry score; Top 3 Company: Top scoring company (referred as respective Industry)								
WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY				
	59.3- Healthcare (2024)				50.0 – Healthcare (2024)			
	59.5- Healthcare (2023)				50.9 – Healthcare (2023)			

Note: Top 3 Industry: Average industry score; Top 3 Company: Top scoring company (referred as respective Industry)

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

Scores & Distribution:

Table S1 represents the industry wise scoring pattern on Overall Social parameters across the sample:

TABLE S1: SCORING PATTERN IN SOCIAL ACROSS DIFFERENT INDUSTRIES						
PARAMETERS	MAX.	AVG.	MED.	MIN.	MAX-MIN Spread	MAX-AVG Spread
Total	85	71	72	50	35	14
Financial Services - Others	85	77	76	68	17	8
Information Technology	82	75	77	64	18	6
Others	79	73	74	64	15	6
Automobile and Auto Components	81	72	73	57	24	10

Power	79	72	72	65	14	7
Financial Services - Bank	78	72	73	63	15	6
Capital Goods	79	71	72	59	20	7
Consumer Durables	79	71	71	57	22	8
Oil Gas & Consumable Fuels	75	71	72	63	13	4
Financial Services - Insurance	79	70	71	52	27	9
Fast Moving Consumer Goods	79	69	70	59	20	10
Realty	78	69	71	59	19	8
Consumer Services	75	69	68	64	11	6
Metals & Mining	73	68	68	61	12	5
Chemicals	71	68	68	63	8	3
Construction Materials	70	66	66	63	7	4
Healthcare	72	59	57	50	22	13

Interpretation/ Commentary:

- The average score of Social (S in ESG) across the sample companies was 71, where the highest score was 85 and the lowest score was 50.
- The best performance on average basis was by Financial Services- Insurance industry, with average score of 77 as against the total average of 71. Similarly, IT, Others, Power, Automobile & Auto Components and Financial Services- Banking industries' average has surpassed the average score of sample entities.

Whereas, the lowest average score was of Healthcare industry (59), which also had the highest maximum to average spread. The low average score in Healthcare was due to concerns raised on Product Quality (negative scoring for product recalls) in few pharmaceutical companies.

- On Maximum Score basis, Financial Services- Others had the highest score of 85, followed by IT (82) and Automobile & Auto components (81). Only these 3 industries have managed a score of more than 80.
- The lowest “Maximum Score” was observed in Construction materials industry (70), followed by Chemicals industry (71). Construction material industry also had the second lowest average industry score (66) and the lowest maximum-minimum spread. Such low score is majorly because of high fatalities in the industry, which leads to negative scoring.
- The lowest Score was bagged by a Company belonging to Healthcare industry (50) due to low score in Product Quality & Cyber Security, followed by Financial Services- Insurance (52) due to low score in Customer Orientation, Cyber Security & Financial Inclusion.
- The highest maximum-minimum spread was observed in Insurance industry, the high difference was due to performance in Financial Inclusion parameters, Health & Safety (training, well-being benefits) and Customer Orientation (customer complaints). Apart from Insurance, in 3 other industries, Automobile & Auto Components, Consumer Durables and Healthcare saw a max-min spread of more than 20. Capital Goods and FMCG also have max-min spread of 29.
- Within sectors performance variance indicates that low score is not on account of sector specific issues alone but on account of lack of attention by a few companies. Hence, there is scope of improvement, irrespective of nature of business.

- Overall disclosure quality has improved when compared to last FY for Essential Indicators, however, several companies still lag in disclosure regarding questions on leadership indicators. Further, there has been an improvement in overall performance as well, however, with improved and evolved ESG Scoring model, there was an enhanced focus on performance indicators like low women workforce, high turnover rate, fatalities, no human rights training, product recalls, data breaches, etc., which has resulted in low score in several companies.

Table S2 represents the Scoring pattern across the 8 sub factors of Social among the sample entities:

Table S2: Scoring pattern across different broad categories in 'Social'								
Parameter	MAX.		AVG.		MED.		MIN.	
	2023	2024	2023	2024	2023	2024	2023	2024
2.1. Workforce Diversity	90	92	67	70	67	71	43	45
2.2. Human Rights	99	99	77	78	79	81	31	37
2.3. Health & Safety	100	99	76	73	77	77	37	38
2.4. Customer Welfare	100	100	80	76	83	80	31	33
2.5. Product / Service Quality	100	100	84	86	88	97	25	26
2.6. CSR, Community Relations	90	94	69	74	70	74	25	49
2.7. Cyber Security/ Data Privacy	100	100	83	86	83	88	7	36
2.8. Financial Inclusion	88	81	51	60	53	67	13	18

Interpretation/ Commentary:

- Across eight sub-factors that were thoroughly analysed for evaluating performance on Social parameters, the perfect score of 100 was observed only by a few companies, that too only for Customer Orientation & Welfare, Product / Service Quality and Cyber Security & Data Privacy.
- Highest median score was for 'Product/Service Quality'. It may be noted that given the nature of business of financial services industries, they were not evaluated for Product/ Service quality. Nonetheless, in more than 50% of sample companies there was little to no issue with regard to Product/Service Quality and adequate disclosures were made.
- Further, the highest Average score was observed in 'Product/Service Quality' as well as Cyber Security & Data Privacy. Although majority companies have performed good in Product/ Service quality & Cyber security, the average was dragged down by companies which experienced either data breach or product recalls during the year.
- Workforce diversity and management had the lowest maximum score, lowest average score, as well as lowest median score. This is because companies are analysed on varied factors like gender diversity, turnover rate, return to work rate / retention rate, skill upgradation training, retirement benefits etc. and only 37 out of 200 companies have score more than 80 for workforce management. This indicates a high scope for improvement, especially on gender diversity.
- Average score for Health & Safety and Customer Orientation has decreased when compared to previous year. This can be attributed to more elaborate performance parameters and negative scoring for fatalities and high customer complaints.
- When compared to last year, minimum scores across all factors has increased, with lowest increase in 'Product/ Service quality' and highest increase in 'Cyber Security & Data Privacy' factors.
- Overall, although disclosure quality has improved, performance in the respective sections has a big room for improvement.







2.1. WORKFORCE DIVERSITY & MANAGEMENT

Assessment Factors: Disclosure on workforce and various workforce related practices;

- Workforce details
- Employee Attrition and Turnover Rate
- Training on Skill development
- Workforce Diversity & Inclusion
- Equal Opportunity
- Cost incurred on well-being benefits

BRSR Reference: Section A and Principle 3.

EVALUATION STATISTICS								
2024	QUESTIONS			114	PARAMETERS			417
2023	QUESTIONS			115	PARAMETERS			302
YEAR	SCORE – WORKFORCE DIVERSITY & MANAGEMENT							
2024	MAX.	92	AVG.	70	MED.	71	MIN.	45
2023	MAX.	90	AVG.	67	MED.	67	MIN.	41
BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY				
	81.5 – Financial Services- Banks (2024)				91.7 – Information Technology (2024)			
	74.5 – Information Technology (2023)				90.4 – Financial Services (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY				
	58.7 – Chemicals (2024)				45.2 – Construction materials (2024)			
	56.5 – Chemicals (2023)				40.8 – Oil Gas & Consumable Fuels (2023)			
Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company								

- Majority of scores have performed better in 2024 compared to 2023. The minimum score which was 41 in 2023 further moved up to 45 in 2024. In 2023 & 2024, the lowest scoring entity has changed from Oil Gas & Consumable Fuels Industry to Construction Materials.
- On average basis Chemicals Industry is worst performing industry for both the previous two FYs.
- In 2024, Financial Services - Banks Industry (average of 81.5) has outperformed all other industries / sectors, surpassing IT Industry from previous year.
- Overall there is an improvement or increase in scores on workforce diversity and management, as seen on overall Social pillar, from previous year.

Workforce:

BRSR requires companies to categorize their workforce as employees and workers as defined under Industrial Relations Code, 2020. Both employees and workers are further classified as ‘permanent’ and ‘other than permanent’ depending on their employment terms. Companies are further required to provide gender break-up i.e. into male and female in all categories. This mandatory disclosure requirement has standardized reporting of workforce across companies, making a comprehensive comparison across industries a possibility and same has been provided in the analysis.

An Issue observed on Reporting the Workforce Data:

- The BRSR requires data to be reported for Employees and Workers. However, a data representation issues or would rather say a disparity among the entities, was observed that a few entities have reported ‘Employees’ including ‘Workers’ and also reported workers separately. A general practice and interpretation of workforce data is that Employees + Workers should be considered as total workforce of the Company. However, such dual reporting of workers under the employee’s category as well as separate reporting makes it difficult to ascertain total workforce unless specifically explained by the respective entity. Although, number of such entities were very less, however, their interpretation of such representation was from the BRSR guidelines by regulators, as there is no absolute clarity in this regard.
- Without pointing this on the companies, regulator should address this issue by providing a specific guideline, including for better representation on workers and number of workers, as there also lies a confusion regarding how many workers to reported when there have been significant changes in a particular year. For example, if a company had 1,000 workers for 6-8 months, and 800 of them completes their tenure before year end, the actual reporting would be only for 200 workers. This makes difficult to compare the performance of the company on trainings related data, as the total workers reported and actual workers covered are significantly different. Nonetheless, this report analysis data as reported by the sample entities and such discrepancies if any have been highlighted in relevant section in this report.

The classification of workforce, as required under BRSR, has been presented in Diagram WD-1:

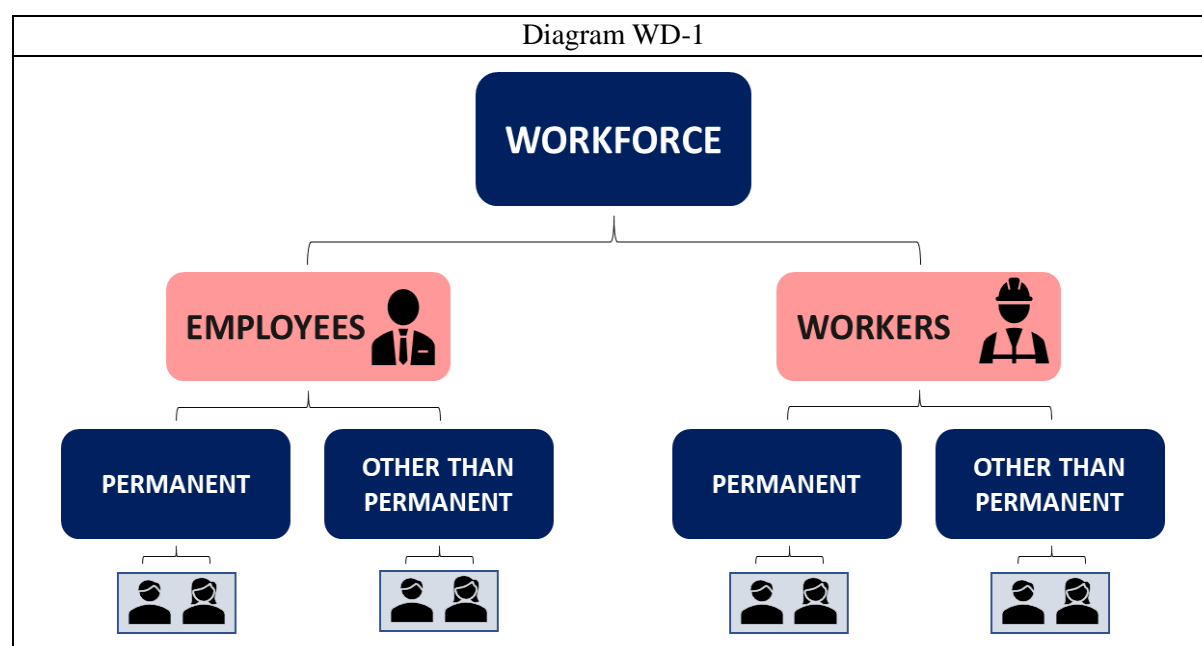


Table WD1 provides industry-wise Workforce data and analysis across sample companies:

TABLE WD1: WORKFORCE SUMMARY						
INDUSTRIES	#	Total Workforce	Distribution %	Average Workforce	Median	% NP Workforce
Total	200	81,79,744	100.0%	40,899	18,929	31.3%
Information Technology	13	17,76,328	21.7%	1,36,641	25,151	5.3%
Financial Services - Bank	22	14,87,013	18.2%	67,592	45,420	2.9%
Oil Gas & Consumable Fuels	12	6,82,526	8.3%	56,877	22,692	48.2%
Metals & Mining	10	6,71,889	8.2%	67,189	32,689	61.3%
Others	14	6,27,311	7.7%	44,808	13,588	73.1%
Financial Services - Others	19	4,80,369	5.9%	25,283	5,822	17.3%
Automobile & Auto Comp.	16	4,63,635	5.7%	28,977	16,523	49.6%
Healthcare	14	3,90,186	4.8%	27,870	20,460	19.1%
Power	10	3,33,085	4.1%	33,309	14,204	76.9%
Fast Moving Consumer Goods	15	2,78,650	3.4%	18,577	14,844	58.3%
Capital Goods	16	2,76,896	3.4%	17,306	8,771	45.1%
Financial Service- Insurance	7	2,01,255	2.5%	28,751	18,844	0.7%
Construction Materials	6	1,79,297	2.2%	29,883	21,025	60.9%
Consumer Services	7	1,35,179	1.7%	19,311	7,027	57.3%
Consumer Durables	7	1,11,903	1.4%	15,986	11,177	60.4%
Chemicals	6	42,438	0.5%	7,073	4,836	47.0%
Realty	6	41,784	0.5%	6,964	3,367	49.6%

#Number of companies covered / NP: Non-Permanent

- A total workforce strength of 81,79,744 was reported by 200 companies with an average workforce strength of 40,899. While majority of workforce (68.7%) was permanent yet significant proportion (31.3%) was constituted by non-permanent workforce.
- The data on permanent and non-permanent is skewed. Non-permanent workforce on average appears to give a comfort that majority are permanent. However, such a conclusion is deceptive, since, a closer look tells that if Financial services (Bank, Insurance and Others) and IT sector are excluded, picture changes drastically.

Out of remaining 13 sectors, 7 have more than 50% non-permanent workforce, very clearly establishing that non-permanent labour is a preferred option.

- IT industry has the highest count of workforce representing 21.7% of the total workforce and also has the highest concentration of workforce with an average workforce strength of 1,36,641 across 13 companies and low (5.3%) NP workforce. The second highest workforce as well as concentration is among Financial service (Bank) sector and it constitutes 18.2% of the total workforce and has average workforce strength of 67,592 across 22 banks, which is less than 50% of IT industry.
- Realty Industry has the least number of workforce and also has the lowest average of workforce at 6,964 per Company. Chemicals and Consumer Durables have the 2nd and 3rd lowest concentration of workforce, respectively.
- Power sector has reported the highest % i.e. 76.9% of non-permanent workforce in total workforce followed by Others and Metals & Mining, while Financial Services- Insurance industry has reported the lowest non-permanent workforce at 0.7%, followed by Financial Service- Banks (2.9%).

TABLE WD2: # WORKFORCE - TOP 5 COMPANIES

INDUSTRIES*	#Total Workforce
Information Technology	6,31,858
Others (Infrastructure)	4,07,438
Information Technology	3,40,687
Oil Gas & Consumable Fuels	3,39,832
Metals & Mining	2,68,957

* In place of the Company name, Industry name is disclosed

- Within the IT industry, total workforce of 5 companies out of total 13 constitute ~88.6% of the total workforce of IT industry.
- Further, as Infrastructure Company included in Others industry forms ~65% of the total workforce in that industry. Non-permanent workforce of the said Company is ~87% of its total workforce.

Employees:

The term “Employee” is defined under Sec 2(l) of the Industrial Relations Code, 2020. Table WD3 provides summary of employees for FY 2023-24 in sample companies:

TABLE WD3: EMPLOYEES SUMMARY (PERMANENT + OTHER THAN PERMANENT)

INDUSTRIES	#	Total Employees	Permanent Employees	Average Permanent Employees	% Non-Permanent Employees
Total	200	54,52,878	49,57,623	24,788	9.1%
Information Technology	13	17,62,038	16,69,296	1,28,407	5.3%
Financial Services - Bank	22	14,86,292	14,43,615	65,619	2.9%
Financial Services - Others	19	4,80,352	3,97,427	20,917	17.3%
Healthcare	14	3,18,834	2,98,190	21,299	6.5%
Financial Services - Insurance	7	2,01,255	1,99,898	28,557	0.7%
Metals & Mining	10	1,95,246	1,88,000	18,800	3.7%
Others	14	1,68,376	1,45,759	10,411	13.4%
Capital Goods	16	1,38,186	1,02,971	6,436	25.5%
Automobile & Auto Comp.	16	1,28,640	1,03,134	6,446	19.8%
Consumer Services	7	1,25,013	54,819	7,831	56.1%
FMCG	15	1,11,946	65,787	4,386	41.2%
Oil Gas & Consumable Fuels	12	1,09,169	1,02,272	8,523	6.3%
Power	10	70,757	64,733	6,473	8.5%
Consumer Durables	7	61,218	39,971	5,710	34.7%
Construction Materials	6	52,417	44,069	7,345	15.9%
Realty	6	23,845	21,039	3,507	11.8%
Chemicals	6	19,294	16,643	2,774	13.7%

#Number of companies

- A total of 54,52,878 employees were employed by the sample companies of which 90.9% were permanent and the rest of 9.1% were non-permanent.
- Of the total employees, the highest number of employees (32% of total employees) were employed by IT industry which constitutes only 13 companies out of total companies in the sample and the second highest i.e. 27% employees were employed by Financial Service - Bank, which constitutes 22 entities of the sample. However, the average permanent employees per Company in IT industry is approx. 2x times of Financial Service - Banks.
- Chemicals industry reported the lowest number of employee headcount. The low average in Chemicals industry can be attributable to high level of automation in production process requiring lesser human intervention when compared to all the other industries in the sample.

- IT industry and Financial Services (Bank, Insurance, Others) industry constitute 72% of the total Employees across sample and they had employed ~75% of the total permanent employees during the year.
- Chemical industry had the lowest headcount of permanent employees (constituting only 0.35% of total employees across sample) as well the lowest average permanent employees, followed by Realty industry (constituting only 0.44% of total employees across sample).
- Consumer Services, FMCG and Consumer Durables industries reported the highest representation of non-permanent employees in their workforce. This is probably attributable to high dependency on non-permanent sales force or front-end service providers. Whereas the lowest dependency on non-permanent workforce has been observed in Financial Services- Insurance industry.

TABLE WD4: PERMANENT EMPLOYEES			
TOP 5 COMPANIES		BOTTOM 5 COMPANIES	
INDUSTRIES*	Permanent Employees	INDUSTRIES*	Permanent Employees
Information Technology	6,01,546	Financial Services – Others#	174
Information Technology	3,17,240	Others (Construction)	186
Financial Services - Bank	2,28,679	Chemicals	236
Information Technology	2,27,481	Oil Gas & Consumable Fuels	265
Information Technology	2,25,381	Fast Moving Consumer Goods	276

* In place of the Company name, Industry name is disclosed | #Holding Company.

- 3 companies under Financial Services - Others had top three lowest number of permanent employees, one of them being a Holding Company with only 3 females. Similarly, another Holding Company in the Realty Industry had only 29 permanent employees. Hence, given the nature of operation of these 4 companies have been excluded from the list in table WD4.

Workers:

The term “Worker” is defined under Sec 2(zr) of the Industrial Relations Code, 2020. Table WD5 provides summary of workers for FY 2023-24 in sample companies:

TABLE WD5: WORKERS SUMMARY (PERMANENT + NON-PERMANENT)					
INDUSTRIES	#Reported Having Workers	Total Workers	Average Workers	% Workers in Total Workforce	% NP Workers in Total Workers
Total	127/200	27,26,866	21,471	33.3%	75.83%
Oil Gas & Consumable Fuels	12/12	5,73,357	47,780	84.0%	56.14%
Metals & Mining	10/10	4,76,643	47,664	70.9%	95.32%
Others	9/14	4,58,935	50,993	73.2%	94.95%
Automobile & Auto Comp.	16/16	3,34,995	20,937	72.3%	61.04%
Power	9/10	2,62,328	29,148	78.8%	84.91%
Fast Moving Consumer Goods	15/15	1,66,704	11,114	59.8%	79.55%
Capital Goods	15/16	1,38,710	9,247	50.1%	69.84%
Construction Materials	6/6	1,26,880	21,147	70.8%	74.65%
Healthcare	12/14	71,352	5,946	18.3%	64.70%
Consumer Durables	6/7	50,685	8,448	45.3%	91.39%

Chemicals	6/6	23,144	3,857	54.5%	100.00%
Realty	2/6	17,939	8,970	42.9%	75.38%
Information Technology	3/13	14,290	4,763	0.80%	70.98%
Consumer Services	3/7	10,166	3,389	7.50%	8.52%
Financial Services- Bank	1/22	721	721	0.05%	0.00%
Financial Services- Others	2/19	17	9	0.01%	0.00%
Financial Services- Insurance	0/7	0	0	0.00%	0.00%

Note: Average workers per Company has been calculated based on the total number of companies that had disclosed presence of workers in their workforce. | NP: Non-Permanent.

- Out of 200 companies, 127 companies have reported a total of 27,26,866 workers, whereas 73 companies did not report having workers. Except Financial Services- Insurance, workers have been reported in all other industries. Further, all companies under Oil Gas & Consumable Fuels, Metals & Mining, Automobile & Auto parts, FMCG, Chemicals and Construction materials reported having workers.
- Almost 76% workers are non-permanent, compared to just 9.1% in Employees category. The highest non-permanent workers (as a % of total workers) were observed in Chemicals Industry i.e. 100% non-permanent workers, followed by Metals & Mining industry, having 95.3% non-permanent workers and Others industry with 94.9% non-permanent workers.

This is an extremely weak link in Social factor performance. Data alone cannot give reasons for the same. Are labour laws responsible for such divergence? Or cost or lack of skill? Or seasonal nature? Whatever may be the reason or reasons, end result is social inequality and vulnerability.

- Oil Gas and Consumable Fuels reported having the highest workers followed by Metals and Mining along with ‘Other Industries’. However, the highest concentration of workers is reported by ‘Other’ Industry at 50,993 workers per Company, followed by Oil Gas & Consumable Fuels at 47,780 workers per Company.
- Interestingly only 1 bank reported having workers and that too 721 workers, against other 21 banks in sample having zero workers in their workforce. Further, the total companies in Financial Services (Banks, Insurance and Others), only 3 of total 48 companies reported having a total of 738 workers, all of which were permanent and constitute only 0.03% of the workforce in the said industries. Similarly, within IT industry, only 3 companies out of 13 had reported a total of 14,290 workers, constituting merely 0.8% of total workforce in industry.

TABLE WD6: NON-PERMANENT WORKERS			
BOTTOM 5 COMPANIES		TOP 5 COMPANIES	
INDUSTRIES*	Non- Permanent Workers	INDUSTRIES*	Non- Permanent Workers
Construction Materials	1	Others (Infrastructure)	3,48,094
Construction Materials	29	Metals & Mining	1,43,741
Others	43	Power	1,22,542
Healthcare	64	Oil Gas & Consumable Fuels	1,12,214
Oil Gas & Consumable Fuels	94	Oil Gas & Consumable Fuels	1,10,971

* In place of the Company name, Industry name is disclosed.

- One Infrastructure Company falling under ‘Other’ category reported the highest number of non-permanent workers and it constitutes 85.4% of the Company’s total workforce. This was followed by Metals & Mining Company and one Power Company.

- For the purpose of least number of non-permanent workers, companies with zero non-permanent workers have been excluded from table WD6. Interestingly, companies from IT industry who have reported workers, do not fall under bottom 5 companies with non-permanent workers.
- It has been further observed that few companies have not reported workers in Section A of BRSR, however, has disclosed relative information for other Principles in the BRSR (like safety related incidents). These workers are the contractual workers/ manual labours hired on a daily or monthly basis on need basis.
- In these companies, where the workers are employed on need basis, the disclosures on social parameters are highly inconsistent. Conveniently, for them disclosures like Health & Safety and Human rights trainings will not apply to them as the training may or may not be conducted during the period for which they were employed, neither will they be subjected well-being benefits like Accident & health insurance. Hence, these companies should address how the rights of workers are being protected.

Diversity & Inclusion:

With an increasing focus on enhancing Diversity and Inclusion under the umbrella of Sustainability, BRSR requires companies to provide gender break-up of their workforce and a separate disclosure of total number of differently-abled employed in each category of workforce. Such a disclosure has enabled performance tracking of gender diversity and inclusion measures undertaken by each Company.

Gender Diversity:

The BRSR format requires companies to disclose gender bifurcation into male and female employees as well as workers. However, 16 companies have voluntarily disclosed gender disclosure into Male, Female and Others category. The ‘Others’ category also includes employees & workers who have not disclosed their gender and transgender personnel.

Gender wise workforce data has been summarized in the following table WD7:

TABLE WD7: GENDER DIVERSITY SUMMARY					
INDUSTRIES	#	Total Workforce	% Male	% Female	% Others
Total	199	81,65,325	80.50%	19.50%	0.01%
Construction Materials	6	1,79,297	96.76%	3.24%	0.00%
Power	10	3,33,085	95.78%	4.22%	0.00%
Oil Gas & Consumable Fuels	11	6,68,107	94.44%	5.56%	0.00%
Metals & Mining	10	6,71,889	93.88%	6.08%	0.04%
Chemicals	6	42,438	93.47%	6.53%	0.00%
Capital Goods	16	2,76,896	92.23%	7.77%	0.00%
Others	14	6,27,311	90.71%	9.29%	0.01%
Realty	6	41,784	88.89%	11.04%	0.07%
Consumer Durables	7	1,11,903	87.98%	12.02%	0.00%
FMCG	15	2,78,650	83.08%	16.92%	0.01%
Automobile & Auto Comp.	16	4,63,635	82.93%	17.07%	0.00%
Financial Services - Others	19	4,80,369	81.73%	18.27%	0.00%
Healthcare	14	3,90,186	80.33%	19.67%	0.01%
Financial Service - Insurance	7	2,01,255	75.00%	25.00%	0.00%
Financial Services - Bank	22	14,87,013	73.13%	26.87%	0.00%

Consumer Services	7	1,35,179	66.17%	33.83%	0.00%
Information Technology	13	17,76,328	65.64%	34.32%	0.03%

#Number of companies covered

Note: One Company under Oil Gas & Consumable Fuel sector has not disclosed gender-wise classification of their workers, hence, it **has been excluded for the purpose of analysing gender diversity**.

- In absolute term, the highest male workforce as well as highest 'Others' workforce was observed in IT industry. However, in terms of percentage of total workforce, highest 'Other' gender workforce was observed in Realty Industry.
- 16 companies have employed 954 employees/ workers belonging to 'other' gender, which merely constitutes 0.012% of the total workforce of the sample.
- 7 Industries out of total 17 industries in the sample had employed less than 10% female workforce.

Female Workforce Diversity:

Data on the total women workforce in bifurcated manner in the sample is as given in table WD8:

TABLE WD8: GENDER DIVERSITY IN WORKFORCE SUMMARY				
INDUSTRIES	Total Female Workforce	Distribution of Female Workforce	Average Female Workforce	Representation in Total Workforce
Total	15,94,626	100.0%	8,013	19.5%
Information Technology	6,09,696	38.2%	46,900	34.3%
Consumer Services	45,731	2.9%	6,533	33.8%
Financial Services - Bank	3,99,600	25.1%	18,164	26.9%
Financial Services - Insurance	50,309	3.2%	7,187	25.0%
Healthcare	76,762	4.8%	5,483	19.7%
Financial Services - Others	87,779	5.5%	4,620	18.3%
Automobile & Auto Comp.	79,139	5.0%	4,946	17.1%
Fast Moving Consumer Goods	47,136	3.0%	3,142	16.9%
Consumer Durables	13,452	0.8%	1,922	12.0%
Realty	4,611	0.3%	769	11.0%
Others	58,269	3.7%	4,162	9.3%
Capital Goods	21,526	1.3%	1,345	7.8%
Chemicals	2,771	0.2%	462	6.5%
Metals & Mining	40,818	2.6%	4,082	6.1%
Oil Gas & Consumable Fuels	37,161	2.3%	3,378	5.6%
Power	14,061	0.9%	1,406	4.2%
Construction Materials	5,805	0.4%	968	3.2%

Note: The above table excludes companies listed during FY 2023-24 (since FY 2023 data not available) and companies which had not disclosed gender-wise classification of their employees and workers.

- IT industry has the highest number of female employees followed by Financial Service- Banks. These 2 industries constitute ~63% of total female workforce in the observed sample and also have the highest average females per Company in the workforce.
- IT industry also leads the highest female representation in the workforce with 34.3% followed by Consumer Services at 33.8%.

- Apart from IT and Financial Services (Banks & Insurance), the highest average of female workforce per Company has been observed in Consumer Services, followed by Healthcare.
- These four sectors have at least two common factors- a clean safe working environment away from industrial clutter, secondly involves continuous human interaction. Does this indicate a correlation between women workforce and human interactions / human relations?
- The lowest headcount of female workforce has been observed in Chemical industry, followed by Realty & Construction Materials industry. These 3 industries also have the lowest average of female workforce (in the same order) followed by Power and Capital Goods industries.
- Manufacturing industries such as Construction Materials and Power have the lowest female representation in the workforce at 3.2% and 4.2%, respectively.

Table WD9 provides a summary of year-on year change in female workforce (as a % of total workforce) in the sample. It highlights number of companies in which total female workforce (as a % of total workforce) has increased (↑)/ decreased (↓) when compared to last FY and provides industry wise summary of change in female workforce:

TABLE WD9: FEMALE WORKFORCE						
INDUSTRIES	Change in Female Workforce (%)			Year-on-year Change % (from 2022-23 to 2023-24)		
	#	↑	↓	Employees	Workers	Total
Total	194	130	64	5.3%	25.4%	7.6%
FMCG	15	13	2	23.0%	87.8%	59.7%
Automobile & Auto Comp.	16	14	2	22.4%	48.0%	42.0%
Consumer Services	7	3	4	28.5%	17.5%	28.2%
Financial Services - Others	17	9	8	27.3%	0.0%	27.3%
Healthcare	14	9	5	19.6%	27.7%	20.6%
Construction Materials	6	4	2	24.1%	8.7%	16.1%
Power	10	5	5	11.0%	19.1%	15.6%
Capital Goods	16	12	4	13.0%	19.5%	15.4%
Metals & Mining	10	5	5	16.8%	10.1%	12.8%
Financial Services - Bank	22	19	3	8.4%	-12.0%	8.4%
Chemicals	6	4	2	10.8%	5.2%	7.6%
Others	13	10	3	13.8%	-1.6%	6.9%
Oil Gas & Consumable Fuels	10	7	3	0.9%	7.1%	5.6%
Financial Services – Insurance^	7	6	1	4.4%	NA^	4.4%
Consumer Durables	7	4	3	-0.2%	-0.4%	-0.3%
Information Technology	12	3	9	-2.9%	-8.9%	-3.0%
Realty^	6	3	3	-20.9%	NA^	-20.9%

#Note: The above table excludes companies listed during FY 2023-24 (since FY 2023 data not available) and companies which had not disclosed gender-wise classification of their employees and workers. / ^ Financial Services - Insurance and Realty Industry did not record having any female workers in both FYs.

- On individual basis, out of 194 companies, female workforce as a percentage of total workforce increased in 130 companies whereas, it decreased in 64 companies.
- While the highest increase was observed in one FMCG Company, whereas the highest decrease was seen in one Financial Services- Others Company.

- On industry wide, the highest increase in total female workforce was observed in FMCG industry, followed by Consumer services industry, whereas the highest decrease was recorded by Realty Industry, followed by IT industry.
- Among female employees, Consumer services reported the highest increase when compared to last FY, followed by Financial Services- Others whereas Realty industry reported highest decrease.
- On the other hand, among female workers the highest increase was among the FMCG industry by 87.8%, where one FMCG Company recorded increase of female workers from 823 in FY 2023 to 8,194 in FY 2024 i.e. an increase by more than 800%. Whereas the highest decrease was seen in Financial Services- Banks.

Hence, when compared to last FY, there has been an overall increase in female workforce %. While increase was observed among both, employees and workers, the increase % among workers is much higher than increase % among employees.

TABLE WD10: WOMEN % IN WORKFORCE (FY 2023-24)				
INDUSTRIES	Median %	Maximum	Minimum	Female to Male Ratio (Per '000)
Total (199/200)	11.80%	72.07%	0.31%	243
Information Technology	31.34%	37.93%	15.11%	523
Consumer Services	22.41%	39.50%	12.84%	511
Financial Services - Bank	27.14%	42.28%	9.34%	367
Financial Services - Insurance	27.36%	34.73%	21.04%	333
Healthcare	10.32%	49.83%	2.53%	245
Financial Services - Others	21.47%	38.60%	2.80%	224
Automobile & Auto Comp.	7.47%	40.15%	0.62%	206
Fast Moving Consumer Goods	13.67%	42.85%	1.22%	204
Consumer Durables	13.03%	29.18%	2.37%	137
Realty	20.45%	28.71%	3.85%	124
Others	8.88%	72.07%	1.78%	102
Capital Goods	4.76%	24.08%	0.77%	84
Chemicals	5.06%	18.14%	3.84%	70
Metals & Mining	4.65%	9.84%	3.55%	65
Oil Gas & Consumable Fuels	4.32%	8.13%	3.82%	59
Power	4.72%	11.06%	0.31%	44
Construction Materials	3.47%	4.48%	1.19%	33

- Across the sample, the median % of female workforce is 11.80%, indicating that in majority of companies, the female workforce % is less than 12% of total workforce.
- The highest female to male ratio (per 1,000) was observed in the IT industry, followed by Consumer services and Financial Services- Banks, whereas the lowest ratio was observed in Construction materials industry, followed by Power industry and Oil Gas & Consumable Fuels industry.
- One Company in Automobile & Auto Component industry has 40.15% female representation when compared to its total workforce and is majorly constituted by non-permanent female workers. This Company has disclosed that extensive measures were undertaken to promote diversity at workplace. No other Company in this industry has more than 20% female representation in workforce. The

Company with second lowest female representation in workforce at 0.62% also belongs to the Automobile & Auto Component industry.

- 👍 All 13 IT companies had reported more than 15% female representation in total workforce and none of the Financial Service-Insurance companies have less than 10% female representation.
- 👎 None of the Metals & Mining and Oil Gas & Consumable Fuels companies had reported more than 10% female representation in total workforce. Whereas none of the Construction Materials Company had more than 5% female workforce.
- In nutshell gender equality in employment is still a work in process with miles to go.

TABLE WD11: WOMEN IN WORKFORCE

TOP 5 COMPANIES		BOTTOM 5 COMPANIES	
INDUSTRIES*	#	INDUSTRIES*	#
Information Technology	2,25,242	Others	16
Information Technology	1,29,212	Oil Gas & Consumable Fuels	26
Information Technology	84,963	Power	31
Information Technology	68,506	Capital Goods	33
Financial Services - Bank	62,623	Capital Goods	44

* In place of the Company name, Industry name is disclosed.

TABLE WD12: WOMEN % IN WORKFORCE

TOP 5 COMPANIES		BOTTOM 5 COMPANIES	
INDUSTRIES*	%	INDUSTRIES*	%
Others	72.07%	Power	0.31%
Healthcare	49.83%	Automobile and Auto Components	0.62%
Others	43.53%	Capital Goods	0.77%
Fast Moving Consumer Goods	42.85%	Capital Goods	0.87%
Fast Moving Consumer Goods	42.36%	Power	0.93%

* In place of the Company name, Industry name is disclosed.

- 3 companies under 'Financial Services- Others' had bottom three lowest number of female workforce (in absolute numbers), one of them being a Holding Company with only 18 permanent employees. Similarly, another Holding Company in the Realty Industry had 101 permanent employees. Hence, given the nature of operation of these 4 companies have been excluded from the list in tables WD11 & WD12.
- As discussed earlier, within 'Other industries', a Textile industry company, had the highest female representation, whereas a Port and Port services Company had the lowest female percentage in the workforce at 1.78% among Other industries.
- Within the Healthcare industry, a pharmaceutical manufacturing Company has the lowest % female workforce at 2.5% while the Company engaged in Healthcare Services (Hospitals) has the highest female representation in workforce at 49.8%.

Table WD13 Female Employees across the categories.

TABLE WD13: FEMALE EMPLOYEES SUMMARY				
INDUSTRIES	Total Female Employees	% NP Female in Total Female Employees	% NP Female in Total NP Employees	Permanent: Female to Male (Per '000)
Total (199)^	13,79,499	9.25%	25.78%	338
Information Technology	6,03,599	4.31%	28.03%	529
Consumer Services	44,484	61.05%	38.69%	462
Financial Services - Bank	3,99,432	2.56%	24.01%	369
Financial Services - Insurance	50,309	1.09%	40.53%	331
Others	34,333	12.41%	18.84%	260
Healthcare	66,614	9.32%	30.09%	254
Realty	4,611	11.99%	19.71%	239
FMCG	15,738	42.07%	14.34%	161
Financial Services - Others	87,777	37.61%	39.81%	160
Consumer Durables	7,232	26.76%	9.11%	153
Automobile & Auto Comp.	16,232	26.48%	16.85%	131
Capital Goods	13,157	31.93%	11.93%	95
Metals & Mining	17,261	7.57%	18.04%	93
Oil Gas & Consumable Fuels	8,739	3.27%	4.16%	91
Power	5,761	7.64%	7.30%	90
Chemicals	1,230	10.41%	4.83%	71
Construction Materials	2,990	15.48%	5.55%	61

^Excludes one company due to non-disclosure of bifurcated data. | NP = Non-Permanent.


- As can be seen from data in table WD12, of the total 13,79,499 female employees were reported by 199 sample companies, out of which about 91% are permanent and **9% were non-permanent**.
- The highest non-permanent female employees have been observed in the Consumer Services industry with 61% non-permanent female employees, followed by FMCG industry with 42% non-permanent female employees. Whereas, Financial Services- Insurance industry recorded the lowest non-permanent female employees, followed by Financial Services- Bank and Oil Gas & Consumable Fuels industry.
- The highest % of non-permanent female employees when compared to total non-permanent employees was recorded in Financial Services – Insurance industry. Whereas lowest % was observed in the Oil Gas & Consumable Fuels industry.
- With regard to Permanent Female to Permanent Male employee ratio, IT industry reported the highest ratio followed by Consumer Service industry.
-  Construction Material industry had the lowest female to male ratio at just 61 permanent female employees for every 1,000 permanent male employees.
- Once again, the data is deceptive, leaving Financial Services- Bank and IT sectors, there were ~3.76 lac women employees, out of which 24% were non-permanent employees. Hence, while for total sample only 9% female employees are non-permanent, the said percentage increases significantly when 2 heavy workforce centric sectors (Financial Services- Banks and IT) are excluded.

Table WD14 provides summary of Female Workers across the categories:

TABLE WD14: FEMALE WORKERS SUMMARY				
INDUSTRIES	Reported Having Female Workers	Total Female Workers	% NP Female in Total Female Workers	% NP Female Workers in Total NP Workers
Total	121/200	2,15,127	56.79%	5.95%
Automobile & Auto Comp.	15/16	62,907	44.57%	13.71%
Fast Moving Consumer Goods	14/15	31,398	81.52%	21.99%
Oil Gas & Consumable Fuels^	11/12	28,422	28.41%	2.62%
Others	9/14	23,936	38.02%	2.09%
Metals & Mining	10/10	23,557	83.16%	4.84%
Healthcare	12/14	10,148	82.59%	15.58%
Capital Goods	15/16	8,369	66.10%	6.16%
Power	9/10	8,300	86.98%	2.89%
Consumer Durables	6/7	6,220	87.35%	11.73%
Information Technology	3/13	6,097	5.10%	25.55%
Construction Materials	6/6	2,815	89.91%	2.51%
Chemicals	6/6	1,541	92.67%	8.26%
Consumer Services	3/7	1,247	74.66%	12.90%
Financial Services - Bank	1/22	168	0.00%	0.00%
Financial Services - Others	1/19	2	0.00%	0.00%
Financial Services - Insurance	0/7	0	0.00%	0.00%
Realty	0/6	0	0.00%	0.00%

^Excludes one company due to non-disclosure of bifurcated data | Insurance & Realty industry do not have any female worker.

- Out of 127 companies that had recorded workers, only 121 companies recorded having female workers, where Financial Services- Banks & Others recorded only permanent female workers.
- Automobile Industries has employed the highest number of female workers and also has the highest average of female workers per Company. This industry also has the highest headcount of non-permanent female workers, with ~45% non-permanent female workers across the industry.

This is attributable to just one Company in the industry which is engaged in manufacturing and sale of automotive components as it contributes to 72% of the total female workers within ‘Automobile and Auto Components’.

- Chemical industry has the highest % of non-permanent female workers (when compared to total female workers) at 93%, followed by Construction materials industry at ~89.9%. Whereas the lowest non-permanent female worker % has been observed in IT industry, followed by Oil Gas & Consumable Fuels industry.
- Further, while non-permanent female workers constitute ~57% of total female workers, they only constitute ~6% of the total non-permanent workers recorded during the year. Overall, although non-permanent female workers form the majority, even among non-permanent workers, male non-permanent workers are given preference over female non-permanent workers.

Employee Vs Worker Data Divergence

The data in several industries including Construction materials, Oil Gas & Consumable Fuels and Metals & Mining, among others, is contrasting for women employees and women workers. All companies in these industries, except 4 out of total 27 companies, have reported female employee representation of less than 10% in total employees, whereas, Oil Gas & Consumable Fuels, Metals & Mining and Construction materials industry have been ranked 3rd, 5th and 11th with respect to total female workers in the sample.

The operations in these industries are relatively of risky nature. The question that arises as to what makes skilled / relatively more educated females to shun job as employee in such industries but unskilled / semi-skilled women opt for jobs as worker in such industries? It appears that while most of the skilled women would opt to work in other industries which have less hazardous work environment, unskilled women and men are compelled to work in such environment as they have relatively limited avenue of work.

Oil Gas & Consumable Fuels industry is a bit different from any other industry as it has operations which are vastly different from risk perceptions as it has off shore (both near and deep offshore), on shore, administrative, etc.

It would be better if these companies further refine and classify their workforce based on their work i.e. whether they are working onshore or offshore from their offices. Without proper nature of disclosures, a comprehensive analysis is not possible.

- Apart from Financial Services industry (Banks, Insurance & Others), Chemicals industry has the lowest average of female workers at just 257 female workers per Company.
- As discussed above, Automobile Industry has the highest average female workers per Company, followed by 'Other' industry at 2,660 workers per Company, this is mainly on account of high number of females in Service and Textile companies.
- Construction materials industry had the lowest female to male ratio among non-permanent employees and second lowest female to male ratio among non-permanent workers.

Inclusion of Differently Abled Workforce

Table WD15 gives statistical information on the total differently abled workforce in the sample:

TABLE WD15: TOTAL DIFFERENTLY ABLED WORKFORCE						
INDUSTRIES	#	Total	Average	% of Total Employees	% of Total Workers	% of Total Workforce
Total	176/200	43,074	245	0.67%	0.25%	0.53%
Financial Services - Bank	22/22	22,046	1,002	1.48%	1.53%	1.48%
Capital Goods	14/16	2,906	208	1.27%	0.83%	1.05%
Financial Serv. - Insurance	7/7	1,385	198	0.69%	NA	0.69%
FMCG	12/15	1,506	126	0.54%	0.54%	0.54%
Power	10/10	1,716	172	1.09%	0.36%	0.52%
Automobile & Auto Comp.	15/16	2,081	139	0.43%	0.45%	0.45%
Consumer Services	7/7	563	80	0.40%	0.59%	0.42%
Oil Gas & Consumable Fuel	11/12	2,587	235	1.13%	0.24%	0.39%
Information Technology	11/13	5,196	472	0.29%	0.59%	0.29%
Metals & Mining	9/10	1,338	149	0.52%	0.07%	0.20%

Chemicals	5/6	84	17	0.18%	0.21%	0.20%
Consumer Durables	5/7	209	42	0.12%	0.27%	0.19%
Healthcare	12/14	555	46	0.16%	0.17%	0.16%
Realty	4/6	49	12	0.21%	0.00%	0.12%
Construction Materials	6/6	162	27	0.14%	0.07%	0.09%
Others	11/14	426	39	0.20%	0.02%	0.07%
Financial Services-Others	15/19	265	18	0.05%	5.88%	0.06%

#Number of companies that have reported having differently-abled workforce / **Note:** Average differently abled workforce per Company has been calculated based on the total number of companies that have disclosed their presence.

- Out of 200 sample companies, 1 Oil Gas & Consumable Fuels Company and 1 Pharmaceutical Company did not disclose differently abled workers under the non-permanent category, hence, these 2 companies have been excluded. Further, out of remaining 198 companies, only 176 companies reported having differently abled workforce.
- Financial Services-Banks have the highest number as well as % differently-abled workforce and constitutes 51% of the total differently-abled workforce in the total sample. IT industry has the second highest headcount and an average of 472 differently-abled workforce per Company.
- Lowest average of different-abled workforce per Company has been reported by Realty industry, followed by Construction Materials; these 2 industries have also reported lowest headcount of differently abled workforce.
- Employment of differently abled persons among employees was higher than workers, primarily due to lack of adequate infrastructure and limited accessibility of entire workplace premises.

TABLE WD16: TOP 5 COMPANIES WITH DIFFERENTLY ABLES WORKFORCE & WORKERS			
Workforce		Workers	
INDUSTRIES*	Total	INDUSTRIES*	Total
Financial Services - Bank	5,472	Automobile and Auto Components	1,045
Financial Services - Bank	2,878	Power	819
Financial Services - Bank	2,647	Oil Gas & Consumable Fuels	547
Financial Services - Bank	2,465	Capital Goods	439
Financial Services - Bank	2,245	Capital Goods	434

* In place of the Company name, Industry name is disclosed

- All top 5 companies with highest headcount of differently-abled workforce belong to Financial Services- Banks industry.
- 👍 One Company in Automobile & Auto Components industry with highest percent of female representation in the industry also has the highest representation of differently-abled workforce setting high benchmarks of diversity and inclusion in total workforce.

Other Disclosures relating to Differently-Abled

BRSR requires Company to disclose if they have an Equal Opportunity Policy as per Rights of Persons with Disabilities Act, 2016 and discuss about accessibility of workplace for differently-abled to ensure that inclusivity measures have been implemented by Companies.

The data collected from BRSR of 200 companies is as follows:

TABLE WD17: DISCLOSURES FOR INCLUSIVITY OF DIFFERENTLY-ABLED

Particulars	#Companies	
	Disclosure*	Performance*
Equal Opportunity Policy	200/200	195/200
Accessibility of Workplace for Differently-abled	200/200	195/200
Job Creation for differently-abled in smaller towns	16/200	15/16

#Number of companies that have disclosed the data / *For all purpose in Social segment, **Disclosure** signifies the number of companies who have disclosed information on relevant question and **Performance** signifies the number of companies who given a positive response.

- While 200 companies have disclosed that they have an Equal Opportunity Policy, only 195 companies have disclosed the said policy. No Company has stated that they do not have an Equal Opportunity Policy.
 - 5 out of 200 companies have stated either that adequate steps are being taken to make their offices/premises differently-abled friendly or that only few offices/premises are differently abled friendly.
 - Further, only 16 out of 200 companies have discussed about job creation to differently-abled employees/ workers in general, whereas 15 companies have disclosed specific information on jobs created for differently abled workforce.
- It is evident that sensitivity or responsibility of corporates (companies in sample) with regard to inclusiveness towards differently abled people appear to be extremely low as merely ~8% companies in sample have talked about job creation for differently abled persons in small towns. Either companies are not taking adequate steps towards inclusivity of differently abled in job creation or they are not adequately reporting the same.

Turnover Rate of Permanent Workforce:

Employee Turnover rate measures how often employees / workers leave a Company and are replaced by new workforce. BRSR requires listed companies to calculate the turnover rate for a financial year, for a particular category.

As per guidance note BRSR Format, turnover rate shall be calculated by dividing the number of persons who have left the employment of the entity during the year by average number of persons employed in the category. Persons leaving the employment of the entity includes voluntary departures or departures due to dismissal, termination, retirement or death in service.

Table WD18 provides a brief summary on Turnover rate among permanent employees and workers and also identified number of companies in which turnover rate had increased or decreased in the respective industry category.

TABLE WD18: AVERAGE TURNOVER RATE (%) OF PERMANENT WORKFORCE

INDUSTRIES	Employees				Workers			
	Average (%)		#Companies		Average (%)		#Companies	
	2023	2024	↑	↓	2023	2024	↑	↓
Total^	16.7%	15.0%	61	131	8.3%	7.9%	42	55
Automobile & Auto Comp.	13.0%	11.8%	3	12	12.3%	8.1%	5	10
Capital Goods	10.7%	11.8%	8	8	3.0%	3.9%	6	7
Chemicals	14.7%	12.0%	2	4	13.9%	12.6%	1	3
Construction Materials	16.8%	18.1%	3	3	6.8%	11.9%	3	2
Consumer Durables	21.3%	22.8%	3	4	5.9%	4.4%	1	3

Consumer Services	31.1%	27.2%	1	5	10.1%	7.2%	0	1
Fast Moving Consumer Goods	20.0%	17.7%	4	10	4.9%	6.6%	9	4
Financial Services - Bank	16.6%	14.3%	5	17	12.5%	1.3%	0	1
Financial Services - Insurance	26.3%	22.4%	2	5	NA	NA	0	0
Financial Services - Others	17.9%	16.4%	6	11	0.0%	7.7%	1	0
Healthcare	23.5%	20.7%	2	12	9.2%	11.6%	5	5
Information Technology	21.5%	15.6%	0	13	28.4%	22.7%	0	1
Metals & Mining	10.1%	10.2%	7	3	5.1%	6.8%	4	3
Oil Gas & Consumable Fuels	6.5%	6.2%	6	6	6.2%	5.7%	3	8
Others	15.4%	12.5%	1	12	15.2%	9.8%	1	5
Power	7.3%	7.3%	5	3	4.8%	4.3%	3	1
Realty	23.0%	21.5%	3	3	60.0%	46.0%	0	1

^Excludes 1 FMCG Company that had disclosed combined turnover rate for employees & workers and one Financial service - others company | **Note:** Average has been calculated based on total number of companies to which it was applicable and was disclosed.

- For FY 2023-24, only 1 FMCG Company did not disclose Total **Employee** turnover rate (although bifurcation of male/ female/ others has been disclosed), whereas 4 companies did not disclose turnover rate for **workers** (last FY: 5 companies did not disclose workers' turnover rate).
- One 'Financial Services- Others' Company recorded employee turnover rate of 91% (last FY: 104%), and the reason for same was 'due to infant attrition'. The said Company had been excluded from table WD18.
- Overall sample experienced a decrease in the average turnover rate, where among permanent employees the average decreased by 10% and among permanent workers it decreased by 4.9%.
- Interestingly, 1 Capital Goods Company and 1 Power Company has reported 0% turnover rate for workers for last 3 FYs, whereas during FY 2023-24, 1 Capital Goods, 1 Healthcare Company and 1 Power Company reported 0% turnover rate for workers. Further, among employees, only 1 Financial Services- Others Company had reported 0% turnover rate for last 3 FYs.
- Total 19 companies out of 198 reported turnover rates of 30% or more, with highest turnover rate being 66.85% in one Consumer Services Company, whereas among workers 4 companies (out of 107 companies) reported 30% or more turnover rate during FY 2023-24.
- 73 out of 198 companies have reported employee turnover rate less than 10% for permanent employees, while 86 out of 107 companies have reported turnover rate less than 10% for permanent workers. Indicating that stability of permanent workers is higher compared to permanent employees or can it be said that job opportunities are more for employees compared to workers? It is extremely difficult to say based on limited data.

Permanent Employees:

- On industry level, Oil Gas & Consumable Fuels industry has reported the lowest average turnover rate for permanent employees followed by Power and Metals & Mining industry. It is to be noted that these 3 industries are heavily reliant on workers, as workers form more than 70% of their total workforce.
- Service oriented industries such as Consumer Services and Financial Services Insurance have reported highest average permanent employee turnover rate.

- In FY 2023-24, Capital Goods industry has reported an increase of 10.5% in their average turnover rate when compared to FY 2022-23, which was followed by Construction materials and Consumer Durables industry. Whereas highest decrease was reported by IT industry, followed by Others.
- Out of 198 companies that had reported turnover rate for permanent employees, there was no change during the year in 6 companies, increase in 61 companies and decrease in 131 companies when compared to last FY.

Permanent Workers:

- The highest average turnover rate for permanent workers was reported by Realty industry, followed by IT industry and Chemicals industry, whereas the lowest turnover rate was observed in Capital goods industry, followed by Power industry (this excludes Financial Services- Banks, Insurance & Others, as it had very low strength of workers).
- Construction materials industry reported the highest increase in average turnover rate for permanent workers when compared to its previous year, whereas ‘Other’ industry reported the highest decrease in average turnover rate for permanent workers (excluding Financial Services- banks).
- On Company level, highest turnover rate among workers was in an Automobile & Auto component company at 55%, followed by Realty company (46%) and a Healthcare company (43.8%).
- Out of 107 companies that had reported turnover rate for permanent workers, there was no change during the year in 7 companies, increase in 42 companies and decrease in 55 companies when compared to last FY. It may be noted that, 3 companies had either not disclosed or not reported turnover rate during FY 2022-23; hence, change comparison not possible.
- Table WD18, to limited extent confirms that turnover rate of employees / workers is linked to economic prospects in the sector. Most sectors which have witnessed a higher turnover rate over previous year, have seen growth and better economic prospects.

Skill Upgradation Training:

It is imperative that companies play a crucial role in development of their respective workforce to keep them up to date with technological advancements in the industry and in order to sustain a skilled workforce in the economy.

BRSR requires companies to disclose skill upgradation training provided each year to employees and workers for last 2 years. However, it has been observed that many companies have excluded non-permanent workforce from the coverage of workforce trained for skill upgradation (there were 86 and 52 companies that had considered different total employees and total workers, respectively, from what was mentioned in Section A of BRSR).

- 🔴 Non-permanent workforce together forms 31% of the total workforce in the sample, where 9.1% employees were non-permanent and 76% workers are non-permanent. Hence, either these companies did not understand BRSR requirement or have intentionally left non-permanent workers out for calculation. **In either case, the data so presented by companies is misleading.**

Table WD19 analyses the data for companies that have provided the data for skill upgradation trainings to employees and workers which includes permanent as well as non-permanent workforce.

The coverage % has been calculated considering the total workforce as disclosed by companies under Section A of BRSR.

TABLE WD19: TRAINING ON SKILL UPGRADATION				
INDUSTRIES	#	Employees Trained (%)	#	Workers Trained (%)
Total	196/197	77.18%	125/127	34.64%
Metals & Mining	9/9	73.41%	8/9	62.58%
Automobile & Auto Comp.	16/16	75.43%	16/16	48.62%
Others	14/14	78.40%	10/10	39.36%
Fast Moving Consumer Goods	15/15	39.30%	15/15	32.12%
Capital Goods	16/16	48.82%	15/15	47.72%
Oil Gas & Consumable Fuels	12/12	74.17%	12/12	13.53%
Power	10/10	48.21%	9/9	12.34%
Consumer Durables	7/7	49.84%	5/6	30.46%
Construction Materials	6/6	70.96%	6/6	12.13%
Chemicals	6/6	78.81%	6/6	15.43%
Healthcare	14/14	87.24%	12	45.70%
Consumer Services	7/7	79.87%	3/3	21.58%
Information Technology	12/12	83.20%	3/3	40.45%
Financial Services - Bank	21/22	79.17%	1/1	92.65%
Financial Services - Others	19/19	65.29%	2/2	64.71%
Realty^	6/6	54.59%	2/2	0.00%
Financial Services - Insurance	6/6	89.77%	0/0	NA

#Number of companies disclosed data for training / Number of companies required to disclose data | 1 IT Company has disclosed overall % of training coverage (includes training of Health & Safety) | 1 Metals & Mining and 1 Financial Services- Insurance Company has not disclosed training data in BRSR format and the number of employees / workers covered appears highly inconsistent with total workforce. Hence, these 3 companies have been excluded. | ^In the Realty industry, only 2/6 companies reported having workers, but no training was provided to them.

- In 10 companies the number of employees/workers provided with training on Skill upgradation was more than the total number of workforces during the year. This is primarily due to high employee attrition and where individual employees have undergone multiple trainings during the year. For the purpose of analysis, total employees trained has been considered as per total workforce data i.e. 100% employees trained in these companies.
- Among employees, while 1 Banking Company had not disclosed data on Skill upgradation training, 2 companies from Financial Services- Others and Consumer services had 0% coverage for its employees during the year.

Whereas among workers, 2 companies (1 from Consumer Durables and Metals & Mining industry each) did not disclose data on training, disclosure was not applicable in 73 companies (since no worker) and 13 companies had 0% coverage for skill upgradation training for its workers.

- As can be noted from table WD19, 77% of employees were provided with skill upgradation training while only 35% workers were provided skill upgradation trainings highlighting the disparity between employee's and worker's training.
- Among employees, the Financial Services - Insurance industry had the highest training coverage, which given the nature of business is essential for functioning of the core operations. In contrast, the FMCG industry recorded the lowest training coverage, followed by Power, Capital Goods, and Consumer Durables industries. These four industries had training coverage of less than 50% among their employees.

- Among workers, the highest training coverage was observed in the Financial Services (Banks & Others) industry (only 3 Company had reported workers). This was followed by the Metals & Mining, Automobile & Auto Components and Capital Goods industries. On the other hand, the lowest training coverage was recorded in the Construction Materials industry, followed by the Power, Oil Gas & Consumable Fuels and Chemical industries. Training coverage in these 4 industries was less than 20%, with 25 out of 34 companies in these 4 industries had less than 20% training coverage. It may be noted that Oil Gas & Consumable Fuels industry had the highest concentration of workforce, however, the industry has reported the third lowest training coverage of workers, although risks in this sector relating to environment & safety are extremely high.
- For employees, out of 196 companies, 25 companies had provided the training to 100%, out of which 5 were from the Healthcare industry and 4 were from Automobile industry. Whereas 94 companies had provided training to more than 80% of their employees. Whereas for workers, out of 125 companies which reported workers training, only 15 companies had provided skill upgradation to 100% of their workers, whereas 84 entities had training coverage of less than 20%.
- Skill upgradation improves efficiency and safety at workplace as also keeps employability at work place. Absence of skill upgradation is likely to result in captive workforce as their employability outside the Company will be severely impeded. While employees can upgrade skills on their own, same is rarely possible for workers. Another factor determining focus on skill upgradation could be changing landscape to skills required. In sectors, which require constant skill upgradation due to changing technology, skill upgradation could be a better idea than recruiting fresh skilled person every time technology changes.
- Further, given the practice of companies with regard to skill upgradation training to non-permanent workforce, one may wonder if there is a link between low / or lack of focus on skill upgradation of non-permanent employee and attrition? Companies are reluctant to train non-permanent human resources fearing that while they will incur cost but benefit may be enjoyed by others? Such a thought process reflects short term vision as at the end Company itself is losing on efficiency, quality as well as safety.
- Another point to be noted is that industries like Power, Oil Gas & Consumable Fuels, Construction Materials, which has recorded low skill upgradation coverage, also has relatively low average Turnover rate. Similarly, industries with high training coverage like Insurance, Healthcare etc. have a relatively high average turnover rate. Hence, academics might like to conduct study as to causal relationship between low skill upgradation training focus related to low workforce attrition rate, in relative sense.

Average hours of training:

Several companies have disclosed absolute aggregate number of hours or man-days dedicated towards training their workforce. Since, the data varies considering the size of each Company, training given in hours per employee has been considered for below analysis as it provides better performance measurement metric.

TABLE WD20: DISCLOSURE ON AVERAGE HOURS OF TRAINING			
INDUSTRIES	#Companies		
	Not Disclosed	Disclosed Only For 1 Year	Disclosed For 2 Years
Average Hours of Training	127/200	16/200	57/200

#Number of companies that have disclosed the data

- While 57 companies have disclosed average hours of training data for 2 FYs, 16 of them disclosed it for only 1 financial year.

👎 127 companies in the sample have not disclosed average hours of training per employee.

👍 All companies in Construction materials industry have disclosed the data on average hours of training. This was followed by Power industry, where 8 out of 10 companies have made disclosure.

Interestingly, these 2 sectors rely heavily on workers and it had recorded lowest percentage of workers given training on Skill upgradation during the year (refer table WD19).

Cost incurred on well-being measures (as a % of revenue):

In 2023, SEBI included new mandatory disclosures under 'BRSR Core' for Top 1,000 listed companies, which included specific disclosure of costs incurred on well-being measures as a percentage of their total revenue in BRSR, hence, the same was required to be disclosed from FY 2023-24 onwards.

This disclosure is aimed at enhancing transparency and accountability regarding how companies are investing in the well-being of their employees and relevant stakeholders. This disclosure will reflect the Company's commitment to sustainability and its employees' overall well-being. The well-being measures can include various initiatives like employee welfare programs, health and safety programs, development trainings, mental health support, etc.

Table WD21 provides a summary of cost incurred by sample companies and how the said cost has changed when compared to last FY.

TABLE WD21: COST INCURRED ON WELL-BEING MEASURES (AS % OF REVENUE)							
INDUSTRIES	2023		2024		% Change	Change	
	#	Average	#	Average		↑	↓
Total	181	0.422	193	0.423	0.24%	81	56
Information Technology	12	0.938	13	0.961	2.48%	4	7
Capital Goods	16	1.014	16	0.956	-5.73%	7	5
Power	10	0.804	10	0.836	3.98%	4	3
Consumer Durables	6	0.645	7	0.594	-7.86%	4	2
Metals & Mining	8	0.573	10	0.424	-25.90%	5	3
Others	14	0.419	14	0.384	-8.34%	5	5
Oil Gas & Consumable Fuels	12	0.300	12	0.380	26.75%	9	2
Healthcare	13	0.305	14	0.376	23.47%	10	0
Financial Services - Bank	17	0.296	19	0.307	3.67%	4	9
Consumer Services	7	0.196	7	0.303	54.69%	2	2
Construction Materials	6	0.305	6	0.270	-11.48%	1	3
Realty	4	0.130	5	0.252	93.85%	3	1
Chemicals	5	0.170	6	0.250	47.06%	4	1
Automobile & Auto Comp.	14	0.244	15	0.233	-4.20%	4	6
Financial Services - Insurance	5	0.263	5	0.207	-21.56%	1	2
Financial Services - Others	18	0.167	19	0.160	-4.25%	9	5
Fast Moving Consumer Goods	14	0.121	15	0.133	10.45%	5	0

#Number of companies that disclosed the data / The analysis excludes 1 Banking Company as it had disclosed absolute amount spent on well-being measures (in crores), 1 Insurance Company as it had disclosed bifurcated cost data for each well-being measure and 1 Realty Company since it had disclosed operational segment wise cost incurred. / Above data has

not been disclosed by 4 companies for FY 2024 & by 15 companies for FY 2023. Further, 1 Financial Services Co. got listed during FY 2024, hence, disclosure not applicable for FY 2023.

- The total average cost incurred as a percentage of revenue on well-being measures by sample companies has increased marginally when compared to last FY.
- During FY 2023-24, the lowest average cost was incurred by FMCG industry, followed by Financial Services-Others & Insurance and Automobile & Auto component industry.
- Among FMCG industry, all 15 companies had spent less than 0.50% of its revenue on well-being measure during the year.
- Whereas the highest average cost was incurred by IT industry, followed by Capital Goods and Power industry. High average in the Capital goods industry is mainly due to one Company which has spent 11.2% of its revenue of well-being measure, after removing the same the average of capital goods industry comes at 0.27% of revenue.
- When compared to last FY, the spending increased among 81 companies, it decreased among 56 companies and there was no change in 44 companies.
- The highest decrease in average spending was observed in Metals & Mining industry, which recorded an average of 0.42% of its revenue. The highest spending percentage in this industry by an individual Company was 1.46% of its revenue.
- On the other hand, the largest increase in average spending was observed in Realty Industry and the highest spending incurred by an individual Company in this industry was at 0.72% of revenue.
- Interestingly, a decrease in average spending was observed in industries like Metals & Mining, Construction Materials, Consumer Durables, Automobile and Capital Goods, the industries which have more reliance on workers, when compared to employees.
- As stated earlier, the highest spending on well-being measures % was recorded at 11.2% by one Capital Goods Company and the second highest was recorded by one Power Company at 3.65% of revenue. **It appears that these companies have considered the entire Employee benefit expense for computing the % and not just well-being expenses.**
- Total 171 companies out of 193 companies have spent less than 1% of their revenue on well-being measures, whereas 50 companies have spent less than 0.10% of their revenue for the same. Such low percentage suggests that either companies are not investing heavily in employee welfare programs or other well-being initiatives or companies are not fully reporting or recognizing all their well-being-related expenses in a comprehensive way.
- One IT Company had spent 1.9% of its revenue on well-being measure and has also disclosed other measures taken towards employee well-being, which includes offering of bicycles upon Company achieving a revenue milestone and this benefit was taken by 9,000 employees.
- A question arises as to whether decrease in cost incurred on well-being measures can be taken as a measure of reduced benefit to employees, the answer is not necessarily yes, as these expenses are not absolute but in % terms to turnover. Any inflationary trend or even better capacity utilisation will throw such data. For example, Oil Gas & Consumable Fuels sector witnessed higher prices, whereas power sector witnessed better capacity utilisation. Therefore, such data can also mean efficient utilisation of resources.

Table WD22 categorises 193 companies that have reported cost incurred on well-being benefits data as percentage of revenue spent during FY 2023-24:

TABLE WD22: COST INCURRED ON WELL-BEING MEASURES SPREAD ANALYSIS					
Industry	#	=< 0.10% of revenue	>0.10% & =<0.50% of revenue	>0.50% & <1.00% of revenue	=>1.00% of revenue
Total	193/197	61	90	20	22
Automobile & Auto Comp.	15/16	6	7	2	0
Capital Goods	16/16	7	4	3	2
Chemicals	6/6	1	5	0	0
Construction Materials	6	0	6	0	0
Consumer Durables	7/7	3	3	0	1
Consumer Services	7/7	4	1	1	1
Fast Moving Consumer Goods	15/15	5	10	0	0
Financial Services - Bank	19/21	4	12	2	1
Financial Services - Insurance	5/6	2	2	1	0
Financial Services - Others	19/19	7*	12	0	0
Healthcare	14/14	1	11	0	2
Information Technology	13/13	1	3	2	7
Metals & Mining	10/10	4	3	1	2
Oil Gas & Consumable Fuels	12/12	7	2	1	2
Others	14/14	3	6	4	1
Power	10/10	3	2	2	3
Realty	5/5	3	1	1	0


#Excludes companies that had not disclosed data in BRSR format

- *1 out of 19 companies, belonging to Financial Services-Others had spent 0% of its revenue on employee well-being measures. This is likely due to the Company being a holding Company with a small workforce and even if it did incur costs for well-being measures, these would constitute only a negligible portion of its revenue.

Lowest 4 positions of cost % were held by Financial Services- Banks & Others, followed by one Oil Gas & Consumable Fuels Company.

- Among the IT industry, 7 companies (out of 13) reported more than 1% of their revenue as cost for well-being measures whereas 3 companies reported less than 0.50% of their revenue for the same.

IT industry heavily relies on IT professionals and it forms the majority of operational expense of these companies. While the cost has increased in 4 IT companies, it has decreased in 7 companies when compared to previous year, however, the average of the industry has increased marginally.

-  Majority companies i.e. 90 in the sample have spent less than or equal to 0.50% but more than 0.10% of their revenue on well-being measures, whereas 61 companies have spent 0.10% or less for the same cause.
- Only 22 companies have spent more than 1% revenue on well-being measures, with maximum companies being from the IT industry.
- While Banking companies have second highest concentration of workforce, 16 companies have spent less than 0.50% of its revenue on well-being measures and only 3 companies have spent more than 0.50% revenue, with highest cost % being 1.01% of revenue in the industry.

- Whereas Oil Gas & Consumable Fuels industry had recorded highest workers, however, has an average of 0.38% revenue spent on well-being measures, with highest in the industry being 1.81% of revenue and lowest being 0.008% of revenue spent on employee well-being.
- No Company in the sample provided separate data on employee benefit expenses or cost incurred for well-being of male and female employees and workers. While companies have disclosed median remuneration with gender break-up as required under BRSR, it only serves a little purpose for a holistic analysis of gender-wise remuneration. An average of remuneration paid per male and female employee paired with gender-wise median remuneration will enable a comprehensive analysis of variability in male and female remunerations.
- BRSR requires disclosure of Cost incurred on well-being measures as a % of revenue of the Company, however, given the varied nature of business, where employee cost may not be directly linked to financial performance of the Company and hence, well-being cost as a % of revenue is not the best comparable method across different sectors. The ideal comparable parameter would be cost incurred on well-being measures as a % of total Employee benefit expense of the Company.

Other workforce management disclosures:

TABLE WD23: WORKFORCE MANAGEMENT RELATED DISCLOSURES		
Particulars	#Companies	
	Disclosure	Performance
Mechanism to receive and redress grievances of permanent workforce	200/200	200/200
Mechanism to receive & redress grievances of non-permanent workforce	170/170*	166/170
Provides transition assistance programs	177/200	128/177
Recognizes membership of employee / worker in association(s) or Unions	200/200	NA
Discussion on maintenance of Industrial Relations	34/200	NA

#Number of companies that have disclosed the data. / *Only 170 companies had non-permanent workforce.

- Out of 170 companies that have reported non-permanent workforce, only 166 companies have a mechanism for receiving and redressing grievances of their non-permanent workforce.
- Whereas all 200 sample companies have an existing mechanism for addressing grievances of permanent workforce.
- It appears that non-permanent workforce is neglected a lot as compared to permanent workforce in respect of all parameters of evaluation relating to workforce.
- While 177 companies have made disclosure on whether they provide transition assistance programs to facilitate continued employability and to manage career endings resulting from retirement or termination of employment, only 128 companies have reported having such transition assistance mechanism.
- Zero Company from Realty industry has reported of having such transition assistance mechanism, this was followed by the Construction materials industry (1 out of 6 companies reported the same).
- Only 34 companies out of the sample have discussed the Industrial Relations landscape during the year. This number includes companies who have disclosed that their workers/ employees engaged in strikes/ protests/ wage related disputes as well companies who have affirmed that no such incident took place during the year.







2.2. HUMAN RIGHTS

Assessment Factors: Disclosure on human rights related complaints and procedures;

- Training details
- Gender-wise Median Remuneration
- Other Human Rights Complaints
- Minimum Wage
- Sexual Harassment Complaints
- Other Disclosures

BRSR Reference: Principle 5.

EVALUATION STATISTICS								
2024	QUESTIONS			37	PARAMETERS			160
2023	QUESTIONS			39	PARAMETERS			128
YEAR	SCORE – HUMAN RIGHTS							
2024	MAX.	99	AVG.	78	MED.	81	MIN.	37
2023	MAX.	99	AVG.	77	MED.	79	MIN.	31
BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY				
	83.9 – Automobile & Auto Components (2024)				99.1 – Consumer Durables (2024)			
	80.4 – Consumer Durables (2023)				98.8 – Oil Gas & Consumable Fuels (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY				
	70.6 – Consumer Durables (2024)				37.0 – Consumer Durables (2024)			
	70.4 – Construction Materials (2023)				30.8 – Financial Services (2023)			
Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company								

Human Rights Training:

All listed companies are required to have procedures for creating awareness about Human Rights as it is seen as a basic requirement under Social Capital. Therefore, companies are required to disclose details on training provided to their workforce relating to Human Rights. **It was observed that several companies have excluded non-permanent workforce from the human rights training coverage.** The data and analysis in table HR1 considers the total workforce as disclosed by companies under Section A of BRSR for percentage calculations.


Table HR1 summarizes industry-wise data of Human Rights training provided in terms of permanent & non-permanent workforce as well in terms of employees & workers and the number of companies who provided Human Rights training to its 100% workforce:

TABLE HR1: TRAINING ON HUMAN RIGHTS RELATED ISSUES AND POLICIES						
INDUSTRIES	#	% Permanent Workforce Trained	% NP Workforce Trained	% Employees Trained	% Workers Trained	100% Training Coverage
Total	188	73.7%	59.9%	75.0%	58.1%	52/188
Automobile & Auto Comp	16	82.7%	58.7%	84.1%	65.7%	6
Capital Goods	15	49.7%	48.7%	39.5%	58.2%	4
Chemicals	6	67.6%	28.5%	66.9%	34.4%	1

Construction Materials	6	23.2%	17.6%	27.8%	16.5%	0
Consumer Durables	6	88.7%	67.2%	85.7%	64.1%	4
Consumer Services	7	85.4%	91.0%	92.1%	46.1%	0
FMCG	15	91.8%	80.6%	95.3%	78.5%	5
Financial Services - Bank	21	58.0%	27.0%	57.0%	92.1%	2
Financial Service- Insurance	6	61.5%	0.1%	61.1%	NA	0
Financial Service- Others	17	84.9%	3.2%	69.0%	5.9%	7
Healthcare	13	86.0%	44.5%	82.9%	56.3%	7
Information Technology	12	95.2%	75.7%	94.1%	98.7%	2
Metals & Mining	9	74.3%	61.1%	74.9%	62.6%	1
Oil Gas & Consumable Fuels	12	33.8%	58.3%	83.6%	38.4%	6
Others	13	68.6%	94.2%	61.8%	96.7%	3
Power	9	32.7%	19.1%	37.2%	18.3%	1
Realty	5	98.2%	94.1%	93.3%	100.0%	3

#Number of companies that have disclosed the data; NP: Non-Permanent / Few companies have mentioned that responsibility of training non-permanent workers/employees lies with their respective contractors and hence has disclosed "Not applicable". The same has been considered as zero for analysis purpose, since these companies have neither provided them the training nor has disclosed number of workers/employees trained by contractors.

- Out of the sample, 3 companies did not disclose adequate data on Human Rights training provided to workers, hence, the same have been excluded. Further, 6 other companies have given generic information on procedures for training on Human Rights (includes 1 Metals & Mining Company which captures training data in terms of number of person-days); which might tick compliance checklist but cannot be called to have complied in spirit.
- 1 capital goods Company has disclosed total workers and employees trained, however, has not disclosed in terms of permanent and non-permanent employees / workers. Similarly, another Financial Services-Others Company had disclosed only total data, without bifurcation.
- Further, 1 Consumer Durables Company has disclosed training data only for permanent employees as others are currently not being tracked by the Company. Hence, excluded from the analysis.
- In 5 companies the number of employees given training on Human Rights was more than the total employees (as per Section A of BRSR), whereas among workers there were 3 such companies. This is primarily due to high employee attrition or where individual employees have undergone multiple trainings during the year. For the purpose of analysis, total employees trained has been considered as per total workforce data i.e. 100% employees trained in these companies.

 All the remaining 188 companies in the sample have disclosed the data as per BRSR format which requires disclosure as per classification of workforce i.e. permanent and non-permanent employees and workers.

Out of 188 companies, 52 companies provided training to entire workforce, with highest number of companies was observed in the Healthcare and Financial Services- Others industry. Whereas 43 companies had training coverage of more than 80% but less than 100%.

 On the other hand, there were 31 companies with training coverage of less than 20%.

- The highest % of non-permanent workforce trained for Human Rights in 'Others' industry at 94%, followed by Realty and Consumer Services industries, whereas the lowest non-permanent training coverage in terms of % was recorded in Construction materials industry at 17.6%, followed by Power and Chemical industry.

It may be noted that, Power industry has reported the highest percentage i.e. 76.9% of non-permanent workforce, however, training has been provided to only 19% non-permanent workforce.

- With regard to permanent workforce, the lowest training coverage was observed in Construction material industry, followed by Power and Metals & Mining, whereas the highest training was given in Realty & IT industry.
- Except Consumer Services, Oil Gas & Consumable Fuels and Others industries, training coverage % of permanent workforce was more than non-permanent workforce in all other industries.

The focus on non-permanent workers for human rights training has more significance as such training helps them understand their rights and responsibilities, which ultimately helps prevent discrimination, harassment, and other abuses, ensuring all workers, regardless of their employment status, are treated with dignity and respect.

- The highest Human Rights training coverage for total workforce was observed in Realty industry, followed by IT and Consumer Services, whereas the lowest coverage was observed by Construction Materials at only 19.8%, followed by Power industry.
- Among workers, only Realty industry has recorded 100% coverage for workers; only 2 out of 5 companies had reported having worker (only non-permanent workers) in this industry.

Training on Human Rights vs Skill Upgradation:

- It was observed in many companies that 100% of the workforce were provided with training on Human Rights but the same companies were lagging behind on providing training for skill upgradation. About 69.3% of workforce in the observed sample were provided with human rights training as against 63% workforce who were provided training on skill upgradation.

While Human Rights is of utmost importance providing for expected behaviour and conduct at workplace, skill upgradation empowers the workforce to adapt to technological advancements and improve their skill sets which would ultimately benefit the communities and entire economy. It may also be noted that, 58% of workers are provided with Human Rights training, however, only 34.6% workers were provided with training on skill upgradation. The workers, in most cases, belong to weaker sections of the society and they are more vulnerable to changing fast-paced technologies and work environment.

Hence, employers must proactively invest in both human rights education and skill development initiatives. This will not only benefit individual employees / workers but will also fosters a resilient, adaptable workforce, which will contribute to broader economic development.

Minimum Wages:

The minimum wages are regulated under the Minimum Wages Act, 1948, which is subject to the provisions of the Code on Wages Act, 2019 and aims to protect workers / employees from exploitation and to give them a basic standard of living. The new wage code prohibits employers from paying workers less than the stipulated minimum wage. The minimum wage and salary structures differ based on different factors such as states in which operations are undertaken, regions within states, industry, occupation and skill-level required at the job.

BRSR requires companies to disclose data on number of employees and workers who were paid equal to minimum wages and more than minimum wages for each category of workforce (i.e. permanent & non-permanent). Equal to minimum wage is the bare minimum that the Company should pay for a job.

As a good governance practice, companies should pay more than the stipulated minimum wages. The following observations are made based on the disclosures of 200 companies in the sample.

Few Banking companies have stated “*Minimum wages are not applicable for the Bank*”. Although the Code on Wages Act, 2019 does not specifically mentions its applicability to Private sector banking companies, following the intent of law and good governance practice, the minimum wage provisions should be applicable to all establishments including banking companies. Further, several banking companies have made the said disclosure and hence, companies that have mentioned “NA” have been considered as **non-disclosure** for the purpose of the said analysis.

- One Metals & Mining Company and One banking Company, both have clubbed the disclosure for equal to minimum wage and more than minimum wage. Hence, the same has been considered as non-disclosure for both the entities.
- 3 companies in the sample have recorded data on payment of more than minimum wage, which exceeds workforce data given under Section A of BRSR. For the purpose of analysis, total employees / workers paid more than minimum wage have been considered as per total workforce data in Section A of BRSR i.e. 100%.

Employees:

- 🔴 A total of **10 companies did not disclose** the data of employees who were paid more than or equal to minimum wages, in the manner prescribed under BRSR format. This includes 5 Banks, who have either stated that provisions of minimum wage are not applicable to them or that they comply with all the applicable labour laws.
- 🟢 136 companies have paid more than minimum wage to 100% of their employees during the year. Further, 186 out of 190 companies had recorded payment of more than minimum wage to more than 50% of the employees.
- 🟢 All companies in Chemical industry have disclosed that 100% of their employees were paid more than the minimum wage during FY 2023-24.

TABLE HR2: MORE THAN MINIMUM WAGE (EMPLOYEES)	
Bottom 5 Companies	
Industry*	% Employees
Realty	36.47%
Consumer Services	59.04%
Consumer Services	62.11%
Consumer Durables	62.36%
Information Technology	69.27%

** In place of the Company name, Industry name is disclosed*

- 🔴 Only 1 out of 190 companies, belonging to Realty industry, had paid more than minimum wage to less than 50% of their employees.
- 🔴 Further, 2 out of 13 IT companies had not disclosed minimum wage data.
- 🟢 Out of 11 IT companies, 10 companies had paid more than minimum wage to more than 99% of their employees.

Workers:

- 🔴 Out of 127 companies that have reported workers during the year, 3 companies did not disclose data on payment of minimum wage to their permanent workers and 5 companies did not disclose information for non-permanent workers.
- 🟢 Out of 122 companies that disclosed data on minimum wage to workers, 64 companies reported that 100% of their workers are being paid more than the minimum wage. This includes all companies from IT and Financial Services-Others and Banks industries (total 5 companies).






- While 3 companies reported that none of their workers were paid more than minimum wage (2 companies from Power industry and 1 Company from Realty industry), 27 out of 122 companies reported that less than 50% of their workers are being paid more than minimum wage.

Table HR3 reflects the companies with maximum number of workers and % of workers paid more than minimum wage and also highlights companies (in the total sample) with lowest % of workers paid more than minimum wage:

TABLE HR3: MORE THAN MINIMUM WAGE TO WORKERS				
Sr. No.	Companies with Highest Workers		Companies with Lowest Coverage	
	INDUSTRIES*	% Workers **	INDUSTRIES*	% Workers **
1.	Others (Infrastructure)	13.18%	Oil Gas & Consumable Fuel	0.80%
2.	Oil Gas & Consumable Fuels	100.00%	Capital Goods	4.28%
3.	Power	100.00%	Consumer Services	4.43%
4.	Oil Gas & Consumable Fuels	39.22%	Power	8.44%
5.	Automobile & Auto Comp.	78.83%	Consumer Durables	10.10%

* In place of the Company name, Industry name is disclosed | ** % of Workers paid more than minimum wages out of total workers

For companies with highest workers, Table HR3 excludes 1 Company (had 3rd highest number of workers in the sample) which did not disclose separate data for equal to & more than minimum wage and whereas for lowest % coverage among all workers, 3 companies have been excluded that did not pay more than minimum wage to any of its workers.

-  A Company classified as Others (Infrastructure industry) with highest workers in the sample has paid more than minimum wage to merely 13% of its workers. It is essential to note that the said Company has not paid more than minimum wage only to its Non-permanent workers.
-  Similarly, an Oil Gas & Consumable Fuels Company with 5th largest **workers** in the sample had paid more than minimum wage to only 39% of its workers.
-  2 out of 5 companies with highest workers had paid more than minimum wage to its 100% workers.
-  3 out of 12 companies in 'Oil Gas & Consumable Fuels' have recorded less than 40% workers being paid more than minimum wage.
-  Whereas remaining 9 companies in 'Oil Gas & Consumable Fuels' industry have recorded 100% workers being paid more than minimum wage.

Gender Pay:

BRSR requires companies to disclose median remuneration of male and female members of Board of Directors, KMPs, Employees and Workers. Data suggests that gender-wise median remuneration of Board members and KMPs is not comparable as board members include Independent Directors who are only being paid sitting fees and most of the KMP roles did not include any female employees.

An analysis has been done on disclosure of median remuneration for male and female workforce with the aim to understand if there exists gender parity among male & female workforce of the sample companies. As average can be biased towards extreme values in the data, BRSR has prescribed disclosure of median remuneration.

Although median remuneration is a better comparison metric than the average, it does not factor many important aspects of remuneration such as age, qualification, number of years of service, number of employees in the data, etc. Considering the disclosure made by sample companies, a material gap

(>20%) in the median remuneration of male and female workforce was observed in many companies as there are more male employees at higher positions in these companies. However, with increasing female participation in the employed workforce, this disparity is expected to reduce over time.

- The BRSR format does not prescribe whether the median remuneration of employees & workers shall be made for only permanent workforce or for total workforce (i.e. permanent as well as non-permanent). Several companies have considered this ‘no specific mention of non-permanent workforce’ as only ‘permanent’ and has disclosed the said information without taking into consideration the non-permanent workforce.

For the purpose of below analysis, data as disclosed by companies has been considered, without analysing on whether non-permanent workforce has been taken into consideration or not. Further, where non-permanent workforce (but no permanent worker or employee) exists and the Company has stated “*Not applicable*” or “*Nil*”, same has been considered as “non-disclosure”.

- With regard to disclosure of median remuneration of employees & workers, several companies have given reference to remuneration related mandatory disclosure published in the Corporate Governance Report, forming part of Annual Report, however, the relevant disclosure could not be found. Hence, such statements by companies have been considered as “non-disclosure” for the purpose of below analysis.

Median Remuneration of Employees:

Table HR4 provides a brief of median remuneration paid to employees in the Sample. It identifies the number of companies where median remuneration of male employees is more than female employees and vice versa; as well number of entities with material gender pay gap (>20%):

TABLE HR4: GENDER-WISE MEDIAN REMUNERATION (MR) OF EMPLOYEES					
INDUSTRIES	#	Male MR > Female MR		Male MR < Female MR	
		No. of Cos.	Material Gap (>20%)	No. of Cos.	Material Gap (>20%)
Total	192/200	144	80	44	10
Automobile and Auto Comp.	15/16	13	8	2	1
Capital Goods	16/16	10	8	6	1
Chemicals	6/6	5	2	1	1
Construction Materials	6/6	5	4	1	0
Consumer Durables	7/7	5	5	2	0
Consumer Services	7/7	4	3	3	0
Fast Moving Consumer Goods	15/15	9	4	6	2
Financial Services - Bank	20/22	19	3	1	0
Financial Services - Insurance	6/7	4	2	2	0
Financial Services - Others	18/19	12	6	6	0
Healthcare	14/14	7	5	6	4
Information Technology	12/13	12	9	0	0
Metals & Mining	9/10	8	4	1	1
Oil Gas & Consumable Fuels	12/12	10	3	2	0
Others	13/14	9	8	4	0
Power	10/10	8	4	0	0
Realty	6/6	4	2	1	0

#Number of companies that have disclosed the data. / MR- Median Remuneration

- While 7 companies did not disclose data on both male and female employees, there was 1 Banking Company, which did not disclose median remuneration of female employees, hence, male-female data not comparable. These 7 companies include the ones who have either disclosed combined data for both male & female or for both employees and workers, where comparison is not possible. Further, 1 metals & mining Company had disclosed clubbed data for employees and workers.
- 1 Realty Company has disclosed operational segment wise median remuneration; for the purpose of analysis segment with higher median remuneration has been considered.
- Out of 192 companies considered in table HR4, median remuneration **was same for male and female employees in 4 companies**, whereas the median for male employees was more than female employees in 144 companies and vice versa (female more than male) was in 44 companies.
- In 90 companies, material gender pay gap (>20%) in the median remuneration of male and female employees was observed, out of which in 80 companies the male median remuneration is more than female median remuneration and only in remaining 10 companies the female median remuneration was more than male employees.
- Among 80 companies where male median remuneration was more than female employees, majority companies from Construction Materials, Automobile & Auto component, Consumer Durables, IT and Others industries recorded such material gap.
- In terms of individual companies, the highest material gap where female employees were paid more than male employees, was in one Metals & Mining Company (gap of 59%), followed by one Healthcare Company (gap of 54%) and Chemical Company (gap of 53%).

On the other hand, the highest material gap where male employees were paid more than female employees, was in one Realty Company (material gap of 363%), followed by one Power Company (material gap of 162%). There were 5 companies with material gap of more than 100% and 22 companies with material gap of more than 50%.

- The data does not conclusively prove bias, as a lot depends on composition of male-female at various levels of hierarchy. Treating male and female as a group in hierarchy hides real position.

Median Remuneration of Workers:

TABLE HR5: GENDER-WISE MEDIAN REMUNERATION (MR) OF WORKERS					
INDUSTRIES	#	Male MR > Female MR		Male MR < Female MR	
		No. of Cos.	Material Gap (>20%)	No. of Cos.	Material Gap (>20%)
Total	101/123	74	48	25	7
Automobile & Auto Comp.	14/15	9	6	3	0
Capital Goods	12/15	19	6	3	1
Chemicals	5/6	4	2	1	0
Construction Materials	5/6	5	3	0	0
Consumer Durables	6/6	3	2	3	1
Consumer Services	2/3	2	1	0	0
Fast Moving Consumer Goods	13/14	11	10	2	0
Financial Services - Bank	1/1	1	0	0	0
Financial Services - Insurance	0/0	0	0	0	0
Financial Services - Others	1/2	1	0	0	0
Healthcare	11/12	9	6	2	0

Information Technology	1/3	1	0	0	0
Metals & Mining	5/9	5	4	0	0
Oil Gas & Consumable Fuels	12/12	6	3	6	4
Others	7/9	5	3	2	1
Power	6/9	3	2	3	0
Realty	0/1	0	0	0	0

#No. of companies that have disclosed the data / Applicable companies / MR- Median Remuneration

- Out of 200 companies, 73 companies did not have workers during the year and out of remaining 127 companies which had workers, 4 companies did not have female workers during, hence, disclosure of median remuneration was not applicable to them. Given that without female median remuneration, gender wise comparison is not possible, hence, these companies have been excluded.
- Further, 16 companies have not disclosed the data on median remuneration of male & female workers, whereas 6 companies did not disclose median remuneration of female workers, hence, data not comparable. These companies have been excluded from the table HR5.
- Out of remaining 123 companies considered in table HR5 for analysis, only 2 companies had same median remuneration for male & female workers.
- Material gap of more than 20% among male & female workers was observed in 55 companies, where in 48 companies the male workers' median remuneration was more than female workers and only in 7 companies the median remuneration of female workers were more than male workers.
- Among 48 companies which had recorded material gap inclined towards male workers, the highest number of companies belonged to Construction materials, FMCG, Healthcare and Metals & Mining industry. In FMCG industry, 10 out of 14 companies recorded such material gap.
- Among IT industry, only 3 out of 13 companies had workers, however, only 1 Company had disclosed the data and no material gap was observed. Similarly, 3 Financial Services (Banks, Insurance & Others) companies had disclosed the data and no material gap was observed.
- In terms of individual companies, the highest material gap where female workers were paid more than male workers, was in one Oil Gas & Consumable Fuels Company (gap of 39.6%), followed by one Healthcare Company (gap of 54%) and a Chemical Company (gap of 53%).
- On the other hand, the highest material gap where median remuneration of male workers was more than female workers, was in one FMCG Company (material gap of 254%), followed by another FMCG Company (material gap of 249%) and one Capital Goods Company (206%).
- In total, there were 14 companies with material gap of more than 100% and 26 companies with material gap of more than 50%.
- Although female workers form ~25% of the total permanent workers in the sample, their median remuneration appears to be lower compared to male workers.

Gross Wages Paid to Female Workforce

In 2023, among other parameters under the 'Essential indicators', SEBI included disclosure of 'Gross wages paid to females as percentage (%) of total wages paid by the entity in the current and previous financial year' in line with one of its BRSR Core KPIs i.e. enabling gender diversity in business.

This disclosure requirement specifically focuses on promoting gender equality and ensuring that companies disclose their practices related to equal pay and gender diversity within their workforce.

The table HR6 analyses the data on gross wages paid to females by the sample companies as a % of total wage and provides insights on companies' focus on female workforce in terms of wage.

TABLE HR6: GROSS WAGES PAID TO FEMALES (AS % TOTAL WAGE)							
INDUSTRIES	2023		2024		% Change	Change	
	#	Average %	#	Average %		↑	↓
Total	181	12.71	195	13.60	6.97%	124	38
Financial Services - Insurance	4	19.22	5	26.71	38.95%	4	0
Information Technology	12	23.85	13	24.27	1.73%	6	3
Financial Services - Bank	18	23.63	20	24.03	1.70%	13	4
Consumer Services	7	23.91	7	23.85	-0.26%	2	5
Realty	5	16.15	6	18.69	15.69%	5	0
Healthcare	12	15.11	14	16.14	6.84%	7	3
Fast Moving Consumer Goods	13	13.91	15	15.27	9.79%	7	2
Financial Services - Others	18	14.80	19	15.09	1.98%	12	6
Others	14	12.87	14	13.61	5.69%	11	3
Consumer Durables	6	6.91	7	7.58	9.75%	5	1
Oil Gas & Consumable Fuels	12	7.08	12	7.04	-0.47%	9	3
Chemicals	5	5.65	6	6.71	18.76%	5	0
Power	10	6.17	10	6.63	7.56%	8	1
Metals & Mining	9	5.43	10	6.52	20.06%	8	0
Capital Goods	16	6.21	16	6.48	4.28%	9	3
Automobile & Auto Comp.	14	5.14	15	5.24	1.95%	10	2
Construction Materials	6	3.09	6	3.06	-0.70%	3	2

#No. of companies that disclosed the data | 1 Capital Goods Company had stated "As there are very few female workers, % of their wages is not comparable with Gross wages", hence, this has been considered as 0% | 1 Financial Service Company was listed during FY 2023-24; hence, year-on-year comparison not possible.

Table HR7 provides a comparative analysis of % of female workforce (in total workforce) vis-a-vis Average Gross wages paid to Females (as a % of total wage) during last 2 FYs:

TABLE HR7: GROSS WAGES PAID TO FEMALES (AS % TOTAL WAGE)				
INDUSTRIES	2023		2024	
	Female Workforce (%)	Average Gross Wages of Females (%)	Female Workforce (%)	Average Gross Wages of Females (%)
Total	19.69%	12.71	19.61%	13.60
Financial Services - Insurance	24.36%	19.22	25.00%	26.71
Information Technology	34.66%	23.85	34.46%	24.27
Financial Services - Bank	26.32%	23.63	26.87%	24.03
Consumer Services	33.33%	23.91	33.83%	23.85
Realty	15.48%	16.15	11.04%	18.69
Healthcare	18.79%	15.11	19.67%	16.14
Fast Moving Consumer Goods	12.50%	13.91	16.92%	15.27
Financial Services - Others	18.37%	14.80	18.27%	15.09
Others	10.34%	12.87	9.36%	13.61
Consumer Durables	11.69%	6.91	12.02%	7.58
Oil Gas & Consumable Fuels	5.67%	7.08	5.66%	7.04

Chemicals	6.45%	5.65	6.53%	6.71
Power	4.26%	6.17	4.22%	6.63
Metals & Mining	5.77%	5.43	6.08%	6.52
Capital Goods	6.78%	6.21	7.77%	6.48
Automobile & Auto Comp.	14.65%	5.14	17.07%	5.24
Construction Materials	3.03%	3.09	3.24%	3.06

#No. of companies that disclosed the data | 1 Capital Goods Company had stated “As there are very few female workers, % of their wages is not comparable with Gross wages”, hence, this has been considered as 0% | 1 Financial Service Company was listed during FY 2023-24; hence, year-on-year comparison not possible.

- 5 companies did not disclose data on gross wages paid to females for FY 2023-24 whereas for FY 2022-23, 18 companies did not make the said disclosure. Hence, year-on-year comparison for these 18 companies is not possible.
- The average gross wages paid to female workforce as a percentage of total wage of the sample has increased by 6.9% during FY 2023-24, when compared to last FY.
- The highest increase in industry wise average was observed in Financial Services - Insurance, Metals & Mining, Chemical industries, among others whereas a decrease in industry average was observed in 3 industries viz. Consumer Services, Oil Gas & Consumable Fuels and Construction Materials industries.
- In the Construction Materials industry, none of the 6 companies recorded female gross wage of more than 5% of total wages. Similarly, in the Oil Gas & Consumable Fuels industry, none of the 12 companies except one had gross female wage of more than 10% of total wage.
- During FY 2023-24, the lowest industry average of female gross wage was observed in Construction Materials industry, followed by Automobile & Auto Components and Capital Goods industries, whereas the highest average was in service industries viz. Financial Services- Insurance, IT, Financial Services- Banks.
- Apart from IT and Financial Services (Banks, Insurance, Others), Consumer Services (33.8% females) and Healthcare industry (19.7% females) had the highest female workforce, and their average of female gross wage was 23.8% and 16.1%, respectively. This difference could be attributed to different factors like different job responsibilities, experience, skills, etc.
- During FY 2023-24, in 97 out of 195 companies, the gross wage spent on female workforce was less than 10% of the total wage spent by these companies and only 32 companies had spent more than 30% of its total wage on female workforce.
- During the year, the highest female gross wage was recorded by one textile Company at 52%, followed by one Healthcare Company at 38% and one Financial Service-Banking Company at 37.8%. On the other hand, the lowest gross female wage was recorded by one Consumer Durables Company at 0.22%, followed by Power Company at 0.64% and Automobile Company at 0.66% (apart from the Capital Goods Company that had stated female gross wage not comparable).
- When compared to last FY, the gross female wage increased among 124 companies, decreased in 38 companies and there was no change in 19 companies.
- When the gross wages paid to female is compared to total female workforce % (in total workforce), in the overall sample, it can be inferred that female % in workforce does not match the wage paid females and hence, the female workforce is underpaid.

- During FY 2023-24, except 7 industries, in all other industries it was observed that % of gross wage of females was less than % of female workforce. Further, industries where wage % was more than female workforce % includes Power and Oil Gas & Consumable Fuels industries.

Human Rights Related Complaints:

BRSR requires companies to disclose information on whether they have received complaints on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and other human rights related issues during last two financial years and whether the same has been resolved during the year or not.

Sexual Harassment Complaints:



The Indian listed companies are required to disclose Sexual Harassment complaints received and addressed as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH). It has been observed that Sexual harassment complaints were the most common complaints on Human Rights related issues at workplace.

- All 200 companies in the sample have disclosed number of sexual harassment complaints recorded during FY 2023 & FY 2024.
- During FY 2023-24, a total of 136 companies reported receiving sexual harassment complaints, whereas in FY 2022-23, 122 companies had reported sexual harassment complaints.

Table HR8 provides a summary of number of complaints recorded by the sample companies and year-on-year changes.

TABLE HR8: SEXUAL HARASSMENT COMPLAINTS							
INDUSTRIES	# No complaints	No. of Complaints		AVG. 2024	% Change	Change	
		2023	2024			↑	↓
Total	64/200	1,436	1,940	9.7	35.1%	88	42
Information Technology	2/13	383	641	49.3	67.4%	10	2
Financial Service- Bank	2/22	460	537	24.4	16.7%	13	7
Financial Service- Insurance	1/7	110	124	17.7	12.7%	3	2
Financial Service- Others	12/19	67	106	5.6	58.2%	5	4
Others	5/14	69	103	7.4	49.3%	6	1
Healthcare	4/14	70	99	7.1	41.4%	9	1
Metals & Mining	2/10	78	83	8.3	6.4%	5	3
Automobile & Auto Comp.	4/16	51	68	4.3	33.3%	7	3
Fast Moving Consumer Goods	3/15	28	42	2.8	50.0%	7	4
Consumer Services	0/7	39	36	5.1	-7.7%	2	3
Consumer Durables	2/7	17	22	3.1	29.4%	4	1
Oil Gas & Consumable Fuels	7/12	23	20	1.7	-13.0%	1	5
Construction Materials	3/6	10	19	3.2	90.0%	3	0
Capital Goods	6/16	12	18	1.1	50.0%	5	1
Power	4/10	10	10	1.0	0.0%	4	3
Realty	4/6	3	7	1.2	133.3%	2	0
Chemicals	3/6	6	5	0.8	-16.7%	2	2

#Number of companies that received 'Nil' sexual harassment complaints in FY 2023-24/ Number of companies that have disclosed the said data / **Note:** Average has been calculated by considering total companies that have disclosed the data.

-  The total number of sexual harassment complaints increased from 1,426 in FY 2022-23 to 1,940 in FY 2023-24 i.e. a 35% increase from last year, where a decrease was observed only in Chemical, Oil Gas & Consumable Fuels and Consumer Services industries.
-  64 out of 200 companies have reported zero complaints during the year, with maximum number of such companies being from the Financial Services-Others industry. However, this number has decreased when compared to FY 2022-23, when 78 companies had recorded no sexual harassment complaints.
- Highest average complaints were recorded by IT industry, followed by Financial Services-Banks; together these 2 industries have recorded 60.70% of the total complaints received across the sample.
- On the other hand, the lowest average complaints were recorded by Chemicals industry, followed by Realty and Power industry.
- Overall, the total complaints received by the sample has increased by 35% when compared to last, where the highest increase was observed in Realty industry (increased from 3 to 7), the industry which had recorded the second lowest complaints. This was followed by Construction material industry (increased by 90%) and IT industry (increased by 67%).
- In Power industry, while internally i.e. among companies, the complaints have increased/decreased, overall there is no change in the total industry complaints.
- There were 51 companies which recorded zero sexual harassment during FY 2023 as well as FY 2024. Further, when compared to FY 2023, 88 companies recorded an increase, 42 companies recorded a decrease and in 19 companies there was no change in number of complaints filed.
- No Company in Construction Materials and Realty industries recorded a decrease in sexual harassment complaints.
- There were 27 companies, which had not recorded any complaints in FY 2022-23, however, had reported complaints during FY 2023-24.

Note: SEBI had amended BRSR format to include disclosure of sexual harassment complaints as a % of female employees / workers and the number of complaints that were upheld upon investigation/ resolution. The said data has been summarised below:

- One Power Company had recorded that upheld complaints were more than sexual harassment complaints filed during the year, this could be a result of pending cases of last FY which resolved during the year. Hence, the same has been accordingly considered for below analysis.
- Further, one of the IT companies have only disclosed upheld cases in Indian boundary employees and it has been accordingly included in the analysis.

Table HR9 provides a brief summary of sexual harassment complaints filed as a percentage of total female workforce (per 10,000 females) and the complaints that were upheld upon investigation:

TABLE HR9: SEXUAL HARASSMENT COMPLAINTS: AS % OF TOTAL FEMALE & UPHELD						
INDUSTRIES	#	Avg. complaints per 10,000 females		Complaints Upheld		% of Complaints Upheld
		2023	2024	2023	2024	
Total	129/200	19.76	19.65	877	1,044	53.8%
Consumer Durables	5/7	19.29	38.43	17	22	100.00%
Realty	2/6	2.50	16.50	1	6	85.70%
Fast Moving Consumer Goods	12/15	15.71	21.00	21	34	81.00%

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Power	5/10	9.40	16.33	7	8	80.00%
Chemicals	3/6	36.17	70.50	3	4	80.00%
Construction Materials	3/6	12.83	23.83	5	15	78.90%
Consumer Services	7/7	64.36	42.67	32	28	77.80%
Others	8/14	15.79	15.23	60	76	73.80%
Capital Goods	9/16	11.81	15.80	7	11	61.10%
Healthcare	10/14	9.93	18.79	28	58	58.60%
Financial Services - Others	7/19	6.79	7.58	47	62	58.50%
Metals & Mining	8/10	19.50	26.75	38	48	57.80%
Automobile & Auto Comp.	11/16	62.13	21.88	40	37	54.40%
Information Technology	11/13	8.51	10.36	307	346	54.00%
Financial Services - Insurance	5/7	23.34	26.84	54	61	49.20%
Financial Services - Bank	18/22	12.10	12.55	202	222	41.30%
Oil Gas & Consumable Fuels	5/12	26.17	10.08	8	6	30.00%

#Number of companies that had recorded sexual harassment complaints and had disclosed the above data.

- 🔴 During FY 2023-24, 6 companies, despite having recorded sexual harassment complaints, had not disclosed data on complaints as a % of female workforce. Hence, these companies have been excluded from Table HR9.
- 🔴 In the sample, for every 10,000 female workforce, 19.65 sexual harassment related complaints were recorded during FY 2023-24, which has decreased marginally when compared to last FY.
- The highest average during FY 2023-24 was recorded in Chemical industry at 70.50 complaints per 10,000 females, followed by Consumer services and Consumer Durables industry and on the other hand the lowest average was observed in Financial Services-Others industry at 7.5 complaints per 10,000 females, followed by Oil Gas & Consumable Fuels and IT industries.
- The lowest complaints per 10,000 female employees at 7.5 complaints in Financial Services- Others, which was at 4th highest in total complaints filed. While there should be no tolerance on Sexual Harassment and ideally there should be Zero cases, 7.5 complaint per 10,000 is not an indicator of good performance, yet this industry has performed the best among the bad.
- With regard to complaints which were upheld upon investigation, the total number of upheld cases has increased from 877 in FY 2023 to 1,044 complaints in FY 2024 i.e. an increase by 19%.
- Out of total sexual harassment complaints filed during FY 2023-24, 53.8% complaints were upheld upon investigation.
- Out of 129 companies, there were 19 companies which had reported sexual harassment complaints, however, no complaints were upheld upon investigation.
- 🔴 All the complaints filed in Consumer Durables industry i.e. 22 complaints were upheld.
- 🔴 100% complaints filed in 46 companies were upheld upon investigation, whereas in 7 companies upheld cases were more than 80% of the complaints filed.

Table HR10 provides a brief summary of top companies on sexual harassment complaints.

TABLE HR10: COMPANY-WISE SEXUAL HARASSMENT COMPLAINTS					
Highest #Complaints		Highest Complaints as a % of female workforce		Highest Complaints Upheld	
INDUSTRIES*	No.	INDUSTRIES*	No.	INDUSTRIES*	No.
Information Technology	182	Chemicals	2.22%	Information Technology	77
Financial Service- Bank	133	Consumer Services	1.70%	Information Technology	66
Information Technology	110	Consumer Durables	1.50%	Information Technology	64
Information Technology	98	Chemicals	1.02%	Information Technology	61
Information Technology	93	Chemicals	0.99%	Financial Service- Bank	59

* In place of the Company name, Industry name is disclosed

- Top 3 companies which recorded highest number of complaints belong to IT & Banking industry, whereas all 3 companies with highest upheld belong to IT industry.
- A Company in Chemical has reported the highest number of sexual harassment complaints as a percentage of total females employed. This Company had only 45 female workforce and 1 complaint was registered during the year.

The disclosure for sexual harassment complaints upheld during the year is relatively new. Ideally, the Companies should also disclose the reason due to which the complaints were not upheld. Was it due to lack of evidence / witnesses / relevant information? Or was it a case of fake allegation? Or any other reason? Companies may also disclose the course of action taken if complaints were upheld. This provides a wholistic idea on sexual harassment redressal mechanism of the Company.

Other Human Rights Complaints:

Table HR11 provides a brief summary of human rights related complaints, other than sexual harassment complaints, received by the sample companies in last 2 FYs.

TABLE HR11: HUMAN RIGHTS RELATED COMPLAINTS								
INDUSTRIES	Workplace Discrimination		Wages		Others		Total	
	2023	2024	2023	2024	2023	2024	2023	2024
Total	414	632	854	974	3,322	499	6,026	4,045
Financial Services - Bank	204	405	587	686	0	0	1,251	1,628
Information Technology	126	95	0	0	8	1	517	737
Oil Gas & Consumable Fuels	0	0	2	41	3,224	454	3,249	515
Metals & Mining	9	15	53	176	20	13	160	287
Others	33	36	1	3	0	14	103	156
Automobile & Auto Comp.	0	22	194	50	0	8	245	148
Healthcare	17	42	1	1	55	0	143	142
Financial Services - Insurance	0	0	1	0	0	0	111	124
Financial Services - Others	0	3	0	0	0	0	67	109
Fast Moving Consumer Goods	1	4	2	0	3	0	34	46
Consumer Services	2	0	0	0	0	1	41	37
Power	13	9	0	15	0	0	23	34
Consumer Durables	0	0	0	1	0	0	17	23
Construction Materials	0	0	5	1	0	0	15	20

Capital Goods	8	1	6	0	7	0	33	19
Chemicals	1	0	2	0	5	8	14	13
Realty	0	0	0	0	0	0	3	7

Note: Total complaints includes all Human Rights related complaints i.e. complaints on Sexual Harassment, Forced/ Involuntary Labour, Child Labour, workplace discrimination, wages and other issues.

- 👍 All companies in the sample have disclosed Human Right complaints for last 2 years.
- 👍 During FY 2023-24, 162 companies did not record any complaint on Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and other human rights related issues. Remaining 38 companies had recorded complaints on one or multiple human rights related issues.
- No Company in the sample received complaints on Child labour during FY 2023-24, however, during FY 2022-23, 1 FMCG Company had received 1 complaint on Child labour.
Similarly, with regard to complaints on 'Forced labour/ involuntary labour', one Infrastructure Company (Others) had recorded 1 complaint during FY 2023-24 but no complaint in last FY. These complaints have been considered under *Other complaints* in table HR11.
- One Oil Gas & Consumable Fuels Company has disclosed clubbed data for Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and other complaints, the same has been considered under complaints on *Other complaints*.
- 👍 Total number of complaints on human rights related issues have decreased by ~33% in FY 2023-24 when compared to its previous year.
- 👍 Lowest complaints on Human rights related issues was observed in Realty industry, followed by Chemicals and Capital Goods.
- 👎 The highest human rights related complaints were recorded by Financial Services- Banking industry, followed by IT and Oil Gas & Consumable Fuels industry.
- Complaints on workplace discrimination has increased by 53% when compared to last FY. The highest workplace discrimination related complaints were recorded in Banking industry, where 1 Company alone recorded 133 complaints.
- On the other hand, Oil Gas & Consumable Fuels, Chemicals, Construction materials, Consumer Services, Consumer Durables, Realty and Insurance recorded no such complaint during the year.
- With regard to wage related complaints, the highest complaints were recorded again by Banking industry, where 685 complaints were recorded by a single Company (last FY: 584 complaints).
- Whereas 8 industries, which include Capital Goods, Chemicals, FMCG, Financial Services- Insurance & Others and Realty did not receive any wage related complaint during the year.
- Overall, total wage related complaints have increased by 14% when compared to last FY.
- There has been a significant decrease in complaints on 'Other human rights issues' (includes Child labour & Forced labour/ involuntary labour). During the year, the highest complaints on Other human rights related issues were recorded by the Oil Gas & Consumable Fuels industry.
- Out of 454 complaints, 418 complaints were recorded by 1 Company that had made a clubbed disclosure. This was followed by Others industry, where only 2 out of 14 companies had recorded such complaints.

Table HR12: Highest Human Rights Complaints

INDUSTRIES*	#
Financial Services - Bank	1,072
Oil Gas & Consumable Fuels	418
Information Technology	191
Metals & Mining	182
Information Technology	180

*In place of the Company name, Industry name is disclosed

🔴 Highest number of wage related complaints were reported by one Financial Services-Banking Company and it constituted ~66% of total complaints received in all banks.

🔴 Highest increase in wage related complaint was recorded by one Oil Gas & Consumable Fuels Company, where complaints increased from 2 in FY 2023 to 41 in FY 2024.

Other Human Rights Disclosures:

BRSR require companies to disclose the mechanisms and measures undertaken to address human rights related challenges. Table HR13 summarizes disclosure and performance on human rights related disclosures across the sample companies.

TABLE HR13: HUMAN RIGHTS RELATED DISCLOSURES

Particulars	#Companies	
	Disclosure	Performance
Focal point responsible for addressing human rights issues	200/200	196/200
Internal mechanisms to redress grievances related to human rights issues	200/200	200/200
Mechanism to prevent adverse consequences to complainant	199/200	198/199
Human rights requirements form part of business agreements & contracts	200/200	190/200
Process being modified as a result of addressing human rights grievances/ complaints	174/200	160/174
Scope and Coverage of Human Rights due-diligence conducted	170/200	120/170

#Number of companies that have disclosed the data

🔴 Questions pertaining to human rights due-diligence and modification of business processes as a result of addressing human rights grievances form part of Leadership Indicators under Principle 5 of BRSR. Since Leadership indicators are not mandatory several companies have failed to provide adequate disclosures in this regard.

🟢 Almost all of the sample companies have disclosed information on question forming part of essential indicators i.e. focal point for human rights issues, internal mechanism and human rights as a part of business agreements.

- 196 companies have disclosed the presence of a focal point i.e. a committee or an individual responsible for addressing human rights issues.
- All companies in the sample have disclosed the presence of an internal mechanism to redress grievances related to Human Rights.
- One Financial Services- banking Company does not have a mechanism to prevent adverse consequences to complainant, whereas 1 Construction materials Company has not disclosed specific information on the same.
- 174 companies have disclosed information on business process which were modified / introduced as a result of addressing human rights grievances; this includes companies which had not reported any human rights incident during the year and hence, had stated “Not applicable” for the same.

- With regard to Human rights due-diligence conducted, several companies have stated “*Not applicable*” without any supporting rationale. Human rights due diligence is a mechanism to identify, prevent, and mitigate potential and actual adverse human rights impacts. Hence, stating “NA” without adequate justification does not fulfil intended purpose. Hence, the same has been considered as non-disclosure. Only 120 companies had disclosed scope and coverage of Human rights due-diligence conducted during the year.

Assessment on Human Rights Issues:

BRSR mandated disclosure of assessment done during the year for human rights related issues (includes Child labour, Forced/involuntary labour, Sexual harassment, Workplace discrimination, Wages, other issues). While the disclosure regarding assessment of plants and offices is mandatory in nature, disclosure of assessment of value chain partners forms part of Leadership indicators i.e. voluntary.

Table HR14 provides a summary of assessment done on human rights related issues carried in plants & offices and value chain partners of the sample companies:

TABLE HR14: ASSESSMENT FOR HUMAN RIGHTS RELATED ISSUES						
Assessment %	Data disclosed	Assessed 100%	Assessed >50%	Assessed <50% & >0%	% Not Disclosed or 0%	Corrective Actions
Plants & Offices	152/152	121/152	3/152	2/152	26/152	150/152
Value Chain Partners	123/152	26/123	20/123	27/123	50/123	115/123

**Excludes 48 Financial Services companies / ^Corrective Actions taken on significant risks/concerns arising from the respective assessments done / #Number of companies*

- All 152 companies have disclosed information on assessment of plants & offices for Human Rights related issues.
- 🔴 Out of 152 companies, 26 companies have either not disclosed the % of plants & offices assessed or has assessed 0% of their plants / offices during the year.
- 🟢 121 out of 152 companies have assessed 100% of their plants/offices for human rights related issues.
- While only 8 of 13 IT companies had assessed their 100% plants & offices, all companies from Construction materials & Chemicals industry have assessed 100% of their plants & offices.
- For Value chain partners, only 123 companies out of 152 companies had disclosed data on assessment for human rights related issues. Low % of compliance is mainly because this disclosure requirement is voluntary in nature.
- While 26 companies had recorded 100% assessment of its value chain partners, 50 companies had either not disclosed percentage of value chain partners assessed or the said percentage was 0%. This is in contrast of what has been observed for assessment of plants & offices.
- With regards to corrective actions, the number depicted in the above table includes companies which did not record any risks / concern and hence, no corrective action was required.







2.3. HEALTH & SAFETY

Assessment Factors: Disclosure & practices on Health & Safety of the Company;

- Health & Safety practices
- Training on Health & Safety
- Complaints: Working Conditions
- Wellbeing of Workforce (Insurance, Maternity etc)
- Safety Records
- Other Disclosures & Practices

BRSR Reference: Principle 3.

EVALUATION STATISTICS								
2024	QUESTIONS		49	PARAMETERS		231		
2023	QUESTIONS		40	PARAMETERS		161		
YEAR	SCORE – HEALTH & SAFETY							
2024	MAX.	99	AVG.	73	MED.	77	MIN.	38
2023	MAX.	100	AVG.	76	MED.	77	MIN.	37
BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY				
		88.0 - Financial Services- Others (2024) 80.3 - Healthcare (2023)				98.8 - Information Technology (2024) 100.0 - Financial Services (2023)		
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY				
		48.9 - Construction Materials (2024) 62.7 - Construction Materials (2023)				38.1 - Metals & Mining (2024) 37.1 - Construction Materials (2023)		
Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company								

Management of Health and Safety at work plays a critical role in productivity and overall social development. It is the duty of the Employer to take measures to prevent accidents and injuries to health linked with the course of work, by minimising the causes of hazards inherent in the working environment. The right to safe and healthy working environment forms a part of workers' right to work. Therefore, companies are expected to have a framework/system for occupational safety and health.

What is Occupational Health?

Occupational health is an area of work in public health to promote and maintain highest degree of physical, mental and social well-being of workers in all occupations.

Its objectives are: the maintenance and promotion of workers' health and working capacity; the improvement of working conditions and the working environment to become conducive to safety and health; the development of work organization and working cultures that should reflect essential value systems adopted by the undertaking concerned, and include effective managerial systems, personnel policy, principles for participation, and voluntary quality-related management practices to improve occupational safety and health.

- As defined by WHO ([weblink](#))

For this section, while certain questions and parameters are applicable uniformly across the Sample, there are few questions and parameters of BRSR that were applicable to companies depending on nature of business. As observed in National as well as International practices, in Financial Services industry

workplace safety related parameters are not as material as other industries due to their nature of business, hence, the same has been excluded while evaluating certain parameters. Wherever exceptions are drawn, have been adequately discussed.

General Disclosures

Table HS1 highlights the disclosures made by sample companies with regard to Health and Safety management system:

TABLE HS1: HEALTH & SAFETY OVERVIEW – COMPANY DISCLOSURES & PRACTICES		
Particulars	#Companies	
	Disclosure	Performance
Occupational health & safety management system	200/200	199/200
Coverage of Occupational health & safety management system	200/200	198/200
Processes to identify work-related hazards and assess risks on a routine & non-routine basis by the entity	200/200	191/200
Processes to report the work-related hazards and to remove themselves from such risks^^	146/149	143/146
Access to non-occupational medical & healthcare services	198/200	197/198
Measures to ensure a safe & healthy work place	200/200	200/200
Extends life insurance or any compensatory package in the event of death of employees/ workers	182/200	181/182

^^Excludes 48 Financial Services companies as work-related hazards/risks and high consequence work-related injury may not be as relevant as it is for other industries. This also excludes 1 IT Company, 1 Telecommunication & 1 Company belonging to 'Others' industries, as considering their nature of business, the said questions are not relevant to them.

- All companies except 1 Financial Services-Others Company have disclosed information regarding implementation of occupational health and safety management system. Further, out of 199 companies, 1 Banking Company did not disclose information regarding coverage of such health & safety management system.
- 9 companies belonging to Financial Services (Bank, Insurance & Others) did not disclose information on identification of work-related hazards and assessment of risks. These companies have stated “Not Applicable” owing to their nature of business. However, identification of work-related hazards like safety hazards (fire, electrical hazards, etc.), psychosocial hazards (stress, burnout, etc.), among others may occur in all kinds of industries, hence, companies should address the same.
- Except 3 companies (1 each from Healthcare, Capital Goods & Consumer services industry), all companies (if applicable) have disclosed information regarding processes to report the work-related hazards and to remove themselves from such risks. Further, 143 companies have affirmed that they have the said process.
- With regard to access to Non-Occupational medical & healthcare services, 1 Insurance Company and 1 Capital Goods Company did not disclose any information regarding the same. Whereas 1 Financial Services-Other Company disclosed that it does not have non-occupational medical & healthcare services.
- 18 out of 200 companies did not disclose whether any life insurance or any compensatory package was extended to their employees / workers in the event of death. Out of remaining 182 companies, total 181 companies provide life insurance benefits or compensatory package, whereas only 1 Financial Services – Others company does not provide such benefits.

Assessment on Health & Safety Practices & Working Conditions:

BRSR mandated disclosure of assessment done during the year for Health and safety practices and Working Conditions. While the disclosure regarding assessment of plants and offices is mandatory in nature, disclosure of assessment of value chain partners forms part of Leadership indicators, thus, making it a voluntary disclosure.

Table HS2 provides a summary of assessment done on Health and safety practices and Working Conditions carried in plants & offices and value chain partners of the sample companies:

TABLE HS2: ASSESSMENT FOR HEALTH & SAFETY PRACTICES AND WORKING CONDITIONS						
Assessment %	Data disclosed*	Assessed 100%	Assessed >50%	Assessed <50% and >0%	% Not Disclosed or 0%	Corrective Actions^
Plants & Offices	152/152	120/152	3/152	2/152	27/152	151/152
Value Chain Partners	126/152	38/126	29/126	29/126	30/126	121/126

**Excludes 48 Financial Services companies as assessment on work-related hazards and risks as mentioned above may not be as relevant to them as it is to other industries / ^Corrective Actions taken on significant risks/concerns arising from the respective assessments done or no risk/concern arose.*

- All 152 companies (other than financial services Companies) have disclosed information on assessment of plants & offices for Health & Safety practices and Working Conditions.
- Out of 152 companies, 120 companies have assessed 100% of their plants & offices, whereas 27 companies have either not adequately disclosed the % of offices assessed or has not assessed any of their plants / offices.
- Regarding assessment of value chain partners, 26 out of 152 companies did not disclose information regarding the assessment, mainly because the said disclosure forms part of Leadership Indicators of BRSR, which is voluntary.
- While for assessment of plants & offices, there were only 2 companies with less than 50% assessment, for value chain partners, there were 29 companies with less than 50% assessment.
- Similarly, while 120 companies had assessed 100% of their plants & offices, only 38 companies assessed 100% of value chain partners. Clearly, focus on assessment of value chain partners is of less importance for corporates at the moment due to voluntary requirement.
- With regards to corrective actions, the number depicted in the above table includes companies which did not record any risks / concern, and hence, no corrective action was required.

Workforce Well Being:

- Companies are expected to provide equal access to well-being benefits to its entire workforce i.e. all employees and workers (including non-permanent), as such benefits play a significant role in workforce satisfaction and overall well-being.
- As required under BRSR mandate, companies have made disclosures regarding well-being benefits provided, which includes health and accident insurance, parental benefits and day care facilitates.
- While several companies have disclosed data on permanent workforce, they have not disclosed the same for non-permanent workforce; some of these companies have simply stated as “Vendors are required to comply to statutory requirements” or “Not applicable”.

- For the purpose of computing the % of employees/workers who were given the well-being benefits, total workforce as per Section A of BRSR has been considered.

Further, in few companies, well-being data disclosed by companies is more than total workforce as per Section A of BRSR, hence, for the purpose of analysis, total employees/workers have been considered as per total workforce data i.e. 100% employees/workers are given the said benefit in these companies.

Additionally, non-disclosure of data has been considered as ‘zero’ for the purpose of analysis.

- For the purpose of analysing whether companies provide equal access to well-being benefits to all of its Employees and Workers, irrespective of nature of employment, a comparison has been made between benefits provided to Permanent and Non-Permanent Workforce.

Health Insurance Benefit:

Health insurance related benefits, sponsored by employers, goes a long way in establishing a long-term employment relationship. An easy access to necessary healthcare fosters better productivity at work and reduced absenteeism.

Tables HS3 provides the data on Health Insurance benefits provided to employees & workers (permanent as well as non-permanent):

TABLE HS3: WELL-BEING MEASURES: HEALTH INSURANCE						
% covered		Permanent v/s Non-Permanent Workforce		Employees v/s Workers		% of Total Workforce
INDUSTRIES	#	Permanent	Non-Permanent	Total Employees	Total Workers	
Total	199	96.6%	63.1%	94.7%	68.8%	86.0%
Consumer Services	7	100.0%	99.5%	99.7%	100.0%	99.7%
Financial Services - Banks^	22	100.0%	75.6%	99.3%	100.0%	99.3%
Financial Services-Insurance^	7	99.7%	1.0%	99.1%	NA	99.1%
Chemicals	6	100.0%	91.2%	98.9%	93.3%	95.8%
Capital Goods^	15	99.4%	90.8%	99.0%	91.1%	94.9%
FMCG	14	99.9%	88.9%	98.5%	90.1%	93.4%
Healthcare	13	99.2%	63.9%	97.1%	72.0%	92.5%
Information Technology	12	96.5%	7.5%	91.7%	94.3%	91.8%
Oil Gas & Consumable Fuels	19	100.0%	71.3%	99.7%	83.6%	86.2%
Financial Services – Others^	10	93.2%	47.9%	85.4%	94.1%	85.4%
Metals & Mining	15	100.0%	71.2%	99.9%	75.2%	82.4%
Power	10	94.2%	70.1%	95.2%	70.4%	75.7%
Consumer Durables	7	98.2%	57.6%	90.1%	53.8%	73.7%
Construction Materials	6	88.5%	59.7%	98.4%	59.6%	71.0%
Automobile and Auto Comp.	16	63.3%	73.1%	83.3%	62.3%	68.2%
Realty^	6	100.0%	6.7%	93.9%	0.3%	53.7%
Others	14	98.5%	34.4%	90.7%	37.3%	51.6%

[#]Number of companies covered | [^]Out of 16 Capital Goods companies, 1 did not disclose adequate data on well-being benefits, hence, it has been excluded from the above analysis. Out of 48 Financial Services companies (Banks, Insurance & Others), only 27 companies had non-permanent workforce and only 3 companies had workers. Only 2 out of 6 Realty companies had recorded workers during the year. Thus, overall coverage may vary.

- Consumer Services recorded the highest percentage of total workforce who were provided with Health Insurance during FY 2023-24 i.e. 99.7%, whereas the lowest percentage was recorded by Other industries at 51.6%, followed by Realty industry. Service industries like Consumer services, Banks & Insurance companies recorded the top three position in % of total workforce provided with health insurance, however, IT industry held the 8th position from the top.
- 🚫 3 companies of Financial Services-Others industry did not provide Health Insurance benefits.
- 👍 7 industries i.e. 84 companies have provided health insurance benefit to more than 90% of their total workforce.

Permanent vs Non-Permanent Workforce:

- While 6 out of 17 industries provided Health insurance to 100% of their permanent workforce, no industry recorded 100% coverage for non-permanent workforce; in fact, 2 industries (Realty & IT) have recorded non-permanent coverage for health insurance below 10% (excluded Insurance industry since it has low non-permanent workforce).
- All 199 companies have disclosed health insurance data for permanent workforce, however, 16 companies did not disclose data for non-permanent employees and 8 companies did not disclose the same for non-permanent workers.
- Only in Automobile & Auto components the % coverage of non-permanent workforce was more than permanent. Further, while least spread in coverage was observed in Consumer Services, where 100% of permanent workforce and 99.5% of non-permanent workforce were covered, the highest spread was recorded in Financial Services-Insurance, where 99.7% of permanent workforce and only 1% of non-permanent workforce were covered, this was followed by Realty industry.

Employees vs Workers:

- 14 out of 17 industries (constituting 149 companies) had provided health insurance to more than 90% of their employees and no Company with less than 80% coverage. On the other hand, among workers, more than 90% coverage was observed in only 7 industries.
- Only 2 out of 6 Realty companies had recorded workers, out of which 1 did not provide information on health insurance to workers and 1 provided such benefit to only 14% workers during the year. This industry also recorded the highest spread among employees & workers.
- In industries like Consumer Durables, Others, Construction materials, while percentage coverage is more than 90% for employees, it is significantly low for workers.

Accident Insurance Benefit:

Accident insurance serves as a safety net for employees and workers and it protects them from the financial burdens that can arise from accidental injuries. Hence, for industries with high accidental risks should have enhanced focus on the said well-being measure.

Tables HS4 provides the data on Accident Insurance benefits provided to employees & workers (permanent as well as non-permanent):

TABLE HS4: WELL- BEING MEASURES: ACCIDENT INSURANCE						
% covered		Permanent v/s Non-Permanent Workforce		Employees v/s Workers		% of Total Workforce
INDUSTRIES	#	Permanent	Non-Permanent	Total Employees	Total Workers	
Total	199	88.4%	75.8%	85.7%	82.0%	84.4%
Chemicals	6	100.0%	99.0%	98.9%	100.0%	99.5%
Consumer Services	7	100.0%	96.5%	97.8%	99.9%	98.0%
Healthcare	14	99.2%	80.4%	98.5%	83.0%	95.6%
Capital Goods^	15	97.2%	90.0%	98.6%	88.8%	93.5%
Others	14	80.4%	97.2%	72.6%	100.0%	92.7%
Information Technology	13	95.8%	7.3%	91.1%	95.6%	91.1%
Oil Gas & Consumable Fuels	12	100.0%	80.4%	99.7%	88.8%	90.6%
FMCG	15	100.0%	83.4%	98.3%	85.0%	90.3%
Financial Service–Insurance^	7	83.5%	0.1%	82.9%	NA	82.9%
Metals & Mining	10	100.0%	71.5%	99.9%	75.4%	82.5%
Power	10	100.0%	70.1%	100.0%	70.8%	77.0%
Automobile & Auto Comp.	16	66.0%	87.2%	83.4%	73.9%	76.5%
Financial Services – Others^	19	89.8%	8.6%	75.8%	100.0%	75.8%
Financial Services – Bank^	22	74.7%	69.4%	74.6%	100.0%	74.6%
Construction Materials	6	88.8%	62.8%	98.3%	62.5%	73.0%
Consumer Durables	7	73.5%	62.6%	81.7%	49.0%	66.9%
Realty^	6	100.0%	6.5%	93.9%	0.0%	53.6%

[#]Number of companies covered | [^]Out of 16 Capital Goods companies, 1 did not disclose adequate data on well-being benefits, hence, it has been excluded from the above analysis. Out of 48 Financial Services companies (Banks, Insurance & Others), only 27 companies had non-permanent workforce and only 3 companies had workers. Only 2 out of 6 Realty companies had recorded workers during the year. Thus, overall coverage may vary.

- Highest percentage of workforce provided with Accident insurance has been recorded in Chemical industry (99.5%), followed by Consumer services and Healthcare industry. Whereas Realty industry had the lowest workforce coverage during the year for accident insurance.
- 🚫 While 6 companies did not provide Accident Insurance benefits to its Employees and Workers during the year, 2 Banking Company did not provide the said data.
- 👍 In 8 industries, accident insurance benefits were provided to more than 90% of their workforce.

Permanent vs Non-Permanent Workforce:

- While 7 out of 17 industries provided Accident insurance to 100% of their permanent workforce, no industry recorded 100% coverage for non-permanent workforce; in fact, 4 industries (Financial Services- Insurance & Others, Realty & IT) have recorded non-permanent coverage for health insurance below 10%.
- All 199 companies have disclosed health insurance data for permanent workforce, however, 16 companies did not disclose data for non-permanent employees and 9 companies did not disclose the same for non-permanent workers.
- Among 2 industries (Automobile & Auto components and Others), % coverage of non-permanent workforce was more than permanent. Further, while least spread in coverage was observed in Chemical industry (100% of permanent workforce & 98.9% of non-permanent workforce covered),

the highest spread was recorded in Realty industry (100% of permanent workforce & only 6.5% of non-permanent workforce were covered).

- When compared to Health insurance, focus of IT and Financial services companies was lesser on providing Accident insurance to the non-permanent workforce.

Employees vs Workers:

- The total coverage of employees & workers is close with 86% & 82%, respectively.
- Only in Power industry, 100% employees were provided accident insurance, whereas there were 10 industries with more than 90% coverage among employees.

On the other hand, among workers, 100% workers of Chemicals, Others and Financial Services-Banks & Others were given accident insurance and 2 industries with more than 90% coverage.

- Only 2 out of 6 Realty companies had recorded workers, out of which 1 did not provide information on accident insurance to workers and 1 has not provided such benefit to their workers. This industry has also recorded the highest spread among employees & workers.
- After Realty industry, the highest spread was observed in Construction materials & Consumer Durables industry.
- Industries like Construction materials, Consumer Durables, Power, Metals & Mining, Auto Components etc. have comparably low coverage for workers, even though these industries rely heavily on their workers for production.

Table HS5 reflects the coverage percentage of Accident Insurance and Health Insurance in companies with highest non-permanent workforce and companies with highest workers:

TABLE HS5: HEALTH & ACCIDENT INSURANCE			
Sr. No.	INDUSTRIES*	Health Insurance Coverage %	Accident Insurance Coverage %
Companies with Highest Non-Permanent Workforce			
1.	Others (Infrastructure)	18.75%	100.00%
2.	Metals & Mining	100.00%	100.00%
3.	Power	100.00%	100.00%
Companies with Highest Workers			
1.	Others (Infrastructure)	18.07%	100.00%
2.	Oil Gas & Consumable Fuels	100.00%	100.00%
3.	Metals & Mining	18.07%	100.00%

**In place of the Company name, Industry name is disclosed*

- In all companies with highest non-permanent workforce and highest workers, the coverage percentage for Accident insurance is 100%. These industries are Others (Infrastructure), Oil Gas & Consumable Fuels and Metals & Mining, all accident-prone industries, hence, coverage for accident insurance is 100%.
- However, Health insurance coverage is significantly low. Given the nature of business of these companies, non-permanent workforce, especially workers, are prone to higher health risks due to exposure to various hazards, hence, health insurance is equally important for them.

Maternity Benefits:

Companies are required to provide maternity benefits to its women employee/worker under Maternity Benefit Act, 1961; hence, all companies have made disclosure regarding maternity benefits provided to its female workforce, although not necessarily in the format prescribed in BRSR. However, the disclosure differs for non-permanent female workforce and female workers.

Table HS6 provides a brief on maternity benefits provided by the sample companies and for this analysis, only female workforce has been considered:

TABLE HS6: WELL-BEING MEASURES: MATERNITY BENEFITS						
% covered		Permanent v/s Non-Permanent Workforce		Employees v/s Workers		% of Total Workforce
INDUSTRIES	#	Permanent	Non-Permanent	Total Employees	Total Workers	
Total	198	95.6%	72.2%	95.5%	68.5%	91.9%
Financial Services – Others^	19	99.5%	99.9%	99.7%	100.0%	99.7%
Financial Services – Bank^	22	99.1%	86.4%	98.8%	100.0%	98.8%
Consumer Services	7	100.0%	96.3%	97.6%	100.0%	97.7%
Capital Goods^	15	95.6%	97.8%	96.5%	97.3%	96.8%
FMCG	15	98.1%	96.1%	97.9%	96.2%	96.7%
Information Technology	13	98.9%	11.0%	95.1%	96.5%	95.1%
Consumer Durables	7	99.9%	88.3%	91.2%	96.4%	93.6%
Chemicals	6	100.0%	87.9%	100.0%	87.8%	93.2%
Oil Gas & Consumable Fuels*	11	100.0%	68.9%	98.8%	91.2%	93.0%
Healthcare	14	97.8%	68.0%	96.3%	64.7%	92.1%
Others	14	99.4%	64.6%	89.3%	94.4%	91.4%
Construction Materials	6	99.2%	82.4%	97.4%	83.3%	90.5%
Financial Service- Insurance^	7	88.9%	0.2%	87.9%	NA	87.9%
Metals & Mining	10	100.0%	64.6%	99.5%	69.0%	81.9%
Power	10	100.0%	46.5%	96.6%	52.9%	70.8%
Realty^	6	45.5%	8.1%	41.0%	NA	41.0%
Automobile & Auto Comp.	16	16.6%	51.1%	45.6%	26.8%	30.7%

*#Number of companies covered | ^Out of 16 Capital Goods companies, 1 did not disclose adequate data on well-being benefits, hence, excluded from above analysis. Out of 48 Financial Services companies (Banks, Insurance & Others), only 23 companies had non-permanent female workforce and only 2 companies had female workers. No Realty companies had recorded female workers during the year, hence NA. | *One Oil Gas & Consumable Fuels Company had not disclosed bifurcated data of male & female non-permanent workers; hence, excluded from above analysis.*

- ~92% female workforce was granted maternity benefit during the year; however, the coverage of female workforce varies from maximum 99.7% in Financial Services-Others industry to 30.7% in Automobile and Auto Components industry. The low percentage among Automobile industry is mainly because 2 companies had provided such benefit to merely 8.3% & 18.7% of their female workforce. 12 industries had provided maternity benefit to 90%+ of their female workforce.

Permanent vs Non-Permanent Workforce:

- All 198 companies had disclosed maternity benefit data for permanent workforce, however, it was 13 companies did not disclose it for non-permanent employees and 7 companies did not disclose it for non-permanent workers.

- Among permanent female employees, 5 out of 17 industries have recorded 100% coverage for maternity benefit and 9 industries have recorded coverage of more than 90%.
- Among non-permanent female workforce, 3 industries had recorded coverage on maternity benefit of less than 15%.

Among Insurance industry, only 3 companies had recorded non-permanent female workers, however, 1 Company had not provided details of such benefit and 1 Company had not extended the said benefits. Similarly, in the IT industry, 6 out of 13 companies had not disclosed the said data, whereas 4 companies had not extended such benefits; hence, low coverage percentage was recorded in these industries.

- Only in 3 industries i.e. Automobile, Financial Services-Others & Capital Goods, the coverage of non-permanent females are more than permanent females. Whereas the highest spread was observed in Insurance industry (only 0.2% non-permanent females covered), followed by IT industry (only 11% non-permanent females covered).

Employees vs Workers:

- While ~96% employees were given maternity benefit, only 69% workers were given the said benefit. Interestingly, there were 3 industries (Financial services-others & banks and Consumer services) with 100% coverage for female workers and 6 industries with more than 90% coverage; however, due to significantly low coverage in industries like Automobile, Healthcare & Power, the overall workers % has dropped to ~69%.
- It is essential to note that Automobile & Auto Components has the highest concentration of female workers, however, the lowest coverage for maternity benefits.
- The highest difference among employees and workers was observed in Power industry, where 97% employees were covered and only 53% workers were covered.

Compared to other well-being benefits, the coverage of maternity benefits is the highest; the reason being legal mandate for providing maternity benefits. However, even after such mandate, we have limited information on whether almost 8% of total female workforce are being provided such benefits or not, since, several companies either stated “*Not applicable*” or has stated that the people in-charge of such benefits are the contractors who hire them on need basis and hence, no liability of companies. Such practice indicates mindset is of compliance rather than real concern for workforce.

Ideally, companies should ensure that the contractors / relevant parties are providing all employees / workers with such benefits and accordingly, the information should be made available for further analysis. Otherwise purpose behind mandating such benefits will lose its relevance.

Paternity Benefits:

Table HS7 provides a brief on **paternity benefits** provided by the sample companies and for this analysis, only male workforce has been considered:

TABLE HS7: WELL- BEING MEASURES: PATERNITY BENEFITS						
% covered		Permanent v/s Non-Permanent Workforce		Employees v/s Workers		% of Total Workforce
INDUSTRIES	#	Permanent	Non-Permanent	Total Employees	Total Workers	
Total	198	71.7%	10.3%	71.5%	15.5%	50.2%
Financial Service – Insurance^	7	92.1%	0.2%	91.6%	NA	91.6%

Financial Services – Bank^	22	90.3%	40.5%	88.8%	100.0%	88.8%
Information Technology	13	71.1%	5.7%	67.2%	88.9%	67.4%
Financial Services – Others^	19	74.7%	0.2%	65.2%	100.0%	65.2%
Chemicals	6	93.0%	10.7%	83.3%	31.2%	54.9%
Consumer Services	7	100.0%	4.6%	47.1%	50.1%	47.4%
Healthcare	14	52.2%	26.1%	50.1%	35.2%	47.2%
Metals & Mining	10	86.8%	18.0%	89.9%	26.2%	44.2%
Capital Goods^	15	59.0%	11.4%	53.1%	22.5%	37.5%
Consumer Durables	7	72.1%	7.8%	46.3%	16.4%	32.8%
Others	14	52.7%	16.7%	47.7%	17.4%	24.6%
Fast Moving Consumer Goods	15	52.6%	2.3%	35.1%	16.6%	24.3%
Construction Materials	6	56.8%	0.8%	71.2%	3.1%	22.5%
Automobile & Auto Comp.	16	40.3%	5.5%	51.6%	10.3%	22.4%
Oil Gas & Consumable Fuels*	11	38.7%	4.5%	93.5%	8.7%	22.1%
Power	10	83.9%	3.8%	82.6%	5.9%	21.6%
Realty^	6	34.7%	0.5%	31.2%	0.0%	16.1%

#Number of companies covered / ^Out of 16 Capital Goods companies, **1 did not disclose** adequate data on well-being benefits, hence, excluded from above analysis. Out of 48 Financial Services companies (Banks, Insurance & Others), only 27 companies had non-permanent male workforce and only 3 companies had male workers. Only 2 out of 6 Realty companies had recorded male workers during the year. / *One Oil Gas & Consumable Fuels Company **had not disclosed** bifurcated data of male & female non-permanent workers; hence, excluded from above analysis.

- While overall percentage coverage of Maternity Benefit was 91.9%, Paternity Benefits lagged at only 50.2%. Obvious reason is that there are no legislative provisions for Paternity Benefits. Indicating that concept of gender bias is probably not understood well. Bias is not only when you have differential treatment for women, it is equally unacceptable if it is other way round.
- Only Financial Services-Insurance Industry extended paternity benefits to more than 90% of its male workforce, whereas the lowest coverage percentage was observed in Realty industry (16%).
- During the year, 26 out of 198 sample companies did not provide Paternity Benefits to its entire male workforce. This number increased to 83 for non-disclosure of paternity data for non-permanent workforce.
- Further, there are 12 industries in Table HS7, which had recorded paternity coverage percentage of less than 50% of total workforce.

Permanent vs Non-Permanent Workforce:

- Difference in treatment of permanent and non-permanent workforce for providing Paternity Benefits was observed in all industries. In sample companies, overall difference was ~61% in coverage between permanent and non-permanent. Whereas at industry level, the highest gap was observed in Consumer Service Industry, where 100% of Permanent Workforce and only 4.6% of Non-Permanent Workforce were covered, whereas the lowest gap was observed in Healthcare industry, followed by Oil Gas & Consumable Fuels industry.
- Industries like Financial Services (Banks, Insurance and Others), IT, Consumer Services and Chemicals have held top positions in total male workforce coverage for paternity benefit, however, except Banks, all other industries have barely focused on their non-permanent workforce.
- 11 out of 17 industries provided paternity benefits to less than 10% of its non-permanent workforce, out of which 4 industries had coverage % of less than 1%.

Employees vs Workers:

- At sample level, difference in coverage of employees & workers was high at 56%.
- Industries like Oil Gas & Consumable Fuels, Power, Construction Materials and Metals & Mining, which rely heavily on workers have observed the highest spread in employees vs workers.
- In Realty industry, data is not available for 1 Company (had recorded 17,626 male workers) and the other Company had not provided paternity benefit to their male workers.
- Whereas in Construction Materials industry, only 1 out of 6 companies had provided paternity benefits, that too to only 2.8% male workers.
- On the other hand, Financial Services-Banks & Others provided paternity benefits to all its workers (only total 568 male workers in total).

Day-Care Facilities:

Table HS8 provides a brief on Day Care facilities provided by the sample companies and for this analysis, entire workforce has been considered:

TABLE HS8: WELL- BEING MEASURES: DAY CARE FACILITIES						
% covered		Permanent v/s Non-Permanent Workforce		Employees v/s Workers		% of Total Workforce
INDUSTRIES	#	Permanent	Non-Permanent	Total Employees	Total Workers	
Total	199	31.9%	23.8%	26.5%	35.1%	29.4%
Oil Gas & Consumable Fuels	12	84.5%	36.0%	59.3%	61.5%	61.2%
Metals & Mining	10	66.4%	55.5%	57.3%	60.7%	59.7%
Chemicals	6	39.5%	49.8%	24.5%	60.8%	44.3%
Financial Services – Others^	19	45.6%	~0.0%	37.7%	0.0%	37.7%
Healthcare	14	30.2%	57.8%	31.6%	52.5%	35.4%
Consumer Services	7	67.1%	3.9%	29.0%	54.2%	30.9%
Automobile & Auto Comp.	16	26.9%	31.2%	27.0%	29.8%	29.0%
Fast Moving Consumer Goods	15	35.8%	23.0%	23.0%	31.9%	28.4%
Consumer Durables	7	43.9%	15.3%	28.2%	24.6%	26.6%
Financial Services – Bank^	22	23.5%	12.0%	23.2%	0.0%	23.2%
Capital Goods^	15	21.7%	22.0%	16.9%	26.6%	21.9%
Information Technology	13	22.4%	8.1%	21.8%	0.0%	21.6%
Power	10	45.2%	4.8%	44.0%	6.1%	14.1%
Others	14	33.9%	5.1%	32.5%	5.7%	12.9%
Construction Materials	6	10.4%	9.4%	8.5%	10.3%	9.8%
Financial Service- Insurance^	7	9.5%	0.1%	9.5%	NA	9.5%
Realty^	6	15.4%	0.2%	13.8%	0.0%	7.9%

[#]Number of companies covered | [^]Out of 16 Capital Goods companies, **1 did not disclose** adequate data on well-being benefits, hence, it has been excluded from the above analysis. Out of 48 Financial Services companies (Banks, Insurance & Others), only 27 companies had non-permanent workforce and only 3 companies had workers. | Only 2 out of 6 Realty companies had recorded workers during the year.

- Pattern observed among 17 industries for Day Care facility is widely different from what has been observed for other well-being benefits discussed above (i.e. accident & health insurance and

maternity & paternity benefits). Except for Realty industry, there is no consistency of other well-being benefits data with day care facilities data.

- 🔊 Only 29% of the total workforce across sample was given Day care facility. Whereas all other well-being benefits have coverage of more than 50%.
- 🔊 3 out of 199 companies have given no information on day care facilities, whereas 59 companies have not provided such benefit to any of its employees / workers during the year.
- Across the sample, while Oil Gas & Consumable Fuels has provided day care facility to 61% of their total workforce, which is the highest coverage across all industries, only 7.9% workforce was given the said benefit in Realty industry.
- As opposed to other well-being benefits, the highest coverage of total workforce for day care facilities was observed in Oil Gas & Consumable Fuels, Metals & Mining and Chemicals industry. Whereas industries like IT and Financial Services was seen in the bottom half of table HS8.

Permanent vs Non-Permanent Workforce:

- Among employees, while 65 companies had not provided day care facility to their permanent employees, the number was 71 for non-permanent employees.
- On the other hand, among workers, no day care facility was provided by 35 companies to permanent workers (there were no permanent workers in 91 companies) and no such benefits by 53 companies to their non-permanent workers (no non-permanent workers in 82 companies).
- While coverage percentage both permanent & non-permanent is low at just ~32% & ~24%, respectively, there still exists a difference of ~8%.
- The highest spread was observed in Consumer Services, with permanent workforce coverage for day care facility at 67% and for non-permanent workforce at only 3.9%. Interestingly, Consumer services industry had recorded less than 5% difference (among permanent & non-permanent coverage) for Accident & Health insurance and maternity benefits.

Employees vs Workers:

- Surprisingly, the total coverage of workers for day care facilities is more than total employees by almost 8%. Where 9 out of 17 industries had recorded coverage of workers more than employees.
- Whereas 7 industries had recorded employees' coverage more than workers for day care facilities, where, the highest spread was observed in Power industry, followed by Financial Services- Others industry.
- 🔊 Out of 17 industries, 4 industries (IT, Realty and Financial Services- Banks & Others) had recorded 0% coverage for workers during the year (this includes companies who had not disclosed any data).
- Only 1 out of 22 Banking companies had recorded having workers, that had Company has not provided day care facility to its workers as well as employees. Similarly, among Financial Services- Others, only 2 companies had recorded workers and no benefits were extended by them.

Health & Safety Training:

One of the primary duties of employers is to implement mechanisms which can help in reducing workplace accidents and illnesses to ensure that the employees and workers are performing their roles effectively and safely and one such mechanism is providing relevant trainings to its workforce.

Health and Safety Trainings encourages a safety-conscious culture within the workplaces and ensures that health & safety are given primary importance in all work activities. Further, such trainings should be provided at regular intervals to improve operational efficiency and productivity.

Similar to Skill upgradation training, BRSR requires companies to disclose Health & Safety training provided to employees and workers for last 2 years and it has been observed that several companies have excluded non-permanent workforce from the coverage of workforce trained for Health & Safety.

Table HS11 considers the total workforce (employees as well as workers) as disclosed by companies under Section A of BRSR.

TABLE HS11: TRAINING ON HEALTH & SAFETY MEASURES					
INDUSTRIES	#	Employees Trained (%)	#	Workers Trained (%)	Total Workforce Trained (%)
Total	196	60.43%	126	55.65%	58.84%
Others	14	51.89%	9	99.28%	86.56%
Metals & Mining	9	76.85%	9	87.33%	84.26%
Consumer Services	7	83.88%	3	35.64%	80.25%
Healthcare	14	75.96%	12	66.90%	74.30%
Information Technology	12	68.12%	3	4.09%	67.60%
Automobile & Auto Components	16	73.40%	16	65.03%	67.35%
Realty	6	42.58%	2	98.26%	66.50%
Financial Services - Others	19	63.54%	2	35.29%	63.54%
Financial Services - Banks	22	53.02%	1	90.85%	53.03%
Capital Goods	16	36.19%	15	54.99%	45.61%
Consumer Durables	7	52.55%	6	36.29%	45.18%
Fast Moving Consumer Goods	15	36.18%	15	42.39%	39.90%
Chemicals	6	68.92%	6	15.52%	39.80%
Construction Materials	6	48.50%	6	30.85%	36.01%
Financial Services - Insurance	5	34.44%	0	NA	34.44%
Power	10	45.63%	9	31.23%	34.29%
Oil Gas & Consumable Fuels	12	47.33%	12	12.31%	17.91%

#Number of companies that disclosed data for training / **Note:** In 12 companies the no. of employees/workers provided Health & Safety training was more than the total no. of workforce (Section A of BRSR) during the year. This is primarily due to high employee attrition or where individual employees have undergone multiple trainings during the year. For the purpose of analysis, total employees trained has been considered as per total workforce data i.e. 100% employees trained in these companies.

- An IT Company has disclosed overall percentage of training coverage (includes training of skill upgradation training data). One Metals & Mining & one Insurance Company has not disclosed training data in BRSR format and the number of employees/workers covered appears highly inconsistent with total workforce. Hence, **these 3 companies** have been excluded.
- Further, for employees, **1 Insurance Company** had not disclosed data on Health & Safety training, thus, 4 entities excluded; and for workers, disclosure was not applicable in **73 companies** (since no workers), and 1 entity from Metals and Mining was excluded due to reason mentioned above.
- 1 Power Company and 1 Company belonging to 'Other' industry have disclosed data for training of health & safety of workers, despite having no workers (as per Section A of BRSR), the same has not been considered in the analysis of workers on such trainings.

- Further, 5 companies had not provided the said training to any of its employees during the year. And, 2 companies (from IT and Realty industry each) did not provide Health & Safety training to any of its workers.
- Only ~59% of total workforce was given training on Health & Safety during the year.
- The ‘Others’ Industry has given training to highest percentage of its workforce i.e. ~86.5%, followed by Metals & Mining and Consumer Services industries. Whereas the lowest training was reported to workforce of Oil Gas & Consumable Fuels industry, at only ~18% workforce trained, which is ironic, given the nature of business where the workforce is exposed to higher levels of risks with regard to health & safety.
- It may be further noted that, in industries like Oil Gas & Consumable Fuels, Power and Construction Materials (these 3 industries rank in bottom 4 table HS11), safety, health and welfare of workers, especially non-permanent workers, are strictly regulated when compared to other industries. Therefore, poor performance in industries where workers ought to be subjected to higher level of training for Health and Safety, raises a question on whether these companies are not complying with applicable laws or there exists shortcoming in the disclosures made by these companies?
- Among employees, total ~60% employees of the sample companies were provided Health & Safety training, where the highest % coverage was observed in Consumer Services (~84%), followed by Metals & Mining (77%) and Healthcare industry (76%).

On the other hand, the lowest % coverage was observed in Financial Services - Insurance sector, the reason might be that the service industries do not give Health & Safety the same importance as given to other kinds of training as they don’t consider it as material as it is for other industries. However, basic training on maintaining Health (focus should be on physical as well as mental health) and Safety should be given to all industries, irrespective of nature of business.

- Only ~56% workers were given training on Health & Safety. It is pertinent to note that industry wise % coverage of workers is on different tangent when compared to % coverage of employees. One example of this is Realty industry, where while 98% workers were trained for Health & Safety, only 43% employees were given the said training. Similarly, the ‘Others’ industry has recorded the highest % coverage of workers at 99.3%, however, employees’ coverage was only 52%.
- However, in industries like IT, Consumer Services, Chemicals and Oil Gas & Consumable Fuels, the % coverage of workers is significantly low when compared to employees.
- In 9 out of 16 industries (no worker in insurance sector), the coverage % for workers were less than 50%, where the lowest % coverage was at ~4% (IT sector); whereas among employees, 7 industries had recorded coverage % of less than 50% but the lowest coverage was at 34% (Financial Services-Insurance). Hence, clearly, there exists differential treatment for employees & workers when it comes to providing such trainings.
- At individual Company level, 100% training to employees was provided in 33 companies, whereas there were 40 companies which provided training to 100% workers.

Regarding the disclosure practice of companies, as also discussed in Workforce Management section under Skill upgradation trainings, BRSR requires companies to disclose training provided to all employees and workers (permanent as well as non-permanent). However, for the purpose of computing its training coverage percentage, there were 86 and 52 companies that had considered different total employee and total workers, respectively, from what was mentioned in Section A of BRSR. Hence, the disclosure made by these companies does not reflect the true picture.

Safety Related Incidents

An entity to have a healthy and safe workplace is the basic necessity of every employee or worker in an organisation and paramount duty of employers.

While progress is being made with regard to ensuring that there exists a safe and healthy working environment, the reality remains that workers continue to suffer from work-related injuries and diseases, due to exposure to a range of occupational hazards and risks.

The enormous burden of poor working conditions

Nearly three million workers die every year due to work-related accidents and diseases, an increase of more than 5 per cent compared to 2015, according to new ILO estimates. The toll underscores the persistent challenges in safeguarding the health and safety of workers, globally.

Most of these work-related fatalities, totalling 2.6 million deaths, stem from work-related diseases. Work accidents account for an additional 330,000 deaths, according to the analysis. Circulatory diseases, malignant neoplasms and respiratory diseases rank among the top three causes of work-related death. Together, these three categories contribute more than three-quarters of total work-related mortality.

- Source: International Labour Organization (ILO) ([Weblink](#))

The analysis below (Table HS12 to HS15) provides a summary of all the safety related incidents that occurred in last 2 FYs in the sample companies.

- Although for some industry, especially in-service industry the risk of fatality or injuries may be negligible as compared to manufacturing or labour-intensive industry, however, the level of risk should not determine disclosure of workplace safety records.
- Few companies have stated “Not Applicable” for safety related incidents. Such incidents can occur irrespective of the nature of business, and the only thing that will vary is the quantum. Hence, such disclosure may give rise to different interpretation and may create doubt in the minds of stakeholders.
- As a best practice, in case there is no fatality, no accidents etc. companies must report ‘Nil’ for safety related incidents, as not reporting citing non-materiality is not a good governance practice.

Recordable Work-Related Injuries:

As disclosed by the Guidance note for BRSR, recordable work-related injury or ill-health are the ones which result in: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Under this disclosure, the listed entities are required to disclose the total number of employees/workers affected by work-related injuries or ill-health, across all incidents during for last 2 FYs.

TABLE HS12: TOTAL RECORDABLE WORK-RELATED INJURIES (EMPLOYEES + WORKERS)

INDUSTRIES	#	Change		Recordable Work-Related Injuries		Per 1,000 Workforce
		↑	↓	2023	2024	2024
Total	196*	60	67	5,790	6,287	0.79
Consumer Services	7	4	1	217	1,364	10.09
Capital Goods	16	5	10	851	651	2.35
Metals & Mining	10	3	7	1,738	1,542	2.30
Healthcare	14	7	3	431	475	1.22

Consumer Durables	7	4	1	173	126	1.13
Construction Materials	6	2	4	243	200	1.12
Automobile & Auto Comp.	16	7	9	604	510	1.10
Power	10	2	7	416	297	0.89
Others	14	4	7	503	551	0.88
Fast Moving Consumer Goods	15	11	3	153	240	0.86
Chemicals	6	1	3	77	35	0.82
Realty	6	1	2	29	17	0.41
Oil Gas & Consumable Fuels	11	3	6	172	119	0.18
Information Technology	13	3	2	147	149	0.08
Financial Services - Bank	19	3	1	12	11	0.01
Financial Services - Others	19	0	1	24	0	0.00
Financial Services - Insurance	7	0	0	0	0	0.00

#Number of companies covered / *4 companies (3 Banking companies & 1 Oil Gas & Consumable Fuels Company) did not disclose above-mentioned data, hence, excluded from the analysis. It appears that 1 Oil Gas & Consumable Fuels Company has disclosed Total recordable work-related injuries in terms of rate, i.e. 0.15 & 0.21 for employees and workers, respectively for FY2024; the same has been excluded from the below analysis. | 1 Realty Company had not recorded having any workers on its direct payroll (as per Section A of BRSR) but had workers were employed at construction sites, and had recorded 3 work related injury during the year. Similarly, 1 Telecommunication Company had not reported workers, however, has reported 13 recordable work-related injuries during the year, among the contractual workers/ manual labours hired on a daily or monthly basis for site level internal work.

- The total recordable work-related injuries have increased by ~8.6% during FY 2023-24, when compared to last FY (an absolute increase of 497 cases).
- The number of work-related injuries, when compared to FY 2022-23, increased in 60 companies and decreased in 67 companies.
- While during FY 2023-24, there were no injuries in 67 companies, for FY 2022-23, the number of companies with no injuries was 74.
- The highest complaints during FY 2023-24 were recorded by Metals & Mining industry. All 10 companies in Metals & Mining industry have reported work related injury in both FYs and this industry has the 3rd highest concentration of work-related injury per 1,000 workforces.
- The 2nd highest injuries were recorded by Consumer Services. While 4 out of 7 Consumer Services companies had reported 88 injuries (no complaints by 2 companies), 1,276 complaints were reported by 1 single Company (last FY: 148 complaints) and hence, this industry had reported the highest concentration of complaints in terms of workforce.
- No work-related injuries were recorded by Financial Services-Others & Insurance industries during the year. Further, in Banking industry, total 11 injuries were recorded by 4 banks.
- When compared to last FY, the highest decrease in number of injuries reported was observed in Financial Services-Others (from 24 in 2023 to 0 injuries in 2024), followed by Chemicals industry (from 77 in 2023 to 35 injuries in 2024).
- Whereas as discussed earlier, Consumer services industries reported the highest increase in total number injuries, followed by FMCG industry (from 153 in 2023 to 240 injuries in 2024).

Fatalities:

Table HS13 provides summary of fatalities recorded in the sample companies:

TABLE HS13: FATALITIES (EMPLOYEE + WORKERS)						
INDUSTRIES	#	Change		No. of fatalities		Per 1,000 Workforce
		↑	↓	2023	2024	2024
Total	196*	30	31	204	195	0.02
Chemicals	6	2	2	3	10	0.24
Power	10	1	5	49	30	0.09
Construction Materials	6	4	2	7	14	0.08
Oil Gas & Consumable Fuels	12	5	3	41	46	0.07
Others	14	3	0	19	34	0.05
Realty	6	1	2	3	2	0.05
Capital Goods	15	3	2	11	13	0.05
Metals & Mining	10	2	7	54	31	0.05
Consumer Durables	7	1	1	7	4	0.04
Fast Moving Consumer Goods	15	2	2	4	4	0.01
Automobile and Auto Comp.	16	3	4	5	4	0.01
Healthcare	14	1	1	1	1	~0.01
Financial Services - Bank	19	1	0	0	1	~0.01
Information Technology	13	1	0	0	1	~0.01
Consumer Services	7	0	0	0	0	0.00
Financial Services - Insurance	7	0	0	0	0	0.00
Financial Services - Others	19	0	0	0	0	0.00

#Number of companies covered / *4 companies (3 Banking companies & 1 Capitals Goods Company) did not disclose above-mentioned data, hence, excluded from the analysis.

- 1 Realty Company had not recorded having any workers on its direct payroll (as per Section A of BRSR) but had workers were employed at construction sites, and they have disclosed safety related incidents for workers. The Company had recorded 1 fatality during the year (last FY: 2 fatalities) and this has been included in table HS13.
- 👍 Zero case of fatality reported by 146 companies during FY 2023-24 (last FY: Zero fatalities reported in 147 companies).
- Total number of fatalities recorded by the sample has decreased from 204 to 195 i.e. decrease of 4%. Where 3 industries viz. Financial Services-Others & Insurance and Consumer Services, did not report any fatality during last 2 FYs.
- 1-1 Company each in IT (pertaining to road accident in Company provided transport) and Banking industry (no clarification provided) had reported fatality during the year.
- The highest fatalities were reported by Oil Gas & Consumable Fuels industry, followed by 'Others' industry. Whereas in terms of per 1,000 workforces, the highest concentration was observed in Chemical industry, followed by Power and Construction materials industry.
- 👎 141 fatalities out of total 195 fatalities reported during the year i.e. 72% cases were from Oil Gas & Consumable Fuels, Others industry, Metals & Mining and Power industries.
- 👎 Similarly, in Others industry, 4 out of 14 companies had reported fatalities, out of which 68% cases i.e. 23 fatalities were reported by 1 infrastructure company.

- The fatalities in industries like Oil Gas & Consumable Fuels, Metals & Mining, Infrastructure, etc. are generally brushed aside as “owing to the nature of business”. High fatalities indicate that such companies / industries have a major scope for improvement in their health & safety practices. Can one say that these industries would always remain so risky? Are these sector high risk sectors? Certainly not! Health and safety factor in these industries can surely improve.
- The highest increase in number of fatalities was observed in Chemicals industry, followed by Construction Materials and Others industries. On the other hand, the highest decrease was observed in Metals & Mining, followed by Consumer Durables and Power industry.
- Further, in 30 companies the number of fatalities reported increased during the year, whereas it decreased in 31 companies and there was no change in 135 companies (includes 128 companies which reported no fatality in last 2 FYs).

High Consequence Work Related Injury or Ill-Health:

A call for safer and healthier working environments: 395 million workers worldwide sustain a non-fatal work injury each year.

- Source: International Labour Organization (ILO) ([Weblink](#))

High consequence work-related injury or ill-health, as disclosed by the Guidance note for BRSR, is an injury from which the employee/worker cannot or is not expected to recover fully to the previous health status and this disclosure excludes fatalities. (Table includes Employees + Workers)

TABLE HS14: HIGH CONSEQUENCE WORK-RELATED INJURY OR ILL-HEALTH						
INDUSTRIES	#	Change		High consequence work-related injury or ill-health		Per 1,000 Workforce
		↑	↓	2023	2024	2024
Total	195*	17	18	418	277	0.03
Capital Goods	6	1	4	65	54	0.20
Construction Materials	10	1	1	70	29	0.16
Power	6	1	3	95	51	0.15
Oil Gas & Consumable Fuels	12	2	1	67	55	0.08
Metals & Mining	14	4	2	55	37	0.07
Automobile and Auto Comp.	6	1	2	24	31	0.07
Consumer Durables	15	1	1	17	2	0.02
Fast Moving Consumer Goods	10	1	2	6	4	0.01
Others	7	2	1	18	8	0.01
Healthcare	15	2	0	0	2	0.01
Chemicals	16	0	1	1	0	0.00
Consumer Services	14	0	0	0	0	0.00
Financial Services - Bank	19	0	0	0	0	0.00
Financial Services - Insurance	13	0	0	0	0	0.00
Financial Services - Others	7	0	0	0	0	0.00
Information Technology	7	0	0	0	0	0.00
Realty	19	0	0	0	0	0.00

*#Number of companies covered / *4 companies (3 Banking companies & 1 Metals & Mining Company) did not disclose above-mentioned data, hence, excluded from the analysis. 1 Metals & Mining Company had not disclosed data for FY 2022-23, however, has disclosed data for FY 2023-24. The same has been excluded from above analysis.*

- The total High Consequence Work Related Injury or Ill health cases has decreased by 35% during FY 2023-24, when compared to last FY.
- The highest such cases were recorded by Oil Gas & Consumable Fuels industry at 55 cases. The second highest number was recorded in Capital Goods industry, at 54 cases and this industry also has the highest concentration of cases per 1000 workforce.
- In Capital Goods industry, 1 Company had recorded 41 cases i.e. ~75% cases recorded in the entire industry. Similarly, in Power industry, which has recorded 3rd highest number of such cases (total 51), 49 cases (96% of entire industry) was recorded by one single Company.
- All companies in 7 out of 17 industries (i.e. 77 companies) did not record any such case during FY 2023-24.
- When compared to last FY, the highest decrease in number of cases was observed in Consumer Durables industry (from 17 in 2023 to 2 cases in 2024), followed by Power industry (from 95 in 2023 to 51 cases in 2024).
- Further, when 16 out of 195 companies recorded an increase in such cases, 18 companies recorded a decrease and there was no change in 161 companies (includes 149 companies which did not record any such case in last 2 FYs).

Lost Time Injury Frequency Rate:

Lost time injury frequency rate (LTIFR) is used to indicate the loss of productivity arising out of work-related injury or ill-health, which may arise from exposure to hazards at work and are directly related to performance of work-related tasks (as per Guidance note for BRSR).

For the purpose of understanding performance of companies in terms of Lost Time Injury Frequency Rate (per one million- person hours worked), industry wise average has been calculated for last 2 FYs:

TABLE HS15: AVERAGE OF LOST TIME INJURY FREQUENCY RATE					
(per one million-person hours worked)					
INDUSTRIES	#	Employees		Workers	
		2023	2024	2023	2024
Total	191/200*	0.24	0.20	0.43	0.42
Consumer Services	7/7	0.06	0.32	1.66	2.38
Capital Goods	15/16	0.79	0.50	1.27	1.37
Fast Moving Consumer Goods	15/15	0.14	0.12	0.30	0.42
Metals & Mining	10/10	0.26	0.29	0.36	0.31
Automobile & Auto Comp.	16/16	0.24	0.16	0.47	0.29
Chemicals	5/6	0.00	0.16	0.19	0.26
Construction Materials	6/6	0.20	0.19	0.25	0.26
Power	10/10	0.46	0.22	0.34	0.21
Others	14/14	0.52	0.44	0.24	0.19
Healthcare	12/14	0.29	0.28	0.29	0.17
Oil Gas & Consumable Fuels	12/12	0.11	0.17	0.16	0.13
Consumer Durables	6/7	0.37	0.04	0.49	0.10
Realty	6/6	0.52	0.66	0.05	0.05
Financial Services - Bank	19/22	0.00	0.09	0.00	0.00
Financial Services - Others	19/19	0.04	0.00	0.00	0.00

Information Technology	12/13	0.04	0.03	0.00	0.00
Financial Services - Insurance	7/7	0.00	0.00	NA	NA

#Number of companies covered / **Note:** Average has been calculated after considering total companies that have disclosed LTIFR data. / *The above analysis excludes 3 Banking companies which had not disclosed LTIFR data. 3 companies had disclosed clubbed data for employees and workers, hence, excluded. 1 IT Company has also been excluded since it had not disclosed for last FY; year-on-year comparison not possible. 1 Capital goods Company had disclosed segment wise bifurcated data for FY 2022-23, since, year-on-year comparison not possible, excluded.

- *1 Chemical Company had recorded high LTIFR for FY 2022-23 at 45.54 for workers and at 3.75 for employees (FY 2023-24: Employees - 0.54 and Workers - 0). Hence, it has been recognized as outlier and **excluded** from Table HS15.
- The average LTIFR for workers was higher than for employees for both the years, almost twice. This exposes vulnerability of workers to occupational risks.
- Zero LTIFR reported among workers in Financial Services-Banks & Others and IT industry. However, for employees in IT industry and Banking industry, 7 out of 29 companies reported LTIFR, with highest LTIFR at 1.48, recorded by one Banking Company. Given the nature of business of these industries, such high number should be supported with adequate information on nature of safety related incident and steps taken to rectify the same.
- Consumer Services has recorded the highest LTIFR average among workers during FY 2023-24 at 2.38 and incidence at one Company is causing such high industry average as it had recorded LTIFR of workers of 7.13, almost 3 times the average.
- The 2nd highest LTIFR among workers was recorded by Capital Goods industry, 14 out of 15 companies have recorded lost time injury among workers, with highest LTIFR being 9.30 during the year, which has increased the overall average of the industry.
- In industries like Power, Realty, Others, Healthcare etc. the average LTIFR of employees is more than workers for FY 2023-24, implying most lost time injuries occurred among employees than among workers, a fact difficult to digest.

Safety Related Incidents: Worst Performance (By Individual Companies)

TABLE HS16: HIGHEST SAFETY RELATED INCIDENTS DURING FY 2023-24 (In Numbers)						
Sr.	Recordable Work-Related Injuries		No. of Fatalities		High Consequence Work-Related Injury or Ill-Health	
	Industry*	No.	Industry*	No.	Industry*	No.
1.	Consumer Services	1,276	Oil & Gas^	28	Power	49
2.	Metals & Mining	645	Others	23	Oil & Gas^	45
3.	Metals & Mining	368	Power	18	Capital Goods	41
4.	Others	270	Chemicals	9	Construction Material	20
5.	Healthcare	253	Metals & Mining	8	Metals & Mining	16

* In place of the Company disclosing respective Industry. / ^Oil & Gas: Oil Gas & Consumable Fuels

- The highest safety related incidents have occurred in companies from Oil Gas & Consumable Fuels, Metals & Mining, Power and Consumer services industry.
- These industries constitute 53%, 55% and 52% of total Recordable work-related injuries, total fatalities and total High consequence work-related injury or ill-health, respectively, recorded across 200 sample companies.

Safety Related Incidents: Employees vs Workers:

Given that there is a difference in nature of roles and responsibilities of employees and workers, where workers are subjected to higher level of health & safety risks at comparatively lower pay, a comparison has been done on safety related incidents occurred among employees and workers during FY 2023-24 in table HS17:

TABLE HS17: SAFETY RELATED INCIDENTS REPORTED (FY 2023-24)							
INDUSTRIES	#	Recordable work-related injuries		No. of fatalities		High consequence work-related injury	
		Employees	Workers	Employees	Workers	Employees	Workers
Total	199	2,716	3,567	30	164	66	207
Automobile & Auto Comp.	16	183	327	1	3	2	29
Capital Goods	16	121	530	4	9	3	51
Chemicals	6	15	20	1	9	0	0
Construction Materials	6	29	171	0	14	11	18
Consumer Durables	7	35	91	3	1	0	2
Consumer Services	7	929	435	0	0	0	0
FMCG	15	47	193	1	3	0	4
Financial Service- Bank	22	10	1	1	0	0	0
Financial Service- Insurance	7	0	0	0	0	0	0
Financial Services - Others	19	0	0	0	0	0	0
Healthcare	13	368	103	0	0	0	2
Information Technology	13	149	0	1	0	0	0
Metals & Mining	10	359	1,183	3	28	9	28
Oil Gas & Consumable Fuels	12	63	56	14	32	35	20
Others	14	321	230	0	34	3	5
Power	10	84	213	0	30	3	48
Realty	6	3	14	1	1	0	0

#Number of companies covered / ^Excludes one Company which did not disclose bifurcated data for employees & workers. / Note: There is a difference in safety related incidents in Table HS 17 & Tables HS12 to HS14 since companies, where year-on-year comparison was not possible, were excluded earlier tables, refer its respective notes for further clarity.

- Table HS17 clearly depicts that occurrence of safety related incidents among workers is much higher than in employees and the highest ratio of workers to employees was observed in industries like Construction materials, Metals & Mining, Power, etc.
- Highest difference in number of safety related incidents among employees & workers was observed in Fatalities, where the fatalities among workers is ~5.5x times the fatalities among employees, and the industry with highest employees-workers difference was Construction Materials.
- The probable reason for high injuries/fatalities is lack of safety knowledge as well as lack of awareness of its importance.

Safety related incidents not only affects the lives of workers/employees but also affects productivity, thereby resulting in reputation & financial loss.

\$361 billion could be saved globally by implementing improved safety and health measures to prevent injuries from **excessive heat** in the workplace.

- Source: International Labour Organization (ILO) ([Weblink](#))

Complaints related to Health & Safety

Companies should encourage employees and workers to highlight any issues noticed towards working conditions and Health & Safety concerns at all their locations.

Table HS18 & HS19 has provided a brief summary of complaints filed on Working Conditions and Health & Safety in the sample companies:

TABLE HS18: COMPLAINTS (OVERALL COMPANY PERFORMANCE)		
#Companies with Zero Complaints	FY 2022-23	FY 2023-24
Working Conditions	161	162
Health & Safety	162	162

- While companies with zero complaints on working conditions and health & safety have changed, the number has remained almost in the same line with marginal increase on working conditions.

TABLE HS19: NUMBER OF COMPLAINTS						
INDUSTRIES	#	Working Conditions		Health and Safety		Total
		2023	2024	2023	2024	2024
Total	194	5,307	5,795	2,566	3,426	8,519
Realty	6	1,950	2,097	127	418	2,515
Capital Goods	16	148	282	87	1,240	1,522
Metals & Mining	9	547	733	789	440	1,173
Others	14	389	571	261	328	899
Information Technology	13	1,228	689	396	31	720
Construction Materials	6	374	283	618	307	590
Automobile and Auto Comp.	16	370	164	78	299	463
Financial Services - Bank	21	109	181	87	193	374
Consumer Services	7	30	25	22	66	91
Chemicals	6	0	0	74	87	87
Healthcare	13	0	37	0	2	39
Fast Moving Consumer Goods	15	152	18	23	10	28
Power	9	6	10	4	5	15
Consumer Durables	6	0	3	0	0	3
Financial Services - Others	19	0	0	0	0	0
Oil Gas & Consumable Fuels	11	4	0	0	0	0
Financial Services - Insurance	7	0	0	0	0	0

#Number of companies who have disclosed the data

- One Oil Gas & Consumable Fuels Company had disclosed clubbed information for complaints on Working conditions and Health & Safety and a total of 3,072 complaints were filed during FY 2023-24 (last FY: 3,245 complaints). Similarly, one Healthcare Company had disclosed clubbed data (total complaints filed were 18 during FY 2024). Whereas 2 companies did not disclose data the said information. Hence, these **4 companies have been excluded** from Table HS19.
- 1 Power Company recorded 1,82,636 Health & Safety complaints (last FY: 1,89,813), however, has clarified that these are just observations that are done proactively, so that they can be closed timely. Hence, these have been **excluded** from Table HS19.
- 1 Metals & Mining Company had not collected data for FY 2022-23, thus, excluded.

- During FY 2023-24, the highest number of complaints on working conditions were recorded in the Realty industry, followed by the Metals & Mining industry, whereas for Health & Safety, highest complaints were recorded in Capital Goods Industry, followed by Metals & Mining.
- Zero complaints were registered in Financial Services-Others & Insurance and Oil Gas & Consumable Fuels industries for both Working Conditions and Health & Safety.
- When compared to last FY, the highest increase was observed in Capital goods industry (working conditions complaints increased from 235 in 2023 to 1,522 in 2024), and this was mainly due to one Company where complaints increased by 25x times when compared to last FY and the reason disclosed was establishment of a formal complaint collection process during the year.

On the other hand, the highest decrease was observed in the Fast-Moving Consumer Goods (decreased from 175 complaints FY 2023 to 28 complaints in FY 2024) and in IT industry (decreased from 1,624 complaints FY 2023 to 720 complaints in FY 2024).

- On an individual basis, the highest number of working conditions complaints filed during FY 2023-24 were in a Realty Company (2,097 complaints), followed by Metals & Mining Company (659 complaints) and IT Company (652 complaints). Similarly, for Health & Safety, highest number of complaints were received by one Capital Goods Company (1,160 complaints), followed by Realty industry (418 complaints – all complaints under the industry are from 1 entity only).

Note: Surprisingly, Oil Gas & Consumable Fuels industry had recorded the highest number of fatalities and High consequence work-related injury or ill health across all industries, however, has reported no complaints on working condition as well as Health & safety during the year. This is an unrealistic scenario. It appears that either there exists lack of proper establishment for formal complaint collection process (as has been disclosed by other companies) or the workers / employees are not coming forward to report their issues. In both the scenarios, only employees / workers are suffering, with limited scope of improvement in their working conditions and measures for health & safety.







2.4. CUSTOMER ORIENTATION & WELFARE

Assessment Factors:

- Customer complaints / grievances,
- Company's practices for improving customer relations.

BRSR Reference: Principle 9.

EVALUATION STATISTICS								
2024	QUESTIONS			16	PARAMETERS			67
2023	QUESTIONS			15	PARAMETERS			41
YEAR	SCORE – CUSTOMER ORIENTATION & WELFARE							
2024	MAX.	100	AVG.	76	MED.	80	MIN.	33
2023	MAX.	100	AVG.	80	MED.	83	MIN.	31
BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY*				
	88.6 – Information Technology (2024)				100 – Multiple Companies (2024)			
	88.2 – Oil Gas & Consumable Fuels (2023)				100 – Multiple Companies (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY*				
	69.3 – Consumer Services (2024)				32.7 – FMCG (2024)			
	65.1 – Metals & Mining (2023)				31.3 – FMCG (2023)			
Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company								

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

Customer Complaints / Grievances:

BRSR, under Principle 9 requires companies to categorize customer complaints into 7 categories namely, Data Privacy, Advertising, Cyber-Security, Delivery of Essential Services, Restrictive Trade Practices, Unfair Trade Practices and Other complaints.

Further, the entities are required to disclose Complaints / Grievances on any of the principles (Principles 1 to 9) under Section A on General Disclosures of BRSR. While some companies categorize these complaints as 'other' consumer complaints under principle 9, the others have different customer complaints in Section A and Principle 9, with no additional clarification for the same. The complaints under 'other' category in Principle 9 and customer complaints as per Section A has been analysed separately under Table CW3.

Note:

- Cyber-security and data privacy complaints are covered under Cyber-Security section of this report thus, they have been excluded from the analysis in this section.
- Several companies under different industries have disclosed few categories of the complaints as 'Not Applicable' as they disclosed that it was not relevant to their business. Such complaints are considered as 'Nil' for analysis purpose.

- Several companies have not disclosed category-wise consumer complaints (Advertising, Delivery of Essential Services, Restrictive & Unfair Trade Practices, Other & customer complaints). These companies were excluded from the analysis in the respective sections.

Following are common exclusions for all Customer Complaints:

- 1 Financial Services-Others Company got listed on stock exchanged during FY 2023-24, hence, data for FY 2022-23 is not available; the same has been excluded from the analysis below.
- Additionally, 1 Banking Company did not provide category-wise complaints, however, had disclosed customer complaints (as per Section A) for last 2 FYs. Thus, has been excluded from analysis on category-wise complaints.

These 2 companies have been excluded from below analysis.

- 1 Company in Automobile and Auto Components Industry and 1 Insurance Company had not disclosed category-wise complaints as per the BRSR format. However, had confirmed that there were no complaints in totality; complaints in these companies have been considered as “Nil” for the purpose of below analysis.

Advertising & Delivery of Essential Services Complaints:

TABLE CW1: CONSUMER COMPLAINTS ON ADVERTISING & DELIVERY OF ESSENTIAL SERVICES						
INDUSTRIES	#	2023	2024	Change		% of Total Consumer Complaints
				↑	↓	
Total	197*	30,24,269	35,57,711	22	18	11.9%
Financial Services - Bank	20	9,76,067	11,81,308	6	3	8.8%
Power	10	9,36,427	10,57,545	2	1	90.7%
Oil Gas & Consumable Fuels	12	8,29,117	10,14,562	3	1	31.5%
Consumer Services	7	2,51,703	2,70,081	1	0	59.0%
Financial Services - Others	18	25,629	29,387	1	1	10.9%
Financial Services - Insurance	7	2,750	2,302	1	1	1.2%
Realty	6	945	863	0	2	13.7%
Others	14	812	733	0	2	~0.0%
Fast Moving Consumer Goods	15	548	673	5	2	0.6%
Capital Goods	16	225	197	1	1	~0.0%
Chemicals	6	44	25	0	3	0.8%
Information Technology	13	0	22	1	0	9.9%
Construction Materials	6	0	13	1	0	0.2%
Automobile & Auto Comp.	16	2	0	0	1	0.0%
Consumer Durables	7	0	0	0	0	0.0%
Healthcare	14	0	0	0	0	0.0%
Metals & Mining	10	0	0	0	0	0.0%

#Number of companies / *1 Banking Company did not provide category-wise complaints on Advertising the delivery of essential services, however, had disclosed customer complaints (as per Section A) received during last 2 FYs; hence, has been excluded from Table CW1.

- A total of 8 companies (5 FMCG companies, 1 Banking Company, 1 Construction materials Company and 1 from ‘Other’ industry) have reported a total of 132 complaints on Advertising, out of which ~62% advertising complaints were recorded in FMCG sector.

- In FMCG industry, ~33% advertising complaints is attributed to a single FMCG Company, which has also provided the reason for the complaints in its respective BRSR report.
- A total of 188 companies did not receive any advertising complaints during FY 2023-24.
- Overall, advertising complaints have increased by 67% during the year, when compared to last FY.
- With regard to complaints on Delivery of essential services, only 28 out of 196 companies had recorded complaint on delivery of essential services, whereas a total of 168 companies did not receive any complaint on delivery of essential services.
- The highest number of complaints during FY 2023-24 were reported by Financial Services-Banking industry, followed by Power and Oil Gas & Consumable Fuel industry such that the complaints from these industries constitute 91% of total complaints on delivery of essential services. Whereas companies belonging to Automobile industry, Healthcare, Metals & Mining, Consumer Durables & Construction materials industry did not record any such complaint.
- In the Power industry, complaints on delivery of essential services constitutes ~91% of the total consumer complaints received during the year. Further, 1 Oil Gas & Consumable Fuels Company recorded 9,21,805 complaints on delivery of essential services during the year.
- Overall, complaints on delivery of essential services have increased by 18% during the year, when compared to FY 2022-23.
- On combined basis, when compared to last FY, complaints on Advertising and Delivery of essential services have increase in 22 companies and has decreased in 18 companies, whereas it remained constant (or remained zero) in 155 complaints.

Restrictive & Unfair Trade Practices Complaints:

TABLE CW2: CONSUMER COMPLAINTS ON RESTRICTIVE AND UNFAIR TRADE PRACTICES						
INDUSTRIES	#	2023	2024	Change		% of Total Consumer Complaints
				↑	↓	
Total	197	52,365	40,043	11	10	0.13%
Financial Services - Bank	21	45,863	34,576	3	2	0.26%
Financial Services - Insurance	7	5,536	4,291	1	2	2.17%
Fast Moving Consumer Goods	15	739	995	1	0	0.82%
Construction Materials	6	85	80	1	1	1.35%
Consumer Services	7	66	58	1	2	0.01%
Realty	6	1	25	1	0	0.40%
Metals & Mining	10	2	16	1	0	0.06%
Capital Goods	16	0	2	2	0	0.00%
Automobile & Auto Components	15	37	0	0	2	0.00%
Oil Gas & Consumable Fuels	12	36	0	0	1	0.00%
Chemicals	6	0	0	0	0	0.00%
Consumer Durables	7	0	0	0	0	0.00%
Financial Services - Others	18	0	0	0	0	0.00%
Healthcare	14	0	0	0	0	0.00%
Information Technology	13	0	0	0	0	0.00%
Others	14	0	0	0	0	0.00%

Power	10	0	0	0	0	0.00%
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#Number of companies / 1 Automobile & Auto components Company did not disclose complaints on unfair trade practices; hence, has been excluded from analysis below.

- The number of complaints received on trade practices have decreased during the year by 24%, when compared to last FY.
- Only 5 companies have recorded complaints on Restrictive trade practices, among them, one Company from the FMCG industry had 967 complaints. Whereas, 18 companies received complaints on unfair trade practice. On the other hand, 181 companies recorded no complaint on restrictive and unfair trade practices.
- About ~97% complaints on Unfair Trade practices belong to Financial Services-Banks & Insurance industries. Only 8 companies under Financial Services-Banks & Insurance industries reported had such complaints, where 3 Banks have reported ~88.6% of total such complaints in the Financial Services-Banks & Insurance industry.

Such high number of complaints on unfair trade practice in Financial Services industry raises several transparency questions and failure of stakeholder protection measures. Further, while few entities / banks reported high complaints, other entities / banks reported Nil despite being in same sector. Is this a case of mis-classification on the part of Banks that reported these complaints? Or on the part of other banks and companies in the industry that did not report or have misclassified such complaints under other complaints.

Other Consumer Complaints and Customer Complaints:

- In some companies, complaints listed under the 'Other' category are the same as the Customer Complaints disclosed in Section A on General Disclosures of the BRSR. For analysis, if the Company reports different numbers for both (i.e., 'other' complaints and customer complaints), the numbers are added together. If the numbers are the same, only the common number of complaints is considered. If only one type of complaint is reported, that number is considered as it is.

TABLE CW3: OTHER CONSUMER COMPLAINTS & CUSTOMER COMPLAINTS						
INDUSTRIES	#	2023	2024	Change		% of Total Consumer Complaints
				↑	↓	
Total	198	3,86,87,065	2,62,40,104	96	70	87.9%
Financial Services – Bank	22	1,40,07,948	1,22,86,039	11	11	91.0%
Others	14	1,50,84,042	98,11,947	2	6	100.0%
Oil Gas & Consumable Fuels	12	18,12,203	22,04,163	5	5	68.5%
Capital Goods	16	4,86,838	4,57,862	9	5	100.0%
Automobile & Auto Comp.	15	3,14,722	3,52,125	5	8	100.0%
Financial Services - Others	18	4,11,949	2,40,609	7	6	89.1%
Financial Services - Insurance	7	2,26,810	1,91,225	3	3	96.7%
Consumer Services	7	1,36,754	1,87,504	2	4	41.0%
Healthcare	14	1,07,921	1,25,519	12	1	100.0%
Fast Moving Consumer Goods	15	1,11,131	1,18,971	12	3	98.6%
Consumer Durables	7	58,04,010	1,13,212	3	3	100.0%
Power	10	1,43,243	1,08,269	2	2	9.3%
Metals & Mining	10	24,111	28,230	7	3	99.9%
Construction Materials	6	4,630	5,814	4	2	98.4%

Realty	6	6,967	5,406	2	4	85.9%
Chemicals	6	3,624	3,008	3	3	99.2%
Information Technology	13	162	201	7	1	90.1%

#Number of companies.

- 8 out of 200 companies had not disclosed consumer complaints under ‘Others’ category whereas 1 Automobile Company had not disclosed Customer complaints as required under Section A on General Disclosures of BRSR.
- 53 companies have not recorded ‘Other’ consumer complaints, however, has disclosed Customer complaints under Section A. Hence, clearly these companies are lack in proper classification of their consumer / customer complaints properly under Principle 9.
- Further, other consumer complaints / customer complaints constitute ~88% of total consumer complaints filed by the sample companies during the year. Given that such high number of complaints cannot be fit under already existing category, should new categories be devised for better understanding of nature of complaints that are being registered by the Company? Or are these companies intentionally not categorizing them?
- During the year, an increase in complaints was observed in 96 companies and a decrease was observed in 70 companies, whereas no change was observed in 32 companies (including no complaint received in 31 companies).
- The Financial Services - Bank sector recorded the highest number of complaints in abovementioned category and it constitutes ~47% of the total complaints reported by the sample companies. Notably, all 22 companies in the industry have recorded Customer / other consumer complaints during the year. However, the total complaints have declined by ~12% when compared to FY 2023.
- The Consumer Durables industry experienced a significant decline (decreased by 98%) in number of complaints received during the year, when compared to last FY, whereas the highest increase in complaints was observed in Consumer services industry.

TABLE CW4: CONSUMER COMPLAINTS: TOP 5 CO.

INDUSTRIES*	# of complaints
Others (Telecommunication)	97,71,432
Financial Services - Bank	56,42,867
Oil Gas & Consumable Fuels	18,43,610
Financial Services - Bank	11,30,195
Financial Services - Bank	10,53,500

*In place of the Company name, Industry name is disclosed

- Highest complaints were received by one Telecommunication Company, followed by one Banking Company. Majority complaints in these 2 companies were categorized under ‘Other’ complaints.
- Whereas the least number was observed in IT industry. This is mainly because major complaints recorded in IT sector were regarding data privacy and cyber security.

Other Disclosures:

In order to ensure that consumers / customers have an easy access to engage with the Company, BRSR has incorporated certain questions from customers’ point of view.

Table CW5 discusses in brief the performance of sample companies on such questions.

TABLE CW5: DISCLOSURES RELATING TO CUSTOMER ORIENTATION & WELFARE

Particulars	# Companies	
	Disclosure	Performance
Mechanism in place to receive & redress customer complaints & feedback	199/199	198/199
Channels / platforms where information on products and services of the entity can be accessed	199/199	199/199
Steps taken to inform and educate consumers about safe and responsible usage of products and/or services	178/199	159/178
Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services^^	128/151	107/128
Display's information on the product over and above what is mandated as per local laws^^	130/150*	88/130
Carried out any survey with regard to consumer satisfaction relating to the major products / services of the entity	178/199	159/178

^^ Excludes 48 financial services companies, given their nature of business. | **Note:** 1 holding Company (Financial Services – Others sector) has stated that they do not have any mechanism for customer complaints and feedback, given its nature of business. Additionally, they have not disclosed responses to the leadership questions. Therefore, this Company has been excluded from the analysis on all parameters in table CW5.

- *With regard to display of information on the product, 1 IT Company had stated it was not applicable, considering its nature of business, hence, the same has been excluded.
- One Consumer Durables Company has disclosed that it “does not directly engage with the end customers of its products since it operates on a B2B model” and does not have any mechanism for customer complaints and feedback.
- At least 20 companies have not disclosed questions under leadership indicators and hence, information regarding the channels/platforms with details of products and services has also not been disclosed. However, basic information on products and services of all companies is available on their respective websites, which has been considered for the purpose of analysis.
- All the companies under Oil Gas and Consumable Fuels, Construction Materials and Consumer Durables have disclosed channels and platforms where information on products and services of the entity can be accessed.
- Out of 178 companies that have disclosed whether they have taken steps to inform and educate consumers about safe & responsible usage of products/services, 19 companies have reported 'Not applicable' without proper justification for the same, it has been considered as a non-disclosure.
- The information on risk of disruption / discontinuation of essential services was not assessed for 48 companies belonging to Financial Services industry as several companies in the industry have stated that it was not applicable to them considering their nature of business. However, it is pertinent to note that Financial Service industry have reported more than 12 lakh complaints on issues pertaining to delivery of essential services (reported by 12 companies in the industry).
- All companies in the Construction materials and Realty industry, have conducted customer survey on consumer satisfaction on its major products /services. Whereas the least companies from FMCG and Healthcare industry had conducted customer satisfaction survey.





2.5. PRODUCT / SERVICE QUALITY

Assessment Factors:



- Product / Service Quality, Safety and any product / service related incidents,
- Quality Management Systems in place,
- Instances of Product Recall: Forced or Voluntary,
- Instances of Product Ban.

BRSR Reference: Principle 9.

EVALUATION STATISTICS								
2024	QUESTIONS			5	PARAMETERS			21
2023	QUESTIONS			6	PARAMETERS			14
YEAR	SCORE - PRODUCT / SERVICE QUALITY							
2024	MAX.	100	AVG.	86	MED.	97	MIN.	26
2023	MAX.	100	AVG.	83	MED.	88	MIN.	25

BEST PERFORMING INDUSTRY		BEST PERFORMING COMPANY*	
	96.5 – Construction Materials (2024)		100 - Multiple Companies (2024)
	95.0 - Metals & Mining (2023)		100 - Multiple Companies (2023)

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

WORST PERFORMING INDUSTRY		WORST PERFORMING COMPANY*	
	53.9 - Healthcare (2024)		26.0 - Automobile and Auto Components (2024)
	50.8 - Financial Services (2023)		25.0 - Automobile and Auto Components (2023)

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company | *Financial Services Companies were not scored.

Product / Service Quality:

TABLE PQ1: PRODUCT / SERVICE QUALITY POLICY		
Particulars	#Companies*	
	Disclosed Presence	Disclosed Policy
Policy on Product / Service Quality	67/152	56/152

#Number of companies. | *Excludes 48 financial services companies, given their nature of business.

- While 67 out of 152 companies have disclosed presence of Product / Service Quality Policy, 11 companies have only stated that it has the said policy, however, was not made available for public access or could not be accessed publicly.
- Further, 85 out of 152 companies did not disclose any information on whether a Policy on Product / Service Quality exists or not.

TABLE PQ2: PRODUCT / SERVICE QUALITY MANAGEMENT	
Particulars	#Companies*
Have Quality Management System (QMS) in Place	140/152
Quality Management System – Certification Obtained	127/152

#Number of companies | *Excludes 48 financial services Company, given their nature of business.

- Out of 152 companies, 140 companies have discussed about the presence of Quality Management System. Whereas 12 companies have neither discussed about having a Quality Management System nor have disclosed they have obtained a Quality Management System – Certification or not.
- Further, 127 out of 152 companies have disclosed information regarding certification on Quality Management System (E.g. ISO 9001 or other similar certificates), however, in 31 companies either the said certification has been obtained only for selected facilities & or there is no clarity on number of facilities for which it has been obtained or is it applicable across the entity or select facilities.

Product/Services: Recalls/ Ban

BRSR requires companies to disclose number of product recall undertaken during the year (includes forced as well as voluntary recalls).

TABLE PQ3: PRODUCT RECALLS*		
Particulars	Voluntary Recalls	Forced Recalls
Number of Companies recorded recalls	13/132	6/132
Number of Cases	146	21

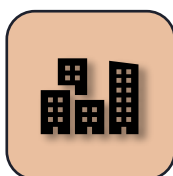
#Number of companies that recorded recall instances/ Total companies which disclosed the relevant data

- ***Note:** Excludes 67 companies majorly operating in Services Industry (including financial services), given their nature of business. Also, one entity from consumer durables is not represented in table PQ3 due to the reason as specified below:
- A Consumer Durables entity has been excluded from the total recall calculation, as the Company had recorded **8,015 voluntary recalls** (on account of “*Quality Issue - leakage, box damage*”) and **18,324 Forced recalls** (on account of “*Ink jet print was not contrasting with the packaging carton background, making manufacturing and expiry details unclear and not easy to read*”).
- 1 Automobile and Auto Components Company did not provide objective disclosures on Product Recall (voluntary & forced).
- During FY 2023-24, 14 out of 133 companies had recorded instances of voluntary recall on account of safety issues and whereas 7 companies had recorded forced recalls (including above one).
- Out of the above 167 recalls, 141 voluntary recalls (by 10 companies) and 20 forced recalls (by 5 companies) were recorded in the pharmaceutical companies.

The common reason for voluntary recall in pharmaceutical companies included: Quality issue, due to stability failures and market complaints, products out of specifications, etc.

Whereas for forced recall common reasons included: Quality did not meet regulatory requirement, recall recommended by regulatory agency, etc.

- Further, 2 Automobile & Auto Components companies and 1 Capital Goods Company had recorded 4 and 1 voluntary recalls, respectively. Additionally, 1 Automobile & Auto Components Company had recorded 1 case of forced recall.







2.6. CSR, COMMUNITY RELATIONS & ENGAGEMENT

Assessment Factors:

- Mechanisms to receive and redress grievances of the community,
- Company's Corporate Social Responsibility (CSR) spending and Political donations.
- Disclosures relating to initiatives taken by the Company to improve communities,
- Social Impact Assessments (SIA) of projects and projects on Rehabilitation and Resettlement (R&R),
- Job creation in smaller towns.

BRSR Reference: Principle 8.

EVALUATION STATISTICS								
2024	QUESTIONS			39	PARAMETERS			123
2023	QUESTIONS			36	PARAMETERS			36
YEAR	SCORE – CSR, COMMUNITY RELATIONS & ENGAGEMENT							
2024	MAX.	94	AVG.	74	MED.	74	MIN.	49
2023	MAX.	90	AVG.	69	MED.	70	MIN.	25
BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY				
 80.5 - Power (2024) 76.6 - Power (2023)				 93.8 – Financial Services- Bank (2024) 89.5 - Automobile & Auto Components (2023)				
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY				
 66.6 – Realty (2024) 63.7 - Capital Goods (2023)				 48.8 – Realty (2024) 25.0 - Financial Services (2023)				
Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company								

Community Engagement:

Community engagement helps in fostering an open dialogue with the stakeholders, which not only assist in the building trust, but also supports effective decision making of the Company. Regular community engagement allows companies to alleviate the concerns of the individuals as well as the community. Following indicators have been taken into consideration to study the measures taken by the sample companies to enhance community relations:

TABLE CE1: COMMUNITY RELATIONS & ENGAGEMENT – DISCLOSURES & PRACTICES		
Particulars	#Companies	
	Disclosure	Performance
Community Grievance Redressal Mechanism	199/200	190/199
Affiliations with trade and industry chambers/ associations	200/200	197/200
Project(s) for which ongoing Rehabilitation and Resettlement is being undertaken by the Company^^	152/152	152/152

^^Excludes 48 financial services companies, given their nature of business.

- Grievance Redressal Mechanism: While 1 Banking Company did not disclose information on community grievance redressal mechanism, 9 companies do not have a proper community grievance

mechanism. For instance, 1 FMCG Company has stated that “*The Company does not have a formal mechanism in place for such grievances. However, the Company does have informal connect with the community in and around its manufacturing locations to hear and address any grievances*”.

- With regard to affiliations with trade and industry chambers / associations, except 3 Financial Services Companies, all sample companies have disclosed the said data.
- All 152 companies (other than Financial Services companies) have disclosed information on project(s) for which ongoing Rehabilitation and Resettlement undertaken by the companies (includes companies which did not undertake projects involving Rehabilitation and Resettlement).

Preferential Procurement:

TABLE CE2: PREFERENTIAL PROCUREMENT POLICY		
Particulars	#Companies^^	
	Disclosure	Performance
Preferential procurement policy	127/152	58/127
Marginalized / vulnerable groups from where procured	123/152	46/123
% of total procurement (by value) does it constitute	122/152	39/122

^^Excludes 48 Financial Services companies, considering its nature of business.

- With regard to Preferential Procurement Policy, 127 companies disclosed information on whether it has a policy or not, however, only 58 companies have policy in existence for procurement from marginalized / vulnerable groups. Remaining 69 companies either do not have such policy or have not disclosed adequate information on the said policy.
- Out of 152 companies, only 123 companies have discussed about procurement from marginalized / vulnerable groups (includes companies who have stated “*Not Applicable*”) and out of which 46 companies have disclosed adequate information regarding marginalized / vulnerable groups from where procurement is done. Further, 3 companies did not have procurement policy, however, have disclosed information on procurement from marginalized / vulnerable groups during the year, along with % of total procurement (by value) it constitutes.
- Further, while 122 companies have disclosed the percentage that such procurement constitutes of the total procurement (by value), only 39 companies have disclosed the said exact percentage. This includes companies which had stated “*Not Applicable*” to such procurement. Out of these 39 companies, only in 6 companies the procurement from marginalized / vulnerable groups is more than 50% (of total procurement by the Company), whereas in 33 companies, procurement from marginalized / vulnerable groups forms less than 50% of total procurement.

Social Impact Assessments:

TABLE CE3: SOCIAL IMPACT ASSESSMENT		
Particulars	#Companies*	
	Disclosure	Performance
Social Impact Assessments of projects undertaken	200/200	162/200
Corrective Actions	178/200	145/178

- All the companies have disclosed information regarding Social Impact Assessments (SIA) of projects undertaken during the year, however, only 162 companies have disclosed the details of the said assessment (the number includes the companies who have stated “*Not Applicable*” for SIA).

- Further, out of 200 companies, only 178 companies have disclosed details of corrective actions taken to mitigate concerns arising out of Social Impact Assessments, whereas 145 companies have undertaken corrective actions (includes the companies who have stated “no negative impacts”, as no corrective action was required in such cases).

Benefits from Intellectual Properties:

TABLE CE4: OTHER DISCLOSURES	
Particulars	#Companies^
Benefits derived & shared from intellectual properties (IP) owned / acquired by the entity, based on traditional knowledge	129/152
Corrective actions taken / underway based on any order in IP related disputes (usage of traditional knowledge)	128/129

^Excludes 48 Financial Services companies given their nature of business.

- Out of 152 companies, only 129 companies have disclosed information regarding benefits derived and shared from the intellectual properties owned or acquired by them (in the current financial year), based on traditional knowledge, and majority of the companies have stated “Not Applicable” for same, which either means that such companies does not own any IP that is based on traditional knowledge or no benefits are derived from the same.
- Out of these 129 companies, one Company in the power industry has stated “Data consolidation is still in progress” in response to the benefits derived/shared from IP owned or acquired by the entity; same has been considered as **not disclosed**.

Number of Days of Accounts Payables:

The recent update on BRSR Core has included disclosure of ‘Number of days of accounts payable’, which is measured by: $(\text{Accounts payable} \times 365) / \text{Cost of goods/services procured}$. The disclosure for the same has been made by all 200 sample companies and it has been summarized in table CE5:

TABLE CE5: NO. OF DAYS OF ACCOUNTS PAYABLES	
Particulars	#Companies^
Disclosed number of days of accounts payables for last 2 FYs	190/197
Number of days of accounts payables decreased when compared to last FY	118/190
Number of days of accounts payables is less than 180 days	182/192

- ^3 out of 200 companies (all belonging to Financial Services- other industry) had disclosed that disclosure on number of days of accounts payable is not applicable to them. Hence, they have been excluded from analysis in table CE5.
- 190 companies have disclosed number of days of accounts payables for last 2 FYs, whereas 2 companies have disclosed the said information only for FY 2023-24.
- In 118 out of 190 companies, the number of days on which accounts are payable has decreased when compared to last FY.
- Further, out of 192 companies that has disclosed the data, 182 companies had recorded number of days of accounts payables of less than 180 days during FY 2023-24.
- Hence, a heavy majority of companies have an efficient way of managing its accounts payable process and its relationship with vendors/ suppliers etc.

Inclusive Growth and Equitable Development

As per Principle 8 of BRSR, businesses should promote inclusive growth and equitable development, which includes sourcing of input materials from marginalized / vulnerable groups i.e. from small producers or local businesses. The companies have made disclosures according to applicability of the same i.e. considering their nature of business.

Table CE6 provides a summary of sourcing of input material directly from MSMEs / small producers during last 2 FYs:

TABLE CE6: % OF INPUT MATERIAL SOURCED DIRECTLY FROM MSMEs / SMALL PRODUCERS						
INDUSTRIES	#	Average* (2023-24)	Up to 50%		More than 50%	
			2023	2024	2023	2024
Total	183/200	32.54%	160	161	13	22
Oil Gas & Consumable Fuels	11/12	40.53%	9	6	2	5
Power	10/10	34.43%	8	6	2	4
Financial Services - Others	16/19	30.50%	10	13	4	3
Realty	6/6	27.70%	6	5	0	1
Capital Goods	16/16	23.42%	16	14	0	1
Consumer Services	7/7	23.06%	7	6	0	1
Others	13/14	21.63%	12	12	1	1
Fast Moving Consumer Goods	15/15	21.37%	15	14	0	1
Information Technology	13/13	20.32%	10	11	1	2
Financial Services - Bank	13/22	18.88%	10	12	1	1
Chemicals	6/6	18.17%	6	6	0	0
Metals & Mining	10/10	16.70%	9	9	1	1
Healthcare	14/14	15.64%	12	13	1	1
Consumer Durables	6/7	14.43%	5	7	0	0
Automobile & Auto Comp.	16/16	13.16%	16	16	0	0
Financial Services - Insurance	4/7	9.20%	4	4	0	0
Construction Materials	5/6	8.42%	5	6	0	0

*#Indicates the number of companies that disclosed the above-mentioned data for FY 2023-24. | *Average per Company has been calculated based on companies that have disclosed the % of input material sourced. | 2 companies were listed during FY 2023-24, hence, the disclosure on sourcing of input material was not applicable for previous FY; hence, excluded.*

- **9 companies** have stated that, considering their nature of business, sourcing from small producers and MSMEs is not applicable. These companies belong to Financial Services – Banks, Insurance and Others, Oil Gas & Consumable Fuels, IT and Others industries. Without any rationale, such disclosure is equivalent to non-disclosure, especially when other companies from the same industry have disclosed the information.
- While **8 companies** have not disclosed data for FY 2023-24, **17 companies** had not disclosed data for FY 2022-23. Hence, the level of disclosure and identification of data by companies have increased when compared to last FY.
- The highest average percentage of input materials sourced directly from MSMEs/ small producers was registered in Oil Gas and Consumable Fuels Industry (40.5%), followed by Power industry whereas the lowest average percentage was in Construction Material Industry (8.4%), followed by Insurance industry.

- Out of 181 companies, only 22 companies had recorded sourcing from MSMEs and small producers of more than 50%, whereas in 159 companies the percentage was equal to or less than 50%.
- The highest increase in number of companies falling under ‘More than 50%’ during FY 2023-24 was observed in Oil Gas & Consumable Fuels Industry (from 2 to 5 companies) and Power Industry (from 2 to 4 companies).

Table CE7 provides a summary of input material that were sourced directly from within India during last 2 FYs:

TABLE CE7: % OF INPUT MATERIAL SOURCED FROM WITHIN INDIA						
INDUSTRIES	#	Average* (2023-24)	Up to 50%		More than 50%	
			2023	2024	2023	2024
Total	175/200	78.27%	33	30	133	145
Realty	6/6	99.58%	0	0	6	6
Financial Services - Insurance	4/7	98.49%	0	0	4	4
Consumer Services	7/7	96.72%	0	0	7	7
Financial Services - Bank	13/22	96.19%	2	0	11	13
Financial Services - Others	15/19	94.63%	1	1	12	14
Fast Moving Consumer Goods	14/15	87.20%	3	1	11	13
Others	14/14	80.55%	2	2	12	12
Consumer Durables	7/7	79.89%	1	1	5	6
Oil Gas & Consumable Fuels	6/12	79.61%	1	1	5	5
Automobile & Auto Comp.	16/16	79.13%	3	2	13	14
Healthcare	14/14	75.77%	3	3	10	11
Capital Goods	16/16	67.48%	3	3	13	13
Chemicals	6/6	67.18%	1	1	5	5
Construction Materials	6/6	64.04%	1	3	5	3
Metals & Mining	9/10	62.56%	4	3	5	6
Power	9/10	60.78%	4	3	4	6
Information Technology	13/13	51.52%	4	6	5	7

*#Indicates the number of companies that disclosed the above-mentioned data for FY 2023-24. | *Average per Company has been calculated based on companies that have disclosed the % of input material sourced. | 2 companies were listed during FY 2023-24, hence, the disclosure on sourcing of input material was not applicable for previous FY; hence, excluded.*

- **8 companies** have stated that, considering their nature of business, sourcing from within India is not applicable. These companies belong to Financial Services – Banks, Insurance and Others, Oil Gas & Consumable Fuels and IT industries. As stated earlier, without any rationale, such disclosure is equivalent to non-disclosure.
- While **17 companies** did not disclose data regarding percentage of input materials sourced directly from within India for FY 2023-24, **25 companies** had not disclosed the same for FY 2022-23.
- The highest average percentage of input materials sourced directly within India was registered in Realty Industry, this was followed by Insurance industry, Consumer services and Banking industry. All companies in these 4 industries have sourcing of more than 95% during FY 2023-24.
- On the other hand, the lowest average % per Company was observed in IT industry, where although the average is more than 50%, the same is in lower side when compared with other industries.

- 145 out of 175 companies have sourced more than 50% of input material from within India during FY 2023-24, whereas 30 companies had sourcing equal to or less than 50% during the year.
- The number of companies under the 'More than 50%' category has increased by 9 companies, whereas only in one industry i.e. Construction Materials a decrease was observed in the number of companies under the 'More than 50%' category from 5 to 3 companies.

Overall Disclosures:

- For FY 2023-24, while only 8 companies did not disclose data for sourcing from MSMEs / small producers, the number for non-disclosure of data for sourcing from within India was 17 companies.

Table CE8 provides list of 5 companies with lowest percentage of sourcing from MSMEs / small producers and from within India:

TABLE CE8: INPUT MATERIAL SOURCING: WORST COMPANIES				
Sr no	From MSMEs / Small producers		Within India	
	Industries*	%	Industries*	%
1.	Financial Services - Bank	0.11%	Power	1.00%
2.	Power	0.53%	Power	8.00%
3.	Automobile & Auto Components	0.81%	Capital Goods	10.00%
4.	Healthcare	1.27%	Information Technology	11.74%
5.	Capital Goods	1.60%	Healthcare	17.50%

*In place of the Company disclosing respective Industry.

- The difference within the industries in percentage of sourcing input materials from small / local business depicts that inclusive development in terms of sourcing of input materials can be done irrespective of nature of business. Supporting MSMEs and Small producers will lead to inclusive and sustainable economic development, hence, the companies who have stated "Not Applicable", citing their nature of business, should devise ways to engage local/small producers.

Job Creation in Smaller Towns

The amended BRSR format mandates reporting of wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in rural, semi-urban, urban and metropolitan areas as a percentage of the total wage cost. This is an attempt to ensure that economic growth benefits a broader segment of society in a manner which reduces regional economic disparities.

Job Creation in Rural Areas:

TABLE CE9: JOB CREATION IN SMALLER TOWNS: RURAL						
INDUSTRIES	2023		2024		Change	
	#	Average*	#	Average*	↑	↓
Total	172	12.12%	186	12.75%	57	45
Construction Materials	5	34.14%	6	42.76%	4	1
Metals & Mining	9	27.88%	10	28.69%	4	4
Power	10	26.89%	10	27.06%	5	5
Chemicals	5	25.63%	6	24.63%	2	1
Healthcare	12	17.68%	13	17.41%	5	5
Capital Goods	14	16.15%	15	14.78%	3	5

Automobile & Auto Comp.	13	12.65%	15	12.34%	6	2
Financial Services - Bank	19	11.70%	20	11.33%	8	7
Fast Moving Consumer Goods	13	7.59%	15	10.61%	4	6
Others	10	11.01%	12	9.63%	2	2
Consumer Durables	6	8.59%	7	9.08%	2	0
Financial Services - Others	16	7.11%	17	7.76%	6	2
Oil Gas & Consumable Fuels	12	4.73%	12	4.96%	4	2
Information Technology	13	0.10%	13	1.82%	0	0
Financial Services - Insurance	5	1.66%	5	1.66%	1	3
Consumer Services	7	~0.00%	7	~0.01%	1	0
Realty	3	0.00%	3	0.00%	0	0

#Number of companies that disclosed the data / *Average per Company has been calculated based on companies that have disclosed the job creation data.

- **5 companies** (4 Financial services companies and 1 Automobile Company) did not disclose category-wise Job creation in smaller towns as per the BRSR format. For the purpose of analysis, it has been considered as a non-disclosure.
- While **23 companies** did not disclose data regarding percentage of Job creation in Rural area for FY 2022-23, the said number for FY 2023-24 was **9 companies**. Hence, the level of disclosure and identification of data by companies have improved when compared to last FY.
- 🔴 During FY 2023-24, while 186 companies have disclosed information about job creation in rural areas, out of which 55 companies reported **0% job creation** in rural areas during the year, whereas 52 companies reported **0%** job creation in rural areas for last 2 FYs.
- 🔴 The average job creation in rural areas of the entire sample is only 12.75% of their total wage cost; while it has improved marginally when compared to last FY, there is still a long way to go.
- In the Realty industry, while 3 companies did not disclose the above data, the other 3 had recorded 0% job creation in rural areas, hence, has an average of 0% per Company. The 2nd lowest average per Company was observed in Consumer services industry, where only 1 Company had reported wages paid to persons employed in rural areas (as % of total wage cost) at 0.02%, whereas all other companies in the industry had reported **0%** job creation in such areas.
- On the other hand, the highest average for Company was observed in Construction Materials industry, followed by Metals & Mining and Power industries. Only one Company in these 3 industries had recorded 0% job creation in rural areas, whereas 1 Metals & Mining Company reported job creation in rural areas to be 92.7% (of total wage paid).
- While high wage % signify growth in rural areas in terms of job opportunities, industries like Metals & Mining, Construction, Power etc. rely heavily on workers, hence, it is essential to make sure that job creation is not only being done for unskilled labour, but for all levels which includes semi-skilled and skilled workforce.
- The highest increase in average per Company during the year was observed in IT industry, followed by Consumer services industry, when compared to FY 2022-23.
- When compared to last FY, the job creation in rural area has increased among 56 companies, decreased among 45 companies and has remained constant in 68 companies (includes 51 companies with 0% job creation in rural areas).

Job Creation in Semi- Urban Areas:

TABLE CE10: JOB CREATION IN SMALLER TOWNS: SEMI- URBAN						
INDUSTRIES	2023		2024		Change	
	#	Average	#	Average	↑	↓
Total	173	10.49%	187	10.17%	71	50
Oil Gas & Consumable Fuels	12	18.39%	12	18.81%	6	5
Metals & Mining	9	19.68%	10	18.35%	3	4
Financial Services - Bank	19	16.35%	20	16.07%	10	6
Fast Moving Consumer Goods	13	13.23%	15	13.27%	6	4
Chemicals	5	9.14%	6	13.11%	3	1
Automobile & Auto Comp.	13	9.93%	15	12.75%	4	4
Power	10	11.74%	10	11.96%	5	3
Financial Services - Insurance	5	11.65%	5	11.86%	2	2
Capital Goods	15	14.19%	16	8.79%	5	4
Financial Services - Others	16	8.98%	17	8.14%	4	5
Healthcare	12	10.03%	13	7.74%	4	6
Construction Materials	5	4.19%	5	6.57%	2	2
Others	10	4.91%	12	4.42%	5	2
Consumer Durables	6	4.02%	7	2.85%	2	1
Consumer Services	7	1.91%	7	2.10%	3	1
Information Technology	13	0.07%	13	1.28%	2	0
Realty	3	0.00%	3	0.00%	0	0

#Number of companies that disclosed the data / *Average per Company has been calculated based on companies that have disclosed the job creation data.

- **5 companies** (4 Financial services companies and 1 Automobile Company) did not disclose category-wise Job creation in smaller towns as per the BRSR format. For the purpose of analysis, it has been considered as a non-disclosure.
- While **22 companies** did not disclose data regarding percentage of Job creation in Semi-urban areas for FY 2022-23, for FY 2023-24, **8 companies** had not disclosed the said data.
- The total average across the sample for Job creation in Semi-urban areas has decreased marginally when compared to last FY and stands at 10.17% (% of wage in semi-urban areas as a % of total wage cost) for FY 2023-24.
- During FY 2023-24, 3 companies in the Realty industry had created 0% jobs in Semi-urban areas, whereas 3 companies had not disclosed the said data.
- The 2nd lowest average % per Company was in IT industry (only 3 out of 13 companies had recorded job creation in semi-urban areas, all others 0%), followed by Consumer Services industry (only 1 out of 7 companies had recorded more than 10% of job creation in semi-urban areas).
- Whereas the highest average percentage of Job creation in semi-urban per Company was observed in the Oil Gas & Consumable Fuels industry, followed by Metals & Mining and Financial Services - Bank industry. The high average in the Oil Gas & Consumable Fuels industry was primarily due to one Company, which had job creation in semi-urban areas at 76.9% of total wage cost.

- When compared to last FY, the job creation in semi-urban areas have increased among 71 companies, decreased among 50 companies and there was no change in 52 companies (includes 40 companies with 0% job creation in semi-urban areas during both FYs).

TABLE CE11: JOB CREATION IN RURAL & SEMI-URBAN AREAS: BEST COMPANIES				
Sr no	Rural Areas		Semi-urban Areas	
	Industries*	%	Industries*	%
1.	Metals & Mining	92.70%	Oil Gas & Consumable Fuels	76.93%
2.	Metals & Mining	88.00%	Metals & Mining	61.00%
3.	Healthcare	85.12%	Financial Services - Others	55.00%
4.	Automobile & Auto Components	75.82%	Metals & Mining	53.60%
5.	Healthcare	71.72%	Chemicals	52.00%

*In place of the Company disclosing respective Industry.

- While focus on rural and semi-urban areas is less when compared to Urban and metropolitan areas (refer next section for the same), the focus on job creation in Semi-urban areas is even less than rural areas, with highest % in rural areas at individual level being at 92.7% by one Metals & Mining industry, whereas for semi-urban areas the highest % is at ~77%.
- Metals & Mining companies were among the best performing when it comes to job creation in rural and semi-urban areas, however, this is mainly because Mining in India is a labour-intensive industry and the mines are usually located in rural & tribal areas, hence, it generates employment opportunities in remote and tribal regions of the country, where no other industry operates.

Urban and Metropolitan:

Urban and metropolitan areas often have higher job opportunities, with diverse options and higher earning potential, hence, percentage of job creation in such areas are higher in majority of companies, when compared to Rural and Semi-urban areas and it has been briefly summarized below:

- For FY 2023-24, job creation data was not disclosed by 13 companies in urban areas and 12 companies in metropolitan areas.
- Out of 186 companies that had disclosed data for job creation in urban areas, 21 companies had created 50% or more jobs in in urban areas, where 2 companies recorded 100% job creation in urban areas, basis their total wage costs.
- Similarly, out of 187 companies that had disclosed data on job creation in metropolitan areas, 105 companies have created more than 50% jobs in metropolitan areas, where 10 companies had created 100% jobs in the such locations.

Essentially, the purpose of disclosure regarding job creation in smaller towns is to encourage companies to contribute to regional economic development and to provide stakeholders with a clear picture of how a Company's wage expenditure is distributed geographically.

The above analysis reflects that, there exists a clear differentiation in job creation in rural / semi-urban and urban / metropolitan areas, which could be on account of lack of education, lack of skilled / semi-skilled workforce, lack of adequate infrastructure, etc. Hence, in order to support the broader goals of sustainable and inclusive economic development, measures should be taken to ensure that this rural-urban gap is bridged, which given the current practice will be a long journey.

Political Donations:

TABLE CE12: DISCLOSURES ON POLITICAL DONATION			
Particulars	#Companies		
	No Donation	Donated in both of the last 2 FYs	Donated in each of the last 3 FYs
Political Donations made by the Company	179	4	15

👍 179 companies did not make any political donations in the last 3 financial years.

👎 15 companies have made political donations in each of last 3 financial years.

- Further, 4 companies have made political donations in both FY 2022-23 and FY 2023-24, 2 companies had made political donations only during FY 2023-24.

Corporate Social Responsibility (CSR):

TABLE CSR1: COMPANY'S DISCLOSURE ON CSR ACTIVITIES		
Particulars	#Companies*	
	Disclosure	Performance
CSR Projects in designated aspirational districts	157/175	128/157
Beneficiaries of CSR Projects	167/175	-

*Excludes 25 companies as CSR was not applicable to them during FY 2023-24 on account of loss observed on the average basis in last 3 years or Public Sector banks.

- Only 157 out of 175 companies have disclosed the information on CSR projects undertaken in designated aspirational districts as identified by government bodies, where only 128 companies have disclosed the projects undertaken and 29 companies did not undertake any CSR project in designated aspirational districts.
- Further, 167 of these 175 companies have made disclosure regarding beneficiaries of CSR Projects.

CSR Spend:

Table CSR2 provides the total CSR obligations and expenditure by the sample companies during last 2 FYs. The table excludes the companies to which CSR was not applicable:

- During FY 2023-24, 25 companies were identified to whom CSR was not applicable either on account of losses incurred or it being a Public Section Bank, whereas for FY 2022-23, CSR was not applicable to 33 companies.

TABLE CSR2: AVERAGE CSR AMOUNT (PRESCRIBED & SPENT)						
Particulars (₹ in crores)	Total			Average*		
	2023	2024	% change	2023	2024	% change
Av. Net Profit of last 3 FYs	6,36,657	7,47,625	17.4%	3,812.3	4,272.1	12.1%
CSR Obligation [A]	12,327	14,387	16.7%	73.8	82.2	11.4%
CSR Spent [B]	11,984	13,832	15.4%	71.8	79.0	10.1%
% Spent (B/A)	97.2%	96.1%	-	-	-	-
Amount transferred [C]^	1,296	1,729	33.4%	7.8	9.9	27.3%
CSR Expenditure [D] [B + C]	13,279	15,561	17.2%	79.5	88.9	11.8%
% Spent in Total (D/A)	107.7%	108.2%	-	-	-	-

*Note: Average of sample companies (excludes average net loss companies) / ^As prescribed under Section 135(5) and 135(6) of Companies Act, 2013.

- Out of 25 companies to which the CSR was not applicable during the year, 10 companies voluntarily spent a total of ₹ 596.19 crores towards CSR Activities, whereas during FY 2022-23, a total of ₹ 392.88 crores was spent voluntarily by 14 companies, despite non-applicability.
- CSR expenditure has increased in absolute terms (by 17%). Further, while in relative terms i.e. as a % of CSR obligation, actual spent [B] decreased marginally from 97.2% in 2023 to 96.1% in 2024, however, if transferred fund is considered, the relative spend [D] increased marginally.
- Further, while the average net profit of sample companies has increased by 17.4%, the total CSR expenditure has increased by 17.2% (increased only by 15.4% excluding transferred amount).
- **Transfer of unspent CSR amount:** Section 135(6) of the Companies Act, 2013 provides that:

*Section 135 (6). Any amount remaining unspent under sub-section (5), pursuant to **any ongoing project**, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, **shall be transferred by the company** within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the **Unspent Corporate Social Responsibility Account**, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy **within a period of three financial years** from the date of such transfer, **failing** which, the company shall **transfer the same to a Fund** specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.*

- The above-mentioned provision mandates companies to transfer any unspent amount to Unspent CSR Account or Prescribed Fund, as applicable.
- Hence, while the actual CSR Spent during the year of the sample has increased by 15%, whereas the total CSR expenditure i.e. including the amount transferred to Unspent Account / Prescribed Funds, the total increase was by ~17%.
- Further, the amount transferred to Unspent Account/ Prescribed Funds has increased by 33% when compared to FY 2022-23.

Table CSR3 provides industry wise CSR expenditure data for last 2 FYs:

TABLE CSR3: INDUSTRY WISE CSR EXPENDITURE PERFORMANCE								
INDUSTRIES	2023				2024			
	Prescribed (in crores)	Spent (%)	Transferred (%)	Expenditure (%)	Prescribed (in crores)	Spent (%)	Transferred (%)	Expenditure (%)
Total	12,737	97.2%	10.5%	107.7%	13,608	96.1%	12.5%	112.5%
Power	789	121.6%	2.6%	124.1%	607	124.8%	4.3%	129.2%
Financial - Insurance	129	125.7%	20.5%	146.2%	172	68.5%	46.0%	114.5%
Metals & Mining	1,697	101.9%	12.8%	114.7%	1,868	94.4%	19.8%	114.2%
Realty	62	116.1%	4.5%	120.5%	84	96.6%	16.2%	112.8%
Oil Gas & C. Fuels	2,213	96.2%	11.7%	107.9%	2,645	104.8%	7.9%	112.6%
Construction Materials	315	119.3%	1.5%	120.9%	301	112.1%	0.0%	112.1%
Chemicals	91	94.8%	8.0%	102.8%	118	97.6%	14.1%	111.8%
Healthcare	432	84.8%	24.3%	109.1%	452	95.9%	12.2%	108.1%
Capital Goods	295	90.8%	16.4%	107.2%	373	91.7%	15.2%	106.9%
Consumer Services	61	88.9%	20.9%	109.7%	85	94.0%	11.5%	105.5%
Automobile & Comp.	559	77.5%	23.7%	101.2%	638	79.2%	26.0%	105.2%
IT	1,962	101.9%	2.4%	104.3%	2,041	102.4%	2.1%	104.5%

Others	358	95.9%	7.6%	103.5%	391	92.7%	11.7%	104.4%
Financial - Others	972	77.9%	23.9%	101.8%	1,169	81.8%	20.7%	102.5%
FMCG	828	96.4%	5.3%	101.7%	974	100.2%	2.2%	102.4%
Financial - Bank	1,784	95.1%	8.2%	103.3%	2,247	85.6%	16.4%	102.0%
Consumer Durables	187	100.3%	1.0%	101.4%	222	97.3%	4.1%	101.4%

- On an industry level, the overall CSR amount spent by all industries is more than its respective CSR obligation for FY 2023-24, where the highest CSR expenditure was observed in Power industry, which had spent 1.25x times the CSR obligation during the year and had transferred 0.04x times in unspent account during the year. This was followed by Insurance Metals & Mining industries. It appears that industries like Power and Metals & Mining are trying to balance the environmental impacts of their operations by making social amends.
- Further, all industries spent more than prescribed CSR amount, during the year, however, excluding the amount transferred to specified account/funds, in majority of industries CSR spent was less than the prescribed amount. In several companies, the unspent amount relates to ongoing projects, which needs to be transferred in Unspent CSR Account, however, the rest of the unspent amount were simply transferred to the funds specified under law.
- The highest CSR spent, excluding the amount transferred to Unspent Account / Funds, was also in Power industry that spent 124.84% of its CSR obligation during the year, followed by Construction Materials Industry and Oil Gas & Consumable Fuels.
- The lowest CSR expenditure including transferred amounts, during the year was observed in Consumer Durables Industry, that spent 97% during the year & transferred 4% of its obligation to Unspent Account / Prescribed Fund, making it at ~101%, however, when considering only the actual CSR spent percentage, the Financial Services – Insurance industry had the lowest at only 68% of CSR expenditure spent during the year.
- Although CSR has been mandated by law, the companies also have a social responsibility to contribute to the society by engaging in environmental and social cause. Therefore, companies should identify such causes and actively engage in activities that align with sustainable targets as well as Company's goals and targets.

Table CSR4 highlights the best and worst performing companies, identified on the basis of amount spent towards CSR activities during the year, as against the CSR obligation for the year.

TABLE CSR4: CSR EXPENDITURE: BEST & WORST COMPANIES (2023-24)						
BEST PERFORMING COMPANIES (Amount in ₹ crores)						
SN	Industries*	CSR Obligation	CSR Spent	Funds Transferred	Total CSR Expenditure	Excess/ Deficit
1.	Financial Services - Others	1.23	19.26	0.00	19.26	18.03
2.	Oil Gas & Consumable Fuels	11.30	98.56	0.00	98.56	87.26
3.	Power	0.09	0.56	0.00	0.56	0.47
WORST PERFORMING COMPANIES (Amount in ₹ crores)						
1.	Oil Gas & Consumable Fuels	315.68	158.19	87.58	245.77	-69.91
2.	Capital Goods	24.24	22.30	0.00	22.30	-1.94
3.	Power	57.67	39.06	14.98	54.04	-3.63

*In place of the Company respective Industry has been disclosed. / Not in ranking order.

- 3 companies were non-compliant with the requirement of spending at least 2% of Average net profit of the Company towards CSR activities and hence, these are the worst performing companies. These companies have given no justification for the shortfall in spend the prescribed amount towards CSR activities during the year.
- Interestingly, none of the best performing companies (top 8 companies) have transferred any amount to respective CSR funds or Unspent CSR account. Hence, if companies wanted to spend a specified amount towards CSR activities during the year, it should, provided it identifies appropriate CSR activity, rather than transferring it for a future CSR activity.
- Further, entities (NGOs, Social Workers, etc.) getting funding from these corporations may rely heavily on them for carrying out their activities, especially the ones dealing with Medical & Public health, Child welfare, etc.
- Hence, companies stating that the required CSR amount could not be spent during the year and had to be transferred to unspent CSR account (except ones transferred for continuing projects) appears like an escape. Ideally, companies should identify CSR activities which would not result in funds being transferred to unspent CSR activities, especially given several social issues in India require immediate attention and care.







2.7. CYBER SECURITY / DATA PRIVACY

Assessment Factors:

- Policy on Cyber Security,
- Risk Management function on Cyber Security,
- Instances of data breaches,
- Data breaches involving personally identifiable information of customers,
- Steps taken to ensure safe security system (IT security, firewalls, initiatives etc),
- Certifications related to IT, data privacy or cyber security,
- Complaints: Data Security / Data Privacy.

BRSR Reference: Principle 9.

EVALUATION STATISTICS								
2024	QUESTIONS			10	PARAMETERS			38
2023	QUESTIONS			11	PARAMETERS			43
YEAR	SCORE – CYBER SECURITY / DATA PRIVACY							
2024	MAX.	100	AVG.	86	MED.	88	MIN.	36
2023	MAX.	100	AVG.	83	MED.	83	MIN.	7
BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY				
	96.8 - Power (2024)				100 - Multiple Companies (2024)			
	94.9 - Power (2023)				100 - Multiple Companies (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY				
	77.4 - Realty (2024)				36.0 - Healthcare (2024)			
	67.5 - Construction Materials (2023)				7.3 - Metals & Mining (2023)			
Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company								

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

Cyber Security Policy & Framework

Cyber Security as part of Risk Committee Function:

Regulation 21 of SEBI LODR 2015 states that functions of Risk Management Committee (RMC) shall specifically cover matters relating to cyber security:

“21(4). The board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit such function shall specifically cover cyber security.”

Disclosure Parameter	#Companies
Risk Management Function on Cyber Security	192/200

- In accordance with the Regulation, 192 companies have stated that cyber security is covered under roles & responsibilities of RMC. Whereas 8 companies (4 companies belong to Financial services industries) did not address whether Risk management function includes cyber security or not.

- Further, 54 out of 192 companies, did not provide detailed information on cyber security being covered under Risk management committee's function.

Disclosure Parameter	#Companies
Framework on cyber security and risks related to data privacy	199 /200

- Only 1 Metals & Mining Company had stated that it is in the process of forming the policy on Cyber Security / data privacy, however, had disclosed the steps undertaken to manage cyber security and data privacy risks.

Particulars	#Companies	
	Disclosed Presence	Disclosed Policy
Policy on cyber security & risks related to data privacy	197/200	147/197

- 196 companies have disclosed that they have an existing Policy on cyber security and risks related to data privacy, however, only 147 companies disclosed the said policy for public access.
- Further, 3 companies have made no disclosure on whether they have a Policy on Cyber Security/ Data Privacy or not.

Disclosure Parameters	#Companies
IT related Certification obtained	127 / 200
Steps taken to ensures safe security system	194 / 200

- 127 companies have disclosed or discussed about having IT / Cyber Security related certifications (E.g. ISO/IEC 27001 or other equivalent). Whereas 6 companies have disclosed that they have taken appropriate steps to obtain IT related certification.
- No information disclosed by 67 companies on whether IT / cyber security related certifications obtained / to be obtained.
- 6 out of 200 sample companies did not provide information regarding action(s) taken to ensures safe security system (IT security, firewalls, initiatives, etc).

Data Breaches:

Particulars	#Companies
Disclosure of data breaches (FY 2023-24)	199/200
Zero instance of data breaches in last 2 FYs	153/199
Data Breach occurred during the year	9/199
In case of data breaches – Disclosed impact	7/9
% of data breaches involving customers' personally identifiable information	3/9

- 1 FMCG Company out of 200 samples companies did not disclose information regarding instances of data breaches during the year. Further, 37 companies had not disclosed data for FY 2022-23.
- Further, 153 companies have reported no case of data breach in last 2 FYs.
- 9 companies recorded data breach cases during the year, each Company with 1 data breach case. Out of these 9 companies, 2 companies had not disclosed the impact of such breach (1 had not addressed the same and 1 had stated '*Not applicable*').
- Further, in 3 out of 9 cases, the data breach involved customers' personally identifiable information.

Cyber Security & Data Privacy Complaints

During FY 2023-24, 4 companies (3 Financial Services & 1 Metals & Mining Company) had not disclosed complaints filed on Data privacy and cyber security.

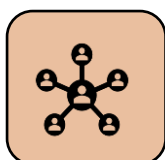
Table CS1: Complaints					
Data Privacy	#Companies		Cyber Security	#Companies	
	2023	2024		2023	2024
Zero Complaints Filed	186/194	188/196	Zero Complaints Filed	188/194	190/196
Zero Complaints Pending	192/194	193/196	Zero Complaints Pending	190/194	193/196
No disclosure	6	4	No disclosure	6	4

#Number of companies

- During FY 2023-24, 8 companies had received complaints on data privacy and 6 companies had recorded complaints in cyber security.
- Further, no complaints have been recorded in 188 & 190 companies on data privacy and cyber security, respectively, during the year.

Table CS2: Number of Complaints					
Data Privacy			Cyber Security		
Parameter	Total complaints		Parameter	Total complaints	
	2023	2024		2023	2024
Complaints Filed	102	121	Complaints Filed	6,98,146	8,28,489
Complaints Pending	5	4	Complaints Pending	95,152	1,03,650

- During FY 2023-24, 8 companies had recorded a total of 121 data privacy complaints during the year, out of which 94 complaints were received by 5 Financial Services companies and remaining 27 companies were received by 1 capital goods (2 complaints), 1 IT (24 complaints) and 1 Company from 'Others' industry (1 complaint).
- Whereas with regard cyber security, total 8,28,489 complaints received by 6 companies, where 1 Bank had recorded 8,24,254 complaints (increased from 6,92,370 complaints last FY i.e. 19% increase) and another Bank had recorded 4,231 complaints (decreased from 5,771 complaints last FY i.e. 27% decrease) during FY 2023-24. Remaining 4 complaints were recorded by 4 different companies (2 IT, 1 Consumer Durables & 1 FMCG companies).
- High number of cyber security complaints in a few Financial Services companies and almost zero in other such entities raises a doubt on whether other companies are not centrally tracking all the complaints or are the disclosure made by these companies not proper. In any case, companies should ensure that adequate steps are undertaken to address and reduce such complaints.



2.8. FINANCIAL INCLUSION (Only Banks and Insurance Companies)

Assessment Factors:

- Financial Literacy and Inclusion measures, | ● Access to Financial Services,
- Financial Schemes, | ● Priority Sector Lending.

Note: The scoring for this section considers only banks and insurance companies.

EVALUATION STATISTICS								
2024	QUESTIONS			33	PARAMETERS			91
2023	QUESTIONS			33	PARAMETERS			91
YEAR	SCORE – FINANCIAL INCLUSION							
2024	MAX.	81	AVG.	60	MED.	67	MIN.	18
2023	MAX.	88	AVG.	51	MED.	53	MIN.	13

Note: Based on financial inclusion parameters evaluation.

In India, more than 2/3rd population reside in rural areas. The financial services industry, especially Banking sector has expanded its operations in rural and semi-urban regions, allowing larger population to avail banking facilities from these regions. Although banking facilities have been made available in rural areas and to underprivileged communities, its use by them is limited. Therefore, banks bear the burden of serving the underbanked people and it is their duty to empower communities with financial literacy.

The purpose of Financial Inclusion is to make affordable and appropriate financial services accessible to all and hence, it has become a pressing issue and more financial institutions are taking measures to inculcate financial literacy across communities. These measures include financial literacy workshops and camps, credit counselling, setting up dedicated service desks, extending accessible and affordable credit and financial services.

- Only banks and insurance companies have been considered in this section, as only they have discussed about Financial Inclusion, which together constitutes 29 (22 Banks & 7 insurance companies) of total 48 companies in Financial Services industry.
- All 29 companies engaged in Banking and Insurance have discussed about the Financial Inclusion their Annual Report for FY 2023-24.

Access to Financial Services

Various data collated from the disclosures of financial institutions with respect to accessibility of financial services has been summarized in table FI-1:

TABLE FI-1: DISCLOSURES RELATING TO ACCESSIBILITY OF FINANCIAL SERVICES	
Particulars	#Financial Institutions
Number of Customers	16/29
Total Number of Branches/ Outlets	29/29
Total number or % of branches/outlets in Semi-urban and Rural regions	21/29
Total number of ATMs*	22/22
Total number or % of ATMs in Semi-urban and Rural regions*	4/22

Total number of Business Correspondents*	19/22
Total number of POS Machines*	4/22

*#Number of companies that have disclosed the information / *Applicable only to Banking companies (22 banks).*

- Only 1 Bank had disclosed all the above data relating to the financial services for last 3 FYs.
- While all 29 Financial institutions have disclosed their number of Branches/ Outlets for last 3 FYs, all banks had disclosed about numbers of ATMs.
- The least disclosure was observed for information on number of ATMs in Semi-urban and Rural regions and number of POS machines.

Financial Schemes

Government plays a crucial role in promoting and enhancing financial inclusion across different regions of the economy. In line with this, Government of India has introduced National Mission for Financial Inclusion for providing reliable financial solutions to the economically underprivileged sections of the society without having any unfair treatment. Various schemes introduced for the cause have been mentioned in the table FI-2 below.

Majority of the Banks have discussed about the below-mentioned schemes and several banks have disclosed the quantifiable data such as number of accounts registered under various schemes. The said data has been summarized in table FI-2 below:

FI-2: DISCLOSURE ON FINANCIAL SCHEMES			
Particulars	#Banks that Disclosed Data		
	Discussed	Quantifiable Data	Reported Increase
Pradhan Mantri Jan Dhan Yojana (PMJDY)	20	19	14
Pradhan Mantri Mudra Yojana (PMMY)	11	8	6
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	17	15	10
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	18	16	11
Atal Pension Yojana (APY)	17	16	11

#Applicable only to Banking companies (22 banks).

- 👍 3 banks have scored full under disclosure for Access to Financial Schemes i.e. they have disclosed general information on all of the above-mentioned schemes along with quantifiable performance data and had reported increase in performance under these schemes.
- 👍 10 out 22 Banks have disclosed information on all financial schemes, of which 8 had discussed the same with quantifiable data.
- 👎 2 banks did not discuss about any of the above schemes in their Annual Reports for FY 2023-24.

Priority Sector Lending (PSL):

Priority Sector Lending (PSL) is an initiative to provide higher priority to certain economic sectors in the country. Priority Sector Lending aims to provide institutional credit to such sectors and segments for whom it is challenging to avail credit. The sectors under PSL includes Agriculture, MSMEs, Export Credit, Education, Housing, Social Infrastructures, Renewable Energy and others.

Reserve Bank of India (RBI) has defined set targets and sub-targets under PSL for domestic commercial banks and foreign banks operating in India.

As per the targets provided by RBI and disclosures made by Banks the following data was observed:

TABLE FI3: DISCLOSURES ON PRIORITY SECTOR LENDING	
Particulars	#Target Achieved - Disclosed
Total Priority Sector: 40% of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	15
Agriculture: 18% of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	13
Micro Enterprises: 7.5% of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	13
Advances to Weaker Sections: 10% of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	12

ANBC = Adjusted Net Bank Credit.

👍 12 banks have achieved all the above-mentioned targets.







👎 7 banks have not disclosed specific % data on Targets and Sub-targets under PSL.

III - GOVERNANCE

Scores obtained by sample companies on G factor have been analysed mainly covering Company's Board related practices such as Board Composition, remuneration, committee composition and performance. Further, section also analyses Statutory Auditors, Audits, Financial Reporting and Stakeholder Engagement functions.

EVALUATION STATISTICS								
2024	QUESTIONS			198	PARAMETERS			702
2023	QUESTIONS			196	PARAMETERS			544
YEAR	SCORE – OVERALL GOVERNANCE							
2024	MAX.	93	AVG.	78	MED.	79	MIN.	58
2023	MAX.	94	AVG.	79	MED.	80	MIN.	62

Terms: MAX – Maximum, AVG – Average, MED – Median, MIN – Minimum.

BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY			
	84.3 - IT (2024)				93.4 - IT (2024)		
	83.6 - IT (2023)				94.4 - IT (2023)		
	80.8 - Healthcare (2024)				90.7 - Financial Services - Bank (2024)		
	80.7 - Financial Services (2023)				91.9 - Financial Services - Bank (2023)		
	80.4 - Fast Moving Consumer Goods (2024)				90.3 - Financial Services - Bank (2024)		
	80.7 - Healthcare (2023)				90.1 - Financial Services - Bank (2023)		

Note: Top 3 Industry: Average industry score; Top 3 Company: Top scoring company (referred as respective Industry)

WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY			
	71.6 - Chemicals (2024)				58.1 - Financial Services - Insurance (2024)		
	75.5 - Metals & Mining (2023)				62.3 - Metals & Mining (2023)		

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

SCORES & DISTRIBUTION:

Table G1 represents the Scoring pattern on Overall Governance parameters across the Sample entities and the industries considered in the sample.

TABLE G1: SCORING PATTERN ON GOVERNANCE ACROSS DIFFERENT INDUSTRIES						
PARAMETERS	MAX.	AVG.	MED.	MIN.	MAX-MIN Spread	MAX-AVG Spread
Sample	93	78	79	58	35	15
Information Technology	93	84	85	77	16	9
Healthcare	90	81	80	72	17	9
Fast Moving Consumer Goods	87	80	81	71	16	7
Financial Services - Others	90	80	80	62	28	10
Realty	87	80	79	76	11	6
Consumer Durables	85	80	79	77	7	5
Consumer Services	84	79	81	67	18	5
Financial Services - Bank	91	79	79	67	24	12

Automobile and Auto Comp.	88	79	79	69	19	9
Financial Services - Insurance	85	78	82	58	27	7
Others	85	78	80	65	21	8
Construction Materials	82	77	77	71	11	5
Power	87	76	76	68	18	11
Capital Goods	81	75	77	64	18	7
Metals & Mining	81	73	75	64	17	8
Oil Gas & Consumable Fuels	82	73	74	65	18	9
Chemicals	76	72	72	66	10	5

Interpretation/Commentary:

The table G1 presents governance scores across various industries based on several statistical parameters: maximum (MAX), average (AVG), median (MED), minimum (MIN), MAX-MIN spread, and MAX-AVG spread. Average score of Governance factors, across the sample companies was 78, and maximum is 93, with max-min spread of 35; and max-average spread of 15.

Top Performing Industries -

- Information Technology has the highest MAX score (93) and a relatively high average (84).
- Financial Services - Bank follows closely with a MAX of 91 and an AVG of 79.
- It was further noted that a similar scoring pattern was observed, with Information Technology (94) and Financial Services – Bank (92) in last year's scores, indicating consistent performance in these sectors. Meanwhile, Financial Services – Others (90) (Last year 86) and Healthcare – (90) (Last year 88) showed a slight improvement in governance scores this year, maintaining their positions among the top five for maximum scoring industries.

Lowest Performing Industries -

- Chemicals (76), Metals & Mining (81), Capital Goods (81) these industries have lowest Maximum Score, suggesting governance challenges in this sector or underperformance compared to leader.
- Further, Financial Services – Insurance (58), Financial Services – Others (62), Metals & Mining (64) are the industries which have lowest Minimum Score.
- Further, at least one company in each of the 11 Industries group scored a minimum score of below 70 in governance. Common reason for low score in certain cases are related to Independence of Board & Diversity, Qualified opinion of Audit Report, Director's Remuneration disparity, Regulatory Actions, etc.
- These findings point toward systemic governance issues in certain sectors and emphasize the need for stronger corporate governance practices across the board.

Industries with a narrow MAX-MIN Spread -

- Consumer Durables (7), Chemicals (10), Realty (11), Construction Materials (11) industries have relatively low variation in governance scores, indicating a more consistent governance structure across companies in the respective industry.

Industries with a Large MAX-MIN Spread -

- Financial Services - Others (28), Financial Services - Insurance (27), Financial Services - Bank (24)

- The significant variation suggests that governance practices within these industries differ widely among companies. Some firms have strong governance, while others lag significantly.

Companies that achieve high governance scores are not just fulfilling mandatory requirements but they are proactively embracing voluntary best practices. These organizations move beyond compliance as end goal mindset, embedding governance into their core values and operations to ensure long-term stakeholder trust. Strong corporate governance serves as the backbone of responsible business conduct. It enables ethical decision-making, ensures accountability, and promotes transparency across all levels of the organization. By doing so, it aligns management's actions with the broader interests of shareholders, employees, customers, creditors, partners, and regulators alike, fostering sustainable growth and resilience.

Table G2 represents the Scoring pattern across the seven sub factors or parameters of the Governance among the sample entities.

TABLE G2: Scoring pattern across different broad categories in 'Governance'								
Parameter	MAX.		AVG.		MED.		MIN.	
	2023	2024	2023	2024	2023	2024	2023	2024
3.1. Board Independence & Diversity	93	92	67	67	67	71	42	26
3.2. Board Committees	98	99	69	69	70	72	45	26
3.3. Director Remuneration	96	96	66	67	68	73	32	29
3.4. Statutory Auditors	100	100	93	94	98	98	56	60
3.5. Audit & Financial Reporting	99	98	90	84	91	86	52	36
3.6. Stakeholders Engagement, Ownership & Control	100	100	82	82	84	84	49	38
3.7. Ethics, Bribery & Other Governance Factors	98	99	85	88	87	91	57	45

Interpretation/ Commentary:

Board Independence & Diversity (3.1) and Board Committees (3.2):

- Lowest minimum score: 26 (down from 42 in 2023), showing a sharp decline in governance standards for the least performing companies. Average remained same at 67 for both years on Board Independence.
- Also, same pattern of score identified in Board Committees as MIN. score decreased from 45 to 26 in 2024 and average score remains same at 69 for both years.
- Majority of lower scoring companies are PSUs which do not comply with number of Independent Directors, women Directors, Minimum directors on the Board, etc.
- Non-compliant ACs and NRCs due to short number of IDs, low attendance at the meetings of Board or Committee level, etc., are other negative factors pulling down scores.

Director Remuneration (3.3):

- AVG Score increased from 66 to 67, MED from 68 to 73, indicating better alignment of director compensation with governance principles.
- However, the MIN score dropped from 32 to 29, implying disparity in remuneration practice across companies.

- Low-scoring companies in director's remuneration practices face major concerns such as skewed remuneration structures, excessive compensation for certain classes of directors, or the absence of variable pay in the total remuneration of Executive Directors (EDs).
- Furthermore, the majority of these companies fail to disclose information on median remuneration, the criteria for determining remuneration, or the inclusion of ESG or climate-related and performance-based parameters.
- Such gaps not only raise questions about fairness and accountability but also signal weak oversight by remuneration committees (NRCs).
- The lack of ESG integration further highlights a disconnect with evolving investor expectations and sustainability goals. Among sample companies, 30 companies have expressed that, their remuneration parameters include ESG / climate related issues.

Statutory Auditors (3.4):

- **Highest scores** in governance with **MAX: 100** in both years.
- AVG and MIN scores have slightly improved, showing strong regulatory compliance. Only 53 companies having scored below 95 on these parameters.

Audit & Financial Reporting (3.5):

- AVG dropped significantly from 90 to 84, while MIN fell from 52 to 36.
- This indicates increased governance gaps in financial transparency, possibly due to new reporting standards i.e. concentration related disclosures or weak compliance among certain firms.
- Among the sample companies, 1 company from the Chemical Industry received a low score primarily due to factors such as audit / secretarial qualifications, negative incidents etc.
- Other companies in the sample maintained lower scores, with some reaching 51, slightly below last year's levels mainly because of lower score in related party transactions, negative incidents, etc.

Stakeholders Engagement, Ownership & Control (3.6):

- MIN score declined from 49 to 38, suggesting a governance gap that companies manage shareholder rights and engagement.
- In sample companies, one company from Power Industry received a notably low score majorly due to regulatory actions and negative incidents.

Ethics, Bribery & Other Governance Factors (3.7):

- Notable improvement in AVG (from 85 to 88) and MED (from 87 to 91), reflecting increased focus on ethical governance practices.
- A reduction in MIN score (from 57 to 45) suggests that while there is an overall improvement yet, some companies are struggling to meet higher ethical standards.





3.1. BOARD INDEPENDENCE & DIVERSITY

Assessment Factors: Companies Board structure including:



- ❖ Board Composition;
- ❖ Directorship Category Diversity;
- ❖ Attendance & Time Commitments.
- ❖ Compliance w.r.t. Independence of Directors;
- ❖ Age profile of directors;
- ❖ Board Diversity – Gender

EVALUATION STATISTICS

2024	QUESTIONS			25	PARAMETERS			122
2023	QUESTIONS			25	PARAMETERS			76
YEAR	SCORE – BOARD INDEPENDENCE & DIVERSITY							
2024	MAX.	92	AVG.	67	MED.	71	MIN.	26
2023	MAX.	93	AVG.	67	MED.	67	MIN.	42

BEST PERFORMING INDUSTRY		BEST PERFORMING COMPANY	
	78.2 – IT (2024) 74.3 – IT (2023)		91.7 – Financial Services - Others (2024) 92.7 – IT (2023)

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

WORST PERFORMING INDUSTRY		WORST PERFORMING COMPANY	
	47.9 – Oil Gas & Consumable Fuels (2024) 57.9 – Metals & Mining (2023)		25.6 – Capital Goods (2024) 41.5 – Chemicals (2023)

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

Interpretation/ Commentary:

The IT sector maintained its leadership as the best-performing industry, improving its average score from 74.3 in last study to 78.2 in this study. This steady performance shows that the sector is continuously focusing on having strong and effective board practices.

In terms of top-performing companies, the highest individual score decreased slightly from 92.7 (IT) in 2023 to 91.7 (Financial Services – Others) in 2024.

The worst-performing company score fell drastically from 41.5 to 25.6. Which is mainly due to Non-compliant boards with respect to number of Independent Directors, woman directors, etc. Mostly they are Public Sector Undertakings.

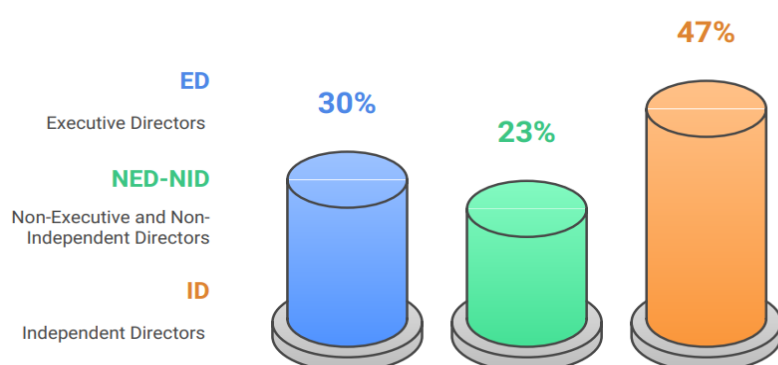
Sample Companies (Directors as on 31st December, 2024)



Average Board Size:



Distribution of Board Member Types



- Average board size of 9 directors is higher as compared to minimum 6 mandated in law.

Table B1 - Provides the category wise average number of directors on Board (ED, NED-NID, ID):

TABLE B1: AVERAGE BOARD SIZE				
PARTICULARS	Total	ED	NED-NID	ID
Average Directors in a company across the sample	9.28	2.75	2.10	4.44
Number of Companies with more than Average	92	98	57	109

- 109 companies have more Independent Directors than the sample average of 4.44.
- According to last year's study, the average number of Independent Directors in the sample companies was 5.4, and 85 companies had more Independent Directors than this average.
- **Largest Board Size:**
 - 16 Directors – The maximum board size reaches 16 directors in two companies one-one each from and Chemicals industry and Others industry.
 - 15 Directors – With 15 directors each, three companies one-one each from the FMCG Industry, Financial Services – Banks and Construction Materials Industry.

In last year's study, a company from the Automobile and Auto Components industry had the largest board size with **20 directors**.

- **Smallest Board Size:**
 - Only 4 Directors in a Company from Financial Services - Others Industry.
 - Only 5 Directors in 2 Companies from Financial Services - Others Industry; and 1-1 Companies from Metals & Mining and Financial Services - Insurance Industry.

These companies did not have the minimum required number of directors on their boards as of 31st December 2024. One of these companies met the requirement within three months. However, the remaining four companies were non-compliant as of 31st December 2024.

As per last year study, only one company from the Financial Services industry had 5 directors, which is below the minimum requirement of 6 directors.

Non-Compliant Board:

Regulation 17(C) of the SEBI LODR, 2015 states that,

“(c) The board of directors of the top 2,000 listed entities shall comprise of not less than six directors.”

- Except for 5 companies as discussed above, all other sample companies have 6 or more directors as on 31st December, 2024; and all of these are PSUs.

Table B2 –Industry wise composition of Board size (ED, NED-NID, ID):

TABLE B2: INDUSTRY WISE BOARD SIZE							
Industries	Number of Companies	Avg. # Directors	Max #	Min #	% of EDs	% of NE-NIDs	% of IDs
Information Technology	13	9.46	12	6	18.15	24.71	57.14
Healthcare	14	9.36	12	8	27.51	16.72	55.76
Automobile and Auto Comp.	16	9.19	14	7	26.86	18.68	54.47
Consumer Durables	7	11.00	14	9	18.21	27.82	53.97

Financial Services - Insurance	7	8.86	14	5	26.28	20.48	53.24
Realty	6	8.67	12	7	34.94	12.68	52.38
Fast Moving Consumer Goods	15	9.87	15	6	24.44	24.20	51.36
Construction Materials	6	9.17	14	7	20.00	28.81	51.19
Consumer Services	7	7.86	10	6	31.85	18.49	49.66
Chemicals	6	9.50	16	6	33.36	20.07	46.57
Financial Services - Bank	22	10.32	15	6	36.77	17.85	45.38
Financial Services - Others	19	8.32	14	4	27.95	27.33	44.72
Others	14	10.00	16	6	26.02	31.08	42.89
Capital Goods	16	8.63	10	6	33.83	24.35	41.83
Metals & Mining	10	9.60	14	5	38.04	21.38	40.58
Power	10	8.00	12	6	40.13	23.71	36.15
Oil Gas & Consumable Fuels	12	9.17	14	7	48.17	30.33	21.49

👍 Independent Director representation was highest in Information Technology (57.14%) with Healthcare (55.76%) and Automobile and Auto Components (54.47%) closely following.

👎 Lower representation of IDs was observed in Oil, Gas & Consumable Fuels (21.49%), followed by Power (36.15%) and Metals & Mining (40.58%) which majorly comprises of PSUs.

The average number of directors across all industries is relatively consistent, generally ranging from 8 to 10. However, there are some outliers like Consumer Durables with an average of 11.

Regulation 17(1)(b) of SEBI LODR, 2015 states that:

*“Where the chairperson of the board of directors is a non-executive director, **at least one-third of the board of directors shall comprise of independent directors** and where the listed entity does not have a regular non-executive chairperson, **at least half of the board of directors shall comprise of independent directors**:*

Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.”

• In a sample of 200 companies, 161 adhered to board composition regulations (requiring either 50% or 33% independent directors).

👎 However, of these 200, total 39 companies found to be non-compliant and among them 37 were Public Sector Undertakings (PSUs).

👎 The 2 non-PSU companies are from Metals & Mining and Oil Gas & Consumable Fuels.

Independent Directors (IDs) are critical for ensuring that the board provides unbiased, objective oversight of company management. Situation of a non-compliant board or low percentage of Independent Directors (IDs) can affecting not just legal and regulatory compliance but also governance practices and long-term company performance.

In last year study, Out of the Sample of 200 companies, 20 companies were non-compliant with board composition. 19 out of these 20 were PSUs.

INDUSTRY-SPECIFIC ANALYSIS:

• Information Technology:

- Highest percentage of IDs (57.14%), indicating strong independent oversight.

- Relatively low percentage of EDs (18.15%).
- **Healthcare Industry and Consumer Durables:**
 - Also exhibit high percentages of IDs (55.76% and 53.97% respectively).
 - Consumer durables also have the highest average board size of 11.
- **Oil Gas & Consumable Fuels Industry and Power Industry:**
 - lowest percentages of IDs (21.49% and 36.15% respectively), which is a potential concern regarding independent oversight.
 - These sectors also have a higher percentage of EDs, indicating a more management-centric board.
 - Oil Gas has the highest % of EDs at 48.17%. Most of them are PSUs, and one of the reasons is that PSUs usually have many functional / segmental directors, which increases the number of executive positions on the Board.
- **Metals & Mining:**
 - Has a relatively low percentage of IDs (40.58%) and a high percentage of EDs (38.04%), which could indicate less independent oversight.
- **Others and Chemicals:**
 - Entities from these industries have the maximum board size of 16.
- **Financial Services - Others:**
 - This industry has the minimum board size of 4.

Table B3 - Provides the Non-Compliant Board w.r.t. Independent Directors:

Table B3: NON-COMPLIANT BOARD WITH SHORT OF IDs	
Industry	No. of Companies
Oil Gas & Consumable Fuels	9
Financial Services – Bank	9
Financial Services - Others	4
Power	4
Capital Goods	4
Metals & Mining	3
Others	2
Financial Services - Insurance	2
Consumer Services	1
Chemicals	1

Note – All above companies are PSUs except 1 from Metals & Mining and 1 from Oil Gas & Consumable Fuels sectors.

Tenure and Association of IDs:

- Across the sample entities, there are 888 IDs, none had tenure of more than 10 years hence compliant with provisions of Companies Act and SEBI LODR.
- Approx. 5% of the total IDs across the sample entities are associated with the Companies or group for more than 10 years, indicating prolonged association. Considering good governance practice, any director associated with the Company or the Group for more than 10 years is not considered as Independent by SES, due to his/her prolonged association.

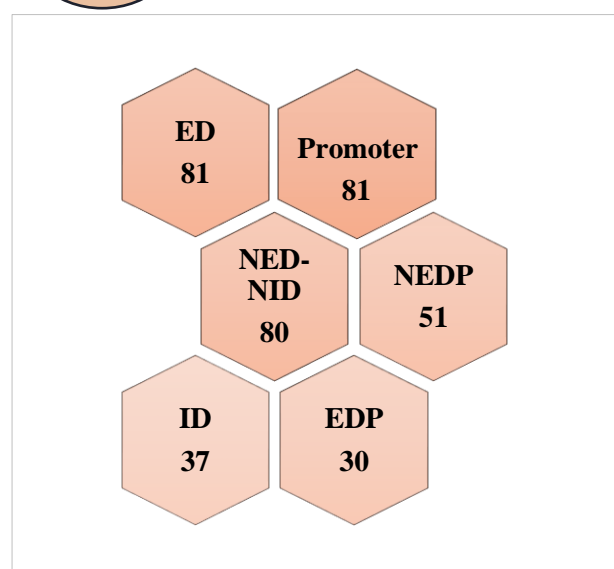
Number and % of IDs on the Board:

Table B4 provides industries with highest number and % IDs on the Board.

Table B4: Highest % of Independent Directors			
Top 5 Cos. with Highest number of IDs		Top 5 Cos. with Highest % of IDs	
Industry Name	Number	Industry Name	%
Financial Services - Bank	8	Healthcare	80.00
Financial Services - Insurance	8	Financial Services - Bank	80.00
Fast Moving Consumer Goods	8	Information Technology	77.78
Chemicals	8	Automobile and Auto Components	77.78
Healthcare	8	Consumer Durables	77.78

This indicates strong representation of Independent Directors in these industries, especially in healthcare and banking, where 80% of the board are independent directors.

Board Chairperson:



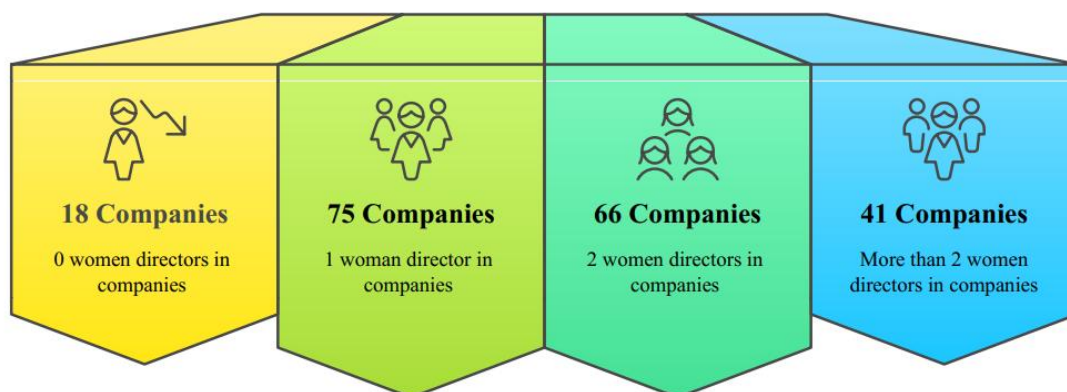
ED – Executive Director, NED-NID – Non-Executive Non-Independent Director, NEDP - Non-Executive Promoter Director, ID - Independent Director, EDP - Promoter Executive Director.

- In 81 companies, Executive Directors (EDs) held position of Chairperson. This indicates that a significant number of companies have placed their executive leadership in charge of the board's overall governance, potentially influencing both strategic and operational decision-making.
- Promoters held the position of chairperson in 81 companies, of those 30 were Promoters Executive Directors (EDPs).
- In last year study, it was found that in 72 companies EDs held the position of Chairperson. In 90 companies, Promoters held position of the chairperson, out of which 41 were promoter EDs.
- Only **37 companies** have Independent Directors in the Chairperson role. This highlights the relatively lower representation of independent oversight in the board's leadership structure, which may influence the level of impartial governance and strategic guidance within these companies. Last year there was a better situation, with 44 companies having the Chairperson's position held by Independent Directors in sample companies.
- Two companies, one in Financial Service - Bank Industry and one in Telecommunications, classified as Others in this study, lacked a regular Chairperson as of 31st December, 2024.
- As a good governance practice the Companies should separate the position of chairperson from the executive position as holding both the positions of Chairperson and Executive Director by the same

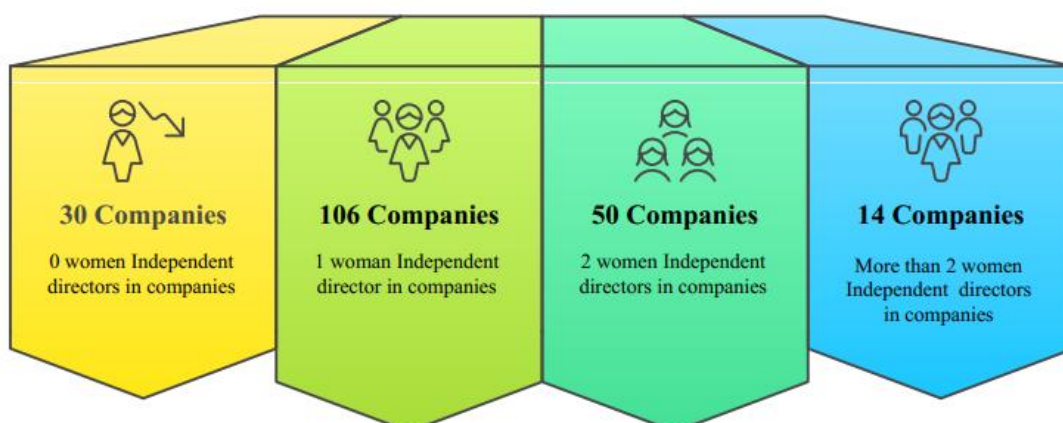
person may lead to concentration of powers in the hands of single person. Further, the chairperson of the Board should not be related to any person holding executive position on the board and at best he/she should be an Independent Director.

Women Directors:

Women Directors in Sample Companies



Independent Women Directors in Sample Companies



- 346 Board Position were held by 277 unique Women Directors (~18% of the total Board Positions).
- Out of total 346 Women director positions across the sample companies, a significant portion, 140, were held by individuals with only a single board appointment. This indicates that a significant number of women directors are serving in limited capacity, contributing their expertise to a single company rather than multiple boards.
- 137 women directors held multiple board positions within the sample. This demonstrates that many women are not only holding directorial roles but are doing so across several companies, contributing to a broader range of corporate governance.
- 👍 In terms of meeting gender diversity regulations, 32% of the companies in the sample (64 companies in total) went beyond the minimum legal requirements by appointing two or more independent women directors.
- 👍 Further demonstrating commitment to gender diversity, 41 companies exceeded two women directors overall, and 14 specifically exceeded two independent women directors.
- 👍 Notably, 2 IT companies went even further, featuring more than three independent women directors.

- In last year study, 72 companies (36%) had 2 or more than 2 women IDs, beyond minimum regulatory requirement. 4 companies one each from IT, Healthcare, Consumer Services and Fast-Moving Consumer Goods Industries had more than 3 Independent women Directors.

Regulation 17(1) of SEBI LODR Regulations 2015 states that,

“(1) The composition of board of directors of the listed entity shall be as follows:

(a) board of directors shall have an optimum combination of executive and non-executive directors **with at least one woman director** and not less than fifty per cent. of the board of directors shall comprise of non-executive directors;

Provided that the Board of directors of the top 1000 listed entities shall have **at least one independent woman director**”

- As of 31st December, 2024, 18 companies failed to appoint any women directors, and 30 did not have any independent women directors.


These 30 non-compliant companies spanned across various sectors, including Capital Goods (3), Consumer Services (1), Financial Services – Bank (7), Financial Services- Other (4), Metals & Mining (2), Oil Gas & Consumable Fuels (7), Power (4), and Others (2).

Table B5 - Provides the Board which includes Highest % of Women Directors / Women IDs:

Table B5: Highest % of Women Directors / Women Independent Directors			
Top 5 Cos. with Highest % of Women Directors		Top 5 Cos. with Highest % of Women IDs	
Industry Name	%	Industry Name	%
Healthcare	60%	Automobile and Auto Components	75%
Capital Goods	60%	Consumer Services	75%
Information Technology	50%	Information Technology	66.67%
Fast Moving Consumer Goods	50%	Healthcare	66.67%
Fast Moving Consumer Goods	50%	Capital Goods	66.67%

Excluding **non-compliant board** w.r.t. number of Independent Directors for above table.

Board Age Profile:

	AGE PROFILE						
	OVERALL	ED	NED	No. of Directors			
	60	57	62	ED 70+	24	NED 75+	63

- In the sample companies 24 Executive Directors (EDs) were of 70+ years of age. 19 of these were from promoter families, indicating that with more skin in the game, promoters stay longer with the companies in executive roles.
- Also, 19 companies had EDs who were 70+ years old. Further, 48 companies featured at least one Non-Executive Director (NED) over 75 years of age.
- As per last year study, among sample companies 21 EDs were more than 70 years old, out of which 16 were Promoter Directors.

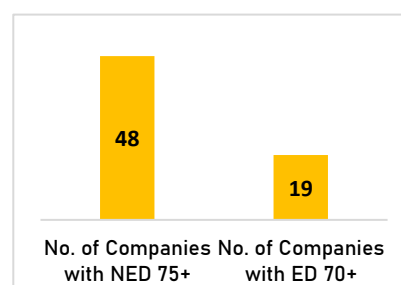


Table B6 - List of Top 5 Companies with Eldest and Youngest Board (Average age of Directors):

B6: Top 5 Companies with Eldest and Youngest Board (Average age of Directors)			
TOP 5 Board with Highest Average Age		TOP 5 Board with Lowest Average Age	
Industry Name	Avg. Age in Years	Industry Name	Avg. Age in Years
Capital Goods	73	Fast Moving Consumer Goods	52
Healthcare	68	Healthcare	53
Others	68	Consumer Services	53
Financial Services - Others	68	Oil Gas & Consumable Fuels	53
Capital Goods	67	Financial Services - Others	53

- Average age of the board is highest from an entity from Capital Goods Industry and lowest of an entity from Fast Moving Consumer Goods Industry.
- There's a significant age gap between the oldest and youngest boards, with a difference of 21 years between the highest average (73 years) and the lowest average (52 years).
- Interestingly, the Healthcare and Financial Services - Others industries appear in both the oldest and youngest board lists, suggesting a wide range of board ages within these sectors.



AVERAGE ATTENDANCE AT BOARD MEETINGS

Table B7 - Provides for distribution of number of companies with % average Board attendance:

Average Attendance	60-80%	80-90%	90-100%	100%
No. of Companies	15	45	140	17

- Majority of the sample companies demonstrate strong board meeting attendance, with 140 companies showing attendance of 90% or higher, whereas 170 Companies in the sample of last year's study had 90% to 100% attendance.
- Among sample companies, 17 companies achieved perfect 100% attendance during FY 2023-24, indicating exceptional director engagement. The situation was better last year, as 32 companies have 100% attendance of all directors during FY 2022-23 at the Board meetings.
- Good attendance performance indicates that a director of the Company is able to devote sufficient time to the meetings and affairs of the Company.

TABLE B8: BOARD MEETINGS (# OF COMPANIES)						
Board Meetings	0-3	4	5-6	7-8	9-10	10+
No. of Companies	0	18	68	49	17	48

- Legal requirement for number of Board meetings in a financial year is minimum 4. All sampled companies met the minimum legal requirement of 4 board meetings in a financial year, demonstrating full compliance. However, 18 companies in this year study adhered strictly to this minimum, conducting only four meetings, suggesting a 'check-the-box' approach to compliance and 23 companies in the sample companies had conducted just 4 meeting during FY 2022-23.
- 48 Companies in the sample have conducted more than 10 board meetings during FY 2023-24 and the same number was at 40 companies during FY 2022-23.



AVERAGE ATTENDANCE AT AGMs

Table B9 - Provides for distribution of number of companies with % average director's attendance at AGMs (held during FY 2023-24):

TABLE B9: AVERAGE AGM ATTENDANCE (# OF COMPANIES)							
Average Attendance	0-50%	50-60%	60-70%	70-80%	80-90%	90-100%	100%
No. of Companies	2	1	10	20	40	127	113

113 companies achieved full board attendance at their FY 2023-24 Annual General Meetings (AGMs). Which is considered a good governance practice.

- AGMs, being annual events, provide crucial shareholder-director interaction, making director attendance paramount. Thus, attendance of directors at the AGM becomes much more important than regular meetings or interactions.
- Only 3 companies have less than 60% attendance of Board members at AGMs during FY 2023-24. This indicates these directors are unable to devote sufficient time towards the affairs of the Company; which is not considered a good governance practice.
- As per last year data, 129 Companies in the sample have 100% attendance of Board members at AGMs during FY 2022-23, while 6 companies had less than 60% attendance.

98%

REASONABLE TIME COMMITMENTS (Listed Directorships <6)

Table B10 - Provides for distribution of number of directors with directorships in listed companies:

TABLE B10: TIME COMMITMENTS (# OF DIRECTORS)						
Listed Directorships	1	2-3	4-5	6	7	Total
No. of Directors	946	431	143	16	12	1,548
% of Directors	61.11	27.84	9.24	1.03	0.78	100

- 28 directors (~2% of the total in the sample) had high number of directorships, serving on more than 5 listed company boards.
- The majority, 946 directors, held single directorships, primarily EDs due to their full-time roles.
- The number of directors were slightly higher in last year's study, with 30 directors (about 2% of the total sample) holding directorships in more than 5 listed companies. Additionally, 1,074 directors held directorships in only one listed company.
- None of the director held directorships in more than 7 listed companies, i.e. all the directors in the sample have complied with the Regulation 17A of SEBI LODR.
- Directors with over five listed directorships are deemed 'over-burdened,' as their extensive time commitments may hinder effective and timely engagement with each company's affairs. As a good governance practice and to provided sufficient time to each company, the directors should not hold more than 5 listed directorships, if all are non-executive and not more than 3 non-executive if directors holds any full-time position.

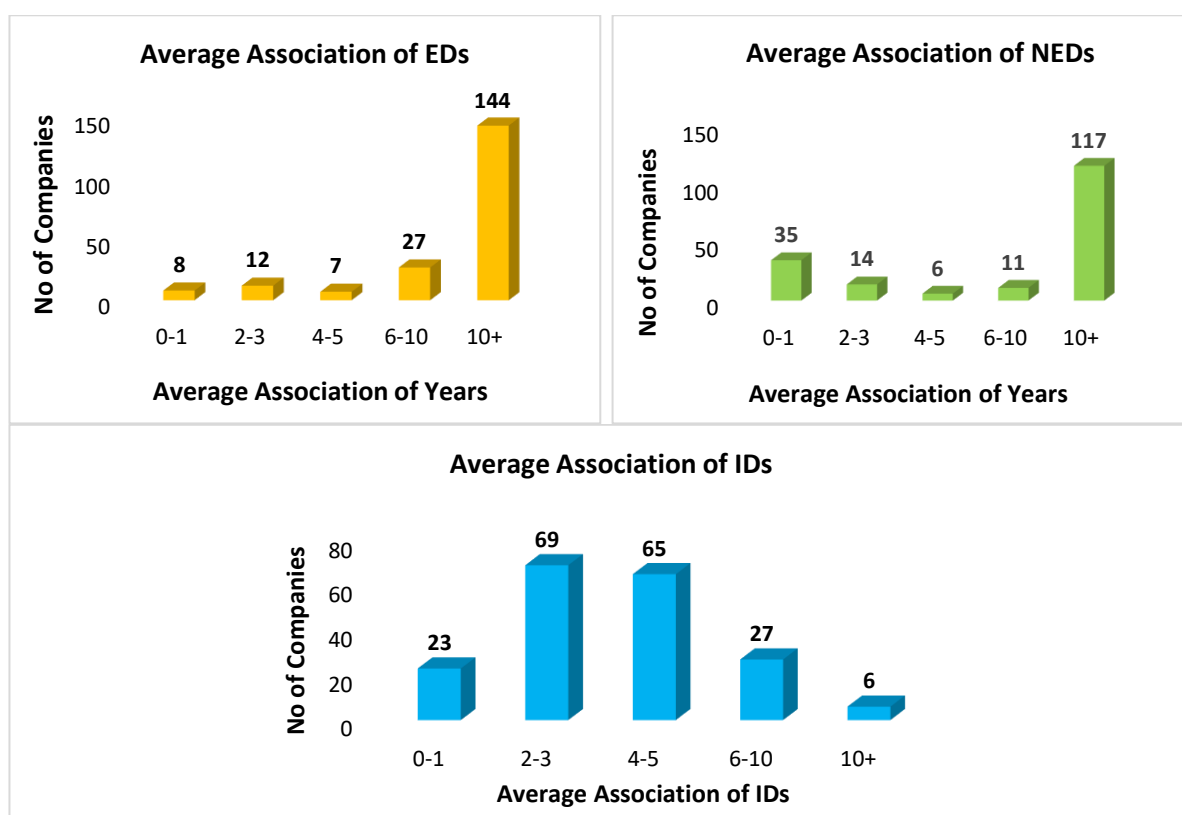
- While holding more directorships raise questions on time commitment; holding merely 1 board position (Non-Executive) also not necessarily means a positive instance. As under-boarding may also mean that the director is not in demand.

Association of Directors:

Table B11 - Provides details of Association of Individual Directors with the Company:

TABLE B11: ASSOCIATION OF INDIVIDUAL DIRECTORS (Years)			
Metrics	ED	NED-NID	ID
Average	18.82	17.58	3.83
Maximum	57	64	51
Median	18	15	3
Minimum	<1	<1	<1

Average Association of EDs, NEDs and IDs (Company wise):



- In case of EDs, it can be seen that Average Board Association is more than 10 years for 144 companies. This shows that EDs usually stay with companies for a long time. Only a few companies have EDs with short tenures.
- In NEDs, either the average association is more than 10 years or less than 1 year in more than 150 entities across the sample.
- 27 entities have average IDs association of 6 to 10 years, with major chunk i.e. 134 entities having average ID association of 2 to 5 years.
- Only 6 companies have IDs with an average association of more than 10 years. Further, IDs having more than 10 years associations, either with the Company or with the groups are not considered to be independent by SES due to their prolonged association.



3.2. BOARD COMMITTEES


Assessment Factors:

- ❖ Composition of various committees: Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility and Risk Management Committee;
- ❖ Director's attendance in those committee meetings;
- ❖ Number of committee meetings held during financial year,



EVALUATION STATISTICS

2024	QUESTIONS	25	PARAMETERS	125
2023	QUESTIONS	25	PARAMETERS	104

YEAR	SCORE - BOARD COMMITTEES							
2024	MAX.	99	AVG.	69	MED.	72	MIN.	26
2023	MAX.	98	AVG.	69	MED.	70	MIN.	45

BEST PERFORMING INDUSTRY		BEST PERFORMING COMPANY	
	77.5 – IT (2024)		99.0 – IT (2024)
	75.7 – Oil Gas & Consumable Fuels (2023)		98.3 – IT (2023)

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

WORST PERFORMING INDUSTRY		WORST PERFORMING COMPANY	
	60.0 – Oil Gas & Consumable Fuels (2024) 62.9 – Chemicals (2023)		26.1 – Oil Gas & Consumable Fuels (2024) 44.6 – Others (2023)

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

Committees are more effective when their charter and scope of work is clearly defined by the board. These committees provide inputs to board, which in turn acts based on the inputs.

Reference in this Report: Audit Committee (AC), Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC), Risk Management Committee (RMC) and Corporate Social Responsibility Committee (CSRC).

Interpretation/ Commentary:

In 2024, the top company scored 99, a slight improvement over 98 in 2023. The lowest score dropped sharply from 45 to 26, showing that laggards are falling far behind.

In 2024, IT became the best-performing industry with a strong average score of 77.5. In both years, the best-performing company was from the IT sector, showing strong governance through well-structured board committees.

In 2024, Oil, Gas & Consumable Fuels performed worst with both the lowest average and lowest individual company score. The worst-performing company in 2024 scored only 26.1, much lower than the lowest in 2023. It is mainly due to Non-compliant committees i.e. AC, NRC with respect of minimum number of members and Independent Directors.

Table C1: IDs in Committee- # of Companies		
% IDs	AC (#)	NRC (#)
Legal Requirement (Minimum)	2/3 rd (67%)	2/3 rd (67%)
0% - 20%	12	11
21% - 50%	19	17
51% - 66%	1	-
66.67%	35	70
67% - 90%	48	38
91 - 100%	85	64

Table C1 – Provides number of companies with % of IDs, in each committee.

32 Companies have less than 67% of IDs' representation in Audit Committees and 28 companies have less than 67% of IDs' representation in NRC.

All these companies are PSU's and PSB's which not having sufficient Independent Directors on their board.

In the sample companies, the average proportion of independent directors was 77% for the AC and 73% for the NRC.

- In last year's study, only 3 companies had less than 67% IDs in their AC. Also, all companies have sufficient ID representation in the NRC.
- The main duty of the Audit Committee is to oversee the company's audit process and financial statements. If the Audit Committee is not compliant, it may fail to serve its intended purpose.
- 8 companies do not have Independent Chairman for Audit Committee ("AC") and Nomination & Remuneration Committee ("NRC") as on 31st December 2024. Also, updated chairmanships not available for Audit committees of 14 companies and for NRC of 12 Companies.

Legal Provisions:

Regulation 18 of SEBI LODR Regulations 2015 states that:

Audit Committee.

18.(1) Every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following:

- (a) The audit committee shall have minimum three directors as members.*
- (b) At least two-thirds of the members of audit committee shall be independent directors [and in case of a listed entity having outstanding SR equity shares, the audit committee shall only comprise of independent directors]*
- (d) The chairperson of the audit committee shall be an independent director and he /she shall be present at Annual general meeting to answer shareholder queries.*

Regulation 19 of SEBI LODR Regulations 2015 states that:

Nomination and remuneration committee

19.(1) The board of directors shall constitute the nomination and remuneration committee as follows:

- (a) the committee shall comprise of at least three directors;*
 - (b) all directors of the committee shall be non-executive directors; and*
 - (c) at least two-thirds of the directors shall be independent directors.*
- (2) The Chairperson of the nomination and remuneration committee shall be an independent director:*
- Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.*

The concentration of non-compliance within PSUs and PSBs highlights potential governance challenges within these entities. This may be due to government influence, ownership structures, or a lack of emphasis on independent oversight; and further, the typical government structure, where everything is approved by certain departments with no liabilities for other departments and lazy nature of operations.

Table C2 - Number of companies with number of IDs, in each committee

TABLE C2: NUMBER OF COMPANIES WITH NUMBER OF IDS IN EACH COMMITTEE			
% IDs	SRC	RMC	CSR*
Legal Requirement (Minimum)	1 ID	1 ID	1 ID
Average (Sample)	1.63	2.05	2.13
0 ID	13	12	0
1 ID	83	63	47
2 IDs	76	56	88
3 IDs	23	48	47
4 IDs	4	16	8
5 IDs	1	4	3
7 IDs	0	1	0

*7 Companies have not disclosed details about CSRC and out of those 2 companies have stated that, no CSR mandatory.

- 13 companies have no Independent Directors in their Stakeholders Relationship Committees. This is a major concern as the SRC plays a crucial role in addressing and resolving grievances from shareholders and other stakeholders.
- 12 companies also lack any Independent Director representation in their RMCs.
- Across the sample, SRC, RMC and CSRC have only 1 ID in 83, 63 & 47 entities respectively. This suggests that these companies are merely fulfilling the minimum legal requirement, not focusing on better stakeholders' engagement or improved governance practices.

Legal Provisions:

Regulation 20 of SEBI LODR Regulations 2015 states that:

Stakeholders Relationship Committee.

20.(2A) At least three directors, with **at least one being an independent director**, shall be members of the Committee [and in case of a listed entity having outstanding SR equity shares, at least two thirds of the Stakeholders Relationship Committee shall comprise of independent directors]

Regulation 21 of SEBI LODR Regulations 2015 states that:

Risk Management Committee.

2) The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including **at least one independent director** and in case of a listed entity having outstanding SR equity shares, at least two thirds of the Risk Management Committee shall comprise independent directors.

- As per the above regulations, 13 companies are non-compliant for not having an independent director in the SRC and 12 companies are non-compliant for not having an independent director in the RMC.

Table C3 - Provides details of committee meetings held during FY 2023-24:

TABLE C3: NUMBER OF COMMITTEE MEETINGS (NUMBER OF COMPANIES)					
Committees	AC	NRC	SRC	RMC	CSR
Legal Requirement	4	1	1	2	-
SES Benchmark	8*	2	2	2	1
Number of Meetings ↓					
0	0	3	0	0	11**
1	0	18	68	2	27
2	0	28	47	83	56
3	0	39	15	39	36
4	31	40	59	47	40
5 - 7	94	59	7	21	21
8 or more	75	13	4	8	9

*Audit Committee: 4 times for review of quarterly results and 4 times for review of other matters / **Number of meetings conducted - information not disclosed / available / applicable / No meetings.

Audit Committee (AC):

- The majority of companies (169) exceed the legal minimum of 4 meetings. 75 companies holding 8 or more, whereas as per last year study, 69 companies met SES Benchmark of 8 or more Audit Committee meetings.

Nomination & Remuneration Committee (NRC):

- A considerable number of companies (151) met or exceed the SES Benchmark of 2 meetings.
- 3 Companies:** No meetings were held during the Financial Year 2023-24 for Nomination and Remuneration Committee. All these are PSB's.
- The situation was better in last year's study, as all companies in sample held at least one meeting of NRC and 16 companies met or exceed the 8 meetings mark.

Stakeholders Relationship Committee (SRC):

- A large number of companies (68) held only 1 SRC meeting, suggesting minimal engagement and last year also showed almost similar pattern, with 66 companies holding only one SRC meeting.

Risk Management Committee (RMC):

- Most companies hold 2- 4 RMC meetings in last two years.

Table C4 - Provides details of average attendance of committee meetings during FY 2023-24:

TABLE C4: NUMBER OF COMPANIES WITH % AVERAGE COMMITTEE ATTENDANCE					
Attendance (%)	AC	NRC	SRC	RMC	CSR
0-50%	0	1	2	0	1
50-75%	2	8	16	13	15
75-90%	35	33	23	41	26
90-100%	162	154	155	145	145
Refer Note	1*	4*	4*	1*	13*

Note: Attendance of members as on 31st March 2024 for committee meetings held during FY 2023-24/ *Director wise attendance information not disclosed / not available / No meetings conducted in case of 11 entities for CSR.

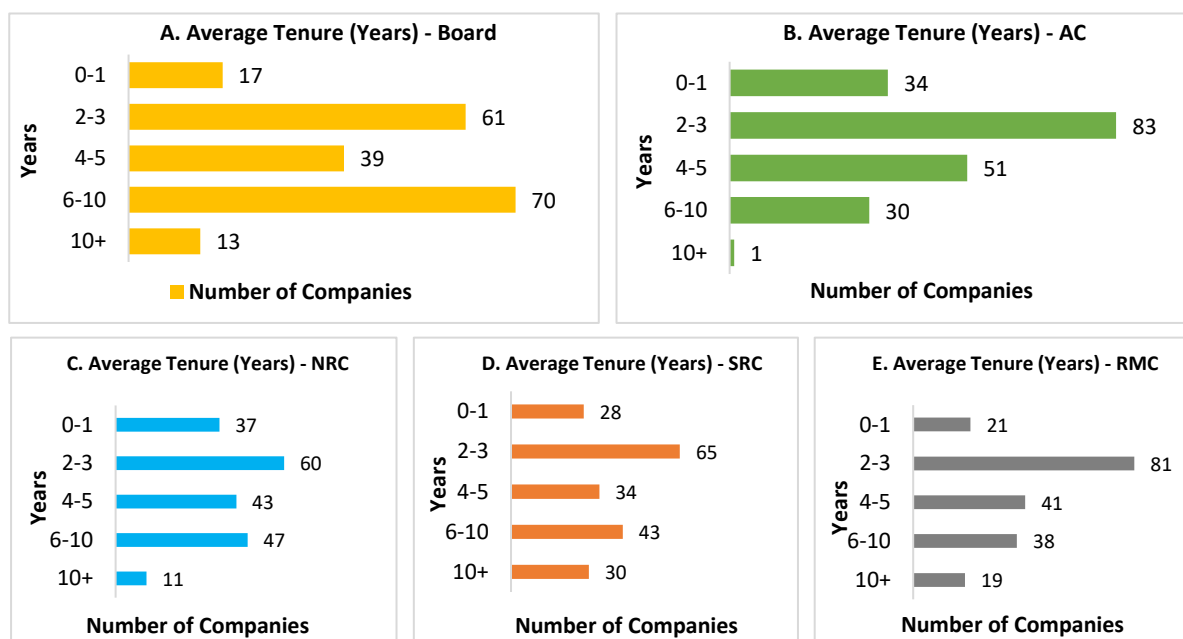
- AC has better attendance performance than any other committees, followed by NRC.

📌 172 and 171 companies have 75%+ attendance in CSR committees, least among all committees in FY 2023 and FY 2024 respectively. Wherever it is not legal requirement to disclose attendance, a few companies were found to be shy of disclosures. Non-disclosures of committee attendance were observed mainly in NRC, SRC and CSR.

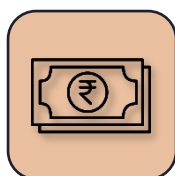
- Except, 1 Company from Oil Gas & Consumable Fuels Industry (a PSU), full disclosure was made by all companies in case of AC meetings attendance.

Average Tenure of Directors:

Graph A to E - Provides information on number of companies with average tenure of Board & committee members in a Company:







- 83 companies have average board tenure of more than 5 years. When looking into the last year study, 103 companies had an average board tenure of more than 5 years.
- Audit Committee had lowest number of companies (31) with more than 5 years Tenure.
- Across all the committees, an average tenure of 2 to 3 years was observed in majority of companies. Very few companies had average tenure of more than 10 years; and that too only 1 company in case of AC and only 11 in case of NRC. This is largely due the fact that these committees comprise majority of IDs, whose tenure on the Board in itself is not more than 10 years.



3.3. DIRECTOR'S REMUNERATION

Assessment Factors: Remuneration or payment comparison with respect to:

- ❖ Total Board Pay & Practice; ❖ Executive & Non-Executive Directors; ❖ Promoter and Non-Promoter;
- ❖ Independent Director; ❖ Skewed Remuneration; ❖ Variable Pay distribution

EVALUATION STATISTICS								
2024	QUESTIONS			25	PARAMETERS			72
2023	QUESTIONS			26	PARAMETERS			66
YEAR	SCORE – DIRECTOR'S REMUNERATION							
2024	MAX.	96	AVG.	67	MED.	73	MIN.	29
2023	MAX.	96	AVG.	66	MED.	68	MIN.	32
BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY				
	80.3 - Financial Services - Insurance (2024)				96.0 – IT (2024)			
	75.7 - IT (2023)				96.0 – IT (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY				
	52.0 – Chemicals (2024)				29.2 - Automobile (2024)			
	57.2 - Automobile (2023)				31.9 - Automobile (2023)			
Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company								

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

Interpretation/ Commentary:

The top score remained the same at 96 in both years, showing consistent best performance.

The minimum score dropped from 32 to 29, meaning that a few companies have not been able to perform even at par with their last year's performance.

In 2024, Financial Services – Insurance became the best-performing industry with an average score of 80.3, replacing IT. In both years, the best-performing company came from the IT sector with a top score of 96, showing strong and consistent governance with respect to remuneration practice.

In 2024, Chemicals was the lowest-performing industry by average score. However, the weakest-performing company in both years came from the Automobile sector, with a score dropping from 31.9 in 2023 to 29.2 in 2024, showing continued weak governance in Directors Remuneration segment.

Some companies, especially in the Automobile sector, are still performing poorly, and the lowest scores have worsened in 2024.

BOARD REMUNERATION VS NET PROFIT:

In this section average has been calculated based on aggregates. For example, sample average is calculated by dividing aggregate profit of Sample by number of companies. Similarly, average remuneration is aggregate remuneration divided by number of companies. In the same way, % has been calculated on average remuneration divided by average profit.

Table R1 – Provides comparison of total Board Remuneration with Net Profit:

TABLE R1: BOARD REMUNERATION VS NET PROFIT				
(in ₹ Crores)	FY 2022-23		FY 2023-24	
	Sample	~ Only Profit making	Sample	~ Only Profit making
Number of Companies*	154	147	155	152
Net Profit	5,03,666	5,35,444	6,21,961	6,54,285
Total Board Remuneration	5,131*	4,675	5,898	5,873
Average Net Profits	3,271	3,642	4,013	4,305
Average Board Remuneration	33.32	31.80	38.05	38.64
% Remuneration Paid	1.02%	0.87%	0.95%	0.90%

*Excluding PSU's and PSB's for above table. / ~Excluding loss making companies from the sample. / * 1 loss making company from Financial Service Industry provided large perquisite of ESOP benefit to directors as ₹ 316 crore in FY 2023.

- A significant increase in net profits is observed. Net profit jumped from ₹ 5,03,665.8 Crores to ₹ 6,21,961.2 Crores, indicating a substantial growth in profitability; and total board remuneration also increased, rising from ₹ 5,131 Crores to ₹ 5,898 Crores.
- Despite the increase in both total and average board remuneration, the percentage of remuneration paid relative to net profit decreased. It went down from 1.02% to 0.95%.
- However, when analysing only profit making companies then it is observed that, percentage of remuneration paid relative to net profit slightly increased from 0.87% to 0.90%.
- Averages are not the best method to draw a conclusion unless detailed analysis is done and what are the outliers which could have vitiated analysis.
- Though, in absolute terms in sample companies average board remuneration increased from ₹ 33.32 crores from FY 2022-23 to ₹ 38.05 crores in FY 2023-24, the relative shift in the % is minor.

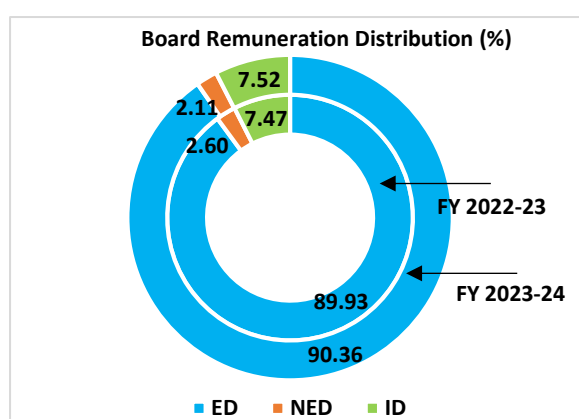
Table R2 – Provides Highest and Lowest Remunerating Boards with respect to remuneration paid during FY 2023-24:

TOP 5 HIGHEST BOARD REMUNERATION				TOP 5 LOWEST BOARD REMUNERATION			
Industry	TBR	PAT	%	Industry	TBR	PAT	%
Financial Services - Others	247.50	2,056	12.04	FMCG	0.47	765	0.06
Others	215.29	9,304	2.31	Others	0.63	-31,236	NA
Information Technology	186.61	9,119	2.05	Financial Services - Others	0.90	714	0.13
Healthcare	145.96	1,576	9.26	Power	1.01	18,749	0.01
Financial Services - Bank	132.73	60,812	0.22	Power	1.17	595	0.20

Note: TBR - Total Board Remuneration (Rs. in crores); PAT - Net Profits (Rs. in crores), % - TBR / PAT . / Excluding PSU's and PSB's for above table.

- A Company from Financial Service-Others has the highest Board remuneration with ₹ 247.50 crores during FY 2023-24. The Company had paid ₹ 241.21 crores to 1 non-promoter ED (out of which ₹ 236.21 crores as Share Based Payment arising out of exercise of stock options), whereas remuneration paid to IDs of the Company was merely 1.33% of the total board remuneration.
- Others, Information Technology and Healthcare Industries also show substantial TBR, ranging from ₹ 145.96 to ₹ 215.29 Crores.
- Despite substantial board remuneration in Financial Services – Bank of ₹ 132.73 Crores, the ratio of TBR to PAT remained relatively low at only 0.22%, due to significant profits.
- A Company from Fast Moving Consumer Goods has the lowest Board remuneration with only ₹ 47 lacs. No EDs were paid any remuneration in the same Company.

BOARD REMUNERATION DISTRIBUTION:



- Executive Directors shared ~90% of the total Board remuneration and the remaining 10% is shared between NE-NIDs and IDs during FY 2023-24. Almost similar pattern observed in FY 2022-23, with marginal increase.
- For NE-NIDs the remuneration decreased from 2.60% for FY 2022-23 to 2.11% for FY 2023-24, the decreased pie was largely occupied by Executives.

EXECUTIVE DIRECTORS' REMUNERATION:

Remuneration data (absolute) was analysed for directors in executive category, to highlight remuneration fairness and/ or skewness for both Promoter and Professional sub-categories to observe how remuneration distribution has taken place in FY 2023-24.

Table R3 – Provides details of Remuneration Distribution for ED Promoters and Non-Promoter EDs:

TABLE R3: REMUNERATION DISTRIBUTION (EDP & ED-NP)						
REMUNERATION RANGE~ (₹ in Crores)	DIRECTOR COUNT					
	NON-PROMOTER EDs			PROMOTER EDs		
	#	%	CUM.	#	%	CUM.
0-2	54	21%	100%	23	16%	100%
2-5	56	21%	79%	20	14%	84%
5-10	64	25%	58%	33	23%	70%
10-15	27	10%	33%	11	8%	47%
15-25	34	13%	23%	27	19%	39%
25+	26	10%	10%	28	20%	20%
Overall	261	100%	-	142	100%	-

Cum.: Cumulative Percentage. / Note: Includes directors during FY 2023-24, which resigned or ceased to be directors before 31st March 2024. / Excluding PSU's and PSB's for above table.

- While in absolute terms 66 EDs in Promoter category drew remuneration of more than ₹ 10 Cr and in Non-Promoter category it has 87 EDs, however skewness is seen once we analyse data in % terms.
- While ~47% of EDPs have remuneration in excess of ₹ 10 Cr, whereas only ~33% non-promoter EDs have remuneration in this range.
- A significant portion of Non-Promoter EDs fall within the lower remuneration ranges (0-2 crores and 2-5 Crores) i.e. 42% of them earning less than 5 crores.
- In last year's study, 58 EDs from the Promoter category received remuneration of more than ₹ 10 crore, while 81 EDs from the Non-Promoter category were reported in the same range.

EDs Variable Pay:

An ideal remuneration Policy must link the performance of the Executives with the performance of the Company. In light of this, the remuneration pattern of the Executive Directors of the Sample Companies has been analysed.

Table R4 – Provides share of variable pay (% wise) in total remuneration:

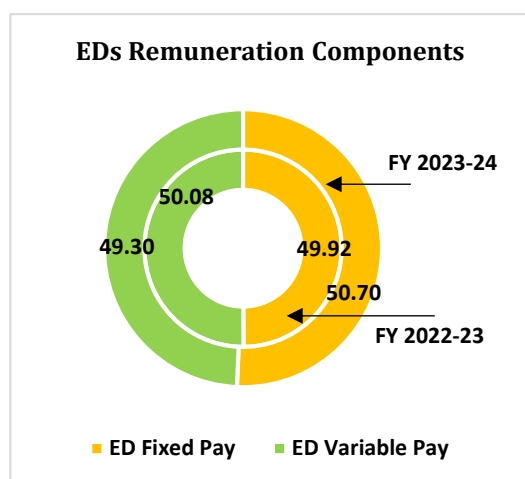


Table R4: Variable Remuneration Distribution	
Average Variable Pay (% Range)	# Companies
NA*	9
0%	25
0-10%	12
10-25%	15
25-50%	44
51-75%	33
75-100%	17
Sample	155

Note: Includes directors during FY 2023-24, which resigned or ceased to be directors before 31st March 2024. | *Companies are not paying any remuneration to EDs. Excluding PSU's and PSB's for above table and graph.

- 96 company's remuneration of EDs consisted less than 50% variable performance-based payment, including 25 companies with no performance payments.

NON-EXECUTIVE DIRECTORS (NON-INDEPENDENT):

Table R5 - Provides details of Remuneration Distribution for Promoter and Non-Promoter NEDs:

Table R5: Remuneration Distribution (NEDP & NED-NP)						
Remuneration Range ~ (in ₹ Cr)	Director Count					
	Non-Promoter NEDs			Promoter NEDs		
	#	%	CUM.	#	%	CUM.
0-0.5	227	89%	100%	111	75%	100%
0.5-2.5	24	9%	11%	30	20%	25%
2.5-5.0	3	1%	1%	4	3%	5%
5.0-10.0	0	0%	0%	3	2%	2%
10.0+	0	0%	0%	0	0%	0%
Overall	254	100%	-	148	100%	

Cum.: Cumulative Percentage. | Note: Includes directors during FY 2023-24, which resigned or ceased to be directors before 31st March 2024. | Excluding PSU's and PSB's for above table.

- ~5% of NEDPs have remuneration in excess of ₹ 2.5 Cr, whereas only ~1% non-promoter NEDs have remuneration in this range. Similar pattern observed in last year, as ~5% of NEDPs and 1% of non-promoter NEDs received more than ₹ 2.5 crore of remuneration.
- As per combined data for NEDs (Promoter & Non-Promoter), about 98% of NEDs received less than ₹ 2.5 crores in remuneration during FY 2023-24. The data indicates that a select few NEDs, across both promoter and non-promoter categories, drew remuneration exceeding ₹ 2.50 crores.

INDEPENDENT DIRECTORS (IDs):

Table R6 highlights Provides details of Remuneration Distribution for IDs;

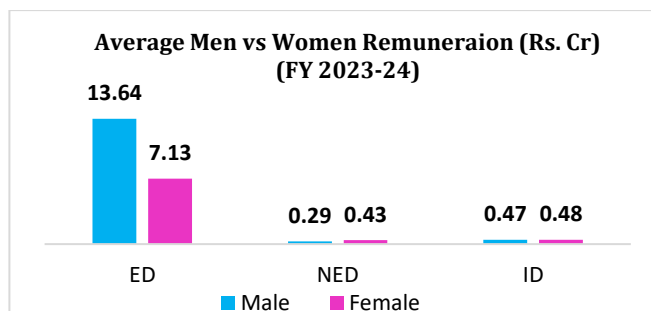
Table R6: Remuneration Distribution (IDs)				HIGHEST PAID IDs (FY 2023-24)	
Remuneration Range (In ₹ Cr)	Director Count			Industry Name	Amount (In ₹ Cr)
	#	%	CUM.		
0-0.5	623	67%	100%	IT	3.07
0.5-1.5	271	29%	33%	IT	2.90
1.5-3.0	39	4%	4%	IT	2.90
Overall	933	100%	-	IT	2.79
				IT	2.69

Note: Includes directors during FY 2023-24, which resigned or ceased to be directors before 31st March 2024. | Cum.: Cumulative %.

- Only 39 IDs (4%) received remuneration of more than ₹ 1.5 Crores.
- All top five highest-paid Independent directors were from IT Industry.
- In last year study, 35 IDs (3%) received remuneration of more than ₹ 1.5 Crore and 225 IDs (19%) received total remuneration between ₹ 50 lakhs to ₹ 1 crore.

GENDER BIAS:

Highest Paid Women Directors (2024)		
Industry Name	Director Designation	Amount (In Cr)
Healthcare	EDP	23.56
Healthcare	EDP	22.74
Others	EDP	18.85
FMCG	ED	13.89
Healthcare	EDP	10.41



- The healthcare industry stands out, with three of the five highest-paid women directors.
- Most of the top-earning women directors hold the position of Promoter Executive Director (EDP).
- In the sample remuneration paid to women EDs appears almost half in compare to male directors. However, for IDs it has been almost similar for men and women directors.
- It may be noted that, in sample Companies ~19% board positions held by women directors; however, remuneration paid to women directors was only ~5.65% of the total board remuneration for FY 2023-24. While, this data shows a picture of gender bias in the distribution of remuneration across the sample entities.
- However, there are factors which could affect the data and one major factor is that the male directors on the board are much more experienced than their counterpart, considering the fact that the introduction of women directors on the board is not very old, just a decade and half old.
- Thus, without analysing the company specific data on gender wise remuneration, the data cannot be concluded as gender bias.



3.4. STATUTORY AUDITORS



Assessment Factors: Disclosure & practices on;

- ❖ Appointment and term of Statutory Auditor;
- ❖ Exit of Auditors;
- ❖ Association of Audit Partner;
- ❖ Fees of Auditors;
- ❖ Appointment as per SEBI LODR.



EVALUATION STATISTICS

2024	QUESTIONS	9	PARAMETERS	46
2023	QUESTIONS	11	PARAMETERS	36

YEAR	SCORE – STATUTORY AUDITORS							
2024	MAX.	100	AVG.	94	MED.	98	MIN.	60
2023	MAX.	100	AVG.	93	MED.	96	MIN.	56

BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY			
 98.9 - Financial Services - Insurance (2024) 96.5 - Financial Services (2023)				 100 - Multiple Companies (2024) 100 - Multiple Companies (2023)			

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY			
 88.8 - Construction Materials (2024) 86.9 - Construction Materials (2023)				 60.0 - Financial Services - Bank (2024) 56.3 - Power (2023)			

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

The top score stayed the same at 100 in both years, showing that several companies continue to fully meet the standards for statutory auditors. The lowest score also improved slightly from 56 to 60, showing better performance even from the lowest-ranked company.

Statutory auditor standards are very high across companies, with most companies scoring above 90.

Top performers remained the same, with multiple companies achieving a full score of 100 in both years.

3

STATUTORY AUDITOR'S TENURE (No. of Non-Compliant Entities)

Statutory Auditors' tenure as per the provisions of Section 139 of the Companies Act, 2013:

Section 139 of the Companies Act, 2013:

(2) No listed [company](#) or a [company](#) belonging to such class or classes of companies [as may be prescribed](#), shall appoint or re-appoint—

- (a) an individual as auditor for more than one term of five consecutive years; and
- (b) an audit firm as auditor for more than two terms of five consecutive years:

As per the above provisions, the tenure of appointment for Statutory Auditors must be 5 years. However, in the sample companies, it was observed that **3 companies** did not comply with the prescribed tenure for the appointment of Statutory Auditors under the Act.

- In 2 out of the 3 companies, the proposed tenure for the appointment or re-appointment of Statutory Auditors was shorter than the mandated 5 years. One company, in the Automobile and Auto Components sector, suggested a term of 4 years, while another Company, in the Financial Services (Banking) sector, proposed just 1 year.
- Further, in 1 Company the re-appointment of auditors was proposed for term as such that total Association of Statutory Auditors **will exceed 10 years**.
- All other 197 Companies are complying with tenure of appointment of Statutory Auditors as prescribed under the above Act.

43

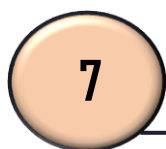
AUDIT PARTNER'S ASSOCIATION (3 Years SES' benchmark)

- As per Section 139(3) of the Companies Act, 2013 shareholders may resolve to provide that the auditing partner and his team should be rotated at regular intervals. Furthermore, in line with the MCA voluntary guidelines ([Weblink](#)) on corporate governance, SES is of the opinion that as a good governance practice, the Audit partner should be rotated every three years.
- 📌 In the sample, there were **43 companies** where the audit partner had been associated with the company for more than 3 years. Among these, 19 entities have more than 5 years audit partner association.

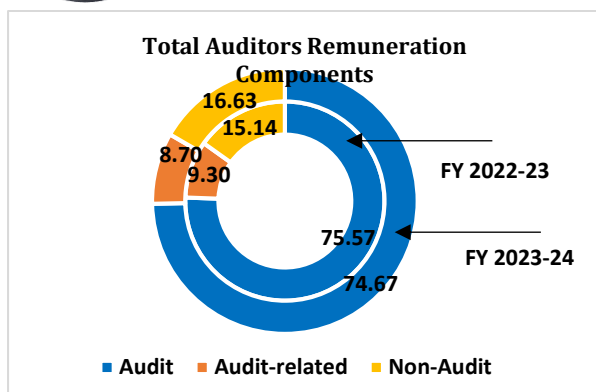
3

EXIT OF STATUTORY AUDITOR (Removal / Resignation)

- 2 case of resignation was observed in the sample companies during FY 2023-24:
 - 1) **Date of Resignation:** 2nd May 2023;
Industry: Oil, Gas & Consumable Fuels;
Reason for Resignation: Increased professional pre-occupation in other assignments.
 - 2) **Date of Resignation:** 12th August 2023;
Industry: Other Categories;
Reason for Resignation: Not statutory auditor for a substantial number of other group companies.
- Also, after the FY 2023-24, one Statutory auditor resigned:
 - 3) **Date of Resignation:** 1st May 2024;
Industry: Fast Moving Consumer Goods (FMCG);
Reason for Resignation: Increased professional pre-occupation in other assignments.



7 NON-AUDIT FEES (50% or more non-audit fees benchmark)

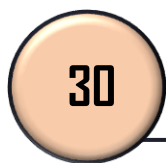


TOTAL AUDITOR FEES			
Fees (₹ In Cr)	FY-23	FY-24	Diff. in %
Audit	397.29	446.08	12.28%
Audit-related	48.87	51.95	6.30%
Non-Audit	79.58	99.36	24.85%
Total (Sample)	525.75	597.38	13.63%

Excluding the PSBs from the table above.

ICAI guidelines states that statutory Auditors should not accept assignments if fee earned from these non-audit assignments is more than the total statutory audit fee. SES is of the opinion that high non-audit fee may impact the Auditors' independence and should be avoided.

- **Audit Fees:** The audit fees saw a growth of **12.28%**, rising from ₹ 397.29 crores in FY 2022-23 to ₹ 446.08 crores in FY 2023-24.
- The total Statutory Auditors remuneration in sample companies increased by 13.63% in FY 2023-24 compared to FY 2022-23.
- **Non-Audit Fees:** Non-audit fees saw the growth, at **24.85%**, increasing from ₹ 79.58 crore in FY 2022-23 to ₹ 99.36 crore in FY 2023-24. This significant rise suggests a growing reliance on auditors for non-audit services like tax consulting, advisory services and internal control assessments, etc.
- SES does not consider high non-audit fees without any specific justification as a good governance practice, since high non-audit fee may have an adverse impact over the independence of the audit process. Increase in non-audit fees is not considered as a good governance practice.
- 7 Companies where Non-Audit Fees out of Total Audit Remuneration is more than 50% (% in brackets) in FY 2023-24:
 - Financial Services – Other (84.02%)
 - Financial Services – Others (61.54%)
 - Others – (53.62%)
 - Capital Goods – (52.38%)
 - Oil Gas & Consumable Fuels - (52.08%)
 - Automobile and Auto Components – (51.17%)
 - Fast Moving Consumer Goods – (50.00%)



APPOINTMENT OF STATUTORY AUDITOR AS PER SEBI (LODR) REGULATIONS, 2015 (No. of Entities with Inadequate Disclosures)

Regulation 36 (5) of SEBI (LODR) Regulations, 2015 states that:

(5) The notice being sent to shareholders for an annual general meeting, where the statutory auditor(s) or Secretarial Auditor is/are proposed to be appointed/re-appointed shall include the following disclosures as a part of the explanatory statement to the notice:

*(a) **Proposed fees payable to the statutory auditor(s) or Secretarial Auditor** along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;*

*(b) **Basis of recommendation for appointment** including the details in relation to and credentials of the statutory auditor(s) or Secretarial Auditor] proposed to be appointed.]*

- 30 companies out of the sample companies did not make adequate disclosures as required under Regulation 36(5) of SEBI (LODR) Regulations, 2015 at the time of appointment / re-appointment of Statutory Auditors, resulting in technically non-compliant proposals.
- Majority of these companies did not disclose the proposed audit fees to be paid to the statutory auditor in both appointment and re-appointment cases. Also, some of them did not disclose the basis for recommendation of appointment in the Explanatory statement of respective notices. Further, a few lacked in disclosures on material changes in proposed vs past audit fees.
- SES also found a few governance concerns among these entities, where the disclosures on scope of audit in case of Joint Statutory Auditors or bifurcation / distribution of remuneration among the Joint Statutory Auditors were not adequate disclosed.







3.5. AUDIT & FINANCIAL REPORTING

Assessment Factors:

- ❖ Audit qualifications; ❖ Related party transactions; ❖ Contingent Liabilities;
- ❖ Fraud Reporting; ❖ Other financial parameters; ❖ CARO disclosure.

BRSR Reference: Principle 1.

EVALUATION STATISTICS								
2024	QUESTIONS			73	PARAMETERS			202
2023	QUESTIONS			66	PARAMETERS			152
YEAR	SCORE – AUDIT & FINANCIAL REPORTING							
2024	MAX.	98	AVG.	84	MED.	86	MIN.	36
2023	MAX.	99	AVG.	90	MED.	91	MIN.	52
BEST PERFORMING INDUSTRY				BEST PERFORMING COMPANY				
	89.6 - IT (2024)				97.7 – Automobile and Auto Components (2024)			
	94.9 - IT (2023)				98.6 - IT (2023)			
Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company								
WORST PERFORMING INDUSTRY				WORST PERFORMING COMPANY				
	73.3 - Chemicals (2024)				35.9 - Chemicals (2024)			
	85.2 - Metals & Mining (2023)				52.4 - Metals & Mining (2023)			
Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company								

Interpretation/ Commentary:

The top score slightly lower in 2024 (98) compared to 2023 (99), but still very strong. Minimum score decreased from 52 to 36, a major drop, showing that some companies are significantly lagging in audit and reporting standards, mainly on related party transactions related disclosures.

The IT sector remained the best-performing industry in both years but its average dropped from 94.9 to 89.6. The best company in 2024 was from the Automobile & Auto Components sector, replacing the IT sector in the top spot.

In 2024, Chemicals became the lowest-performing industry and also had the low-performing company. The worst industry score went down from 85.2 in year 2023 to 73.3 in year 2024 and company scores were also much lower at 52.4 in 2023 to 35.9 in 2024, showing a sharp decline. Primarily lower score was observed due to factors such as audit qualifications, negative incidents, etc.

Audit Qualifications & Restatement of Financial Statements:

- 👍 Out of the sample, **185 companies** did not report any audit qualifications in their financial statements for the current period or in last three financial years.
- 👎 However, **15 companies** had received audit qualifications at least once during the past three years. Among these, 7 companies experienced audit qualifications during the FY 2023-24, highlighting a more recent trend in audit issues. And 6 companies had repetitive audit qualification.

👍 Additionally, there were no material financial restatements observed for FY 2023-24, indicating that the financial statements for this period did not require significant corrections or adjustments.

👎 Regarding the Secretarial Audit Reports for FY 2023-24, **40 companies** were found to have observations. All of these companies have provided formal responses addressing the qualifications or observations in their Annual Reports.

Contingent Liabilities:

👍 All companies made adequate disclosures regarding various heads of contingent liabilities.

- 141 companies reported contingent liabilities less than 20% of the Net Worth of the Company on consolidated basis.
- 22 companies reported contingent liabilities more than 100% Net worth of the Company on consolidated basis. Out of these 17 were banks, who reported more than 100% contingent liabilities of their respective net worth.

Contingent Liabilities in Banks:

- Banks take various exposures to borrowers in the form of Fund-Based and Non-Fund Based credit. While NPAs are recognized for fund-based facilities, non-fund-based facilities are transferred to NPAs only upon crystallization of liability. Given that banks often carry contingent liabilities that can exceed their net worth, any crystallization could negatively impact their financial stability.
- Though the chances of contingent liabilities materializing are uncertain, there may be a higher likelihood for NPA accounts. SES believes that current disclosure and provisioning practices fail to reflect the true situation, not considering the potential crystallization of contingent liabilities related to NPAs. SES is of the view that that RBI address this issue, ensuring contingent liabilities are differentiated between NPAs and regular accounts, as individual bank disclosures may not provide sufficient clarity for accurate analysis.

Disclosure of Financial Ratios:

Law: SEBI (LODR) Amendment Regulations, 2018, requires disclosure of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor in Management Discussion and Analysis.

Further, as per Schedule III Division II of Companies Act, 2013:

(xiv) The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.


Table AF1 – Provides details about disclosure of financial ratios in its Annual Report FY 2024:

TABLE AF1: DISCLOSURES OF FINANCIAL RATIO'S (NUMBER OF COMPANIES)	
PARTICULARS	# of Companies
Disclosed financial ratios	200
Disclosed financial ratios, however, not made discussion/ adequate discussion on significant shift in financial ratios (i.e. change of 25%, in cases wherever applicable)	5
Not disclosed financial ratios / inadequate disclosures	0

👍 All companies have made adequate disclosures regarding Key financial ratios.

- 5 out of 200 companies have disclosed the financial ratios but not made discussion on significant shift in financial ratios. These all five companies were from “financial services.”

Related Party Transactions – Disclosures:

 All the companies have provided related party policy on their websites.

- Related party transactions are an important aspect of corporate governance that requires careful consideration and scrutiny.
- Recent updates in regulatory requirements in case of approvals of RPTs have shown a significant improvement in transparency and disclosures.
- In recent transactions, most viewed concerns in RPT approvals were the non-disclosure of basis of arm's length pricing, prior approval was not taken, etc.
- Further approvals for RPTs for perpetuity or without placing any absolute cap on the transaction amount is not viewed as a good governance practice by SES.

Observed common issues in case of Related party transactions:

➤ Basis of Arm's length Pricing:

- In some case founded that, the basis for arm's length pricing or any other external criteria has not been disclosed with respect to related party transactions. Disclosure regarding the basis of arriving at the pricing of the transactions is a material disclosure for shareholders to arrive at an informed decision.

➤ Prior Approval of material related party transactions:

- Some companies have proposed to enter into material RPT from 1st April to 31st March of particular financial year. However, they have not disclosed whether the materiality threshold had been breached as of the approval date or not.
- As per Regulation 23 of SEBI LODR, all material related party transactions require prior approval of the shareholders through resolution in general meeting.

➤ Omnibus RPT approval for more than 1 year:

- As per SEBI LODR, proposals for omnibus RPTs approved shall be valid for maximum 1 year (if approval taken in AGM, then the approval shall be valid till next AGM held within maximum 15 months.)
- However, in some cases, companies proposed omnibus approval for a period more than one year.

Open-ness of business Provide details of concentration of purchases and sales with related parties:

1. Purchases from Related Parties:

- In sample companies, 9 had more than 50% of their purchases from related parties during FY 2023-24. These 9 companies include 2 from the Construction Materials sector, 2 from the 'Others' category, and 1 each from the Capital Goods, Automobile and Auto Components, Oil-Gas & Consumable Fuels, Information Technology and Power sectors.

2. Sales to Related Parties:

- Similarly, 9 companies from sample had more than 50% of their sales transaction to related parties during the same period. Among them, 5 companies - which 2 from Information Technology, and 1

each from Financial Services - Others, Healthcare and Oil, Gas & Consumable Fuels - had an extremely high percentage of related party sales (over 80% in both 2023 and 2024), indicating that their revenue largely depends on related parties.

Companies (Auditors Report) Order (CARO) Report

The Central Government of India (MCA) in terms of sub-section (11) of section 143 of the Act, has issued a revised Companies (Auditor's Report) Order, 2020 (CARO 2020) in place of CARO 2016 for audit reporting requirements for Companies, which is applicable for audit reports issued on or after 1st April 2022. ([Link](#))

The above order requires the companies to provide statement on the matters as specified in paragraphs 3 and 4 of the Order.

Table AF2 highlights the number companies providing disclosures and observations on certain matters identified out of the necessary matters as specified in the order, which are material to the long run of the companies' business as per SES.

Table AF2: CARO 2020 & SCHEDULE III OBSERVATIONS		No. of Companies		
Made Disclosures →		Yes	No	NA
ASSETS MANAGEMENT	Maintenance of proper records showing full particulars of Tangible and Intangible Assets	171	0	0
	No material discrepancies noticed on physical verification of Property, Plant and Equipment	168	1	2
	Title deeds of all immovable properties held in the name of the Company	90	75	6
	No significant discrepancy (more than 10%) identified on revaluation of Tangible Assets	95	0	76
	No proceedings initiated or pending against the company under Benami Transactions Act	168	0	3
	No material discrepancies noticed on physical verification of Inventory	145	1	25
LOANS & ADVANCES	Quarterly Statements filed with the Banks from whom working capital in excess of ₹ 5 crores has been obtained agrees with the books of the Company	121	14	36
	Terms and conditions of the loans & guarantees extended are not prejudicial to the Company's interest	158	0	13
	In case of loans or advances, repayment of principal and payment of interest are regular as per stipulated schedule	120	25	26
	Any loans or advances granted are overdue for more than 90 days	130	19	22
	Existing dues are not renewed, extended or settled by granting fresh loans during the year	113	23	35
	No loans granted to Promoters, Related Parties that are repayable on demand or without specifying terms	103	24	44
CAPITAL & DUES MANAGEMENT	No undisputed statutory dues are outstanding for more than 6 months from due date	155	14	2
	No transactions which were unrecorded in Books , have been recorded in tax assessments under IT Act	154	0	17
	No default in repayment of loans or other borrowings to any lender	148	4	19
	Not declared as a wilful defaulter by any bank or financial institution or any Lender	169	0	2
	Term Loans raised are applied for the purposes for which they were obtained	109	1	61
	No funds obtained to meet the obligations of its subsidiaries , JVs or associates	146	8	17
	No loans raised through pledge of securities held in its subsidiaries, joint ventures or associate companies	135	3	33
	Equity raised or monies borrowed are applied for the purpose for which they were obtained	56	1	114

INTERNAL CONTROL	No fraud has been noticed or reported during the year	160	9	2
	The Auditor has taken into consideration the whistle-blower complaints received by the Company	156	0	15
	All RPTs are compliant with section 177 and section 188 of the Companies Act, 2013	168	1	2
	Internal Audit systems are commensurate with the size and nature of business	168	2	1
	No non-cash transactions entered with its directors or persons connected with its directors	126	0	45
	The Company has not incurred Cash losses	158	5	8
	No material uncertainty regarding capability of meeting liabilities existing at the date of balance sheet	169	1	1
	No qualifications or adverse remark by Auditors of other Companies, if any included in Consolidated financials	94	64	13
SCH III	No material transactions entered into with struck off companies	160	8	3
	Financial ratios as required under Schedule III disclosed	170	0	1

Note: As per the MCA Order, bank and insurance companies are exempt from CARO disclosures. Therefore, 29 companies falling under these industries are excluded from the analysis outlined in the above table.

Title Deeds: 75 companies do not hold title deeds for all immovable properties in their names, indicating potential legal risks. As per last year study, 77 companies had the same problem.

Benami Transactions Compliance: Almost all sample companies had no pending cases under the Benami Transactions Act.

Loan Repayment & Defaults:

- **Loan Repayment Delays:** 25 companies faced irregular repayment of principal and interest from some parties, compare to 16 companies last year.
- **Overdue Loans:** 19 companies had overdue loans exceeding 90 days in respect of loans given whereas founded 21 companies in last year study.
- **Loan Renewals & Extensions:** 23 companies renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties; 25 companies as per last year study.

Dues Management: None of the sample companies was declared wilful defaulters.

Statutory Dues: 14 companies have outstanding statutory dues beyond six months, which could attract regulatory penalties, compare to 11 companies as per last year study.

Funding of Subsidiaries & Associates: 8 companies used funds to meet the obligations of subsidiaries, JVs, or associates in both year study.

Fraud & Financial Irregularities: 9 companies reported fraud cases, necessitating further scrutiny in both year study.

Adverse Auditor Remarks: 64 & 69 companies had qualifications or adverse remarks in their consolidated accounts with respect to CARO disclosures in FY 2024 and FY 2023 respectively.

Cash losses: 5 companies incurred cash losses in both last two years.



3.6. STAKEHOLDERS ENGAGEMENT, OWNERSHIP & CONTROL

Assessment Factors: Companies' stakeholder's engagement practices including;

- ❖ Shareholder Complaints & Communications;
- ❖ Pledging of shares;
- ❖ Voting in Shareholder Meetings;
- ❖ Dividend Distribution Policy.

BRSR Reference: Principle 1 & 5.

EVALUATION STATISTICS

2024	QUESTIONS	17	PARAMETERS	65
2023	QUESTIONS	18	PARAMETERS	55

YEAR	SCORE - STAKEHOLDERS ENGAGEMENT, OWNERSHIP & CONTROL							
2024	MAX.	100	AVG.	82	MED.	84	MIN.	38
2023	MAX.	100	AVG.	82	MED.	84	MIN.	49

BEST PERFORMING INDUSTRY



89.34 - Realty (2024)
89.34 - Consumer Durables (2023)



BEST PERFORMING COMPANY

100 - Capital Goods (2024)
100 - Capital Goods (2023)

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

WORST PERFORMING INDUSTRY



72.2 - Chemicals (2024)
72.46 - Construction Materials (2023)



WORST PERFORMING COMPANY

38.2 - Power (2024)
48.85 - Construction Materials (2023)

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

Interpretation/ Commentary:

Top score remained same at 100 in both years, while Lowest Score dropped from 49 (Construction Materials Industry) in 2023 to 38 (Power Industry) in 2024.

In both years, Capital Goods companies achieved the highest score of 100, showing consistent top-level governance and stakeholder engagement. However, the best-performing industry changed from Consumer Durables in 2023 to Realty in 2024, though the average score remained the same.

The worst-performing company in 2024 was from the Power sector, scoring only 38.2, which is a drop from last year's low of 48.85 from a Construction Materials company. Lower score observed majorly due to regulatory actions, non-disclosures of investor presentations or earnings calls and their transcripts on website, negative incidents, etc.

Shareholders' Statistics:

Promoter	Public Institutions	Public Others	
56.54%*	32.51%	10.37%	Shareholding %
2,146	1,34,560	17,45,42,232	No. of Shareholders

- In terms of number of shareholders, 99% are shareholders from public others category. However, they held only 10.37% of the total market capitalisation.

Despite this high percentage of shareholder participation in terms of number, these shareholders hold a relatively small portion of the company's total market capitalization. This indicates that while the sample companies have a large number of smaller or public shareholders, their collective stake in the overall value of the company is quite modest.

Looking into the last year data same pattern was observed, 99% were shareholders from public others category and they held only 10.29% of the total market capitalisation.

TABLE SH1 - SHAREHOLDERS STATISTICS		
Holdings* →	Promoters	Public
Maximum	98.25	92.09
Average	57.53	42.47
Median	58.28	41.72
Minimum	7.91	1.75

*Note: Shareholding as on 31st December, 2024 | *Excluding professionally managed companies | Shareholding based on Total Market capitalisation.*

Pledged Shares:

30 companies in the sample have shares encumbered or pledged by the promoters of the Company. The pledged shareholding is valued at ₹ 2,35,597 crores as at 31st December, 2024 i.e. ~1.00% of the total market capitalisation of such companies.

30

No. of Companies
with promoter pledge

2,35,597

Value Pledged
(Rs. in crores)

Table SH2: Pledge Distribution (% of Total Shareholding)		Table SH3: Pledge Distribution (% of Promoter Shareholding)	
Pledged as a % of Total Shareholding	(# Companies)	Pledged as a % of Promoter Shareholding	(# Companies)
0-20%	28	0-20%	24
20-50%	0	20-50%	2
50%+	2	50%+	4

- Two companies have pledge more than 50% of the total shareholding of the company as compare to 4 companies in last year.
- Six companies have promoters shares pledge more than 20% of their shareholding in last two years study.
- While the majority of companies have pledged a relatively low percentage of their total and promoter shareholdings, the small group that has pledged significant portions of their shares.
- Further, Companies required to disclose reasons for such pledge or encumbrance by law have provided reasons for pledging shares in line with SEBI Circular dated 7th August, 2019 ([Weblink](#)).

Investors Complaints:

The number of complaints from investors and shareholders saw a significant reduction, dropping from 68,993 in FY 2022-23 to 46,085 in FY 2023-24, reflecting a decrease of approximately 33%.

On the other hand, the trend reversed when it came to unresolved complaints at the close of the FY. Complaints pending increased from 307 (0.44%) to 571 (1.24%).

Table SH4: Investors Complaints

Complaints		FY 2023	FY 2024
Received	(#)	68,993	46,085
Pending*	(#)	307	571
Pending*	(%)	0.44%	1.24%

*Pending at the end of FY 2023-24.

Shareholders' Voting Trend:

Shareholders' voting pattern was analysed for resolutions proposed in general meetings for shareholders approval during the period from 1st April, 2023 to 31st December, 2024.

12 Resolutions Defeated	AVERAGE AGAINST VOTES%		
	7.73%	1.78%	2.78%
	Public Institutional	Public Others	All shareholders
10% + AGAINST VOTES (No. of Resolutions)	834	104	358
	Public Institutional	Public Others	All shareholders

- Overall, for 834 resolutions, public institutional shareholders voted against for more than 10% of their total votes polled, whereas public others voted more than 10% against only for 104 resolutions.
- On consolidated basis, the count was for 358 resolutions. Significant against votes from shareholders resulted in 12 resolutions being defeated i.e. not approved by the shareholders of the Company.
- Resolutions with 10% or more votes against could reflect a degree of dissatisfaction or concern.
- Distribution % voting on resolutions by shareholders (**Total: 3,818 resolution**):

Table SH4: Distribution % Voting Against on Resolutions (# Resolutions)

% Voting Against	0%	0-10%	10-25%	25-50%	50-75%	75-100%	100%
All Shareholders	1,136	2,324	311	44	3	0	0
Institutions	1,498	1,486	386	332	95	21	0
Public Others	1,225	2,489	57	17	18	12	0

- On **116 resolutions**, more than 50% institutional shares of the total institutional votes polled were voted Against the resolutions. In case of public others, this number stands at only 30 resolutions.
- However, it may be noted that except for 12 resolutions mentioned earlier, all the resolutions were approved by the shareholders.
- Overall, the data shows that all shareholders, Institutions as well as Public Others, share a generally positive outlook towards the resolutions in sample companies, with the majority of votes in the 0-25% against category.

Dividend Distribution Policy:

As per Regulation 43 A of the SEBI LODR Regulations, 2015 has mandated the formulation of a Dividend Distribution Policy.

It was observed that **all** the companies in the sample have formulated Dividend Distribution policy (DDP) and disclosed the same on their Annual Report / website.

However, only **89** companies provided Dividend Distribution Policy which can be called investor friendly, enabling the investor to assess quantum of likely dividend. Other DDPs are only technically compliant with the SEBI directive, without in any way helping the investors. Such policies states theory and parameters that are used for deciding payment of dividend without ascribing any value to threshold for payment or non-payment of dividend. In present form, the investor neither can estimate dividend nor can question. Any decision of Board will be compliant with the policy.

Example of Objective DDP:


- *“The Board shall endeavour to achieve a Dividend Pay-out Ratio in the range of 15% - 35% (gross of dividend distribution tax) of distributable profits for the year under normal circumstances.”*
- *“Board of directors shall endeavor to maintain the Dividend Payout Ratio (Dividend/ Net Profit after Tax for the year) as near as possible to 50% of XYZ Ltd’s consolidated profit after tax.”*


Example of Technical compliance:

- *“The yearly out go of dividend is dependent on the prevalent macro economic conditions as well as the industry specific scenario. It also depends on the capital expenditure program under implementation.”*

Regulatory Actions:

Based on Annual Reports for FY 2023-24, Annual Report, Watchout Investors, Stock Exchanges, etc.

 **133** companies from the sample reported that no strictures or penalties have been imposed by the Stock Exchanges or by the SEBI or by any statutory authority on any matters related to capital markets during the last three years.

 **67 Companies** having penalties or Regulatory actions in last three years. Some of the penal actions are below:

Type of strictures:

- *Delay in Submission of statement of related party transactions for each half year to the stock exchanges.*
- *Non-compliance with the provisions of SEBI LODR Regulations, 2015.*
- *Penalties imposed by RBI due to non-compliances in banks cases or non-adherence with the provisions of certain RBI Circulars.*
- *Notices issued by stock exchanges (BSE & NSE) for non-compliances as per SEBI LODR.*
- *Penalties imposed by SEBI due to violation of SEBI (Share Based Employees Benefits) Regulations, 2014.*
- *Delay in Submission of corporate governance report U/S 17(1) OF SEBI (LODR) Regulations, 2015.*

Assessment Factors: Disclosures & practices on; <ul style="list-style-type: none"> ❖ Code of Conduct; ❖ Whistle Blower / Vigil Mechanism; ❖ Insider Trading; ❖ Ethics, Anti-Bribery or Anti-Corruption practices. 	
BRSR Reference: Principle 1, 3, 4 & 5.	

YEAR	SCORE – ETHICS, BRIBERY & OTHER GOVERNANCE FACTORS							
2024	MAX.	99	AVG.	88	MED.	91	MIN.	45
2023	MAX.	98	AVG.	85	MED.	87	MIN.	57

Note: Best Performing Industry: Highest Average Industry Score; Best Performing Company: Highest Score of a Company

Note: Worst Performing Industry: Lowest Average Industry Score; Worst Performing Company: Lowest Score of a Company

Top score increased slightly from 97.5 in 2023 to 98.6 in 2024, showing better performance from the best companies. However, the minimum score dropped from 57.2 to 44.5, showing that a few companies fell behind significantly.

The Realty sector topped in 2024 with an impressive average score of 93.6, improving from the Automobile sector's 89.1 in 2023. In 2024, Financial Services – Bank had the lowest industry average (76.8), lower than Oil, Gas & Consumable Fuels (79.3) in 2023.

Directors & Senior Management Personnel:

- All Employees:**

275

Whistle Blower / Vigil Mechanism:

Policy Disclosure:

👍 All the sample companies have disclosed whistle blower policy on their website.

Direct Access to the Chairperson of Audit Committee:

👎 10 companies out of sample companies did not adequately disclose whether it has mechanism for direct access to the Chairperson of the Audit Committee.

No Person Denied Access to Audit Committee:

👎 12 companies did not affirmation that no person was denied access to the Audit Committee.

Complaints Reporting:

👎 Only 111 companies in the sample reported absolute numbers of whistle blower related complaints, received during FY 2023-24.

Insider Trading:

Policy Disclosure:

👍 All the Sample companies has disclosed policy related to Insider Trading on their website.

Conviction / Penalty / Allegations Relating to Insider Trading Violation:

- During FY 2023-24, one company has reported violation relating to Insider trading by regulatory authorities, while a total of five companies have reported insider trading violations by regulatory authorities over the past three financial years.
- As per Company's Annual Report, BRSR or Watchout investor website, some cases / events relating to insider trading are highlighted below:

A Company from Financial Services – Insurance (FY 2024):

- *SEBI issued a confirmatory order to some employees in respect to restrictions imposed by SEBI from buying, selling or dealing in securities either directly or indirectly, in any manner whatsoever, shall continue until further orders.*

A Company from Fast Moving Consumer Goods Industry (FY 2023):

- *Code of Conduct of SEBI (Prohibition of Insider Trading) Regulations, 2015 - Cases were found that designated persons have traded in securities of the Company during the closure of trading window which were reported to the BSE Limited, National Stock Exchange of India Limited and Securities and Exchange Board of India ("SEBI") wherever required as envisaged under the relevant circulars issued by SEBI.*

Ethics, Bribery & Corruption

Policy Disclosure:

👍 179 companies have disclosed that they have an anti-corruption, anti-bribery or ethics related policy and disclosed on their website.

Complaints Reporting:

- All sample companies have given disclosure related to stakeholder's complaints regarding ethics, bribery and corruption for FY 2023-24.

- 17 companies reported complaints (disciplinary action) against the BOD, KMPs, Employees or Workers during last two years for bribery/ corruption.

Below are the industry wise details of which received complaints during last two years:

Industry	Number of Companies
Financial Services - Bank	8
Capital Goods	1
Automobile and Auto Components	1
Oil Gas & Consumable Fuels	3
Chemicals	1
Financial Services - Others	1
Power	1
Metals & Mining	1
Total	17

ABOUT ESG MODEL

EVALUATION FRAMEWORK

It is to be noted that entire ESG related scoring / ratings in this report are obtained from SES ESG Research Private Limited, a wholly-owned subsidiary of SES. SES ESG was incorporated to comply with requirement of SEBI Regulations for registration as an ESG Ratings Provider (ERP) entity. The SEBI has approved SES ESG Research Private Limited as a Category 2 provider of environmental, social and governance (ESG) ratings w.e.f. 25th April, 2024. [Click here](#) to know more about SES ESG.

This ESG rating model or methodology is solely based on the internal policies of SES ESG, and also hosted on the SES ESG's website.

SES ESG (from hereinafter at places also referred to as SES) evaluates an entity based on its proprietary evaluation framework (referred to as “ESG Model”) and provides an ESG Score / Ratings (*Note: The terms ‘Scores’ & ‘Ratings’ shall have same meaning i.e. ESG Score or ESG Rating of an entity*).

SEBI in CRA Regulations for ERP - 28B(1)(b) defines ESG Ratings as;

“environmental, social, and governance ratings”, or “ESG ratings” means the rating products that are marketed as opinions about an issuer or a security, regarding its ESG profile or characteristics or exposure to ESG risk, governance risk, social risk, climatic or environmental risks, or impact on society, climate and the environment, that are issued using a defined ranking system of rating categories, whether or not these are explicitly labelled as “ESG ratings”

SES ESG Model has been designed to evaluate objectively Company's disclosure and performance on ESG front. Any evaluation which aims to bring differentiation and separate aspiration to do better from run of the mill compliances alone, must necessarily have benchmarks beyond legal compliance parameters. As a result, evaluation parameters in SES Model under three main pillars viz. Environment, Social and Governance are not only based on mandatory legal requirements to be followed by listed Indian Companies, but also incorporate best practices followed around the World and few SES created benchmarks.

For example, disclosures under Environment & Social parameters are evaluated not only based on Business Responsibility & Sustainability Reports, but also on key disclosure requirement of Sustainability Reports and/or Integrated Reports (GRI/ IIRC), TCFD, etc. Similarly, for Governance factor, parameters are set as required under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable laws as well as the best practices followed around the World (such as ICGN governance principles) along with SES' own Benchmarks.

Further, SES ESG has also adopted the requirements of SEBI Regulations / Circulars for;

- BRSR Core framework / Ratings [[Circular for BRSR](#) – July 12, 2023 & [Circular for ERP](#) – 16th May, 2024)
- ESG parameters relevant to Indian Context (*Read for details at [Annexure III](#)*)
- Parivartan / Transition Score (*Read for details at [Annexure IV](#)*)

ESG MODEL- SCORING & EVALUATION CRITERIA



The Model is designed based on the framework of the **United Nations Principles for Responsible Investing (“PRI”)**. PRI has laid down steps to embed responsible investment into organisational structure and processes.

POLICY	TARGETS	TRAINING	ESG TEAMS AND COMMITTEES	INVESTMENT CONSULTANTS	MONITORING AND REPORTING	REVIEW
The purpose of a policy and its key components	Turning policy commitments into concrete goals	Identifying skills gap and staying abreast of latest developments	Standalone ESG and investment teams versus integrated teams	How to align external help with policy	Monitoring progress towards targets and reporting that information to stakeholders	Evaluating successes and failures

The ESG Model developed by SES ESG has taken into account process outlined by UN PRI.

The model evaluates whether the Company has formulated a policy if yes, whether established targets, provided disclosure on steps and initiatives taken to meet the targets, are the initiatives restricted to the Company or includes in the scope Company’s subsidiaries, suppliers’ associates. Further, the model also objectively evaluates the performance of the Company across the initiatives taken and if Company has succeeded in the initiatives to meet the targets as also measures.

The model has also considered many other voluntary disclosure frameworks, guidelines such as Global Reporting Initiative (“GRI”), International Integrated Reporting Council – IR Framework (“IIRC”), Task Force on Climate-Related Financial Disclosures (“TCFD”), UN Sustainable Development Goals (“SDG”), Sustainability Accounting Standards Board (“SASB”)², UN Global Compact etc., and included some of the disclosure/ performance parameters.

REPORTING FRAMEWORKS

ESG factors having become key areas of interest for investors, framework and guidelines for disclosure and assessment of key ESG factors have assumed critical importance. Investors are incorporating ESG parameters for evaluating their portfolios, look for metrics to assess ESG performance of their investee companies and all potential investee companies. A standardised set of guidelines which could help corporations in their assessment of ESG is a perfect answer to understand disclosure and performance of companies on most ESG parameters, most of which are directly non-financial in nature. ([Read More](#) at [latter](#) part of this section)

² **SASB:** The **ISSB** has committed to building on the industry-based SASB Standards and embedding SASB’s industry-based approach to standards development.

ESG SCORING & METHODOLOGY

ESG Model is broadly divided into three pillars viz. Environment, Social & Governance.

 ENVIRONMENT	 SOCIAL	 GOVERNANCE
<ul style="list-style-type: none"> ❖ General Disclosures ❖ Product / Services disclosures ❖ Energy Consumption ❖ Renewable Energy ❖ Air Emissions ❖ Water Consumption ❖ Effluents Management ❖ Waste Management ❖ Environmental Incidents 	<ul style="list-style-type: none"> ❖ Workforce Diversity & Management ❖ Health & Safety ❖ CSR ❖ Community Engagement ❖ Product / Service Quality ❖ Customer Orientation ❖ Cyber Security ❖ Customer Privacy 	<ul style="list-style-type: none"> ❖ Board Composition ❖ Board Committees ❖ Director's Remuneration ❖ Statutory Auditors ❖ Audit & Financial Reporting ❖ Stakeholders Engagement, Ownership & Control ❖ Ethics, Bribery & Other Governance Factors

Further details at [Annexure I](#)

EVALUATION FRAMEWORKS:

- **National Voluntary Guidelines, Business Responsibility & Sustainability Reports, Business Responsibility Report, Legal requirements relating to Environment & Social, Companies Act, 2013, various Regulations / legal requirements of SEBI and relevant other applicable legal requirements or voluntary frameworks.**
- **United Nations Principles for Responsible Investing; Global Reporting Initiative – GRI Standards; IFRS / ISSB [Value Reporting Foundation: International Integrated Reporting Council – IR Frameworks & SASB Standards]; Sustainable Development Goals; Task Force on Climate-Related Financial Disclosures; UNGC Principles, International Organization for Standardization and relevant frameworks.**

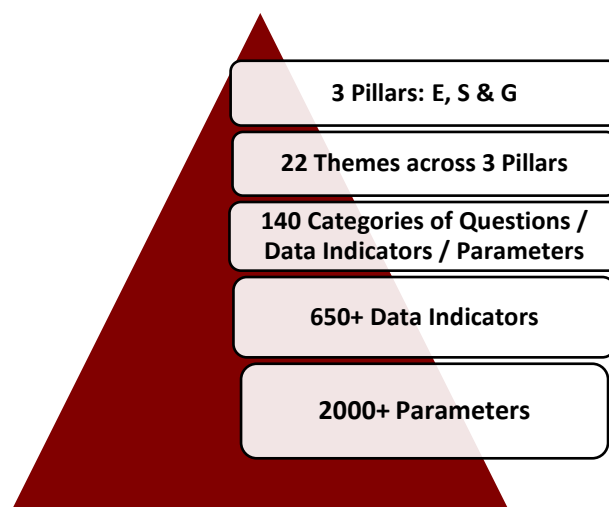
CHANGES IN 2024 MODEL:

Prior to FY 2024, SES evaluated a separate pillar for **Policy Disclosures beyond E /S/G parameters**, a question was asked quite often to SES, why Policy Disclosures is a separate parameter for evaluation? Policy was included as separate section as policy is the seed which eventually results into full-fledged fruit bearing tree and acts as catalyst. Policy is a first step towards achieving desired level of ESG foot print. It also exposed that everyone was quick to score on policy as it was low hanging fruit. SES evaluation of Policy separately exposed that policy to performance was a different road not much travelled. However, transition from BRR to mandatory BRSR disclosures has made entities to travel performance path in addition to policy making and increased awareness on ESG. Thus, specific focus is now required on performance of E, S & G pillar.

Accordingly, separate pillar of Policy Disclosures has been removed from evaluation, and all the weights of Policy Pillar (5%) is redistributed proportionately to Environmental & Social Pillar (based on industry specific weights)

EVALUATION PARAMETERS

SES analyses an entity's analysis on three main pillars viz. Environment, Social & Governance (ESG). The following it's the highlight about depth of SES ESG Model:



ESG - WHAT IS BEING SCORED?

ESG Model scores policy disclosures, targets set, adequacy of disclosure, initiatives taken and performance for three pillars viz. E S & G, through 650+ well researched indicators, these indicators are aimed to get binary answers for qualitative indicators and numeric scores of quantitative data based on disclosures made by a company. These answers both qualitative and quantitative are used to give section wise numerical score and then finally giving the company an ESG Score / Rating. In order for model to work and reflect true picture, absolute precondition is that the relevant **information or data** on key ESG factors is disclosed properly.

SES ESG Rating does not only look into disclosures practices of the Company but also considers factual position and future targets (based on disclosures) of the Company on ESG factors. The Model also evaluates the **performance** of the Company for given policy or target over a period of time.

For instance: under Health & Safety Policy, not only existence of policy is examined but also whether the Company follows Health & Safety Policy, any standards applied for Health & Safety, number of fatalities / injuries Y-o-Y, steps taken to reduce such fatalities / injuries etc.

Overall, **ESG Rating** is an outcome of the analysis of the Company's disclosure practices, policies, present/ actual position, progress/ transition and future plans of the Company. Further, the Model also provides positive scores based on implementation of sustainable practices and meeting the parameters of performance evaluation (e.g. achievement of status of being Carbon Neutral).

SECTION WEIGHTAGE – ONE SIZE DOES NOT FIT ALL IS WHAT SES BELIEVES.

Industry Differentiator

A common question is how can you have same parameter for evaluating a mining company and a service company or a consumer product company?

Conscious of the fact that one size does not fit all, SES has taken care to ensure that proper rationale and logic is applied while assigning weightage between three factors E, S & G in an objective manner. The weightage of Environment, Social and Governance factors in Model vary based on industry classification. While arriving at the weightage of each of the heads and sub-heads within three factors,

SES has taken into account the weightage of each of the sub-heads considered in the ‘*Standards set by the Sustainable Accounting Standards Board*’ and ‘*SASB Materiality Map*’ (SASB) are considered.

Based on SASB Standards and SASB Materiality Map, SES has determined the weightages, which varies from the industry to industry based on materiality of issues to the relevant industry.

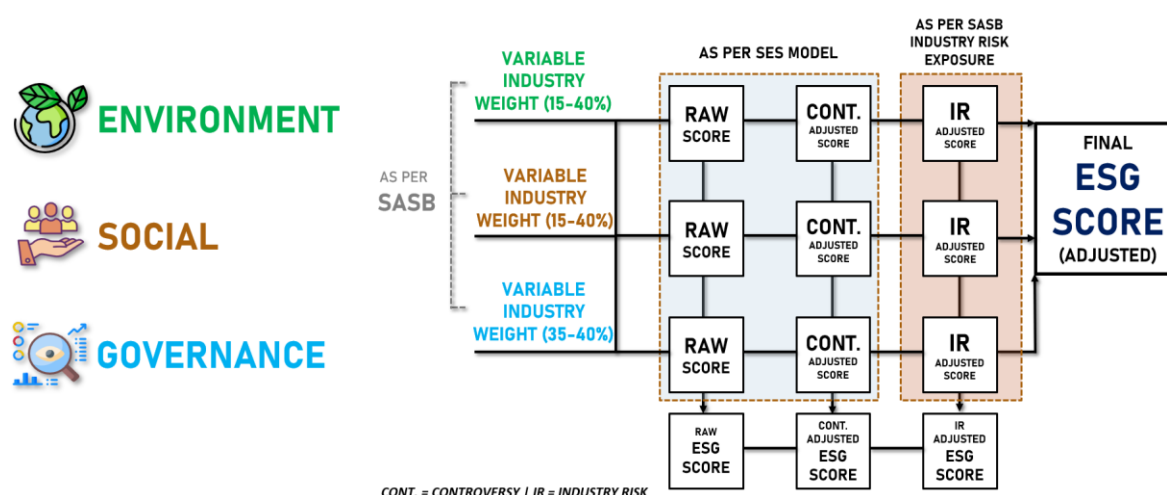
It may be noted that:

“SES licenses and uses the SASB Materiality Map® Disclosure Topics and SICS in ESG Work”

Division into 3 Pillar:

The overall ESG Rating is arrived based on weightage assigned to each of three pillar E, S & G, depending on the Industry to which assessed company belongs.

Generally, the weightage of each industry changes based on material issue. For instance, a Chemical Industry has higher environment weightage as compared to a pure service company.



Raw Scores - Under E, S & G heads, set parameters or indicators which reflect the Company’s performance towards their ESG factors are evaluated. Under each parameter, various sub-parameters are analysed and scored. The weightage of each sub-parameter also varies based on the type of industry and is based on the materiality of each sub-parameter for that type of industry, based on the SASB Materiality Map / Standards for that industry. Materiality of each parameters is either High, Medium or Low based on SASB materiality map within the ESG Model. The weightage within the same industry group is fixed and applied uniformly to all companies in same industry. **No individual company wise weightage adjustment is done.**

For instance, a Chemical Industry has higher environment weightage as compared to a pure service company. For companies operating in a particular industry, following are the range of weightages:

ENVIRONMENT	SOCIAL	GOVERNANCE
15-40%	15-40%	35-45%
Varies from Industry to Industry		

The weightage of each question in the model is assigned based on the assumption that all the questions under each sub-category are applicable to the company being evaluated. If any question is not applicable for a particular industry/ company, the weightages of such questions are automatically redistributed on the remaining applicable questions. Each ESG parameter is analyzed not only based on the mandatory legal requirements but also based on the best practices followed around the globe.

Disclosures made by companies are evaluated for their adequacy of information. Higher score is awarded for disclosures which are informative, meaningful and considered adequate and serve the objective behind disclosure. Thus, model is designed to value “disclosure in spirit” higher compared to “disclosure in letter”. The Model evaluates the quality of disclosure practices and quantifies them in the form of sectional / sub-sectional scores, which are collectively viewed by applying appropriate weights.

Each question has a highest absolute score of 5 and lowest of 0 (or highest score of 100 and lowest of 0). SES ESG has set criteria and information disclosed is mapped against the criteria. Verified information forms the basis of score for each of the question.

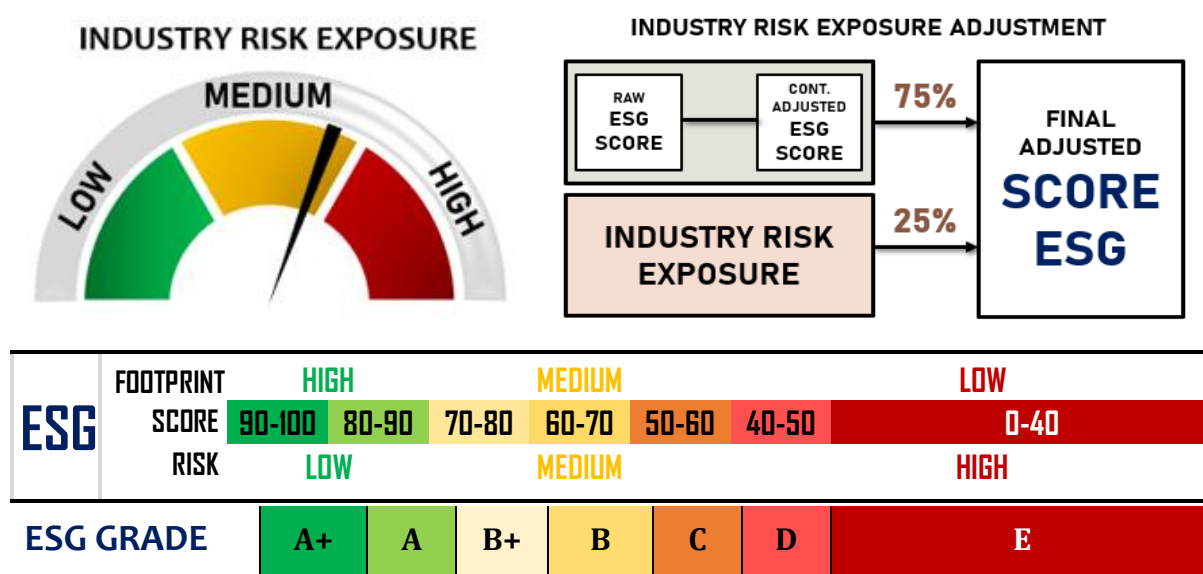
Further, in case of high intensity negative impact on environment (e.g. mismatch in Reporting), Social (e.g. high number of fatality reported) and governance (e.g. ethical / bribery misconduct), an additional 25% of marks are deducted from the relevant theme. This score adjustment is different from controversy exposure, and is based on pre-determined parameters to avoid any issue of subjective analysis. The objective of this adjustment is to provide more relevance and penalise for poor practice on material factors / key issue, which are not in nature of controversy.

The raw ESG score is a culmination of section wise scores obtained by the company on Environment, Social and Governance score based on weightage of each of these sections. The ESG score objectively depicts the company’s awareness of ESG issues, steps and initiatives taken by the Company to imbibe sustainable and good governance practices and lastly the effectiveness in incorporating these practices.

Controversy Exposure: SES ESG as a policy adjusts scores (negative adjustment up to 25% based on severity) of a factor whenever there is an extra-ordinary issue / concern, which is highly subjective, and cannot be covered under model evaluation i.e. raw scores. For instance, cases such material irregularities / negative controversy(ies) / regulatory action etc.

Note: Users may accept or ignore or reduce/increase the controversy adjustment score.

Industry Risk Exposure: To determine the risk exposure of an Industry, SES ESG has referred to SASB Materiality Map or Materiality Finder. Based on the issue, materiality information and inputs, SES ESG through its methodology has arrived at E&S Risk Exposure Score of a particular Industry. Based on the E&S Risk Exposure score, the ESG Score of the Company will be accordingly adjusted in the following manner. G factor is taken as agnostic to industry/ sector classification.



ESG SCORE MODEL CHANGES:

CHANGES IN 2024 MODEL: SES has updated its grading scale in 2024. Following are the changes:

Existing	Revised
B-	C
C+	D
C & D	E

ESG Ratings / Score also referred as Final Adjusted ESG Score / Combined ESG Score: Score depicts final adjusted ESG Score of the Company (based on analysis on parameters under Environment, Social and Governance) with all adjustments.

ESG Grade: ESG score is given both in Numeric form out of 100 as also converted to “Alpha Grades”.

In Addition to the above, following additional Statutory Scores are also given:

Core ESG Score: It analyses the parameters as identified / will be identified by the SEBI as part of CORE ESG Framework. Core ESG Score is arrived based on the following:

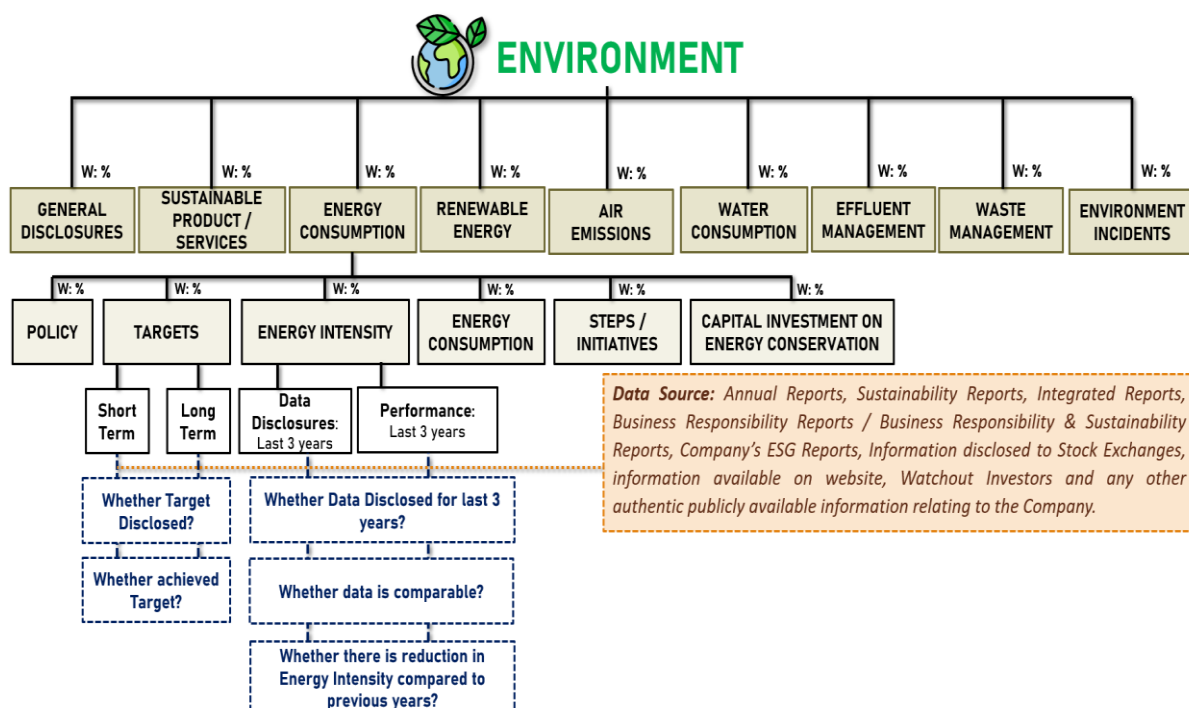
- **CORE ESG SCORE** – It is based on disclosure of SEBI identified Core Parameters. Disclosure on all Core Parameters shall reflect 100% score.
- **CORE PARIVARTAN SCORE:** It is based on y-o-y change / transition for Core Parameters. Positive change (e.g. decrease in Scope 1 Emission Intensity) or already at best (e.g. Zero Fatalities) shall reflect 100% score.
- **CORE COMBINED SCORE:** It is based on combination of scores of Core ESG (20%) & Core Parivartan (80%). The combined shall reflect outcome of both disclosure practice & performance of core parameters.

It may be noted that as per SEBI requirements Core Score is to be given based on assured parameters only. However, at present assurance requirement for Core Parameter is mandated for Top 150 companies by market capitalisation only. Therefore, to analyse where other companies stand at present until their turn for mandate, SES has provided Core Score under following categorisation:

- **Fully Assured:** This is strictly as per SEBI requirement and for companies who have assured all the parameters identified under Core Framework (e.g. Top 150 companies which are mandated to do full assurance of core parameters).
- **Partial Assurance:** This is based assured parameters of some of the Core parameters (e.g. not fully assured, however, assured certain data sets such as energy data, employee data etc)
- **Unassured:** This is based on Core Parameters, which are unassured (e.g. Companies beyond Top 150 who are not mandated to do assurance and had also voluntarily not done)

Parivartan Score: It analyses the quantitative parameters and reflects the incremental changes that the company has made in its transition story. However, this is score is limited to quantitative data wherein y-o-y change can ascertained. Since, the SES Model also contain analysis of qualitative parameters, the change % is final ESG score may not appears to be aligned to change % in Parivartan; as Parivartan is one part of final ESG score.

EXAMPLE: FLOWCHART FOR ARRIVING AT ENVIRONMENT SCORE



- The above example showcases salient parameters of Energy Consumption.
- Based on different Sectors / Industries, the weightage of a particular company is changed considering the level of ESG impact on that company being a particular Sector / Industry (E.g. Manufacturing Companies may have High weightage for E, whereas in case of finance companies, the same will be low)
- The category score is given based on various questions and parameters forming part of that category, in the scale of 0-100%.
- Weighted Score is calculated based on the weight given to each category [For Example: Category Score is 75, Weight is 20% then Weighted Score would be 15 (i.e. $75 \times 20\%$)]
- The sum of each Weighted Score represents the total score of that section / factors / pillars (viz. Environment Pillar / Social Pillar / Governance Pillar) [For Example: Weighted Score 1 = 15, Weighted Score 2 = 20 and Weighted Score 3 = 30, then total score for that Section / Factor / Pillar would be 65]
- In case of any negative controversies, 25% shall be deducted.

EVALUATION MODEL - DYNAMIC

With various changes in Regulatory and Voluntary requirements in ESG space, SES has always considered the developments and incorporated them into the Model, i.e. SES Model is not static, rather it evolves and incorporate important & relevant developments from time to time. Therefore, when evaluation is done on modified or added parameters along with existing parameters, the scores of the Company may vary compared to previous year. For e.g. the score of a Company may get reduced due to non-meeting or responding to the newly added parameter.

However, with introduction of BRSR and various other ESG related developments & recommended & planned in phased manner by SEBI, SES expects that in next couple of years, ESG disclosures may

settle down. Meanwhile, at present, with frequent changes in ESG space, SES has no choice but to adopt the developments so as to do meaningful evaluation & analysis. SES believes that evaluation cannot be done and if done will not be relevant/ useful if carried out on the basis of historical model. Since any change in model is agnostic to any company in particular, its impact is uniform across all companies.

INFORMATION SOURCE

SES ESG uses only public data using following sources of information:

Business Responsibility & Sustainability Reports (BRSR), Annual Reports, Sustainability / Integrated / ESG Reports, information disclosed to stock exchanges, information available on website of the Companies, any regulator especially sectoral regulator, Watchout Investors, and any other authentic publicly available information relating to the Companies.

The Ratings are worked out only on the basis of published information available in public domain and no forensic work has been done. As a result, any information which has not been disclosed in the public domain shall not be taken into consideration. SES ESG believes that disclosure must be adequate and in public domain, therefore as a matter of principle and to maintain absolute independence and fairness to all company's SES extracts information available in public domain only and no interaction is done with the companies.

LIMITATIONS OF THE MODEL

SES ESG Model has been developed with utmost care, objectivity and diligence. Our intention is to bring to focus the importance of good ESG practices. SES understands that stakeholders take decisions based on multiple factors, ESG being an important factor. SES ESG scores alone cannot be used for decision to invest and are to be used as a supplement / an additional tool to help stakeholders to make a considered and holistic view about the company. SES ESG Ratings / scores in isolation cannot be a predictor of company's future performance.

The scores are calculated from publicly available data and are dependent on information made available by company and taken as true in good faith. For instance – BRSR, Sustainability Reports, reports by Auditors, certificate of compliance of mandatory requirements and directors' statements and information as disclosed in Annual Reports is used as it is at its face value without any further cross verification for the scoring purpose. Independent analysts like SES do not know the internal happenings of a company, nor do we have an inside view of the company's practices. It may be possible that while on paper based on available information everything might appear to be in order but in reality, there could be concerns plaguing the company or vice versa. It is beyond scope of our work, nor we possess such expertise to cross verify the public documents and / or visit the company to check its internal controls, checks and practices. Users may take a note of same and read our Ratings / scores accordingly.

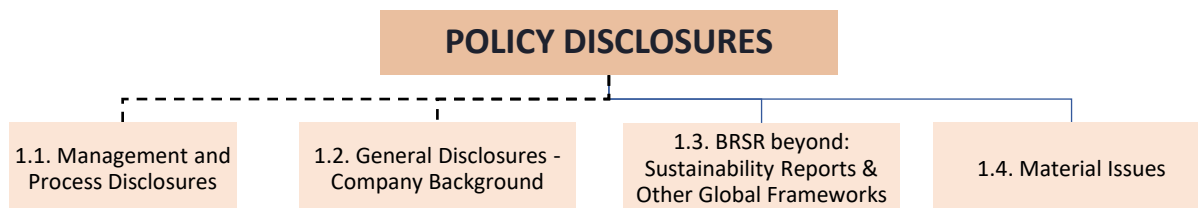
ANNEXURE I – EVALUATION PARAMETERS

ESG MODEL: EVALUATION & ASSESSMENT FACTORS



POLICY DISCLOSURES **REMOVED**

About: As this evaluation is unique to SES, to highlight that making policy is low hanging fruit but implementation is difficult. Having consistently demonstrating that most companies have very high Policy score but same is not reflected in ESG performance score. **This section of analysis is removed effective 2024.**



CHANGES IN 2024 MODEL:

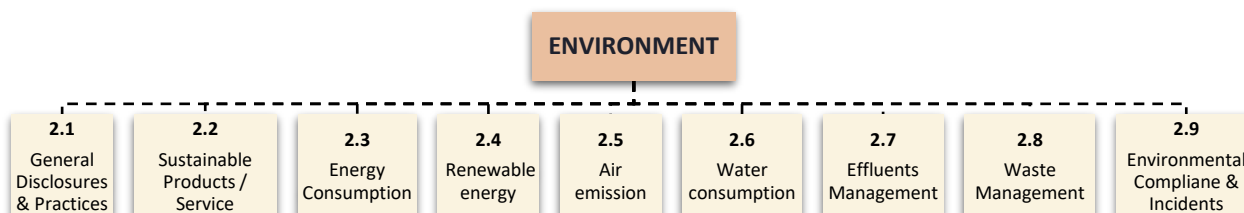
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Accordingly, separate pillar of Policy Disclosures has been removed from evaluation, and all the weights of Policy Pillar (5%) is redistributed proportionately to Environmental & Social Pillar (based on industry specific weights)



ENVIRONMENT

About: SES analyses Company's disclosure regarding impact of operations on the environment and steps being taken by the Company to mitigate its effect on the environment. Additionally, it also analyses, whether the Company managed to reduce its impact on environment and was meeting the targets set.



Note: In addition to above, Indirect Environmental impact parameters is also analysed in case of Banks & Insurance

2.1. GENERAL DISCLOSURES & PRACTICES

Assessment Factors: Company's general disclosures and practices relating environment are analysed;

- | | |
|--|--|
| ● PAT Scheme | ● GHG Emissions projects |
| ● Green or environmentally friendly offices or buildings | ● Waste Management Strategies |
| ● Board-level oversight of climate-related issues | ● Business Continuity / Disaster Management Plan |
| ● Environment Impact Assessments of the projects | ● Environment related certifications |

- Ecologically Sensitive Area / Bio-Diversity
- Environment Policies / Climate Change policies

2.2. SUSTAINABLE PRODUCT OR SERVICES

Assessment Factors: Company's disclosures and practices relating to products or services impacting environment due to;

- Sustainable Sourcing / Resource Efficiency
- Product life cycle assessment (LCA)
- Product packaging
- EPR
- Value Chain

2.3. ENERGY CONSUMPTION

Assessment Factors: Company's disclosures & practices related to energy consumption;

- Targets set and its achievements
- Disclosure of data on total energy consumption / energy intensity (*Turnover, PPP Adjusted and Volume*)
- Reduction in total energy consumption / energy intensity
- Steps taken to conserve energy or reduce energy consumption
- Investment on energy conservation equipment

2.4. RENEWABLE ENERGY

Assessment Factors: Company's disclosures & practices on usage of renewable energy in its total energy mix;

- Targets set and its achievements
- Renewable energy usage data – Absolute and % share in Energy Mix
- Steps or initiatives for increasing renewable energy usage

2.5. AIR EMISSIONS

Assessment Factors: Company's disclosures & practices on Air / GHG emissions;

- Targets set and its achievements
- Disclosure of data on total GHG/ Carbon emissions or GHG/ Carbon intensity (*Turnover, PPP Adjusted and Volume*)
- Carbon Neutral or Net Zero Emissions.
- Disclosure of data on other emissions such as PM, Sox, VOC etc
- Steps or initiatives taken to reduce GHG / Carbon emissions

2.6. WATER CONSUMPTION

Assessment Factors: Company's disclosures & practices on water usage or consumption;

- Targets set and its achievements
- Disclosure of data on total water consumption / water intensity (*Turnover, PPP Adjusted and Volume*)
- Water Management in Water Stress areas or regions
- Water Neutrality / Water Positive
- Steps or initiatives taken to reduce / recycle / re-use water

2.7. EFFLUENTS WASTE MANAGEMENT

Assessment Factors: Company's disclosures & practices on effluents generation & its management;

- Targets set and its achievements
- Disclosure of data on total effluents / effluents intensity
- Steps or initiatives taken to reduce / recycle / re-use waste water
- Zero Liquid Discharge

2.8. WASTE MANAGEMENT

Assessment Factors: Company's disclosures & practices on Waste generation & its management;

- Targets set and its achievements
- Types of waste: Waste (Hazardous / Non-Hazardous / E-Waste / Battery Waste / Plastic Waste etc.)
- Waste Intensity (*Turnover, PPP Adjusted and Volume*)

- Status of Plastic Positive / Zero Waste
- Disclosures on mode of waste disposal viz. waste to landfill, incineration etc
- Steps or initiatives taken to reduce / recycle / re-use

2.9. ENVIRONMENTAL COMPLIANCE & CONTROVERSIES & INCIDENTS

Assessment Factors:

- Compliance with environmental laws
- Environmental incidents which may pose a risk for the Company or its reputation.
- Controversies / Negative Incidents

CHANGES IN 2024 MODEL:

SES in its evaluation considers company performance not only based on 1 year transition but also y-o-y transition to ascertain whether the Company disclosures & performance is consistent and not an one off event.

2023: Since FY 2022-23 was the first year of mandate of Business Responsibility & Sustainability Reporting, SES had evaluated company based on 2 years disclosures for certain indicators, performance-based transition compared to previous FY (i.e. 1 year).

2024: Now, for FY 2023-24, the BRSR Report will be available for 2 years i.e. 3 years data will be available. Accordingly, for FY 2023-24 SES will analyse company's disclosures based on 3 years and performance-based transition for 2 years.

2025 & way forward: Similarly, for FY 2024-25 and thereafter, 4 years and more year's data will be available. Accordingly, for FY 2024-25 & thereafter SES will analyse company's disclosures based on 4 years and performance-based transition for 3 trends between 4 years.

IMPACT ON RATINGS:

There will be no impact on Ratings if the Company has made consistent disclosures & met all performance parameters for all the years as mentioned above. The variations will be observed if the data is not available or not disclosed for any of the year or positive performance / transition is not consistent over the years.

In view of the above changes in model in terms of new additions of questions and additional parameters of analysis (2 years transition) etc, following shall be the changes in scores compared to previous year model in worst case scenario basis

- Case 1:
 - 1.1. Company has disclosed data only for 2 years (instead of 3 years). This shall have impact on companies who have not disclosed BRSR for FY 2023-24.
 - 1.2. Additional New Questions / Parameters (other than case at point 1.1.). For example, addition of new questions due to Core BRSR requirements. This shall have impact on companies who have not disclosed the new disclosures.
- Case 2: Additional New Questions / Parameters (other than case at point 1.1.). For example, addition of new questions due to Core BRSR requirements. This shall have impact on companies who have not disclosed the new disclosures.

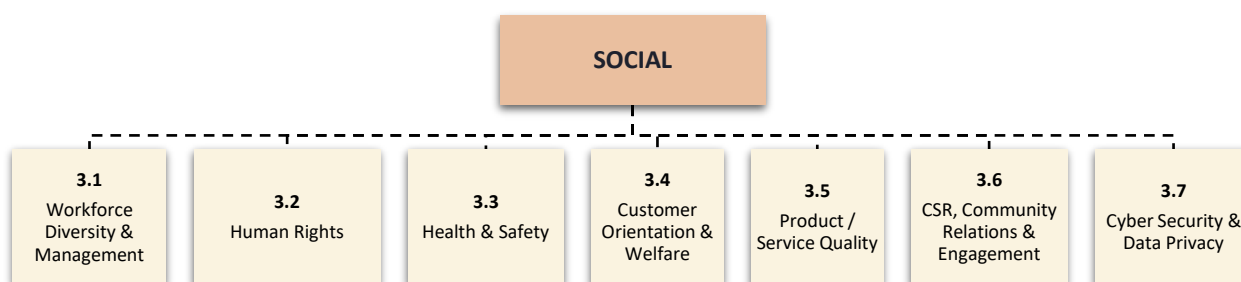
FACTORS	Max % Change out of 100% due to	
	CASE 1	CASE 2
2.1. General Disclosure & Practices	-5.8%	-5.8
2.2. Sustainable Product or Services	0.0	0.0
2.3. Energy Consumption	-22.8%	-10.5
2.4. Renewable Energy	-11.4%	0.0
2.5. Air Emissions	-24.6%	-10.5

2.6. Water Consumption	-23.2%	-9.2
2.7. Effluents / Waste Water Management	-10.0%	0.0
2.8. Waste Management	-33.3%	-5.0
2.9. Environmental Compliance & Controversial Incidents	0.0	0.0



SOCIAL

About: Scores obtained by sample companies on S factor have been analysed under this head, mainly covering Company's disclosure regarding its relationship with its human capital and relationship with its stakeholders. Analysis included evaluation of practices and policies adopted by the Company for fair and equitable treatment of all stakeholders.



Note: In addition to above, Financial Inclusion parameters is also analysed in case of Banks & Insurance

3.1 WORKFORCE DIVERISTY & MANAGEMENT

Assessment Factors: Disclosure on workforce and various workforce related practices;

- Workforce details
- Employees with Disability
- Parental Leave: Return to Work / Retention
- Workforce Development & Training
- Workforce Grievance Mechanism
- Gender Diversity
- Workforce Turnover Rate
- Retirement Benefits
- Equal Opportunity
- Strikes or wage disputes

3.2. HUMAN RIGHTS

Assessment Factors: Disclosure on Human Rights and related practices;

- Training on Human Rights
- Median Remuneration & Gender Pay Gap
- Child Labour / Discriminatory Employment
- Committee for Human Rights
- Value Chain Assessment – Human Rights
- Payment of Minimum Wages
- Anti-Sexual Harassment Practices & Complaints
- Wages related complaint
- Human Rights grievances mechanism
- Actions on Human Rights issues

3.3. HEALTH & SAFETY

Assessment Factors: Disclosure & practices on Health & Safety of the Company;

- Health & Safety practices
- Training on Health & Safety
- Complaints: Working Conditions
- Wellbeing of Workforce (Insurance, Maternity leave etc)
- Safety Records
- Other Disclosures & Practices

3.4. CUSTOMER ORIENTATION & WELFARE

Assessment Factors:

- Mechanism to receive and respond to consumer complaints and feedback
- Steps taken to educate / inform customers about products / services
- Channels / platforms where information on products and services of the entity can be accessed
- Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
- Customer related surveys

- Complaints: Advertising; Delivery of Essential Services; Restrictive Trade Practices; Unfair Trade Practices

3.5. PRODUCT / SERVICE QUALITY

Assessment Factors:

- Product / Service Quality, Safety and any product / service related incidents
- Instances of Product Recall: Forced or Voluntary

3.6. CSR, COMMUNITY RELATIONS & ENGAGEMENT

Assessment Factors:

- Mechanisms to receive and redress grievances of the community
- Company's Corporate Social Responsibility (CSR) spending
- Disclosures relating to initiatives taken by the Company to improve communities
- Social Impact Assessments (SIA) of projects
- Rehabilitation and Resettlement (R&R)
- Job creation in smaller towns
- Political donations
- Financial Inclusion (for Banks)

3.7. CYBER SECURITY & DATA PRIVACY

Assessment Factors:

- Cyber / Data security practices of the Company
- Policy on Cyber Security
- Risk Management function on Cyber Security
- Instances of data breaches
- Data breaches involving personally identifiable information of customers
- Steps taken to ensure safe security system (IT security, firewalls, initiatives etc)
- Complaints: Data Security / Data Privacy

CHANGES IN 2024 MODEL:

SES in its evaluation considers company performance not only based on 1 year transition but also y-o-y transition to ascertain whether the Company disclosures & performance is consistent and not an one off event.

2023: Since FY 2022-23 was the first year of mandate of Business Responsibility & Sustainability Reporting, SES had evaluated company based on 2 years disclosures for certain indicators, performance-based transition compared to previous FY (i.e. 1 year).

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IMPACT ON RATINGS:

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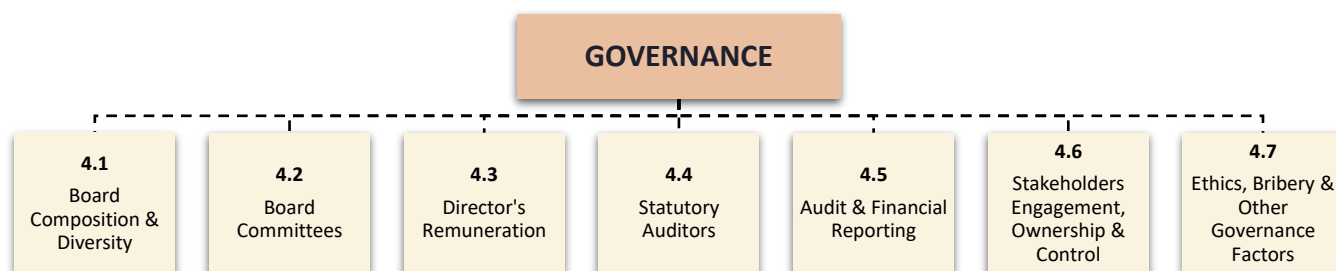
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- Case 2: Additional New Questions / Parameters (other than case at point 1.1.). For example, addition of new questions due to Core BRSR requirements. This shall have impact on companies who have not disclosed the new disclosures.

FACTORS	Max % Change out of 100% due to	
	CASE 1	CASE 2
3.1. Workforce Diversity & Management	-19.6%	-0.3
3.2. Human Rights	-20.0%	-5.9
3.3. Health & Safety	-25.0%	0.0
3.4. Customer Orientation & Welfare	-28.1%	-17.8
3.5. Product / Service Quality	-51.3%	-14.0
3.6. CSR, Community Relations & Engagement	-18.3%	-18.3
3.7. Cyber Security & Data Privacy	-6.0%	-3.3



GOVERNANCE

About: Scores obtained by sample companies on G factor have been analysed under this head, mainly covering Company's Board related practices such as Board Composition, remuneration, committee composition and performance. Further, section also analyses Statutory Auditors, Audits, Financial Reporting and Stakeholder Engagement functions.



4.1 BOARD INDEPENDENCE & DIVERSITY

Assessment Factors: Companies Board structure including;

- Board Expertise
- Association and Independence of Directors
- Combination of Independent & Non-Independent Directors
- Woman Director(s)
- Board Diversity – Gender, Expertise
- Attendance & Time Commitments
- Age profile of directors

4.2. BOARD COMMITTEES

Assessment Factors:

- Composition of various committees: Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility ("CSR") and Risk Management
- Director's attendance in those committee meetings

4.3. DIRECTOR'S REMUNERATION

Assessment Factors: Remuneration comparison with respect to;

- Total Board Remuneration & Practice
- Promoter and Non-Promoter
- Sustainability related payments
- Board Evaluation
- Executive & Non-Executive Directors
- Independent Directors
- Clawback & Malus

4.4. STATUTORY AUDITORS

Assessment Factors: Disclosure & practices on;

- Appointment of Statutory Auditor
- Exit of Auditors
- Association of Audit Partner
- Fees of Auditors
- Regulatory Action on Statutory Auditors

4.5. AUDIT & FINANCIAL REPORTING

Assessment Factors:

- Audit qualifications
- Contingent Liabilities
- Related party transactions
- Fraud Reporting
- CARO Disclosures & Analyses
- Other financial parameters

4.6. STAKEHOLDERS ENGAGEMENT, OWNERSHIP & CONTROL

Assessment Factors: Companies' stakeholder's engagement practices including;

- Shareholder Complaints & Communications
- Voting in Shareholder Meetings
- Regulatory Actions relating to Capital Markets
- Pledging of shares
- Dividend Distribution Policy

4.7. ETHICS, BRIBERY & OTHER GOVERNANCE FACTORS

Assessment Factors: Disclosures & practices on;

- Code of Conduct
- Whistle Blower / Vigil Mechanism
- Conflict of Interest
- Insider Trading
- Ethics, Anti-Bribery or Anti-Corruption practices
- ESOPs / Issues of Securities

CHANGES IN 2024 MODEL:

SES has added questions relating to open-ness of business of parameters as identified in BRSR Core.

IMPACT ON RATINGS:

There will be no impact on Ratings if the Company has made consistent disclosures & met all performance parameters for all the years. The variations will be observed if the data is not available or not disclosed for any of the year or positive performance / transition is not consistent over the years.

In view of the above changes in model in terms of new additions of questions and additional parameters of analysis (open-ness of business) etc, following shall be the changes in scores compared to previous year model in worst case scenario basis:

FACTORS	MAX % CHANGE OUT OF 100% DUE TO ADDITION OF NEW QUESTIONS
3.1. Workforce Diversity & Management	0.0
3.2. Human Rights	0.0
3.3. Health & Safety	0.0
3.4. Customer Orientation & Welfare	0.0
3.5. Product / Service Quality	-6.3
3.6. CSR, Community Relations & Engagement	0.0
3.7. Cyber Security & Data Privacy	-5.0

CORE ESG PARAMETERS

- SEBI ('Board') vide Circular dated May 10, 2021 had prescribed the Business Responsibility and Sustainability Report (BRSR) which was subsequently incorporated in the Master Circular dated July 11, 2023 ([Weblink](#)).
- Based on the recommendations of the ESG Advisory Committee and pursuant to public consultation, the Board decided to introduce the BRSR Core for assurance by listed entities.
- The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) / metrics under 9 ESG attributes.

The following are the identified core parameters:

SR.	ATTRIBUTE	PARAMETERS	MEASUREMENT	SES COVERAGE SECTION
1	Green-house gas (GHG) footprint	Total Scope 1 emissions	Mn MT / KT / MT	2.5.
2	Green-house gas (GHG) footprint	Total Scope 2 emissions	Mn MT / KT / MT	2.5.
3	Green-house gas (GHG) footprint	GHG Emission Intensity (Scope 1 + 2) [Total Revenue from Operations adjusted for PPP]	Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP	2.5.
4	Green-house gas (GHG) footprint	GHG Emission Intensity (Scope 1 + 2) [Total Output of Product or Services]	Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services	2.5.
5	Water Footprint	Total water consumption	Mn Lt or KL	2.6.
6	Water Footprint	Water consumption intensity [Total Revenue from Operations adjusted for PPP]	Mn Lt or KL / Rupee adjusted for PPP	2.6.
7	Water Footprint	Water consumption intensity [Total Output of Product or Services]	Mn Lt or KL / Product or Service	2.6.
8	Water Footprint	Water Discharge by destination and levels of Treatment - Surface Water (Treated or Untreated) - Groundwater (Treated or Untreated) - Seawater (Treated or Untreated) - Sent to Third Parties (Treated or Untreated) - Others (Treated or Untreated) - Total water discharged (Treated or Untreated)	Mn Lt or KL	2.7.
9	Energy footprint	Total energy consumed	In Joules or multiples	2.3.
10	Energy footprint	% of energy consumed from renewable sources	In % terms	2.4.
11	Energy footprint	Energy intensity [Total Revenue from Operations adjusted for PPP]	Joules or multiples / Rupee adjusted for PPP	2.3.
12	Energy footprint	Energy intensity [Total Output of Product or Services]	Joules or multiples / Product or Service	2.3.
13	Embracing circularity – details related to waste management by the entity	Plastic waste (A)	Kg / MT	2.8.
14	"	E-waste (B)	Kg / MT	2.8.
15	"	Bio-medical waste (C)	Kg / MT	2.8.
16	"	Construction and demolition waste (D)	Kg / MT	2.8.
17	"	Battery waste (E)	Kg / MT	2.8.
18	"	Radioactive waste (F)	Kg / MT	2.8.
19	"	Other Hazardous waste (G)	Kg / MT	2.8.
20	"	Other Non-hazardous waste (H)	Kg / MT	2.8.
21	"	Total waste generated	Kg / MT	2.8.

A Step Towards Sustainable Future – by SES in Association with NSE

SR.	ATTRIBUTE	PARAMETERS	MEASUREMENT	SES COVERAGE SECTION
22	“	Waste intensity [Total Revenue from Operations adjusted for PPP]	Kg or MT / Rupee adjusted for PPP	2.8.
23	“	Waste intensity [Total Output of Product or Services]	Kg or MT / Unit of Product or Service	2.8.
24	Embracing circularity – details related to waste management by the entity	Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations - Waste Recovered: Recycled - Waste Recovered: Re-Used - Waste Recovered: Others - Total Waste Recovered	Kg or MT	2.8.
25	Embracing circularity – details related to waste management by the entity	For each category of waste generated, total waste disposed by nature of disposal method - Waste Disposed: Incineration - Waste Disposed: Landfilling - Waste Disposed: Others - Total Waste Disposed	Kg or MT	2.8.
26	Enhancing Employee Wellbeing and Safety	Spending on measures towards wellbeing of employees and workers – cost incurred as a % of total revenue of the company	In % terms	3.1.
27	Enhancing Employee Wellbeing and Safety	Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Number of Permanent Disabilities-	3.3.
		- Number of Permanent Disabilities - Lost Time Injury Frequency Rate (LTIFR) - [per one million-person hours worked]	Lost Time Injury Frequency Rate (LTIFR)	3.3.
		- Number of fatalities	No. of fatalities	3.3
28	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	3.2.
29	Enabling Gender Diversity in Business	Complaints on POSH - Total Complaints on Sexual Harassment (POSH) reported - Complaints on POSH as a % of female workforce - Complaints on POSH upheld	- Total Complaints on Sexual Harassment (POSH) reported	3.2.
			Complaints on POSH as a % of female employees / workers	3.2.
			Complaints on POSH upheld	3.2.
30	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India	In % terms – As % of total purchases by value	3.6.
31	Enabling Inclusive Development	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	In % terms – As % of total wage cost	3.6.
32	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	3.7.
33	Fairness in Engaging with Customers and Suppliers	Number of days of accounts payable	(Accounts payable *365) / Cost of goods/ services procured	3.6.
34	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Purchases from trading houses as % of total purchases	4.5.
			Number of trading houses where purchases are made from	4.5.
			Purchases from top 10 trading houses as % of total purchases from trading houses	4.5.
			Sales to dealers / distributors as % of total sales	4.5.

A Step Towards Sustainable Future – by SES in Association with NSE

SR.	ATTRIBUTE	PARAMETERS	MEASUREMENT	SES COVERAGE SECTION
			Number of dealers / distributors to whom sales are made	4.5.
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	4.5.
			Share of RPTs in Purchases	4.5.
			Share of RPTs in Sales	4.5.
			Share of RPTs in Loans & advances	4.5.
			Share of RPTs in Investments	4.5.

ESG PARAMETERS RELEVANT TO INDIAN CONTEXT

SEBI in its Master Circular dated 16th May 2024 for ESG Ratings Provides has stated that ESG rating products shall suitably incorporate the environmental, social and governance aspects that are contextual to the Indian market. Accordingly, SES ESG covers the following Indian-Specific Parameters:

E/S/G PILLAR	FACTORS	PARAMETERS	SES COVERAGE SECTION
E	Energy	Perform, Achieve and Trade (PAT) - Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.	2.1.
E	Water	Zero Liquid Discharge - Has the entity implemented a mechanism for Zero Liquid Discharge	2.7.
E	Waste Management	Extended Producer Responsibility (EPR) - Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?	2.2.
E	Land Use and Biodiversity	Does the company have operations in or around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.)?	2.1.
E / S	CSR	Amount spent in CSR as a percentage of regulatory requirement on a look-through basis i.e. where CSR activities are undertaken by trusts / foundations, whether the funds have been actually utilized by these entities	3.6.
S	Inclusive development	Job creation in smaller towns	3.6.
S	Inclusive development	Percentage of input material (inputs to total inputs by value) sourced from suppliers: - (i) Directly sourced from MSMEs/ small producers, (ii) Directly from within India	3.6.
S	Diversity	Disclosure of wages and salary by gender (%)	3.2.
S	Diversity	Job creation and availability of infrastructure conducive for differently abled	3.1.
G	Compliance	Does the company have a RegTech / Systems solution for monitoring and evidencing compliance	4.5.
G	Governance	Percentage of "against" votes amongst non-promoter shareholders on appointment of independent directors	4.1.
G	Related Party Transactions	Percentage of "against" votes amongst non-promoter shareholders on RPTs	4.5.
G	Royalty	Royalty payments - Is the increase in royalty over the last five years higher than increase in PBT? If yes provide values for last 5 years and the reason for increased royalty.	4.5.
G	Related Party Transactions	Share of RPTs (as respective %age) in - <ul style="list-style-type: none"> • Purchases • Sales • Loans & advances' • Investments (except for PSUs) 	4.5.

ESG PARAMETERS ANALYSED FOR PARIVARTAN SCORE

SEBI in its Master Circular dated 16th May 2024 for ESG Ratings Provides with respect to ESG Transition or Parivartan score has mentioned that measuring the velocity of and investments in making the transition to Net Zero Goals/improving ESG risk management. In other terms, the transition or Parivartan score would reflect the incremental changes that the company has made in its transition story over recent years or concrete plans/targets to address the risk and opportunities involved in transitioning to more sustainable operations, rather than scoring them only on their current profile. This transition score could track changes in quantitative metrics in trend-lines or change in revenues from environmental/social services and products or any quantitative assessments, as per the model of the ERP.

Accordingly, SES has identified the list of parameters from its ESG Model, based on which transition compared to previous year will be scored. This list contains core parameters and additional quantitative indicators wherein y-o-y change can be ascertained.

REPORTING FRAMEWORKS

INDIA

NATIONAL VOLUNTARY GUIDELINES (“NVG”)

- This was India's first pilot regarding ESG. MCA introduced the NVG Guidelines.
- Companies are required on voluntary basis to adopt the principles of Business Responsibility and Report on their initiatives.

BUSINESS RESPONSIBILITY REPORTING (“BRR”)

- After MCA, SEBI in 2012 mandated top 100 Companies by market capitalisation to Report their initiatives on Business Responsibility in the Annual Report.
- SEBI also provided a specific format in which companies are required to respond to series of questions on Business Responsibility practices.
- This was further extended for top 500 companies. Also, advised on adoption of Integrated Reporting by top 500 companies on voluntary basis.

NATIONAL GUIDELINES ON RESPONSIBLE BUSINESS CONDUCT (“NGRBCS”)

- **March, 2019:** In order to align the NVGs with the emerging global concerns, the Sustainable Development Goals (SDGs), and the United Nations Guiding Principles on Business & Human Rights (UNGPs), the NVGs were revised and released as the National Guidelines on Responsible Business Conduct (NGRBCs).

EXTENSION OF BRR REPORTING TO TOP 1,000 COMPANIES

- **December, 2019:** SEBI extended the mandate to provide BRR to top 1,000 Companies from the FY 2019-20.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (“BRSR”)

- **August, 2020:** In 2018, the Ministry of Corporate Affairs (MCA) had constituted Committee on Business Responsibility Reporting for finalising Business Responsibility Reporting formats for listed and unlisted companies, based on the framework of the NGRBCs. SEBI was also part of this Committee and worked on the report. In August, 2020, post release of Committee Report, SEBI had published consultation paper on the format for Business Responsibility and Sustainability Reporting.
- **May 2021:** SEBI amended SEBI LODR with respect to requirement of publishing BR Report, and replaced it with BRSR Report. It stated that **with effect from the financial year 2022-2023, filing of BRSR shall be mandatory for the top 1000 listed companies (by market capitalization) and shall replace the existing BRR. Filing of BRSR was voluntary for the financial year 2021-22.**
- **2023-24:** SEBI had released following Regulations / Master Circulars with respect to ESG space:
 - **5th July, 2023:** SEBI (Credit Rating Agencies) (Amendment) Regulations, 2023 to introduce Regulations for ESG Ratings Provider.
 - **12th July, 2023:** Master Circular for ESG Rating Providers (ERPs) ([Weblink](#))
 - **12th July, 2023:** BRSR Core - Framework for assurance and ESG disclosures for value chain ([Weblink](#))
 - The format of **BRSR Core** for reasonable assurance. ([Weblink](#))
 - The BRSR format after incorporating new KPIs of BRSR Core ([Weblink](#))
 - **20th July, 2023:** New category of Mutual Fund schemes for Environmental, Social and Governance (“ESG”) Investing and related disclosures by Mutual Funds ([Weblink](#))

OVERALL COMPLIANCE FRAMEWORKS

The questions in the model are designed to extract factual position of a company on its ESG performance. The questions are based on the disclosure requirements under various regulatory frameworks. In India, ESG regulatory framework can be broadly categorised into two parts, viz., the Compliance framework and the Reporting framework (as mentioned above).

ENVIRONMENT

Companies, especially manufacturing companies are known to face the most environmental risk and exposure. Following Acts and Regulations relate to environment practices in India:

- Environment (Protection) Act, 1986
 - Air (Prevention and Control of Pollution) Act, 1981
 - Water (Prevention and Control of Pollution) Act, 1974
 - The Indian Hazardous Wastes Management Rules Act 1989
 - National Environment Tribunal Act, 1995
-

SOCIAL

The social responsibilities of the Company emanate from its relations with various stakeholders such as the employees, customers, vendors, service providers, shareholders, etc. The social responsibilities of the Company are governed by various Acts and Regulations

- Factories Act, 1948
- Minimum Wages Act, 1948
- Sexual Harassment of Women at Workplace Act, 2013
- Applicable provisions of the Companies Act, 2013 and SEBI Regulations.
- Various other laws with respect to the payment of salaries/ wages, bonus, gratuity, welfare activities, insurance, health and safety, etc.

New Codes:

- The Code on Social Security, 2020
 - The Industrial Relations Code, 2020
 - The Code on Wages, 2019
 - The Occupational Safety, Health and Working Conditions Code, 2020
-

GOVERNANCE

The Governance indicators are related to the compliance practices of the Company with respect to the statutory norms as laid down under the Companies Act, 2013 and SEBI Regulations; which includes adequate Board structure, Board Remuneration, Independence of the Director, Board Committees and its functionality, Corporate policies, Auditors of the Company, Stakeholders engagement, etc

- The Companies Act, 2013, and Rules framed thereunder.
 - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - SEBI (Prohibition of Insider Trading) Regulations, 2015 & other applicable Regulations
-

Apart from the above-mentioned legal requirements, sector specific laws are also considered. For example, in case of Banks, The Banking Regulation Act, 1949 & circulars issued by RBI etc.

INTERNATIONAL

Various voluntary independent organisations have emerged in the last two decades which have provided globally accepted standards for reporting on ESG factors, and there has been a lot of consolidated of various standards and frameworks post COP26.

Sustainability reporting is designed to facilitate organizations to set goals, measure performance, and manage change in order to make their operations more sustainable and enable investors and other stakeholders to compare performance. A sustainability report conveys disclosures on an organization's impacts positive or negative – on the environment, society and other stakeholders. In doing so, sustainability reporting converts abstract issues to tangible and concrete measurable parameters, thereby assisting in understanding and managing the effects of sustainability developments on the organization's activities and strategy.

Internationally agreed disclosures and metrics enable information contained within sustainability reports to be made accessible and comparable, providing stakeholders with enhanced information to inform their decisions. Two most prominent sustainability reporting formats are GRI & IIRC (now Value Reporting Foundation – IIRC).

GLOBAL REPORTING INITIATIVE (“GRI”)

The GRI Standards enable any organization – large or small, private or public – to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development. In addition to companies, the Standards are highly relevant to many stakeholders - including investors, policymakers, capital markets, and civil society. ([GRI Standards](#))

Three series of Standards support the reporting process: the GRI Topic Standards, each dedicated to a particular topic and listing disclosures relevant to that topic; the GRI Sector Standards, applicable to specific sectors; and the GRI Universal Standards, which apply to all organizations. Using these Standards to determine what topics are material (relevant) to report on helps organizations indicate their contributions – positive or negative – towards sustainable development.

GRI Universal Standards: The GRI Universal Standards apply to all organizations

GRI Sector Standards: The GRI Sector Standards intend to increase the quality, completeness, and consistency of reporting by organizations. Standards will be developed for 40 sectors, starting with those with the highest impact, such as oil and gas, agriculture, aquaculture, and fishing.

IFRS FOUNDATION (IFRS)

The IFRS Foundation is a not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards.

Our Standards are developed by our two standard-setting boards, the International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB).

International Sustainability Standards Board (ISSB): IFRS Sustainability Disclosure Standards are developed by the International Sustainability Standards Board (ISSB). The ISSB is an independent standard-setting body within the IFRS Foundation.

IFRS Sustainability Standards are developed to enhance investor-company dialogue so that investors receive decision-useful, globally comparable sustainability-related disclosures that meet their information needs. The ISSB is supported by technical staff and a range of advisory bodies.

Standards and frameworks:

- **IFRS Sustainability Standards:** Published IFRS 1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS 2 (Climate-related Disclosures)
- **Digital financial reporting:** Digital financial reporting allows investors and other users of financial reports to efficiently search, extract and compare companies' accounting and sustainability-related financial disclosures. A digital financial report is a financial report in a computer-readable, structured data format (such as XBRL). The IFRS digital taxonomies facilitate the reporting of information prepared in accordance with IFRS Standards in a computer-readable, structured data format.
- **Climate Disclosure Standards Board:** Climate Disclosure Standards Board (CDSB) was an international consortium of business and environmental NGOs committed to advancing and aligning the global mainstream corporate reporting model to equate natural and social capital with financial capital.

CDSB Framework formed the basis for the TCFD recommendations and sets out an approach for reporting environmental information, including climate change and social information in mainstream reports, such as annual reports, 10-K filings or integrated reports.

CDSB has now been consolidated into the IFRS Foundation. This marks the completion of the first part of the commitment made by leading investor-focused sustainability disclosure organisations, CDSB and the Value Reporting Foundation (VRF) to consolidate into the IFRS Foundation by June 2022, providing staff and resources to the new International Sustainability Standards Board (ISSB). This consolidation confirms the closure of CDSB and no further technical work or content will be produced.

CDSB technical guidance will form part of the evidence base as the ISSB develops its IFRS Sustainability Disclosure Standards. CDSB's Framework and technical guidance on Climate, Water and Biodiversity disclosures will remain useful for companies until such time as the ISSB issues its IFRS Sustainability Disclosure Standards on such topics.

- **Integrated reporting:** The International Integrated Reporting Framework and Integrated Thinking Principles are used around the world—in over 75 countries—to advance communication about value creation, preservation and erosion.

The IFRS Foundation is committed to building on the work of existing investor-focused reporting initiatives.

Part of this effort includes further developing the Integrated Reporting Framework, for which the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB) assumed responsibility when the Value Reporting Foundation consolidated into the IFRS Foundation in August 2022.

The IASB and the ISSB will work together to determine how to build on and integrate the Integrated Reporting Framework into their standard-setting projects and requirements. During this transition, the Chairs of the IASB and ISSB actively encourage companies to continue adopting the Integrated Reporting Framework.

- **SASB Standards:** The SASB Standards are a source of guidance for applying IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. The SASB Standards help companies identify and disclose material information about sustainability-related risks and opportunities in the absence of specific IFRS Sustainability Disclosure Standards.

The SASB Standards identify the sustainability-related risks and opportunities most relevant to investor decision-making in 77 industries. The Standards were developed using a rigorous and transparent standard-setting process that included:

- evidence-based research;
- broad and balanced participation from companies, investors and subject-matter experts; and
- oversight and approval from the independent SASB Standards Board.

In August 2022, the ISSB assumed responsibility for the SASB Standards when the Value Reporting Foundation (VRF), the global non-profit that previously maintained these Standards, consolidated into the IFRS Foundation. The ISSB is committed to maintaining and enhancing the SASB Standards and encourages their continued use.

In December 2023, the ISSB published amendments to enhance the international applicability of the SASB Standards.

- **TCFD recommendations:** The Financial Stability Board has announced that the work of the TCFD has been completed, with the ISSB Standards marking the 'culmination of the work of the TCFD'.

Companies applying IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures will meet the TCFD recommendations as the recommendations are fully incorporated into the ISSB Standards.

The IFRS Foundation has [published a comparison](#) of the requirements in IFRS S2 and the TCFD recommendations.

The requirements in IFRS S2 are consistent with the four core recommendations and eleven recommended disclosures published by the TCFD.

As demonstrated in the comparison, companies that apply the ISSB Standards will meet the TCFD recommendations and so do not need to apply the TCFD recommendations in addition to the ISSB Standards.

There are additional requirements in IFRS S2. These include the requirements for companies to disclose industry-based metrics, to disclose information about their planned use of carbon credits to achieve their net emissions targets and to disclose additional information about their financed emissions.

The TCFD has been a trailblazer in raising the practice and quality of climate-related disclosures, with the ISSB building on this legacy.

The incorporation of the TCFD recommendations into the ISSB Standards provides yet further simplification of the so-called 'alphabet soup' of disclosure initiatives for companies and investors.

The Financial Stability Board has also asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the TCFD.

While companies can still use the TCFD recommendations, given the TCFD has now disbanded the list of supporters is no longer active.

SUSTAINABLE DEVELOPMENT GOALS ("SDG")

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

The 17 SDGs are [integrated](#), that is, they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.



ANNEXURE II – LIST OF 200 COMPANIES - SAMPLE

SR. NO.	NAME OF THE COMPANY	INDUSTRY	MARKET CAP. (31 st Mar, 2024)
1	Maruti Suzuki India Limited	Automobile and Auto Components	3,96,158
2	Tata Motors Limited	Automobile and Auto Components	3,29,932
3	Bajaj Auto Limited	Automobile and Auto Components	2,59,057
4	Mahindra & Mahindra Limited	Automobile and Auto Components	2,38,925
5	Eicher Motors Limited	Automobile and Auto Components	1,10,051
6	TVS Motor Company Limited	Automobile and Auto Components	1,02,232
7	Hero MotoCorp Limited	Automobile and Auto Components	94,409
8	Bosch Limited	Automobile and Auto Components	88,573
9	Samvardhana Motherson International Limited	Automobile and Auto Components	79,352
10	Tube Investments of India Limited	Automobile and Auto Components	72,266
11	MRF Limited	Automobile and Auto Components	56,571
12	Bharat Forge Limited	Automobile and Auto Components	52,593
13	Balkrishna Industries Limited	Automobile and Auto Components	44,798
14	Schaeffler India Limited	Automobile and Auto Components	43,942
15	Sona BLW Precision Forgings Limited	Automobile and Auto Components	41,400
16	UNO Minda Limited	Automobile and Auto Components	39,314
17	Hindustan Aeronautics Limited	Capital Goods	2,22,501
18	Siemens Limited	Capital Goods	1,91,381
19	Bharat Electronics Limited	Capital Goods	1,47,292
20	ABB India Limited	Capital Goods	1,34,792
21	Bharat Heavy Electricals Limited	Capital Goods	86,111
22	Cummins India Limited	Capital Goods	83,333
23	CG Power and Industrial Solutions Limited	Capital Goods	82,613
24	Polycab India Limited	Capital Goods	76,090
25	Suzlon Energy Limited	Capital Goods	54,950
26	Supreme Industries Limited	Capital Goods	53,760
27	Astral Limited	Capital Goods	53,490
28	Ashok Leyland Limited	Capital Goods	50,285
29	Thermax Limited	Capital Goods	49,954
30	APL Apollo Tubes Limited	Capital Goods	41,516
31	Mazagon Dock Shipbuilders Limited	Capital Goods	37,597
32	AIA Engineering Limited	Capital Goods	36,929
33	Pidilite Industries Limited	Chemicals	1,53,330
34	Solar Industries India Limited	Chemicals	79,466
35	SRF Limited	Chemicals	75,892
36	PI Industries Limited	Chemicals	58,678
37	Linde India Limited	Chemicals	54,657
38	Fertilizers and Chemicals Travancore Limited	Chemicals	40,633
39	UltraTech Cement Limited	Construction Materials	2,81,448
40	Grasim Industries Limited	Construction Materials	1,50,614
41	Ambuja Cements Limited	Construction Materials	1,21,591
42	Shree Cement Limited	Construction Materials	92,666
43	ACC Limited	Construction Materials	46,791
44	Dalmia Bharat Limited	Construction Materials	36,425
45	Titan Company Limited	Consumer Durables	3,37,519
46	Asian Paints Limited	Consumer Durables	2,73,060
47	Havells India Limited	Consumer Durables	94,942
48	Berger Paints India Limited	Consumer Durables	66,804
49	Dixon Technologies (India) Limited	Consumer Durables	44,742
50	Kalyan Jewellers India Limited	Consumer Durables	44,066
51	Voltas Limited	Consumer Durables	36,515
52	Avenue Supermarts Limited	Consumer Services	2,94,496

53	Zomato Limited	Consumer Services	1,60,608
54	Trent Limited	Consumer Services	1,40,346
55	The Indian Hotels Company Limited	Consumer Services	84,146
56	Indian Railway Catering and Tourism Corporation Limited	Consumer Services	74,376
57	Info Edge (India) Limited	Consumer Services	72,352
58	FSN E-Commerce Ventures Limited	Consumer Services	46,240
59	ITC Limited	Fast Moving Consumer Goods	5,34,644
60	Hindustan Unilever Limited	Fast Moving Consumer Goods	5,32,030
61	Nestle India Limited	Fast Moving Consumer Goods	2,52,836
62	Varun Beverages Limited	Fast Moving Consumer Goods	1,81,733
63	Godrej Consumer Products Limited	Fast Moving Consumer Goods	1,28,037
64	Britannia Industries Limited	Fast Moving Consumer Goods	1,18,296
65	Tata Consumer Products Limited	Fast Moving Consumer Goods	1,04,450
66	Dabur India Limited	Fast Moving Consumer Goods	92,704
67	United Spirits Limited	Fast Moving Consumer Goods	82,500
68	Colgate Palmolive (India) Limited	Fast Moving Consumer Goods	73,718
69	Marico Limited	Fast Moving Consumer Goods	64,342
70	Procter & Gamble Hygiene and Health Care Limited	Fast Moving Consumer Goods	54,951
71	Patanjali Foods Limited	Fast Moving Consumer Goods	48,449
72	United Breweries Limited	Fast Moving Consumer Goods	45,899
73	Adani Wilmar Limited	Fast Moving Consumer Goods	41,772
74	HDFC Bank Limited	Financial Services - Bank	10,99,915
75	ICICI Bank Limited	Financial Services - Bank	7,67,657
76	State Bank of India	Financial Services - Bank	6,71,443
77	Kotak Mahindra Bank Limited	Financial Services - Bank	3,54,939
78	Axis Bank Limited	Financial Services - Bank	3,23,165
79	Punjab National Bank	Financial Services - Bank	1,36,977
80	Bank of Baroda	Financial Services - Bank	1,36,550
81	IndusInd Bank Limited	Financial Services - Bank	1,20,868
82	Union Bank of India	Financial Services - Bank	1,17,176
83	Indian Overseas Bank	Financial Services - Bank	1,13,320
84	Canara Bank	Financial Services - Bank	1,05,410
85	IDBI Bank Limited	Financial Services - Bank	87,094
86	Indian Bank	Financial Services - Bank	70,136
87	YES Bank Limited	Financial Services - Bank	66,737
88	UCO Bank	Financial Services - Bank	62,410
89	Bank of India	Financial Services - Bank	62,394
90	IDFC First Bank Limited	Financial Services - Bank	53,307
91	Central Bank of India	Financial Services - Bank	51,912
92	Bank of Maharashtra	Financial Services - Bank	44,152
93	Punjab & Sind Bank	Financial Services - Bank	40,497
94	AU Small Finance Bank Limited	Financial Services - Bank	37,807
95	The Federal Bank Limited	Financial Services - Bank	36,589
96	Life Insurance Corporation of India	Financial Services - Insurance	5,79,465
97	SBI Life Insurance Company Limited	Financial Services - Insurance	1,50,232
98	HDFC Life Insurance Company Limited	Financial Services - Insurance	1,36,225
99	ICICI Prudential Life Insurance Company Limited	Financial Services - Insurance	87,673
100	ICICI Lombard General Insurance Company Limited	Financial Services - Insurance	82,983
101	General Insurance Corporation of India	Financial Services - Insurance	57,851
102	The New India Assurance Company Limited	Financial Services - Insurance	37,426
103	Bajaj Finance Limited	Financial Services - Others	4,48,478
104	Bajaj Finserv Limited	Financial Services - Others	2,62,274
105	Jio Financial Services Limited	Financial Services - Others	2,24,747
106	Indian Railway Finance Corporation Limited	Financial Services - Others	1,86,030
107	Power Finance Corporation Limited	Financial Services - Others	1,28,786
108	REC Limited	Financial Services - Others	1,18,758

109	Cholamandalam Investment and Finance Company Limited	Financial Services - Others	97,141
110	Bajaj Holdings & Investment Limited	Financial Services - Others	92,070
111	Shriram Finance Limited	Financial Services - Others	88,680
112	HDFC Asset Management Company Limited	Financial Services - Others	80,144
113	SBI Cards and Payment Services Limited	Financial Services - Others	64,904
114	Muthoot Finance Limited	Financial Services - Others	59,434
115	PB Fintech Limited	Financial Services - Others	50,727
116	Sundaram Finance Limited	Financial Services - Others	45,983
117	Aditya Birla Capital Limited	Financial Services - Others	45,603
118	L&T Finance Limited	Financial Services - Others	39,387
119	Housing & Urban Development Corporation Limited	Financial Services - Others	37,486
120	Indian Renewable Energy Development Agency Limited	Financial Services - Others	36,527
121	Poonawalla Fincorp Limited	Financial Services - Others	36,048
122	Sun Pharmaceutical Industries Limited	Healthcare	3,88,824
123	Cipla Limited	Healthcare	1,20,859
124	Dr. Reddy's Laboratories Limited	Healthcare	1,02,725
125	Zyqus Lifesciences Limited	Healthcare	1,01,964
126	Mankind Pharma Limited	Healthcare	92,165
127	Divi's Laboratories Limited	Healthcare	91,462
128	Apollo Hospitals Enterprise Limited	Healthcare	91,401
129	Torrent Pharmaceuticals Limited	Healthcare	88,016
130	Max Healthcare Institute Limited	Healthcare	79,687
131	Lupin Limited	Healthcare	73,666
132	Aurobindo Pharma Limited	Healthcare	63,794
133	Alkem Laboratories Limited	Healthcare	59,089
134	Abbott India Limited	Healthcare	57,258
135	Global Health Limited	Healthcare	35,469
136	Tata Consultancy Services Limited	Information Technology	14,02,479
137	Infosys Limited	Information Technology	6,21,798
138	HCL Technologies Limited	Information Technology	4,18,868
139	Wipro Limited	Information Technology	2,50,852
140	LTIMindtree Limited	Information Technology	1,46,257
141	Tech Mahindra Limited	Information Technology	1,21,885
142	Oracle Financial Services Software Limited	Information Technology	76,040
143	Persistent Systems Limited	Information Technology	61,382
144	L&T Technology Services Limited	Information Technology	57,979
145	Tata Elxsi Limited	Information Technology	48,483
146	Mphasis Limited	Information Technology	45,119
147	Tata Technologies Limited	Information Technology	41,403
148	KPIT Technologies Limited	Information Technology	40,749
149	Adani Enterprises Limited	Metals & Mining	3,64,470
150	JSW Steel Limited	Metals & Mining	2,03,022
151	Tata Steel Limited	Metals & Mining	1,94,556
152	Hindalco Industries Limited	Metals & Mining	1,25,900
153	Hindustan Zinc Limited	Metals & Mining	1,23,506
154	Vedanta Limited	Metals & Mining	1,00,978
155	Jindal Steel & Power Limited	Metals & Mining	86,621
156	NMDC Limited	Metals & Mining	59,125
157	Jindal Stainless Limited	Metals & Mining	57,183
158	Steel Authority of India Limited	Metals & Mining	55,452
159	Reliance Industries Limited	Oil Gas & Consumable Fuels	20,10,560
160	Oil & Natural Gas Corporation Limited	Oil Gas & Consumable Fuels	3,37,214
161	Coal India Limited	Oil Gas & Consumable Fuels	2,67,524
162	Indian Oil Corporation Limited	Oil Gas & Consumable Fuels	2,36,884
163	Bharat Petroleum Corporation Limited	Oil Gas & Consumable Fuels	1,30,676
164	GAIL (India) Limited	Oil Gas & Consumable Fuels	1,19,042

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165	Adani Total Gas Limited	Oil Gas & Consumable Fuels	1,01,903
166	Hindustan Petroleum Corporation Limited	Oil Gas & Consumable Fuels	67,473
167	Oil India Limited	Oil Gas & Consumable Fuels	65,091
168	Petronet LNG Limited	Oil Gas & Consumable Fuels	39,480
169	Mangalore Refinery and Petrochemicals Limited	Oil Gas & Consumable Fuels	38,303
170	Gujarat Gas Limited	Oil Gas & Consumable Fuels	37,466
171	Bharti Airtel Limited	Others - Telecommunication	6,94,784
172	Larsen & Toubro Limited	Others - Construction	5,17,397
173	Adani Ports and Special Economic Zone Limited	Others - Services	2,89,858
174	InterGlobe Aviation Limited	Others - Services	1,36,970
175	Indus Towers Limited	Others - Telecommunication	78,463
176	Vodafone Idea Limited	Others - Telecommunication	64,501
177	Tata Communications Limited	Others - Telecommunication	57,296
178	Container Corporation of India Limited	Others - Services	53,746
179	Rail Vikas Nigam Limited	Others - Construction	52,730
180	JSW Infrastructure Limited	Others - Services	51,524
181	GMR Airports Infrastructure Limited	Others - Services	49,253
182	Page Industries Limited	Others - Textiles	38,426
183	IRB Infrastructure Developers Limited	Others - Construction	35,358
184	3M India Limited	Others - Diversified	35,140
185	NTPC Limited	Power	3,25,614
186	Adani Green Energy Limited	Power	2,90,694
187	Power Grid Corporation of India Limited	Power	2,57,534
188	Adani Power Limited	Power	2,05,883
189	Tata Power Company Limited	Power	1,25,960
190	Adani Energy Solutions Limited	Power	1,14,528
191	NHPC Limited	Power	90,104
192	JSW Energy Limited	Power	86,987
193	Torrent Power Limited	Power	65,265
194	SJVN Limited	Power	47,708
195	DLF Limited	Realty	2,22,036
196	Macrotech Developers Limited	Realty	1,12,951
197	Godrej Properties Limited	Realty	63,952
198	Oberoi Realty Limited	Realty	53,662
199	The Phoenix Mills Limited	Realty	49,725
200	Prestige Estates Projects Limited	Realty	46,901