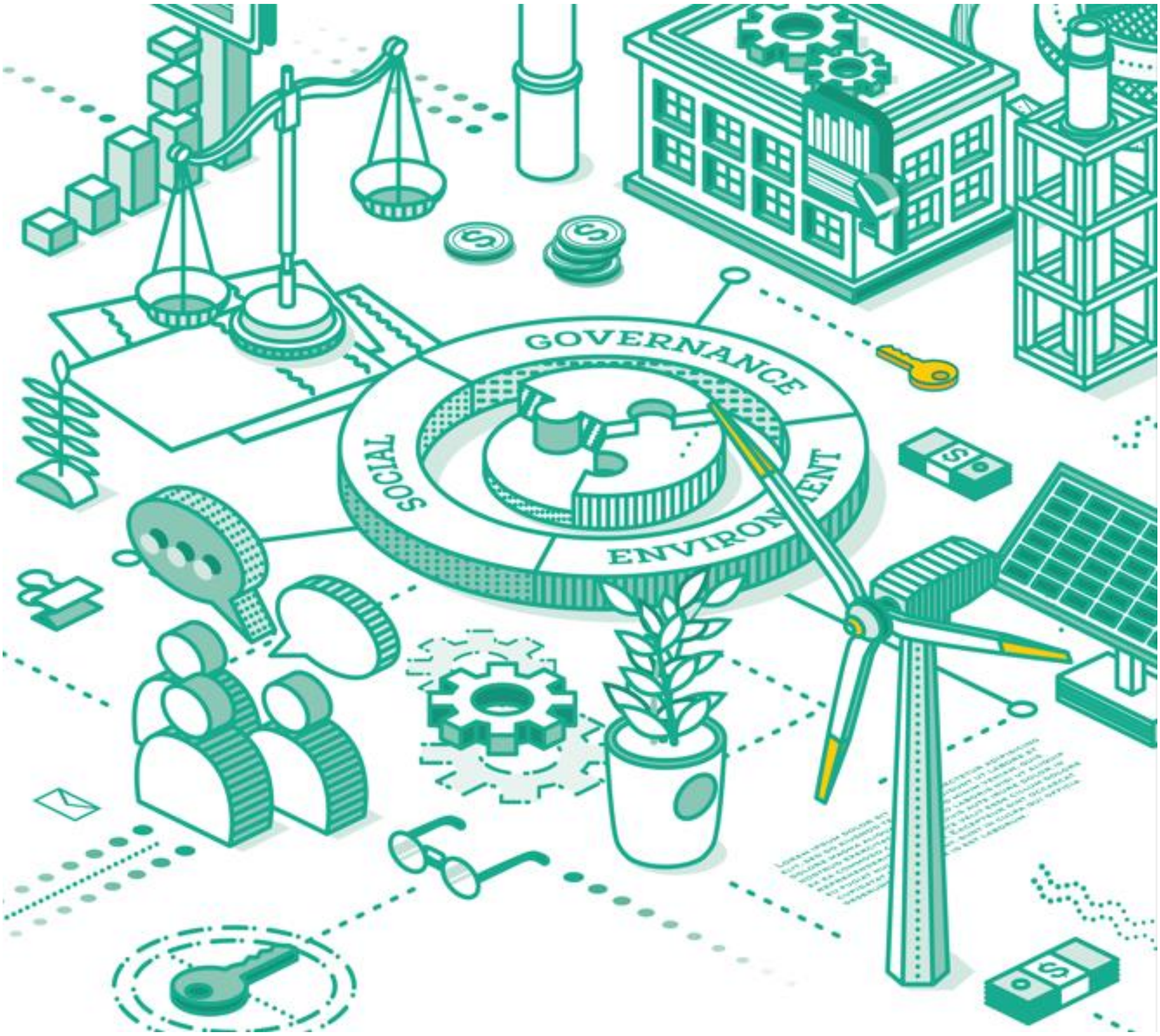
ESG ANALYSIS ON 200 LISTED COMPANIES

Impact of Regulatory Push



JULY, 2024

TABLE OF CONTENTS

ACKNOWLEDGEMENTS

At the outset, Stakeholders Empowerment Services (SES) would like to thank NSE for providing this opportunity and a platform to present report of SES on a contemporary and extremely relevant issue. From all corners, be it investors, government, regulators or even stakeholders, 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) has taken a lead and has prescribed a comprehensive and detailed disclosure regime through Business Responsibility and Sustainability Report **(**BRSR), as a result comprehensive structured data on E&S is now available for Top 1000 listed companies. Appropriately, the present Report is appropriately titled "ESG Analysis of 200 Listed Companies – Impact of Regulatory Push."

Efforts of SEBI and result of regulatory efforts would have gone unnoticed and this endeavour would not have been possible without the initiative taken by NSE and its guidance & support provided to the SES team on a continual basis. The purpose of this Report is to provide a brief summary of ESG footprints of selected NSE listed companies, evaluated by SES through its proprietary model ("**Model**").

The Report is result of collective effort of NSE and SES. NSE provided financial support, guidance and logistics; and evaluation is done using the Model developed by SES. The Report (including data capturing, analysis, findings and report writing) was solely done by SES team, without any involvement of NSE.

I express my sincere gratitude to all team members from NSE and SES for this Report, and in particular following team members for their untiring efforts in compiling and analysing voluminous data and developing the Report in its present form.

NSE:

- Mr Ankit Sharma
- Mr Avishkar Naik
- Ms Apeksha Raichura
- Mr Gaurav Sakpal

SES:

- Mr. Mukesh Solanki, Mr. Bhavaram Kalbi, Mr. Rajesh Surve & Mr. Harprit Bhangal
- Ms. Karishma Yadav, Ms. Shraddha Bansode & Ms. Dhruvi Doshi

EXECUTIVE SUMMARY

SES had carried out two studies on behalf of NSE on ESG practices; first was published in 2020 for 50 companies – based on data of FY 2018-19 (year reference of said report is referred as 2019) and second study was published in 2022 for 100 companies – based on data of FY 2020-21 (year reference of said report is referred as 2021). Both these studies were of pre-BRSR era. In previous studies, SES had highlighted that impediment to a meaningful analysis of E&S parameter was availability (or rather non-availability) of data. Thanks to regulatory push that issue is resolved to large extent. BRSR has improved data availability, however, till system stabilises major concern still lies with correctness and reliability of data, which will hopefully improve as we move along. The transition from BRR to voluntary BRSR to mandatory BRSR has not been an easy path for companies to follow, further companies face further challenge as from reporting for next FY (23-24) additional disclosures kicks in along with core parameters being compulsorily assured in phased manner. While, no one dare to question SEBI for its push, yet one hears murmurs as to life is being made difficult and there is hardly any time to conduct business. The problem lies herein. All business decisions will be of no use, if businesses do not survive and ESG risks are such that it can no longer be pushed forward to be attended at leisure. Rather than being critical of SEBI and its push, one must understand that it has given companies a tool for self-health check and taken the lead and made India as the only jurisdiction to have such an elaborate mechanism of disclosure and evaluation. It is like taking preventive care and protect getting into ICU or making to obituary column. Recent judgement by Hon'ble Supreme Court in respect of Vedanta Ltd - Tuticorin Copper Smelter is a wakeup call to all that it is not SEBI but the highest court of the land means business. Companies will survive only if ESG becomes part of DNA and they strive to perform better.

With the above in mind this Study endeavours to analyse the ESG practices of the Top 200 companies post introduction of BRSR mandate, performance and to also highlight the issues observed with BRSR reporting.

Although it is a sequel to earlier studies, yet the findings of this study cannot be compared with the previous one as it will amount to comparing two incomparable. Previous studies had Sample of 50 & 100 companies whereas this study sample size is 200 companies (double/ 4 times of previous studies) and model for evaluation has undergone substantial changes incorporating SEBI BRSR guidelines, changes in various reporting standards as also SES own experience.

Sample was chosen based on broad criteria specified by NSE to make sample representative. SES has taken companies from 19 Industries. For this study SES used ~2100 parameters per company and analysed more than 4.2 lac parameters.

Although, findings are not strictly comparable with previous study, yet wherever possible previous years scores have been used as reference point.

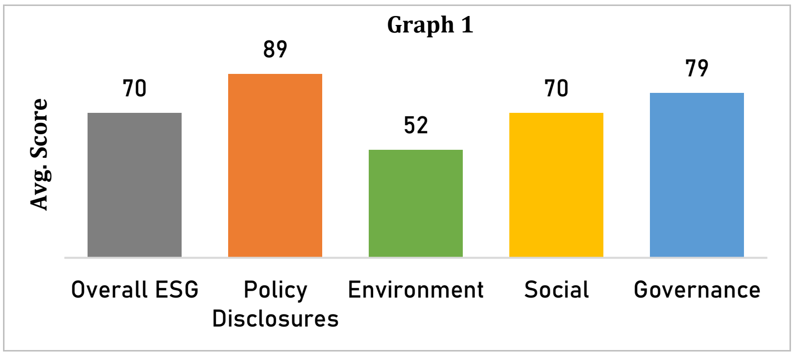
INTRODUCTION OF BRSR:

- In May, 2021 SEBI amended SEBI LODR with respect to requirement of publishing BR Report, and replaced it with BRSR Report. It has mandated disclosures of Business Responsibility and Sustainability Reporting (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.

- Introduction of BRSR has improved overall performance of the sample entities in terms of better disclosures and adequate monitoring of data sequencing. Also, the data disclosures are more likely to be comparative in nature due to specific format disclosures.
- BRSR has two major section of disclosures, one is Essential Indicators and other is Leadership Indicators. As the name suggest, Essential Indicators are mandatory to be disclosed by each entity in their BRSR. 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.

Key Highlights from the Study:

The Graph 1 depicts Average score (out of 200) of sample companies overall as also across 4 evaluation parameters: Policy, Environment, Social & Governance factors.



Among the four evaluation parameters, companies have largely scored better on Policy disclosures followed by Governance factor compared to Environment & Social factors. Which is result of regulatory push in governance and disclosures on policies through BRSR.

Comparatively better score on G factor is result of 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. Similarly, BRR had mandated disclosure of various policies and hence Companies have scored higher on Policy disclosure parameters as BRR mandate was first step towards BRSR, whereas disclosures on E & S evaluation factors are in its 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 has become rather 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. 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. P, E, S a& G.

TABLE 1: SCORING PATTERN ACROSS DIFFERENT FACTORS

	MIN.		AVG.		MED.		MAX.	
Parameter	**2021**	**2023**	**2021**	**2023**	**2021**	**2023**	**2021**	**2023**
Overall ESG	51	57	63	70	63	70	73	82
Policy Disclosures	17	51	79	89	83	91	97	100
Environment	31	32	49	52	49	51	77	79
Social	36	51	56	70	57	71	71	82
Governance	63	62	76	79	76	80	84	94

Note: Significant changes have taken place in evaluation model & disclosure level of companies from 2021 to 2023 to reflect increased awareness, focus and regulatory dictate relating to Environment & Social.

POLICY DISCLOSURES:

Across the sample entities, there is significant improvement in the overall scoring pattern on Policy disclosures, as can be seen from the Table 1. Six out of 14 industries considered in the sample, were able to achieve a maximum score of perfect 100. Specially, the entities in Power sector have performed much better than other with average being 96 and minimum being 91.

All sample companies had stated that they have policies regarding Ethics (Principle-1), Employees (P3), Stakeholders (P4) and Human Rights (P5). However, only 89% companies out of the sample had framed policy on Public Advocacy (P7), may be owing to the fact that in India advocacy is seen in bad light hence if at all done, is done in a non-transparent manner. While these companies have affirmed that they have policies on respective principles, however, only Ethics related policies were available on website for all 200 sample entities. Further, less than 47% of the sample entities have carried out independent assessment/ evaluation of the working of their policies by an external agency on any one out of the nine principles; and the same number is only 36% in case of Principle 7.

The major change in the scoring and disclosures in policy disclosures section is due to mandatory BRSR disclosures for top 1000 listed entities (by market capitalization) from FY 2022-23.

Out of sample of 200 companies, 52 have disclosed data based on Consolidated reporting boundaries and rest have disclosed on standalone basis. Further, 129 companies provided references to Global Reporting Initiatives ("**GRI**") International Integrated Reporting Council – **IR** Framework. Approx. 56 companies have provided references and are supporters of Task Force on Climate-Related Financial Disclosures ("**TCFD**"). Further, 127 Companies mentioned references to any one of the 17 Sustainable Development Goals (**SDGs**), while only 33 companies have endorsed to all 17 SDGs.

The sample entities comprise 20 Banks, out of which only 5 have aligned their disclosures with SASB for commercial banks; and only 1 Bank has made disclosures on alignment with UNPRB (UN Principles for Responsible Banking).

Further, out of 200 companies in the sample, 185 companies have disclosed information regarding environmental and social issues which are material to the business of respective entity.

ENVIRONMENT:

As seen in Table 1, E factor is the biggest impediment to higher ESG score, as across all parameter i.e. Policy, E, S & G, it has lowest minimum (32), lowest average (52), lowest median (51) and lowest maximum (79) score. Maximum spread on E factor (Maximum-Minimum) was 47, which is almost 150% of minimum score of 32. The average sample score on overall ESG is 70, whereas the average sample score on E factor is only 52. 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 47; the laggard industries are FMCG with divergence of 43 and financial services with 41.

- Surprisingly on 4 key environmental parameters: Renewable energy (2 Companies), Air emissions (5 Companies), Effluents Management (1 Company) and Waste Management (2 Companies), 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 166 out of the 200 Companies i.e. 83% have disclosed environment policy.
- Across the sample entities, 88% i.e. 175 Companies made adequate disclosures on projects to reduce GHG emission, indicating a substantial level of transparency and accountability across industries regarding their GHG projects.
- 100 companies made disclosures regarding afforestation, plantation of trees. Further, in sample companies, 92 companies have disclosed presence of Environment Management Systems & certification for all plants or facilities and 39 companies have disclosed presence of Environment Management Systems & certification for some plants or facilities.
- However, only 36 companies have disclosed about having Energy Management System for all plants and facilities; and 20 companies have same for some of the plants and facilities.

Products / Services Disclosures:

- Procedures in place for sustainable sourcing disclosed by 154 companies
- Life Cycle Assessments ('LCA'), ~27% (54) Sample companies have disclosed about having performed LCA. While in 2021, around 31 entities out of sample of 100 i.e. 31%; had made the relevant disclosures on LCA.
- 104 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.
- Further, only 74 companies have actually allocated resources to R&D and 100 companies towards CAPEX i.e. less than 50% of the companies in sample.

Energy Consumption:

- Improved disclosures i.e. 188 companies for FY 2021-22 vs 195 for FY 2022-23.
- Turnover based Energy intensity disclosures made by 176 companies, however, only 50 companies disclosed intensity based on other relevant metrics for both the years.
- Sample companies reported 2.15% increase in average energy consumption among the 188 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 different picture showing a decrease of 15.86% in the average energy consumption intensity across the sample, however, considering impact of inflation, the decrease would be around ~8%, still better than the absolute energy consumption.
- **Sample companies on an average burned 1,174.22 GJ to earn a revenue of Rs. 1 Crore**; whereas in power sectors the same was at 12,736.28 GJ i.e. more than 10 times the overall intensity. Similarly, IT industry consumed only 4.86 GJ energy per crore rupees of revenue generated.
- A Power sector company reported 6 times increase in total energy consumption from last year.
- Capital investment on energy conservation equipment's saw increase of 5.42% from last year.

Renewable Energy:

- Renewable energy (RE) disclosures are much less compared to overall energy consumption; as RE disclosures are part of leadership indicators and not essential. Approx. 62 companies have not disclosed leadership indicators on RE.
- Further, out of 138 companies who made disclosures on Leadership indicators, only 132 companies disclosed data on renewable consumption for both the years, out of which 5 entities were those where RE consumption was Nil; and 5 were those who's RE consumption was not comparable with the total energy consumption, due to partial disclosures on renewable energy consumption or reporting of RE and Total Energy in different units.
- Out of remaining 122, 98 companies have managed to increase their absolute RE consumption, whereas only 84 were able to increase relative RE as a portion of total energy consumption.

Air Emission:

- Total 186 companies have made disclosures on absolute GHG emissions (Scope 1 & 2) for FY 2022-23, however, only 177 companies have made disclosures on GHG emissions intensity linked to turnover and only 63 companies have made disclosures on GHG emissions intensity linked to Other Relevant Metrics.
- Similar to renewable energy, Scope 3 emission disclosures are also part of leadership indicators, however, disclosures on Scope 3 emission are much less than that on RE, as only 93 companies disclosed data on Scope 3 emission in FY 2022-23.
- There was an increase of 2.68% in the average GHG emission (Scope 1 & 2) across the sample from last year, whereas average emission intensity based on turnover has decreased by 15.59%; however, if inflation to be neglected, the effective decrease in the GHG emission intensity based on turnover would be lower.
- While Financial Services industry on one hand say GHG emissions are not materially relevant while making disclosures on environmental parameters, yet an interesting observation is that the average GHG emission of **17 Banks** included in Financial Services Industry was **1,80,034** TCO2e, whereas the average emission of **12** Entities solely operating in **Automobiles industry** (excluding 2 entities operating in Tyre & Tubes Manufacturing) was **1,59,798** TCO2e only, showing a different picture all together.

Water Consumption / Effluents Management:

- In this section, analysis is done for only 180 companies; as 20 entities from the financial services industry have been excluded for analysis on water and waste water management due to negligible impact as stated by them in their BRSR disclosures.
- Across the 180 entities, average absolute water consumption per entity has increased by 1.10% from last year, whereas the average water consumption intensity based on turnover has decreased by 20.48%, thus, even if inflation to be accounted, there is significant decrease in the water consumption intensity, showing a positive improvement towards water consumption.
- Only 128 entities disclosed information on waste water / effluents management for both the financial years. Out of these only 71 entities have disclosed water discharge along with level of treatment in a bifurcated manner.

- Out of 180 entities analysed, 70 are equipped with Zero Liquid Discharge (ZLD), 21 entities are either Water Positive or Water Neutral, and only 18 entities are both water positive / neutral as well as have system in place for Zero Liquid Discharge.
- Further, six out of seven entities operating in construction materials industry are water positive and out of those, five are equipped with Zero Liquid Discharge.
- From the sample entities, 118 companies have disclosed information on water stressed areas, wherein 71 of these 118 has operations in water stressed areas and 47 does not have any operations or facilities in water stressed areas.
- In sample companies, 25% of their total water consumption is from the water stressed areas, where entities operating in Construction Materials extracting almost 70% of their water requirement from water stressed areas; and Oil Gas & Consumable Fuels entities consuming only 6-8% of water from these areas.
- Further, **an entity from FMCG has reported increase in water consumption by 12 folds from last year**, this appears very unlikely. The Company has not provided any justification.
- Furthermore, an entity from consumer services has reported 8 times increase in water consumption from last year, whereas the entity's revenue has merely increased by 1.7 times. Thus, the data disclosed by the Company appears to be faulty.

Waste Management:

- 169 companies have made disclosures on waste generation and management in last two years. Out of these only 57 were able to reduce their total waste generation.
- There is an increase of 1.54% in average waste generation from last year, with IT industry being worst performer with increase of approx. 9 times from last year.
- One entity from the IT industry has reported increase of more than 20 times in waste generation, majorly construction and demolition waste. The company has justified in its BRSR, that the increase was due to expansion of two projects during the year.
- An entity in power industry has generated **highest bio-medical waste**, which is approx. 5 times of the entire healthcare industry. The company has not provided any further disclosures in this regard.
- 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:

- A parameter where ideally there should be no scope for failure, yet only 178 companies out of 200 in the sample have scored perfect 100 in this section. Rest had either any incident(s) or controversy(ies).
- 5 companies in construction materials industry, 5 in Metals & Mining, 6 in Oil Gas & Consumable Fuels, 2 in Power and 1 each in FMCG, Healthcare, Chemicals and Others have reported environment related non-compliance or incidents or controversies.
- 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 ~₹ 78 Crores was imposed on entities operating in Oil Gas & Consumable Fuels 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.
- An entity from Oil Gas & Consumable Fuels industry has reported an incident of bursting of a gas pipeline due to leakage which was caused by unauthorized digging work.
- Entities from construction materials industry were penalised for incidents related to loading, unloading and nuisance free transportation of fly ash, exceeding the AAQM results, alleged water pollution and not conforming to Air Quality standards, etc.

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, 11 out of 20 banks score more than 50 on climate risk assessment, only 5 were able to cross 50 on responsible lending. The Bank which has scored highest in this section has stated that, *"The BANK 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."*
- All 7 insurance companies have scored very poorly i.e. less than 50 on indirect impact.
- On investment exposure, one of the highest scoring entities has state that, *"Restriction principles will apply to any company that derives <u>more than two-third of its revenue</u> from the following industries: Thermal power, Arms & ammunitions or weapons of mass destruction, Coal, Tobacco."*

SOCIAL:

Within the sample companies on Social factor, lowest score of 51 was observed, which was majorly due to poor disclosure practice by the Company. The top score of 82 was recorded by a company in Financial Service industry. The gap between the top and bottom scoring companies has reduced from preceding year due to BRSR mandate which streamlined disclosures by the companies.

The average sample score was 70 and median sample score was 71. The best performance on average basis was by Consumer Durables industry, with an average score of 75, while the lowest average score of 60 was recorded by Healthcare industry.

Workforce:

- Financial Services industry reported the highest total headcount of workforce, while IT industry outperformed all industries with an average workforce of 1,32,851 per company. These two industries constitute ~73% of total workforce in the sample.
- Employees constitute **67.9%** of total workforce in the sample and workers constitute the remaining **32.1%.** Oil, Gas & Consumable fuels (83.9%) had the highest % of worker representation in the workforce followed by Power (76.6%) and Metals & Mining (70.6%), this is evidential from their operations.

- Non-permanent workforce constitutes **29.3%** of the total workforce. The highest percentage of non-permanent workforce was reported by Power industry (73.6%) and lowest was reported by IT industry (4.4%).
- **Women constitute only 19.3% of the total workforce** in the sample. IT industry has the highest number of female employees followed by Financial Services. Both of these industries constitute ~75% of total female workforce in the sample.
- Highest women workforce as a percentage of total workforce was reported by IT industry (34.6%) followed by Consumer Service Industry (32.6%), while the lowest percentage was reported by **Construction Materials (2.9%)** and Power (4.2%) industries.
- 177 companies in total reported having differently-abled employees/workers in their workforce. Financial Services industry was the largest employer of differently-abled workforce at 21,413 differently-abled persons in total workforce.
- Companies in the sample averaged a turnover rate of 16.7% among employees in FY 2022-23 as compared to 16.2% in FY 2021-22. Turnover rate for workers decreased from 7.9% in FY 2021-22 to 6.1% in FY 2022-23.
- About 78.3% employees and 25.3% workers were provided with skill upgradation training in FY 2022-23. 6 companies in the sample did not disclose data on skill upgradation trainings.
- Highest average of employee benefit expenses including remuneration as percentage of revenue was recorded in IT industry (48.3%) and lowest was reported by Oil, Gas and Consumable Fuels industry (1.21%).

Human Rights:

- A total of 80 companies reported 100% human rights training coverage of workforce and 8 companies did not disclose training data for human rights.
- A total of 126 companies have disclosed that 100% of their employees are provided with more than minimum wage. 57 companies (out of 130 companies having workers) reported that 100% of their workers are being paid more than the minimum wage.
- Gender-wise median remuneration was not disclosed for employees by 16 companies and by 12 companies for workers.
- A total of 1,477 sexual harassment complaints were received across 127 companies in FY 2022-23 against 1,004 such complaints were reported by 114 companies in FY 2021-22. Rest of the companies in the sample have zero such complaints.

Health & Safety:

- 196 companies out of the sample have Occupational health & safety management system.
- With regards to well-being benefits, coverage of workforce on Health Insurance - 84%, Accident Insurance - 82%, Maternity Benefits - 88%, Paternity Benefits - 48% and Day Care Facility- 35% during FY 2022-23.
- 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.
- Only 53% of workforce was given training on Health & Safety, with coverage for employees at 59% and for workers at 42%. The highest % of workforce covered for training was in Consumer Services (99%), the lowest coverage was in Oil, Gas and Consumable Fuels (14%).

- Total of 271 fatalities were reported during FY 2022-23, (In FY 2021-22: 388 Fatalities). Further, **one of the Company in Financial Services Industry had recorded 11 fatalities in 2022-23 (37 in FY 2021-22).**

Customer Orientation & Welfare:

- Companies from industries such as Consumer Durables and Metals & Mining have not recorded any complaints regarding the irresponsible Advertising, Delivery of Essential Services and Restrictive/ Unfair Trade practices i.e. all of their customer complaints were classified under other matters.

Product/ Service Quality:

- On this parameter, only 155 companies were analysed excluding 45 companies from Financial Services industries, considering it was not material to them. Further, 119 out of 155 companies have obtained certification on Quality Management System *(E.g. ISO 9001)*.
- 13 out of 155 companies recorded instances of Product Recall, where 10 companies belong to Healthcare industry and 3 companies of Automobile & Auto Components. Further, Product Ban was reported in 1 Chemical Company and Service Ban in 1 FinTech Company.

Community Engagement & CSR:

- Only 19 out of 200 sample companies have discussed about job creation in smaller town.
- **Political donations:** 16 companies made political donations during the FY 2022-23.
- The actual CSR Spent during the year of the sample companies has only increased by 3.87% during FY 2022-23, whereas in the CSR expenditure i.e. including the amount transferred to Unspent Account/ Prescribed Funds, the increase was by 6.64%.

Cyber Security & Data Privacy:

- 167 companies disclosed information regarding cyber security/ data breach. Out of these 167 companies, 5 companies recorded instances of data breach during FY 2022-23.
- 117 companies discussed about having IT/Cyber Security related certifications (*E.g. ISO 27001*).

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

- 29 of the 45 companies in Financial Services industry discussed about Financial Inclusion.
- Only 17 have disclosed the frequency of engagement with community with respect to Financial Literacy.

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 one's 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.

Independent Directors:

- Within the sample companies, there were 1,078 Independent Directors in total (on an average 5.4 IDs per company) and 174 of them were associated with the Company or group companies for more than 10 Years.

- Out of Sample companies, 180 companies were compliant with law - having 50% / 33% IDs and 20 companies were non-compliant with law relating to Board Composition, and 19 of these 20 companies are Public Sector Undertakings (PSUs).
- **ED Chairperson:** Executive Directors (ED) were also Chairperson in 72 companies.
- **Promoter Chairperson:** In 90 companies, Promoters held position of the chairperson, 41 being Executive Chairperson.
- **Women Director:** 7 companies did not have any women IDs (all non-compliant), 49 companies within the sample had more than 2 Women Directors.
- 4 companies had more than 3 Independent women Directors.
- **Age of Directors:** 66 companies have at least one NED with age >75 years, while 17 companies have at least one ED with age > 70 years.

Board attendance:

- 129 Companies in the sample have 100% attendance of Board members at AGMs during FY 2022-23. Which is considered a good governance practice.
- 40 Companies (16 are PSUs and 16 are Banks including PSBs) in the sample had conducted more than 10 board meetings during FY 2022-23.
- 23 companies in the sample had conducted just 4 meetings during FY 2022-23, which is just in compliance and may not qualify as good corporate governance practice.

Board Committees:

- Except 3 Company, all the companies complied with SEBI LODR provisions on composition of committees. 3 Companies have less than 67% of IDs in Audit Committees. These 3 are from Financial Services industries having only 2 IDs (50%) in 1 Company and have 3 IDs (60%) in 2 companies included in their Audit Committee as on 30th Sept, 2023.
- 160 companies wherein more than 4 AC meetings were held. This was followed by 70 companies in case of NRC meetings.

Remuneration:

- For FY 2022-23, EDs shared ~89% of the total Board remuneration and the remaining ~11% is shared between NED-NIDs and IDs during the same year.
- 150 company's remuneration of EDs consisted less than 50% variable performance-based payment, including **47 companies with no performance-based payments**.
- ~97% of NEDs (P & NP) drew remuneration less than ₹ 2.50 Crores during FY 2022-23.
- 35 IDs (3%) received total remuneration of more than ₹ 1.5 Crore and 225 IDs (19%) received total remuneration between ₹ 50 lakhs to ₹ 1.5 crore.

Statutory Auditors:

- No case was found in the sample companies wherein Statutory Auditors were removed or resigned before the expiry of the term during FY 2022-23. However, found 3 cases of resignation of Auditors after FY 2022-23.
- No audit qualifications were observed in 190 companies, only 10 companies had audit qualifications in financial statements for FY 2022-23.

- 24 companies had qualifications / observations in Secretarial Audit Report for FY 2022-23. Though all the companies have provided their response on the same in their Annual Reports.
- **CARO:** All companies disclosed the financial ratios as per Schedule III. None of the companies were found to be wilful defaulter company by any banks or financial institutions or any other lenders. Most common issue was observed approx. 77 companies regarding not having title deeds of all immovable properties on their own names.
- **Pledge:** 35 companies in the sample have shares encumbered or pledged by the promoters of the Company. The pledged shareholding is valued at ₹ 2,89,214 Crores as at 31st December, 2023.
- **148** companies of sample reported that no strictures or penalties 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. In remaining 52 companies, penalties by one or other regulatory body was observed majorly due to non-compliance with relevant regulators / law makers.

Shareholders Voting trend:

- Overall on 960 resolution, public institutional shareholders voted against for more than 10% of their total votes polled, whereas public others voted more than 10% against for 196 resolutions.
- On 131 resolutions, institutional shares voted for more than 50% AGAINST of the total institutional votes polled. In case of public others, this number stands at 55 resolutions.

Ethics, Bribery & Other Governance factors:

- 96 companies have disclosed presence of an anti-corruption, anti-bribery or ethics policy on their website. Out of them few companies disclosed Whistle Blower policy or Code of conduct as ethics policy.
- During FY 2022-23, 5 companies have reported violation relating to Insider trading.
- 110 companies reported absolute numbers of whistle blower related complaints, received during FY 2022-23.
- All sample companies made disclosures on complaints relating to ethics, bribery and corruption for FY 2022-23.

ESG EVOLUTION IN INDIA

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 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)

In addition to that, India also introduced the Green Development Pact providing pathways for nations in their journey towards achieving the energy, climate, environment and disaster resilience related objectives. (Weblink) India's strides in the sphere of global environmental initiatives have been backed and buttressed by domestic action as well. While addressing the COP-28 (dated 9th Dec, 2023), Bhupinder Yadav, Union Minister for Environment, Forest and Climate Change announced that (Weblink)

> *"India has successfully reduced the emission intensity vis-à-vis its GDP by 33% between 2005 and 2019, thus achieving the initial NDC target for 2030, 11 years ahead of the scheduled time. India has also achieved 40% of electric installed capacity through non-fossil fuel sources, nine years ahead of the target for 2030. Between 2017 and 2023, India has added around 100 GW of installed electric capacity, of which around 80% is attributed to non-fossil fuel-based resources. We have therefore revised our NDCs upwards indicating our deep commitment towards enhanced climate action."*
>
> \- Shri Bhupinder Yadav, Government of India
> (Union Minister for Environment, Forest and Climate Change)

While considering India's domestic efforts, the role played by Securities and Exchange Board of India ("SEBI") cannot be overlooked. The capital market regulator has been proactive and forever eager to undertake new measures to take pioneering steps or match its global counterparts. India is no more a spectator when it comes to ESG initiatives. SEBI has been an important driver of India Inc's advancement towards sustainability. The evolution of sustainability reporting from a voluntary initiative to a mandatory requirement with a defined and extensive framework was made possible by SEBI through its BRSR.

Business Responsibility and Sustainability Report ("BRSR")

In FY 2022-23, India Inc. embraced SEBI's sustainability reporting mandate with the Top 1000 companies publishing a BRSR. The BRSR mandate will make it possible to conduct a time series, peer-group as well as a sectoral analysis of the performance of companies on ESG parameters in coming years.

As a starting point, the BRSR mandates disclosures, which now helps investors to analyse company performance on E&S pillar not only limited to year on year performance but also allows comparison with peer companies due to standardized data format.

Initially, the general outlook and perception of BRSR may have been that of a ground for "***compliance***" but gradually with increased awareness and penetration, it is destined to move towards a ground for "survival, excellence & ***competition***". Several companies have exhibited immense enthusiasm and leadership in undertaking environmental initiatives as is evident from their BRSR disclosures. It is expected that disclosures will eventually translate into performance.

From a market perspective the BRSR shall alter the ESG Investment philosophy in India which was majorly dominated by the practice of Negative Screening (For e.g. avoiding emission intensive investment prospects) to Positive Screening (For e.g. investing in prospects that outperform peers on ESG grounds) and lead to balanced portfolio and emphasis being shifted from individual company to portfolio ESG score/ grade. This will also enable investors in their stewardship activities cajoling low scoring companies to improve performance, thus playing a positive role rather than shunning a company, which could be an important part of eco-system.

Further, BRSR is a continual work in process and companies are allowed baby steps to mature into a comprehensive assured disclosure.

SEBI's ESG Ratings Providers ("ERP") Framework (Weblink)

To promote greater analysis and appreciation of information disclosed by the companies in the BRSR along with their other sustainability initiatives, it is crucial to have an objective evaluation by external service providers. This vital role is played by ERPs who thoroughly assess ESG performance of any company based on their evaluation model.

The ERP framework introduced by SEBI has created an essential pathway for ESG Ratings. The framework provides for sufficient flexibility while also ensuring uniformity and comparability among evaluation of different ERPs.

SEBI's ERP Framework also included evaluating companies based on the velocity of their investments directed towards transitioning to better and safe environment and to achieve their set environmental goals. The "Parivartan Score", which is a novel feature of the ratings framework, facilitates the assessment of a company's efforts and commitments towards environmental factors alongside an absolute scoring. The Parivartan Score is a dynamic factor in ESG ratings that measures the underlying pace of a company's progress towards its ESG targets.

Transition Finance and Green Debt Securities: *GDS for SDG*

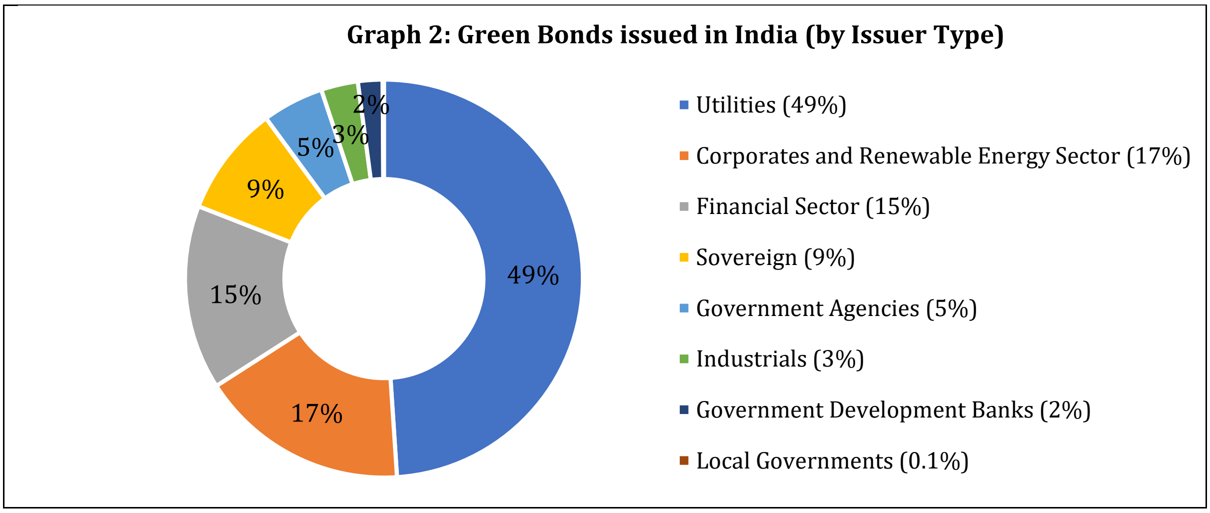
The recent trend on financing in terms of sustainability and ESG has introduced a concept called Transition Financing. Transition financing aids individuals, businesses, and communities in transitioning towards sustainability by providing financial assistance to adapt to environmental, social, and economic changes. Collaboration among key stakeholders is crucial for driving positive change and achieving global sustainability objectives. For Transition Financing it would be a valuable input in order to appraise "Green Financing".

The SEBI's ERP framework would go a long way especially given the introduction of Green Debt Securities ("GDS") in India. As an additional measure, SEBI also mandated (Weblink) steps in order to prevent green washing or utilization of proceeds from GDS issues for purposes other than the intended environmental impact.

The Government of India also partnered with World Bank's Sustainable Finance and ESG Advisory Services to establish the Sovereign Green Bond Program (Weblink). As a result, India saw multiple successful tranches of Sovereign Green Bonds showcasing India's commitment to expanding renewable energy production and reducing its carbon intensity by supporting expenditures for renewable energy and electrification of transport systems. These GDS shall not only empower the government to undertake environmental projects with greater vigour but will also eventually help in achieving the environment and climate-based goals determined under the United Nations Sustainable Development Goals (UN-SDGs)

The penetration of GDS can be judged by the fact that India became the largest issuer of GDS in Asian Emerging Markets (excluding China) with a total of $21 billion worth of Green Bonds issued by February, 2023. Local Governments and Municipal Corporations also joined the bandwagon (Ghaziabad Nagar Nigam and Indore Municipal Corporations) by raising funds through GDS to finance environmental projects.

Graph 2 - Green Bonds Issued in India (as of February, 2023) by Issuer Type.



Note: Data sourced from World Bank (Weblink)

As per the data released by World Bank, companies have embraced GDS as a preferred source to raise capital for funding their projects related to environment and improving their performance on sustainability. Corporates and Industries emerged as the major issuers of GDS.

> *"India's green bond will have a huge impact, not only contributing to its nationally determined contribution (NDC) to the Paris Agreement, but also encouraging other countries to raise private capital for environmental priorities."*
>
> \- Ms. Farah Imrana Hussain, World Bank
> (Head-Sustainable Finance and ESG Advisory Services) (Weblink)

ESG Investments: *Righteousness versus Returns*

ESG Investing is often viewed with scepticism when it comes to generating returns. This is largely because of misconceptions pertaining to the fundamental principles of ESG Investing. ESG investments viewed under the parlance of immediate returns and from a short-term perspective appear to be counterproductive compared to the standard investment strategies. But it is pertinent to note that sustainable investing is in fact completely aligned with the commercial interests when looked at from a long-term viewpoint.

The lukewarm sentiment towards ESG investments can also be gauged from and in turn attributed to the lacklustre performance of mutual funds that incorporate ESG principles in their investment strategy.

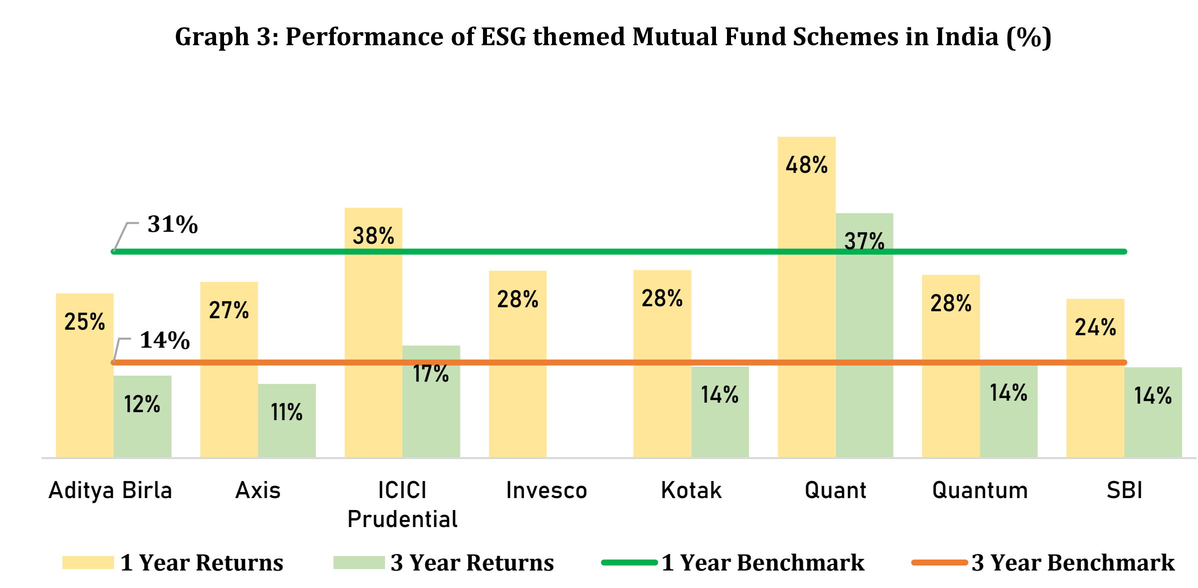
Table 2 - ESG Mutual Fund Schemes in India and their AUM in the respective ESG Fund.

TABLE 2: ESG Mutual Fund Schemes in India and their AUM in the respective ESG Fund		
Sr No.	**Mutual Fund Scheme**	**AUM as on 16th Feb, 2024 (In Cr ₹)**
1.	SBI Magnum Equity ESG Fund	5,491.00
2.	ICICI Prudential ESG Exclusionary Strategy Fund	1,437.04
3.	Axis ESG Integration Strategy Fund	1,375.29
4.	Kotak ESG Exclusionary Strategy Fund	1,004.33
5.	Aditya Birla Sun Life ESG Integration Strategy Fund	704.76
6.	Invesco India ESG Equity Fund	556.27
7.	Quant ESG Equity Fund	227.36
8.	Quantum ESG Best In class ESG Fund	85.73

Data sourced from AMFI.

The Indian Mutual Fund Industry which crossed the milestone of ₹ 50 Lakh Crores Assets Under Management (AUM) in December 2023, has only a tiny portion of ₹ 11,000 Crores (i.e. less than 0.25%) constitute ESG based Mutual Fund Schemes. In terms of avenues, the ESG Mutual Funds Space has only 8 dedicated ESG Schemes. These schemes focus on a thematic evaluation of its investments on ESG factors. The launch of "Nifty100 ESG Index" and "Nifty100 Enhanced ESG Index" facilitated benchmarking and comparative analysis of these schemes. Strictly from a return perspective, these schemes presently fall short of expectations in comparison to the standard investment strategy. It can also be observed that the ESG Benchmark *(Nifty 100 ESG Index- 1 year Return: 31.15%, 3 year return: 14.42% p.a.)* itself lags the standard index return *(Nifty 500 Index – 1 year return – 39.71%; & 3 years return – 18.81% p.a.)* (weblink). Further, even in such a scenario, only select ESG Schemes have been able to outperform the index. With majority of them barely delivering the benchmark return.

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 16th February, 2024.

***Benchmark Details**: NSE 100 ESG Total Return Index.*

***Mutual Fund Scheme Details**: **Aditya Birla** Sun Life ESG Integration Fund, **Axis** ESG Integration Strategy Fund, **ICICI** ESG Exclusionary Strategy Fund, **Invesco** India ESG Equity Fund (data not available for 3-year return as the scheme has been recently launched), **Kotak** ESG Exclusionary Strategy Fund, **Quant** ESG Equity Fund, **Quantum** ESG Best in Class Strategy Fund, **SBI** Magnum Equity ESG Fund.*

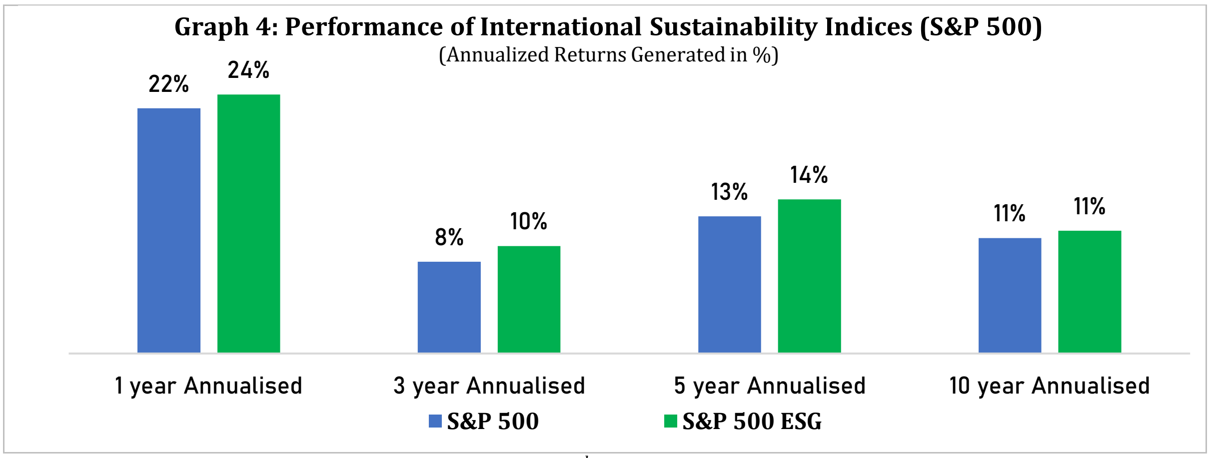
The recent depressed returns of these schemes however can be ascribed to the challenges relating to the early adoption of ESG Investment strategies in India. It is expected that the BRSR regime shall aid in better investment analysis through information availability and may also lead to attraction of greater capital as awareness increases. From a long-term perspective, sustainability principles are undoubtedly a sound investment methodology and the reversal of the current scenario with respect to returns generated through ESG investments can be anticipated as the market for ESG Investment matures.

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

Why Depressed Returns?

It would be foolish to say that performance of ESG funds reflects capability of MFs to do value investing. If MFs can be efficient investors in Non ESG funds and get better returns, then comparatively lower returns in ESG funds cannot be due to inefficiency. In fact, ESG funds are expected to have comparatively lower returns to start with. The reason is simple, companies with higher ESG scores care more for hygiene (E & S) compared to others. As a result, their expenses in improving E & S factors are comparatively higher. These expenses in one way are investment for future sustainable operations. As regulations becomes tighter and tighter and are enforced in right spirit, risk of low scoring companies in ESG, will eventually turn the table and create a path for higher returns on ESG focussed funds. One must keep in mind recent judgement in case of a copper smelter which has been ordered to be shut down.

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

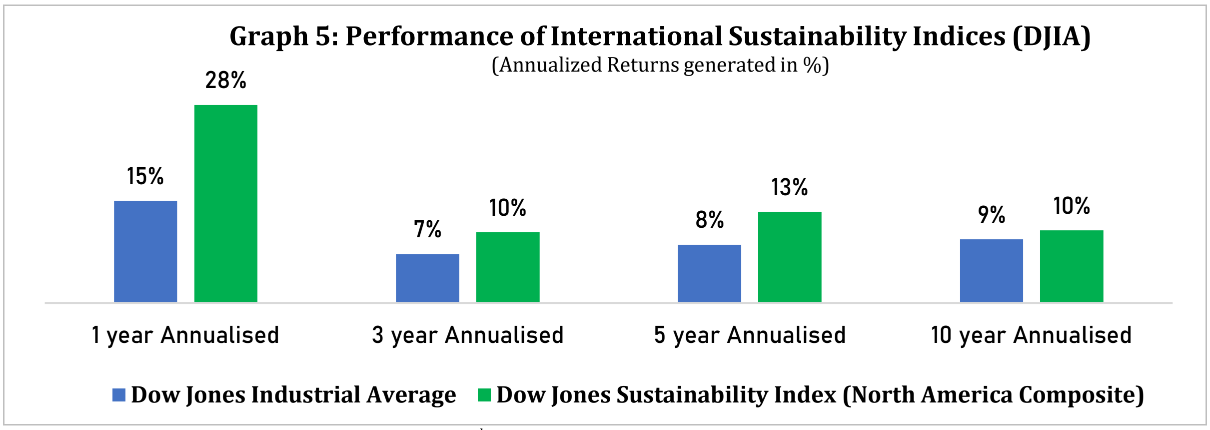


Data sourced from S&P Global website as on 19th Feb, 2024.

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 80% of the available market capitalization, whereas the S&P 500 ESG Index is constituted with the same weights as the S&P 500 Index consisting of companies with the best ESG performance. In comparison with the S&P 500 Index, the S&P 500 ESG Index has consistently delivered superior returns.

Graph 5- Performance of International Sustainability Indices (DJIA).



Data sourced from S&P Global website as on 19th Feb, 2024.

This rationale is also confirmed by comparing Dow Jones Industrial Average ("DJIA") alongside Dow Jones Sustainability Index (North America Composite) ("DJSI"). While DJIA constitutes of 30 US blue-chip companies, DJSI comprises of top 20% North American Companies on the basis of market capitalization. DJSI has also consistently outperformed DJIA and delivered greater returns.

This reinforces that lower returns in ESG thematic funds are short term pain for long term gains.

Global Disclosure Practices & India's Growing Picture:

Globally, Rules and regulations for disclosure of environmental, social, and governance (ESG) and climate-related issues have increased significantly over the past several years. Regulators around the world are creating country-specific and regional legislation that aims to standardize how disclosures are reported and what information needs to go into them. India is no exception. Introduction of the Business Responsibility and Sustainability Report (BRSR) by SEBI has increased the overall disclosure requirement of Indian listed companies much beyond similar requirements in any other jurisdiction. A large number of geographies are still struggling to come to terms with reality. BRSR requires disclosures by listed entities on various key parameters, aiming to give a complete picture of Environment, Social and Governance practices, policies & performance. It is also not the case that only India is active and all others are passive, few noteworthy steps taken or proposed are summarized here:

Australia: Climate-Related Financial Disclosure [Proposed]

In June 2023, the Australian Treasury released a Climate-Related Financial Disclosure Consultation Paper (weblink). The paper outlines the requirements that certain Australian companies may have to follow in the future related to climate disclosures – as soon as 2024.

The Australian Treasury is proposing a phased approach to implementation. Large listed and unlisted businesses and financial institutions will start reporting in FY 2024-25 and, by FY 2027-28, the requirements will be expanded to all other proposed parties. Small and medium entities (e.g., under 100 employees) would not be required to report.

Canada: Disclosure of Climate-Related Matters [Proposed]

In 2021, the Canadian Securities Administrators (CSA), which regulates securities and publicly-traded companies in Canada, proposed a climate-related disclosure requirement for financial institutions and ESG-related requirements for large and listed entities (weblink). The proposed legislation is called 51-107 Disclosure of Climate-related Matters.

The requirements are expected to come into force in 2024. Beginning in 2024, large Canadian banks, insurance companies and federally-regulated financial institutions will have to provide ESG reporting and climate-related disclosures. Additionally, listed Canadian companies will have to comply with ESG reporting requirements.

European Union: Corporate Sustainability Reporting Directive (CSRD)

In January 2023, the European Union's (EU) new Corporate Sustainability Reporting Directive (CSRD) entered into force (weblink). The CSRD takes over from its predecessor, the Non-Financial Reporting Directive (NFRD), as the latest in ESG reporting for European businesses.

The first companies that will be required to report using the new rules will have to do so in the 2024 fiscal year, with their reports published in 2025. These companies will be required to report using the European Sustainability Reporting Standards (ESRS).

USA: SEC Climate Disclosure Standards [Proposed]

In March 2022, the US Securities and Exchange Commission (SEC) announced (weblink) that it would be proposing rule changes to require registered companies to include specific climate-related disclosures in their registration statements and periodic reports.

The SEC's Climate Disclosure rules have been the subject of much anticipation. The final rule was initially expected in October 2023, but now likely to be released by 2024. Those organizations that are registered with the SEC will be required to follow the new standards. For the most part, this means the standards will apply to larger businesses only.

India's Growing Picture:

While the above renowned countries / regions are yet in the implementation stage of these regulatory requirements of the ESG disclosures, India has taken a leap forward by mandating BRSR disclosures for top 1000 listed entities from FY 2022-23 onwards.

SEBI has mandated disclosures of BRSR data in the form of XBRL (eXtensible Business Reporting Language) on the stock exchanges, i.e. disclosing data in a machine-readable format, which is one of its kind in existing global disclosures. With this step, what used to be a laid-back country in terms of ESG initiatives and actions, is now turns out to be an aspiring leader.

The existing BRSR disclosures comprise of certain Essential and a few Leadership Indicators to be disclosed by all the applicable entities. Essential Indicators are those which are necessary to be disclosed by all the entities considering the material of impact of these parameters on the environment at large. While Leadership Indicators are those which are voluntary at present for the companies, and comprise of those parameters which are still in evolving phase and not uniformly applicable to all the entities.

The said revolution in disclosures will see a huge impact in the overall performance of the companies focussing largely on the betterment of ESG disclosures and will result in better long-term returns for the funds majorly focussing on ESG related companies.

Concluding Note:

As discussed above, the global trend suggest that India Inc is missing big and very late to the ESG or Sustainably enhancement. However, as saying goes 'better late than never.' The SEBI's initiatives on better disclosure practices has changed a lot on ESG landscape in last couple of years, especially the introduction of BRSR reporting and ERP framework. The difference between the previous study of SES in 2021 and this report shows the picture of enrichment. The ERPs have/ would have better resources to analyse the performance of the companies on each ESG parameters. The improved disclosures have enabled the analyst / investors / stakeholders to take an informed view on the practices of the companies on ESG parameters and similarly, it has made easy to compare and track the performance. Which in turn, has obliged the organizations to provided better disclosures and improve their performance y-o-y.

The recent trend of improvement in the India Inc shows that the things are changing with the time, may be a bit late but not too late to fulfil the responsibilities towards the environment. The results of these changes may not be visible at present in terms of monetary or for the investment positivity, but with the time and in long run, the things are likely to be positive and better, as it did in global market.

SAMPLE SELECTION

In its first study carried on behalf of NSE on ESG practice (published in 2020 – based on data of FY 2018-19), only 50 companies were part of the sample.

In second study, SES has enlarged the Sample to include 100 companies. Sample size has been enlarged as more and more companies had started giving comprehensive data on ESG factors.

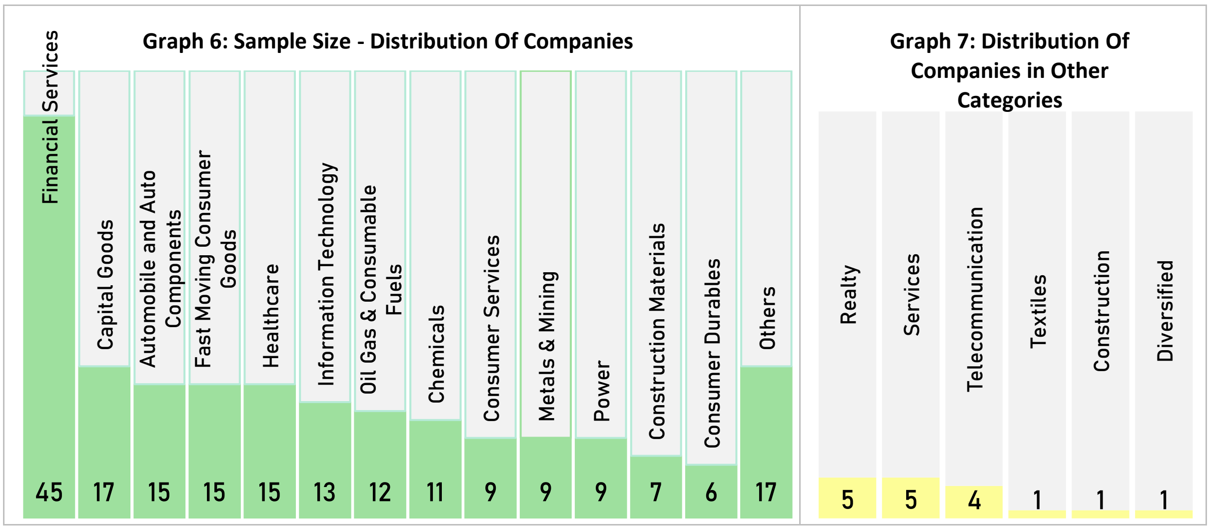
In this study, SES has doubled the Sample in this study to include 200 companies based on broad criteria specified by NSE keeping in view objectives of the study and also data on E&S is now available for all the top 200 companies due to mandate of BRSR. The Sample covers ~83% of Market capitalisation of Nifty Listed companies.

Since the disclosures on Environment & Social parameters is now available due to BRSR mandate, the sample selection was easier for this study. It may be noted that some Indian listed companies, going beyond legal requirements, also published Integrated or Sustainability 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, 2023.
- ✓ Company must have disclosed Business Responsibility & Sustainability Report for FY 2022-23.

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 INDUSTRY - BREAKUP:

- 20 Banks (including 9 PSBs)
- 7 Insurance
- 18 Non-Banking Non-Insurance Financial Services (including 3 companies into insurance business through subsidiary(ies)

SAMPLE SUMMARY:

- 200 Listed Companies
- 19 Industries
- For analysis purpose: clubbed 19 industries into 14 industry groups

- Industries with less than 6 companies are classified as '**Others**' and include: Realty, Services, Telecommunication, Textiles, Construction & Diversified.
- Market Capitalisation: ~83% of Nifty listed companies (as on 31st March, 2023).
- Promoter managed – 189, Professionally managed – 11
- In 189 promoters managed companies' promoters' shareholding distribution is as per Table 3.
- Sample companies have average promoter holdings at 56.71% (as on 31st December, 2023)

Table 3: Shareholding Distribution				
Promoter's Shareholding →	**0 < 25%**	**25-50%**	**50%+**	**No promoter**
(#) →	6	45	138	11
(%) →	3%	23%	69%	6%

ESG HIGHLIGHTS

ESG MODEL AND ANALYSIS STATISTICS:

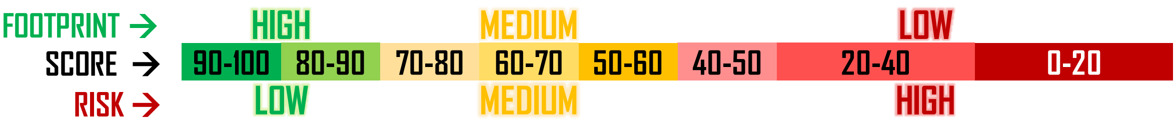
Sample companies were analysed based on pre-determined set of questions and parameters.

TABLE 4: EVALUATION STATISTICS	
QUESTIONS IN THE MODEL	PARAMETERS ANALYSED IN EACH COMPANY
'QUESTIONS'	'PARAMETERS'
809	2,100+
TOTAL PARAMETERS ANALYSED	4,20,000+

To arrive at ESG score of sample companies, over four lakh parameters were analysed i.e. on an average over 2,100 parameters were used for one company.

ESG FOOTPRINT:

ESG Scores[1] 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)

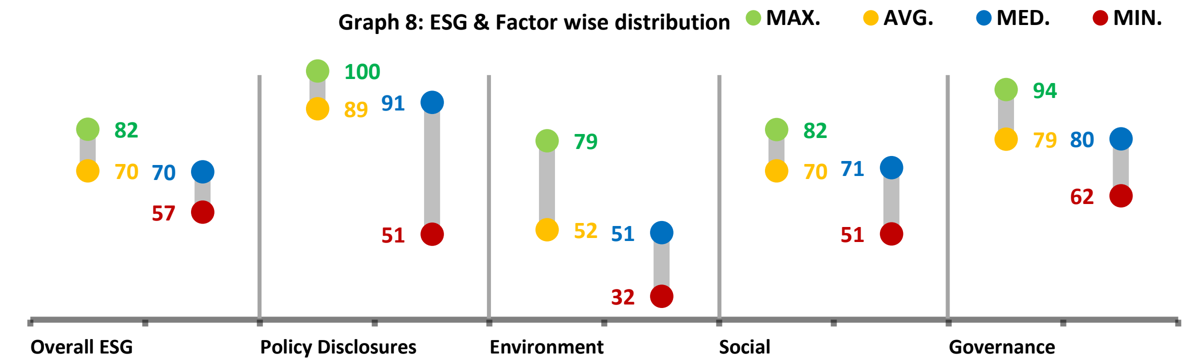


TABLE 5 PARAMETERS	YEAR	OVERALL ESG	POLICY DISCLOSURES	ENVIRONMENT	SOCIAL	GOVERNANCE
MAX.	2021	73	97	77	71	84
	2023	82	100	79	82	94
MIN.	2021	51	17	31	36	63
	2023	57	51	32	51	62
AVERAGE	2021	63	79	49	56	76
	2023	70	89	52	70	79
MAX-MIN Spread	2021	22	80	46	35	21
	2023	25	49	47	31	32
MAX-AVG Spread	2021	10	18	28	15	8
	2023	12	11	27	12	15

[1] *ESG score of a Company is out of 100.*

Variance between Max and Average & Max and Min has increased for Overall ESG scores and governance parameters. However, the same has decreased in case of E & S parameters. This is probably due to enhancement of disclosures on E&S parameters due to BRSR mandate and in case of governance, due to governance lapse incidents in some of the companies which had faced regulatory actions and were being penalised either by the applicable Regulatory Authority or Stock Exchanges.

Among E, S & G parameters, lowest variance between Max & Average is 12 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 for companies to provide disclosures on Social as compared to Environment. In case of social they had data in some form or other and if not, it was easy for companies to capture data when 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).

The average of 89 for Policy Disclosures and comparatively lower score on E&S confirms 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 will be removed effective 2024-25 as by that time policy disclosures must get translated to action.

TABLE 6: SCORING PATTERN ACROSS DIFFERENT INDUSTRIES

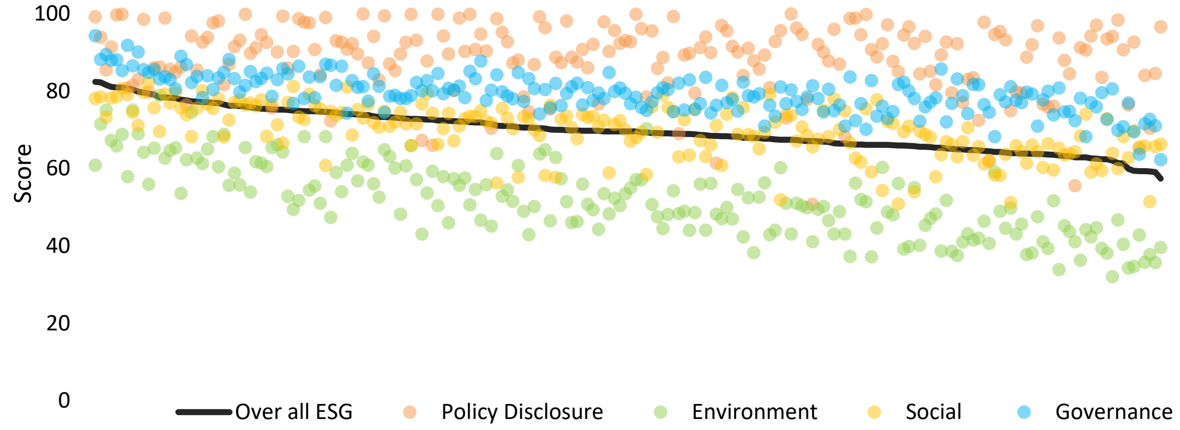
PARAMETERS	MAX.	AVG.	MED.	MIN.	MAX-MIN Spread	MAX-AVG Spread
Sample	**82**	**70**	**70**	**57**	**25**	**13**
Information Technology	**82**	**75**	**75**	**66**	**16**	**7**
Financial Services	**82**	**73**	**75**	**59**	**23**	**9**
- Banks	82	75	76	63	19	8
- Insurance	77	71	72	59	18	7
- Other Financial Services	79	73	73	59	20	7
Consumer Durables	**76**	**72**	**73**	**63**	**13**	**4**
Fast Moving Consumer Goods	**77**	**70**	**72**	**62**	**15**	**8**
Others	**75**	**70**	**69**	**59**	**16**	**5**
Automobile and Auto Components	**77**	**70**	**69**	**63**	**14**	**7**
Healthcare	**76**	**69**	**70**	**64**	**12**	**7**
Oil Gas & Consumable Fuels	**74**	**68**	**69**	**64**	**10**	**6**
Consumer Services	**76**	**68**	**70**	**63**	**12**	**7**
Power	**75**	**68**	**67**	**61**	**14**	**7**
Construction Materials	**74**	**67**	**66**	**61**	**12**	**7**
Capital Goods	**72**	**67**	**67**	**62**	**10**	**5**
Metals & Mining	**70**	**66**	**66**	**57**	**13**	**4**
Chemicals	**72**	**65**	**65**	**59**	**13**	**7**

- On average basis, IT industry tops the list of being the highest scoring industry in the sample at an average of 75.
- Second highest average score is in 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 was observed in Oil Gas & Consumable Fuels (10) and Capital Goods Industry (10).
- Lowest average score was observed for Chemicals Industry.

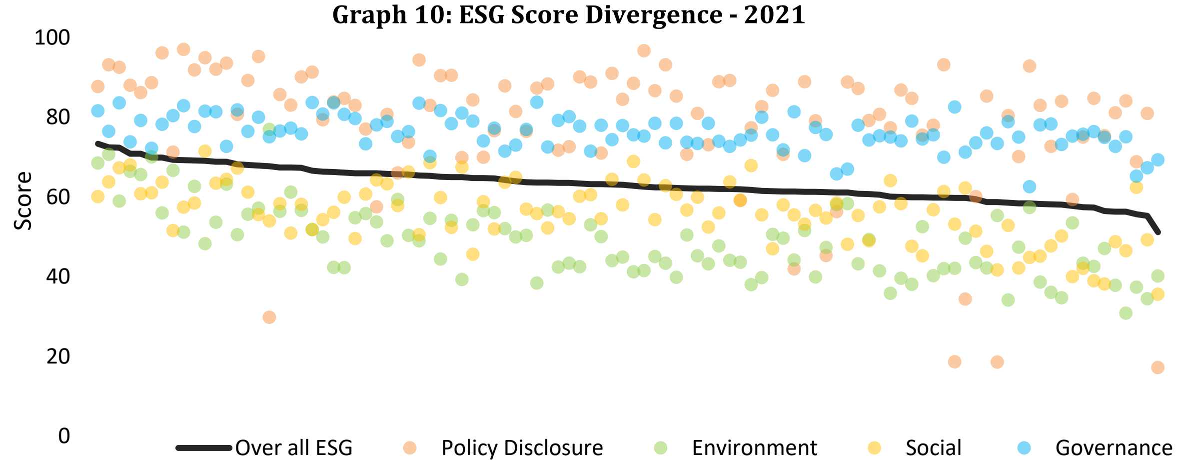
Highlights ESG Score of each sample companies and divergence of score across Policy Disclosure, Environment, Social & Governance for each of the sample company

Graph 9: ESG Score Divergence - 2023



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

Graph 10: ESG Score Divergence - 2021



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

- From Graph 9, it can be observed that in case of high ESG scoring companies, the divergence among Policy, 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.
- Compared to 2021 study, it can be observed that with BRSR mandate social score has improved in overall sample size. In 2021 data study, the social had been lower or near to ESG score of the company, however, in this study for 2023 data, the social score is almost near or above ESG score. Overall this indicates, that data availability has improved significantly. Missing out are companies who have not performed well.

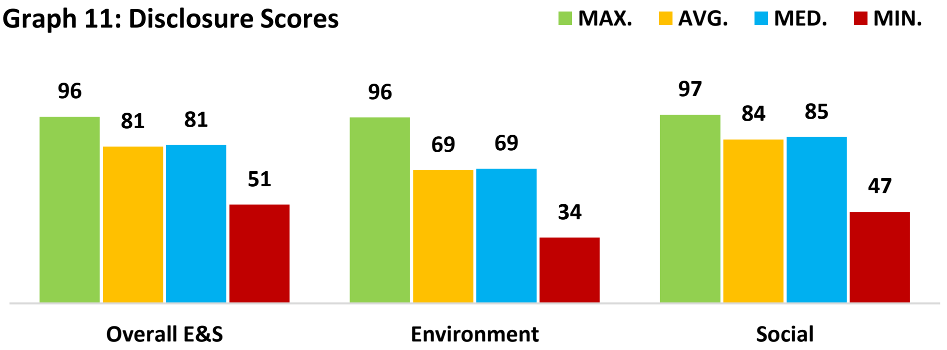
- On the other side, the E score for most of the company is still below the ESG score, which indicates that there is scope for improvement in disclosures and especially performance of the company i.e. to mitigate its negative impact on the environment. Top scoring companies on E pillar are either carbon 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.

E & S

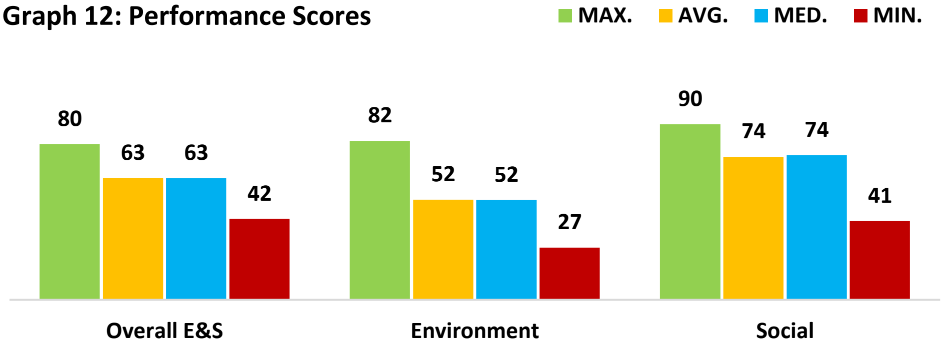
DISCLOSURE

Graph 11: Disclosure Scores



PERFORMANCE

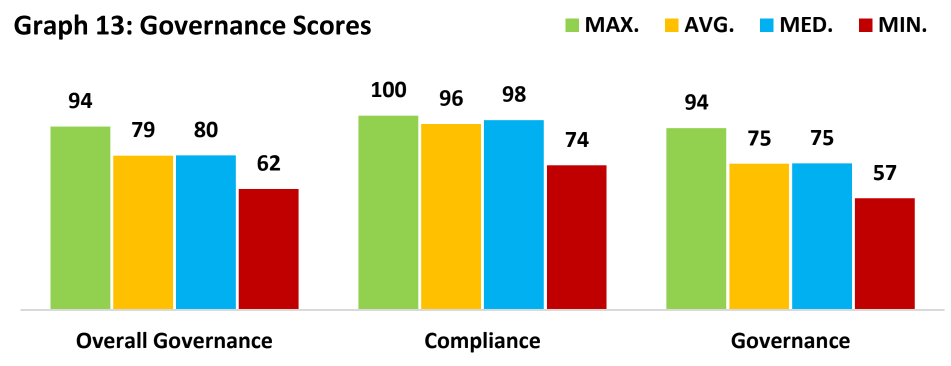
Graph 12: Performance Scores



- Average disclosure score for Social pillar (84) is comparatively higher than environment pillar (69). As discussed, earlier these is probably readily available data for Social data points (e.g. disclosure of workforce, number of complaints) compared to recording data for environment (e.g. setup of water meters, setup of mechanism to record different types of waste).
- Similar trend is observed in performance indicator in case of Social (74) & Environment (52) pillar. This is probably because to reduce impact on environment, companies need to CAPEX investments. For instance, to enhance renewable energy consumption to avoid carbon emission, a company need to invest in set up of solar panel or solar plants.

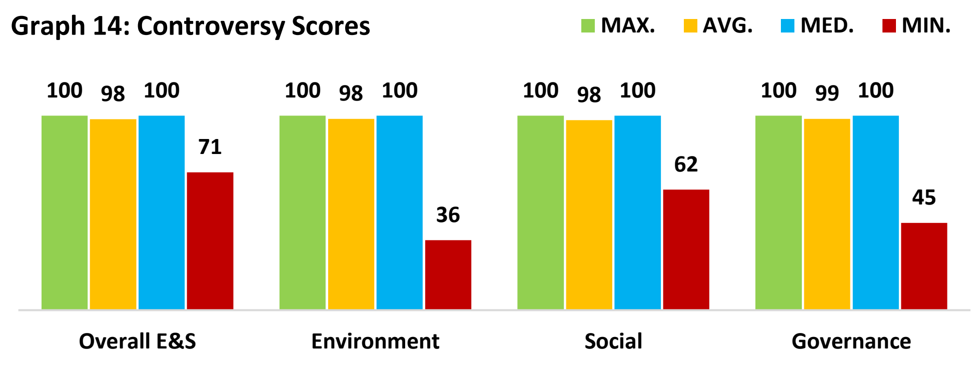
G

COMPLIANCE & GOOD GOVERNANCE



- Compliance is the minimum a company is expected to do. It is the fiduciary duty 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.
- 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.
- SES as a policy not only looks in to the mere compliance governance but also analyses what is the good governance practice followed by the Company.

CONTROVERSY

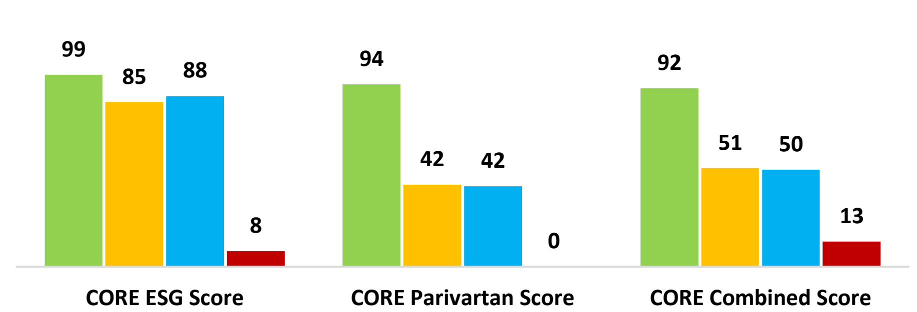


SES realise impact of controversy can vary not only type of controversy but from investors to investors. Therefore, SES accounts only for established controversies. Any non-established controversy is highlighted and left for investors to assess impact. SES just highlight the same for example Hindenburg 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 give weight to such controversy.

Any confirmed controversy or negative incident is scored negative. 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.

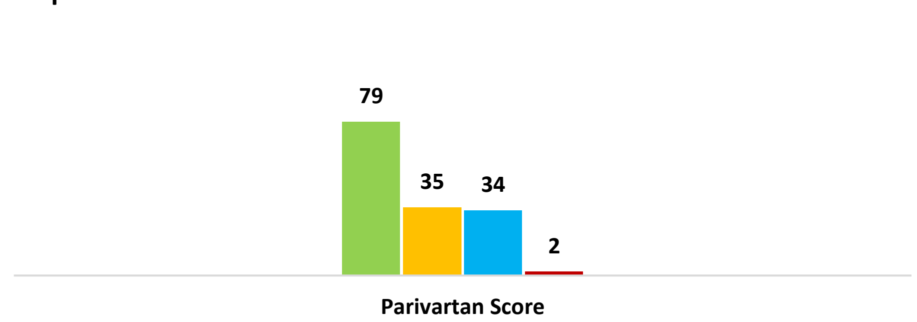
While, SEBI has mandated Top 150 companies to mandatorily undertake reasonable assurance of the BRSR Core for current FY i.e. FY 2023-24, data for which will be disclosed in next AGM season post March, 2024. However, SES has started analysing CORE parameters based on BRSR format for FY 2022-23, excluding new data points (that will be analysed for FY 2023-24). However, such analysed data points may be based on unassured as per disclosures made by companies in BRSR for FY 2022-23 i.e. not strictly as per SEBI circulars. SES has done this analysis to examine the current position before the mandate comes into the picture.

CORE SCORE



Graph 15: Core Scores

PARIVARTAN / TRANSITION SCORE



Graph 16: Parivartan Score

- Average Core ESG Score is 85. With BRSR most of the data points were disclosed by the company, and with amendment in BRSR format including Core parameters for reporting in FY 2024-25, based on current position, SES expects that it should be near to 100 score barring few exceptions which may fail to disclose.
- Compared to Core ESG Score, average Core Parivartan Score was only 42. Lowest was 0, it was due to making disclosures only for one financial year.
- In case of overall analysis, average Parivartan Score was 35. 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 scoring model companies were assessed broadly on 4 factors; Policy, Environment, Social and Governance.

I – POLICY DISCLOSURES

1.1. PRINCIPLE-WISE – NGRBC Principles and Core Elements

1.2. to 1.4 GENERAL DISCLOSURES, SUSTAINABILITY REPORTING AND IDENTIFICATION OF MATERIAL ISSUES

II – ENVIRONMENT

2.1. GENERAL DISCLOSURES

2.2. SUSTAINABLE PRODUCT / SERVICES

2.3. ENERGY CONSUMPTION

2.4. RENEWABLE ENERGY

2.5. AIR EMISSIONS

2.6. WATER CONSUMPTION

2.7. EFFLUENTS / WASTE WATER MANAGEMENT

2.8. WASTE MANAGEMENT

2.9. ENVIRONMENTAL COMPLAINT & INCIDENTS

2.10. INDIRECT ENVIRONMENT (FOR BANKS / INSURANCE)

III – SOCIAL

3.1. WORKFORCE DIVERSITY & MANAGEMENT

3.2. HUMAN RIGHTS

3.3. HEALTH & SAFETY

3.4. CUSTOMER ORIENTATION & WELFARE

3.5. PRODUCT / SERVICE QUALITY

3.6. CSR, COMMUNITY RELATIONS & ENGAGEMENT

3.7. CYBER SECURITY & DATA PRIVACY

3.8. FINANCIAL INCLUSION (FOR BANKS / INSURANCE)

IV – GOVERNANCE

4.1. BOARD INDEPENDENCE & DIVERSITY

4.2. BOARD COMMITTEES

4.3. DIRECTOR'S REMUNERATION

4.4. STATUTORY AUDITORS

4.5. AUDIT & FINANCIAL REPORTING

4.6. STAKEHOLDERS ENGAGEMENT, OWNERSHIP & CONTROL

4.7. ETHICS, BRIBERY & OTHER GOVERNANCE FACTORS

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 - POLICY DISCLOSURES

This section analyses Company's disclosures in Business Responsibility / Sustainability which comprises of 9 principles and other general ESG practices.

Note: 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 Score. Having proved SES point, this section of analysis will be removed effective 2024-25 as by that time policy disclosures must get translated to action.

EVALUATION STATISTICS				
2023	QUESTIONS	27	PARAMETERS	210
2021	QUESTIONS	15	PARAMETERS	176

YEAR	SCORE – POLICY DISCLOSURES							
2023	MAX.	100	AVG.	89	MED.	91	MIN.	51
2021	MAX.	97	AVG.	79	MED.	83	MIN.	17

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
96.0 – Power (2023) 87.0 – Oil & Gas (2021)	100– Construction Materials (2023) 97.0 – Automobile (2021)
95.0 – Construction Materials (2023) 84.1 – Chemicals (2021)	100– Construction Materials (2023) 97.9- Automobile (2021)
95.0 – Metals & Mining (2023) 83.2 – Cement (2021)	99.9– Metals & Mining (2023) 97.4- Energy (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
80.0 – Financial Services (2023) 57.8 – Consumer Services (2021)	50.8 – Financial Services (2023) 17.2 – Consumer Services (2021)

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

SCORES & DISTRIBUTION:

Table P1 represents the Scoring pattern on Overall Policy Disclosures across the Sample entities and the industries considered in the sample.

TABLE P1: SCORING PATTERN ACROSS DIFFERENT INDUSTRIES

PARAMETERS	MAX.	AVG.	MED.	MIN.	MAX-MIN Spread	MAX-AVG Spread
Sample	**100**	**89**	**91**	**51**	49	11
Power	100	96	96	91	9	4
Construction Materials	100	95	99	76	24	5
Metals & Mining	100	95	96	85	15	5
Information Technology	100	94	91	86	14	6
Oil Gas & Consumable Fuels	100	92	92	84	15	7
Fast Moving Consumer Goods	99	92	94	78	21	7
Healthcare	99	91	92	82	17	8

Others	99	90	91	77	23	9
Consumer Durables	100	89	89	80	20	11
Capital Goods	96	89	91	73	23	8
Chemicals	98	89	93	73	26	10
Automobile and Auto Components	98	88	89	66	32	10
Consumer Services	94	88	90	75	19	6
Financial Services	94	80	82	51	43	14
-Banks	94	78	80	56	38	16
-Insurance	93	80	86	51	42	12
-Other Financial Services	93	81	84	62	31	12

Interpretation/ Commentary:

Overall sample companies have scored high in policy disclosures compared to E, S & G parameters, with median score of 91 and average of 89 across the sample entities. This may be owing to the fact that most of the evaluation parameters are compliance related and the sample companies have been mandated by SEBI to publish Business Responsibility and Sustainability Report (BRSR) in prescribed format from FY 2022-23. BRSR requires companies to disclose if they have formulated policies across 9 principles. Higher scores compared to other E, S & G factors reflect that formulating policy is low hanging fruit and compliance is in all probability in letter rather in spirit.

Industry wise highest average score for policy disclosures was observed in **Power** (96), followed by **Construction Materials** (95) and **Metals & Mining** (95).

- Top scoring companies have provided comparatively better disclosures with respect to policy disclosures, other disclosures in BRSR, Sustainability reports and subscribes to various global ESG standards or principles; and the same has increased y-o-y.

- Low scores in the sample are attributed to companies not having policies or lack of requisite disclosures.

  For instance, it may be noted that the BRSR format requires companies to provide a Yes/ No response to a set of questions on Policy formulation across 9 principles. However, some companies have scored low as they have either not disclosed information in the prescribed format or not provided mapping of answers to questions under BRSR format with their sustainability report (applicable in case sustainability report is published).

  SES is of the view that from investors perspective, information should be readily available without much efforts and without any hassle. Therefore, as a policy, considering investors convenience, such companies have lost score as disclosure are not provided as per tabular format or in a consolidated manner at one place.

ANALYSIS OF POLICY DISCLOSURES

Assessment Factors:

- Assessment of company's responses to eleven questions on each of the nine NGRBC Principles;
- Reporting Boundaries;
- Subscription to additional ESG principles or initiatives;
- Material Issues i.e. identification of risk or opportunities.

PRINCIPLE-WISE SCORES RESPONSE:

Management and process disclosures provide evidence that companies are adhering to the structures, policies and processes specified in the National Guidelines on Responsible Business Conduct (NGRBC). Disclosures provided in this section are not about adherence to specific principles outlined in the NGRBC, but about higher-level policy and management processes, including statements by directors and boards regarding governance, leadership and oversight. Companies need to show that policies not only exist, but they have been approved and enacted in the context of time-bound company goals.

Table P2 reflects number of companies which have made disclosures across each BRSR principle and across each question:

TABLE P2: PRINCIPLE-WISE RESPONSE

Questions		Principles (# of Companies)								
		1	2	3	4	5	6	7	8	9
1. a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	200	197	200	200	200	199	178	199	199
1. b.	Has the policy been approved by the Board? (Yes/No)	199	191	194	196	195	193	175	197	192
1. c.	Web Link of the Policies, if available	200	144	174	169	186	170	100	198	143
2.	Whether the entity has translated the policy into procedures. (Yes / No)	198	193	198	197	198	194	171	197	195
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	178	174	174	173	176	174	147	169	173
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	160	168	170	158	164	173	137	156	172
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	158	161	166	157	162	171	137	163	159
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	153	154	158	153	155	165	136	157	153
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity	193	190	193	193	193	192	172	192	192

	has flexibility regarding the placement of this disclosure)									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	200	197	200	200	200	199	178	199	199
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	197	194	197	197	197	196	176	196	196
10. a1.	Performance against above policies and follow up action: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	196	192	196	196	196	195	174	194	195
10. a2.	Performance against above policies and follow up action: Frequency Disclosed	195	191	195	195	195	194	174	193	194
10. b1.	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	197	193	197	197	197	196	175	195	196
10. b2.	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances: Frequency Disclosed	195	191	195	195	195	194	174	193	194
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	85	88	91	86	87	93	72	86	90

 # Number of companies which disclosed data in BRSR for FY 2022-23.

For all principles except P7, more than 98% disclosures were observed with respect to policy formulation (based on disclosures in BRSR Table). Higher positive responses on these principles viz. Principle 1 (Ethics), Principle 3 (Employees), Principle 4 (Stakeholders) and 5 (Human Rights), can be attributed to the fact that some of these policies flow from various legal mandates in India and hence most companies have formal policies to comply with the law on these principles.

Except for question relating to formulation of policies and oversight of such policies, no other question observed similar highly positive response across the sample.

- Among the nine principles, least number of sample companies responded positively for disclosures on Principle 7 (i.e. Public Advocacy).
  - 22 companies do not have policy on Principle 7.
  - Out of the 22 companies, 12 have disclosed other reasons which are not particularly defined, 4 have stated that policy on P7 is not particularly material to them, 3 stated that they are not at the stage of formulating the same and 2 does not have resources to formulate the same. And, the remaining one company is in the process of planning to make such policy available by next financial year.
- All the sample entities have disclosed policy on P1 i.e. ethics.
- Most sample companies responded in the affirmative manner to the question if they had formulated a policy on the principles of BRSR.
- On other questions the sample entities have performed poorly, such as on Question 4 - if the policy conforms to national or international standard, across the 9 principles, on an average basis only 162

companies have made disclosures, which is ~17% less than the average number of 196 companies disclosing information on Question 1.

- Similarly, for question (Q5 and Q6) whether the company has set targets, specific commitments, goals with defined timelines and performance thereon, on an average 159 companies on Q5 and 153 companies on Q6, disclosed the same.

- For question, whether the company has carried out independent audit / evaluation of the working of this policy by an external agency (Q11), entities have performed very poorly, lowest disclosure were observed i.e. on an average only 86 companies made disclosures across the 9 principles, which is ~56% less than average number of 196 companies disclosing information on Question 1. Probably because it is not mandatory as yet and on voluntary basis it might appear to be an avoidable cost, as its importance is yet to sink in.

- Second worst performance was observed for question requiring the link for the policy to be viewed online wherein on an average only 164 companies made disclosure, with only 100 companies disclosed link to the policy on Public advocacy (P7). At times, companies only provide link of the website and not specific documents. Therefore, scores were deducted in case SES could not locate such policies on the company's website.
    - In absence of such hyperlinks, it is inconvenient for stakeholders to search a company's website to find relevant information, especially, for those stakeholders which are not tech-savvy.

- Further if any company does not have policy on any of the 9 principles, they have to disclosed reason for not having such policy; and to disclosed necessary steps taken.

- Some of the companies failing to disclose policies under P2, P6, P8 and P9 have not even disclosed such further steps to be taken.

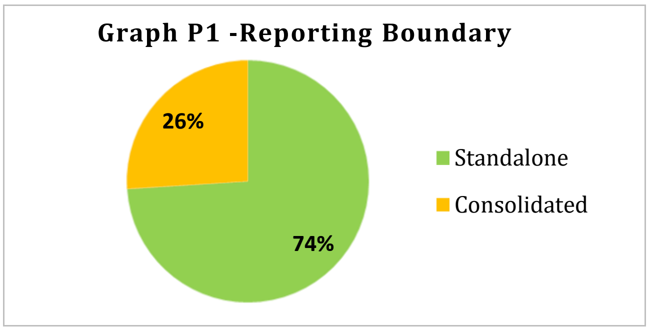
- Companies shall make such disclosures keeping in mind the following, *"The key objective of this Policy is to ensure a unified and common approach to the dimensions of Business Responsibility across the Company and act as a strategic driver that will help the Company respond to the complexities and challenges that keep emerging and be abreast with changes in regulations."*

DISCLOSURE ON REPORTING BOUNDARY

Consistency in reporting boundary – The BRSR seeks disclosure of the reporting boundary i.e., whether the reporting is done for the entity on a stand-alone or consolidated basis Listed entities shall ensure consistency in reporting boundary across the report.

- *Guidance note for Business Responsibility & Sustainability Reporting format*

Graph P1 shows entities with their BRSR Reporting boundaries:



Out of 200 Companies in the sample, 26% of the Companies have disclosed their reporting boundary on consolidated basis, while 74% of them have disclosed Standalone basis as their reporting boundary.

REFERENCES TO ESG DISCLOSURE PRACTICES - TCFD, GRI, & IR

GRI is an independent international organisation whose framework is widely used by businesses and stakeholders to understand and communicate their impact on sustainability issues such as climate change, human rights, governance, and social well-being.

- *The standards provide for qualitative and quantitative information disclosures under universal and specific standards. The universal standards seek information on general management parameters and specific standards enable reporting as per relevance to business operations.*
- *The GRI does not assess companies' conformity with its reporting guidelines.*

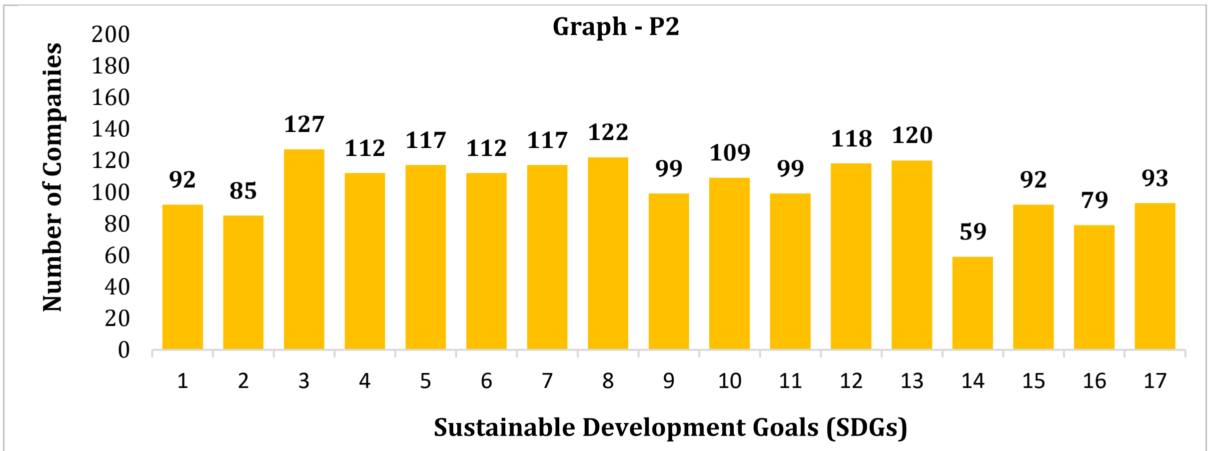
-GRI

- Out of the 200 sample entities, 129 companies provided references to Global Reporting Initiatives ("**GRI**") or International Integrated Reporting Council – **IR** Framework in their integrated reporting.
- Further, 56 companies have provided references and are supporters of Task Force on Climate-Related Financial Disclosures ("**TCFD**").
- Besides these 185 companies, other 15 companies have neither disclosed nor discussed about referring to GRI or any TCFD standards or such reporting.

REFERENCES TO ESG DISCLOSURE PRACTICES – SDG's

The Sustainable Development Goals (SDGs) are a set of 17 global goals adopted by United Nations member states to address the world's most pressing social, economic, and environmental challenges. These goals aim to eradicate poverty, promote sustainable development, and ensure a better future for all. The SDGs cover a wide range of areas, including poverty alleviation, education, healthcare, gender equality, climate action, and more. By 2030, countries are committed to achieving these goals through targeted actions, policies, and international cooperation. The SDGs provide a comprehensive framework for sustainable development, guiding efforts to create a more equitable, inclusive, and sustainable world for present and future generations.

Graph P2 shows number of companies with disclosures on Sustainable Development Goals (SDGs):



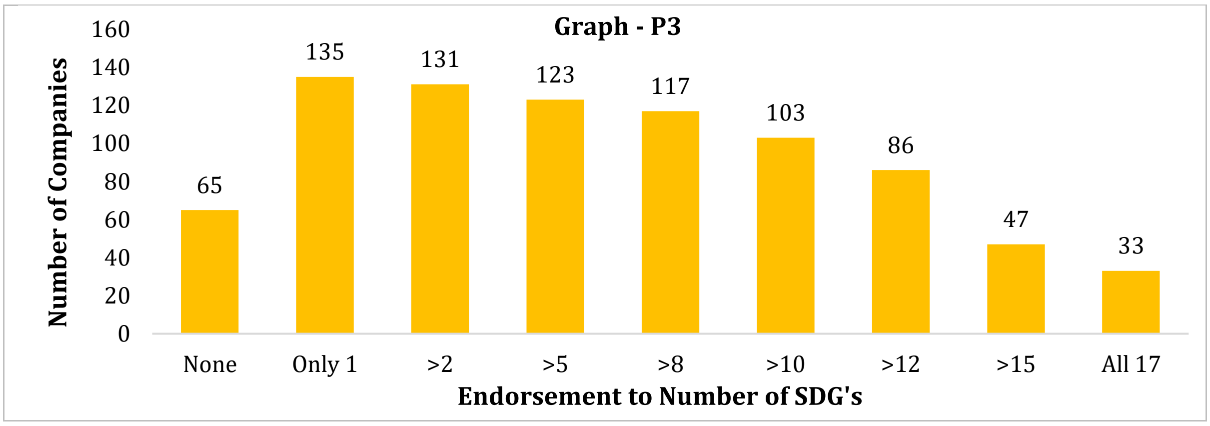
- It has been observed that the highest endorsement is made to SDG 3 (Good health and well-being), followed by SDG 8 (Decent work and economic growth) and SDG 13 (Climate action). More than 120 companies have endorsed to such SDG's.
- Every company shall understand the significance of SDG disclosure and its implications is crucial for all stakeholders in the capital market.

- If a firm's implementation of SDGs positively impacts performance, management of the company can justify the continuation of such initiatives, presenting them as practical use of shareholder's investments.

Worst performance has been observed in endorsement of SDG 14 (Life below water) i.e., only 59 companies have endorsed it.

- While SDG 14 on Life below water may be material to the companies operating in areas of crunch water situation, other entities operating in areas with sufficient water resources may not consider it material to their business. However, the journey from good to best is never a bad step, although may be voluntary, thus, each and every entity consuming water in their business should endeavour to be responsible toward the safe and better environment.
- Such non-performance shows how some companies have not linked it to their businesses and thus proved it to be somehow irrelevant for its investors as well.

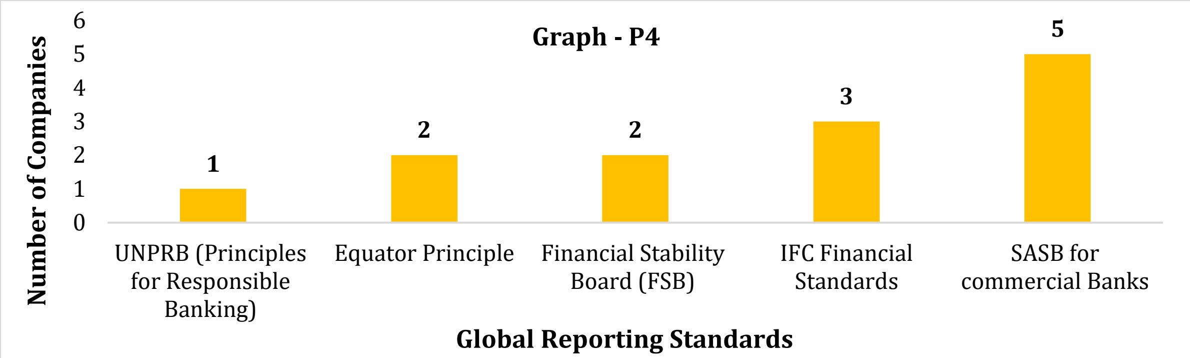
Graph P3 shows number of companies endorsing to number of SDGs:



- The above graph depicts the number of companies that have subscribed to disclose endorsement on number of Sustainable Development Goals (SDGs).
- As per the data disclosed by the sample companies, only 33 companies out of the sample have disclosed information on endorsement of all 17 SDG's. While 65 companies have not disclosed information on any of them.
- Out of 200, there are 135 such companies which have endorsed to at least 1 SDG.
- 103 Companies i.e. more than 50% have disclosed information on endorsement to at least 10 SDG's.
- While, 86 companies endorsed to more than 12 SDGs, only 33 could make it to 100% in 17 SDGs. This indicate that it is the last lag where majority of the companies are missing; as there would be companies whom all 17 SDGs are not material considering their business nature.
- However, the kingdom of 17 SDGs is very far, as here 65 companies have not even taken a step towards this measure and still a large rope to cover for them.

GLOBAL REPORTING STANDARDS (GRS) (Only for Banks)

- GRS are standards that help banks in understanding their impact on the world while they provide essential services to all other sectors of the economy and improving issues like financial inclusion.



- Out of 20 Banks forming part of the sample entities, only 5 have aligned their disclosures with SASB for commercial banks.

15 such Banks have not disclosed information on aligning such standards with their operations. Through the Principles, banks shall act to align their core strategy, decision-making, lending and investment.

- Only 1 Bank has made disclosures on alignment with UNPRB (UN Principles for Responsible Banking) and interestingly that Bank is the one with highest overall ESG score.
- Further, only 2 Banks have aligned their disclosures with Equator Principle and Financial Stability Board. Reporting with these principles depict them as responsible corporate who is cognizant of their environmental footprint.

The Equator Principles (EPs) are intended to serve as a common baseline and risk management framework for financial institutions to identify, assess and manage environmental and social risks when financing Projects.

- 3 companies have voluntarily adopted IFC Financial Standards. IFC Financial Standards are adopted to strengthen Environment and Social Policy with the overall credit risk assessment framework of the banks and conduct necessary due diligence and evaluate identified borrowers by employing an ESG lens throughout the process.

MATERIAL ISSUES

- Out of 200 companies in the sample, 185 companies have disclosed information regarding environmental and social material issues such as Climate Change, Product and Plastic Packaging, Energy and Emission Management, Low Carbon and Sustainable Products, Health, Safety & Well-being, etc.
- Each company has identified their own issues and whether or not such an issue is a risk or opportunity, accordingly stated their rationale. Appropriate actions in case of risk have been disclosed. Financial implications are stated either as positive or negative varying according to each company.

There are 15 such companies which have not disclosed any such information and statements regarding the risk or opportunities material to their business.

- Objective behind such disclosure is to address risks impacting operations, demand for products or services, etc, which result in impacting climate and human rights, while opportunities can include cost savings through resource efficiency, development of new products and services, access to new market, skill development of employees, innovation and technological upgradation, etc.

II - 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. To keep pace and reflect changes in disclosure requirements evaluation model has also undergone significant changes from 2021 to 2023. As a result, changes in score in 2023 compared to 2021 does not necessarily mean changes in performance; different regulatory requirements, enhanced overall industry practices and in-depth evaluation may also have had their impact.

EVALUATION STATISTICS				
2023	QUESTIONS	291	PARAMETERS	793
2021	QUESTIONS	138	PARAMETERS	434

YEAR	SCORE – ENVIRONMENT							
2023	MAX.	79	AVG.	52	MED.	51	MIN.	32
2021	MAX.	77	AVG.	49	MED.	49	MIN.	31

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
58.3 – Healthcare (2023) 52.3 – Cement (2021)	79.0 – Financial Services (2023) 77.0 – Consumer Goods (2021)
55.9 – Information Technology (2023) 52.1 – Consumer Services (2021)	75.2 – Financial Services (2023) 70.7 – Others (2021)
54.8 – Consumer Durables 50.9 – Consumer Goods (2021)	75.2 – Financial Services (2023) 70.0 – Cement (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
43.4 – Chemicals 46.7 – Oil & Gas (2021)	32.1 – FMCG Industry (2023) 30.9 – Others (2021)

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 14 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, score of all 200 sample entities have been considered to show holistic view.

BRSR DISCLOSURES:

- In the FY 2022-23 BRSR, from the 200 sample entities, only 138 entities have made disclosures on Leadership Indicators and 62 entities have failed to do so. Thus, the data on Renewable Energy Consumption, Effluent or Waste Water Management, Water Management in Water Stressed Areas, Scope 3 Emission, etc. which are part of Leadership Indicators are not available for these companies in the adequate or comparable form.
- Further, in case of Essential Indicators, while it is mandatory for all the entities to report data as per BRSR requirement on each parameter, there have been cases where the companies have failed to provided adequate disclosures; and rather they have stated that data was negligible or not material or they are in the process of majoring data or similar subjective reasons were provided. While all these entities have tried to be technically compliant or comply in letter, however, they have failed to comply in spirit by not providing adequate disclosures.

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	**79**	**52**	**51**	**32**	**47**	**27**
Healthcare	68	**58**	**60**	44	24	**10**
Information Technology	69	56	56	37	32	13
Consumer Durables	65	55	55	**45**	**20**	11
Financial Services	**79**	55	53	38	**41**	**24**
- Banks	**79**	**59**	**60**	41	**38**	**20**
- Insurance	63	48	46	38	25	15
- Other Financial Services	65	53	54	39	27	13
Automobile and Auto Components	68	54	56	42	27	14
Construction Materials	66	54	52	43	23	12
Fast Moving Consumer Goods	75	52	54	**32**	**43**	**23**
Others	66	51	52	36	30	15
Metals & Mining	64	51	49	40	24	13
Oil Gas & Consumable Fuels	65	50	49	39	26	15
Power	61	49	51	39	22	12
Capital Goods	57	48	50	36	21	**9**
Consumer Services	62	45	44	34	28	17
Chemicals	54	43	43	34	**19**	**10**

Interpretation/ Commentary:

- On average basis, Healthcare industry has performed better in comparison to others industries, with average score of 58 against the sample average of 52. Similarly, IT, Consumer Durables, Financial Services, Automobile & Auto Components and Construction Materials industries' average has surpassed the average score of sample entities.

- On Maximum Score basis, Financial Services has highest score i.e. Banks (79), followed by FMCG (75) and Information Technology (69).
- Among the minimum score, Consumer durables industry has scored highest i.e. 45; whereas the minimum score across the sample is only 32, showing that considerably the consumer durables industry has performed better.
- The Max-Min spread is 47, which is much higher than the minimum score of 32. It indicates that there is large gap to be filled by many entities to match performance of the entities who have scored better. Except for Consumer durables and Chemical industries none of the industry has max-min spread of less than 20. The lowest spread is in Chemicals industry, due to highest being merely 54, 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. For example, in FMCG Sector maximum score is more than two times the minimum score, indicating scope for improvement.
- 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.	
	2021	2023	2021	2023	2021	2023	2021	2023
2.1. General Disclosures	21	**11**	67	**77**	70	**79**	95	**100**
2.2. Sustainable Products/Services	24	**12**	56	**57**	55	**58**	97	**95**
2.3. Energy Consumption	0	**3**	37	**36**	36	**35**	82	**82**
2.4. Renewable Energy	0	**0**	36	**31**	32	**31**	98	**83**
2.5. Air Emissions	7	**0**	38	**38**	39	**36**	88	**93**
2.6. Water Consumption	0	**1**	37	**44**	32	**40**	95	**97**
2.7. Effluents Management	6	**0**	35	**69**	25	**80**	100	**100**
2.8. Waste Management	3	**0**	32	**48**	30	**51**	95	**94**
2.9. Environmental Incidents	33	**30**	96	**96**	100	**100**	100	**100**
2.10. Indirect Environment Impact	-	**3**	-	**37**	-	**28**	-	**84**

Interpretation/ Commentary:

- 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. Whereas in 2021 only 2 factors had maximum score of perfect 100.
- 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.
- Highest average score of 96 was observed in Environmental Incidents (indicating almost no or negligible incidents) followed by General Disclosures (77).

- Surprisingly on 4 key environmental parameters; Renewable energy (2 Companies), Air emissions (5 Companies), Effluents Management (1 Company) and Waste Management (2 Companies), some Sample companies have got a score of zero.
- Further, average score on Energy Consumption, Renewable Energy, Air Emissions and Indirect Environment Incidents was less than 40 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.

2.1. 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.

BRSR Reference: Principle 2 & 6.

EVALUATION STATISTICS				
2023	QUESTIONS	29	PARAMETERS	69
2021	QUESTIONS	18	PARAMETERS	18

YEAR	SCORE – GENERAL DISCLOSURES & PRACTICES							
2023	MAX.	100	AVG.	77	MED.	79	MIN.	11
2021	MAX.	95	AVG.	67	MED.	70	MIN.	21

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
87.7- Construction Materials (2023)	97.5- Information Technology (2023)
79.3 – Metals (2021)	94.7 – Multiple Companies (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
70.1- Consumer Services (2023)	47.0- Others (2023) *
37.2 – Consumer Services (2021)	21.3 – Multiple Companies (2021)

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.
- Except minimum score, all other scores have been better in 2023 compared to 2021. The minimum score which was 21 in 2021 further moved down to 11. In 2021 the lowest scoring entity was from Consumer services Industry, whereas in 2023 it was from Financial services industry.
- Construction Materials Industry (87.7) has outperformed all other industries/ sectors. Next best is IT Industry (at 85.5).
  - All Companies under Construction Materials 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, Construction Materials, FMCG, Healthcare, Metals & Mining and Oil Gas & Consumable Fuels have identified environmental risks and opportunities.
- All industries except Financial services have disclosed and discussed on waste management practices.

GENERAL DISCLOSURE & PRACTICES RELATED TO ENVIORNMENT:

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****.*

- Metals & Mining, Power, Construction Materials & Consumer Durables industries have observed 100% disclosure rate in board level oversight over climate related issues.
- Most Companies have either committee such as SRC, CSR, ESG, and RMC 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 procedures in place for the same.
- In case of projects to reduce GHG emission, the overall disclosure rate stands at 88% i.e. only 175 Companies out of sample entities made adequate disclosures on these projects, 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.
- Sectors heavily reliant on fossil fuels, such as Oil Gas & Consumable Fuels and Power, may 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 Consumer Services and Financial Services Industry with disclosure rate 67% and 64% respectively.
- Most Companies have disclosed a common environment policy which covers topics such as energy, air emission and water consumption, etc. While some disclose a BRSR policy covering regulations on environment, social and governance parameters of the Company. Total 166 out of the 200 Companies i.e. 83% have disclosed environment policy and rest have stated in Principle 6 of BRSR, that the company has a policy on environment, however, no separate disclosures on website.
- Waste management is not perceived as a core operational concern within the financial sector (Only 89% entities in this industry disclosed data) compared to industries directly involved in manufacturing or production. Financial institutions shall prioritize other ESG issue such as climate risk management over waste management.

- Companies falling under Financial services industry have the lowest rate of disclosure on environment policies. Only 62% i.e. 28 out of 45 have disclosed environment policy and merely ~2% i.e. 1 entity has a waste management policy, rest no discussion or disclosure has been made on energy, air and effluents policy by such entities.

- Construction and Metals & Mining are the 2 industries where disclosure rate on average was ~65% for all environmental policies.

- 185 companies have identified environment related risk or opportunities; and out of which 125 such companies have dislcosed strategies or initiatives to address environmental issues, caused by them. Highest disclosures are observed in Chemicals, Construction materials, FMCG, Healthcare, Metals & Mining and Oil & Gas industries and lowest in Financial services industry. However, Consumer Durables industry leading in disclosing specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, with all the entities disclosing relevant information.

<u>Leading Endeavours (The Trend Setters):</u>

- Installation of Roof Top Solar Power Plant. Outcome: 66,41,152 kWh generated in FY 22-23.

(a company from – Consumer Durables Industry)

- Catalytic Gasification Technology for the Conversion of Biomass: To develop a highly reliable and commercially viable low-temperature catalytic gasification process for the conversion of biomass to green hydrogen. Outcome: Demonstration and Commercialisation of R&D’s In-house developed technology.

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

- Industrial scale carbon capture and utilisation (CCU) plant-UK, Outcome: To make the world’s first carbon neutral sodium bicarbonate. Reducing carbon by 40,000 tonnes.

(a company from – Chemicals Industry)

- 100 companies made disclosures regarding afforestation, plantation of trees. While out of 9 Company from the Consumer Services industry only 1 has disclosed regarding the same.

- All the 7 Construction Companies and 9 Metals & Mining Companies in the sample have disclosed and discussed about bio-diversity / plantation.

- However, only 32 Companies in the sample have disclosed bio-diversity policy; best being Metals & Mining industry with 7 out of 9 followed by Construction Materials with 5 out of 7 and Consumer Durables and Financial services industries being worst with zero disclosure rates.

<u>Leading Endeavours (The Trend Setters):</u>

- Tree plantation at all plant locations, as well as at the Regional Parts Distribution Centers.

(a company from – Automobile Industry)

- Plantation by individual stations: XYZ plants do massive afforestation each year and add around 1 million trees each year.

(a company from – Power 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.

- 100% performance has been seen in Consumer Durables and Metals & Mining industry 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. Accordingly taking adequate steps to improve it.
- Least performing industry under this parameter is the Consumer Services industry. As such disclosure is a part of leadership indicators as per BRSR format, many companies have not disclosed such leadership indicators.

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."***

- In sample companies, **92 companies** have disclosed presence of **Environment Management Systems & certification** for **all plants or facilities** and **39 companies** have disclosed presence of Environment Management Systems & certification for **some plants or facilities.** Rest 69 companies have not made any disclosure.
- Existence of Environment Management System is observed most in Construction Materials industry followed by Automobile and Auto Components, Information Technology, Metals & Mining, Oil Gas & Consumable Fuels and Power industry. This performance is probably due to sectoral regulation as also attention paid to these sectors and not necessarily better than others policy.

Leading Endeavours (The Trend Setters):

- XYZs' Sustainable Development Ambition 2030 provides strategic direction to the company's long-term sustainability vision. All plants are ISO 14001 certified.

  (a company from – Construction Industry)

- Your Company is an ISO 45001:2018, ISO 9001:2015, ISO 14001:2015, and ISO 50001:2018 certified company. This demonstrates the highest level of structure and commitment from all levels of the organization to keep safety, quality, environment, and energy management systems as its top priority and value.

  (a company from – Oil Gas & Consumable Fuels 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*

- While primarily 46% of the Companies in the sample have disclosed Environment Management Systems for all plants and facilities, only 18% of the sample have disclosed about having Energy Management System for all plants and facilities.
- Further, 10% of the sample entities (20 entities) have disclosed about certification (ISO 50001) on Energy Management System for some plants and facilities.
- Further, 8 entities have discussed about Energy Management System, however, no disclosures regarding the implementation of such system or certification in this regard.

👎 136 Companies have neither disclosed any information nor discussed about Energy Management Systems.

👍 6 out of 7 companies under Construction Materials industry have disclosed existence of Energy Management Systems and certification for all plants and facilities, being best in the sample.

👎 None of the entities from Chemicals, Consumer services, FMCG and Financial services industries have discussed or disclosed any information about the Energy Management System.

Leading Endeavours (The Trend Setters):

- In FY 2022-23, we obtained ISO 50001 certificates for all main data centers and developed XYZ's Energy Policy in accordance with Energy Management System (EnMS) guidelines.

(a company from – Telecom Industry)

- ISO 50001 Certification Three of our sites are certified for ISO 50001 (Energy Management System), and the Company conducts yearly audits and takes up improvement plans.

(a company from – Healthcare Industry)

- We follow a Plan-Do-Check-Act based energy management system (ISO 50001) at our plants to ensure effective energy management. This includes baseline determination, energy management targets, internal and third-party audits, and continual improvement to remain focused on energy management.

(a company from – Construction 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*

- Presence of such LEED certification is zero for all plants or facilities in Chemicals, Consumer Durables and Consumer Services, Metals & Mining and Power industry.

- Highest disclosure of LEED certification for all plants and facilities is observed in IT sector i.e. 31%. Establishment of such green buildings also offer productive, safe and healthy workplaces for employees, clients and contractors and also set a benchmark in the industry.

- In accordance with the norms, such green buildings are designed to promote efficient use of energy and resources. Thus, showcase companies' commitment towards sustainable practices.

Leading Endeavours (The Trend Setters):

- All new campuses owned by XYZ are designed according to green building standards for energy and resource efficiency. They have roof-top solar photovoltaic installations to reduce the carbon footprint. Currently, 36 XYZ offices, with over 23.68 million sq. ft of office area, are certified green buildings by Indian Green Building Council (IGBC). These make up over 64.6% of XYZs' total real estate portfolio in India.

(a company from – IT Industry)

- 96.47%, equivalent to 12+ million sq. ft, of this green building certified area is rated with "Platinum" or equivalent ratings, the remaining 3+% is rated with "Gold", "Silver" or equivalent ratings. All XYZ campuses are LEED "Platinum" certified by USGBC or IGBC. In addition to this, Chennai, Bangalore, Madurai and Noida campuses are also certified under ISO 50001: 2018 Energy Management System.

(a company from – IT Industry)

2.2. 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.

BRSR Reference: Principle 2 & 6.

EVALUATION STATISTICS				
2023	QUESTIONS	25	PARAMETERS	59
2021	QUESTIONS	30	PARAMETERS	58

YEAR	SCORE – SUSTAINABLE PRODUCTS / SERVICES							
2023	MAX.	95	AVG.	57	MED.	58	MIN.	12
2021	MAX.	97	AVG.	56	MED.	55	MIN.	24

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
74– Information Technology (2023)	94.9– Metals & Mining (2023)
61.4 – Pharma (2021)	96.7 – Chemicals (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
45.5– Capital Goods (2023)	12.3– Metals & Mining (2023) *
41.0 – Consumer Services (2021)	24.4 – Consumer Services (2021)

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. i.e. Packaging in Financial Services companies was not applicable and not evaluated.
- Highest score was observed in IT industry. IT companies have made disclosures on parameters applicable to them such as sustainable sourcing / initiatives that result in better environment, sustainable practices.
- However, average score of this section is only 57. This is probably due to the fact that there were no uniformly prescribed / standardised disclosures requirements. Even companies within same industry do not have consistent disclosure. As can be seen in case of Metals and Mining, both best and worst companies are from same sector.
- The minimum score has fallen to 12 (Metals & Mining Industry) in 2023 compared to 24 (Consumer services industry) in 2021.

- While average and median have improved marginally.
- Capital Goods industry has scored lowest, as there were limited disclosures on LCA and reclaiming of products.

SUSTAINABLE SOURCING:

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.

- 154 companies have disclosed that they have procedures in place for sustainable sourcing.
- 147 companies disclosed steps or initiatives taken for sustainable sourcing.
- Only 100 companies have provided relative data on sustainable sourcing i.e. % of inputs sustainably sourced.
- 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):

- "For our Oil to Chemicals business, we have adopted a proprietary 'Sustainable Procurement' solution offered by an independent third-party, 'EcoVadis'. **As on March 31, 2023, we have engaged with over 90% of our suppliers.** This is not applicable for Exploration & Production business as sourcing is to be carried out as per procedure stipulated under Production Sharing Contract signed with Govt. of India."

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

- We source 100% of input materials in a sustainable manner. We assess and undertake aspects of sustainability with all our suppliers through our supplier code of conduct. Further we also periodically rate our suppliers through our vendor rating system that covers aspects of ESG.

  (a company from – Healthcare Industry)

- 100% of key suppliers support the sustainable sourcing approach. This year, the Company held a training/ awareness session with the key suppliers (representing 80% of the spend value) to update them on Company's vision for responsible procurement and policies. Majority of the key suppliers are ISO 22000 certified and some of them hold additional credentials such as ISO 14001, OSHAS 18001, HACCP, RSPO, GFS and so on, which covers their commitment towards environment, social and governance and Quality Assurance team, conduct timely audits to ensure their compliance.

  (a company from – Consumer Services Industry)

EXTENDED PRODUCER RESPONSIBILITY:

*"**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

- Entities operating in Consumer Durables industry have adequate procedure in place regarding EPR and submitted waste collection plan to Pollution Control Board (PCB) and if not, then disclosed steps to address the same. Followed by industries such as FMCG, Constructional Materials, Healthcare and Automobile and Auto Components Industry.
- Out of 15 entities under Healthcare industry, only 12 have EPR in place and 11 of them have submitted the plan in line with EPR to PCB. However, only 1 has not submitted such plan but addressed steps such as "*It is channelized to create recycled products or utilized as an alternate energy source. Further, we have eliminated patient information leaflets from our products by digitizing them. In addition to reducing costs, this has also reduced paper consumption and waste. In FY23, we achieved our EPR target with 100% completion, collecting and channelizing 1,956 MT of plastic waste to processors."*
- 1 out of 3 entities which does not have EPR in place, has stated that, *"As XYZ is involved in providing healthcare services and does not fall into category of "Producer" in line with Plastic Waste Management Rules, 2016, (as amended Plastic Waste Management Rules 2022) the Extended Producer Responsibility is not applicable on the Company."*
- **This indicates that probably clubbing service sector with manufacturing sector of healthcare industry might require a re-look, as environment related issues are vastly different.**
- Further, another company has stated that, *"EPR is not applicable. But as a responsible consumer of plastic, we ensure proper disposal and all the prescribed norms concerning handling and disposal of plastics are adhered to."*
- Similarly, such non-applicability reasons have been given by most companies from IT and Power Industries as well.
- From those entities, where EPR was applicable, majority have EPR in place and submitted the plan to PCB. However, some entities which do not have such plans, despite requirement, have disclosed that they are in process for registration or in complying with Waste Management Rules.

LIFE CYCLE ASSESSMENT:

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)

- 53 companies out of the sample of 200 i.e. ~27%, have disclosed about having performed Life Cycle Assessments ('LCA') of their product. While in 2021, around 31 entities out of sample of 100 i.e. 31%; had made the relevant disclosures on LCA.
- None of the companies under Consumer Services industry have performed LCA. As for example one of them have stated that, "*In the current financial year, the Company has not carried out LCA since the nature of its business suggests a relatively small environmental footprint*."
- Since LCA is not only to be carried out for companies manufacturing products but also providing services. The service industry shall as well take up such assessments.
- One of the companies belonging to Metals & Mining industry 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.

Leading Endeavours (The Trend Setters):

- To ensure the quality delivery of products, we conduct Life Cycle Assessments (LCA) at downstream (FRP & Extrusion) and refinery plants to identify the potential impacts of products and services during their entire lifespan. The results of the LCA are used to implement measures to reduce the identified impacts of our products. In FY 2022-23, we commenced the process of refreshing the LCA for both our aluminium and copper manufacturing products. This is expected to be completed in FY 2023-24.

(a company from Metals & Mining industry)

RECLAIMING OF PRODUCTS:

- 104 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.
- 52 companies in the sample have stated that such processes are not applicable to them due to nature of their business and industry they prevail in.
- FMCG industry is the industry with highest disclosures 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 higher 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 PETE 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.

R&D AND CAPITAL EXPENDITURE (CAPEX):

Investing in Research and Development (R&D) as well as Capital Expenditures 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.

By allocating resources to R&D and capital expenditures (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.

- Only 74 companies have actually allocated resources to R&D and 100 companies towards CAPEX i.e. less than 50% of the companies in sample.
- 71% of companies under Construction Materials industry have invested towards R&D and CAPEX for initiatives such as New product development, 3D printing material, energy efficiency equipment, Waste Heat Recovery System, alternative fuels, blended cement, Energy and water audits, Rainwater harvesting, Plantation, etc.
- Lack of uniformity was noticed in disclosures made under this category. While some companies provided data in relative numbers, others provided in absolute terms. In few cases, data was not provided and they rather stated, "*Your Company's XYZ is an operational property that does not have any environmental or social impact and hence investment in research and development activities is not applicable, with respect to capital expenditure in specific technologies to improve the social and environmental impacts of our products.*"

Leading Endeavours (The Trend Setters):

- The Company has implemented Robotic arm & Auto Grinding Technology, which has resulted into reduction of plastic waste generation. Furthermore, the Company is also dedicated to creating cutting-edge, energy-efficient products, such as BLDC fans and green wires, to promote sustainability and reduce carbon footprint.

  (a Company 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 low temperature curable industrial paints.

  (a Company from Consumer Durables industry)

- The R&D team has been focusing on how we could impact these 3 vectors- our employees, customers, and society. This year, the focus and thereby investments have been in new technologies like Metaverse and Quantum.

  a. We have extended BHAML (Bharat Markup Language) to people across country helping them to code in their own language. We are also taking it international by exploring development in Arabic and Bahasa,

b. Metaverse has been taken to customers across different domains like Banking, Retail, Manufacturing. Creating of Metabank / Retail stores will reduce the numbers of physical offices, helping to sustain environment,

c. Quantum is a telescopic bet, and the objective is to create a quantum ecosystem in India. We are training our associates and students of XYZ University on quantum through our initiatives. We are also training associates, students of Oman Universities and customer associates on new technologies.

(a Company from IT industry)

2.3. 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 achievements.

BRSR Reference: Principle 2 & 6.

EVALUATION STATISTICS				
2023	QUESTIONS	13	PARAMETERS	55
2021	QUESTIONS	13	PARAMETERS	49

YEAR	SCORE – ENERGY CONSUMPTION							
2023	MAX.	82	AVG.	36	MED.	35	MIN.	3
2021	MAX.	82	AVG.	37	MED.	36	MIN.	0

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
50.0 – Metals & Mining (2023)	82.0 – Chemicals (2023)
48.6 – Consumer Goods (2021)	81.7 – Cement (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
26.8 – Consumer Services (2023)	12.6 – Consumer Durables (2023) *
27.8 – Others (2021)	0 -Services (2021)

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 Durables and Consumer Services companies have scored less due to inadequate disclosures.

Section 134 of the Companies Act, 2013 mandates disclosure of information relating to energy consumption and conservation.

'Conservation of Energy' was universally discussed issue across Sample.

Few companies have made only generic disclosures related to impact on conservation of energy.

Generic disclosure on energy consumption / usage data does not facilitate any meaningful analysis.

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

ENERGY CONSUMPTION (Absolute):

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

Systematic, comprehensive, structured and consistent data is a pre-requisite for any meaningful analysis. It is vital that disclosures related to energy consumption performance of the Company during a particular financial year are made properly and comprehensively. Prior to introduction of BRSR on mandatory basis, analysis as well as comparative analysis was not only difficult but less meaningful as well. As data was not available for all the companies in an index or sector. Making BRSR mandatory has not only made it possible and handy for the Companies to disclose data in a specific format, but facilitated a comparative meaningful consistent analysis to track the performance. It has also made it easy for companies to benchmark their performance with peers, paving way for all round improvements, as investors can also demand that company improve their performance vis a vis their peers.

In the 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 from Sample which have made disclosures on energy consumption during last two FYs in their BRSR Report for FY 2022-23:

TABLE E1: NUMBER OF COMPANIES DISCLOSING ENERGY CONSUMPTION (ABSOLUTE)

INDUSTRIES	#	2022		2023	
		#	%	#	%
Sample	**200**	**188**	**94%**	**195**	**98%**
Automobile and Auto Components	15	15	100%	15	100%
Capital Goods	17	17	100%	17	100%
Chemicals	11	11	100%	11	100%
Construction Materials	7	7	100%	7	100%
Consumer Durables	6	6	100%	6	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Healthcare	15	15	100%	15	100%
Information Technology	13	13	100%	13	100%
Metals & Mining	9	9	100%	9	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Power	9	9	100%	9	100%
Others	17	16	94%	17	100%
Consumer Services	9	8	89%	9	100%
Financial Services	45	35	78%	40	89%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- The above disclosures are as per the BRSR Report for FY 2022-23.
- Number of companies reporting data on energy consumption have marginally increased y-o-y.
- In FY 2022-23, all entities across the industries except for Financial Services have disclosed data on absolute energy consumption.
- Five Companies, which have not disclosed data on energy consumption for FY 2022-23 are also part of the Twelve Companies which have not disclosed the same data for FY 2021-22.

- A common reason advances among these entities is that *"X is a NBFC or involved in financial assistance and does not have any production/manufacturing facility, therefore its energy consumption is limited."*
- Other seven entities which have disclosed data on FY 2022-23 and not on FY 2021-22, have commonly reported that *"In the previous fiscal year, the Company did not monitor data on energy consumption"* or *"Data on energy consumption has been tracked and made publicly available from FY 2022-23"* or *"The Company was in early stages of its ESG journey therefore data management systems were being implemented, i.e., no data available for FY 2021-22."*

ENERGY CONSUMPTION INTENSITY:

Total energy consumption by entities is a vast major to track the performance of the entities on energy basis, as the entities involved in the sample are of very different size and industry. Thus, the energy intensity based on turnover as well as other relevant metrics is favourable measure to compare the performance of the entities as well as of the relevant industries.

The current BRSR format provides 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.

Table E2, highlights the number of companies which have made disclosures on energy intensity, the table does not show intensity but disclosures only:

TABLE E2: NUMBER OF COMPANIES DISCLOSING ENERGY INTENSITY

INDUSTRIES	#	Linked to Turnover				Other Relevant Metrics			
		2022		2023		2022		2023	
		#	%	#	%	#	%	#	%
Sample	**200**	**176**	**88%**	**183**	**92%**	**50**	**25%**	**52**	**26%**
Metals & Mining	9	9	100%	9	100%	5	56%	5	56%
Automobile and Auto Components	15	13	87%	13	87%	6	40%	6	40%
Information Technology	13	12	92%	12	92%	5	38%	5	38%
Fast Moving Consumer Goods	15	15	100%	15	100%	5	33%	5	33%
Power	9	9	100%	9	100%	3	33%	3	33%
Financial Services	45	30	67%	35	78%	13	29%	14	31%
Construction Materials	7	6	86%	6	86%	2	29%	2	29%
Capital Goods	17	17	100%	17	100%	4	24%	3	18%
Others	17	16	94%	17	100%	2	12%	3	18%
Chemicals	11	10	91%	10	91%	2	18%	2	18%
Oil Gas & Consumable Fuels	12	12	100%	12	100%	1	8%	2	17%
Consumer Services	9	8	89%	9	100%	1	11%	1	11%
Healthcare	15	14	93%	14	93%	1	7%	1	7%
Consumer Durables	6	5	83%	5	83%	0	0%	0	0%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- It is to be noted that the BRSR format provides specific disclosures on the energy consumption intensity based on turnover, however, same is optional in case of Other Relevant Metrics.
- From the data in Table E2, it is evident that disclosures level is not same all across or declines vastly when it is optional; as only 26% entities disclosed intensity based on the metrics other than turnover (which is mandatory).

- 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 entities 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.

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 has become constant at least in respect of sources of energy. However, synchronization 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. 142 entities from the sample has disclosed energy consumption in GJ (Gigajoule) and 40 entities in multiples of joules. However, 10 entities have disclosed data in units other than joules.
- Out of these 10 entities, 5 have disclosed data in KWH (Kilowatt hour), 4 have disclosed data in MWH (Megawatt hour) and 1 entity has disclosed in Lakhs Units without specifying any unit, rather just mentioning that XYZ consumed ABC Units of energy.
- While energy disclosed in Kilowatt-hour or Megawatt-hour can be converted into Joules, however, in past SES has seen discrepancies while converting data disclosed by the companies. Therefore, in this report, we have refrained from converting data from one unit to another unit. Thus, data on energy consumption was analysed only where it was disclosed in Joules or Multiples.
- Further, out of remaining 8 entities, 5 have not disclosed any data on energy consumption and remaining 3 have disclosed data on energy consumption, however, they have failed to precisely disclose the measurement units. These entities are from across the industries and not specific to any particular industry, thus, appearing an unintentional error.
- While in case of absolute energy consumption, majority of the Company 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.
- However, it is not the case for intensity based on other relevant metrics, as 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- PERFORMANCE:

Table E3: Analyses performance of companies with respect to energy consumption i.e. whether the companies managed to decrease absolute energy consumption.

TABLE E3: PERFORMANCE: ENERGY CONSUMPTION (ABSOLUTE) (NUMBER OF COMPANIES & % CHANGE IN ENERGY CONSUMPTION)			
INDUSTRIES	FROM FY 2021-22 to FY 2022-23		
	Total (#)	↓	↑
Sample	**188** / 200	**49**	**139**
Healthcare	15 / 15	6	9
Oil Gas & Consumable Fuels	12 / 12	7	5
Power	9 / 9	3	6
Fast Moving Consumer Goods	15 / 15	7	8
Chemicals	11 / 11	5	6
Metals & Mining	9 / 9	4	5
Automobile and Auto Components	15 / 15	1	14
Capital Goods	17 / 17	3	14
Construction Materials	7 / 7	1	6
Consumer Durables	6 / 6	1	5
Others	16 / 17	5	11
Information Technology	13 / 13	1	12
Financial Services	35 / 45	5	**30**
Consumer Services	8 / 9	**0**	8

 # Number of companies, which disclosed data. | ↓ - Number of Companies where absolute Energy Consumption Decreased and ↑ - Number of Companies where absolute Energy Consumption Increased from last year. | Note: Excludes companies whose data was not comparable.

- **Note:** An entity from the Power Sector has been excluded from the above data, as the entity's energy consumption as per BRSR disclosure has increased more than 7 times. In reason for such high increase, entity has stated that *"Reason for the increase in total energy consumption y-o-y is due to RE consumption accounted in FY 2022-23* ***which was not included in FY 2021-22****."*
- Across the sample entities, only 49 entities were able to decrease their absolute energy consumption, whereas the same has increased for 139 companies.
- 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 drawn on the energy consumption intensity, where the analysis is considered on the intensity based on turnover of the entity.

ENERGY CONSUMPTION INTENSITY- PERFORMANCE:

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

TABLE E4: PERFORMANCE BASED ON ENERGY INTENSITY LINKED TO TURNOVER (NUMBER OF COMPANIES & % CHANGE IN ENERGY CONSUMPTION)				
INDUSTRIES	**#**	**FROM FY 2021-22 to FY 2022-23**		
		↓	**↑**	**Same**
Sample	**176 / 200**	**131**	**39**	**5**
Oil Gas & Consumable Fuels	12 / 12	10	2	0
Chemicals	10 / 11	10	**0**	0
Power	8 / 9	7	1	0
Consumer Durables	5 / 6	4	1	0
Construction Materials	6 / 7	5	1	0
Automobile and Auto Components	13 / 15	12	**0**	1
Capital Goods	17 / 17	16	1	0
Fast Moving Consumer Goods	15 / 15	12	2	1
Healthcare	14 / 15	11	3	0
Metals & Mining	9 / 9	6	1	2
Information Technology	12 / 13	8	4	0
Others	16 / 17	9	7	0
Financial Services	30 / 45	17	13	0
Consumer Services	8 / 9	4	3	1

 # Number of companies which disclosed data. | ↓ - Number of Companies where Energy Consumption Intensity Decreased and ↑ - Number of Companies where Energy Consumption Intensity Increased from last year. | Note: Excludes companies whose data was not comparable or made disclosures for each plant, location wise etc.

- **Note:** An entity from the Power Sector has been excluded from the above data, as the entity's energy consumption intensity as per BRSR disclosure has increased more than 6 times. In reason for such high increase, entity has stated that *"Reason for the increase in total energy consumption y-o-y is due to RE consumption accounted in FY 2022-23* ***which was not included in FY 2021-22****."*
- Apart from the above increase and decrease in energy intensity, there were five entities whose energy intensity has remained same from last year or change is negligible.
- Across the sample entities, there were 131 entities who were able to decrease their energy consumption intensity from last year.

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 (Unit - TJ)					
INDUSTRIES	**2022**		**2023**		**CHANGE**
	EC	**AVG.**	**EC**	**AVG.**	**%**
Sample	**97,71,339**	**55,836**	**1,03,80,358**	**57,035**	**2.15%**
Financial Services	13,452	396	14,577	374	**-5.52%**
Healthcare	23,122	1,927	22,124	1,844	**-4.32%**
Oil Gas & Consumable Fuels	13,01,464	1,08,455	12,66,086	1,05,507	**-2.72%**
Metals & Mining	30,16,672	3,35,186	30,40,712	3,37,857	**0.80%**

Chemicals	89,312	8,119	93,188	8,472	**4.34%**
Consumer Durables	2,109	422	2,250	450	**6.73%**
Capital Goods	12,750	797	13,710	857	**7.53%**
Fast Moving Consumer Goods	38,394	3,199	41,436	3,453	**7.92%**
Automobile & Auto Components	31,915	2,280	34,494	2,464	**8.08%**
Others	82,357	5,490	95,562	5,973	**8.78%**
Power	43,78,911	4,86,546	48,72,557	5,41,395	**11.27%**
Consumer Services	2,457	307	3,122	347	**12.95%**
Construction Materials	7,75,521	1,10,789	8,77,249	1,25,321	**13.12%**
Information Technology	2,903	264	3,289	299	**13.29%**

*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.*

- Industry wise data was analysed based on the entities who have disclosed data in the joules or multiples, and all those who have disclosed data in other units were excluded. For FY 2021-22 out of the sample 175 entities were considered in above data and same for FY 2022-23 was 182.
- 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 2.15% in total energy consumption from last year.
- Healthcare industry has seen decrease of 4.32% in average energy consumption from last year. The probable reason for the same is that data for FY 2021-22 also includes a portion of pandemic time-frame; during which the Healthcare Industry was one of the most active industry, thus, leading to high consumption of energy in FY 2021-22.
- Further, there is 12.95% increase in the Consumer services industry (consisting of Hotels); as a number of hotels were closed for a large part of the FY 2021-22, due to the pandemic and re-opened post pandemic, leading to high energy consumption in FY 2022-23.
- An entity from consumer services industry has seen increase of almost 100% in energy consumption for last year. In reason for such high increased, the entity has stated that *"In the current financial year, the energy utilization has increased compared to the previous financial year as the offices were re-opened after COVID-19 Pandemic restrictions."*
- Further, Construction materials, IT, Consumer services and Power industries have seen highest increase in average energy consumption from last year i.e. more than 10%. However, these sectors have also seen decline in Energy Intensity as well, indicating increase and decrease in absolute energy consumption data, unless analysed with other factors may give an incorrect analysis. Similarly, intensity based on turnover will also give incorrect observation if inflation is ignored.
- Out of 14 industries included in above analysis only 3 have managed to decrease average energy consumption from last year.

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	**2022**		**2023**		**CHANGE**
	#	**EC in GJ / Rev. in Cr Rs**	**#**	**EC in GJ / Rev. in Cr Rs**	**%**
Sample	**175 / 200**	**1,395.63**	**182 / 200**	**1,174.22**	**-15.86%**
Oil Gas & Consumable Fuels	12 / 12	539.79	12 / 12	411.42	**-23.78%**
Financial Services	34 / 45	10.56	39 / 45	8.23	**-22.14%**
Chemicals	11 / 11	1,034.13	11 / 11	818.68	**-20.83%**
Consumer Services	8 / 9	47.44	9 / 9	39.02	**-17.74%**
Automobile & Auto Components	14 / 15	79.21	14 / 15	66.14	**-16.50%**
Power	9 / 9	**14,983.82**	9 / 9	**12,736.28**	**-15.00%**
Healthcare	12 / 15	177.95	12 / 15	155.1	**-12.84%**
Capital Goods	16 / 17	75	16 / 17	65.53	**-12.63%**
Consumer Durables	5 / 6	38.18	5 / 6	34.02	**-10.89%**
Metals & Mining	9 / 9	3,563.09	9 / 9	3,194.41	**-10.35%**
Construction Materials	7 / 7	5,107.39	7 / 7	4,602.49	**-9.89%**
Information Technology	11 / 13	5.1	11 / 13	4.86	**-4.73%**
Others	15 / 17	246.7	16 / 17	236.42	**-4.17%**
Fast Moving Consumer Goods	12 / 15	169.02	12 / 15	164.91	**-2.43%**

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.

- Coverage of entities for the above table is similar to Energy Consumption analysis as done in Table E5 on the above page.
- Energy Intensity as stated above is based on total energy consumption in respective industry vs the operating revenue / turnover of that industry for those entities who have disclosed data on energy consumption in Joules or multiples.
- Across the sample entities, there is a decrease of approx. 15.86% in the Energy consumption intensity based on turnover from last year.
- The above data shows that, while across **the sample energy consumption is 1,174.22 GJ to earn a revenue of Rs. 1 Crore**; whereas in power sectors the same was at 12,736.28 GJ i.e. more than 10 times the overall intensity. Similarly, IT industry consumed only 4.86 GJ energy 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 decrease of ~16% in intensity, considering the inflation of 7-8%, effective decrease is only ~8%.
- Oil Gas & Consumable Fuels, Chemicals and Financial Services industry has managed to reduce energy intensity by a significant margin i.e. more than 20% decrease can be observed; especially in the Oil Gas & Consumable Fuels Industry it has reduce by ~24%. While there would have been

efforts by these entities to better energy management, however, a parameter which has affected it majorly is the increasing oil prices. Interesting point to note is that crude oil prices have changed from average 77 $ per barrel in FY 21-22 to 90 $ per barrel in FY 22-23. This 16+% increase has resulted in increased revenue of Oil Gas & Consumable fuel entities, and simultaneously contributed to the partly decrease in the energy consumption intensity.

- Further, in case of Consumer services industry, while total energy consumption has increased, their intensity has considerably decreased. The reason for the same is predominantly the increase in their revenue due to increased operations and services.

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 improvement that, 'Conservation of Energy' was universally discussed issue across Sample in some or other form.

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):

- Old conventional cooling tower replacement with new design fan less cooling tower for power consumption reduction. (a company from – Construction Materials (Cement) Industry)
- Two conferences, one covering Aluminium Smelter & Power and another covering Alumina Refining were organized during the year. This included expert sessions on energy efficiency improvement & decarbonization and were attended by large number of both internal and external participants. (a company from – Metal & Mining Industry)
- Cooling tower online Chemical dosing and blow down system installed to improve chiller approach. (a company from – Healthcare Industry)
- Light Dependent Resistor (LDR) installation in manufacturing facility at Guwahati for corridor lights to reduce power consumption by 4,800 KWH/annum. (a company from FMCG 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 equipment's; thus, the capital investment on energy conservation equipment's plays an important role on 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 E7: Analyse industry wise performance on the Capital Investment on Energy Conservation Equipments in last two years.

TABLE E7: CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS (Rs. Crores)							
INDUSTRIES	**2022**			**2023**			**CHANGE**
	#	**INV.**	**AVG.**	**#**	**INV.**	**AVG.**	**IN AVG. YoY**
Sample	**77 / 200**	**3,670.05**	**47.66**	**81 / 200**	**4,069.81**	**50.24**	**5.42%**
Capital Goods	8 / 17	37.52	4.69	8 / 17	563.94	70.49	**1403.08%**
Fast Moving Cons. Goods	5 / 15	19.38	3.88	5 / 15	123.34	24.67	536.59%
Chemicals	7 / 11	87.76	12.54	6 / 11	131.96	21.99	75.42%
Financial Services	3 / 45	9.04	3.01	4 / 45	15.51	3.88	28.64%
Healthcare	12 / 15	382.05	31.84	13 / 15	438.44	33.73	5.93%
Consumer Durables	3 / 6	11.92	3.97	3 / 6	12.31	4.1	3.26%
Automobile & Auto Comp.	9 / 15	205.73	22.86	9 / 15	212.38	23.6	3.23%
Construction Materials	5 / 7	1,772.00	**354.4**	5 / 7	1,662.96	**332.59**	-6.15%
Consumer Services	2 / 9	61.36	30.68	3 / 9	82.93	27.64	-9.90%
Information Technology	4 / 13	12.88	**3.22**	4 / 13	9.95	**2.49**	-22.73%
Others	3 / 17	148.84	49.61	4 / 17	144.91	36.23	-26.98%
Metals & Mining	3 / 9	349.4	116.47	4 / 9	339.84	84.96	-27.05%
Power	5 / 9	135.71	27.14	5 / 9	89.05	17.81	-34.38%
Oil Gas & Consumable Fuels	8 / 12	436.47	54.56	8 / 12	242.3	30.29	**-44.49%**

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

Highest absolute investments were observed in Construction Materials Industry, although it has decreased from last year.

- Y-o-Y there is an increase of 5.42% in total capital investment, where on relative basis Capital goods industry has increased its investment significantly with FMCG to be runner-up.
- Significant change in investment from capital goods industry is due to one entity which has not made any investment in FY 2021-22, has invested approx. ₹ 540 Crores in FY 2022-23 out of total investment of ₹ 564 Crores of the industry. Similarly, in FMCG one entity has invested merely ₹ 1 Crore in FY 2021-22 has invested approx. ₹ 93 Crores in FY 2022-23.
- Further, highest decrease in investment was from Oil & Gas industry, where decrease was not specific to any entity, rather it was observed across the industry. Similar was case in the power industry.
- Out of the total investment of ₹ 4,069.81 Crore in FY 2022-23, construction materials industry contributed ₹ 1,662.96 Crores i.e. ~41%. Almost a repeat of FY 2021-22, where out of ₹ 3,670.05 Crores, this industry contributed ₹ 1,772 Crores i.e. ~48%. Thus, one industry is contributing almost half of the total investment on energy conservation, whereas around four industries are not even contributing 10% of the total investment.

- This skewed effort on energy conservation not only requires attention and improvement, it indicates that probably energy conservation is still not a focus area or our 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 company 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 difficulty. Yet in absence of a better metric it is at best a second-best alternative.

TARGET 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 E8, provides industry wise distribution of companies disclosing targets relating to reduction of energy consumption or intensity.

TABLE E8: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)

INDUSTRIES	#	Short-Term*		Long-Term**	
		#	%	#	%
Total	**200**	**27**	**14%**	**28**	**14%**
Construction Materials	7	1	14%	4	**57%**
Consumer Durables	6	2	**33%**	2	33%
Power	9	2	22%	3	33%
Consumer Services	9	0	**0%**	2	22%
Automobile and Auto Components	15	3	20%	3	20%
Chemicals	11	0	**0%**	2	18%
Others	17	4	24%	3	18%
Fast Moving Consumer Goods	15	2	13%	2	13%
Healthcare	15	3	20%	2	13%
Capital Goods	17	0	**0%**	2	12%
Metals & Mining	9	3	**33%**	1	11%
Financial Services	45	3	7%	2	**4%**
Information Technology	13	2	15%	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 E8 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.
- 11 companies in the sample have discussed about target both short-term and long-term targets to reduce its energy consumption or improving its energy efficiency.
- While, 27 companies discussed about Short term target & 28 companies discussed about long term targets.

Leading Endeavours (The Trend Setters):

- More than 70% of operating sites certified with ISO 50001 - 2026. (a company from healthcare Industry)
- Reduction in specific electricity consumption per KL of finished product (KWh/KL) from 116 for FY 2013-14 to 60.5 (48% reduction) for FY 2025 (a company from Consumer Durables Industry)
- Energy intensity reduction to 50% by 2025 (a company from Port & Port services 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 some of them are:
    - 61% Energy Intensity (GJ/Cr) reduced against target of 75% Energy Intensity (GJ/Cr) by the year 2024-25 – an entity from consumer durables industry.
    - 19.27% of electricity consumption met through green energy – an entity from construction materials industry.

2.4. 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				
2023	QUESTIONS	10	PARAMETERS	40
2021	QUESTIONS	9	PARAMETERS	33

YEAR	SCORE – RENEWABLE ENERGY							
2023	MAX.	83	AVG.	31	MED.	31	MIN.	0
2021	MAX.	98	AVG.	36	MED.	32	MIN.	0

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
44.4 – Information Technology (2023)	83.1 – Information Technology (2023)
58.1 – Cement (2021)	98.0 – Others (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
17.9 – Consumer Services (2023)	2.1 – Automobile & Auto Components (2023) *
23.7 – Power (2021)	0 – Multiple Companies (2021)

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.*

- Renewable Energy disclosures are part of Leadership Indicators in the BRSR. Thus, a large number of entities from the sample have failed to provide adequate disclosures on energy consumption from renewable sources.
- Low scoring companies are the one's which have not made disclosures on leadership indicators.
- Both Industry wise and Company wise scores are less in 2023 than those in 2021. The reason for the same is multiple changes in the overall scoring model and disclosure requirements.

The Union Minister for New & Renewable Energy and Power has informed that India, at the 26th session of the Conference of Parties (COP 26) of United Nations Framework Convention on Climate Change (UNFCCC) held in November, 2021, announced its target to achieve net zero by 2070. India's updated Nationally Determined Contribution (NDC) commits to achieve about 50% of cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030, gradually transitioning from fossil-fuel-generated energy sources to renewables.

An increase in the consumption of renewable energy will result in a reduction of overall GHG emission (direct as well as indirect). Therefore, it is essential for the companies to increase energy consumption from renewable sources.

Table RE1, highlights the number of companies from Sample which have made disclosures on renewable energy ("RE") share in total energy consumption during last two FYs in their BRSR Report for FY 2022-23:

TABLE RE1: # COMPANIES DISCLOSING RENEWABLE ENERGY CONSUMPTION (ABSOLUTE)					
INDUSTRIES	**#**	**2022**		**2023**	
		#	**%**	**#**	**%**
Sample	**200**	**132**	**66%**	**138**	**69%**
Consumer Durables	6	6	100%	6	100%
Oil Gas & Consumable Fuels	12	11	92%	12	100%
Automobile and Auto Components	15	13	87%	14	93%
Metals & Mining	9	8	89%	8	89%
Healthcare	15	13	87%	13	87%
Information Technology	13	11	85%	11	85%
Chemicals	11	9	82%	9	82%
Capital Goods	17	13	76%	13	76%
Construction Materials	7	5	71%	5	71%
Fast Moving Consumer Goods	15	10	67%	10	67%
Power	9	5	56%	6	67%
Others	17	10	59%	11	65%
Financial Services	45	15	33%	17	38%
Consumer Services	9	3	33%	3	33%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

Above data is based on the disclosures of energy consumption from renewable sources in the BRSR by the entities under the Leadership Indicators.

- Although, slightly improved from last year, however, only 138 companies in the sample have made disclosures on renewable energy consumption for FY 2022-23.
- Highest disclosures were observed in Consumer Durables industry being only industry with 100% companies disclosing data on renewable energy consumption in both the financial years.
- 62 companies in the sample have not provided adequate disclosures on renewable energy in any of the financial year. While some have not made any discussion and some have provided disclosures on the initiatives on renewable energy, but not disclosed any data on the same. Maximum number of companies not disclosing data are from Financial services sector.
- Further, out of those 62 Companies there have been few companies, which have disclosed data renewable energy consumption in their annual reports or other Sustainability/ESG reports, but it has only disclosed renewable energy consumption at a particular plants, operations or facilities and no holistic data is available or total renewable energy consumption is not comparable or measurable in terms of total energy consumption as disclosed in BRSR. Thus, these entities have been considered as not providing adequate disclosures.
- Further, 132 entities who have provided data on renewable energy consumption in FY 2021-22 also includes 5 entities, who have provided disclosures on energy consumption from renewable sources but their renewable energy consumption was *Nil* in FY 2021-22.

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 (ABSOLUTE) (NUMBER OF COMPANIES & CHANGE IN RENEWABLE ENERGY) (FROM FY 2021-22 to FY 2022-23)

Industries	Absolute RE Consumption			RE as a portion of total EC		
	#	↓	↑	#	↓	↑
Sample	**127**	**29**	**98**	**138**	**38**	**84**
Metals & Mining	7	3	4	8	3	4
Financial Services	14	4	10	17	4	8
Oil Gas & Consumable Fuels	10	2	8	12	2	8
Construction Materials	5	**0**	5	5	**0**	5
Capital Goods	13	2	11	13	4	9
Power	5	2	3	6	2	3
Others	9	1	8	11	3	6
Information Technology	11	1	10	11	3	8
Fast Moving Consumer Goods	10	4	6	10	3	6
Chemicals	8	2	6	9	2	6
Automobile & Auto Components	13	2	11	14	5	8
Healthcare	13	4	9	13	3	8
Consumer Durables	6	**0**	6	6	2	4
Consumer Services	3	2	1	3	2	1

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.

- In Table RE2, only 127 entities have been considered, as 5 out of 132 entities which disclosed data for both the years have reported Nil energy consumption from renewable sources. Thus, these 127 entities have been considered for comparison on absolute renewable energy consumption. However, for the purpose of relative comparison i.e. % of renewable energy as part of total energy, only 122 entities have been considered out of those 127 entities. Remaining 5 entities are those, who either have not disclosed the total energy consumption or disclosures of total energy consumption and renewable consumption are in different units, thus not comparable.
- While on absolute basis, there are 98 companies, which have managed to increase the renewable energy consumption and decrease in 29 companies. However, on relative basis i.e. renewable energy consumption as a portion of total energy consumption, only 84 companies have been able to increase their proportion of RE in the total energy consumption; and the same has reduced in case of 38 companies.
- For all the 5 entities operating in construction materials industry who have disclosed data, renewable energy consumption has increased both in term of absolute consumption as well as renewable energy as a 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**	**49**	**25%**	**52**	**26%**
Construction Materials	7	3	43%	5	71%
Power	9	4	44%	5	56%
Information Technology	13	2	15%	6	46%
Chemicals	11	2	18%	5	45%
Metals & Mining	9	3	33%	4	44%
Oil Gas & Consumable Fuels	12	6	50%	5	42%
Fast Moving Consumer Goods	15	4	27%	5	33%
Consumer Services	9	0	0%	3	33%
Automobile and Auto Components	15	6	40%	4	27%
Capital Goods	17	2	12%	4	24%
Consumer Durables	6	2	33%	1	17%
Others	17	5	29%	2	12%
Healthcare	15	7	47%	1	7%
Financial Services	45	3	7%	2	4%

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

- Table RE3 provides the entities which disclosed the Target set short term as well as long term basis to increase intensity of renewable energy consumption.
- 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.
- While, 49 companies have discussed about Short term target & 52 companies discussed about long term targets.

Leading Endeavours (The Trend Setters):

- Committed to achieve 100% Renewable energy for own Operations through Society by 2030. (a company from – FMCG Industry)
- The nation has set a goal to achieve 500 GW of renewable energy capacity by 2030. X aims to establish and enable 100 GW of solar energy generation by that date. (a company from – Oil Gas & Consumable Fuels Industry)
- We target to achieve 100% renewable power consumption by CY24. (a company from –Automobile and Auto Components Industry)
- Usage of 100% renewable power under fossil free electricity initiative by 2030 (RE 100). (a company from –Construction Materials 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, 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:
    - Increased share of renewable energy to ~93% – an entity from FMCG Industry.
    - 62.2% Share of renewable electricity in total electricity consumed across paint manufacturing factories – an entity from consumer durables industry.
    - Increased RE share to 60% – an entity from IT 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				
2023	QUESTIONS	25	PARAMETERS	87
2021	QUESTIONS	18	PARAMETERS	71

YEAR	SCORE – AIR EMISSIONS							
2023	MAX.	93	AVG.	38	MED.	36	MIN.	0
2021	MAX.	88	AVG.	38	MED.	39	MIN.	7

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
51.8 – Construction Materials (2023)	93.38 – Information Technology (2023)
56.5 – Cement (2021)	87.5 – Consumer Goods (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
26.9 – Consumer Services (2023)	3.5 – Consumer Services (2023) *
25.5 – Consumer Services (2021)	6.66 –Others (2021)

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.

GHG (SCOPE 1 & 2) EMISSIONS (Absolute):

Greenhouse gas (GHG) emissions play a pivotal role (negative impact) in propelling adverse global climate change, profoundly impacting ecosystems, economies, and human well-being. Key contributors to these emissions stem from industrial operations and corporate endeavours. 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.

Given the magnitude of these challenges, it is imperative to address GHG emissions to mitigate the effects of climate change and facilitate the transition to a sustainable and resilient future. Consequently, it is crucial for companies to acknowledge and manage their GHG emissions responsibly.

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	**#**	**2022**		**2023**	
		#	**%**	**#**	**%**
Sample	**200**	**179**	**90%**	**186**	**93%**
Capital Goods	17	17	100%	17	100%
Chemicals	11	11	100%	11	100%
Construction Materials	7	7	100%	7	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Healthcare	15	15	100%	15	100%
Information Technology	13	13	100%	13	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Others	17	16	94%	17	100%
Consumer Services	9	8	89%	9	100%
Automobile and Auto Components	15	14	93%	14	93%
Metals & Mining	9	8	89%	8	89%
Power	9	8	89%	8	89%
Consumer Durables	6	5	83%	5	83%
Financial Services	45	30	67%	35	78%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- 186 companies made disclosures on carbon / GHG emissions on Scope 1 & 2. The overall percentage of companies disclosing GHG emissions improved marginally in FY23 as compare to FY22, indicating a strong commitment to transparency regarding environmental impact across industries.
- Unlike other parameters, the sample entities have made better disclosures on GHG Emissions. If Financial Services industry to be excluded, only 4 entities in FY 2023 and 6 entities in FY 2022, were left without disclosures.
- 100% disclosure rate has been maintained by entities operating in industries such as Capital Goods, Chemicals, Construction Materials, FMCG, Healthcare, IT and Oil Gas & Consumable Fuels consistently for the last 2 FY's.
- Least disclosures were observed in Financial Services industry, followed by Consumer Durables.
- Most Financial Services Companies have stated that disclosures pertaining to GHG is negligible or not tracked due to the nature of their business. For e.g. an entity operating in Financial Services Industry has stated that, "*Considering the nature of business of X, GHG emissions (covered under Scope 1) are not accounted for.*"
- The overall high disclosure suggest 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 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 other metrics, the table does not show intensity but disclosures only:

TABLE EM2: #COMPANIES DISCLOSING GHG (SCOPE 1 & 2) EMISSIONS INTENSITY

Industries	#	Linked to Turnover				Other Relevant Metrics			
		2022		2023		2022		2023	
		#	%	#	%	#	%	#	%
Sample	**200**	**170**	**85%**	**177**	**89%**	**61**	**31%**	**63**	**32%**
Metals & Mining	9	9	100%	9	100%	6	67%	6	67%
Power	9	8	89%	8	89%	5	56%	5	56%
Others	17	16	94%	17	100%	7	41%	7	41%
Fast Moving Consumer Goods	15	14	93%	14	93%	6	40%	6	40%
Information Technology	13	12	92%	12	92%	5	38%	5	38%
Automobile & Auto Components	15	13	87%	13	87%	5	33%	5	33%
Financial Services	45	26	58%	31	69%	13	29%	14	31%
Capital Goods	17	16	94%	16	94%	5	29%	5	29%
Oil Gas & Consumable Fuels	12	11	92%	11	92%	2	17%	3	25%
Chemicals	11	11	100%	11	100%	2	18%	2	18%
Consumer Durables	6	5	83%	5	83%	1	17%	1	17%
Construction Materials	7	6	86%	6	86%	1	14%	1	14%
Healthcare	15	15	100%	15	100%	2	13%	2	13%
Consumer Services	9	8	89%	9	100%	1	11%	1	11%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- 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, however, same is optional in case of Other Relevant Metrics.
- While 186 companies have made disclosures on absolute GHG emissions for FY 2022-23, however, only 177 companies have made disclosures on GHG emissions intensity linked to turnover and only 63 companies have made disclosures on GHG emissions intensity linked to Other Relevant Metrics.
- It can be observed that except Metals & Mining and Power Industry Companies, less than 50% of the entities in other industries have disclosed GHG emissions intensity linked to metrics other than turnover.
- Only Healthcare, Metals & Mining and Chemical industries have reported 100% disclosures for GHG emissions intensity linked to turnover in each of the last two years.

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 (CO_2) 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 CO_2 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 in case of intensity data linked to other than turnover.

ABSOLUTE GHG (SCOPE 1 & 2) EMISSION- PERFORMANCE:

Table EM3: Analyses performance of companies with respect to GHG (Scope 1 & 2) emissions i.e. whether the companies managed to decrease absolute GHG emissions.

TABLE EM3: PERFORMANCE BASED ON GHG (SCOPE 1 & 2) EMISSIONS (ABSOLUTE) (NUMBER OF COMPANIES & % CHANGE IN GHG (SCOPE 1 & 2) EMISSIONS)				
INDUSTRIES	FROM FY 2021-22 to FY 2022-23			
	#	↓	↑	Same
Sample	**179**	**53**	**125**	**1**
Fast Moving Consumer Goods	15	8	7	0
Power	8	1	7	0
Consumer Durables	5	2	3	0
Metals & Mining	8	1	6	1
Capital Goods	17	6	11	0
Information Technology	13	5	8	0
Chemicals	11	3	8	0
Oil Gas & Consumable Fuels	12	6	6	0
Automobile and Auto Components	14	3	11	0
Healthcare	15	7	8	0
Construction Materials	7	**0**	7	0
Others	16	5	11	0
Financial Services	30	5	25	0
Consumer Services	8	1	7	0

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

- Across the sample entities, there are only 53 companies whose Scope 1 & 2 emission have decreased from last year, whereas it has increased for 125 entities.
- None of the entities operating in construction materials were able to decrease their Scope 1 & 2 emission, whereas more than 50% entities operating FMCG and Capital Goods have managed to reduce their emission.

GHG (SCOEP 1 & 2) EMISSION INTENSITY- PERFORMANCE:

Table EM4: Analyses performance of companies with respect to GHG emissions i.e. whether the companies managed to decrease GHG emissions linked to turnover.

TABLE EM4: PERFORMANCE BASED ON GHG EMISSIONS INTENSITY BASED ON TURNOVER (NUMBER OF COMPANIES & % CHANGE IN GHG EMISSIONS INTENSITY)			
INDUSTRIES		FROM FY 2021-22 to FY 2022-23	
	#	↓	↑
Sample	**170**	**129**	**41**
Power	8	8	**0**
Chemicals	11	11	**0**
Oil Gas & Consumable Fuels	11	10	1

Fast Moving Consumer Goods	14	12	2
Consumer Durables	5	4	1
Construction Materials	6	6	**0**
Information Technology	12	9	3
Capital Goods	16	13	3
Automobile and Auto Components	13	10	3
Healthcare	15	10	5
Others	16	11	5
Metals & Mining	9	5	4
Financial Services	26	17	9
Consumer Services	8	3	5

 # Number of companies which disclosed data. | ↓ - Number of Companies where GHG Emissions Intensity Decreased and ↑ - Number of Companies where GHG Emissions Intensity Increased from last year. | % - Average % Change

- None of the entities from Power, Chemicals and Construction Materials have reported increase in their GHG emission intensity from last year.
- 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 faded.

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 tCO2e)					
INDUSTRIES	**2022**		**2023**		**CHANGE**
	Emission	**Average**	**Emission**	**Average**	**%**
Sample	**9,68,930**	**5,413**	**10,33,807**	**5,558**	**2.68%**
Financial Services	3,011	100	3,383	97	**-3.68%**
Information Technology	620	48	607	47	**-2.08%**
Fast Moving Consumer Goods	3,761	251	3,792	253	0.83%
Consumer Durables	254	51	261	52	3.02%
Oil Gas & Consumable Fuels	1,18,232	9,853	1,22,670	10,223	3.75%
Metals & Mining	2,69,271	33,659	2,79,614	34,952	3.84%
Healthcare	3,857	257	4,057	270	5.18%
Chemicals	9,266	842	9,755	887	5.29%
Automobile & Auto Components	3,493	250	3,731	267	6.80%
Capital Goods	1,732	102	1,851	109	6.84%
Construction Materials	1,38,393	19,770	1,49,362	21,337	7.93%
Power	4,02,806	**50,351**	4,38,076	**54,760**	**8.76%**
Consumer Services	366	46	451	50	**9.64%**
Others	13,869	867	16,195	953	**9.90%**

*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 has not disclosed data in the respective year and whose data was not comparable.*

- Industry wise data was analysed based on the entities who have disclosed data in the tCO_2e or multiples. For FY 2021-22 out of the sample of 200 companies only 179 entities were considered in above data and same for FY 2022-23 was 186.
- 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 2.68% in total GHG emission from last year.

Only Financial Services and IT industries have managed to reduce their average emission.

Further, FMCG has reported increase of only 0.83% from last year. Most Companies falling under this sector have set targets and also achieved them such as Net Zero Emission. 2 companies have stayed Carbon Positive for 18 years by purchase of green electricity through Renewable Energy Certificates.

Industries identified as 'Others' have seen an average increase of approx. 9.90% from last year, followed by Consumer Services Industry and Financial Services Industry, being worst.

- Further, in Consumer Services Industry, such increase is owning to increased operations in FY23 as compare to FY22, where this industry was affected badly due to pandemic and for a portion of the year, a large part of this industry was not operative in FY22. Further, the Consumer Services sector often includes businesses such as retail, hospitality, and entertainment, which may expand their operations, open new locations, or increase their service offerings. This expansion can lead to higher energy consumption, increased transportation needs, and increased use of resources, resulting in higher GHG emissions.
- 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 17 Banks included in Financial Services Industry was **180** Thousand TCO2e, whereas the average emission of 12 Entities solely operating in Automobiles industry (excluding 2 entities operating in Tyre & Tubes Manufacturing) was **159** Thousand TCO2e only. Thus, the argument of these entities contradicts their performance on the direct environment impact from Scope 1 & 2 emission.
- 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.
- Out of 14 industries included in above analysis only 2 have managed to decrease average GHG emission from last year.
- Once again, any increase in absolute energy consumption from non-renewable sources, while in totality indicates increase in environmental pollution and degradation, yet one cannot judge performance sans production data. It appears that Power industry is a villain, yet power production has increased during the period.

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: ENERGY CONSUMPTION INTENSITY INDUSTRY WISE					
INDUSTRIES	2022		2023		CHANGE
	#	Emission/ Revenue	#	Emission/ Revenue	%
Sample	**170** / 200	**139.61**	**177** / 200	**117.84**	**-15.59%**
Financial Services	26 / 45	2.73	31 / 45	2.11	**-22.68%**
Consumer Services	8 / 9	7.07	9 / 9	5.64	**-20.16%**
Chemicals	11 / 11	107.28	11 / 11	85.70	**-20.12%**
Consumer Durables	5 / 6	3.13	5 / 6	2.55	-18.35%
Oil Gas & Consumable Fuels	11 / 12	47.42	11 / 12	38.94	-17.89%
Information Technology	12 / 13	1.07	12 / 13	0.88	-17.41%
Power	8 / 9	**1,418.66**	8 / 9	**1,173.66**	-17.27%
Construction Materials	6 / 7	889.41	6 / 7	756.53	-14.94%
Automobile & Auto Components	13 / 15	9.62	13 / 15	8.22	-14.57%
Capital Goods	16 / 17	10.13	16 / 17	8.83	-12.80%
Fast Moving Consumer Goods	14 / 15	12.26	14 / 15	11.00	-10.30%
Metals & Mining	9 / 9	318.05	9 / 9	293.75	-7.64%
Healthcare	15 / 15	23.49	15 / 15	22.31	-5.04%
Others	16 / 17	40.71	17 / 17	39.36	-3.30%

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. 15.59% 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 22-23 for every Rs 1 Cr turnover, GHG emission was 117.84 tCO2e; whereas in power sectors the same was at 1,173.66 tCO2e i.e. approx. 10 times. On the other hand, IT industry had least intensity as it released only 0.88 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, Consumer Services and Chemicals industries from last year.

- Companies belonging to the Chemical industry have set target to reduce GHG emissions intensity per unit of production, reduce overall carbon footprint by increasing efficiency through switch to cleaner fuels and other initiatives.

- It seems that, apart from one entity, all companies within the Power Industry have witnessed a year-on-year increase in absolute GHG emissions, however, none reported increase in emission intensity linked to turnover.

- 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 7% inflation across board, the decline would shrink to almost half, still a positive achievement on overall basis. However, once we come to sectors, consumer services, chemical and oil sectors had marked increase in prices, thus distorting intensity metric. Similarly, metals saw a decline in prices, thus showing negative change in intensity, whereas in all probability they would have improved.

- Thus, 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. Consumer service industry (mainly hotels) are best example, same goes with Airports and movie halls.

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.

Similar to Renewable Energy (RE) disclosures, Scope 3 emission disclosures are also part of Leadership Indicators in the existing BRSR format. Thus, the number of companies disclosing Scope 3 emissions are similar to that of RE and way less than that of Scope 1 & 2 emissions. In fact, much lower than the companies disclosing RE, as the major chunk of those entities who disclosed Leadership Indicators have stated in Scope 3 emissions that, *"Will start measuring Scope 3 emission in coming years."*

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	#	2022		2023	
		#	%	#	%
Sample	**200**	**80**	**40%**	**93**	**47%**
Information Technology	13	11	85%	11	85%
Construction Materials	7	5	71%	5	71%
Power	9	6	67%	6	67%
Metals & Mining	9	5	56%	6	67%
Others	17	9	53%	10	59%
Oil Gas & Consumable Fuels	12	6	50%	7	58%
Consumer Durables	6	3	50%	3	50%
Capital Goods	17	7	41%	8	47%
Financial Services	45	15	33%	19	42%
Fast Moving Consumer Goods	15	5	33%	5	33%
Healthcare	15	3	20%	5	33%
Chemicals	11	2	18%	3	27%
Consumer Services	9	2	22%	2	22%
Automobile and Auto Components	15	1	7%	3	20%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- 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 40% in FY 2021-22 to 47% in FY 2022-23.

IT, Construction Materials, Metals & Mining and Power: These industries exhibited relatively high disclosure rates in both years, with percentages ranging from 67% to 85% in FY 2022-23.

> 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.

- Thus, majorly Category such as employee commute, business travel 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.
- Industries with larger or expanded Value Chain or Supply Chain face major problems in measuring Scope 3 emissions. Thus, industries operating in the consumer goods or 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.

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 Particle Pollution ("PM"), Nitrogen Oxide ("NOx"), Sulphur Oxide ("SOx"), Hazardous Air Pollutants (HAPs), Volatile Organic Compounds (VOCs), Persistent Organic Pollutants (POPs) or Others.

Table EM8: 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 any of the above seven parameters and have failed to do so on other parameters.
- **All Parameters**: These are the entities which have made disclosures on all seven parameters, wherever it was applicable to them.

TABLE EM8: #COMPANIES DISCLOSING AIR EMISSIONS (ABSOLUTE)					
INDUSTRIES	**#**	**Any One Parameter**	**%**	**All Parameters**	**%**
Sample	**165 / 200**	**142**	**86%**	**95**	**58%**
Power	8 / 9	7	88%	7	88%
Automobile and Auto Components	14 / 15	14	100%	12	86%
Construction Materials	7 / 7	7	100%	6	86%
Capital Goods	17 / 17	17	100%	13	76%
Others	16 / 17	15	94%	11	69%
Healthcare	15 / 15	14	93%	9	60%
Chemicals	11 / 11	11	100%	6	55%
Metals & Mining	8 / 9	7	88%	4	50%
Oil Gas & Consumable Fuels	12 / 12	10	83%	6	50%
Fast Moving Consumer Goods	15 / 15	15	100%	7	47%
Consumer Services	9 / 9	4	44%	4	44%
Consumer Durables	5 / 6	5	100%	2	40%
Information Technology	11 / 13	9	82%	4	36%
Financial Services	17 / 45	7	41%	4	24%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- **Note:** 35 companies out of the sample entities, have been removed from the above table, these are the entities who have stated that Air Emission is *Not Applicable* to them or it was very negligible i.e. was not measurable. Majority i.e. 28 of these were from Financial Services industry and rest were from IT, Consumer Durables and Other industries.
- 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.
- Only 95 Companies in the Sample have made disclosures or provided information on all parameters under other air emissions. Whereas 142 entities have made disclosures on at least one parameter of air emission; and rest 23 entities have failed to provide any disclosures on air emissions.
- The disclosures are not uniform across industries, as such emissions depends upon the nature of the Company's business operation. However, Power, Auto and Cement industries have better disclosure than others.

TARGETS DISCLOSURES:

- Table EM9, 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 EM9: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)					
INDUSTRIES	**#**	**Short-Term***		**Long-Term****	
		#	**%**	**#**	**%**
Sample	**200**	**54**	**27%**	**110**	**55%**
Construction Materials	7	1	14%	7	100%
Information Technology	13	6	46%	12	92%

Fast Moving Consumer Goods	15	6	40%	12	80%
Metals & Mining	9	7	**78%**	7	78%
Healthcare	15	6	40%	10	67%
Power	9	4	44%	6	67%
Automobile and Auto Components	15	4	27%	9	60%
Capital Goods	17	3	18%	10	59%
Others	17	6	35%	10	59%
Oil Gas & Consumable Fuels	12	1	**8%**	7	58%
Consumer Durables	6	2	33%	3	50%
Chemicals	11	3	27%	5	45%
Consumer Services	9	2	22%	3	**33%**
Financial Services	45	3	**7%**	9	**20%**

**up to 3 years | # more than 3 years*

- 54 companies have discussed about Short term target & 110 companies discussed about long term targets.
- 40 companies have disclosed both short term as well as long term targets to reduce GHG emissions.

Leading Endeavours (The Trend Setters):

- Eliminate the use of Ozone-Depleting Substances (ODS) at its facilities by the year 2025. (a Company from Automobiles and Auto Components)
- Reduce carbon footprint as part of a broader effort to achieve net zero (Scope-1 and Scope-2) emissions by 2038. (a Company from Oil Gas & Consumable Fuels)
- Operating climate neutral in Scopes 1 and 2 and continuously improving the mix of measures by 2030. (a Company from Automobiles and Auto Components)

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:
  - 97% Reduction of CO2 emissions per tonne of production over 2008 baseline – an entity from FMCG industry.
  - 84% blended cement share achieved this year using 10.99 million tonnes alternative raw materials like fly-ash, slag and others – an entity from construction materials industry.

2.6. WATER USAGE / 2.7 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				
2023	QUESTIONS	25	PARAMETERS	87
2021	QUESTIONS	13	PARAMETERS	55

YEAR	SCORE – WATER USAGE							
2023	MAX.	97	AVG.	44	MED.	40	MIN.	9
2021	MAX.	95	AVG.	37	MED.	32	MIN.	0

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
76.8– Construction Materials (2023)	97.4– Automobile & Auto Components (2023)
55.6– Consumer Goods (2021)	90.0 – Consumer Goods (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
26.0– Consumer Services (2023)	9.4 – Others (2023)
21.8– Oil & Gas (2021)	0 –Multiple Companies (2021)

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.

- Excluding Financial Services entities from the sample companies, 42 entities have scored less than 30 in the water usage management.
- Only 20 entities have managed to score more than 80 in this section. Five out of these 20 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 14 times water positive.
- Further, overall there is an increase in maximum, minimum, average and median score of the sample entities from 2021.

WASTE WATER / EFFLUENTS MANAGEMENT

EVALUATION STATISTICS				
2023	QUESTIONS	47	PARAMETERS	126
2021	QUESTIONS	14	PARAMETERS	56

YEAR	SCORE – WASTE WATER MANAGEMENT							
2023	MAX.	100	AVG.	69	MED.	80	MIN.	0
2021	MAX.	95	AVG.	37	MED.	32	MIN.	0

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
81.66- Consumer Durables (2023)	100- Capital Goods (2023)
55.6- Consumer Goods (2021)	90.0 – Consumer Goods (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
23.67- Consumer Services (2023)	0 – Oil Gas & Consumable Fuels (2023)
21.8- Oil & Gas (2021)	0 –Multiple Companies (2021)

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.

- An entity from Construction Materials industry is 14 times water positive. Second best industry is consumer durable, where 2 out of 5 entities are water positive.
- Financial Services and Consumer Services Industries do not have any entity with Zero Liquid Discharge.

WATER CONSUMPTION (Absolute):

Note: All aspects of water consumption, withdrawal, water consumption intensity, water discharge, effluent discharge, waste water management, etc. includes water data of only 180 entities against the sample size of 200 entities. Data excludes remaining 20 entities, majorly from Financial Services (18 entities), 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.

> *'Ministry of Water Resources, River Development, and Ganga Rejuvenation'*[2] *data reveals that,*
>
> *- The average annual per capita water availability in the year 2011 was assessed at 1545 cubic meters, which is expected to reduce further to 1340 and 1140 in the years 2025 and 2050 respectively.*
>
> *- The annual per-capita water availability of less than 1700 cubic meters is considered as water stressed condition, water availability below 1000 cubic meters is considered as a water scarcity condition.*

In the business world of India, it's really important for companies to take good care of water. This means they need to find a balance between making money and protecting the environment. They do this by coming up with smart ideas and planning ahead. By doing this, they make sure they use water wisely

[2] *Annual Report of Ministry of Water Resources, River Development and Ganga Rejuvenation for 2018-19 (Weblink)*

and respect its importance. Considering the fact that India is the country, where a large portion of land comes under water stressed areas, therefore, it is essential for industries to reduce their water consumption and look for alternative resources for water, like rainwater harvesting facilities or recycled water use.

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 (together referred as water consumption):

TABLE W1: # COMPANIES DISCLOSING WATER CONSUMPTION (ABSOLUTE)					
INDUSTRIES	#	2022		2023	
		#	%	#	%
Sample	**180**	**162**	**90%**	**171**	**95%**
Automobile and Auto Components	15	15	**100%**	15	**100%**
Capital Goods	17	17	**100%**	17	**100%**
Chemicals	11	11	**100%**	11	**100%**
Construction Materials	7	7	**100%**	7	**100%**
Consumer Durables	5	5	**100%**	5	**100%**
Fast Moving Consumer Goods	15	15	**100%**	15	**100%**
Healthcare	15	15	**100%**	15	**100%**
Metals & Mining	9	9	**100%**	9	**100%**
Power	9	9	**100%**	9	**100%**
Oil Gas & Consumable Fuels	12	11	92%	12	**100%**
Information Technology	13	11	85%	12	92%
Others	17	13	76%	15	88%
Consumer Services	8	6	75%	7	88%
Financial Services	27	18	**67%**	22	**81%**

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- The above disclosures are as per the BRSR Report for FY 2022-23.
- 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 is a big gap to be filled.
- Despite excluding a large number of entities, still Financial services industry is behind others by a wide margin in overall water disclosures.

WATER CONSUMPTION INTENSITY:

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

TABLE W2: # COMPANIES DISCLOSING WATER CONSUMPTION INTENSITY									
INDUSTRIES	#	Linked to Turnover				Other Relevant Metrics			
		2022		2023		2022		2023	
		#	%	#	%	#	%	#	%
Sample	**180**	**154**	**86%**	**161**	**89%**	**44**	**24%**	**46**	**26%**
Construction Materials	7	7	**100%**	7	**100%**	4	57%	4	57%

Metals & Mining	9	9	100%	9	100%	5	56%	5	56%
Fast Moving Consumer Goods	15	14	93%	14	93%	7	47%	7	47%
Power	9	9	100%	9	100%	4	44%	4	44%
Automobile and Auto Components	15	13	87%	13	87%	5	33%	5	33%
Information Technology	13	11	85%	11	85%	4	31%	4	31%
Capital Goods	17	17	100%	17	100%	4	24%	4	24%
Financial Services	27	15	56%	18	67%	5	19%	6	22%
Chemicals	11	10	91%	10	91%	2	18%	2	18%
Oil Gas & Consumable Fuels	12	11	92%	12	100%	1	8%	2	17%
Consumer Services	8	6	75%	7	88%	1	13%	1	13%
Healthcare	15	14	93%	14	93%	1	7%	1	7%
Others	17	13	76%	15	88%	1	6%	1	6%
Consumer Durables	5	5	100%	5	100%	0	0%	0	0%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- It is to be noted that the BRSR format provides specific disclosures on the water consumption intensity based on turnover, however, same is optional in case of Other Relevant Metrics.
- The above table is evident of what leads to disclosures when it is optional; as only 24-26% of the sample entities disclosed intensity based on the metrics other than turnover.
- 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. meter, against the total gas sold, total crude steel produced, total power generated, etc.
- Further, for intensity based on metrics other than turnover, while majority of the entities 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.
- Further, five entities among those who disclosed water consumption intensity based on relevant metrics have not disclosed unit appropriately.

DISCLOSURES (MEASUREMENT UNITS) - UNIFORMITY?

- Absolute data: Most of the companies in the sample have provided disclosures in cubic meter of water (m^3) or kilolitres (KL), (wherein 1 m^3 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.

ABSOLUTE WATER CONSUMPTION- PERFORMANCE:

Table W3: Analyses performance of companies with respect to water consumption i.e. whether the companies managed to decrease absolute water consumption.

TABLE W3: PERFORMANCE: WATER CONSUMPTION (ABSOLUTE) (NUMBER OF COMPANIES & % CHANGE IN WATER CONSUMPTION)			
INDUSTRIES	FROM FY 2021-22 to FY 2022-23		
	Total	↓	↑
Sample	**162 / 180**	**49**	**113**
Healthcare	15 / 15	8	7
Capital Goods	17 / 17	8	9
Chemicals	11 / 11	4	7
Power	9 / 9	2	**7**
Consumer Durables	5 / 5	2	3
Oil Gas & Consumable Fuels	11 / 12	4	7
Automobile and Auto Components	15 / 15	1	14
Metals & Mining	9 / 9	2	7
Financial Services	18 / 27	4	14
Others	13 / 17	3	10
Construction Materials	7 / 7	2	5
Information Technology	11 / 13	1	10
Fast Moving Consumer Goods	15 / 15	7	8
Consumer Services	6 / 8	1	5

 # Number of companies, which disclosed data. | ↓ - Number of Companies where absolute Water Consumption Decreased and ↑ - Number of Companies where absolute Water Consumption 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.

- Across the sample entities, there are 113 companies whose total water consumption has increased from last year; and only 49 were able to decrease the same.

WATER CONSUMPTION INTENSITY- PERFORMANCE:

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

TABLE W4: PERFORMANCE BASED ON WATER INTENSITY LINKED TO TURNOVER (NUMBER OF COMPANIES & % CHANGE IN WATER CONSUMPTION)				
INDUSTRIES		FROM FY 2021-22 to FY 2022-23		
	#	↓	↑	Same
Sample	**154 / 180**	**104**	**45**	**5**
Power	9 / 9	8	1	0
Chemicals	10 / 11	10	0	0
Oil Gas & Consumable Fuels	11 / 12	8	3	0
Capital Goods	17 / 17	12	4	1
Consumer Durables	5 / 5	4	1	0
Automobile and Auto Components	13 / 15	12	1	0
Fast Moving Consumer Goods	14 / 15	11	2	1
Healthcare	14 / 15	9	4	1
Others	13 / 17	7	5	1
Metals & Mining	9 / 9	4	5	0

Financial Services	15 / 27	8	7	0
Information Technology	11 / 13	3	7	1
Construction Materials	7 / 7	4	3	0
Consumer Services	6 / 8	4	2	0

 # Number of companies which disclosed data. | ↓ - Number of Companies where Water Consumption Intensity Decreased and ↑ - Number of Companies where 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.

- While 113 companies had disclosed increase in absolute consumption of water (Table W3), however, only 45 have reported increase in intensity. This indicates that increase in water consumption at few companies was on account of increased turnover. Apart from the above increase and decrease in energy intensity, there were five entities whose water intensity has remain same from last year or change is very negligible.

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 (Unit - ML)					
INDUSTRIES	2022		2023		CHANGE
	WC	AVG.	WC	AVG.	%
Sample	**33,36,969**	**20,599**	**35,61,117**	**20,825**	**1.10%**
Oil Gas & Consumable Fuels	9,81,731	89,248	10,31,542	85,962	**-3.68%**
Capital Goods	40,328	2,372	39,883	2,346	**-1.10%**
Metals & Mining	6,88,132	76,459	6,97,357	77,484	**1.34%**
Others	24,942	1,919	29,364	1,958	**2.03%**
Healthcare	21,519	1,435	21,978	1,465	**2.13%**
Power	13,10,403	1,45,600	13,81,025	1,53,447	**5.39%**
Chemicals	1,27,197	11,563	1,35,005	12,273	**6.14%**
Consumer Durables	2,221	444	2,472	494	**11.32%**
Automobile and Auto Components	16,987	1,132	19,587	1,306	**15.30%**
Construction Materials	81,698	11,671	1,06,260	15,180	**30.06%**
Information Technology	4,813	438	7,014	585	**33.58%**
Consumer Services	3,099	516	6,271	896	**73.47%**
Fast Moving Consumer Goods	31,904	2,127	76,339	5,089	**139.27%**
Financial Services	1,992	111	7,019	319	**188.25%**

*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.*

- Industry wise data was analysed based on the entities who have disclosed data in the Litres or multiples. For FY 2021-22 out of the sample, 162 entities were considered in above data and same for FY 2022-23 was 171.
- 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 ~1.10% in water consumption from last year across the sample entities.

- Financial services and FMCG industries have seen significant increase in average water consumption from last year. The reason for significant increase in Finance industry is that two of the entities included in the sample have not disclosed data for FY 2021-22, and in FY 2022-23 data for water consumption, their contribution is significant, thus impacting the average increase.
- Further, in FMCG industry, one entity's water consumption has increased 12 folds from last year, however, no adequate justification has been provided in this regard. This could be a mistake of reporting or an outlier.
- Further, there is significant increase in case of Consumer services industry (consisting of Hotels); as a number of hotels were closed for a large part of the FY 2021-22, due to the pandemic and re-opened post pandemic, leading to high water consumption in FY 2022-23. One entity from the consumer services industry has seen increase in water consumption by 8 folds, although, it has not provided adequate justification for the said increase, however, predominantly it is due to impact on its operations during the pandemic, as can be seen from its business nature.
- Out of 14 industries included in above analysis only two industries i.e. Oil Gas and Consumable Fuels and Capital Goods has managed to decrease average water consumption from last year.

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	2022		2023		CHANGE
	#	WC in KL/ Rev. in Cr Rs	#	WC in KL/ Rev. in Cr Rs	%
Total	**153 / 180**	**561.33**	**160 / 180**	**446.39**	**-20.48%**
Others	13 / 17	121.21	15 / 17	93.20	-23.11%
Chemicals	10 / 11	1,765.44	10 / 11	1,381.87	-21.73%
Capital Goods	17 / 17	227.92	17 / 17	183.12	-19.65%
Power	9 / 9	4,483.96	9 / 9	3,609.83	-19.49%
Oil Gas & Consumable Fuels	11 / 12	408.62	12 / 12	335.20	-17.97%
Consumer Durables	5 / 5	27.37	5 / 5	24.15	-11.77%
Automobile and Auto Components	13 / 15	45.30	13 / 15	40.80	-9.92%
Metals & Mining	9 / 9	812.78	9 / 9	732.61	-9.86%
Healthcare	14 / 15	127.05	14 / 15	119.39	-6.03%
Fast Moving Consumer Goods	14 / 15	96.32	14 / 15	98.44	2.20%
Construction Materials	7 / 7	538.04	7 / 7	557.50	3.62%
Consumer Services	5 / 8	231.44	6 / 8	257.49	11.26%
Information Technology	11 / 13	8.51	11 / 13	10.38	21.98%
Financial Services	15 / 27	5.48	18 / 27	7.45	36.05%

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.

- Coverage of entities for the above table 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.
- Across the sample entities, there is a decrease of approx. 20.48% in the Water consumption intensity based on turnover from last year, as it was similar trend in Energy intensity analysis.
- The above data shows that, while across **the sample water consumption is 446.39 KL to earn a revenue of Rs. 1 Crores**; whereas in power sectors the same was at 3,609.83 i.e. more than 8 times the overall intensity. Similarly, Finance Services industry consumed only 7.45 KL of water per crore rupees of revenue generated.
- However, the trend in water consumption intensity improvement shows other picture, as two industries with highest water consumption intensity i.e. Chemicals and Power have managed to reduce their intensity from last year, whereas in the two industries where the intensity is lowest i.e. IT and Financial Services, have not been able to show any positive outcome, leading to significant increase in intensity from last year.
- While the total water consumption increased by 1.10% from last year, the water consumption intensity based on turnover decreased by ~20% from last year. This shows that there has been better utilization of water resources; however, unless inflation accounting is done one cannot say that performance is good or improved.
- Out of 14 industries included in sample, 9 have managed to decrease in the water consumption intensity, whereas only two were able to reduce absolute water consumption.

WASTE WATER / EFFLUENT DISCHARGE MANAGEMENT (Absolute):

The preceding analysis focused on the efficient utilization of water resources by corporations and their overall water consumption performance. Yet, it is imperative to delve deeper into how these entities manage water resources after their utilization on their premises or in their operations.

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.

Existing BRSR format mandate disclosures on waste water management in a subjective manner i.e. under the Zero Liquid Discharge Mechanism. Further, although not mandatory, it also provide disclosures regarding the overall waste water management under Leadership indicators.

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	#	2022		2023	
		#	%	#	%
Sample	**180**	**128**	**71%**	**133**	**74%**
Consumer Durables	5	5	100%	5	100%
Oil Gas & Consumable Fuels	12	12	100%	12	100%
Information Technology	13	10	77%	12	92%
Construction Materials	7	6	86%	6	86%

Automobile and Auto Components	15	11	73%	12	80%
Healthcare	15	11	73%	12	80%
Metals & Mining	9	7	78%	7	78%
Power	9	7	78%	7	78%
Capital Goods	17	13	76%	13	76%
Chemicals	11	8	73%	8	73%
Fast Moving Consumer Goods	15	10	67%	10	67%
Financial Services	27	16	59%	16	59%
Others	17	8	**47%**	9	**53%**
Consumer Services	8	4	**50%**	4	**50%**

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- Table W7 disclosures are as per Leadership Indicators of BRSR for FY 2022-23.
- As can be seen from the above table, all entities from the Consumer Durables and Oil Gas & Consumable Fuels Industries have disclosed data on water discharge. Whereas, nearly half the entities in Consumer Services and Other Industries have not made these disclosures.

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

TABLE W8: WATER DISCHARGE (WITH TREATMENT vs NO TREATMENT)

INDUSTIES	2022			2023		
	#	WT	NT	#	WT	NT
Sample	**66**	**49.0%**	**51.0%**	**71**	**50.4%**	**49.6%**
Oil Gas & Consumable Fuels	8	**100.0%**	**0.0%**	8	**100.0%**	**0.0%**
Construction Materials	1	**100.0%**	**0.0%**	1	**100.0%**	**0.0%**
Consumer Durables	4	**100.0%**	**0.0%**	4	**100.0%**	**0.0%**
Consumer Services	1	**100.0%**	**0.0%**	1	**100.0%**	**0.0%**
Fast Moving Consumer Goods	8	**99.9%**	0.1%	8	**99.9%**	0.1%
Capital Goods	5	99.5%	0.5%	5	**99.4%**	0.6%
Healthcare	7	83.2%	1.9%	8	79.0%	1.8%
Chemicals	7	89.9%	10.1%	7	88.1%	11.9%
Information Technology	5	87.3%	12.7%	7	81.6%	18.4%
Others	3	**100.0%**	**0.0%**	4	75.1%	24.9%
Power	6	**43.0%**	**57.0%**	6	**45.0%**	**55.0%**
Automobile & Auto Components	7	**40.9%**	**59.1%**	8	**38.2%**	**61.8%**
Metals & Mining	4	**20.5%**	**79.5%**	4	**21.8%**	**78.2%**
Financial Services	0	NA	NA	0	NA	NA

*# 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 Leadership Indicators on water discharged and level of treatment. While, 73 entities disclosed data for FY 2022-23 and 68 for FY 2021-22, however, the above table does not include data of two entities, from Healthcare industry, as these entities have failed to disclose whether they discharge water post treatment or without treatment.

- From the data in Table W8 it can be seen that, 10 Industries have discharged majority of water post treatment, except Power, Automobile and Metals & Mining. However, only 4 in FY 23 and 5 in FY 22, were able to discharge 100% of waste water post treatment.
- From the Table W8 it can be seen that, while six industries have discharge almost 100% of water with treatment, however, three major industries i.e. Power, Metals and Mining and Automobile & Auto Components have discharged more than 55% of their water without treatment, which has reduced the overall water discharged with treatment to 50%. The reason for this is that, the Power Industry contributes to more than 80% of the total waste water discharge among the sample entities. And, an entity from Power Industry (with contribution of almost 50% water discharge) has discharged 100% of water without treatment, thus, impacting the overall performance.

LEADING THE CHART BY MARGIN:

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 **Zero Liquid Discharge (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**	**ZLD**	**BOTH**
Sample	**180**	**21**	**70**	**18**
Construction Materials	7	6	5	5
Automobile & Auto Components	15	3	9	3
Consumer Durables	5	2	1	1
Healthcare	15	2	7	2
Capital Goods	17	2	12	2
Metals & Mining	9	1	5	1
Power	9	1	4	1
Information Technology	13	1	6	1
Fast Moving Consumer Goods	15	2	6	1
Others	17	1	6	1
Chemicals	11	0	5	0
Oil Gas & Consumable Fuels	12	0	4	0
Financial Services	27	0	0	0
Consumer Services	8	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. So much so that an entity from this Industry is 14 times water positive and has target to become 20x water positive by 2025.
- Second best industry is consumer durable, where 2 out of 5 entities are water positive. However, in terms of Zero Liquid Discharge, Capital Goods Industry has done quite well with 12 out of 17 entities being Zero Liquid Discharge.

- Further, Consumer Services, Financial Services, Chemicals and Oil Gas & Consumable Fuels Industries are worst performing in case of water management, as no entity from these industries is water positive.
- Especially Financial Services and Consumer Services Industries, which does not even have any entity with Zero Liquide Discharge. Is 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.
- Interestingly as can be seen from Table W5 & W7, the Consumer Services and Financial Services industries are among the bottom three industries.

WATER MANAGEMENT IN WATER STRESSED AREAS:

India faces significant challenges related to water stress, with numerous regions grappling with acute scarcity and unsustainable usage patterns. This issue is primarily exacerbated by a combination of factors, including population growth, rapid urbanization, inefficient agricultural practices, and the impacts of climate change. Various parts of the country frequently experience severe water stress, leading to conflicts over water resources, compromised agricultural productivity, and adverse impacts on ecosystems.

A report by the NITI Aayog on Water Management (weblink) suggests that, *"India is suffering from the worst water crisis in its history and millions of lives and livelihoods are under threat. Currently, 600 million Indians face high to extreme water stress and about two lakh people die every year due to inadequate access to safe water. The crisis is only going to get worse. By 2030, the country's water demand is projected to be twice the available supply, implying severe water scarcity for hundreds of millions of people and an eventual ~6% loss in the country's GDP2."*

Newly released information from the India Meteorological Department (IMD) (weblink) has brought attention to concerning figures, highlighting that a **substantial 540 districts** throughout the nation, encompassing notable areas such as Palghar, Solapur, Sangli, Pune, and Mumbai, are presently **contending with water stress or arid circumstances**. Specifically, troubling, as of February 28, 2024, 98 of these districts are confronting conditions ranging from extreme to severe to moderately dry, as per the IMD's Standardized Precipitation Evapotranspiration Index (SPEI).

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.

As discussed in waste water management, existing Leadership Indicators of BRSR format also provided 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.

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 DISCLSOURES ON WATER STRESSED AREAS						
INDUSTRIES	**#**	**A**	**B**	**C**	**D**	**E**
Sample	**180**	**118**	**47**	**71**	**66**	**64**
Consumer Durables	5	5	2	3	3	3
Information Technology	13	11	4	7	5	6
Capital Goods	17	13	8	5	5	5
Automobile and Auto Components	15	11	5	6	6	6
Healthcare	15	11	3	8	7	7
Construction Materials	7	5	**0**	5	5	4
Fast Moving Consumer Goods	15	10	**0**	10	10	10
Oil Gas & Consumable Fuels	12	8	2	6	6	6
Power	9	6	1	5	3	4
Metals & Mining	9	5	1	4	4	3
Financial Services	27	15	**15**	**0**	-	-
Others	17	9	3	6	6	5
Consumer Services	8	4	3	1	1	0
Chemicals	11	5	**0**	5	5	5

 # Number of companies.

- The disclosures in Table W10 are as per the Annual Report and BRSR Report for FY 2022-23.
- From the A column in above table it can be seen that in Chemicals industry only 5 out of 11 entities have made disclosures on operations in water stressed areas; and all five entities in Consumer Durables Industry have made these disclosures, these are mainly the entities who have made disclosures under Leadership indicators in BRSR.
- Further, from B & C, all the 15 entities in Financial Services industry who have made disclosures on water stressed areas 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 in water stressed areas.
- From D column, it evident that two entities each from Power and IT Industries, have failed to disclose water consumption in water stressed areas, despite having operations in these areas. Similarly, in E column on disclosures on water discharge in water stressed areas, only 6 out of 13 relevant industries have been successfully managed to disclosed data on water discharge for all the respective entities.

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	**2022**			**2023**		
	#	**WC(S)**	**%**	**#**	**WC(S)**	**%**
Sample	**59 / 71**	**3,60,097**	**36%**	**66 / 71**	**5,51,825**	**25%**
Oil Gas & Consumable Fuels	6 / 6	21,577	**8%**	6 / 6	17,106	**6%**
Power	2 / 5	43,895	**28%**	3 / 5	2,09,167	**16%**
Fast Moving Consumer Goods	10 / 10	12,341	47%	10 / 10	15,837	23%
Healthcare	7 / 8	3,256	32%	7 / 8	3,286	32%
Consumer Services	0 / 1	-	-	1 / 1	15	33%
Consumer Durables	3 / 3	357	36%	3 / 3	453	39%
Metals & Mining	4 / 4	1,47,495	45%	4 / 4	1,49,291	44%
Others	4 / 6	6,481	66%	6 / 6	10,413	44%
Information Technology	4 / 7	1,517	60%	5 / 7	1,651	48%
Capital Goods	4 / 5	1,391	67%	5 / 5	1,641	55%
Automobile & Auto Components	5 / 6	4,439	**80%**	6 / 6	6,133	**64%**
Chemicals	5 / 5	73,133	65%	5 / 5	76,728	**65%**
Construction Materials	5 / 5	44,214	61%	5 / 5	60,104	**70%**
Financial Services	0 / 0	NA	NA	0 / 0	NA	NA

*# 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 has not disclosed data in the respective year and who does not have operations in water stressed areas for % calculations.*

- As it can be inferred from the operations of entities operating in the Construction Materials Industry, that the water consumption at Construction Materials industries is majorly from the water stressed areas. This industry constitutes cement companies, which majorly operates in high concrete or high oceanic shells areas, which are highly likely to be water stressed areas.
- Similarly, Oil Gas & Consumable Fuels industry proportion of water consumption from stressed areas is low, as these companies majorly operates near sea line or areas connected to ports due to easy transportation; and these areas least likely to be water stressed areas.

TARGET DISCLOSURES (WATER USAGE):

Table-W12, provides industry wise distribution of companies disclosing targets relating to reduction of water consumption or intensity.

TABLE W12: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)					
INDUSTRIES	**#**	**Short-Term***		**Long-Term****	
		#	**%**	**#**	**%**
Sample	**200**	**62**	**31%**	**66**	**33%**
Construction Materials	7	7	**100%**	7	**100%**
Metals & Mining	9	5	56%	6	67%
Power	9	4	44%	6	67%
Automobile and Auto Components	15	7	47%	9	60%
Information Technology	13	5	38%	7	54%
Fast Moving Consumer Goods	15	7	47%	8	53%
Consumer Durables	6	2	33%	3	50%

Healthcare	15	9	60%	6	40%
Others	17	5	29%	5	29%
Chemicals	11	3	27%	3	27%
Capital Goods	17	5	29%	4	24%
Consumer Services	9	1	11%	1	11%
Oil Gas & Consumable Fuels	12	0	**0%**	1	**8%**
Financial Services	45	2	**4%**	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.
- 40 companies in the sample have disclosed both short term as well as long term targets to reduce overall water consumption.
- While, 62 companies have discussed about Short term target & 66 companies discussed about long term targets.

Leading Endeavours (The Trend Setters):

- 3% YoY reduction in freshwater consumption across owned campuses. (a company from IT Industry)
- Reduce water consumption by 50% in VSF manufacturing process by FY25 over the baseline of FY15. (a company from Construction Materials Industry)
- 33% Water Recycling (%) (a company from Metals & Mining Industry)
- To achieve water positivity across our mining sites by 2025 and across all our operations by 2050. (a company from Metals & Mining Industry)

TARGET DISCLOSURES (WASTE WATER):

Table W13, provides industry wise distribution of companies disclosing targets relating to reduction of Effluents / Waste Water Discharge.

TABLE W13: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)

INDUSTRIES	#	Short-Term*		Long-Term**	
		#	%	#	%
Sample	**200**	**54**	**27%**	**46**	**23%**
Construction Materials	7	6	**86%**	6	**86%**
Capital Goods	17	11	65%	11	65%
Automobile and Auto Components	15	5	33%	5	33%
Metals & Mining	9	5	56%	3	33%
Information Technology	13	4	31%	4	31%
Healthcare	15	5	33%	4	27%
Others	17	6	35%	4	24%
Power	9	1	11%	2	22%
Consumer Durables	6	3	50%	1	17%
Oil Gas & Consumable Fuels	12	2	17%	2	17%
Fast Moving Consumer Goods	15	4	27%	2	13%
Consumer Services	9	0	**0%**	1	11%
Chemicals	11	2	18%	1	9%
Financial Services	45	0	**0%**	0	**0%**

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 target & 46 companies discussed about long term targets.
- 43 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):

- 2025: Zero effluent discharge at all its Indian steel production facilities by FY2024-25. (a company from Metals & Mining Industry)
- Reduce water intensity by 40% by 2025 while maintaining water positivity…achieve zero liquid discharge. (a company from FMCG Industry)
- All the plants of XYZ have Zero Liquid Discharge facility. Total effluent generated is recycled through ETP and STP and used in the process, domestic purpose, gardening etc. (a company from Construction Materials Industry)
- Reduction in specific effluent generated per KL of finished product (L/KL) from 82.4 for FY 2013-14 to 15.8 (81% reduction) for FY 2030. (a company from Consumer Durables Industry)

Target Achievements:

- While there were better disclosures of targets to reduce water consumption and better 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:
    - In textile business of the company's treatment of Effluent recycling quantity has increased from 4% in FY17 to 57% in FY23 – an entity from construction materials industry.
    - Achieved 19% reduction in water use intensity and Achieved zero liquid discharge across operation – an entity from Automobile and Auto Components industry.
    - 9.41% reduction in freshwater withdrawal in 2022-23 compared to base year 2019-20 and Water recycling at 41.95% in FY 2022-23 – An entity from Metals & Mining Industry.

2.8. 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),
- 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				
2023	QUESTIONS	26	PARAMETERS	79
2021	QUESTIONS	17	PARAMETERS	70

YEAR	SCORE – WASTE MANAGEMENT							
2023	MAX.	94	AVG.	48	MED.	51	MIN.	0
2021	MAX.	100	AVG.	35	MED.	25	MIN.	6

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
71.9 – FMCG (2023)	93.7 – FMCG (2023)
51.1 – Metals (2021)	100 – Metals (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
43.8 – Consumer Services (2023)	16.0 – Oil Gas & Consumable Fuels (2023) *
20.4 – Oil & Gas (2021)	5.8 –Oil & Gas (2021)

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.
- Two Industries i.e. Consumer Services and Financial Services, have more than doubled their waste generation from last year. As expected due to increased operations post COVID related closure.

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. Properly getting rid of hazardous materials also keeps us safe from harmful toxins and pollutants. Plus, 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 our air, water, and soil clean for now and for the future. In short, focusing on waste management is key to keeping everyone healthy, safeguarding the environment, and ensuring a 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, treatment, and disposal of waste can pose harm to human health and environment. Therefore, it is critical for companies to minimise the 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 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.

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 2022-23:

TABLE WT1: NUMBER OF COMPANIES DISCLOSING TOTAL WASTE GENERATED (ABSOLUTE)

INDUSTRIES	#	2022		2023	
		#	%	#	%
Sample	**200**	**169**	**85%**	**175**	**88%**
Automobile and Auto Components	15	15	100%	15	100%
Chemicals	11	11	100%	11	100%
Construction Materials	7	7	100%	7	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Metals & Mining	9	9	100%	9	100%
Power	9	9	100%	9	100%
Capital Goods	17	16	94%	17	100%
Information Technology	13	12	92%	13	100%
Consumer Services	9	8	89%	9	100%
Others	17	15	88%	16	94%
Healthcare	15	14	93%	14	93%
Oil Gas & Consumable Fuels	12	10	83%	11	92%
Consumer Durables	6	5	83%	5	83%
Financial Services	45	23	51%	24	53%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- While disclosures improved from the last year, however, only 175 Companies were able to provide disclosures on waste generated for FY 2022-23.

- Industries such as Automobile and Auto Components, Chemicals, Construction Materials, FMCG, Metals & Mining and Power have been consistent in making disclosures for the last 2 FY's.
- Financial Services industry is still worst industry in case of providing adequate disclosures on waste management.
- Most Companies under the Financial Services industry have stated that given the nature of their business, disclosures relating to waste have limited applicability to them. However, as a responsible corporate, they should provide adequate disclosures on waste generated such as e-waste, battery waste, paper waste and plastic waste from their operations.

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, etc. These entities have been considered only for the purpose of disclosures and not considered in performance comparison.

WASTE GENERATION PERFORMANCE:

Table WT2: Analyses performance of companies with respect to waste generation i.e. whether the companies managed to decrease absolute waste generation.

TABLE WT2: PERFORMANCE BASED ON ABSOLUTE WASTE GENERATION (ABSOLUTE) (NUMBER OF COMPANIES & % CHANGE IN WASTE GENERATION)

Industries	FROM FY 2021-22 to FY 2022-23			
	Total	↓	↑	Same
Sample	**163 / 169**	**57**	**105**	**1**
Power	9 / 9	5	4	0
Chemicals	11 / 11	6	5	0
Metals & Mining	9 / 9	2	7	0
Healthcare	14 / 14	7	7	0
Consumer Durables	5 / 5	2	3	0
Fast Moving Consumer Goods	15 / 15	7	8	0
Automobile and Auto Components	15 / 15	4	11	0
Oil Gas & Consumable Fuels	10 / 10	**7**	**3**	0
Capital Goods	16 / 16	5	11	0
Others	13 / 15	1	11	1
Construction Materials	7 / 7	2	5	0
Information Technology	11 / 12	3	8	0
Consumer Services	7 / 8	**0**	7	0
Financial Services	21 / 23	6	15	0

 # Number of companies | % - Average % Change | Note: Excludes companies whose data was not comparable.

- While, 169 Companies have made disclosures on waste generation in both the financial years, however, only 163 have been considered for above table. As six entities' waste disclosures are partial for both the years i.e. the coverage of disclosures on waste in FY22 and FY23 are not same. Thus, the waste generated by them is not comparable y-oy. For example, one of the entities considered in other industry has stated that, *"We started measuring the debris and soil waste from FY23. FY22 numbers do not include the debris and soil waste."*

- 105 entities from the sample have reported increase in their waste generation, whereas only 57 were able to reduce the same. Only Oil Gas & Consumable Fuels industry have seen better performance, where 7 out of 10 entities have reduced their waste generation.

INDUSTRY WISE WASTE GENERATION ANALYSIS:

Table WT3: 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 WT3: TOTAL WASTE GENERATED INDUSTRY WISE (MT)					
INDUSTRIES	2022		2023		CHANGE
	WG	AVG.	WG	AVG.	%
Sample	**15,37,81,792**	**9,09,951**	**16,16,87,560**	**9,23,929**	**1.54%**
Oil Gas & Consumable Fuels	14,94,187	1,49,419	12,84,830	1,16,803	-21.83%
Financial Services	71,794	3,121	66,818	2,784	**-10.81%**
Construction Materials	11,90,806	1,70,115	11,36,364	1,62,338	-4.57%
Healthcare	3,73,630	26,688	3,62,458	25,890	-2.99%
Capital Goods	6,40,985	40,062	6,86,172	40,363	0.75%
Chemicals	20,75,123	1,88,648	21,36,811	1,94,256	2.97%
Consumer Durables	24,484	4,897	25,281	5,056	3.25%
Power	1,80,13,986	20,01,554	1,86,55,018	20,72,780	3.56%
Metals & Mining	12,73,25,962	1,41,47,329	13,33,70,908	1,48,18,990	4.75%
Fast Moving Consumer Goods	13,62,299	90,820	15,51,412	1,03,427	13.88%
Automobile & Auto Components	6,49,769	43,318	7,55,986	50,399	16.35%
Consumer Services	32,497	4,062	71,039	7,893	94.31%
Others	5,06,896	33,793	13,56,245	84,765	**150.84%**
Information Technology	19,373	1,614	2,28,217	17,555	987.40%

*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.*

- **Note**: The above table includes all the entities, where the data was disclosed, regardless whether it was comparable on y-o-y basis or not;
- Across the sample entities, there is an average increase of approx. 1.54% in the total waste generation from last year.
- On overall basis, Metals & Mining industry has contributed highest waste among the sample entities. However, when compared from the last year, Oil Gas & Consumable Industry has made significant decrease in their average waste generation from last year followed by Financial Services.
- Only 4 industries were able to reduce their average waste generation from last year.
- Highest increase in waste generation is in the IT Industry, as an entity's waste generation as per BRSR disclosure has **increased more than 20 times**. It has been observed that 98% of the waste generated is attributable to Construction and Demolition waste. While the entity has not discussed any details about the same. However, from BRSR, it can be ascertained that it has carried out expansion of two projects. Both of these projects may have contributed majorly to construction waste and total waste thereof.

- Similarly, in Other Industries, two companies from real estate's waste generation has increased more than 20 times where the entities are engaged in residential and commercial projects and more than 90% of their waste is construction waste.

CATEGORY WISE WASTE GENERATION ANALYSIS:

- Table WT4: Analyses waste generation by each industry for each category of waste as a percentage of total waste generated in that respective category.

TABLE WT4: TOTAL WASTE GENERATED INDUSTRY WISE ON EACH CATEGORY

INDUSTIES	Other Hazardous Waste (A)		Other Non-Hazardous Waste (B)		Battery waste (C)	
	2022	2023	2022	2023	2022	2023
Total Waste (MT) (Sample)	**44,19,533**	**48,36,301**	**14,65,01,924**	**15,29,04,237**	**47,853**	**57,696**
Automobile & Auto Components	1.5%	1.5%	0.4%	0.4%	1.8%	1.3%
Capital Goods	0.6%	0.6%	0.3%	0.4%	0.5%	0.5%
Chemicals	16.3%	20.1%	0.9%	0.8%	0.2%	0.4%
Construction Materials	3.1%	5.8%	0.7%	0.5%	1.0%	0.8%
Consumer Durables	0.1%	0.1%	0.0%	0.0%	0.2%	0.1%
Consumer Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fast Moving Consumer Goods	1.2%	1.0%	0.8%	0.9%	0.8%	0.5%
Financial Services	0.0%	0.0%	0.0%	0.0%	0.1%	1.1%
Healthcare	5.5%	4.7%	0.1%	0.1%	0.5%	0.5%
Information Technology	0.0%	0.0%	0.0%	0.0%	2.3%	1.8%
Metals & Mining	**56.0%**	**51.8%**	**83.7%**	**84.1%**	1.1%	2.2%
Oil Gas & Consumable Fuels	14.2%	13.9%	0.6%	0.4%	0.4%	0.7%
Power	1.3%	0.2%	12.2%	12.1%	29.7%	32.0%
Others	0.2%	0.2%	0.3%	0.4%	**61.3%**	**58.1%**
INDUSTIES	**Plastic Waste (D)**		**E-Waste (E)**		**Bio-medical Waste (F)**	
	2022	**2023**	**2022**	**2023**	**2022**	**2023**
Total Waste (MT) (Sample)	**4,01,876**	**4,72,452**	**87,694**	**73,281**	**35,814**	**31,846**
Automobile & Auto Components	9.6%	9.3%	0.7%	0.7%	0.3%	0.2%
Capital Goods	26.4%	15.6%	2.9%	3.3%	0.2%	0.1%
Chemicals	3.7%	2.9%	0.1%	0.2%	0.1%	0.1%
Construction Materials	12.7%	14.4%	0.4%	0.6%	0.0%	0.1%
Consumer Durables	0.8%	0.7%	0.0%	0.1%	0.0%	0.0%
Consumer Services	1.7%	2.8%	0.1%	0.1%	0.0%	0.0%
Fast Moving Consumer Goods	**30.6%**	**37.5%**	0.3%	0.4%	0.2%	0.2%
Financial Services	2.2%	2.4%	**71.2%**	**65.1%**	0.0%	0.0%
Healthcare	2.5%	2.3%	0.1%	0.2%	13.1%	14.3%
Information Technology	0.1%	0.1%	2.1%	2.7%	0.2%	0.4%
Metals & Mining	3.6%	5.5%	1.5%	1.7%	8.0%	5.2%
Oil Gas & Consumable Fuels	2.2%	2.0%	0.7%	0.6%	0.1%	0.3%
Power	3.3%	3.7%	9.3%	14.9%	**77.7%**	**79.0%**
Others	0.5%	0.9%	10.6%	9.3%	0.0%	0.1%
INDUSTIES	**Construction and Demolition Waste (G)**		**Radioactive Waste (H)**		**Others (I)**	
	2022	**2023**	**2022**	**2023**	**2022**	**2023**

Total Waste (MT) (Sample)	**3,47,769**	**12,99,370**	**209**	**52**	**19,43,760**	**18,86,824**
Automobile & Auto Components	6.7%	2.6%	0.0%	0.0%	0.0%	0.0%
Capital Goods	0.8%	0.2%	0.0%	0.0%	0.0%	0.0%
Chemicals	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%
Construction Materials	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%
Consumer Durables	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%
Consumer Services	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Fast Moving Consumer Goods	2.5%	0.8%	0.0%	1.9%	0.0%	0.0%
Financial Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Healthcare	0.9%	0.4%	0.0%	0.1%	0.0%	0.0%
Information Technology	1.1%	16.0%	0.0%	23.5%	0.0%	0.0%
Metals & Mining	**70.6%**	17.3%	0.0%	0.0%	**99.4%**	**99.1%**
Oil Gas & Consumable Fuels	0.1%	0.7%	0.0%	0.0%	0.6%	0.9%
Power	9.0%	7.1%	0.0%	0.0%	0.0%	0.0%
Others	7.6%	**53.5%**	**100.0%**	**74.5%**	0.0%	0.0%

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

- Others (I) category of waste in Table WT4 and Table WT5, is the one where the entities have not classified their waste generation in any of the above 8 categories; which includes Internal Scrap, Municipal Solid Waste, Paper waste, Oil Sludge/slop, Spent Catalyst, etc. While these categories can be classified in any of the above 8 categories, however, as the entities have reported it separately, we have categorised this as Others (I).
- Top row of the table WT4 provides Total waste generated by the sample entities for each category.
- The table WT4 shows that on Plastic Waste, FMCG has been highest contributor with 37.5% of the total plastic waste generated in FY23. Further, in E-Waste it is Financial Services industry with 65.1% contribution to total waste.
- A surprising data point in this table is that **Power Industry has contributed highest to the Bio-Medical waste instead of Healthcare industry**. This is due to an entity from power sector generating significant amount of Biomedical waste in compare to other entities. That entity has **not** discussed any further information on such high Biomedical waste generation.
- Further, in Construction and Demolition Waste, Infrastructure companies classified as Others, has contributed highest in FY23, while in FY22 it was Metals and Mining Industry. Similarly, in Battery waste it is Telecom Industry and in Radioactive waste it is Telecom and IT industry.
- Further, similar to the total waste generation, Metals and Mining Industry has contributed highest in the Other Hazardous, Non-Hazardous and Others category of waste. In Others (I) category, highest waste is Internal Scrap, as represented by an entity from the Metal Industry.
- Not surprising that the Metals and Mining Industry has generated highest waste among all; as the business operations of Mining industry and Metal entities operating in Steel manufacturing involves a lot of pre & post production waste generation. There end-product will be extracted from a large chunk of materials, leaving major portion of that as waste. For example, a mining entity would extract a large portion from the crest of earth weighing in Tonnes and the product from that portion would likely be in merely a kg or two.

Table WT5: Analyses waste generated by the Industries on each category as a percentage of total waste generated by that Industry.

TABLE WT5: TOTAL WASTE GENERATED CATEGORY WISE (MT)						
INDUSTIES	**Other Hazardous Waste (A)**		**Other Non-Hazardous W. (B)**		**Battery waste (C)**	
	2022	**2023**	**2022**	**2023**	**2022**	**2023**
Sample	**2.87%**	**2.99%**	**95.26%**	**94.64%**	**0.03%**	**0.04%**
Automobile & Auto Components	10.0%	9.9%	80.2%	79.7%	0.1%	0.1%
Capital Goods	3.9%	4.3%	78.7%	84.1%	0.0%	0.0%
Chemicals	34.7%	45.4%	64.6%	53.9%	0.0%	0.0%
Construction Materials	11.4%	24.6%	84.3%	68.2%	0.0%	0.0%
Consumer Durables	20.3%	14.4%	56.7%	56.3%	0.5%	0.3%
Consumer Services	0.2%	0.2%	77.9%	79.3%	0.0%	0.0%
Fast Moving Consumer Goods	4.0%	3.3%	86.3%	84.5%	0.0%	0.0%
Financial Services	0.0%	0.0%	0.5%	9.7%	0.1%	1.0%
Healthcare	**65.3%**	**63.3%**	29.7%	31.0%	0.1%	0.1%
Information Technology	0.6%	0.1%	62.6%	7.5%	5.8%	0.4%
Metals & Mining	1.9%	1.9%	96.3%	96.5%	0.0%	0.0%
Oil Gas & Consumable Fuels	42.1%	52.2%	56.4%	45.0%	0.0%	0.0%
Power	0.3%	0.1%	**99.2%**	**99.1%**	0.1%	0.1%
Others	1.6%	0.8%	85.2%	44.7%	**5.8%**	**2.5%**
INDUSTIES	**Plastic Waste (D)**		**E-Waste (E)**		**Bio-medical Waste (F)**	
	2022	**2023**	**2022**	**2023**	**2022**	**2023**
Sample	**0.26%**	**0.29%**	**0.06%**	**0.05%**	**0.02%**	**0.02%**
Automobile & Auto Components	5.9%	5.8%	0.1%	0.1%	0.0%	0.0%
Capital Goods	16.5%	10.7%	0.4%	0.3%	0.0%	0.0%
Chemicals	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%
Construction Materials	4.3%	6.0%	0.0%	0.0%	0.0%	0.0%
Consumer Durables	13.9%	13.2%	0.1%	0.3%	0.0%	0.0%
Consumer Services	**20.9%**	**18.3%**	0.2%	0.1%	0.0%	0.0%
Fast Moving Consumer Goods	9.0%	11.4%	0.0%	0.0%	0.0%	0.0%
Financial Services	12.4%	17.1%	**87.0%**	**71.4%**	0.0%	0.0%
Healthcare	2.7%	3.0%	0.0%	0.0%	**1.3%**	**1.3%**
Information Technology	1.3%	0.1%	9.7%	0.9%	0.3%	0.1%
Metals & Mining	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Oil Gas & Consumable Fuels	0.6%	0.7%	0.0%	0.0%	0.0%	0.0%
Power	0.1%	0.1%	0.0%	0.1%	0.2%	0.1%
Others	0.4%	0.3%	1.8%	0.5%	0.0%	0.0%
INDUSTIES	**Construction and Demolition Waste (G)**		**Radioactive Waste (H)**		**Others (I)**	
	2022	**2023**	**2022**	**2023**	**2022**	**2023**
Sample	**0.23%**	**0.80%**	**0.00%**	**0.00%**	**1.26%**	**1.17%**
Automobile & Auto Components	3.6%	4.4%	0.0%	0.0%	0.0%	0.0%
Capital Goods	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%
Chemicals	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction Materials	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%

Consumer Durables	8.6%	15.5%	0.0%	0.0%	0.0%	0.0%
Consumer Services	0.8%	2.1%	0.0%	0.0%	0.0%	0.0%
Fast Moving Consumer Goods	0.6%	0.7%	0.0%	0.0%	0.0%	0.0%
Financial Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
Healthcare	0.9%	1.4%	0.0%	0.0%	0.0%	0.0%
Information Technology	**19.5%**	**90.9%**	**0.0%**	**0.01%**	0.3%	0.0%
Metals & Mining	0.2%	0.2%	0.0%	0.0%	**1.5%**	**1.4%**
Oil Gas & Consumable Fuels	0.0%	0.7%	0.0%	0.0%	0.8%	1.3%
Power	0.2%	0.5%	0.0%	0.0%	0.0%	0.0%
Others	5.2%	51.2%	**0.01%**	**0.01%**	0.0%	0.0%

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

- Table WT5 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 **Finance Industry** 71.4% of the total waste generated in FY23 was **E-Waste**.
- Similarly, 18.3% of the total waste generated in **Consumer Services** Industry was **Plastic Waste**, which is highest for any Industry. Further, in **Healthcare industry** merely 1.3% of the total waste was **Bio-medical** waste, still it is highest as compare to other industries.
- Surprising figures in the table WT5 is **IT industry's Construction and Demolition Waste generations**, which is more than 90% of the total waste generated in IT industry. The reason for this figure could be due to expansion of two major project by the entity, although not specifically stated.

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:

- Waste that is incinerated – incinerations refer to controlled burning of waste at high temperatures;
- Waste that is sent to a landfill - 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 WT6, 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 WT6: # COMPANIES DISCLOSING WASTE RECOVERY / DISPOSAL DATA (ABSOLUTE)					
INDUSTRIES	#	2022		2023	
		#	%	#	%
Sample	**200**	**153**	**77%**	**164**	**82%**
Chemicals	11	11	100%	11	100%
Fast Moving Consumer Goods	15	15	100%	15	100%
Capital Goods	17	16	94%	17	100%
Metals & Mining	9	8	89%	9	100%
Information Technology	13	11	85%	13	100%
Automobile and Auto Components	15	14	93%	14	93%
Healthcare	15	14	93%	14	93%
Oil Gas & Consumable Fuels	12	10	83%	11	92%
Power	9	8	89%	8	89%
Others	17	13	76%	15	88%
Consumer Durables	6	4	67%	5	83%
Consumer Services	9	6	67%	7	78%
Construction Materials	7	5	71%	5	71%
Financial Services	45	18	40%	20	44%

 # Number of companies which disclosed data in BRSR for FY 2022-23.

- Out of 175 Companies which had made disclosures on waste generated for FY 2022-23, 164 Companies have also disclosed information on waste recovery or waste disposal.
- Industries such as Chemicals, FMCG, Capital Goods, Metals & Mining and IT have seen 100% disclosures on above parameters in FY 2022-23.
- Similar to waste generation, majority of the Companies from Financial Services Industry has 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.*"
- 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 WT7: Analyses performance of companies with respect to waste recovery / disposal data i.e. bifurcation on Waste Recovered (**WR**) vs Waste Disposed (**WD**):

TABLE WT7: WASTE MANAGEMENT (RECOVERED vs DISPOSED) (ABSOLUTE)							
INDUSTRIES	#	2022			2023		
		#	WR	WD	#	WR	WD
Sample	**200**	**153**	**69.6%**	**30.4%**	**164**	**71.1%**	**28.9%**
Financial Services	45	18	100.0%	0.0%	20	99.6%	0.4%
Fast Moving Consumer Goods	15	15	96.9%	3.1%	15	97.2%	2.8%
Others	17	13	94.9%	5.1%	15	95.1%	4.9%

Oil Gas & Consumable Fuels	12	10	**96.2%**	3.8%	11	94.6%	5.4%
Information Technology	13	11	85.9%	14.1%	13	93.3%	6.7%
Chemicals	11	11	87.1%	12.9%	11	86.5%	13.5%
Power	9	8	77.0%	23.0%	8	83.8%	16.2%
Consumer Durables	6	4	75.3%	24.7%	5	75.1%	24.9%
Automobile & Auto Components	15	14	74.4%	25.6%	14	73.0%	27.0%
Healthcare	15	14	76.8%	23.2%	14	70.9%	29.1%
Metals & Mining	9	8	68.2%	31.8%	9	70.1%	29.9%
Construction Materials	7	5	88.7%	11.3%	5	67.9%	32.1%
Capital Goods	17	16	66.9%	33.1%	17	61.3%	38.7%
Consumer Services	9	6	27.5%	**72.5%**	7	14.0%	**86.0%**

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

- There is a slight improvement in overall performance among the sample entities, as the waste recovery has crossed 70% vs below 30% waste being disposed.
- However, on industry wise basis, none has been able to recover 100%, although none has disposed 100% waste though.
- Consumer Services Industry has been worst performing industry among all, which disposed 86% of waste in FY 2022-23 against recovery of merely 14%.
- Most Companies have recycled their waste by sending it to authorised recyclers and to make useful products out of it.
- One entity from Oil Gas & Consumable Fuels have even set up Micro Composting Centres and Material Recovery Facilities.
- Measures such as partnering with authorised waste recyclers, Central pollution control board by obtaining recycling certificates and managing waste as per EPR regulations; have led to improvement in the overall performance among the sample entities.
- Further, in compare 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 2022-23 was at **16,16,87,560 Tonnes**, total waste recovered during this period was **11,36,45,635 Tonnes** and total disposed was **4,61,39,939 Tonnes**. This data shows the total waste recovered and disposed as 98.82% of the total waste generated. However, no information available on remaining 1.18% waste, as some entities have not disclosed information on waste recovery or disposal.

AN ISSUE OF REPORTING THE WASTE DATA:

- There are certain entities from different industries namely Construction Materials, Cement, 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):

- We are working with the cement industry to utilise operational waste as raw material and with the National Highways Authority of India (NHAI) to use the waste as substrate for road construction. (a Company from Metal & Mining Industry)
- To sustainably handle our organic waste, we have installed Organic Waste Converters (OWC) in most of our project. (a Company from Residential, Commercial Projects)
- XYZ has started utilising the plastic waste through injection in Electric Arc Furnace which has led to the replacement of coke fines in the EAF. (a Company from Metal & Mining 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 WT8, provides industry wise distribution of companies disclosing targets relating to better management of waste including reduction in waste, recovery and disposal of waste.

TABLE WT8: INDUSTRY WISE TARGET DISCLOSURE (# OF COMPANIES)

INDUSTRIES	#	Short-Term*		Long-Term**	
		#	%	#	%
Sample	**200**	**55**	**28%**	**43**	**22%**
Metals & Mining	9	3	33%	5	56%
Automobile and Auto Components	15	6	40%	7	47%
Fast Moving Consumer Goods	15	11	73%	5	33%
Power	9	4	44%	3	33%
Construction Materials	7	3	43%	2	29%
Chemicals	11	2	18%	3	27%
Healthcare	15	9	60%	4	27%
Capital Goods	17	2	12%	4	24%
Information Technology	13	4	31%	3	23%
Consumer Services	9	2	22%	2	22%
Consumer Durables	6	3	50%	1	17%
Others	17	3	18%	2	12%
Oil Gas & Consumable Fuels	12	2	17%	1	8%
Financial Services	45	1	2%	1	2%

*# 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.
- 17 companies in the sample have disclosed both short term as well as long term targets to reduce overall waste generation.
- While, 55 companies have discussed about Short term target & 43 companies discussed about long term targets.

Leading Endeavours (The Trend Setters):

- Ensuring zero waste to landfill" 2030. (a Company from Metals & Mining industry)

- 2030: Build a 5 Mn TPA recycling business in steel and other business in India. (a Company from Metals & Mining industry)
- Promote Circular Economy through recycling of 100% of non-hazardous waste. (a Company from Healthcare industry)
- Minimise consumption of packaging plastic by 50% by 2030 (Starting from FY24). (a Company from Automobile and Auto Components industry.)
- XYZ aspire to achieve a ratio of 95%:5% for sustainable and plastic material in the next 10 years. (a Company from Consumer Services industry)

Target Achievements:

- While there were better disclosures of targets to reduce waste generation and better 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:
    - Presently 43% of the ETP sludge and 53% of cellulosic waste is being diverted from disposal to co-processing in cement plants – an entity from construction materials industry.

2.9. ENVIRONMENTAL COMPLIANCE & INCIDENTS

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

EVALUATION STATISTICS				
2023	QUESTIONS	9	PARAMETERS	27
2021	QUESTIONS	6	PARAMETERS	24

YEAR	SCORE – ENVIRONMENTAL COMPLIANCE & INCIDENTS							
2023	MAX.	100	AVG.	96	MED.	100	MIN.	30
2021	MAX.	100	AVG.	96	MED.	100	MIN.	33

- Data on environmental incident was sourced from disclosures by company concerned in their Annual or Sustainability Report or disclosure on stock exchange.
- 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.
- Construction Materials Industry has been the least performing industry to have complied with environmental laws.

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:

i. 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;

ii. 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;

iii. any non-compliance with federal, state or local requirements governing occupational safety/ health;

iv. 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;

v. 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 be varied 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 law/ 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	15	15	**100%**
Capital Goods	17	17	**100%**
Consumer Durables	6	6	**100%**
Consumer Services	9	9	**100%**
Fast Moving Consumer Goods	15	15	**100%**
Financial Services	45	45	**100%**
Information Technology	13	13	**100%**
Others	17	16	94%
Healthcare	15	14	93%
Chemicals	11	10	91%
Fast Moving Consumer Goods	15	14	93%
Power	9	7	78%
Oil Gas & Consumable Fuels	12	6	**50%**
Metals & Mining	9	4	**44%**
Construction Materials	7	2	**29%**

 # 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.

Construction Materials Industry:

- Non-compliances such as CPCB guidelines for loading, unloading and nuisance free transportation of fly ash, exceeding the AAQM results, alleged water pollution and not conforming to Air Quality standards, etc. Violations such as not committing to the prescribed standards of emissions has also caused action under various sections of Air (Prevention & Control of Pollution) Act, 1981.
- 4 out of 5 such companies have been found guilty of causing such controversies and putting the industry at the lowest spot in the table above.

Power:

- An entity from this sector has faced challenges in operation of a hydro project after a natural disaster. For which clearances need to be obtained for commencement of the same. Company has stated that, "*Management is confident that the approval for proceeding with the project shall be granted, hence no adjustment is considered necessary in respect of the carrying value of the project.*"

Healthcare Industry:

- An entity was liable to pay penalty of ₹ 5 million under section 32 of the Water (Prevention and Control of Pollution) Act 1974 for 'Accidental stagnation of greyish colour water, mix of rainwater, run off water from plant areas and an odour in treated water observed at open area at one of their facility.'

Oil Gas & Consumable Fuels Industry:

- Actions such as fine to be paid ~₹ 77.50 Crores and ad interim stay of the operation were taken by regulatory agencies such as pollution control boards or by courts for non-compliances under Water (Prevention and Control of Pollution) Act, 1974 and The Air (Prevention and Control of Pollution) Act, 1981.
- One of the incidents occurred was bursting of a gas pipeline due to leakage which was caused by unauthorized digging work. However, company has not disclosed information on any legal proceedings or actions undertaken.

Metals & Mining:

- Incident due to operations have been observed which have resulted in contamination of the source of drinking water and damage to live stocks. Corrective action such as restoration plan directed to be prepared for remediating soil and quality of ground water and undertaking health improvement programmes was undertaken.

- One company had obtained operating licence near a Sanctuary however, had no operations started in the area and had assured that no damage shall be caused to any flora and fauna of the area. This demonstrates awareness amongst public and questioning the company for their action through appropriate authority. All companies shall respond in a timely manner for protecting the interest of society at large.

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

SELECTED INCIDENTS:

- There was a fire incidence around warehouse of the manufacturing facility of the Company at Nandesari ('Plant') on June 2, 2022. The fire which included burning of bags and products within, also caused liberation of grey smoke thereby affecting ambient air quality in the nearby area, as per air monitoring carried out by Gujarat Pollution Control Board ('GPCB'). Further, dousing of fire generated large amount of waste water which was non-compliant due to usage of foam, as per samples drawn by GPCB outside the factory premises from GIDC storm water drain. As a consequence, and considering the effluent so generated, both gaseous and liquid, GPCB, under provisions of Air (Prevention and Control of Pollution) Act, 1981 ('Air Act') and Water (Prevention and Control of Pollution) Act, 1974 ('Water Act'), had issued directions for closure of the Plant. The Company was directed by GPCB for payment of ₹ 1 Crores as an interim Environmental Compensation and to submit Bank Guarantee of ₹ 5 Lakhs each under Air Act and Water Act, along with revocation application.

  (a company from – Chemicals Industry)

- An application has been filed by Biplab Kumar Chowdhury against West Bengal Pollution Control Board ("WBPCB") and the Company, alleging inter alia not having the approval from appropriate authority for setting up of crusher unit on the Raidak Riverbank. Matter pertains to Dhubri Phulbari Bridge project.

  (a company from – Civil Construction Industry)

- An application has been filed by Mahul Gaon residents before the National Green Tribunal (NGT), agitating that M/s. Sea Lord Containers Ltd., M/s. Aegis, and other industrial activities of storage of chemicals and other industrial activities in Mahul Gaon area, resulting in foul/ obnoxious smell of chemicals, adversely affecting the health of residents of Mahul and Ambapada villages.

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

- National Green Tribunal (NGT) has imposed more than ₹ 25 crore fine on two beverage manufacturers who bottle Coca Cola and Pepsi in Uttar Pradesh for overexploitation of groundwater. The NGT said the condition of groundwater is already, "Seriously alarming" and imposed an environmental compensation of Rs 1.85 crore on Moon Beverages Ltd located at Greater Noida, Rs 13.24 crore on XYZ Ltd's Sahibabad unit and Rs 9.71 crore on ABC Ltd's Greater Noida unit.

  (a company from – FMCG Industry)

- The National Green Tribunal ("NGT") in a matter relating to non-compliance of environmental norms relating to Udupi TPP directed the Company vide its order dated 14th March, 2019, to make payment of Rs. 5.00 Crores as an interim environmental compensation to Central Pollution Control Board ("CPCB"), which was deposited by the Company with CPCB under protest, in April 2019 and expensed the same in the books.

  (a company from – Power Industry)

- A special bench of the National Green Tribunal has directed PQR Limited and CDE Limited to pay ₹ 10 crore interim compensation for violating environmental clearance (EC) norms on the functioning of the open-cast mine in Sambalpur district.

  (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					
2023	QUESTIONS	30	PARAMETERS	59	

SCORE STATISTICS							
MAXIMUM	84	AVERAGE	43	MEDIAN	46	MINIMUM	3

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 average score of 43 and divergence of 81 between maximum and minimum score i.e. almost 27 times the top- bottom, indicates that Banks' disclosures regarding indirect environmental impact are weak, not uniform and there is large scope for improvement for at least for some Banks.
- The disclosures and scoring in this section include 20 Banks forming part of sample entities of 200 as analysed in this report.
- 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:

SCORE STATISTICS							
MAXIMUM	91	AVERAGE	48	MEDIAN	55	MINIMUM	5

- Under this section, Banks 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,
  - Policy on Climate change and its impact,
  - Industry Wise disclosure of Laon 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.

- The Bank which scored highest in this section has disclosed information on almost all parameters.
- The same Bank has stated that: *"The BANK 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 2022-23, the Bank's book size towards EV financing stood at to ₹ 120.41 crore."*
- Further, it has also stated that: *"The BANK is one of only five Accredited Entities for the Green Climate Fund in India."*
- One of the Bank which scored among higher category has stated that: *"In FY 2022-23, we convened an* ***ESG training programme*** *for a cohort of these teams which* ***focused on understanding the relevance of ESG from a banking perspective****, with a specific emphasis on emerging climate technologies and the associated growth in sustainable finance transactions."*
- Five out of 20 Banks have scored less than 20% in this section.
- 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:

SCORE STATISTICS							
MAXIMUM	86	AVERAGE	31	MEDIAN	22	MINIMUM	0

- Under this section, Banks are scored based on their disclosures regarding:
  - Having Provisions & Targets for Sustainable Sourcing,
  - 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 had issued its inaugural* ***green bonds*** *of USD 500 million (ISIN XS1410341389) in June, 2016. The bonds are the first certified green bond by an Asian bank – the Bank's green bond was certified under climate bonds initiative standards version 2.1."*
- Another Bank with high score in this section has stated that: *""The Bank's* ***sustainable finance portfolio*** *for FY2023, currently undergoing assurance, represents approximately 46% of the Bank's total advances."*
- 3 out of 20 Banks have scored Zero in this section, with nil disclosures.
- Further, 10 out of 20 have scored less than 15 in this section, with negligible disclosures.

INSURANCE COMPANIES

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

EVALUATION STATISTICS				
2023	QUESTIONS	52	PARAMETERS	105

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.

SCORE STATISTICS							
MAXIMUM	48	AVERAGE	23	MEDIAN	19	MINIMUM	3

- The disclosures and scoring in this section include 7 Insurance Companies forming part of sample entities of 200, as analysed in this report.
- 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 Investment in Environment sensitive sectors, etc.
- The average score of mere 23, maximum score of 48 and divergence of 45 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.
- 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."*
- An entity has stated that, *"Scope to build a portfolio of lower carbon intensity in line with evolving regulations and investor expectations."*

👍 On Restrictions on Investment, an entity which scored in higher range has stated that: *"Restriction principles will apply to any company that derives more than two-third of its revenue from the following industries: Thermal power, Arms & ammunitions or weapons of mass destruction, Coal, Tobacco."*

👎 3 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.

III – 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 evaluation model & disclosure level of companies from 2021 to 2023 to reflect increased awareness, focus and regulatory dictate relating to Environment & Social.

EVALUATION STATISTICS				
2023	QUESTIONS	262	PARAMETERS	715
2021	QUESTIONS	92	PARAMETERS	317

YEAR	SCORE – SOCIAL							
2023	MAX.	82	AVG.	70	MED.	71	MIN.	51
2021	MAX.	71	AVG.	56	MED.	57	MIN.	36

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
74.6- Consumer Durables (2023) 61.1 – Consumer Goods (2021)	82.3- Financial Services (2023) 71.5 – Power (2021)
73.9- Information Technology (2023) 60.7– Automobile (2021)	81.2- Financial Services (2023) 68.9 – Power (2021)
72.5- Power (2023) 60.0 – Cement (2021)	81.1- Others (2023) 68.6 – Cement (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
59.5- Healthcare (2023) 45.5 – Consumer Services (2021)	50.9 – Healthcare (2023) 35.6 – Consumer Services (2021)

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

SCORES & DISTRIBUTION:

Table S1 represents the Sector/ industry wise scoring pattern on Overall Social parameters across the Sample entities:

TABLE S1: SCORING PATTERN IN SOCIAL ACROSS DIFFERENT INDUSTRIES

PARAMETERS	MAX.	AVG.	MED.	MIN.	MAX-MIN Spread	MAX-AVG Spread
Sample	**82**	**70**	**71**	**51**	**31**	**12**
Consumer Durables	80	75	76	64	16	5
Information Technology	81	74	77	59	22	7
Power	78	72	72	67	11	5
Financial Services	82	72	74	52	31	10
- Banks	79	72	74	58	21	7
- Insurance	76	69	70	52	24	7
- Other Financial Services	82	74	76	62	20	8

Others	81	71	72	60	21	**10**
Oil Gas & Consumable Fuels	76	71	72	61	15	**5**
Capital Goods	78	70	69	64	13	8
Automobile and Auto Components	78	70	71	**51**	**27**	8
Fast Moving Consumer Goods	79	69	69	60	20	10
Chemicals	75	69	70	62	13	6
Consumer Services	76	68	68	59	17	8
Metals & Mining	74	67	68	58	16	7
Construction Materials	74	66	66	60	14	8
Healthcare	73	60	58	**51**	22	**13**

- The average score of social factors across the sample companies was 70, where the highest score was 82 and the lowest score was 51. The best performance on average basis was by Consumer Durables, with average score of 75 as against the total average of 70. Following the similar pattern, IT, Power, Financial Services, Other industries and Oil, Gas & Consumable Fuels had an industry average of more than the sample average of 70. Whereas, the lowest average score was of Healthcare industry (60), followed by Construction Materials (66) and Metals & Mining (67).

- A company from Financial Services had highest score of 82, this industry coincidently also has the highest Max-Min spread of 31. The high divergence could be due to large sample size (45 companies), encompassing wide array of different businesses i.e. Banks, NBFCs, Insurance and Fintech Companies. This also indicates that, there is maximum scope of improvement.

- The lowest "Maximum Score" was observed in Healthcare industry (73), which also had the lowest average industry score. The low average score was because issues and concerns were raised in Product Quality (product recall) in few pharmaceutical companies. Further, low S score was also observed in Hospitals (2 out of 15 Healthcare companies), which is quite surprising. The reason for the same is, low score in Workforce Diversity and Management and Human Rights score (sexual harassment complaints, turnover rate, training etc.)

- The lowest Score was bagged by a company belonging to Healthcare industry (50.9), followed by Automobile and Auto Components (51.2) and Financial Services (51.5). Whereas the highest "Minimum score" was observed by Power industry (67).

- Only 5 companies have managed a score of above 80 in FY 2022-23. Of these, 3 belong to Financial Services industry and 1 each from IT industry and 'Other' industries.

- The highest divergence was observed in Financial Services Industry of 31, whereas the lowest spread was in Power industry of 11 as minimum score of the industry was 67. Further, 5 Sectors i.e. Financial Services, Automobile and Auto Components, Healthcare, IT and Other industries saw a Max-Min Spread of more than 20.

- Even though the overall disclosures made by sample companies have improved due to BRSR mandate, the low score is mainly because companies failed to meet the parameters of performance evaluation, where the quality of disclosure and the content of disclosure is examined.

Table S2 represents the Scoring pattern across the seven sub factors or parameters of Social among the sample entities.

Table S2: Scoring pattern across different broad categories in 'Social'								
Parameter	**MAX.**		**AVG.**		**MED.**		**MIN.**	
	2021	**2023**	**2021**	**2023**	**2021**	**2023**	**2021**	**2023**
3.1. Workforce Diversity	78	**90**	57	**67**	57	**67**	24	**43**
3.2. Human Rights	-	**99**	-	**77**	-	**79**	-	**31**
3.3. Health & Safety	97	**100**	56	**76**	56	**77**	24	**37**
3.4. Customer Orientation & Welfare	-	**100**	-	**80**	-	**83**	-	**31**
3.5. Product / Service Quality	100	**100**	73	**84**	75	**88**	8	**25**
3.6. CSR, Community Relations	97	**90**	71	**69**	72	**70**	42	**25**
3.7. Cyber Security & Data Privacy	97	**100**	57	**83**	57	**83**	**20**	**7**

Interpretation/ Commentary:

- Several companies achieved highest score of 100 in parameters like Customer Orientation & Welfare, Product / Service Quality and Cyber Security & Data Privacy, whereas one company in Financial Services industry achieved 100 as highest score for Health & Safety.
- Highest Median score was for 'Product/Service Quality' factor at 100, indicating that in more than 50% of sample companies there was no issue with regard to Product/Service Quality and adequate disclosures were made.
- Further, the highest Average score was also observed in 'Product/Service Quality' (84), followed by Cyber Security & Data Privacy (83).
- 'CSR, Community Relations' factor scored lower compared to previous year. This is mainly due to evaluation on more elaborate performance parameters, which includes inclusive development, CSR Spent/Transferred to designated accounts/funds etc. The said parameters were included as BRSR mandated parameters and certain additional parameters included in the ESG Model for 2023.
- Decrease in Minimum Score of 'Cyber Security & Data Privacy' Factor was observed, where the lowest score was 7, due to limited disclosure of practices towards ensuring cyber security and no disclosure complaints of data privacy.
- While the highest increase in Average was observed in 'Cyber Security & Data Privacy', the lowest increase in average score was observed in 'Workforce diversity and Management'.
- With regard to Highest Maximum- Minimum spread, the same was observed in Cyber Security & Data Privacy factor (93), where the lowest score was obtained by a Metals & Mining Company, that had made little to no disclosure regarding Cyber security framework, complaints, data breached etc.
- The low Maximum- Minimum spread was observed in Workforce Diversity & Management Factor. The low spread is the result of large number of disclosure question with regard to workforce of the companies (Employees, Workers, Permanent, Non-Permanent, Male, Female etc.), which is ready data for most of the companies. Hence, the difference in score depicts low performance score.
- Overall, the increase in scores were due to enhanced disclosure as a result of BRSR mandate.

3.1. WORKFORCE DIVERSITY & MANAGEMENT

Assessment Factors: Disclosure on workforce and various workforce related practices;

- Workforce details | ● Workforce Diversity & Inclusion
- Employee Attrition and Turnover Rate | ● Equal Opportunity
- Training on Skill development | ● Employee Benefit Expense

BRSR Reference: Section A and Principle 3.

EVALUATION STATISTICS				
2023	QUESTIONS	115	PARAMETERS	302
2021	QUESTIONS	37	PARAMETERS	145

YEAR	SCORE – WORKFORCE DIVERSITY & MANAGEMENT							
2023	MAX.	90	AVG.	67	MED.	67	MIN.	41
2021	MAX.	78	AVG.	57	MED.	57	MIN.	24

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
74.5– Information Technology (2023)	90.4 – Financial Services (2023)
61.7– Cement (2021)	78.3 – Others (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
56.5 – Chemicals (2023)	40.8 – Oil, Gas & Consumable Fuels (2023)
50.5 – Consumer Goods (2021)	24.2 – Others (2021)

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

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 in to 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. The classification of workforce, as required under BRSR, is presented in Diagram S1:

Diagram.S1:

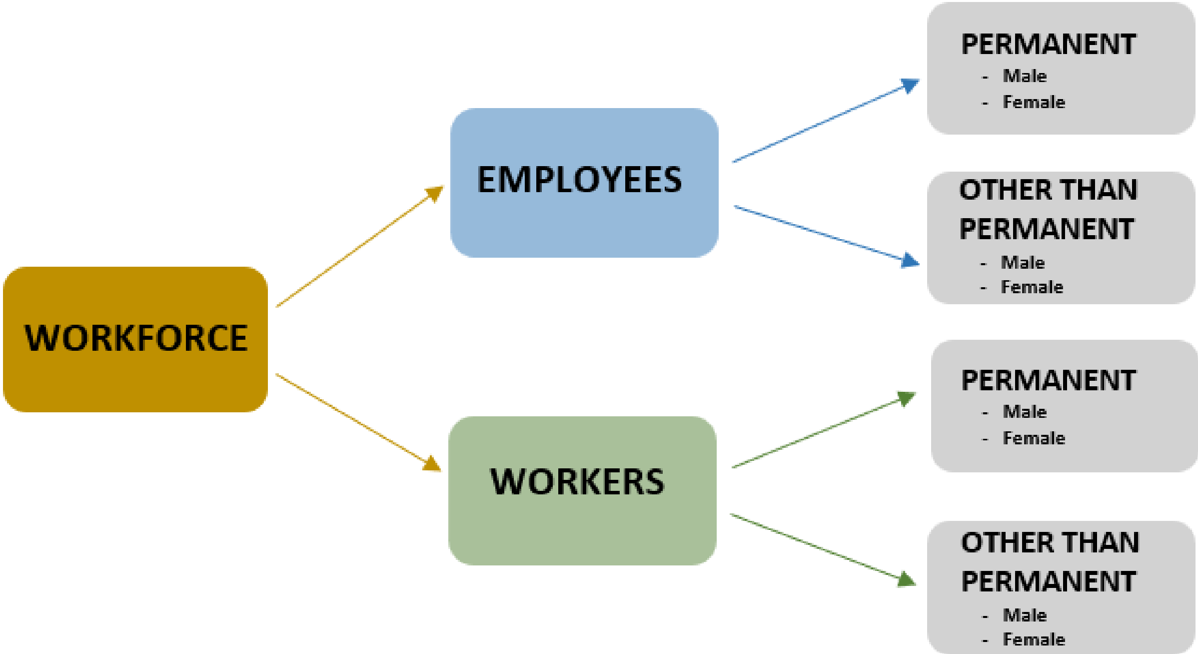


Table WD1 provides industry-wise Workforce data and analysis across sample companies:

TABLE WD1: WORKFORCE SUMMARY						
Industry	**#**	**TOTAL WORK-FORCE 2023**	**DISTRIBUTION %**	**AVERAGE WORK-FORCE**	**MEDIAN**	**% NP WORK-FORCE**
Sample	**200**	**77,39,616**	**100%**	**38,698**	**16,617**	**29.32%**
Financial Services	45	20,45,074	26.4%	45,446	27,657	5.1%
Information Technology	13	18,21,429	23.5%	1,40,110	27,618	4.4%
Oil Gas & Consumable Fuels	12	6,42,882	8.3%	53,574	22,950	46.0%
Metals & Mining	9	6,11,457	7.9%	67,940	30,837	59.0%
Others	17	6,02,932	7.8%	35,467	13,821	68.6%
Automobile and Auto Components	15	3,72,046	4.8%	24,803	15,767	46.9%
Healthcare	15	3,34,401	4.3%	22,293	16,911	21.7%
Capital Goods	17	2,88,900	3.7%	16,994	9,644	46.3%
Power	9	2,83,824	3.7%	31,536	11,675	**73.6%**
Fast Moving Consumer Goods	15	2,36,176	3.1%	15,745	6,606	55.3%
Construction Materials	7	1,73,999	2.2%	24,857	19,941	58.3%
Consumer Services	9	1,40,790	1.8%	15,643	6,158	61.1%
Consumer Durables	6	98,394	1.3%	16,399	12,601	65.4%
Chemicals	11	87,312	1.1%	7,937	7,385	50.1%

NP = Non-Permanent

- A total workforce strength of 77,39,616 was reported by 200 companies with an average workforce strength of 38,698. While majority of workforce (70.70%) was permanent yet significant proportion (29.3%) 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, a closer look tells that if Financial services and IT sector are excluded, picture changes drastically. Out of remaining 12 sectors, 9 have more than 50% non-permanent workforce- very clearly establishing that even now non-permanent labour is a preferred option.
- Financial Service industry has the highest count of workforce representing 26.4% of the total workforce in the observed data followed by IT at 23.5%.
- IT industry has the highest concentration of workforce with an average workforce strength of 1,40,110 across 13 companies followed by Metals & Mining at 67,940 average strength which is lower than half of IT.
- Chemicals Industry had least number of workforces as also has the lowest average of workforce at 7,937 per company. Consumer Durables & Consumer services have the 2nd and 3rd lowest concentration of workforce, respectively. However, Consumer Durable industry's workforce averages more than Consumer services and FMCG industries.
- Power sector has reported the highest percentage i.e. 73.6% of non-permanent workforce in total workforce followed by Other Industries and Consumer Durables, while IT industry has reported the lowest non-permanent workforce at 4.4% which is marginally lower than Financial Services.

TABLE WD2: # WORKFORCE - TOP 5 COMPANIES

Industry*	#
Information Technology	6,15,721
Information Technology	3,68,125
Oil Gas & Consumable Fuels	3,41,929
Others (Construction)	3,30,955
Information Technology	2,62,325

** In place of the Company name, Industry name is disclosed*

- A Construction sector company included in Other industries forms 55% of the total workforce in Other industries. The same company has 85% non-permanent workforce in 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 2022-23 in sample companies:

TABLE WD3: EMPLOYEES SUMMARY (PERMANENT + OTHER THAN PERMANENT)

INDUSTRY	#	TOTAL EMPLOYEES	PERMANENT EMPLOYEES	AVERAGE PERMANENT EMPLOYEES	% NON-PERMANENT EMPLOYEES
Sample	**200**	**52,52,654**	**48,20,763**	**24,104**	**8.2%**
Financial Services	45	20,44,221	19,39,883	43,109	5.1%
Information Technology	13	18,05,214	17,27,065	1,32,851	4.3%
Healthcare	15	2,64,526	2,46,181	16,412	6.9%
Others	9	1,89,113	1,59,553	9,385	15.6%
Metals & Mining	17	1,80,048	1,75,400	19,489	2.6%
Capital Goods	17	1,35,467	1,03,320	6,078	23.7%
Automobile & Auto Components	12	1,10,774	93,211	6,214	15.9%
Consumer Services	15	1,05,386	50,553	5,617	**52.0%**
Oil Gas & Consumable Fuels	15	1,03,588	98,424	8,202	5.0%
Fast Moving Consumer Goods	9	1,00,645	61,673	4,112	**38.7%**
Power	9	66,400	61,585	6,843	7.3%

Consumer Durables	7	56,543	28,303	4,717	**49.9%**
Construction Materials	11	56,453	44,542	6,363	21.1%
Chemicals	6	34,276	31,070	2,825	9.4%

 # Number of companies

- A total of 52,52,654 employees were employed by the sample companies of which 91.8% were permanent and the rest of 8.2% were non-permanent.
- Of the total employees, 38.9% were employed by Financial Services industry which constitutes 22.5% of total companies in the sample and 34.4% were employed by IT industry.
- 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 as compared to all the other industries in the sample.
- Financial Services has engaged the highest number of permanent employees just above IT industry. Both of these constitute 76% of the permanent employees in the observed data. However, IT industry has over 3 times higher average of permanent employees per company than Financial Services.
- Healthcare and Metals & Mining industries follow the above the two industries in **highest permanent employee** headcount and average permanent employees per company.
- Consumer Durables industry had the lowest headcount of permanent employees just lower than Chemicals industry which has the lowest average of permanent employees per company.
- Consumer Services, Consumer Durables and FMCG 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.

TABLE WD4: PERMANENT EMPLOYEES			
TOP 5 COMPANIES		**BOTTOM 5 COMPANIES**	
Industry*	**# Permanent Employees**	**Industry***	**# Permanent Employees**
Information Technology	6,13,194	**Financial Services**	41
Information Technology	3,43,234	Chemicals	207
Information Technology	2,49,095	FMCG	262
Financial Services	2,32,188	Oil, Gas & Consumable Fuels	264
Information Technology	2,25,944	Consumer Services	414

** In place of the Company name, Industry name is disclosed*

A Holding company under Financial Services had the lowest number of permanent employees i.e. 18 permanent employees. Also, a Holding Company included under 'Other Industries' had 103 permanent employees. Both of these 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 2022-23 in sample companies:

TABLE WD5: WORKERS SUMMARY (PERMANENT + NON-PERMANENT)					
INDUSTRY	Reported Having Workers	Total Workers 2023	Average Workers 2023	% Workers in Total Workforce	% Non-Permanent Workers in Total Workforce
Sample	**130/200**	**24,86,962**	**12,435**	**32.13%**	**23.74%**
Oil Gas & Consumable Fuels	11/12	5,39,294	44,941	83.89%	45.21%
Metals & Mining	9/9	4,31,409	47,934	70.55%	58.24%
Others	8/17	4,13,819	24,342	68.63%	63.68%
Automobile & Auto Components	15/15	2,61,272	17,418	70.23%	42.20%
Power	8/9	2,17,424	24,158	76.61%	71.87%
Capital Goods	17/17	1,53,433	9,025	53.11%	35.17%
Fast Moving Consumer Goods	15/15	1,35,531	9,035	57.39%	38.76%
Construction Materials	7/7	1,17,546	16,792	67.56%	51.46%
Healthcare	13/15	69,875	4,658	20.90%	16.20%
Chemicals	11/11	53,036	4,821	60.74%	46.41%
Consumer Durables	5/6	41,851	6,975	42.53%	36.65%
Consumer Services	5/9	35,404	3,934	25.15%	22.11%
Information Technology	4/13	16,215	1,247	0.89%	0.07%
Financial Services	2/45	853	19	0.04%	0.00%

Note: Average workers per company has been calculated based on the total number of companies in the sample rather than the companies that have disclosed presence of workers in their workforce.

- Out of 200 companies, 130 companies have reported 24,86,962 workers in their total workforce. All the companies from industries such as Capital Goods, FMCG, Automobile, Chemicals, Metals & Mining and Construction Materials reported having workers.
- Almost 70% of workers are non-permanent, compared to just 8.20% in Employees category. 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.
- 23.74% of the total workforce in the sample is constituted by non-permanent workers. Representation of non-permanent workers is highest in Power sector as 71.87% of total workforce is constituted by non-permanent workers. Thus, indicating a higher dependency on contractual labour for their operations. This is followed by 'Other industries' and Metals & Mining industry.
- 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 Metals and Mining Industry at 47,934 workers per company just above Oil Gas and Consumable Fuel sector with 44,941 workers per company.
- For companies in Financial Services, only 2 of total 45 companies reported having a total of 853 workers, all of which were permanent and constitute only 0.04% workforce in the industry. For IT, 4 companies consist a total of 1,247 workers constituting 0.89% of total workforce in industry.

- Excluding IT and Financial Service sectors, lowest percentage of non-permanent workers was reported in Healthcare industry followed by Consumer Services.

TABLE WD6: #NON-PERMANENT WORKERS – TOP 5 COMPANIES	
Industry*	#
Others (Construction)	2,75,753
Metals & Mining	1,15,810
Power	1,13,355
Oil Gas & Consumable Fuels	1,02,719
Oil Gas & Consumable Fuels	93,401

** In place of the Company name, Industry name is disclosed.*

- A Construction Company included under 'Other Industries' reported the highest number of non-permanent workers and it forms 83.3% of the Company's total workforce.

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:

Data on the total women workforce in the sample is as given in table WD7:

TABLE WD7: GENDER DIVERSITY IN WORKFORCE SUMMARY				
Industry*	**TOTAL FEMALE WORKFORCE**	**DISTRIBUTION OF FEMALE WORKFORCE**	**AVERAGE FEMALE WORKFORCE**	**REPRESENTATION IN TOTAL WORKFORCE**
Sample	**14,91,323**	**100%**	**7,457**	**19.27%**
Information Technology	6,29,575	42.22%	48,429	34.56%
Consumer Services	45,946	3.08%	5,105	32.63%
Financial Services	4,88,241	32.74%	10,850	23.87%
Healthcare	63,544	4.26%	4,236	19.00%
Automobile & Auto Components	55,697	3.73%	3,713	14.97%
Fast Moving Consumer Goods	29,517	1.98%	1,968	12.50%
Others	60,033	4.03%	3,531	9.96%
Consumer Durables	8,316	0.56%	1,386	8.45%
Capital Goods	19,448	1.30%	1,144	6.73%
Metals & Mining	35,710	2.39%	3,968	5.84%
Oil Gas & Consumable Fuels	33,855	2.27%	3,078	5.27%
Chemicals	4,299	0.29%	391	4.92%
Power	11,984	0.80%	1,332	4.22%
Construction Materials	5,158	0.35%	737	**2.96%**

Note: One Company in Oil Gas & Consumable Fuel sector has not disclosed gender-wise classification of their workers and the same has been excluded from the calculation of data in table WD7.

- IT industry has the highest number of female employees followed by Financial Services. Both of these industries constitute ~75% of total female workforce in the observed sample and have the highest average females per company in the workforce.

- Outside these two industries, Consumer Services has the highest average of females per company closely 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. Are women better at human relations/ interaction?
- Construction Materials, Consumer Durables and Power sectors have the lowest headcount of female workforce, whereas Construction Material industry has the lowest average of female workforce followed by Capital Goods and Power industries.
- IT industry also leads the highest female representation in the workforce with 34.56% followed by Consumer Services at 32.63%.
- Manufacturing industries such as Construction Materials and Power have the lowest female representation in the workforce at 2.96% and 4.22%, respectively.

TABLE WD8: WOMEN % IN WORKFORCE				
INDUSTRY	**MEDIAN %**	**MAXIMUM**	**MINIMUM**	**FEMALE TO MALE RATIO (PER '000)**
Sample	**9.85%**	**75.10%**	**0.45%**	239
Information Technology	32.12%	38.10%	22.48%	528
Consumer Services	24.07%	40.72%	12.88%	484
Financial Services	22.86%	51.88%	3.29%	314
Healthcare	12.34%	41.83%	2.83%	235
Automobile & Auto Components	11.50%	42.65%	**0.45%**	176
Fast Moving Consumer Goods	11.44%	37.05%	0.90%	143
Others	6.65%	**75.10%**	1.51%	111
Consumer Durables	5.53%	26.10%	3.06%	92
Capital Goods	5.49%	21.97%	0.51%	72
Metals & Mining	4.73%	10.43%	3.00%	62
Oil Gas & Consumable Fuels	3.94%	7.70%	0.59%	56
Chemicals	3.91%	16.98%	1.07%	52
Power	3.60%	10.87%	0.53%	44
Construction Materials	3.05%	4.79%	1.11%	31

Note: One Company in Oil Gas & Consumable Fuel sector has not disclosed gender-wise classification of their workers and the same has been excluded from the above data.

- Just one Company in Automobile & Auto Component industry has 42.65% female representation in total workforce 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. Company with the lowest female representation in workforce at 0.45% also belongs to this industry.
- Seven companies in Financial Services industry have less than 10% female representation in total workforce. Five of these companies are Non-banking financial companies.
- All the 13 IT companies have reported more than 20% female representation in total workforce.
- None of the Construction Materials company has more than 5% female representation in total workforce**.**

- Chemicals, Power and Consumer Durables industries each have only 1 company with more than 10% female representation in total workforce.
- In Consumer Services industry, 4 out of 9 companies have more than 30% female in total workforce.
- In nut shell gender equality in employment is still a work in process with miles to go.

TABLE WD9: WOMEN IN WORKFORCE			
TOP 5 COMPANIES		BOTTOM 5 COMPANIES	
Industry*	**#**	**Industry***	**#**
Information Technology	2,20,607	Financial Services	8
Information Technology	1,40,245	Power	16
Information Technology	93,939	Power	19
Information Technology	69,914	Capital Goods	22
Financial Services	63,083	Oil, Gas & Consumable Fuels	26

** In place of the Company name, Industry name is disclosed. | Note: excludes Holding companies.*

TABLE WD10: WOMEN % IN WORKFORCE			
TOP 5 COMPANIES		BOTTOM 5 COMPANIES	
Industry*	**%**	**Industry***	**%**
Others (Textile)	75.10%	Automobile and Auto Components	0.45%
Financial Services	51.88%	Capital Goods	0.51%
Others (Service)	44.19%	Power	0.53%
Automobile & Auto Components	42.65%	Power	0.55%
Healthcare	41.83%	Oil Gas & Consumable Fuels	0.59%

** In place of the Company name, Industry name is disclosed. | Note: excludes Holding companies*

- Within the Healthcare industry, a pharmaceutical manufacturing company has the lowest % female workforce while the Company engaged in Healthcare Services (Hospitals) has the highest female representation in workforce.
- Within 'Other industries', a Textile industry company engaged in manufacturing and distribution, had the highest female representation which is also the highest in the total data observed, while a Construction and Engineering company had the lowest female percentage in the workforce at 1.5% among Other industries.
- All Oil, Gas & Consumable Fuels companies had less than 10% females in their workforce.

TABLE WD11: FEMALE EMPLOYEES				
INDUSTRY	TOTAL EMPLOYEES	TOTAL PERMANENT	% NON-PERMANENT	PERMANENT FEMALE TO PERMANENT MALE RATIO (PER '000)
Sample	**14,91,323**	**12,06,626**	**8.1%**	**334**
Information Technology	6,29,575	6,02,671	3.2%	536
Consumer Services	45,946	14,147	60.5%	389
Financial Services	4,88,241	4,48,639	8.1%	301
Healthcare	63,544	50,586	8.5%	259
Others	60,033	28,859	13.3%	221
Fast Moving Consumer Goods	29,517	7,747	39.5%	144
Automobile & Auto Components	55,697	10,993	16.7%	134
Consumer Durables	8,316	2,799	52.7%	110
Capital Goods	19,448	9,048	26.9%	96

Oil Gas & Consumable Fuels	33,855	8,311	3.8%	92
Metals & Mining	35,710	14,169	3.3%	88
Power	11,984	4,728	6.2%	83
Chemicals	4,299	1,879	13.5%	64
Construction Materials	5,158	2,050	18.9%	48

- As can be seen from data in table WD11, of the total 14,91,323 female employees reported by 200 sample companies, about 81% are permanent and 19% were non-permanent.
- IT industry reported the highest female to male ratio for permanent employees followed by Consumer Service industry.
- Construction Material industry had the lowest female to male ratio at just 48 permanent female employees for every 1000 permanent male employees.
- Once again, the data is deceptive, leaving Financial Services and IT sectors, there were approximately 3.74 lac women employees, of which 1.56 lac were permanent, indicating that 2.18 lac were non-permanent or more than 50%, once again confirming that outside two sectors (Financial Services and IT) a major portion of workforce is Non-Permanent.

TABLE WD12: FEMALE WORKERS SUMMARY

Industry	REPORTED HAVING FEMALE WORKERS*	TOTAL FEMALE WORKERS	AVERAGE FEMALE WORKERS	% NP FEMALE WORKERS IN TOTAL NP WORKERS
Sample	**122/130**	**1,79,427**	**902**	**5.25%**
Automobile & Auto Components	13/15	42,493	2,833	11.90%
Others	7/8	26,734	1,573	2.12%
Oil Gas & Consumable Fuels^	11/11	25,853	2,154	1.89%
Metals & Mining	9/9	21,054	2,339	4.64%
Fast Moving Consumer Goods	14/15	16,722	1,115	15.70%
Consumer Services	5/5	10,150	1,128	30.94%
Healthcare	13/13	8,280	552	14.05%
Capital Goods	16/17	7,064	416	4.11%
Power	7/8	6,941	771	2.84%
Information Technology	4/4	6,790	522	22.68%
Construction Materials	7/7	2,631	376	2.61%
Consumer Durables	5/5	2,394	399	4.40%
Chemicals	9/11	2,128	193	4.76%
Financial Services	2/2	193	4	0.00%

**out of total companies that reported having workers | ^excludes one company due to non-disclosure of data.*

- Automobile Industries has employed the highest number of female workers with highest average of female workers per company. This industry also has the highest headcount of non-permanent female workers. This is attributable to just one company in the industry which is engaged in manufacturing and sale of automotive components as it contributes to 93% of the total female workers within 'other industry', without which the other 12 companies in this industry would average 893 female workers per company, just above the average of Healthcare industry.
- Metals and Mining has the second highest average number of female workers followed by Oil, Gas & Consumable Fuels industry.

Employee Vs Worker data divergence:

The data in Oil, Gas and Consumable Fuels industry is contrasting for women employees and women workers. All the companies in the industry have reported female employee representation of less than 10% in total employees, whereas, industry is ranked third with respect to total female workers in the industry. The operations in this industry 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 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.

- Barring Financial Services industry, Chemicals industry has the lowest average of female workers.
- 'Other industries group' follows Automobile Industry with second highest number of female workers mainly on account of high number of females in Service and Textile companies.
- There were 7 such industries where all the companies that reported having workers also have female workers. 2 of the companies in Chemicals and Automobile industries each has not reported having any female workers despite having workers.
- 199 companies in the sample has reported 96,542 non-permanent female workers of which highest headcount were reported by Automobile and Auto Components followed by Metals & Mining and FMCG industries.
- Consumer Services has reported the highest female to male ratio among non-permanent workers followed by IT and FMCG.

Employees with Disabilities:

Table WD13 gives statistical information on the total workforce with disabilities in the sample for FY 2022-23:

TABLE WD13: TOTAL WORKFORCE WITH DISABILITIES

INDUSTRY	#	##	AVERAGE/ COMPANY*	TOTAL	% TOTAL WORKFORCE*
Sample	**197 / 200**	**177/197**	**165**	**37,469**	**0.56%**
Financial Services	45/45	43/45	476	21,413	**1.05%**
Information Technology	13/13	11/13	311	4,065	0.22%
Capital Goods	16/17	**12/16**	105	2,820	0.99%
Oil Gas & Consumable Fuels	11/12	11/11	135	2,591	0.76%
Automobile & Auto Components	14/15	14/14	38	1,575	0.43%
Metals & Mining	9/9	9/9	107	1,273	0.21%
Power	9/9	8/9	66	1,038	0.37%
Fast Moving Consumer Goods	15/15	**12/15**	27	744	0.32%
Consumer Services	9/9	8/9	45	528	0.38%
Healthcare	15/15	**12/15**	20	383	**0.11%**
Others	17/17	**14/17**	14	370	**0.06%**
Chemicals	11/11	10/11	21	303	0.35%

Consumer Durables	6/6	6/6	11	197	0.20%
Construction Materials	7/7	7/7	11	169	0.10%

*# Number of companies which disclosed the data | ##Number of companies that have reported having differently-abled workforce*3 companies that have not disclosed the data have been excluded from the calculation in above table.*

- Out of 200 sample companies, 3 companies have not disclosed if they have any workforce with disabilities and of the remaining 197 sample companies, a total of 177 companies have reported having different-abled workforce. Four companies from Capital Goods industry and 3 companies each from FMCG, Healthcare and 'Other Industries' (2 from Realty sector and 1 from Telecom sector) reported that they did not have any differently-abled workforce.
- Financial Service Industry has the highest number as well as % differently-abled workforce and constitutes 57.15% of the total differently-abled workforce in the observed sample. IT industry has the second highest headcount and averages 311 differently-abled workforce per company.
- Financial Services industry is followed by Capital Goods and Oil, Gas and Consumable Fuels industry in terms of differently-abled representation in total workforce.
- Lowest average of different-abled workforce per company has been reported by Construction Materials and Consumer Durables industries, while Construction Materials industry has reported the lowest headcount.

TABLE WD14: TOP 5 COMPANIES WITH			
DIFFERENTLY-ABLED WORKFORCE		DIFFERENTLY-ABLED WORKERS	
INDUSTRY*	TOTAL	INDUSTRY*	TOTAL
Financial Services	5,190	Automobile & Auto Components	666
Financial Services	2,795	Oil Gas & Consumable Fuels	605
Financial Services	2,488	Capital Goods	448
Financial Services	2,474	Capital Goods	439
Financial Services	2,274	Power	344

** In place of the Company name, Industry name is disclosed*

- Along with the data of highest differently-abled workforce in table WD14, all top 5 companies with highest headcount of differently-abled in total workforce belong to Financial Services industry.
- A company in Automobile & Auto Components industry with highest percent of female representation also has the highest representation of differently-abled workforce setting high benchmarks of diversity and inclusion in 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 the Companies. The data collected from BRSR of 200 companies is as follows:

TABLE WD15: DISCLOSURES FOR INCLUSIVITY OF DIFFERENTLY-ABLED		
PARTICULARS	# COMPANIES	
	DISCLOSURE	PERFORMANCE
Equal Opportunity Policy	**199/200**	**183/199**
Accessibility of Workplace for Differently-abled	**200/200**	**192/200**
Job Creation for differently-abled in smaller towns	**22/200**	

- Only 183 out of 200 companies have disclosed that they have policy, 1 company in FMCG industry has not disclosed whether it has an Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016. While another 16 companies in the sample have disclosed that they do not have any such policy.
- Out of 8 companies that have disclosed not having an accessible workplace for differently-abled workforce, 4 companies belong to Chemical industry.
- 22 companies in total have discussed about creating job opportunities for differently-abled including 6 from Financial Services, 4 from Capital Goods and 3 each from Automobile & Auto Components and IT industries.
- It is evident that sensitivity or responsibility of corporates (companies in Sample) appear to be extremely low as only 11% companies in Sample have talked about job creation for differently abled persons.

EMPLOYEE TURNOVER:

Employee Turnover rate measures how often employees leave a company and are replaced by new employees. BRSR requires the companies to report employee turnover rate which is calculated by dividing the number of employees who quit during the year by the average number of employees in the company during that same period. Persons leaving the employment of the entity shall include voluntary departures or departures due to dismissal, termination, retirement or death in service.

- For FY 2022-23, 8 companies have not disclosed **employee** turnover rate and 15 companies have not disclosed turnover rate for **workers**.
- All the companies under industries such as FMCG, Healthcare, IT, Chemicals and Construction materials have reported an employee turnover rate of more than 10% for permanent employees.
- 4 out of 8 companies under Consumer Services industry have disclosed turnover rate higher than 30% followed by Financial Services industry where 17 out of 43 companies have reported an employee turnover greater than 30%.
- 50 out of 192 companies have reported employee turnover rate less than 10% for permanent employees, while 116 out of 137 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.

TABLE WD16: AVERAGE TURNOVER RATE (%) OF WORKFORCE (PERMANENT)

	EMPLOYEES			WORKERS		
Industry	**2022**	**2023**	**CHANGE**	**2022**	**2023**	**CHANGE**
Sample	**16.2**	**16.7**	**0.5%**	**7.9**	**6.1**	**-1.8%**
Oil Gas & Consumable Fuels	6.4	6.5	0.1%	5.3	4.8	-0.5%
Power	6.4	7.1	0.7%	3.4	4.0	0.6%
Metals & Mining	9.9	10.4	0.5%	3.2	2.6	-0.6%
Capital Goods	12.7	11.9	-0.8%	5.1	4.1	-1.0%
Automobile and Auto Components	10.5	13.3	2.8%	7.5	13.9	6.3%
Construction Materials	17.8	15.6	-2.2%	8.7	6.6	-2.1%
Fast Moving Consumer Goods	17.0	18.9	1.9%	3.8	4.1	0.3%
Chemicals	16.7	19.3	2.6%	9.0	12.5	3.5%
Others	18.9	20.5	1.6%	7.6	7.7	0.1%

Consumer Durables	15.4	21.2	**5.8%**	2.6	3.7	1.1%
Consumer Services	25.9	21.4	-4.5%	5.4	13.8	8.4%
Healthcare	20.8	21.8	1.0%	6.6	7.4	0.8%
Information Technology	26.4	22.0	-4.4%	-	-	-
Financial Services	22.4	24.6	2.2%	0.6	0.7	0.1%

- Overall industry has experienced a 0.5% increase in turnover rate for permanent employees and a 1.8% decrease in turnover rate for permanent workers.

Permanent Employees:

- Oil, Gas & Consumable Fuels industry has reported the lowest turnover rate for permanent employees followed by Power and Metals & Mining. It is to be noted that all of these 3 industries are heavily reliant on workers and workers form more than 70% of their total workforce. Lowest turnover rate for permanent employees was reported by a company from Consumer Services industry.
- Service oriented industries which are reliant on skilled employees such as Financial Services and IT have reported the highest permanent employee turnover rate followed by Healthcare and Consumer Services. This indicates mobility in skilled employees' sector is highest in service sectors.
- In FY 2022-23, Consumer Durables industry has reported a 5.8% increase in their turnover rate as compared to FY 2021-22 which is highest reported increase across all industries followed by Automobile & Auto Component industry. Highest decrease was reported by Consumer Services industry closely followed by IT industry and Construction Materials.
- Highest increase in turnover rate for permanent female employees was reported by Power industry, while highest decrease was reported by IT industry.
- In FY 2022-23, Financial Services and IT industries has reported the highest employee turnover for permanent male employees while Consumer Services and Healthcare had the highest turnover rate for female employees.

Permanent Workers:

- Consumer Services has reported highest increase in turnover rate for permanent workers which has increased 2.5 times in FY 2022-23 as compared to its previous year, whereas Construction Materials industry has reported the highest decrease in turnover rate for permanent workers.
- Automobile & Auto Components industry has reported the highest turnover rate for permanent workers. Excluding Financial Services (as it had very low strength of workers), Metals & Mining reported the lowest turnover rate for permanent workers averaging 2.6% in FY 2022-23.
- Only Construction Materials and Capital Goods industry have reported a decrease in turnover rate for both, permanent employees and permanent workers.
- Above table WD16, to limited extent confirms that turnover rate of employees/ worker 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. Skill upgradation improves efficiency and safety at work plays 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 then recruiting freshy skilled person every time technology changes. Academics might like to conduct study as to causal relationship between low skill upgradation focus related to low workforce attrition rate, in relative sense.

BRSR requires companies to disclose skill upgradation training provided each year to employees and workers for last 2 years. However, it was observed that many of companies excluded non-permanent workforce from the coverage of workforce trained for skill upgradation. Therefore, the below data and analysis considers the total workforce as disclosed by the companies under Section A of BRSR. Can there be 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 also on safety.

- One company from Metals & Mining industry and one company from Capital Goods industry data appears to be outlier and highly inconsistent with the data for workforce provided by them. It is understood that few companies have included total workforce trained during the year for skill upgradation which is more than their total workforce as it accounts for workforce during the year. However, high discrepancy was observed in the data of above 2 companies and the same have been excluded from the following analysis.
    - For the Company in Metals & Mining industry excluded from the analysis, it was observed that about 142% employees were trained on skill upgradation (when calculated in accordance with Section A of BRSR). However, as per the Company's disclosure in Principle 3, only 56.98% employees were trained; thereby indicating that there were 2.4 times more employees eligible for training than the actual number of number of employees at year end. Even if one considers that high rate of employee turnover was reported, the data still appears erroneous. Further, the Company has disclosed that only 29% of the workers reported at year end were eligible for skill upgradation training. Due to highly inconsistent nature of disclosure, the Company has been excluded from table WD17.
    - For the company in Capital Goods excluded from analysis, as per the data reported, 1059% employees were trained while employees eligible for training were 1324% of the total employees reported at year end. Similarly, 188% workers were trained and 1285% workers were eligible for training of the total workers reported at year end. It may be the case that the BRSR has been made on Standalone basis, while data for training was reported on Consolidated basis. However, it is highly unlikely as the employee benefit expense in standalone and consolidated financial statement do not differ by much. The Company has failed to disclose the discrepancy in data and hence, it has been excluded from table WD17.
- Further, 6 companies have not disclosed skill upgradation training data for employees**.**
- **One company each from Financial Services and Chemicals industry have disclosed that they did not provide skill upgradation training to any of their employees or workers.**

- Ten companies have not disclosed skill upgradation training data for workers and another 10 companies have not provided skill upgradation training to workers. Also, 70 companies do not have any workers whether permanent or non-permanent.

Table WD17 presents the data for the companies that have provided the data for skill upgradation training to employees and workers including both, permanent and non-permanent:

TABLE WD17: TRAINING ON SKILL UPGRADATION				
Industry	**#**	**Employees Trained (%)**	**#**	**Workers Trained (%)**
Sample	**192/198**	**78.3%**	**118/128**	**25.3%**
Financial Services	44/45	76.9%	2/2	**82.8%**
Capital Goods	15/16	45.9%	14/16	26.9%
Others	17/17	63.8%	7/8	21.6%
Fast Moving Consumer Goods	15/15	35.3%	15/15	31.7%
Healthcare	15/15	81.1%	13/13	49.9%
Automobile and Auto Components	13/15	53.7%	13/15	38.2%
Information Technology	13/13	83.8%	3/4	38.3%
Oil Gas & Consumable Fuels	11/12	70.7%	10/11	13.4%
Chemicals	11/11	72.5%	11/11	16.4%
Consumer Services	9/9	84.1%	5/5	79.9%
Power	9/9	**88.1%**	8/8	27.4%
Metals & Mining	7/8	69.1%	6/8	30.8%
Construction Materials	7/7	60.8%	7/7	9.4%
Consumer Durables	6/6	42.7%	4/5	14.0%

Number of companies disclosed data for training / Number of companies required to disclose data

- As can be noted from table WD17, 78% of employees in top companies are provided with skill upgradation training while only 25% workers are provided with such trainings highlighting the disparity between employee's and worker's training.
- For employees, Power sector had the highest skill upgradation training coverage closely followed by Consumer Services, IT & Healthcare. While 5 out of 15 companies in Healthcare industry had employee skill upgradation training coverage of 100%.
- Lowest coverage under skill upgradation training was reported by FMCG, Consumer Durables and Capital Goods industry where under 50% employees were provided with such trainings in each industry and only 4 out of 36 companies in these industries have provided such training to 100% of their employees.
- For workers, Financial Services had the highest training coverage, however, only 2 companies had workers and hence workers in this industry constitute a very insignificant portion of the total sample size. Other than Financial Service industry, Consumer Service industry had the highest skill upgradation training coverage of workers, however, 72% of the workers in the industry belong to 1 company that has provided 100% of their workers with such training. Obvious reason for high rate of skill upgradation is fast pace of change in technology as also related regulations. This sector is most vulnerable to cyber frauds; hence skill upgradation is extremely vital.
- Oil, Gas & Consumable Fuels industry had the highest concentration of workforce, however, the industry has reported the second lowest training coverage of workers, although risks in this sector relating to environment & safety are extremely high.

- As per BRSR, companies are required to disclose skill upgradation training provided to employees and workers i.e. to include 100% of their workforce whether permanent or non-permanent. It was observed that many of the sample companies have not included non-permanent employees and workers under skill upgradation data. Non-permanent workforce together forms 29% of the total workforce in the sample.
- Non-permanent workers form about 74% of the total workers in the observed sample **and including non-permanent workers drags down the total training coverage of workers. Here, either the companies did not understand BRSR requirement or have intentionally left non-permanent workers out for calculation. In either case, the data so presented by the companies is misleading.**

Average Hours of Training:

Many companies have disclosed absolute aggregate number of hours or man-days for training provided to their workforce, as the data varies considering the size of each company, it can only be useful if further analysis is done. Therefore, training given in hours per employee provides better performance measurement metric.

TABLE WD18: DISCLOSURE ON AVERAGE HOURS OF TRAINING			
INDUSTRY	**Not Disclosed**	**Disclosed Only For 1 Year**	**Disclosed For 2 Years**
Average Hours of Training	145	16	39

- Lowest level of disclosure was observed in Chemicals industry (1 out of 11 companies), followed by Oil, Gas & Consumable Fuels (2 out of 10 companies) and Automobile & Auto Components (3 out of 15 companies) industries. Highest level of disclosure was observed in Construction Materials industry (5 out of 7 Companies).

EMPLOYEE BENEFIT EXPENSE (As a percent of turnover):

Since the size of the companies in the sample vary tremendously, there is a wide range of employee benefit expenses within same industries. Hence, employee benefit expenses calculated as a percent of turnover is mensurable and allows comparison within and across industries.

TABLE WD19: EMPLOYEE BENEFIT EXPENSE (% OF TURNOVER)						
Industry	**AVERAGE**		**% CHANGE**	**MEDIAN**		**% CHANGE**
	2022	**2023**		**2022**	**2023**	
Sample	**8.5%**	**8.1%**	**-4.5%**	**10.5%**	**10.2%**	**-3.32%**
Information Technology	46.59%	**48.34%**	3.77%	49.07%	49.64%	1.17%
Healthcare	14.75%	14.58%	-1.11%	15.81%	16.09%	1.79%
Financial Services	10.11%	10.38%	2.67%	12.05%	12.36%	2.53%
Capital Goods	11.36%	10.02%	-11.82%	7.88%	7.03%	-10.73%
Others	8.28%	7.71%	-6.86%	5.27%	7.35%	39.51%
Consumer Services	9.49%	7.25%	-23.61%	12.30%	10.54%	-14.33%
Automobile & Auto Components	5.98%	5.20%	-13.04%	7.34%	6.36%	-13.43%
Construction Materials	5.57%	4.96%	-10.93%	5.44%	5.01%	-7.81%
Consumer Durables	5.35%	4.92%	-8.02%	5.93%	5.26%	-11.35%
Chemicals	5.64%	4.76%	-15.67%	6.23%	5.24%	-15.88%
Metals & Mining	4.31%	3.89%	-9.85%	2.34%	2.38%	1.59%
Fast Moving Consumer Goods	3.89%	3.83%	-1.37%	4.73%	4.77%	0.70%
Power	4.34%	3.52%	-18.84%	3.67%	2.67%	-27.32%
Oil Gas & Consumable Fuels	1.66%	1.21%	-27.08%	1.59%	1.15%	-27.82%

- From the above data it can be observed that average and median employee benefit expense for the sample companies have decreased in FY 2022-23 as compared to FY 2021-22.
- It was observed that industries such as Oil, Gas and Consumable Fuels, Power, FMCG, Metals & Mining and Chemicals have reported the lowest employee benefit expense with majority of the workforce in these industries constituted by workers, while industries such as IT, Healthcare and Financial Services have reported the highest employee benefit expense.
- IT industry has reported employee benefit expense at an average of 48.34% as industry heavily relies of IT professionals and it forms the majority of operational expense of the companies. IT industry has reported an increase of 3.77% compared to previous year, which is also the highest average increase reported by any industry. This can also be a result of continued 'Work from Home (WFH)' culture as many industries reported that they have implemented partial WFH for employees, thus, decreasing other operational expense relating to power consumption and leasing spaces etc, and thus, increasing relative expenses on employee benefit.
- IT industry is followed by Healthcare industry and Financial Services industry, however, employee benefit expense reported by IT industry is over 3 times higher than the latter two industries. Healthcare industry has reported a decrease in average employee expense and an increase in median employee expense.
- Financial Services industry has reported a steady growth of 2.67% in average employee expense and 2.53% increase in median.
- Companies under 'Other industries' together have outperformed all other sectors with respect to highest increase of 39.51% in median employee benefit expense. However, average employee expense decreased by 6.86%
- Oil, Gas & Consumable Fuels industry has reported the lowest employee benefit expense as 8 out of 11 companies in the industry have reported an employee benefit expense of lower than 2% of their revenue. This industry has also reported the highest decrease in average and median in FY 2022-23.
- Oil, Gas & Consumable Fuels industry has also reported the highest degrowth in average and median of employee expense followed by Consumer Services and Power industries in terms of decrease in average.
- A question arises as to whether decrease in employee benefit expenses 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 % age terms to turnover. Any inflationary trend or even better capacity utilisation will throw such data. For example, Oil and Gas sector witnessed higher prices, whereas power sector witnessed better capacity utilisation. Therefore, such data can also mean efficient utilisation of resources.

Table WD20 provides statistical data on spread of minimum and maximum employee benefit expense reported within industries:

TABLE WD20: EMPLOYEE BENEFIT EXPENSE SPREAD ANALYSIS				
Industry	**#**	**MINIMUM**	**MAXIMUM**	**SPREAD**
Sample	**199**	**0.05%**	**60.52%**	**60.46%**
Financial Services	45	0.05%	50.70%	50.64%
Consumer Services	9	1.54%	38.94%	37.39%
Information Technology	13	30.31%	60.52%	30.21%
Others	17	2.25%	26.93%	24.68%

Capital Goods	17	1.04%	23.87%	22.83%
Healthcare	15	10.23%	24.88%	14.65%
Power	9	0.09%	12.82%	12.73%
Metals & Mining	9	0.95%	11.39%	10.44%
Fast Moving Consumer Goods	15	0.62%	9.62%	9.00%
Chemicals	11	1.97%	9.80%	7.83%
Oil Gas & Consumable Fuels	12	0.28%	8.05%	7.78%
Automobile and Auto Components	15	3.85%	11.30%	7.45%
Consumer Durables	6	3.53%	8.13%	4.60%
Construction Materials	6*	3.82%	8.16%	3.56%

**excludes one Holding Company*

- Lowest employee benefit expense was reported by a NBFC, which is also a Public Sector Undertaking, included under Financial Services while the highest was reported by an IT Company.
- The highest spread was observed for Financial Services industry as it includes 45 financial institution engaged in different nature of businesses such as Banks, NBFCs, Insurance, Holding and FinTech companies. The bottom 10 companies do not include any of the banks in this industry. The lowest employee benefit expense reported by a bank was 6.8%, while the highest was 19.94%. A FinTech company reported the highest employee benefit expense of 50.7% indicating that the Company's operations were highly dependent on their workforce. The second highest was reported by an NBFC at 25.61% which is nearly half of the industry leader in employee benefit expense.
- Consumer Services industry has the second highest spread where the lowest reported employee expense was 1.54% reported by a company engaged in organised retail having high number of non-permanent employees and highest reported was 38.94% by a company which provides services through their online and offline portals.
- Within Capital Goods industry, the lowest employee benefit expense was reported by a Company with workforce constituted by 72% workers. Two PSU's engaged in manufacturing of products and providing services that are core sectors of the economy reported the highest employee benefit expense in the industry. Also, these two companies together form 41% of the workforce in this industry.
- Under Power sector, 3 companies reported less than 2% employee benefit expense and all three companies belong to the same Group.
- A total of 10 industries in the sample have reported an average employee benefit expense of less than 10%. It is notable that, **all the companies** in Chemicals, Consumer Durables, FMCG and Oil, Gas & Consumable Fuels industries have reported employee benefit expense which is less than 10% of their turnover. The same is true for Construction Materials industry except one company in the industry which has reported a 25% employee benefit expense as the company is a Holding company.

No company in the sample provided separate data on employee benefit expenses for male and female employees and workers. While the companies have disclosed median remuneration with gender break-up as required under BRSR, it 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.

Other Workforce Management Disclosures:

TABLE WD21: WORKFORCE MANAGEMENT RELATED DISCLOSURES		
Particulars	**# Companies**	
	Disclosure	**Performance**
Mechanism to receive and redress grievances of permanent workforce	200/200	200/200
Mechanism to receive and redress grievances of non-permanent workforce	175/175	173/175
Provides transition assistance programs	155/200	106/155
Recognizes membership of employees and worker in association(s) or Unions	199/200	NA
Strikes by employees/workers	25/200	NA
Wage-related disputes with employees/workers	24/200	NA

- 175 companies reported having non-permanent employees or workers in their workforce, of which 173 companies have disclosed that they have a mechanism present for receiving and redressing grievances of non-permanent workforce.
- 11 out of 11 companies in Oil, Gas & Consumable Fuels industry have disclosed providing transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. This is followed by Consumer Durables industry (5 out of 6 companies).
- Construction Materials industry is the worst performer in providing transition assistance as only 2 out 7 companies provide such assistance programs followed by Consumer Services industry (3 out of 9 companies).
- One Small Finance Bank in Financial Services industry has not disclosed if it recognizes any membership of employees and worker in associations or Unions.

There are 130 companies in total that has reported having workers. Only 25 companies have reported having cordial industrial relations with no strikes in last 3 years.

3.2. HUMAN RIGHTS

Assessment Factors: Disclosure on human rights related complaints and procedures;

● Training details	● Minimum Wage
● Gender-wise Median Remuneration	● Sexual Harassment Complaints
● Other Human Rights Complaints	● Other Disclosures

BRSR Reference: Principle 5.

EVALUATION STATISTICS				
2023	QUESTIONS	39	PARAMETERS	128
2021	NA - Separate category created post BRSR			

SCORE - HUMAN RIGHTS							
MAXIMUM	99	AVERAGE	77	MEDIAN	79	MINIMUM	31

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
80.4 – Consumer Durables (2023)	98.8 – Oil, Gas & Consumable Fuels

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
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 companies across all industries 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 excluded non-permanent workforce from the human rights training coverage. The data and analysis in table HR1 considers the total workforce as disclosed by the companies under Section A of BRSR for percentage calculations.

- 8 out of sample 200 companies have not disclosed data on Human Rights training as required under Essential Indicator of Principle 5. However, these companies have given a generic statement regarding the procedures for training on Human Rights. A generic statement without details might tick compliance checklist but cannot be called to have complied in spirit. All of these 8 companies are excluded from analysis in table HR1.
- All the remaining 192 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.
- 80 companies have disclosed 100% Human Rights training coverage.

It was observed that training coverage of non-permanent workforce was zero to very low for several companies. Therefore, table HR1 summarizes industry-wise data of Human Rights training provided to permanent and non-permanent workforce:

TABLE HR1: TRAINING ON HUMAN RIGHTS RELATED ISSUES AND POLICIES				
Industry	**#**	**Reported 100% Training Coverage**	**% Permanent Workforce Trained**	**% Non-Permanent Workforce Trained**
Sample	**192/200**	**80/192**	**74.3%**	**64.7%**
Others	17/17	7/17	94.9%	88.1%
Consumer Durables	5/6	4/5	92.8%	80.8%
Information Technology	13/13	3/13	90.3%	77.7%
Consumer Services	9/9	4/9	90.3%	74.6%
Fast Moving Consumer Goods	15/15	7/15	90.1%	79.8%
Oil Gas & Consumable Fuels	11/12	6/11	89.7%	93.8%
Chemicals	11/11	7/11	87.7%	69.8%
Automobile and Auto Components	14/15	5/14	87.2%	61.3%
Power	9/9	4/9	86.8%	71.0%
Metals & Mining	8/9	2/8	67.7%	11.9%
Healthcare	13/15	4/13	66.4%	85.8%
Capital Goods	16/17	7/16	55.8%	63.9%
Financial Services	44/45	18/44	55.6%	25.7%
Construction Materials	7/7	2/7	24.0%	21.5%

 # - Number of companies that have disclosed the data

- Oil Gas & Consumable Fuels sector has reported the highest Human Rights training coverage of workforce. The industry reported that 93.8% of non-permanent workforce was trained which is highest non-permanent workforce coverage in the sample industries.
- 'Other industries' had the second highest training coverage of workforce as the industry had the highest training coverage of permanent workforce at 94.9%.
- Construction Materials industry had the lowest training coverage for workforce with least human rights training coverage of permanent workforce and second lowest training coverage of non-permanent workforce.
- Within Consumer Durables industry, 4 out of the 5 companies that have disclosed the data have reported a 100% training coverage.
- Oil, Gas & Consumable Fuels industry had the highest training coverage for non-permanent workforce.
- IT and Financial Services had highest % of permanent workforce in total workforce. However, Financial Services had the second lowest training coverage of permanent workforce.
- Metals & Mining had the lowest training coverage of non-permanent workforce which forms about 59% of the total workforce in this industry.

It was observed in many of the 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 72% of workforce in the observed sample were provided with human rights training as against 59% 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 was notable that 70%

of workers are provided with Human Rights training, however, only 25% 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. It is the responsibility of employers to ensure that all of their workers are provided with infrastructure to enhance their skill and knowledge.

MINIMUM WAGE:

The minimum wages are regulated under the Minimum Wages Act, 1948 which is subject to the provisions of the Code on Wages Act, 2019. The new wage code prohibits employers from paying workers less than the stipulated minimum wage. The minimum wage and salary structures differs 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 company to disclose data on number of employees and workers provided with equal to minimum wage and more than minimum wage for each category of workforce. Equal to minimum wage is the bare minimum that the company should pay for a job. As a good governance practice, companies should provide more than the stipulated minimum wages. The following observations were made based on the disclosures of 200 companies in the sample.

Employees:

- A total of 29 companies have not disclosed the data of employees provided with more than or equal to minimum wages.
- These 29 companies include 3 Banks that have not disclosed the data stating that it is not applicable to the banking sector and banks comply with all the applicable labour laws.
- All the companies in the sample that have disclosed the data, comply with minimum wage requirements. None of the employees or workers are being paid less than the minimum wage except for 1 company in Financial Service sector which disclosed that certain Other than Permanent employees are paid equal to or less than minimum wage.
- This data has not been provided by 27% companies in Financial services industry and 23% companies in IT industry.
- 126 companies in total have disclosed that 100% of their employees are provided with more than minimum wage.
- 100% companies in Power sector and Oil, Gas & consumable Fuels industry have disclosed that 100% of their employees are being paid more than the minimum wage.

Workers:

- Out of the 130 companies that reported having workers, 14 companies have not disclosed the data for minimum wage.
- 57 companies reported that 100% of their workers are being paid more than the minimum wage, which includes 2 out 2 companies engaged in financial services and 8 companies each from FMCG and Automobile & Auto Component industries.
- Only 2 out 4 companies in IT sector that reported having workers have disclosed data followed by Capital Goods industry (14 out of 17 companies)
- 59 companies reported that not all of their workers are being paid more than the minimum wage.

TABLE HR2: More Than Minimum Wage to Workers	
Bottom 5 Companies	
Industry*	% Workers
Consumer Services	0.0%
Chemicals	0.0%
Oil Gas & Consumable Fuels	0.0%
Others	2.5%
Healthcare	6.0%

** In place of the Company name, Industry name is disclosed*

- As can be observed in the table HR2, 3 companies have disclosed that none of their workers are paid more than the minimum wage as per the law.
- The company included in 'Other industries' that provides only 2.5% of their workers with more than minimum wage is engaged in Construction business and forms 67% of total workers in 'Other industries'.

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. The following analysis has been made as per the disclosure requirement of separate median remuneration for male and female workforce under BRSR. The intent is to compare the remuneration being paid to male and female workforce in the company. 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, yet 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. Hence, 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 diminish over time.

Gender Pay for Permanent Employees:

TABLE HR3: GENDER-WISE MEDIAN REMUNERATION (MR) OF EMPLOYEES					
Industry	#	Male MR > Female MR		Male MR < Female MR	
		No. of Cos.	Material Gap (>20%)	No. of Cos.	Material Gap (>20%)
Sample	**182/198***	**125**	**66**	**51**	**18**
Power	8/9	8	5	0	0
Others	16/17*	12	9	3	2
Consumer Services	9/9	7	5	2	0
Information Technology	8/11*	7	5	0	0
Automobile & Auto Components	13/15*	10	6	2	1
Capital Goods	16/17	12	6	4	2
Metals & Mining	8/9	6	3	2	1
Healthcare	15/15*	6	5	8	3
Consumer Durables	6/6	5	2	1	0
Financial Services	41/45*	30	12	9	2
Oil Gas & Consumable Fuels	12/12	10	3	2	0
Construction Materials	4/7	2	1	2	1
Fast Moving Consumer Goods	15/15	7	3	8	4
Chemicals	11/11	3	1	8	2

 # - Number of companies that have disclosed the data. | MR = Median Remuneration

*A total of 6 companies viz. 2 companies in Financial Service industry and 1 company each in Other Industries, IT, Automobile & Auto Components and Healthcare industry have reported equal median remuneration of male and female employees.

- **Two companies** in IT industry have disclosed gender-wise median remuneration for different class and categorization of employees rendering the data incomparable with other companies. Hence, both the companies have been excluded from the analysis. However, the data provided by these companies provided much better insight on payment parity between male and female employees at different level of positions within the organization.
- Material gap in the median remuneration of male and female employees was observed in a total of A total of 84 companies (~46% of observed sample that have disclosed the data), in 66 companies' median remuneration of male employees was more than the median remuneration of female employees, while it was vice-versa for 18 companies. Sixteen companies in the sample have not disclosed gender-wise median remuneration of employees.
- Majority of companies in Chemical, FMCG and Healthcare industries reported a higher median remuneration of female employees as compared to median remuneration of male employees.
- 11 out of 16 companies (69%) in 'Other industries' had material gap in median remuneration of male and female employees, while material gap was observed in only 3 out of 12 companies (25%) in Chemicals industry.
- 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.

Gender Pay for Permanent Workers:

- Out of the 120 companies that were required to disclose the median remuneration of male and female workers, 12 companies did not have any permanent female workers and hence, the gender-wise comparison of median remuneration is not feasible. Therefore, all of the 12 companies are excluded from data in Table HR4.

Further, 13 companies have not disclosed the data.

TABLE HR4: GENDER-WISE MEDIAN REMUNERATION (MR) OF WORKERS					
Industry	#	Male MR > Female MR		Male MR < Female MR	
		No. of Cos.	Material Gap (>20%)	No. of Cos.	Material Gap (>20%)
Sample	**95/108**	**63**	**41**	**27**	**10**
Power	5/7	1	1	4	1
Others	8/8	5	2	3	0
Consumer Services	4/4*	2	1	1	0
Information Technology	1/3	1	0	0	0
Automobile & Auto Components	9/11*	7	6	1	1
Capital Goods	12/13	9	5	3	1
Metals & Mining	3/6	3	2	0	0
Healthcare	11/11*	5	2	4	2
Consumer Durables	5/5	4	3	1	1
Financial Services	2/2	1	1	1	1
Oil Gas & Consumable Fuels	10/10	5	2	5	2
Construction Materials	4/7	4	3	0	0
Fast Moving Consumer Goods	14/14*	11	10	2	0

Chemicals	7/7	5	3	2	1

#no. of companies that have disclosed the data / no. of companies required to disclose the data

*A total of 5 companies viz. 2 companies from Helathcare industry and one each from FMCG, Consumer Services and Automobile & Auto Componenets industry have reported having equal median remuneration of male and female workers.

- A total of 51 companies reported having a material gap between the median remuneration of male and female employees. Of these, 41 companies had male workers remuneration more than the median remuneration of female workers, while it was vice-versa for 10 companies.
- Material gap in remuneration was observed in 2 out of 2 companies in Financial Services industry, however, workers form a very small fraction of the total workforce in this industry.
- In majority of companies under Power industry, median remuneration of female workers was higher than male workers. In contrast,7 out of 9 companies in Automobile & Auto Components industry reported higher median remuneration of male workers than female workers.
- Material gap was also observed in majority of companies in industries such as FMCG, Consturction Materials, Consumer Durables and Metals & Mining.
- Although permanent female workers form only 12.8% of the total permanent workers in the sample, their median remuneration appears to be lower compared to male workers.

Sexual Harassment Complaints:

BRSR requires companies to report sexual harassment complaints received during last two years. Sexual harassment complaints were found to be the most common complaints on Human Rights related issues at workplace. This is evident from the complaints data provided in BRSR, where a total of 127 companies reported receiving sexual harassment complaints in FY 2022-23. Table HR5

TABLE HR5: SEXUAL HARASSMENT COMPLAINTS

Industry	#	##	TOTAL		% increase/ decrease	AVG. 2023	PER '000 FEMALE 2023
			2022	2023			
Sample	**200**	**73**	**1,004**	**1,477**	**47%**	**7.4**	**0.99**
Oil Gas & Consumable Fuels	12	6	16	19	19%	1.6	0.56
Information Technology	13	2	222	382	72%	29.4	0.61
Automobile & Auto Components	15	6	34	50	47%	3.3	0.90
Capital Goods	17	9	7	18	157%	1.1	0.93
Fast Moving Consumer Goods	15	6	27	28	4%	1.9	0.95
Power	9	4	8	12	50%	1.3	1.00
Healthcare	15	4	48	74	54%	4.9	1.16
Financial Services	45	10	454	588	30%	13.1	1.20
Others	17	9	79	103	30%	6.1	1.72
Consumer Services	9	1	51	86	69%	9.6	1.87
Construction Materials	7	5	6	10	67%	1.4	1.94
Consumer Durables	6	3	3	18	500%	3.0	2.16
Metals & Mining	9	2	43	79	84%	8.8	2.21
Chemicals	11	6	6	10	67%	0.9	2.33

 # Companies data have disclosed the data | ## Companies that received 'Nil' sexual harassment complaints in FY 2022-23 | Note: Average has been calculated out of the total companies that have disclosed the data.

- The total number of sexual harassment complaints in FY 2022-23 increased to 1,477 from 1,004 in FY 2021-22 i.e. a 47% increase from last year. None of the industries reported a decrease in sexual harassment complaints.
- For every 1000 females in the workforce, **0.99** complaints were received on Sexual Harassment in the sample.
- 73 companies out of sample companies received 'Nil' complaints i.e. did not receive any sexual harassment related complaints during FY 2022-23. However, this is a decrease from FY 2021-22, where 86 companies did not receive any such complaints.
- About 2/3rd complaints were received from Financial Services (1.20 per 1000 female employees) and IT industry (0.60 per 1000 female employees), which aggregate 29% of the total companies in the sample and constitute ~58% women in the total workforce.
- The highest absolute increase in number of sexual harassment complaints in FY 2022-23 was recorded by IT industry (+160 complaints) followed by Financial Services (+134 complaints). Highest average complaints per company were also recorded by IT industry followed by Financial Services. These industries are followed by Consumer Services industry.
- Lowest average complaint was recorded by Chemicals industry at 0.9 sexual harassment complaints per company. However, Chemicals industry recorded the highest number of complaints per 1000 females in the workforce at 2.33 complaints followed by Metals & Mining and Consumer Durables industry.
- Oil, Gas and Consumable Fuels industry reported the lowest number of complaints per 1000 female employees at 0.56 complaints and also recorded among the lowest increase in number of complaints in FY 2022-23. While there should be no tolerance on Sexual Harassment and ideally there should be Zero cases, 0.56 complaint per 1000 is not an indicator of good performance, yet this industry has performed the best among the bad.

TABLE HR6: COMPANY-WISE SEXUAL HARASSMENT COMPLAINTS			
HIGHEST # COMPLAINTS		HIGHEST % COMPLAINTS (OUT OF TOTAL FEMALE WORKFORCE)	
Industry*	NUMBER	Industry*	NUMBER
Information Technology	78	Capital Goods	7.4%
Information Technology	74	Fast Moving Consumer Goods	2.9%
Information Technology	70	Chemicals	1.9%
Financial Services	68	Oil Gas & Consumable Fuels	1.8%
Financial Services	60	Chemicals	1.7%

** In place of the Company name, Industry name is disclosed*

- Top 3 companies with the highest number of complaints belong to IT industry.
- A company in Capital Goods has reported the highest number of sexual harassment complaints as a percentage of total females employed in workforce which is almost 2.5 times the second highest in the list. The company had only 54 females in the workforce, whereas 4 sexual harassment complaints were received during the year.

Other Human Rights Complaints:

Along with Sexual Harassment complaints, BRSR require companies to disclose complaints received during the last two years on discrimination at workplace, child labour, forced/involuntary labour, wages or any other human rights related issues.

- All the companies in the sample have disclosed Human Right complaints for last 2 years.
- 67 companies did not receive any complaints on Human rights related issues.
- No complaints of Forced/ Involuntary Labour were received by any of the sample companies in the last 2 years.
- 1 complaint on Child Labour was received by a company in FMCG industry.
- Total number of complaints on human rights related issues has increased by 7.7% in FY 2022-23 as compared to its previous year.

TABLE HR7: HUMAN RIGHTS RELATED COMPLAINTS						
Industry	**Discrimination at Workplace**		**Wages**		**Total**	
	2022	**2023**	**2022**	**2023**	**2022**	**2023**
Sample	**3,446**	**3,660**	**550**	**341**	**5,199**	**5,600**
Oil Gas & Consumable Fuels	3,172	3,180	127	2	3,411	3,245
Financial Services	100	259	0	9	563	864
Information Technology	101	126	0	0	324	516
Automobile & Auto Components	6	0	**69**	**194**	109	244
Others	34	29	285	58	398	190
Metals & Mining	2	9	68	50	168	152
Healthcare	13	19	0	1	99	137
Consumer Services	2	5	0	0	53	91
Capital Goods	2	8	**0**	**17**	9	43
Fast Moving Consumer Goods	2	1	1	2	30	34
Power	6	13	0	0	14	25
Construction Materials	0	2	0	7	6	21
Chemicals	6	9	0	1	12	20
Consumer Durables	0	0	0	0	3	18

Note: Total complaints includes all the Human Rights related complaints including Sexual Harassment, Forced/ Involuntary Labour and Child Labour in addition to discrimination and wages.

- Total discrimination complaints in Oil, Gas & Consumable Fuels industry is attributable to only one company which reported receiving 3,180 complaints on discrimination at workplace during FY 2022-23. This has resulted in this industry to have the highest number of human rights related complaints in FY 2022-23.
- Financial Services and IT industry industries have reported the next highest complaints of discrimination. Also, both of these industries follow Oil, Gas and Consumable Fuels industry for highest reported number of human rights related complaints.

TABLE HR8: HIGHEST # HUMAN RIGHTS COMPLAINTS	
Industry*	**#**
Oil Gas & Consumable Fuels	**3,181**
Financial Services	**213**
Automobile & Auto Components	**196**
Information Technology	**189**
Others (Logistics)	**91**

** In place of the Company name, Industry name is disclosed*

- Highest number of wage related complaints were reported by ‘Other industries’ in FY 2021-22 which decreased to 1/5th in FY 2022-23. Only 1 company engaged in Logistics business reported receiving discrimination complaints among other industries. In FY 2022-23, Automobile & Auto Component industry has reported 194 complaints on wages which is almost 3 times compared to previous year and more than 56% of total complaints on wages received during the year.

- Overall the total number of complaints relating to wages have decreased in FY 2022-23.
- Lowest Human Rights related complaints were received in Consumer Durables industry followed by Chemicals, Construction Materials and Power industry.

Other Human Rights Disclosures:

BRSR require companies to disclose the mechanisms and measures undertaken to address human rights related challenges. Table HR9 summarizes disclosure and performance related to human rights related disclosures across 200 companies.

- Scope and coverage of human rights due-diligence and modifying processes as result of addressing human rights grievances form part of Leadership Indicators under Principle 5 of BRSR. Since Leadership indicators are not mandatory, many of the companies have failed to answer the above questions.

TABLE HR9: 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	198/200	198/198
Human rights requirements form part of business agreements and contracts	197/200	195/197
Process being modified as a result of addressing human rights grievances/complaints	153/200	147/153
Scope and Coverage of Human Rights due-diligence conducted	142/200	109/142

- 196 companies have disclosed the presence of a focal point i.e. a committee or an individual responsible for addressing human rights issues.
- All the companies in the sample has disclosed the presence of an internal mechanism to redress grievances related to Human Rights.
- One company each from Financial Services and Metals & Mining industries has not disclosed if they have mechanisms in place to prevent adverse consequences to complainant in discrimination and harassment cases.

3.3. HEALTH & SAFETY

Assessment Factors: Disclosure & practices on Health & Safety of the Company;

- Health & Safety practices | Wellbeing of Workforce (Insurance, Maternity etc)
- Training on Health & Safety | Safety Records
- Complaints: Working Conditions | Other Disclosures & Practices

BRSR Reference: Principle 3.

EVALUATION STATISTICS				
2023	QUESTIONS	40	PARAMETERS	161
2021	QUESTIONS	24	PARAMETERS	54

YEAR	SCORE – HEALTH & SAFETY							
2023	MAX.	100	AVG.	76	MED.	77	MIN.	37
2021	MAX.	97	AVG.	56	MED.	55	MIN.	24

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
80.3- Healthcare (2023)	100- Financial Services (2023)
61.4– Pharma (2021)	96.8 – Chemicals (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
62.7- Construction Materials (2023)	37.11- Construction Materials (2023)
41.04 – Consumer Services (2021)	24.4 – Consumer Services (2021)

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 should aim at: the promotion and maintenance of the highest degree of physical, mental, and **social well-being of workers** in all occupations; the prevention amongst workers of departures from health caused by their working conditions; the protection of workers in their employment from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to his physiological and psychological capabilities and, to summarize, the adaptation of work to man and of each man to his job.*

- As adopted by Joint ILO/WHO Committee on Occupational Health (weblink)

For this section, while certain questions and parameters are applicable uniformly across the Sample, there are few questions and parameters of the model 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. However, exceptions have been discussed.

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	197	196
Coverage of Occupational health & safety management system	193	193
Processes to identify work-related hazards and assess risks on a routine & non-routine basis by the entity	189	189
Processes to report the work-related hazards and to remove themselves from such risks **	154	153
Non- Occupational medical & healthcare services	197	195
Measures to ensure a safe & healthy work place	200	200
Employee/workers rehabilitated due to high consequence work- related injury/ ill-health/fatalities **	121	111

***Excludes 45 Financial Services companies as work-related hazards and risks may not be as relevant as other industries.*

- All the companies except 3 financial services companies have disclosed information regarding implementation of occupational health and safety management system. Further, out of 197 companies, 4 companies did not disclose data regarding coverage of such health & safety management system.
- Out of total sample, 11 Financial Services companies did not disclose information on identification of work-related hazards and assessment of risks. Several companies have stated *"Not Applicable"* owing to their nature of business.
- Except one Metals & Mining Company, all the companies (if applicable) have disclosed information regarding processes to report the work-related hazards and to remove themselves from such risks.
- With regard to access to Non- Occupational medical & healthcare services, 3 Financial Services companies did not disclose any information regarding the same.
- Out of 155 companies (excluding Financial Sector), 34 companies did not disclose information regarding employees /workers having suffered any high consequence work related injury /ill-health /fatalities, who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment. Out of which, 10 companies gave inadequate or no disclosure regarding rehabilitation of affected employees/ workers.

Health & Safety Practices and Working Conditions Assessment:

TABLE HS2: ASSESSMENT FOR HEALTH & SAFETY PRACTICES AND WORKING CONDITIONS		
Particulars **	**% Of Plants & Offices Assessed (#Companies)**	**% Of Value Chain Partners Assessed (#Companies)**
Disclosed	154	110
- Assessed 100%	131	33
- Assessed >50%	7	22
- Assessed <50%	4	20
- Percentage not disclosed	12	35

Disclosure of Corrective actions ^	147	103

*** Excludes 45 Financial Services companies as work-related hazards and risks may not be as relevant as other industries.*
^Corrective Actions taken on significant risks/concerns arising from the respective assessments done.

- Out of 155 companies, 1 Oil, Gas and Consumable Fuels did not disclose whether assessment was carried out. Further, out of 154 companies, 12 companies did not disclose the percentage of plants & offices that were assessed for Health & Safety practices and Working Conditions by entity or statutory authorities or third parties.
- Regarding assessment of value chain partners, 45 out of 155 companies did not disclose information regarding the assessment. Since the disclosure regarding value chain partners forms part of Leadership Indicators, as voluntary in BRSR, hence, not all companies have provided such disclosures.
- Further, out of 110 companies, 35 companies did not disclose the percentage of value chain partners that were assessed for Health & Safety practices and Working Conditions. Whereas only in 33 companies 100% value chain partners were assessed.
- With regards to corrective actions, the number depicted in the above table includes the companies which did not record any risks/ concern and hence, no corrective action was required.

Well Being of Employees & Workers:

- Companies are expected to provide equal access to well-being benefits to its entire workforce i.e. all employees and workers, as such benefits play a significant role in employee satisfaction and overall well-being.
- As required by BRSR mandate, companies have made disclosures regarding well-being benefits provided, which includes health and accident insurance, parental benefits and day care facilitates.
- For the purpose of analysing whether the 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 as well as Employees and Workers.
- **Permanent v. Non-Permanent**: An overall analysis has shown that in majority of the companies, the percentage of Permanent Workforce covered is more than the percentage of Non-Permanent Workforce.
- **Employees v. Workers**: The present analysis also depicts that coverage of Employees is more than the workers for providing well-being benefits covered in majority of the companies.
- The abovementioned difference indicates that not all companies provide equal opportunity to its workforce when it comes to availing well-being benefits.

Tables HS3 to HS7 has analysed the data on these parameters:

TABLE HS3: WELL- BEING MEASURES: HEALTH INSURANCE						
% covered		Workforce Covered	Permanent v/s Non-Permanent		Employees v/s Workers	
INDUSTRY	#	Total Workforce	Permanent Workforce	Non-Permanent Workforce	Total Employees	Total Workers
Sample	**199**	**83.5%**	**94.2%**	**57.4%**	**91.3%**	**66.6%**
Consumer Services	9	**97.2%**	100.0%	95.4%	96.3%	99.9%
FMCG^	14	**96.0%**	97.0%	90.1%	98.1%	89.6%
Financial Service^	45	**94.6%**	**99.0%**	**12.1%**	94.6%	100.0%
Chemicals	11	**92.3%**	99.8%	84.9%	99.4%	87.8%
Capital Goods	17	**91.5%**	99.4%	82.4%	99.8%	84.2%
IT	13	**86.0%**	**88.4%**	**34.0%**	85.9%	95.6%
Power	9	**82.5%**	100.0%	76.3%	100.0%	77.2%
Healthcare	15	**81.7%**	84.1%	73.2%	81.7%	81.9%
Oil & Gas	12	**81.7%**	100.0%	60.2%	99.9%	78.2%
Metals & Mining	9	**74.6%**	96.5%	59.4%	99.9%	64.1%
Automobile & Auto Components	15	**74.3%**	83.6%	63.9%	91.5%	67.1%
Consumer Durables	6	**68.4%**	97.8%	52.9%	81.3%	51.1%
Construction Materials	7	**64.1%**	88.5%	46.6%	97.2%	48.2%
Others	17	**51.4%**	**99.4%**	**28.8%**	**92.8%**	**31.9%**

#Number of companies covered | ^Out of 15 FMCG companies, 1 did not disclose bifurcated data for Employees and Workers, hence, the same has been excluded from the above analysis. | ^Out of 45 Financial Services companies, only 11 companies had Non-Permanent Workforce and only 2 companies had Workers during FY 2022-23.

- Consumer Services recorded the highest percentage of total workforce who were provided with Health Insurance during FY 2022-23 of ~97%, whereas the lowest percentage was recorded by 'Other industries' at ~51%, followed by Construction Materials Industry.
- 2 companies of Financial Services did not provide Health Insurance benefits to its Employees and Workers during FY 2022-23.
- **Permanent v. Non-Permanent**: While least spread in coverage was observed in Consumer Services, where 100% of Permanent Workforce and 95% of Non-Permanent Workforce were covered, the highest spread was recorded in Financial Services, where 99% of Permanent Workforce and only 12% of Non-Permanent Workforce were covered, followed by Other Industries.
- **Employees v. Workers**: The highest spread was observed in industries belonging to Others category, where ~93% of Employees were covered and only 32% Workers were covered.

TABLE HS4: WELL- BEING MEASURES: ACCIDENT INSURANCE						
% covered		Workforce Covered	Permanent v/s Non-Permanent		Employees v/s Workers	
INDUSTRY	#	Total Workforce	Permanent Workforce	Non-Permanent Workforce	Total Employees	Total Workers
Sample	**199**	**82.0%**	**86.2%**	**71.5%**	**83.6%**	**78.1%**
Consumer Services	9	**95.9%**	100.0%	93.3%	94.7%	99.4%
Chemicals	11	**94.0%**	100.0%	87.9%	99.1%	90.7%
FMCG^	14	**93.0%**	96.9%	84.7%	98.3%	84.1%
Capital Goods	17	**91.0%**	97.9%	82.9%	98.5%	84.3%
Others	17	**86.9%**	**73.8%**	**93.0%**	77.3%	91.4%
IT	13	**86.1%**	**88.5%**	**34.0%**	86.0%	95.6%
Healthcare	15	**83.5%**	86.3%	73.7%	83.8%	82.4%
Power	9	**82.5%**	99.7%	76.3%	100.0%	77.1%
Oil & Gas	12	**81.7%**	99.9%	60.2%	99.9%	78.2%
Metals & Mining	9	**81.6%**	99.8%	68.9%	99.9%	73.9%
Financial Services^	45	**75.9%**	78.6%	25.5%	75.9%	100.0%
Automobile & Auto Components	15	**75.5%**	80.3%	70.1%	90.7%	69.1%
Consumer Durables	6	**72.5%**	98.7%	58.5%	88.1%	51.3%
Construction Materials	7	**62.9%**	88.2%	44.9%	**98.2%**	**46.0%**

#Number of companies covered | ^Out of 15 FMCG companies, 1 Company did not disclose bifurcated data for Employees and Workers, hence, the same has been excluded from the above analysis. | Out of 45 Financial Services companies, only 11 companies had Non-Permanent Workforce and only 2 companies had Workers during FY 2022-23.

- Consumer Services Industry recorded the highest percentage of total workforce who were provided with Accident Insurance during FY 2022-23 of ~96%, whereas the lowest percentage was recorded by Construction Materials Industry at ~63%, followed by Consumer Durables Industry (~73%).
- Further, 6 out of 199 sample companies did not provide Accident Insurance to its entire Workforce during the year.
- **Permanent v. Non-Permanent**: Except companies falling under 'Others Category', in all the industries the % coverage for Permanent Workforce was more than Non-Permanent Workforce, with highest spread in IT Industry, with coverage of 89% Permanent and only 34% of Non-Permanent Workforce, and the least spread was observed in Consumer Service Industry, followed by Automobiles and Auto Components Industry.
- **Employees v. Workers**: In Consumer Services, Financial Services, IT and Other Industries no such difference in treatment of employees and workers was observed. Further, the highest difference was in Construction Materials Industry, where 98% of Employees were covered and only 46% Workers were covered and the least difference was in Healthcare industry.

TABLE HS5: WELL- BEING MEASURES: MATERNITY BENEFITS						
% covered		Workforce Covered	Permanent v/s Non-Permanent		Employees v/s Workers	
INDUSTRY	#	Total Workforce	Permanent Workforce	Non-Permanent Workforce	Total Employees	Total Workers
Sample	**199**	**87.8%**	**91.9%**	**61.9%**	**89.5%**	**75.8%**
Consumer Durables	6	100.0%	100.0%	100.0%	100.0%	100.0%
Consumer Services	9	96.7%	100.0%	95.2%	95.8%	100.0%
Others	17	94.9%	99.6%	77.3%	90.8%	100.0%
Oil Gas & Consumable Fuels	12	91.7%	98.5%	58.2%	99.2%	89.2%
Financial Services^	45	91.3%	**97.5%**	**21.4%**	91.3%	100.0%
FMCG^	14	90.9%	94.8%	88.8%	95.8%	87.1%
Chemicals	11	89.7%	97.8%	82.1%	98.0%	81.3%
Information Technology	13	88.4%	90.0%	40.9%	88.3%	95.6%
Metals & Mining	9	85.3%	99.5%	69.8%	100.0%	75.2%
Healthcare	15	84.0%	87.6%	69.2%	85.8%	72.2%
Capital Goods	17	74.6%	63.8%	92.1%	73.7%	76.2%
Power	9	71.0%	100.0%	43.1%	**97.1%**	**52.1%**
Construction Materials	7	60.0%	81.4%	42.3%	79.4%	41.4%
Automobile & Auto Components	15	45.7%	42.1%	51.8%	51.1%	44.1%

#Number of companies covered | ^Out of 15 FMCG companies, 1 Company did not disclose bifurcated data for Employees and Workers, hence, the same has been excluded from the above analysis. | Out of 45 Financial Services companies, only 11 companies had Non-Permanent Workforce and only 2 companies had Workers during FY 2022-23.

- Companies are required to provide maternity benefits to its women employee/worker under Maternity Benefit Act of 1961, hence, all the companies have made disclosure regarding maternity benefits provided to its female workforce, although not necessarily in the format prescribed in BRSR.
- 100% of the Women workforce of Consumer Durables Industry were given Maternity Benefits during year. However, only ~46% of total workforce of Automobile and Auto Components Industry were provided with maternity benefit during the year.
- **Permanent v. Non-Permanent**: Except in Capital Goods, Automobile and Auto Components, and Consumer Durables industries, the % coverage of all the industries for Permanent Workforce was more than Non-Permanent Workforce, where highest spread was in Financial Services Industry, with coverage of ~98% Permanent and only ~21% of Non-Permanent Workforce, and the least difference was in Consumer Service Industry, followed by FMCG Industry.
- **Employees v. Workers**: In Consumer Services, Financial Services, IT, Consumer Durables, Capital Goods and Other Industries no such difference in treatment of employees and workers was observed. Further, the highest spread was in Power Industry, where 97% of Employees were covered and only 52% Workers were covered.

TABLE HS6: WELL- BEING MEASURES: PATERNITY BENEFITS						
% covered		**Workforce Covered**	**Permanent v/s Non-Permanent**		**Employees v/s Workers**	
INDUSTRY	**#**	**Total Workforce**	**Permanent Workforce**	**Non-Permanent Workforce**	**Total Employees**	**Total Workers**
Sample	**199**	**47.7%**	**66.3%**	**10.2%**	**67.0%**	**14.7%**
Financial Services^	45	**78.4%**	80.8%	24.3%	78.4%	100.0%
Information Technology	13	**57.0%**	58.6%	26.1%	56.8%	85.8%
Healthcare	15	**52.0%**	59.8%	24.6%	56.1%	37.8%
Chemicals	11	**47.7%**	73.8%	21.6%	71.5%	32.8%
Consumer Services	9	**44.7%**	**100.0%**	**4.1%**	52.9%	22.2%
Metals & Mining	9	**39.8%**	87.9%	7.4%	93.3%	18.3%
Consumer Durables	6	**32.7%**	79.5%	8.7%	54.8%	4.3%
Automobile & Auto Components	15	**30.1%**	41.9%	17.7%	45.8%	23.2%
Capital Goods	17	**27.9%**	49.7%	3.1%	44.2%	14.1%
Others	17	**27.7%**	62.2%	15.5%	57.7%	15.6%
FMCG^	14	**26.2%**	53.0%	3.1%	34.7%	19.9%
Power	9	**22.9%**	83.0%	2.4%	82.7%	5.5%
Oil & Gas	12	**21.3%**	34.3%	7.0%	**97.1%**	**7.3%**
Construction Materials	7	**18.9%**	45.4%	0.0%	51.3%	3.7%

#Number of companies covered | ^Out of 15 FMCG companies, 1 Company did not disclose bifurcated data for Employees and Workers, hence, the same has been excluded from the above analysis. | Out of 45 Financial Services companies, only 11 companies had Non-Permanent Workforce and only 2 companies had Workers during FY 2022-23.

- While overall percentage coverage of Maternity Benefit was 87.8%, Paternity Benefits were a laggard at only 47.70%. 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 bad if it is other way round.
- Financial Services Industry recorded the highest percentage of total workforce who were given Paternity Benefit during FY 2022-23 of ~78%, whereas the lowest percentage was recorded by Construction Materials Industry at only ~19%, followed by Oil, Gas and Consumable Fuels (~21%).
- Further, 34 out of 199 sample companies did not provide Paternity Benefits to its entire Workforce during the year.
- **Permanent vs Non-Permanent**: Difference in treatment of permanent and non-permanent workforce for providing Paternity Benefits was observed in all industries. In sample companies, overall difference was 56.10% 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% of Non-Permanent Workforce were covered, whereas the lowest gap was seen in Automobiles and Auto Components Industry, followed by Oil, Gas and Consumable Fuels.
- **Employees vs Workers**: At sample level, difference in coverage was high at 52.30%. No differential treatment was observed in Financial Services and IT Industries between Employees and Workers. However, in Oil, Gas and Consumable Fuels 97% of Employees were covered whereas only 7% workers were covered for providing Paternity benefits.

TABLE HS7: WELL- BEING MEASURES: DAY CARE FACILITIES						
% covered		**Workforce Covered**	**Permanent v/s Non-Permanent**		**Employees v/s Workers**	
INDUSTRY	**#**	**Total Workforce**	**Permanent Workforce**	**Non-Permanent Workforce**	**Total Employees**	**Total Workers**
Sample	**194**	**35.4%**	**43.0%**	**16.9%**	**38.6%**	**28.6%**
IT	11	61.6%	63.5%	20.6%	62.1%	3.3%
Metals & Mining	9	55.6%	62.0%	51.1%	55.1%	55.8%
Oil & Gas	12	52.9%	**95.3%**	**3.0%**	87.5%	46.2%
Healthcare	14	33.0%	30.8%	41.2%	30.9%	41.1%
FMCG^	14	29.5%	36.1%	24.2%	21.6%	35.4%
Consumer Durables	6	27.6%	24.5%	29.3%	13.9%	46.2%
Automobile & Auto Components	15	26.7%	25.4%	28.2%	25.7%	27.1%
Power	9	23.1%	67.6%	7.1%	**69.9%**	**8.8%**
Financial Services#	44	19.7%	20.6%	2.3%	19.7%	0.0%
Chemicals	11	18.5%	20.7%	16.2%	14.0%	21.4%
Others	17	14.6%	41.7%	2.2%	46.6%	0.0%
Construction Materials	7	13.0%	23.5%	5.5%	15.3%	11.9%
Consumer Services	9	9.8%	23.3%	1.2%	11.9%	3.4%
Capital Goods	16	7.4%	10.6%	3.7%	9.3%	5.7%

*#Number of companies covered | Out of 45 Financial Services companies, only 11 companies had Non-Permanent Workforce and only 2 companies had Workers during FY 2022-23. | *6 out of 200 sample companies did not properly disclose data regarding Day Care Facilities provided to its entire Workforce during the year, hence, the same has been excluded from the above analysis.*

- Information Technology Industry recorded the highest percentage of total workforce who were given Day Care facilities during FY 2022-23 of ~62%, whereas the lowest percentage was recorded by Capital Goods Industry at only ~7%, followed by Consumer Services (~10%).
- Further, 77 out of 200 sample companies did not provide Day Care Facilities provide to its entire Workforce during the year.
- **Permanent v. Non-Permanent**: The highest gap was observed in Oil, Gas and Consumable Fuel Industry, where ~95% of Permanent Workforce and only 3% of Non-Permanent Workforce were covered, whereas the lowest gap was seen in Chemicals Industry, followed by Capital Goods.
- **Employees v. Workers**: Power Industry shows the highest gap in coverage for Day Care Facilities to Employees and Workers, where ~70% of Employees were covered and only ~9% of Workers were covered during the year, this gap was followed by IT Industry.

Well-being Measures of across industries:

Table HS8 provides summary of well-being measures provided by the sample companies and the trend followed by industries, where the industries with highest and lowest differential treatment on the basis of nature of employment has been mentioned:

TABLE HS8: WELL- BEING MEASURES: BEST PERFORMING INDUSTRIES			
INDUSTRY	**Total Sample**	**Permanent v. Non-Permanent**	**Employees v. Workers**
Health Insurance	Consumer Services	Consumer Services	Information Technology
Accident Insurance	Consumer Services	Others	Financial Services
Paternity Benefits	Financial Services	Automobile & Auto Components	Information Technology
Day Care Facilities	Information Technology	Healthcare	Consumer Durables

TABLE HS9: WELL- BEING MEASURES: WORST PERFORMING INDUSTRIES			
INDUSTRY	**Total Sample**	**Permanent v. Non-Permanent**	**Employees v. Workers**
Health Insurance	Others	Financial Services	Others
Accident Insurance	Construction Materials	IT	Construction Materials
Paternity Benefits	Construction Materials	Consumer Services	Oil Gas & Consumable Fuels
Day Care Facilities	Capital Goods	Oil Gas & Consumable Fuels	Power

- Among all the well-being measures, Maternity Benefits has been provided in majority of the sample companies, that is mainly because the same has been mandated and regulated by the law. However, the performance of said companies is not at par when it comes to Paternity Benefits, as the same is not mandated by law except for government employees.

  Parental Benefits recognizes the importance of work-life balance. Hence, such benefits should be provided irrespective of the nature of business to of its workforce, without any discrimination on the basis of nature of employment.

- It has been observed that the majority of the companies provide well-being benefits to its Permanent Workforce but similar practice is not maintained for Non-Permanent Workforce. A similar difference exists when benefits provided to Employees is compared with benefits provided to Workers, however, the spread observed in Employer v/s Workers is lesser than the spread observed in Permanent v/s Non-Permanent.

- Industries like Construction Materials and Oil, Gas and Consumable Fuels are heavily dependent of its Non-Permanent Workforce, which includes Workers. Hence, well-being measures in such industries ought to be more equally available to all its workforce irrespective of their nature of employment.

- Health and Accident Insurance benefits are especially more important in industries where the workers are exposed to higher levels of health & safety risks and hence are impacted more. Hence, although the non-permanent workforce and workers play a vital and critical role in contributing to the revenue of these companies, the same is not reflected in the well-being measures provided to them.

- Further, the Non-permanent workforce and the workers are the most vulnerable among the working class. Hence, basic well-being measures i.e. Insurance benefits will aid in protecting them from sickness, disease and injuries arising from their employment and Parental benefits ensures equal access to employment and economic security while raising a family. Such benefits not only benefits employees/workers but also helps companies retain talent and reduce their turnover rate.
- Overall it appears that there is 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. Case in point accident insurance coverage, paternity benefits and day care facility. It appears that facilities are linked to economic status as also demand/ supply situation. Temporary workers are available, hence, discriminated against.

HEALTH & SAFETY TRAINING:

One of the primary duties of the companies 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 Employees and Workers.

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.

TABLE HS10: DETAILS OF TRAINING GIVEN TO EMPLOYEES AND WORKERS

INDUSTRY	#	% Total Workforce	% Total Employees	% of Total Workers
Sample	**187**	**53.16%**	**58.71%**	**42.22%**
Consumer Services*	8	**99.37%**	103.99%	86.37%
Information Technology	10	87.63%	88.68%	4.63%
Others	16	85.87%	58.64%	97.07%
Healthcare	14	69.77%	72.20%	60.55%
Chemicals	11	51.49%	67.07%	41.42%
Capital Goods	17	50.92%	38.26%	62.10%
Automobile & Auto Components	13	47.61%	65.53%	39.74%
Metals & Mining	8	40.75%	58.61%	33.19%
Financial Services	42	38.70%	38.68%	84.06%
Power	9	37.20%	59.83%	30.29%
FMCG	15	34.69%	34.31%	34.96%
Construction Materials	7	28.91%	45.26%	21.05%
Consumer Durables	6	23.81%	31.55%	13.35%
Oil & Gas	11	**13.76%**	44.73%	8.06%

*#Number of companies covered | *The percentage exceeds 100% due to high attrition of store-front employees of one of the samples companies.*

- Out of 200 samples companies, 13 companies did not disclose data or inadequate data was provided for percentage of total workforce trained for Health & Safety. Therefore, the above analysis is training provided to workforce of 187 companies.
- The Consumer Services Industry has given training to highest percentage of its workforce i.e. ~99%, followed by IT Industry. Whereas the lowest training was to workforce of Oil Gas &

Consumable Fuels, where only ~14% of workforce was trained for Health & Safety, 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 and Construction Materials, 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 the companies?
- With regard to training of employees during the year, the highest % of workforce trained was observed by Consumer Services (104%) & the lowest was observed by Consumer Durables (32%).
- Whereas for workers, the highest coverage was seen in Other Industries (97%) and lowest in IT Industry (5%).
- The above table also depicts that several companies practice differential treatment when it comes to training the Employees and Workers, while 59% of total Employees were trained, only 42% of total Workers were trained during the year.

Workplace Safety Records:

Fatalities:

> ***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.*
>
> *- Source: International Labour Organization (ILO) (Weblink)*

SES is of the view that having healthy and safe workplace is the basic necessity of every employee or worker in an organisation and paramount duty of employers.

- Although for some industry, especially in-service industry the risk of fatality or injuries may be negligible as compared to manufacturing or labour-intensive work, however, the level of risk should not determine disclosure of workplace safety records.
- Several 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.

Recordable Work-Related Injuries:

TABLE HS11: TOTAL RECORDABLE WORK-RELATED INJURIES				
INDUSTRY	**#**	**Recordable work-related injuries**		**Per 1000 Workforce**
		2022	**2023**	**2023**
Sample	**200**	**5,905**	**7,415**	**0.96**
Financial Services^	45	23	38	0.02
Information Technology	13	101	161	0.09
Oil Gas & Consumable Fuels	12	331	216	0.34
Power	9	318	305	0.51
FMCG	15	108	131	0.55
Healthcare	15	357	241	0.72
Chemicals	11	115	105	1.20
Construction Materials	7	152	261	1.50
Consumer Services	9	175	217	1.54
Automobile & Auto Components	15	555	591	1.59
Consumer Durables	6	124	158	1.61
Metals & Mining	9	**2,023**	**2,073**	3.39
Capital Goods	17	**664**	**1,068**	3.70
Others^	17	**859**	**1,850**	6.52

#Number of companies covered
*^**Note 1:** 2 out of 45 companies belonging to Financial Service Industry, did not disclose abovementioned data.*
*^**Note 2:** 1 Company from Other Category (Telecommunication Industry) had not recorded data for FY 2022, however, has made disclosure for FY 2022-23. The same has been excluded for the purpose of y-o-y comparison.*

- Highest number of Work-Related injuries during FY 2022-23 were reported in Metals & Mining, followed by Other industries.
- Recordable work-related injuries per 1,000 workforces was highest number was in Other industries, followed by Capital Goods industry.
- Recordable work-related injuries per 1,000 workforces was highest for Other industries mainly because 1 Logistics Solution Provider company alone recorded 925 Work-Related injuries during FY 2023.
- Capital Goods and 'Others' contributed to increase of 1,395 cases out of total increase of 1,510 cases.
- When compared to FY 2021-22, in percentage terms highest increase in Work-Related injuries during FY 2022-23 was observed in Construction Materials Industry (~72%), whereas highest decrease was observed in Oil, Gas & Consumable Fuels (~35%).
- An overall increase has been observed in number of Work-related injuries by ~25%, when compared to FY 2022-23.

FATALITIES:

TABLE HS12: NO. OF FATALITIES				
INDUSTRY	#	No. of fatalities		Per 1000 Workforce
		2022	2023	2023
Sample	**200**	**388**	**271**	**0.04**
Consumer Services	9	**0**	**0**	**NA**
Information Technology	13	1	0	**NA**
Healthcare	15	3	1	0.00
Automobile & Auto Components	15	5	5	0.01
FMCG^	15	8	3	0.01
Financial Services^	45	**48**	**16**	0.01
Capital Goods	17	12	6	0.02
Construction Materials	7	11	8	0.05
Power	9	**21**	**33**	0.05
Chemicals	11	14	5	0.06
Consumer Durables	6	0	7	0.07
Metals & Mining	9	58	54	0.09
Oil & Gas	12	**164**	**92**	0.14
Others	17	43	41	0.14

#Number of companies covered

*^**Note 1**: Out of 45 companies from Financial Services Industry, 2 companies did not disclose abovementioned data.*

*^**Note 2**: 1 Company from Fast Moving Consumer Goods Industry had not recorded workers data for FY 2022, however, has made disclosure for FY 2022-23. The same has been excluded for the purpose of y-o-y comparison.*

- Highest number of Fatalities during FY 2022-23 were reported in Oil Gas & Consumable Fuels industry in absolute term, followed by Metals and Mining Industry.
- Whereas in relative terms i.e. per 1,000 workforces, Oil Gas & Consumable Fuels and Other Industries were at the bottom (worst performing). It may be noted that, 'Others industry' have high Fatalities per 1,000 workforces mainly because 1 Logistics Solution Provider company recorded 22 fatalities during the year.
- The overall number of fatalities have decreased when compared to FY 2021-22 by ~30%. Further, fatalities have increased only in Power industry (from 21 to 33) and Consumer Durables Industry (from 0 to 7).
- IT and Consumer Services Industry recorded Zero fatalities during FY 2022-23.
- The fatalities in industries like Oil & Gas, Metals & Mining, Construction, 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! H&S factor in these industries can surely improve.
- When compared to FY 2021-22, highest increase in Fatalities during FY 2022-23 was observed in Power Industry (~57%), whereas highest decrease was observed in Financial Services and Healthcare Industry (~67%).
- Further, one of the companies in Financial Services Industry had recorded 37 fatalities in FY 2021-22, which reduced to 11 fatalities in FY 2022-2023. Considering the nature of business, such high

number of fatalities, without any justification or explanation, raises a question on quality of Health & Safety Management of the Company.

The high fatality rate in Financial Services might be an issue of the manner in which reporting/ recording fatalities is being done, if not, such high number calls for an investigation by respective authorities to understand the cause and rectify the same.

High Consequence Work Related Injury or Ill-Health:

TABLE HS13: NO. OF HIGH CONSEQUENCE WORK RELATED INJURY OR ILL-HEALTH				
INDUSTRY	#	No. of Injuries		Per 1000 Workforce
		2022	2023	2023
Sample	**200**	**405**	**650**	**0.08**
Consumer Services	9	0	0	NA
IT	13	0	0	NA
Healthcare	15	5	1	0.01
Financial Services^	45	0	7	0.01
FMCG	15	10	5	0.02
Power	9	18	16	0.03
Automobile & Auto Components	15	16	21	0.06
Chemicals	11	2	7	0.08
Metals & Mining	9	65	66	0.11
Oil & Gas	12	58	69	0.11
Consumer Durables	6	1	17	0.17
Capital Goods	17	**86**	76	0.26
Construction Materials	7	**73**	**110**	0.63
Others	17	71	**255**	**0.90**

#Number of companies covered | ^Note 1: Out of 45 companies from Financial Services Industry, 1 Company did not collate the abovementioned data.

- The highest number of High Consequence Work Related Injury or Ill health cases were recorded in Other industries, followed by Construction Materials.
- During FY 2022-23, highest number of High Consequence Work Related Injury or Ill health were reported in Logistics Solution Provider company (Other Industries) in absolute term (238 incidents) as well as relative terms i.e. incidents per thousand employees (4.14 injuries). The said Company has not made any discussion regarding the same.
- When compared to FY 2021-22, highest increase in injuries and ill health during FY 2022-23 was observed in 'Others' Industry, (~259%) followed by Chemical Industry, whereas highest decrease was observed in healthcare industry.
- Consumer Services and Information Technology industries had recorded Zero injuries/ ill health during FY 2023.
- An overall increase has been observed in number of Work-related injuries by ~60%, when compared to FY 2021-22.

Lost Time Injury Frequency Rate:

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 HS14: AVERAGE OF LOST TIME INJURY FREQUENCY RATE (per one million-person hours worked)					
INDUSTRY	**#**	**Employees**		**Workers**	
		2022	**2023**	**2022**	**2023**
Sample	**194**	**0.147**	**0.184**	**0.266**	**0.251**
Financial Services^	43	0.000	0.020	0.003	0.004
Oil & Gas	12	0.096	0.107	0.197	0.083
IT	12	0.029	0.043	0.079	0.113
Chemicals	11	0.307	0.306	0.261	0.150
Healthcare	15	0.179	0.131	0.259	0.234
Others	16	**0.140**	**0.440**	0.250	0.253
Construction Materials	7	0.179	0.149	0.221	0.256
FMCG	14	0.153	0.167	0.143	0.283
Power	9	0.547	0.480	0.336	0.297
Metals & Mining	9	0.359	0.313	0.837	0.300
Consumer Services	9	**0.046**	**0.121**	0.458	0.368
Automobile & Auto Components	14	**0.117**	**0.221**	0.732	0.397
Capital Goods	17	0.284	0.221	0.432	0.583
Consumer Durables	6	**0.068**	**0.336**	**0.285**	**1.213**

#Number of companies covered | ^During FY 2022-23, out of 45 Financial Services companies, only 2 companies had recorded Lost Time Injury for Employees and 1 company for workers.

Note 1*: Out of 200 companies, 2 Financial Services company, 1 IT Company and 1 Telecommunication Company (Others) did not disclose the data for both FYs and hence, has been excluded from average reflected in the table above.*

Note 2*: 1 Automobile & Auto Components Company and 1 FMCG Company did the disclose the LTIFR data for workers, hence, has been excluded for the purpose of analysis.*

- During FY 2022-23, LTIFR of a Capital Goods Company for Employees and Workers was 9.32 and 9.76, respectively, whereas for FY 2021-22, it was 172.32 and 284.55 for Employees and Workers, respectively. It appears to be an outlier and apparent error, hence same has been excluded for the purpose of calculating industry average of Capital Goods. It may be noted that the Company has not given any specific explanation for the same.
- The average LTIFR for workers was higher than for employees in for both the years.
- The overall score increased for Employees YoY, it decreased for Workers, implying that while workers safe operation data improved it slipped for Employees, a fact difficult to digest, Consumer durables, consumer service, Auto and 'Others' pulled the performance down.
- The highest average LTIFR among Employees for FY 2022-23 was observed in Power Industry, followed by Other industry and Consumer Durables industry. Whereas the lowest average was for Financial Service industry, followed by IT industry.
- For workers, the highest average was in Consumer Durables industry, followed by Capital Goods industry, whereas the lowest average was in Financial Service industry, followed by Oil, Gas and Consumable Fuels.
- The highest LTIFR for workers was recorded in Consumer Durables Industry. Such high rate was mainly because in one of the companies, accidental fire broke out resulting in death of 5 injured persons, hence, the LTIFR was 6.62 and 1.26 for workers and employees, respectively, during FY 2022-23. This lead to decrease in overall industry performance.

Safety Related Incident: Worst Performance by Individual Companies

TABLE HS15: HIGHEST SAFETY RELATED INCIDENT REPORTED (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.	Metals & Mining	1,033	Oil Gas & Consumable Fuels	55	Others (Logistics)	238
2.	Others (Logistics)	925	Others (Logistics)	22	Oil Gas & Consumable Fuels	60
3.	Others (Logistics)	726	Oil Gas & Consumable Fuels	21	Construction Materials	48
4.	Capital Goods	503	Others (Construction)	14	Capital Goods	45
5.	Metals & Mining	301	Metals & Mining	13	Metals & Mining	44

** In place of the Company disclosing respective Industry.*

- The highest safety related incidents have occurred in companies from Oil Gas & Consumable Fuels, Metals & Mining and Others Industry (Logistics Solution Provider Company).
- Companies belonging to abovementioned industries constitute 47%, 52% and 98% of total Recordable work-related injuries, total fatalities and total High consequence work-related injury or ill-health, respectively, recorded across 200 sample companies.
- While low ratio does indicate better performance, yet the best is to not have any safety related incidents.

Safety Related Incidents: Employees v/s Workers

TABLE HS16: SAFETY RELATED INCIDENTS REPORTED (FY 2022-23)							
INDUSTRY	#	Recordable work-related injuries		No. of fatalities		High consequence work-related injury	
		Employees	Workers	Employees	Workers	Employees	Workers
Sample	**200**	**2,655**	**4,760**	**54**	**217**	**182**	**468**
Automobile	15	190	401	0	5	17	4
Capital Goods	17	175	893	1	5	3	73
Chemicals	11	47	58	3	2	0	7
Construction Materials	7	81	180	1	7	38	72
Consumer Durables	6	32	126	1	6	1	16
Consumer Services	9	69	148	0	0	0	0
FMCG	15	53	78	0	3	0	5
Financial Services	45	38	0	16	0	7	0
Healthcare	15	113	128	1	0	0	1
IT	13	126	35	0	0	0	0
Metals & Mining	9	558	1,515	7	47	10	56
Oil & Gas	12	86	130	15	77	52	17
Power	9	165	140	3	30	1	15
Others	17	922	928	6	35	53	202

#Number of companies covered

- The above table clearly depicts that occurrence of safety related incidents among workers is much higher than in employees. This is mainly because the workers are exposed to higher levels of health & safety related risks, especially, in industries like Metals & Mining, Oil & Gas, Constructions etc.
- The highest difference in number of safety related incidents among employees and workers was observed in Fatalities, where the fatality among workers is ~4x times the fatality among employees.
- The highest difference in fatalities was observed, where the fatality among workers is ~4x times the fatality among employees.
- The probable reason for high injuries/ fatalities is lack of safety knowledge as well as lack of awareness of its importance.

Complaints Related to Health & Safety:

The companies should encourage employees and workers to highlight any issues noticed towards working conditions and Health & Safety concerns at all its locations.

TABLE HS17: COMPLAINTS (OVERALL COMPANY PERFORMANCE)					
Working Conditions			Health & Safety		
Disclosure Parameter	#Companies		Disclosure Parameter	#Companies	
	2022	2023		2022	2023
Zero Complaints Filed	171	166	Zero Complaints Filed	176	164
Zero Complaints Pending	189	187	Zero Complaints Pending	190	190

***Note**: Data not disclosed by 2 companies for FY 2021-22 and 1 company for FY 2022-23.*

- The number of companies with Nil complaints for both Working Conditions and Health & Safety has decreased when compared to FY 2022-23.

TABLE HS18: NUMBER OF COMPLAINTS						
INDUSTRY	#	Working Conditions		Health and Safety		Total
		2022	2023	2022	2023	2023
Sample	**198**	**2,784**	**4,859**	**1,566**	**2,651**	**7,510**
Others	15	**1,119**	**2,227**	36	164	**2,391**
IT	16	447	647	506	396	1,043
Metals & Mining	11	469	736	**619**	920	**1,656**
Construction Materials	7	156	574	236	784	1,358
Automobile & Auto Components	6	331	393	100	151	544
FMCG	9	218	152	8	23	175
Consumer Services	15	19	30	22	100	130
Financial Services	45	0	60	3	55	115
Capital Goods	14	16	26	35	49	75
Power	13	0	8	0	4	12
Healthcare	9	0	**0**	1	5	5
Oil and Gas	12	6	4	**0**	**0**	4
Chemicals	9	3	2	**0**	**0**	2
Consumer Durables	17	0	0	**0**	**0**	**0**

- One of the Capital Goods companies recorded 17,490 and 5,478 for Working Conditions and Health & Safety, respectively, during FY 2022-23, whereas 8,965 and 3,481 complaints for Working

Conditions and Health & Safety, respectively, during FY 2021-22. This appeared as outlier, hence, the same has been excluded from the above analysis. The said company did not make any discussion regarding the same in its Annual Report.

- Further, one of the Information Technology companies did not disclose bifurcation of complaints of Working Conditions and Health & Safety, rather had disclosed the total complaints filed, hence, has been excluded from the above analysis. The complaints in the said IT company increased from 40 in FY 2021-22 to 581 complaints in FY 2022-23.
- During FY 2022-23, The highest number of complaints made by employees and workers for Working Conditions and Health & Safety were registered in Others Industry, followed by Metals and Mining industry, whereas the lowest complaints were registered in Consumer Durables Industry, followed by Chemicals industry.
- In the IT industry, complaints filed in 1 company constituted 91% of the total complaints filed in the industry in FY 2022-23 (954 complaints out 1,043 complaints).
- Further, no complaints were registered for Working Conditions in Healthcare and Consumer Durables industry. Similarly, for Health & Safety, no complaints were registered in Oil, Gas and Consumer Durables, Chemicals and Consumer Durables industries.
- On an individual basis, the highest number of working conditions complaints were filed in a Realty Company (Others Category) (1,948 complaints), followed by IT Company (602 complaints), however, all such complaints were resolved during the year. Similarly, for health & safety, highest number of complaints were received by Metals & Mining Company (690 complaints) followed by Construction Materials company (526 complaints) and the same were resolved during the year.

3.4. CUSTOMER ORIENTATION & WELFARE

Assessment Factors: ● Customer complaints / grievances ● Company's practices for improving customer relations	
BRSR Reference: Principle 9.	

EVALUATION STATISTICS							
2023	QUESTIONS			15	PARAMETERS		41
2021	NA - Separate category created post BRSR						
SCORE - CUSTOMER ORIENTATION & WELFARE							
MAXIMUM	100	AVERAGE	80	MEDIAN	83	MINIMUM	31

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY*
88.2 – Oil, Gas & Consumable Fuels (2023)	100 – Multiple Companies

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY*
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

Comment: 10 companies have scored 100 under Customer Orientation and Welfare with 3 companies from IT industry and 2 companies each from Power and Other industries.

Customer Complaints / Grievances:

BRSR requires companies to categorize customer complaints into 7 categories namely,

1. Data Privacy,
2. Advertising,
3. Cyber-Security,
4. Delivery of Essential Services,
5. Restrictive Trade Practices,
6. Unfair Trade Practices and
7. Other complaints.

Note:

1) Cyber-security and data privacy complaints are covered under Cyber-Security section of this report and the same have been excluded from the analysis.
2) Many of the 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.

- All the companies have disclosed the number of consumer complaints received during FY 2022-23.
- One company in Automobile and Auto Industry has not disclosed category-wise complaints as per the BRSR format. However, had confirmed that there were no complaints in totality.
- One company each from Financial Services, Automobile & Auto Component industries and Telecommunication sector company included under Other industries have not disclosed complaints under delivery of essential services.

TABLE CO1: CONSUMER COMPLAINTS					
INDUSTRY	**Advertising**	**Delivery of Essential Services**	**Restrictive/ Unfair Trade Practices**	**Others**	**Total**
Sample	**32,731**	**46,67,560**	**9,59,763**	**3,00,58,419**	**3,57,18,473**
Others	13	937	1	1,81,20,365	1,81,21,316
Consumer Durables	0	0	0	58,18,522	58,18,522
Financial Services	32,687	12,14,955	9,58,798	30,12,826	52,19,266
Oil Gas & Consumable Fuels	0	9,46,332	36	16,96,400	26,42,768
Power	0	22,52,814	0	1,43,063	23,95,877
Capital Goods	0	225	1	6,41,886	6,42,112
Consumer Services	0	2,51,703	66	1,51,286	4,03,055
Automobile & Auto Comp.	2	0	37	3,05,965	3,06,004
Fast Moving Consumer Goods	27	521	739	90,268	91,555
Healthcare	0	56	0	59,015	59,071
Metals & Mining	0	0	0	9,457	9,457
Construction Materials	0	0	85	5,537	5,622
Chemicals	2	17	0	3,747	3,766
Information Technology	0	0	0	82	82

- IT industry did not receive any consumer complaints relating to above categories as all the complaints in IT sector were regarding data privacy and cyber security.
- Companies under industries such as Consumer Durables and Metals & Mining have not recorded any complaints under any of the specific categories mentioned above i.e. all of their customer complaints were pertaining to some other matters.
- A total of 15 companies have reported receiving complaints regarding Advertising of which 4 companies are from Financial Services and 5 from FMCG industry. About 99.7% Advertising complaints belong to one NBFC company in Financial Services sector. The Company has not disclosed any specific reason for such complaints and has stated that complaints were unique and varied on case to case basis.
- The highest number of complaints pertaining to Delivery of essential services were reported by Power industry followed by Financial Services and Oil, Gas & Consumable Fuels industries.
- About 99.9% of complaints under Unfair Trade practices belong to Financial Services sector. Only 8 companies under Financial Services industry reported such complaints, where One Bank has reported about 98.4% of total such complaints in the Financial Services industry. This could be a case of mis-classification either on the part of Bank that reported these complaints or on the part of other banks and companies in the industry that did not report or misclassified such complaints under other complaints.

TABLE CO2: CUSTOMER COMPLAINTS	
TOP 5 COMPANIES	
Industry*	**# of complaints**
Others (Telecommunication)	1,50,42,925
Consumer Durables	56,87,333
Others (Logistics)	30,55,831
Oil Gas & Consumable Fuels	14,81,148
Power	13,81,528

** In place of the Company name, Industry name is disclosed*

- A Telecommunication company with highest number of customer complaints constitutes ~42% of the total complaints reported by the sample companies. Two other companies in Telecom sector did not report any such customer complaints. One company has just stated that customer complaints are resolved as per applicable legislations while the other did not report any customer complaints. This exposes inconsistency across industries.

- The complaints received by a company under Consumer Durables industry places the industry on second position having highest number of complaints.

Other Disclosures:

TABLE CO3: DISCLOSURES RELATING TO CUSTOMER ORIENTATION & WELFARE		
Particulars	**# Companies**	
	Disclosure	**Performance**
Mechanism in place to receive & redress customer complaints & feedback	200/200	197/200
Channels / platforms where information on products and services of the entity can be accessed	176/200	-
Steps taken to inform and educate consumers about safe and responsible usage of products and/or services	156/200	149/156
Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services	113/157	100/113
Display's information on the product over and above what is mandated as per local laws	104/157	81/104
Carried out any survey with regard to consumer satisfaction relating to the major products / services of the entity	163/200	144/200

- One company from Healthcare industry, one holding company under Financial Services and one public sector undertaking has disclosed that they do not have any mechanism for customer complaints and feedback. The public sector undertaking has disclosed that the Company has been granted exemption from adoption of Fair Practice Code from RBI which covers in detail a grievance redressal mechanism for consumers.

- 43 companies in Financial Services have disclosed that their services don't fall under essential services and displaying product information on packaging is not applicable to their business. One company in this industry has answered both of the above information and one company has failed to answer both these questions. However, this is contradictory to number of complaints reported by Financial Service industry pertaining to delivery of essential services as a total of 13 companies in this industry have reported an aggregate of 12,14,955 such complaints which is also the second highest in this category of complaints.

- 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.

- All the companies under industries such as Consumer Durables have disclosed conducting customer survey with regard to consumer satisfaction relating to the major products / services of the entity.

- Companies under Healthcare industry along with 'Other industries' had the worst performance relating to disclosure of customer satisfaction survey.

3.5. PRODUCT / SERVICE QUALITY

Assessment Factors:

- Product / Service Quality, Safety and any product / service related incidents,
- Instances of Product Recall: Forced or Voluntary,
- Instances of Product Ban.

BRSR Reference: Principle 9.

EVALUATION STATISTICS				
2023	QUESTIONS	6	PARAMETERS	14
2021	NA - Separate category created post BRSR			

YEAR	SCORE – PRODUCT / SERVICE QUALITY							
2023	MAX.	100	AVG.	83	MED.	88	MIN.	25

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY*
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*
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

PRODUCT / SERVICE QUALITY:

TABLE PQ1.1: PRODUCT / SERVICE QUALITY – DISCLOSURES	
PARTICULARS	**#COMPANIES***
Have Quality Management System (QMS) in Place	**133/155**
Quality Management System – Certification Obtained	**119/155**

**Excludes 45 financial services company, given their nature of business.*

- Out of 155 companies, 133 companies have disclosed presence of Quality Management System, out of which, 2 companies did not provide adequate information regarding the said system.
- Further, 119 out of 155 companies have obtained certification on Quality Management System *(E.g. ISO 9001)*, however, several companies did not disclose whether the certification has been obtained for all facilities or only for selected facilities. Moreover, 36 companies did not obtain QMS related certifications.

TABLE PQ1.2: PRODUCT / SERVICE QUALITY POLICY – DISCLOSURES		
PARTICULARS	**#COMPANIES***	
	Disclosed Presence	**Disclosed Policy**
Policy on Product / Service Quality	**66/155**	**55/155**

**Excludes 45 financial services companies, given their nature of business.*

- 11 out of 66 companies have only disclosed presence of Product / Service Quality Policy, however, the Policy has not been made available for public access. Further, 89 companies did not disclose whether a Policy on Product / Service Quality exists.

PRODUCT/SERVICES: RECALLS/ BAN

TABLE PQ2: PRODUCT RECALLS (DISCLOSURE AS PER BRSR)		
PARTICULARS	**Voluntary Recalls**	**Forced Recalls**
Number of Cases (Companies)	127(11)	5(3)

- During FY 2022-23, 11 out of 155 companies recorded instances of voluntary recall on account of safety issues, where 10 companies belonged to Pharmaceutical industry (total 120 cases) and 1 from Automobile & Auto Components industry (7 cases).
- Whereas, only 3 companies recorded instances of forced recall on account of safety issues, where 2 companies belonged to Healthcare/ Pharma industry (4 cases) and 1 from Automobile & Auto Components industry (1 cases).

TABLE PQ3: PRODUCT / SERVICE RECALLED OR BANNED	
PARTICULARS	**#COMPANIES***
Cases of Product Recall	13/155
Cases of product ban or service ban	1/155

**Excludes 45 financial services companies, given their nature of business.*

- Table PQ3 includes the incidents of product recalls occurred in the companies, however, were not discussed in the Annual Report 2023 or BRSR.
- 13 out of 155 companies recorded instances of Product Recall, where 10 companies belonged to Healthcare industry and 3 companies of Automobile & Auto Components.
- Out of 155 companies, instance of product ban occurred in 1 Chemical Company during the year.
- Further, although the instances of service ban have not been analysed for financial services companies in the Table no. PQ3, a regulatory action was passed by RBI against 1 FinTech Company, that had imposed ban of certain services.

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),
- Political donations,
- Financial Inclusion (for Banks).

BRSR Reference: Principle 8.

EVALUATION STATISTICS				
2023	QUESTIONS	36	PARAMETERS	36
2021	QUESTIONS	14	PARAMETERS	45

YEAR	SCORE – CSR, COMMUNITY RELATIONS & ENGAGEMENT							
2023	MAX.	90	AVG.	69	MED.	70	MIN.	25
2021	MAX.	97	AVG.	71	MED.	72	MIN.	42

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
76.6- Power (2023)	89.5- Automobile & Auto Components (2023)
79.7- Oil & Gas (2021)	97.2 – Power (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
63.7- Capital Goods (2023)	25.0- Financial Services (2023)
62.7 – Consumer Services (2021)	42.0 – Chemicals (2021)

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 that not only assists 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	197/200	197/197
Affiliations with trade and industry chambers/ associations	200/200	199/200
Project(s) for which ongoing Rehabilitation and Resettlement is being undertaken by the Company**	152/155	152/152

*** Excludes 45 Financial Services companies given their nature of business.*

- Grievance Redressal Mechanism: Except 3 Financial Services Company, all the other companies disclosed information on mechanisms to receive and redress grievances of the community.
- With regard to affiliations with trade and industry chambers/ associations, except 1 Financial Services Company, all sample companies have disclosed the data.
- Out of 155 companies (other than Financial Services Industry), 152 companies disclosed information on project(s) for which ongoing Rehabilitation and Resettlement undertaken by the companies (includes the companies which did not undertake projects involving Rehabilitation and Resettlement).

Preferential Procurement:

TABLE CE2: PREFERENTIAL PROCUREMENT POLICY		
PARTICULARS	**#Companies***	
	Disclosure	**Performance**
Preferential procurement policy	109/155	53/109
Marginalized /vulnerable groups from where procured	62/155	50/62
% of total procurement (by value) does it constitute	49/155	44/49

**Excludes 45 Financial Services companies, considering its nature of business. Hence, the above data is out of 155 companies.*

- With regard to Preferential Procurement Policy, while 109 companies disclosed information regarding the same, only 53 companies have an existing policy for procurement from marginalized /vulnerable groups. No disclosure made by 46 companies regarding the same.
- Out of 155 companies, only 62 companies have discussed about procurement from marginalized /vulnerable groups (includes companies who have stated *"Not Applicable"*) and out of which 50 companies have disclosed adequate information regarding marginalized /vulnerable groups from where procurement is done. No disclosure made by 93 companies regarding the same.
- Furthermore, 10 companies are such that, although they don't have a Preferential Procurement Policy, information has been disclosed regarding marginalized /vulnerable groups from where procurement is done.
- Further, 49 companies have disclosed the percentage that such procurement constitutes of the total procurement (by value), which includes the companies which had stated *"Not Applicable"* to such procurement, where 34 companies procured less than 50% of total procurement from marginalized /vulnerable groups, whereas 6 companies procured more than 50%. Further, 5 companies did not disclose the exact percentage of procurement.

Social Impact Assessments:

TABLE CE3: PREFERENTIAL PROCUREMENT POLICY		
PARTICULARS	**#Companies***	
	Disclosure	**Performance**
Social Impact Assessments of projects undertaken	199/200	184/199
Corrective Actions	177/200	177/177

- Although 199 companies have disclosed information regarding Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year, only 184 companies have disclosed the details of the said assessment (the number includes the companies who have stated *"Not Applicable"* for SIA).

- Further, out of 199 companies, only 177 companies have disclosed details of corrective actions taken to mitigate any concerns arising out of Social Impact Assessments and it 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	106/155
Corrective actions taken /underway based on any order in IP related disputes (usage of traditional knowledge)	106/155

*** Excludes 45 Financial Services companies given their nature of business.*

- Out of 155 companies, only 106 companies have disclosed information regarding benefits derived and shared from the intellectual properties owned or acquired by the company (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 not benefits are derived from the same.

Inclusive Development:

TABLE CE5: COMPANY'S DISCLOSURE ON JOB CREATION	
PARTICULARS	**# COMPANIES**
Job Creation in Smaller Town:	19/200
Wage paid to people employed in smaller towns as % of total wage cost	0/200

- Only 19 out of 200 sample companies have discussed about job creation in smaller town, whereas as none of the companies disclosed information regarding wages paid to people employed in smaller towns.

Sourcing of Input Materials and Inclusive Development:

As stated in 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 depicts the % of input material (inputs to total inputs by value) directly sourced from MSMEs/ small producers in last 2 FYs:

TABLE CE6: % OF INPUT MATERIAL SOURCED DIRECTLY FROM MSMES/ SMALL PRODUCERS						
INDUSTRY	**#**	**Average (2022-23)**	**Less than 50%**		**More than 50%**	
			2022	**2023**	**2022**	**2023**
Sample	**165**	**23.82%**	**139**	**135**	**7**	**18**
Oil & Gas	11	37.31%	10	10	0	1
Power	9	36.67%	7	5	2	4
Financial Services	14	36.01%	8	5	1	4
Consumer Durables	6	35.43%	5	5	1	1
Metals & Mining	9	28.51%	8	8	0	1
Consumer Services	8	28.36%	6	6	1	1
Others	16	26.16%	15	13	0	3

Capital Goods	17	22.34%	15	16	0	0
FMCG	15	19.74%	14	14	0	1
Automobile & Auto Comp.	14	18.34%	12	13	1	1
Chemicals	11	17.08%	10	10	1	1
Healthcare	15	15.41%	13	14	0	0
IT	13	12.37%	11	11	0	0
Construction Materials	7	**8.66%**	5	5	0	0

#Indicates the number of companies to which abovementioned disclosure was applicable on the basis of nature of business of the sample companies.

- Out of 165 companies, 12 companies did not disclose data regarding percentage of input materials sourced directly from MSMEs/ small producers for FY 2022-23, whereas 19 companies had not disclosed for FY 2021-22. Hence, the level of disclosure and identification of data by companies have increased when compared to FY 2021-22.
- Further, only 1 company sourced 0% from MSMEs/ small producers during FY 2022-23 (for FY 2021-22, 4 companies).
- Table CE 3 also depicts that, only 11% of companies sourced more than 50% of input material from MSMEs/ small producers.
- The highest average percentage of input materials sourced directly from MSMEs/ small producers was registered in Oil, Gas and Consumable Fuels Industry, whereas the lowest average percentage was in Construction Material Industry.
- The highest increase in number of companies falling under 'More than 50%' during FY 2022-23 was observed in Financial Services Industry (from 1 to 4 companies) and Other Industry (from 0 to 3 companies), followed by Power Industry (from 2 to 4 companies).

Table CE7 depicts the % of input material (inputs to total inputs by value) sourced directly from within the district and neighbouring districts in last 2 FYs:

TABLE CE7: % OF INPUT MATERIAL SOURCED FROM WITHIN & NEIGHBOURING DISTRICTS

INDUSTRY	#	Average (2022-23)	Less than 50%		More than 50%	
			2022	2023	2022	2023
Sample	**157**	**41.01%**	**73**	**77**	**39**	**41**
IT	13	62.62%	2	2	7	7
Automobile & Auto Comp.	14	57.10%	5	6	8	8
Financial Services	11	53.41%	2	3	3	2
Power	9	44.72%	4	4	2	2
Consumer Durables	6	42.55%	3	3	3	3
Construction Materials	7	42.27%	2	2	1	1
Others	17	40.24%	8	8	4	5
Consumer Services	7	38.33%	3	3	3	3
Capital Goods	15	35.80%	8	9	4	4
Oil & Gas	9	35.38%	2	2	1	1
Metals & Mining	8	35.35%	5	7	0	0
Healthcare	15	29.39%	9	9	2	2
FMCG	15	28.39%	11	11	0	1

Chemicals	11	28.21%	9	8	1	2

#Indicates the number of companies to which abovementioned disclosure was applicable on the basis of nature of business of the sample companies.

- Out of 157 companies, 39 companies did not disclose data regarding percentage of input materials sourced directly from MSMEs/ small producers for FY 2022-23, whereas 45 companies had not disclosed for FY 2021-22. Hence, the level of disclosure and identification of data by companies have increased when compared to FY 2021-22.
- Further, 8 out of 157 sample companies sourced 0% directly from within the district and neighbouring districts during FY 2022-23.
- Approx. 26% companies (41 out of 157 companies) sourced more than 50% of input material from within the district and neighbouring districts during FY 2022-23.
- The highest average percentage of input materials sourced directly within the district and neighbouring districts was registered in IT Industry, whereas the lowest average percentage was in Chemical Industry.
- A marginal increase in number of companies under 'More than 50%' category was observed in Chemical (from 1 to 2), FMCG (from 0 to 1), and Other Industries (from 4 to 5), whereas decrease in number of companies in the same category was observed in Financial Services (from 3 to 2).

Overall Disclosures:

- It has been observed that the disclosure data for souring from MSMEs/ small producers was more coherent when compared to data regarding sourcing within the district and neighbouring districts.
- For FY 2022-23, while only 12 companies did not disclose data for souring from MSMEs/ small producers, the number for non-disclosure of data for sourcing from within the district and neighbouring districts was 39 companies. One of the reasons for the same is that several companies are yet to monitor/track the said data.

TABLE CE8: BEST & WORST COMPANIES FOR INPUT MATERIAL SOURCING (FY 2022-23)				
	From MSMEs/ Small producers		Within the district & neighbouring districts	
	INDUSTRY*	%	INDUSTRY*	%
	Highest Sourcing			
1.	Automobile & Auto Components	80.0%	Financial Services	100.%
2.	Financial Services	80.0%	Power	98.3%
3.	Consumer Durables	79.2%	Automobile and Auto Components	95.7%
	Lowest Sourcing^			
1.	Others	0.9%	Fast Moving Consumer Goods	0.7%
2.	Information Technology	1.5%	Capital Goods	1.0%
3.	Healthcare	1.8%	Power	1.0%

** In place of the Company disclosing respective Industry. | ^Excludes companies that sourced 0% of input materials.*

- 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

TABLE CSR1: COMPANY'S DISCLOSURE ON CSR ACTIVITIES		
PARTICULARS	**#Companies***	
	Disclosure	**Performance**
CSR Projects in designated aspirational districts	136/171	110/136
Beneficiaries of CSR Projects	145/171	-

**Excludes 29 companies from the above analysis as CSR was not applicable to them during FY 2022-23 on account of loss observed in last 3 years or Public Sector banks.*

- Only 136 out of 171 companies have disclosed the information on CSR projects undertaken in designated aspirational districts as identified by government bodies, where only 110 companies have disclosed the projects undertaken and 26 companies did not undertake any CSR project in designated aspirational districts.
- Further, 145 companies have made disclosure regarding beneficiaries of CSR Projects.

POLITICAL DONATIONS:

TABLE CSR2: DISCLOSURES ON POLITICAL DONATION		
PARTICULARS	**#Companies**	
	No Donation	**Donated in last 3 FYs**
Political Donations made by the Company	184	16

- While 184 companies did not make any political donations in the last 3 financial years, 3 companies made Political Donation in FY 2022-23. Further, 1 company has made political donations in both FY 2021-22 and FY 2022-23, whereas 12 companies made political donations in each of last 3 financial years.

CSR SPEND:

Table CSR3 provides the total CSR obligations and expenditure during the year by the sample companies during last 2 FYs. The table excludes the companies to which CSR was not applicable on account of loss:

TABLE CSR2: AVERAGE CSR AMOUNT (PRESCRIBED & SPENT)						
PARTICULARS (₹ in crores)	**Total**			**Average***		
	2022	**2023**	**% change**	**2022**	**2023**	**% change**
Av. Net Profit of last 3 FYs	5,54,624	6,42,603	15.86%	3,243	3,758	15.86%
CSR Obligation [A]	10,986	12,195	11.00%	64.25	73.03	13.67%
CSR Spent [B]	11,317	11,755	3.87%	66.18	69.97	5.72%
% Spent (B/A)	**103.02%**	**96.39%**	-	-	-	-
Amount transferred [C]^	879	1,251	42.32%	5.14	7.49	45.70%
CSR Expenditure [B+C]	**12,196**	**13,006**	**6.64%**	71.32	77.88	**9.19%**
% Spent (B+C/A)	**111.02%**	**106.65%**	-	-	-	-

** Note: Average of sample companies (excludes average net loss companies) | ^As prescribed under Section 135(5) and 135(6) of Companies Act, 2013.*

- The total CSR Expenditure of the sample companies increased by 6.64% during FY 2022-23, when compared to FY 2021-22, whereas the average CSR Expenditure per Company has increased by 9.19%.
- Further, out of 29 companies to which the CSR was not applicable during the year, 15 companies **voluntarily spent** a total of **₹ 442.96 crores** towards CSR Activities. For FY 2021-22, a total of ₹ 375.56 crores was spent voluntarily by 15 companies.
- While the total CSR expenditure has increased in absolute terms (by 6.64%), it has decreased in relative terms i.e. CSR expenditure as a % of CSR obligation, when compared to FY 2021-22.

> *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 provision mandates the companies to transfer any unspent amount to Unspent CSR Account or Prescribed Fund, as applicable.
- Given the abovementioned provision, the actual CSR Spent during the year of the sample companies has only increased by 3.87%, whereas the CSR expenditure i.e. including the amount transferred to Unspent Account/ Prescribed Funds, the increase was by 6.64%.
- Further, the amount transferred to Unspent Account/ Prescribed Funds has increased considerably when compared to FY 2021-22.

Table CSR3 provides industry wise CSR expenditure data for 2021-22 & 2022-23:

TABLE CSR3: INDUSTRY WISE CSR PERFORMANCE

INDUSTRY	2022				2023			
	Prescribed (in crores)	Spent (%)	Transferred (%)	Expenditure (%)	Prescribed (in crores)	Spent (%)	Transferred (%)	Expenditure (%)
Sample	**10,986**	**103.0%**	**8.0%**	**111.0%**	**12,195**	**96.4%**	**10.3%**	**106.6%**
Construction Materials	275	114.8%	0.0%	114.8%	312	124.4%	1.4%	125.8%
Healthcare	370	86.1%	23.6%	109.7%	376	91.9%	23.6%	115.4%
Metals & Mining	1,096	134.5%	0.0%	134.5%	1,431	98.3%	14.6%	112.8%
Power	625	122.4%	2.7%	125.1%	738	110.0%	2.5%	112.6%
Chemicals	139	106.2%	6.8%	113.1%	177	105.3%	6.8%	112.1%
Oil & Gas	2,045	116.4%	6.4%	122.8%	2,081	96.1%	12.1%	108.2%
Consumer Services	63	94.9%	7.6%	102.5%	77	91.3%	16.7%	108.0%
Capital Goods	301	90.4%	9.7%	100.2%	327	88.8%	18.6%	107.4%
Others	317	86.7%	11.2%	97.9%	376	97.6%	7.8%	105.4%
IT	1,776	97.8%	5.1%	102.9%	2,121	102.0%	2.2%	104.2%
Automobile & Auto Components	601	82.9%	18.5%	101.4%	559	79.7%	23.2%	102.9%

FMCG	802	94.8%	6.6%	101.5%	899	97.3%	4.9%	102.2%
Consumer Durables	161	100.8%	0.2%	101.0%	182	101.2%	0.1%	101.2%
Financial Services	2,414	89.10%	12.80%	101.90%	2,539	87.5%	13.5%	101.0%

- All the companies met the prescribed statutory limit during FY 2022-23, where the highest CSR expenditure for FY 2022-23 was observed in Construction Materials industry, that spent 125.8% of its CSR obligation, followed by Healthcare Industry (115.4%) and Metals & Mining Industry (112.8%).
- During FY 2021-22, 1 Company from Logistics Solution Provider ('Others' Industry) failed to meet the statutory CSR obligation, accordingly, overall industry performance also decreased.
- Further, while all the industries spent more than prescribed CSR amount, the CSR spent during the year, excluding the amount transferred to specified account/funds, in majority of industries were less than the prescribed amount. In several companies, the unspent amount relates to ongoing projects, which needs to 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 Construction Materials industry that spent 124.4% of its CSR obligation during the year, followed by Power Industry and Chemicals Industry.
- The lowest CSR expenditure during the year was in observed in Financial Services Industry, that spent 87.5% during the year & transferred 13.5% of its obligation to Unspent Account/ Prescribed Fund (total 101.0% of the CSR obligation), followed by Consumer Durables (101.2%).
- 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.

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 ensures safe security system (IT security, firewalls, initiatives etc),
- Complaints: Data Security / Data Privacy.

BRSR Reference: Principle 9.

EVALUATION STATISTICS				
2023	QUESTIONS	11	PARAMETERS	43
2021	QUESTIONS	8	PARAMETERS	20

YEAR	SCORE – CYBER SECURITY / DATA PRIVACY							
2023	MAX.	100	AVG.	83	MED.	83	MIN.	7
2021	MAX.	97	AVG.	57	MED.	57	MIN.	20

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
94.9 - Power (2023)	100 - Multiple Companies (2023)
66.4 – Oil & Gas (2021)	96.7 – Power (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
67.5 - Construction Materials (2023)	7.3 - Metals & Mining (2023)
45.8 – Consumer Services (2021)	20.0 – Power (2021)

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

Cyber Security – 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	No. of Companies
Risk Management Function on Cyber Security	193 / 200

- In accordance with the Regulation, though legally not required, 193 companies have disclosed that Risk Management Function specifically covers Cyber Security, **whereas no disclosure has been made by 7 companies.**

- Further, out of 193 companies, only 114 companies have provided detailed information regarding the same.

DISCLOSURE PARAMETER	No. of Companies
Framework on cyber security and risks related to data privacy	199 / 200

- All the sample companies except 1 Metals & Mining Company, have disclosed presence of a Framework on cyber security and risks related to data privacy.

PARTICULARS	No. of Companies	
	Disclosed Presence	Disclosed Policy
Policy on cyber security & risks related to data privacy	190 / 200	127 / 190

- Out of total sample, 190 companies have discussed that a policy on cyber security and risks related to data privacy exists, however, only 127 companies disclosed the policy for public access. Further, 10 companies have made no disclosure on whether they have a Policy on Cyber Security/ Data Privacy.

Data Breaches:

PARTICULARS	No. of Companies
Disclosure of data breaches	167 / 200
No disclosure of data breaches	33 / 200
Zero instance of data breaches	162 / 167
Data Breach occurred	5 /167
In case of data breaches – Disclosed impact	1 / 5
% of data breaches involving customers' personally identifiable information	3 / 5

- 33 out of 200 samples companies did not disclose information regarding instances of data breaches during the year.
- 5 companies recorded data breach cases during the year, out of which only 1 company disclosed the impact of such data breach caused. Further, in 3 out of 5 instances, the data breaches involved customers' personally identifiable information.

IT Related Security:

DISCLOSURE PARAMETER	No. of Companies
IT related Certification obtained	117 / 200
Steps taken to ensures safe security system	187 / 200

- 117 companies have disclosed or discussed about having IT / Cyber Security related certifications (*E.g. ISO 27001*). Further, 3 companies have disclosed their plans to obtain IT/ cyber security related certification in the coming years.
- 13 out of 200 sample companies did not provide information regarding action taken to ensures safe security system (IT security, firewalls, initiatives, etc).

Complaints Related to Cyber Security & Data Privacy

Table Cs1: Complaints					
Data Privacy			Cyber Security		
Disclosure Parameter	#Companies		Disclosure Parameter	#Companies	
	2022	2023		2022	2023

Zero Complaints Filed	186	185	Zero Complaints Filed	189	191
Zero Complaints Pending	191	193	Zero Complaints Pending	192	194
No disclosure	5	3	No disclosure	5	3

- During FY 2022-23, a total of 351 complaints related to Data Privacy were filed and 91% of them were resolved during the year. The number of complaints has increased when compared to last year as 242 complaints were filed during FY 2021-22.
- With regard to Cyber Security, 6,98,146 complaints were filed during the years (out of which 6,98,141 complaints were received by 2 Financial Services companies) and 86% of the complaints registered were resolved during FY 2022-23. During FY 2021-22, 6,050 complaints were filed (out of which 6,027 complaints were received by 2 Financial Services companies).

  Such high number of complaints in Financial Services companies raises a doubt on whether other companies are not centrally tracking all the complaints or are the disclosure made by them not proper.

3.8. FINANCIAL INCLUSION

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				
2023	QUESTIONS	63	PARAMETERS	134

SCORE – FINANCIAL INCLUSION							
MAXIMUM	88	AVERAGE	51	MEDIAN	53	MINIMUM	13

Note: Based on financial inclusion parameters evaluation

In India, about more than 2/3rd population reside in rural regions. The financial services industry, especially Banking sector has expanded its operations in rural and semi-urban regions with more and more people availing banking facilities from these regions. Therefore, banks bear the burden of serving the underbanked people in these regions and it is their duty to instil communities with financial literacy and empower them.

Financial Inclusion 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 discussed about Financial Inclusion, which together constitutes 29 of the 45 companies in Financial Services industry.
- Of the 29 companies engaged in Banking and Insurance, 1 insurance company has not discussed about Financial Inclusion.
- Of the remaining 28 financial institutions, 17 have disclosed the frequency of engagement with community with respect to Financial Literacy.

Access to Financial Services:

Various data collated from the disclosures of financial institutions with respect to accessibility of financial services are as presented in table FI1:

TABLE FI1: DISCLOSURES RELATING TO ACCESSIBILITY OF FINANCIAL SERVICES	
Particulars	# Financial Institutions Disclosed
Number of Customers	16 / 29
Total Number of Branches/ Outlets	29 / 29
Total number or % of branches/outlets in Semi-urban and Rural regions	16 / 29
Total number of ATMs*	19 / 20
Total number or % of ATMs in Semi-urban and Rural regions*	3 / 20
Total number of Business Correspondents*	14 / 20
Total number of POS Machines*	6 / 20

**applicable only to Banks.*

- There is only 1 Bank that has disclosed all the above data relating to the financial services.
- It appears that ATMs & POS machines are weak link in Financial Inclusion.

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 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. On analysis the following data was observed:

FI2: DISCLOSURES RELATING TO FINANCIAL SCHEMES			
Particulars	# Of Banks that Disclosed Data (Out of the Total 20 Banks)		
	Discussed	Quantifiable Data	Reported Increase
Pradhan Mantri Jan Dhan Yojana (PMJDY)	16	14	8
Pradhan Mantri Mudra Yojana (PMMY)	11	7	4
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	14	9	5
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	14	9	7
Atal Pension Yojana (APY)	15	11	7

4 banks have scored full under disclosure for Access to Financial Schemes.

2 banks have not discussed about any of the above schemes.

Priority Sector Lending (PSL):

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 RELATING TO PSL (Out of the Total 20 Banks)	
PARTICULARS	# Target Achieved - Disclosed
Total Priority Sector: 40% of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	14
Agriculture: 18% of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	10
Micro Enterprises: 7.5% of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	9
Advances to Weaker Sections: 10% of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	9

ANBC = Adjusted Net Bank Credit

- 7 banks have disclosed that PSL targets and sub-targets for Agriculture, Micro enterprises and Advances to weaker sections have been achieved.
- 6 banks have not disclosed specific % data relating to PSL.

IV - 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				
2023	QUESTIONS	196	PARAMETERS	544
2021	QUESTIONS	133	PARAMETERS	505

YEAR	SCORE – OVERALL GOVERNANCE							
2023	MAX.	94	AVG.	79	MED.	79	MIN.	62
2021	MAX.	84	AVG.	76	MED.	76	MIN.	63

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
83.6 - IT (2023) 78.2 – Consumer Goods (2021)	94.4 – IT (2023) 83.8 – Consumer Goods (2021)
80.7 - Financial Services (2023) 77.4 – Oil & Gas (2021)	91.9 - Financial Services (2023) 83.7 – Pharma (2021)
80.7 – Healthcare (2023) 76.9 – Pharma (2021)	90.1 - Financial Services (2023) 83.6 – Power (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
75.5 - Metals & Mining (2023) 71.8 – Cement (2021)	62.3 - Metals & Mining (2023) 62.6 – Chemicals (2021)

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	94	79	80	62	32	15
Information Technology	94	84	84	75	19	11
Financial Services	92	81	80	64	28	11
-Banks	92	83	84	71	21	9
-Insurance	85	81	81	73	12	4
-Other Financial Services	86	78	79	64	22	7
Healthcare	88	81	81	68	20	8
Consumer Durables	83	80	81	75	9	3
Fast Moving Consumer Goods	86	80	81	71	15	6
Consumer Services	85	80	81	74	11	4
Others	87	79	79	71	15	7

Automobile & Auto Components	83	79	79	71	12	5
Oil Gas & Consumable Fuels	86	78	78	74	11	7
Power	85	78	77	70	15	7
Capital Goods	83	78	77	73	10	6
Chemicals	88	77	78	68	20	11
Construction Materials	81	76	74	70	11	6
Metals & Mining	80	75	76	62	18	4

Interpretation/Commentary:

- Average score of Governance factors, across the sample companies was 79, and maximum is 94, with max-min spread of 32; and max-average spread of 15.
- From average perspective, IT and Financial Services industries have performed better than others, and same in the case of maximum score. Financial Services industry has performed better due to the high score of Banks; because of stricter regulatory frameworks of RBI.
- Divergence in scoring and spread on scoring of industries in Environment and Social lies in the same range, whether it is on maximum basis, average basis or minimum basis; thus, indicating the influence of industries in E&S Scores. However, the Governance scoring is industry agnostic. Here, the worst industry on the basis of average score has performed best in case of Max-Average Spread.
- Further, at least one company in each of the 6 Industries group scored a minimum score of 70 or below 70 in governance. Common reason for low score in certain cases are related to Independence of Board & Diversity (as per SES criteria), Qualified opinion, concerns with Director's Remuneration, Regulatory Actions etc.
- Companies with high governance scores are those that go beyond meeting mandatory requirements, actively striving to adopt non-mandatory best governance practices. They transcend mere legal compliance and check-box approaches, instead focusing on policies that safeguard the interests of stakeholders.
- Effective corporate governance is fundamental to every organization, offering a structured approach to ethical decision-making, clear accountability, and transparent operations. It guarantees that the management's choices prioritize the welfare of all stakeholders, encompassing shareholders, lenders, creditors, partners along the value chain, customers, employees, and regulatory bodies.

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.	
	2021	2023	2021	2023	2021	2023	2021	2023
4.1. Board Independence & Diversity	81	93	62	67	63	67	41	42
4.2. Board Committees	92	98	68	69	67	70	45	45
4.3. Director Remuneration	80	96	58	66	61	68	24	32
4.4. Statutory Auditors	100	100	96	93	96	98	83	56
4.5. Audit & Financial Reporting	100	99	92	90	93	91	69	52
4.6. Stakeholders Engagement, Ownership & Control	98	100	83	82	84	84	56	49
4.7. Ethics, Bribery & Other Governance Factors	94	98	67	85	67	87	47	57

Interpretation/ Commentary:

- Although, the above table shows scoring pattern for both the years i.e. 2021 and 2023; however, they are not strictly comparable, as the sample size has increased from 100 to 200 in this study; and also, the model of scoring has changed a lot from the previous study mainly on account of increased governance norms and regulatory strictures.
- As can be seen from the above table, the score on Statutory Auditors and Audit & Financial Reporting have been in upper bracket in compare to other factors; this may be due to the stricter legal norms in auditors and financials.
- Board Independence & Diversity and Directors' Remuneration are the two lowest scoring factors; the reason for this is mainly a compromised board structure due to the influence and accommodation of promoters and promoter families.
- Some companies in Sample have scored low in categories such as Board Composition and Committees majorly due to most of them complying only with minimum requirement of requisite number of IDs on the Board and failing to do better than the minimum; governance concerns viz. low number of meetings at Board or Committee level.
- Benchmarks on many parameters of evaluation are higher than statutory minimum requirements, as good governance is much beyond minimum compliance.
- In the year 2023, there has been a decline in the scores for Statutory Auditors and Audit & Financial Reporting in compare to the previous study of 2021. The main reason of decrease in case of Statutory Auditors is the failure of companies in adhering to the stricter regulatory norms regarding the appointment of Statutory Auditors. Additionally, the inclusion of new parameters such as CARO Reporting, and RPT disclosures has contributed significantly to the decline in the score for the Audit & Financial Reporting category.
- In case of director's remuneration practices, the low scoring companies have skewed remuneration practices or excessive remuneration to certain class of director(s) or no variable pay included in total remuneration to EDs. Further, majority of the companies, does not disclose information on remuneration criterion relating to climate parameters / performance.

4.1. BOARD INDEPENDENCE & DIVERSITY

Assessment Factors: Companies Board structure including:

- Board Composition;
- Association and Independence of Directors;
- Directorship Category Diversity;
- Age profile of directors.
- Board Diversity – Gender;
- Attendance & Time Commitments;

EVALUATION STATISTICS				
2023	QUESTIONS	25	PARAMETERS	76
2021	QUESTIONS	18	PARAMETERS	82

YEAR	SCORE – BOARD INDEPENDENCE & DIVERSITY							
2023	MAX.	93	AVG.	67	MED.	67	MIN.	42
2021	MAX.	81	AVG.	62	MED.	63	MIN.	41

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
74.3 – IT (2023)	92.7 – IT (2023)
67.5– Pharma (2021)	81.5 – Consumer Goods (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
57.9 – Metals & Mining (2023)	41.5 – Chemicals (2023)
52.9 – Cement (2021)	41.5 – Metals (2021)

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

Although not comparable strictly, however, scores have improved compared to 2021 in Board Independence & Diversity category. IT has been the best performing industry.

Sample Companies (Directors as on 30th September 2023)

2047 (100%)	Total Board Positions	1696 (100%)	# of Individuals as Director
1074 (63.33	Individuals with Single Board Position	622 (36.67	Individuals with multiple Board Positions
284 (13.87	Promoter Directors (P) (Board Positions)	1763 (86.12	Non-Promoter Directors (NP) (Board Positions)

526 (25.7% Executive Directors (ED)

1078 (52.7% Independent Directors (ID)

443 (21.6%) Non-Independent Directors (NED-NID)

Average Board Size:

AVERAGE BOARD SIZE 10

ED 26% NED-NID 22% ID 53%

- Average board size at 10 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	10.2	2.6	2.2	5.4
Number of Companies with more than Average	**80**	**97**	**69**	**85**

- **Largest Board Size:**
  - (20 Directors) - a Company from Automobile and Auto Components Industry;
  - (19 Directors) – Company from Civil Construction Industry considered as Others in this study.
- **Smallest Board Size:**
  - (5 Directors) – a Company from Financial Services Industry (The Company is non-compliant with minimum requirement of directors on the board for more than a year.)
  - (6 Directors) - 2 Companies each from Capital Goods, Consumer Services, Financial Services Industries and 1-1 Companies from Chemicals, FMCG, IT and Power Industry.

Table B2 – Provides the Industry wise composition of Board size (ED, NED-NID, ID):

TABLE B2: INDUSTRIES WISE BOARD SIZE							
Industries	**Number of Companies**	**Avg. # Directors**	**Max #**	**Min #**	**% EDs**	**% NED-NIDs**	**% IDs**
Oil Gas & Consumable Fuels	12	11.83	14	8	33.80	19.01	47.18
Information Technology	13	10.15	13	6	19.70	25.00	**55.30**
Financial Services	45	10.20	15	5	24.40	20.04	**55.56**
Fast Moving Consumer Goods	15	10.73	**17**	6	21.74	21.74	**56.52**
Consumer Durables	6	11.50	14	9	20.29	27.54	52.17

Automobile & Auto Components	15	10.33	**20**	7	23.23	21.94	54.84
Healthcare	15	9.67	12	8	26.90	16.55	**56.55**
Consumer Services	9	8.44	11	6	26.32	21.05	52.63
Construction Materials	7	10.14	14	8	18.31	29.58	52.11
Metals & Mining	9	10.33	**16**	8	33.33	20.43	46.24
Power	9	9.33	12	6	34.52	17.86	47.62
Others	17	10.76	**19**	6	22.40	26.78	50.82
Chemicals	11	9.73	**16**	6	30.84	18.69	50.47
Capital Goods	17	10.00	**18**	6	28.82	22.94	48.24

Highest percentage of Independent Directors were in Healthcare industry (56.55%), followed by Fast Moving Consumer Goods (56.52%), Financial Services (55.56%) & Information Technology (55.30%).

Lowest percentage of IDs observed in Metals & Mining Industry (46.24%), followed by Oil Gas & Consumable Fuels (47.18%), which majorly comprises of PSUs.

Regulation 17(C) of the SEBI LODR, 2015 states that,

> *"(c) The board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors."*

- Only 1 Company from Financial Services Industry has **5 Directors**, all other Sample Companies have 6 or more Directors.

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."*

- Out of Sample companies 180 companies were compliant with law - having 50% or 33% IDs and 20 companies were **non-compliant with law relating to Board Composition**. 19 out of these 20 are PSU companies.

Table B3 - Provides the Non-Compliant Board w.r.t. Independent Directors:

Table B3: NON-COMPLIANT BOARD WITH SHORT OF IDs	
Industry	**#**
Capital Goods	**2**
Consumer Services	**1**
Financial Services	**6**
Metals & Mining	**3**
Oil Gas & Consumable Fuels	**5**
Others	**1**
Power	**2**

- **Long Association of IDs**: Across the sample entities, there are 1,078 IDs, out of which 174 (~16%) are associated with the Companies or group for more than 10 years. SES as a policy does not consider any director associated with the Company or the Group for more than 10 years to be Independent due to his/her prolonged association.

Board Chairperson:

BOARD CHAIRPERSON					
ED	72	NED-NID	83	ID	44
PROMOTER	90	NEDP	49	EDP	41

- In 72 companies, EDs held position of Chairperson.
- In 90 companies, Promoters held position of the chairperson, out of which 41 are promoter ED's.
- Only in 44 companies, Chairperson's position was held by Independent Directors.
- One Company from Financial Service Industry had no regular Chairperson of the Board.
- SES is of the opinion that combining the position of Executive Director and Chairperson may lead to concentration of power in the hands of single person. SES is of the view 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, as a good governance practices, 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	388 of 2047		18.95%	
WOMEN DIRECTORS / # of COMPANIES	0 / 2	1 / 79	2 / 70	2+ / 49
WOMEN IDs / # of COMPANIES	0 / 7	1 / 121	2 / 57	2+ / 15

- Out of total 388 Women director positions, 235 Women Directors hold only one Board position in sample companies.
- 63 Women Directors hold multiple Board positions in sample companies, indicating that there were 298 individuals holding women director's position.

72 companies (36%) had 2 or more than 2 women IDs, beyond minimum regulatory requirement.

49 companies had more than 2 Women Directors and 15 companies had more than 2 women IDs, indicating gender diversity at Board level beyond mandatory legal requirement.

4 companies one each from Information Technology, Healthcare, Consumer Services and Fast-Moving Consumer Goods Industries have 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****;*
>
> *Provided that the Board of directors ...... of the top 1000 listed entities shall have* ***at least one independent woman director ....****"*

Two companies did not have any women director, 7 companies did not have women IDs as on 30th September, 2023. These 7 Companies are from Metals & Mining Sectors – 1, Oil Gas & Consumable Fuels – 2, Power – 1, Consumer Services – 1, Financial Services – 2

Table B4 - Provides the Board which includes Highest % of Women Directors/ Independent Directors:

Table B4: Highest % of Women Directors/ Independent Directors			
Top 5 Cos. with Highest % of Women Directors		**Top 5 Cos. with Highest % of Women IDs**	
Industry Name	**%**	**Industry Name**	**%**
Consumer Services	57.14	Consumer Services	57.14
Metals & Mining	55.56	Healthcare	40.00
Healthcare	54.55	Fast Moving Consumer Goods	37.50
Fast Moving Consumer Goods	50.00	Information Technology	36.36
Capital Goods	50.00	Fast Moving Consumer Goods	36.36

Board Age Profile:

AGE PROFILE

AVERAGE AGE	OVERALL	ED	NED	No. of Directors			
	61	57	63	ED 70+	21	NED 75+	110

SCORE - DIRECTORS AGE							
MAXIMUM	**100**	**AVERAGE**	**83**	**MEDIAN**	**100**	**MINIMUM**	**0**

Assessment Factors: Age Profile including;

- Special Approval obtained for ED - 70+ years and NED - 75+ years;
- Average Board Age.

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates shareholders' approval for continuance or appointment of Non-executive Directors who has attained 75 years of age. (Effective 1st April, 2019)

- In the sample companies there are 21 EDs more than 70 years old, out of which 16 are promoter Directors.
- 66 companies have at least one NED with age >75 years, while 17 companies have at least one ED with age >70 years.

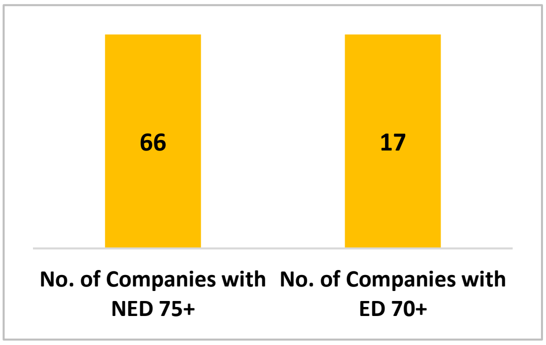


Table B5 - highlights the List of Top 5 Companies with Eldest and Youngest Board (Average age of Directors):

B5: Top 5 Companies with Eldest and Youngest Board (Average age of Directors)			
TOP 5 – BOARD WITH HIGHEST AVERAGE AGE		**TOP 5 - YOUNGEST BOARD**	
Industry Name	**Years**	**Industry Name**	**Years**
Capital Goods	72	Financial Services	50
Chemicals	70	Consumer Services	50
Automobile and Auto Components	69	Consumer Services	51
Financial Services	69	Others	53
Construction Materials	69	Consumer Services	53

- This indicates that the average age of the board is highest of an entity from Capital Goods Industry and lowest of an entity from Financial Services Industry.

95% AVERAGE ATTENDANCE AT BOARD MEETINGS

Table B6 - Provides for distribution of number of companies with % average Board attendance:

Average Attendance	80-90%	90-100%	100%
# of Companies	30	170	32

170 Companies in the sample has almost 90% to 100% attendance and out of them 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 time to the meetings and affairs of the Company.

All Sample companies on an average have more than 80% attendance during FY 2022-23.

TABLE B7: BOARD MEETINGS (# OF COMPANIES)							
BOARD MEETINGS	**0-3**	**4**	**5-6**	**7-8**	**8-9**	**10**	**10+**
# of Companies	0	23	73	50	10	4	40

- Legal requirement for number of Board meetings in a financial year is minimum four. Thus, the above data shows that none among the sample entities have reported non-compliance in this regard. Further, 23 companies in the sample companies had conducted just 4 meeting during FY 2022-23, a mere tick-box on legal compliance.
- 40 Companies (16 PSUs Companies and 16 Banks) in the sample have conducted more than 10 board meetings each during FY 2022-23.
- Out of 200 companies around 73 companies have conducted in between 5 to 6 board meetings.

93% AVERAGE ATTENDANCE AT AGMs

Table B8 - Provides for distribution of number of companies with % average director's attendance at AGMs (held during FY 2022-23):

TABLE B8: AVERAGE AGM ATTENDANCE (# OF COMPANIES)							
Average Attendance	**0-50%**	**50-60%**	**60-70%**	**70-80%**	**80-90%**	**90-100%**	**100%**
# of Companies	5	1	4	15	35	140	129

- 129 Companies in the sample have 100% attendance of Board members at AGMs during FY 2022-23. Which is considered a good governance practice. In the opinion of SES, AGM is a once in a year event and the best medium for the shareholders to engage and interact with the directors of the Company. Thus, attendance of directors at the AGM become much more important than regular meetings or interactions.
- Only 6 companies have less than 60% attendance of Board members at AGMs during FY 2022-23. This indicates these directors are unable to devote sufficient time towards the affairs of the Company; which is not considered a good governance practice.

98% REASONABLE TIME COMMITMENTS (Listed Directorships <6)

Table B9 - Provides for distribution of number of directors with directorships in listed companies:

TABLE B9: TIME COMMITMENTS (# OF DIRECTORS)						
LISTED DIRECTORSHIPS	**1**	**2-3**	**4-5**	**6**	**7**	**Total**
# of Directors	1,074	433	159	19	11	1,696
% of Directors	63%	26%	9%	1%	1%	**100%**

- 30 directors (~2% of the total in the sample) held directorships in more than 5 listed companies.
- 433 directors (26%) held directorships in 2-3 listed companies.
- 1,074 directors had only single directorships in the listed entities. Majority of these directors are Executive Directors; as they generally tend to hold single board positions due to their full-time commitment.
- 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.
- Those who have more than 5 listed directorships are considered to be over-burdened directors as having such high time commitments make it tricky for the directors to engage effectively in the affairs of each entity on a timely basis. 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) does not necessarily means a better director. As under-boarding may also mean that the director is not in demand.

4.2. BOARD COMMITTEES

Assessment Factors:

- Composition of various committees: Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility ("CSR") and Risk Management Committee;
- Director's attendance in those committee meetings;
- Number of committee meetings held during financial year,

EVALUATION STATISTICS				
2023	QUESTIONS	26	PARAMETERS	104
2021	QUESTIONS	24	PARAMETERS	106

YEAR	SCORE – BOARD COMMITTEES							
2023	MAX.	98	AVG.	69	MED.	70	MIN.	45
2021	MAX.	92	AVG.	68	MED.	67	MIN.	45

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
75.7 – Oil Gas & Consumable Fuels (2023)	98.3 – IT (2023)
72.8– Oil & Gas (2021)	91.6 – Power (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
62.9 – Chemicals (2023)	44.6 – Others (2023)
61.5 – Chemicals (2021)	44.6 – Power (2021)

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.

Table C1: IDs in Committee- # of Companies		
% IDs	AC (#)	NRC (#)
Legal Requirement (Minimum)	2/3rd (67%)	2/3rd (67%)
Sample Average	85%	80%
21%-50%	1	0
51%-66%	2	0
66.67%	35	87
67%-90%	73	43
91-100%	89	70

Table C1 – Provides number of companies with % of IDs, in each committee.

3 Companies have less than 67% of IDs' representation in Audit Committees. These 3 are from Financial Services industries, where 1 Company has only 2 IDs, comprising 50% of the total members in AC and 2 companies have 3 IDs, comprising 60% of the total members in the AC as on 30th September, 2023.

- Absence of a compliant Audit Committee raises serious questions over the Company's audit process and financial statements.
- All the companies have Independent Chairman for Audit Committee ("AC") and Nomination & Remuneration Committee ("NRC").

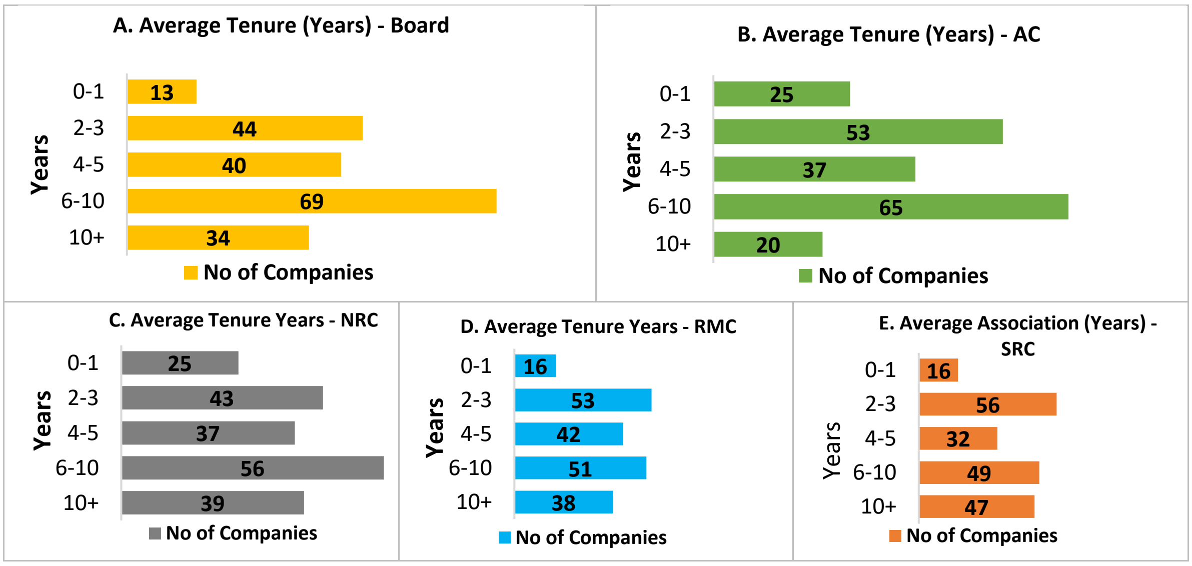
Table C2 - Provides number of companies with number of IDs, in each committee

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)	**1.91**	**2.30**	**2.04**
1 ID	70	62	54
2 IDs	94	57	82
3 IDs	25	48	46
4 IDs	7	26	10
5 IDs	4	6	1
6 IDs	0	1	1

- Across the sample, SRC, RMC and CSR have only 1 ID in 70, 62 & 54 entities respectively, which is a mere compliance tick-box.
- RMC has higher proportion of IDs in compare to SRC & CRS across the sample entities.

**6 Companies have not disclosed details about CSR committee and out of those 3 companies have stated that, no CSR mandatory.*

Graph A to E - Provides information on number of companies with average tenure of Board & committee members in a Company:



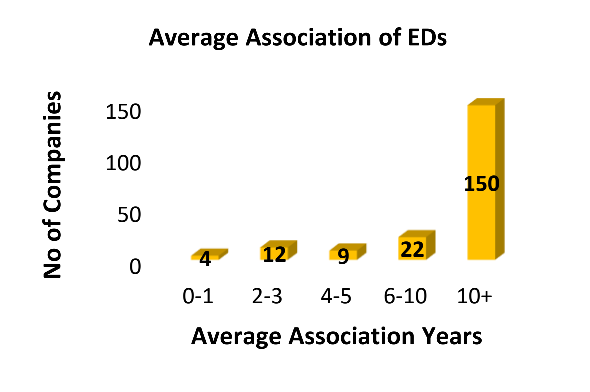
Notes: *Excludes CSR, as details for some company's information were not available*

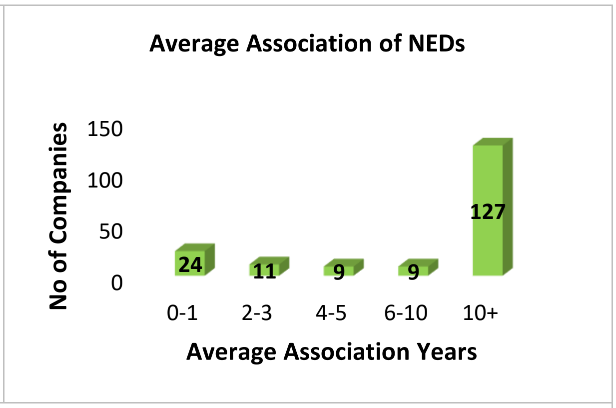
- 103 companies have average board tenure of more than 5 years.
- Among committees, CSR had highest number of companies (101) with average committee memberships tenure of more than 5 years; while Audit Committee had lowest number of companies (85) with 5 years or more Tenure.

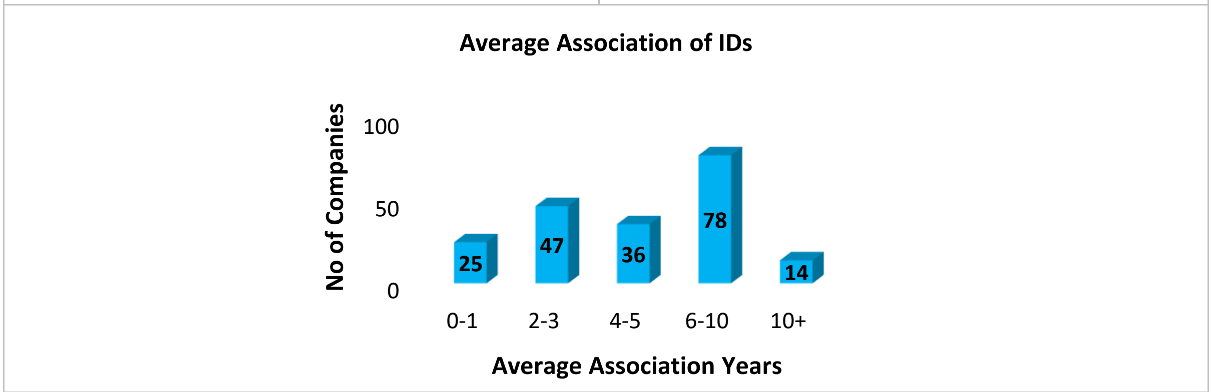
Table C3 - Provides details of Association of Individual Directors with the Company:

TABLE C3: ASSOCIATION OF INDIVIDUAL DIRECTORS (Years)			
Metrics	**ED**	**NED-NID**	**ID**
Average	19.04	18.95	5.24
Maximum	**58**	**65**	**50**
Median	17.50	17	4
Minimum	<1	<1	<1

<u>Average Association of EDs, NEDs and IDs (Company wise):</u>







- In case of EDs, it can be seen that Average Board Association is more than 10 years for 3/4th of the Companies;
- Approx. 40% of the sample entities have average IDs association of 6 to 10 years.

Table C4 - Provides details of committee meetings held during FY 2022-23:

TABLE C4: NUMBER OF COMMITTEE MEETINGS (NUMBER OF COMPANIES)					
	AC	NRC	SRC	RMC	CSR
Legal Requirement	4	1	1	2	-
SES Benchmark	8*	2	2	2	1
Number of Meetings					
1	0	24	66	0	28
2	0	30	46	83	61
3	0	41	17	49	35
4	40	35	65	37	45
5-7	91	54	4	22	16
8 or more	69	16	2	9	3
Refer Note	-	-	-	-	12**

**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*

69 companies: Met SES Benchmark for Audit Committee meetings.

146 Companies: More than 2 meetings held for NRC committee.

160 companies: wherein more than 4 AC meetings were held.

Table C5 - Provides details of average attendance of committee meetings during FY 2022-23:

TABLE C5: NUMBER OF COMPANIES WITH % AVERAGE COMMITTEE ATTENDANCE					
Attendance (%)	**AC**	**NRC**	**SRC**	**RMC**	**CSR**
0-50%	**0**	1	2	2	1
50-75%	4	7	14	17	14
75-90%	27	27	30	35	30
90-100%	**168**	**164**	**152**	**145**	**142**
Refer Note	1*	1*	2*	1*	13*

*Note: Attendance of members as on 31st March 2023 for committee meetings held during FY 2022-23| *Director wise attendance information not disclosed / not available / No meetings conducted.*

- AC has better attendance performance than any other committees, closely followed by NRC.
- 172 companies have 75%+ attendance in CSR committees, least among all committees.
- 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 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 and NRC meetings attendance.

4.3. 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				
2023	**QUESTIONS**	**26**	**PARAMETERS**	**66**
2021	**QUESTIONS**	**25**	**PARAMETERS**	**69**

YEAR	SCORE – DIRECTOR'S REMUNERATION							
2023	**MAX.**	**96**	**AVG.**	**66**	**MED.**	**68**	**MIN.**	**32**
2021	**MAX.**	**80**	**AVG.**	**58**	**MED.**	**61**	**MIN.**	**24**

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
75.7 - IT (2023)	96.0 – IT (2023)
70.1– Oil & Gas (2021)	80.0 – Oil & Gas (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
57.2 – Automobile (2023)	31.9 - Automobile (2023)
53.2 – Cement (2021)	24.1 – Chemicals (2021)

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

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 2021-22**		**FY 2022-23**	
	Sample	**~ Only Profit making**	**Sample**	**~ Only Profit making**
Number of Companies*	199	186	199	192
Net Profit	7,11,859	7,57,546	7,77,282	8,19,117
Total Board Remuneration	5,155	4,724	5,247	5,058
Average Net Profits	3,577	4,073	3,906	4,266
Average Board Remuneration	25.91	25.40	26.37	26.35
% Remuneration Paid	0.72	**0.62**	0.68	**0.62**

*~Excluding loss making companies from the sample / *Excluding remuneration of 1 Company from Financial Service Industry due to large perquisite of ESOP benefit to directors as ₹ 975 crore in FY 2022 and ₹ 316 crore in FY 2023.*

- Analysis indicates that while average Board remuneration has increased by approx ₹ 0.46 crores in the last financial year, yet the same as % to total profits has different picture with decrease of 4 basis point in 2022-23 over 2021-22 (from 0.72% to 0.68%).

  SES believes 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.

When the loss making companies were excluded from the sample i.e. outliers, it was observed that:

- Remuneration as % of total profits has almost remained same i.e 0.62%.
- Though, in absolute terms in profit making companies– average board remuneration increased from ₹ 25.40 crores from FY 2021-22 to ₹ 26.35 crores in FY 2022-23.

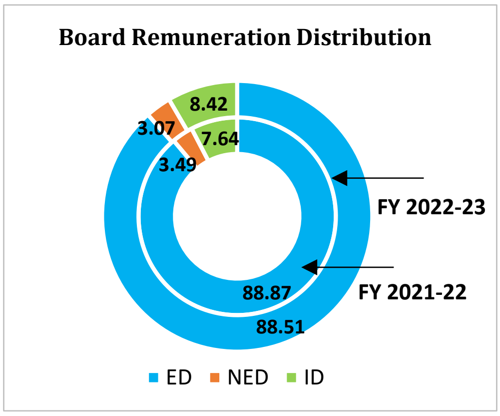
Table R2 – Provides Highest and Lowest Remunerating Boards with respect to remuneration paid during FY 2022-23:

(R2) TOP 5 HIGHEST BOARD REMUNERATION				(R2) TOP 5 LOWEST BOARD REMUNERATION			
Industry	**TBR**	**PAT**	**%**	**Industry**	**TBR**	**PAT**	**%**
Financial Services	324.98	-74.16	NA	Power	0.34	170	0.20
Others	177.40	7,849	2.26	Power	0.37	10,246	0.00
Healthcare	159.48	1,808	8.82	FMCG	0.73	886	0.08
Automobile	113.73	2,911	3.91	Others	0.90	-29,308	NA
Construction Materials	104.83	1,328	7.89	Financial Services	1.10	6,907	0.02

Note: TBR - Total Board Remuneration (Rs. in crores); PAT - Net Profits (Rs. in crores), % - TBR / PAT / Excluing 1 company from Oil Gas & Consumable Fuels Industry

- A Company from Financial Service Industry has the highest Board remuneration with ₹ 324.98 crores during FY 2022-23. The Company had paid ₹ 318.63 crores to EDs (out of which ₹ 316.94 crores as Perquisite value arising out of exercise of stock options), whereas remuneration paid to Independent Directors of the Company was merely 0.54% of the total board. The Company has employee share-based compensation plans for employees of the Company. So, the employee share-based expense had a significant impact on the Net Profit of the Company.
- A Company from Power Sector has the lowest Board remuneration with only ₹ 34 lacs. No EDs were paid any remuneration in the same Company.
- Generally lowest remuneration incurred in Government Companies / PSUs, however, it may be noted that in Sample entities, top 4 companies with lowest board remuneration are not PSUs.

BOARD REMUNERATION DISTRIBUTION



- Executive Directors shared ~89% of the total Board remuneration and the remaining 11% is shared between NED-NIDs and IDs during FY 2022-23.
- For NEDs (Non-Independent) the remuneration decreased from 3.49% for FY 2021-22 to 3.07% for FY 2022-23.

Excludes remuneration of a Company from Financial Service Industry.

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 2022-23.

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	235	51%	100%	20	14%	100%
2-5	69	15%	49%	34	24%	86%
5-10	72	16%	33%	29	21%	62%
10-15	**33**	7%	17%	**9**	6%	41%
15-25	**25**	5%	10%	**32**	23%	35%
25+	**23**	5%	5%	**17**	12%	12%
Overall	**457**	**100%**	-	**141**	**100%**	-

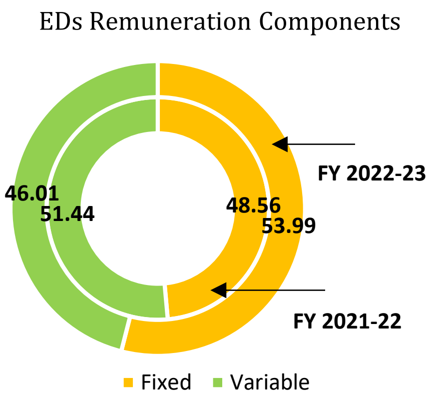
Cum.: Cumulative Percentage. | Note: Includes directors during FY 2022-23, which resigned or ceased to be directors before 30th Sept 2023.

- While in absolute terms 58 EDs in Promoter category drew remuneration > Rs. 10 Cr and in Non-Promoter category it has 81 EDs, however skewness is seen once we analyse data in % terms.
- While ~41% of EDPs have remuneration in excess of ₹ 10 Cr, only 17% non-promoter EDs have remuneration in this 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:



Excluding remuneration of a Company from Financial Service Industry.

Table R4: Variable Remuneration Distribution (# Of Companies)	
Average Variable Pay (% Range)	**# Companies**
NA*	7
0%	47
0-10%	14
10-25%	44
25-50%	45
51-75%	32
75-100%	11
Sample	**200**

*Note: Includes directors during FY 2022-23, which resigned or ceased to be directors before 30th Sept 2023 / * Companies have not paying any remuneration to Eds or no Executive Director on Board.*

- 150 company's remuneration of EDs consisted less than 50% variable performance-based payment, including 47 companies with no performance payments.
- 47 Companies did not pay any variable compensation to its EDs for FY 2022-23.

NON-EXECUTIVE DIRECTORS (NON-INDEPENDENT):

Table R5 - Provides details of Remuneration Distribution for NED Promoters 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	306	89%	100%	126	78%	100%
0.5-2.5	35	10%	11%	27	17%	22%
2.5-5.0	4	1%	1%	3	2%	8%
5.0-10.0	0	0%	0%	4	2%	4%
10.0+	0	0%	0%	1	1%	3%
Overall	**345**	**100%**	**-**	**161**	**100%**	**-**

Cum.: Cumulative Percentage. | Note: Includes directors during FY 2022-23, which resigned or ceased to be directors before 30th September 2023.

- ~97% of NEDs (P & NP) drew remuneration less than ₹ 2.50 crores during FY 2022-23.
- Indicating that remaining 3% drew remuneration in excess of ₹ 2.5 crores in both the categories.

INDEPENDENT DIRECTORS (IDs):

Table R6 highlights Provides details of Remuneration Distribution for IDs;

Table R6: Remuneration Distribution (IDs)			
Remuneration Range (in Cr)	Director Count		
	#	%	CUM.
0-0.5	897	78%	100%
0.5-1.5	225	19%	22%
1.5-3.0	35	3%	3%
Overall	**1,156**	**100**	-

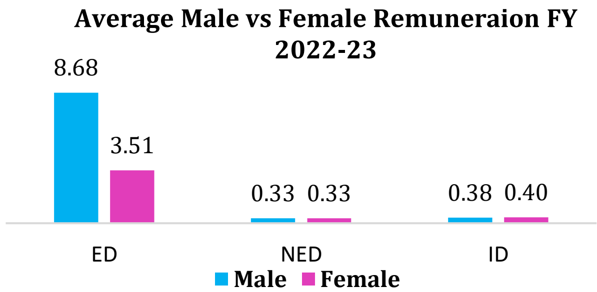
Cum.: Cumulative Percentage. | Note: Includes directors during FY 2022-23, which resigned or ceased to be directors before 30th September 2023.

HIGHEST PAID IDs (2023)	
Industry Name	Amount (In Cr)
IT	2.81
IT	2.80
IT	2.67
IT	2.63
IT	2.55

- 35 IDs (3%) received remuneration of more than Rs. 1.5 Crore.
- 225 IDs (19%) received total remuneration between Rs. 50 lakhs to Rs. 1 crore.

GENDER BIAS:

Highest Paid Women Directors (2023)		
Industry Name	Director Designation	Amount (In Cr)
Healthcare	EDP	24.63
FMCG	ED	11.90
Healthcare	EDP	10.92
Healthcare	EDP	9.50
Healthcare	EDP	8.04



- In the sample remuneration paid to female Executive directors appears less compare to male directors. However, for NED and ID it has paid almost similar to male and female directors.
- It may be noted that, in sample Companies ~19% board positions held by women directors; however, remuneration paid to women directors was only ~5.30% of the total board remuneration for FY 2022-23. 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 much more experienced on the board than their counterpart,

considering the fact that the introduction of women directors on the board is not older than a decade or two.

- Thus, without analysing the company specific data on gender basis remuneration, the data cannot be concluded as gender bias.

4.4. STATUTORY AUDITORS

Assessment Factors: Disclosure & practices on;

- Appointment and term of Statutory Auditor | ● Association of Audit Partner
- Exit of Auditors | ● Fees of Auditors
- Appointment as per SEBI LODR.

EVALUATION STATISTICS				
2023	QUESTIONS	11	PARAMETERS	36
2021	QUESTIONS	6	PARAMETERS	28

YEAR	SCORE – STATUTORY AUDITORS							
2023	MAX.	100	AVG.	93	MED.	98	MIN.	56
2021	MAX.	100	AVG.	96	MED.	96	MIN.	83

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
96.5 - Financial Services (2023)	100 – Multiple Companies (2023)
98.2– Consumer Services (2021)	100 – Multiple Companies (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
86.9 – Construction Materials (2023)	56.3 – Power (2023)
94.5 – Power (2021)	82.5 – Power (2021)

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

3 STATUTORY AUDITOR's TENURE (Non-Compliance with law)

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**:*

3 companies were found to be non-compliant with tenure of appointment of Statutory Auditors as prescribed under the above Act.

- Appointment / Re-appointment of Statutory Auditors were proposed for 4 years instead of 5 years in 2 companies out of these three. 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.

58 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 terms 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.
- There were 27 companies in the sample wherein audit partner was associated for more than 5 years and 31 companies wherein audit partner was associated for more than 3 years.

3 EXIT OF STATUTORY AUDITOR (Removal / Resignation)

No case of removal / resignation was observed in the sample companies during FY 2022-23, However, post facto in FY 2022-23, **3 auditors tendered their resignation** i.e.

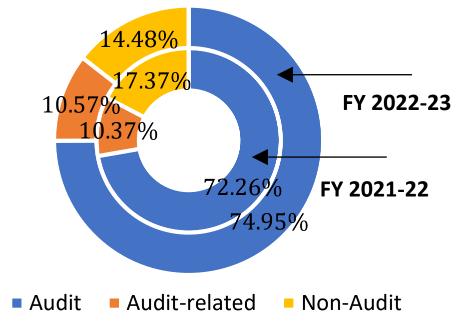
1) Statutory Auditor resigned on 12th May, 2023 from 1 Company of Financial Services Industry as a result of the network firm's retirement from a Material Subsidiary. Consequently, there is a need to align the Statutory Auditors with the Successor Statutory Auditors

2) On 2nd May, 2023, Statutory Auditor tendered its resignation from 1 Company of Oil Gas & Consumable Fuels Industry stated reason as, increased professional pre-occupation in other assignment and

3) on 12th August, 2023, Statutory Auditor have resigned from 1 Company of Other categories Industry stated reason as, they are not statutory auditor of a substantial number of other group companies.

3 NON-AUDIT FEES (50% or more non-audit fees benchmark)

Total Auditors Remuneration Components



TOTAL AUDITOR FEES			
Fees (₹ In Cr)	**FY-22**	**FY-23**	**Diff. in %**
Audit	365.98	393.78	7.60%
Audit-related	52.54	55.56	5.76%
Non-Audit	87.95	76.08	-13.49%
Total (Sample)	**506.46**	**525.42**	**3.74%**

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.

- The Statutory Auditors remuneration in sample companies increased by ~4% in FY 2022-23 compared to FY 2021-22.
- There was increase of ~8% in Audit fees, compared to audit-related also increased of ~6% wherein non-audit fees were decrease of ~13%.
- Decrease in non-audit fees is an indicative of good governance practice.
- 3 companies in the sample had non-audit fees more than 50% of the total auditor's remuneration for FY 2022-23.
- 3 Companies where Non-Audit Fees out of Total Audit Remuneration >50% (% in brackets):
  - Oil Gas & Consumable Fuels **(58%**)
  - Capital Goods **(56%)**
  - Chemicals **(57%)**

33 APPOINTMENT OF STATUTORY AUDITOR AS PER SEBI (LODR) REGULATIONS, 2015

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) 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)*** *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) proposed to be appointed.*

- 33 companies out of the 200 sample companies did not make disclosures as required under Regulation 36(5) of SEBI (LODR) Regulations, 2015 at the time of appointment of Statutory Auditors, resulting in technical non-compliance proposals.
- Majority of these companies did not disclose the proposed audit fee 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.

4.5. AUDIT & FINANCIAL REPORTING

Assessment Factors:

- Audit qualifications | ● Related party transactions | ● Contingent Liabilities
- Fraud Reporting | ● Other financial parameters | ● CARO disclosure

EVALUATION STATISTICS				
2023	QUESTIONS	66	PARAMETERS	152
2021	QUESTIONS	25	PARAMETERS	102

YEAR	SCORE – AUDIT & FINANCIAL REPORTING							
2023	MAX.	99	AVG.	90	MED.	91	MIN.	52
2021	MAX.	100	AVG.	92	MED.	93	MIN.	69

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
94.9 - IT (2023)	98.6 – IT (2023)
93.4– Automobile (2021)	100 – Automobile (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
85.2 - Metals & Mining (2023)	52.4 - Metals & Mining (2023)
89.8 – Power (2021)	68.8 – Chemicals (2021)

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

AUDIT QUALIFICATIONS & RESTATEMENT OF FINANCIAL STATEMENTS

SCORE – AUDIT QUALIFICATIONS							
MAXIMUM	100	AVERAGE	97	MEDIAN	100	MINIMUM	27

Assessment Factors:

- Qualifications in Statutory Auditors report
- Management response / discussion on Qualifications
- Restatement of financial statements

- No audit qualifications in 190 companies, 10 companies had audit qualifications in financial statements for FY 2022-23.

Further, no material financial restatement was observed for the said financial year.

24 companies had qualifications / observations in Secretarial Audit Report for FY 2022-23. Though all the companies have provided their response on the same in their Annual Reports.

CONTINGENT LIABILITIES

SCORE - CONTINGENT LIABILITIES							
MAXIMUM	100	AVERAGE	89	MEDIAN	93	MINIMUM	33

Assessment Factors:

- Contingent liabilities disclosure
- Total contingent liabilities as compared to net worth

All companies made adequate disclosures regarding various heads of contingent liabilities.

- 145 companies reported contingent liabilities less than 20% of the Net Worth of the Company on consolidated basis.
- 21 companies reported contingent liabilities more than 100% Net worth of the Company on consolidated basis. Out of 21 companies 17 has banks having more than 100% contingent liabilities of the Net worth of the Company.

Contingent Liabilities in Banks:

- Banks during ordinary course of their business take variety of exposure w.r.t. their borrowers in the form of Fund Based and Non-Fund Based credit. Present practice of recognition of NPAs extends to all fund-based facilities. Non-Fund based facilities are transferred to NPAs only upon crystallisation of liability.
- As banks take on contingent liabilities in their books and in most cases these liabilities are many times the net-worth of the Banks, any potential crystallisation can have adverse impact on the financial health and stability of the Bank.
- It is very well understood that chances of contingent liabilities materialising are uncertain and may be remote, however, can we say that chances are uniformly low? Or is there increased likelihood of these liabilities materialising in case of NPA accounts?
- SES believes present disclosure practices and provisioning fail to give factual position and does not consider chances of contingent liability crystallisation associated with NPA accounts.
- SES is of the view that a matter like this is beyond the purview of individual banks, RBI must take cognizance of this shortcoming and ensure that continent liabilities are bifurcated between NPAs and regular accounts. As any guess work as done by any analyst including SES could be wrong for want of account wise data.

DISCLOSURE OF FINANCIAL RAITIO's

SCORE – KEY FINANCIAL RATIO'S							
MAXIMUM	100	AVERAGE	94	MEDIAN	100	MINIMUM	10

Assessment Factors:

- Disclosures of key financial ratio with shift change
- Discussion / explanation disclosed for material shift change in their ratio.

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.

Table AF1 – Provides details about disclosure of financial ratios in its Annual Report FY 2023:

TABLE AF1: DISCLOSURES OF FINANCIAL RATIO'S (NUMBER OF COMPANIES)	
PARTICULARS	**# of Companies**
Disclosed financial ratios and discussion on significant shift in financial ratios (i.e. change of 25%, in cases wherever applicable)	**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)	**7**
Not disclosed financial ratios / inadequate disclosures	**0**

All companies have made adequate disclosures regarding Key financial ratios.

*7 out of 200 companies have disclosed the financial ratios but not made discussion on significant shift in financial ratios. It appears either the companies are not understanding what is the objective of explaining ratio or are deliberately not doing it.

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.

RELATED PARTY TRANSACTIONS - DISCLOSURES

SCORE – RELATED PAT TRANSACTIONS							
MAXIMUM	**100**	**AVERAGE**	**92**	**MEDIAN**	**93**	**MINIMUM**	**45**

Assessment Factors:

- RPT Policy disclosure;
- Arm's length & in Ordinary course of business;
- Shareholder's Approval for Material RPTs;
- % Voting Against on Resolutions - Related Party Transaction.

All the companies have provided related party policy on their website. 87 companies in their RPT Policy have also defined the term 'Ordinary Course of Business'.

- 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. However, there is a big gap to fill in case of interpretation of disclosure requirements by the corporates for the better understating of investors.
- In recent approvals, most viewed concern in RPT approvals was the time period of transaction approval due to nature of transaction i.e. specific vs omnibus approvals. A large part of companies considers the omnibus RPT approvals as specific and propose it for more than the legally specified period, due to the fact that the definition of omnibus approval is very subjective.
- 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.

SES analyses disclosures as below in case of Related party transactions:

- Post recent amendments to 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.
- Further, SES analysis the below parameters to determine whether a transaction is eligible for a Specific transaction approval. If the below parameters are not met/disclosed, such approvals should be deemed as omnibus in nature:
  - Specific details including nature, objective, duration and other requisite details of the underlying transactions have been disclosed;
  - Specific details of entities/ party(ies) involved;
  - Value of transaction disclosed/ where value cannot be determined, individual monetary caps to the RPT have been disclosed; etc.
- In a nutshell, it must be between specific parties, fixed duration or agreed project, value of the contract or agreement under which value can be determined, specific underlying project or contract.
- Further, SES is of the view that the disclosure regarding the basis of arriving at the pricing of the transactions is a material disclosure for shareholders to arrive at an informed decision. Hence, the same should form part of the disclosures unless the transactions are of a nature where pricing cannot be determined.

COMPANIES (AUDITORS REPORT) ORDER (CARO) REPORT

SCORE – CARO							
MAXIMUM	100	AVERAGE	93	MEDIAN	95	MINIMUM	68

Assessment Factors:

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	1	0
	No material discrepancies noticed on physical verification of **Property, Plant and Equipment**	166	1	5
	Title deeds of all immovable properties held in the name of the Company	89	77	6
	No significant discrepancy (more than 10%) identified on **revaluation** of Tangible Assets	75	0	97
	No proceedings initiated or pending against the company under **Benami** Transactions Act	171	0	1
	No material discrepancies noticed on physical verification of **Inventory**	141	0	31

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	128	6	38
	Terms and conditions of the loans & guarantees extended are not **prejudicial** to the Company's interest	158	1	11
	In case of loans or advances, repayment of principal and payment of interest are **regular** as per stipulated schedule	128	16	26
	Any loans or advances granted are **overdue for more than 90 days**	122	21	27
	Existing dues are not **renewed, extended or settled** by granting fresh loans during the year	107	25	40
	No loans granted to Promoters, Related Parties that are **repayable on demand or without specifying terms**	110	21	41
CAPITAL & DUES MANAGEMENT	**No undisputed statutory dues** are outstanding for more than 6 months from due date	160	11	1
	No transactions which were **unrecorded in Books**, have been recorded in tax assessments under IT Act	164	0	8
	No default in repayment of loans or other borrowings to any lender	148	1	23
	Not declared as a **wilful defaulter** by any bank or financial institution or any Lender	167	0	5
	Term Loans raised are applied for the **purposes** for which they were obtained	106	1	65
	No funds obtained to **meet the obligations of its subsidiaries**, JVs or associates	148	8	16
	No loans raised through **pledge of securities** held in its subsidiaries, joint ventures or associate companies	146	2	24
	Equity raised or monies borrowed are applied for the **purpose** for which they were obtained	53	0	119
INTERNAL CONTROL	**No fraud** has been noticed or reported during the year	161	9	0
	The Auditor has taken into consideration the **whistle-blower complaints** received by the Company	148	0	24
	All **RPTs** are compliant with section 177 and section 188 of the Companies Act, 2013	168	1	0
	Internal Audit systems are commensurate with the size and nature of business	170	1	1
	No non-cash transactions entered with its directors or persons connected with its directors	152	0	20
	The Company has not incurred **Cash losses**	164	5	3
	No material uncertainty regarding **capability of meeting liabilities** existing at the date of balance sheet	169	1	2
	No qualifications or adverse remark by Auditors of other Companies, if any **included in Consolidated financials**	80	69	23
SCH III	No material transactions entered into with **struck off** companies	156	10	6
	Financial ratios as required under Schedule III disclosed	172	0	0

Note: *As per the MCA Order, bank and insurance companies are exempt from CARO disclosures. Therefore, 28 companies falling under this exemption are excluded from the analysis outlined in the above table.*

- Almost all companies disclosed the financial ratios as per Schedule III.
- None of the wilful defaulter company has been found by bank or financial institutions or any other lenders.
- 77 companies do not have title deeds of all immovable properties on their own names.
- Qualifications or adverse remark by Auditors of other Companies, if any included in Consolidated financials by auditors founded in 69 companies.

4.6. 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				
2023	QUESTIONS	18	PARAMETERS	55
2021	QUESTIONS	16	PARAMETERS	61

YEAR	SCORE – STAKEHOLDERS ENGAGEMENT, OWNERSHIP & CONTROL							
2023	MAX.	100	AVG.	82	MED.	84	MIN.	49
2021	MAX.	98	AVG.	83	MED.	84	MIN.	56

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY
89.34 - Consumer Durables (2023)	100 – Capital Goods (2023)
86.2– Pharma (2021)	97.7 – Pharma (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY
72.46 – Construction Materials (2023)	48.85 - Construction Materials (2023)
74.7 – Cement (2021)	55.6 – Metals (2021)

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

SHAREHOLDERS' STATISTICS

TABLE SH1 - SHAREHOLDERS STATISTICS					
PROMOTER SHAREHOLDERS			PUBLIC SHAREHOLDERS		
Holding*	# Shareholders		Category	Holding	Total #Shareholders
56.17%	2,174		Institutions	32.90%	1,16,921
Holdings*→	Promoters	Public			
Maximum	96.50%	93.48%			
Average	56.71%	43.03%	Others	10.29%	11,72,05,546
Median	57.73%	42.27%			
Minimum	6.52%	3.50%			

*Note: Shareholding as on 31st December, 2021 | *Excluding professionally managed companies | # arithmatic total including duplicates | Excluding Non promoter non public | Holding based on Total Marcket capitalisation.*

- In terms of number of shareholders, 99% are shareholders from public others category. However, they held only 10.29% of the total market capitalisation.

PLEDGED SHARES

SCORE – PLEDED SHARES							
MAXIMUM	100	AVERAGE	94	MEDIAN	100	MINIMUM	20

35 companies in the sample have shares encumbered or pledged by the promoters of the Company. The pledged shareholding is valued at Rs. 2,89,214 crores as at 31st December, 2023 i.e. ~1.2% of the total market capitalisation of such companies.

35

No. of Companies with promoter pledge

2,89,214

Value Pledged (Rs. in crores)

Table SH2: Pledge Distribution (% of Total Shareholding)		Table SH3: Pledge Distribution (% of Promoter Shareholding)	
% of Holding	Total Shareholding Pledged (# Companies)	% of Holding	Promoter Shareholding Pledged (# Companies)
0-20%	31	0-20%	29
20-50%	2	20-50%	2
50%+	2	50%+	4

- Four companies have pledge > 20% of the **total shareholding of the company**
- Six companies have promoters shares pledge > than 20% of their shareholding.
- All companies required to disclose reasons by law have provided reasons for pledging shares in line with SEBI Circular dated 8th August, 2019 (Weblink).

INVESTORS COMPLAINTS

The total number of investors / shareholders complaints received increased from 64,282 during FY 2021-22 to 76,839 in FY 2022-23, an increase of ~20%.

The same trend was observed in complaints pending for resolution at end of financial year i.e. increased from 73 (0.11%) to 183 (0.24%) complaints.

Table SH4: Investors Complaints			
Complaints		FY 2022	FY 2023
Received	(#)	64,282	76,839
Pending*	(#)	73	183
Pending*	(%)	0.11%	0.24%

**Pending at the end of financial year*

SHAREHOLDERS' VOTING TREND

Shareholders voting pattern was analysed for resolutions taken in general meetings for shareholders meeting during the period from 1st April, 2022 to 31st December, 2023.

	AVERAGE AGAINST VOTES%		
16 Resolutions Defeated	**8.12%** Public Institutional	**2.38%** Public Others	**2.95%** All shareholders
10% + AGAINST VOTES (No. of Resolutions)	**960** Public Institutional	**196** Public Others	**410** All shareholders

- Overall for 960 resolution, public institutional shareholders voted against for more than 10% of their total votes polled, whereas public others voted more than 10% against only for 196 resolution.
- On consolidated basis, the count was for 410 resolution. However, high against votes from shareholders resulted in 16 resolutions being defeated i.e. not approved by the shareholders of the Company.
- Distribution % voting on resolutions by shareholders (**Total:** 4,084 resolution):

Table SH4: Distribution % Voting Against on Resolutions (# Resolutions)

% VOTING AGAINST	0%	0-25%	25-50%	50-75%	75-100%	100%
All Shareholders	941	3078	60	**5**	0	0
Institutions	1498	2060	395	**119**	**12**	0
Public Others	744	3255	30	**19**	**36**	0

- On 131 resolution, institutional shares voted for more than 50% AGAINST of the total institutional votes polled.
- In case of public others, this number stands at 55 resolutions.
- However, it may be noted that except for 16 resolutions mentioned earlier, all the resolutions were approved by the shareholders.
- In 36 cases 75% + public other shareholders voted AGAINST and in 12 cases where institutional shareholders voted 75%+ AGAINST.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter called "SEBI LODR") 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 DDP are only technically compliant with the SEBI directive, without in any way helping the investor. 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:

- *"Within these parameters, the Company would endeavor to maintain a total dividend pay-out ratio in the range of* ***20% to 35%*** *of the annual standalone Profits after Tax (PAT) of the Company"*
- *"The Board will endeavor to achieve a dividend payout ratio (gross of dividend distribution tax) in the range of* ***15 % to 25%*** *of the Standalone Profit after Tax, net of dividend payout to preference shareholder, if any."*

Example of Technical compliance:

- *"The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned elsewhere in this policy) and declare Dividend in any financial year."*

REGULATORY ACTIONS

SCORE STATISTICS							
MAXIMUM	100	AVERAGE	89	MEDIAN	100	MINIMUM	0

Based on Annual Reports for FY 2022-23, Watchout Investors, Stock Exchanges, etc.

148 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.

52 Companies having penal / Regulatory actions in last three years. Some of the penal actions are below:

Type of strictures:

- Ordered passed by the Competition Commission of India.
- Delay in Submission of corporate governance report U/S 17(1) OF SEBI (LODR) Regulations,2015.
- Show-Cause notices issued by SEBI.
- Penalties imposed by RBI due to non-compliances in banks cases.
- Notices issued by stock exchanges (BSE & NSE) for non-compliances as per SEBI LODR.
- Penalties imposed by SEBI due to violation of Insider trading.

4.7. ETHICS, BRIBERY & OTHER GOVERNANCE FACTORS

Assessment Factors: Disclosures & practices on;

- Code of Conduct | ● Insider Trading
- Whistle Blower / Vigil Mechanism | ● Ethics, Anti-Bribery or Anti-Corruption practices.

BRSR Reference: Principle 1, 3, 4 & 5.

EVALUATION STATISTICS				
2023	QUESTIONS	24	PARAMETERS	55
2021	QUESTIONS	19	PARAMETERS	57

YEAR	SCORE – ETHICS, BRIBERY & OTHER GOVERNANCE FACTORS							
2023	MAX.	98	AVG.	85	MED.	87	MIN.	57
2021	MAX.	94	AVG.	67	MED.	67	MIN.	47

BEST PERFORMING INDUSTRY	BEST PERFORMING COMPANY*
89.1 – Automobile (2023) 74.3- Power (2021)	97.5 – 3 Companies – From Power, Others and Metals & mining Industries (2023) 94.6 – Others (2021)

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

WORST PERFORMING INDUSTRY	WORST PERFORMING COMPANY*
79.3 – Oil Gas & Consumable Fuels (2023) 60.9 – Consumer Services (2021)	57.2 - Oil Gas & Consumable Fuels (2023) 47.3 – Others (2021)

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

Scores were better compared to 2021 in Ethics, Bribery & Other Governance Factors. Majorly companies have improved disclosures regarding number of Whistle Blower, Ethics, Bribery or Corruption and Conflict of Interest complaints, Code of conduct etc.

CODE OF CONDUCT DISCLOSURE

SCORE STATISTICS							
MAXIMUM	100	AVERAGE	84	MEDIAN	100	MINIMUM	20

Assessment Factors:

- Disclosure of Code of conduct of board of directors and senior management personnel;
- Disclosure of Code of conduct for employees.

Directors & Senior Management Personnel:

- All the companies have disclosed code of conduct of board of directors and senior management personnel.

All Employees:

- 135 companies disclosed code of conduct, which is also applicable to the employees. Ideally, code of conduct shall be applicable to all the employees of the Company.

WHISTLE BLOWER / VIGIL MECHNASIM

SCORE- WHISTLE BLOWER / VIGIL MECHNASIM							
MAXIMUM	100	AVERAGE	71	MEDIAN	70	MINIMUM	13

Assessment Factors:

- Disclosure of Whistle Blower Policy,
- Access to AC Chairperson,
- Whistle Blower complaints.

Policy Disclosure:

All the sample companies have disclosed whistle blower policy on their website.

Direct Access to the Chairperson of Audit Committee:

3 companies out of sample companies did not adequately disclose whether it has mechanism for whistle blower, a direct access to the Chairperson of the Audit Committee.

No Person Denied Access to Audit Committee:

11 companies did not disclose the fact that no person was denied access to the Audit Committee.

Complaints Reporting:

Only 110 companies in the sample reported absolute numbers of whistle blower related complaints, received during FY 2022-23.

INSIDER TRADING

SCORES- INSIDER TRADING							
MAXIMUM	100	AVERAGE	99	MEDIAN	100	MINIMUM	42

Assessment Factors:

- Disclosure of Insider Trading Policy
- Default with Insider Trading Regulations / Conviction / penalty relating to 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 2022-23, in 5 sample companies has reported violation relating to Insider trading by regulatory authorities.
- As per Company's Annual Report, BRSR or Watchout investor website, some cases / events relating to insider trading are highlighted below:

A Company from Oil Gas & Consumable Fuels Industry:

- *SEBI issued a show cause notice inter alia asking it to show cause as to why inquiry should not be held against it in terms of SEBI (Procedure for Holding Inquiry and Imposing Penalties by*

Adjudicating Officer) Rules, 1995 read with Section 15I of the SEBI Act, 1992 for alleged violation of Principle No. 4 under Schedule A – Principles for Fair Disclosure of UPSI read with Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 read with Regulation 30(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- The Adjudicating Officer of SEBI has passed an order imposing a penalty of ₹ 30 lakhs on the Company.

A Company from IT Industry:

- *SEBI imposed a penalty Rs. 1 lakh on the employee of the Company for violation of Prohibition of Insider Trading Regulations, 2015 by way of order dated 10th May, 2022.*

A Company from Fast Moving Consumer Goods Industry:

- *The Adjudicating Officer of SEBI in exercise of the powers conferred under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, imposed a penalty of ₹ 3,00,000/- (Rupees Three Lacs Only) for violation of provisions of regulation 7(2)(a) of SEBI PIT Regulations, 2015.*

ETHICS, BRIBERY & CORRUPTION

SCORES - ETHICS, BRIBERY AND CORRUPTION							
MAXIMUM	100	AVERAGE	76	MEDIAN	77	MINIMUM	30

Assessment Factors:

- Policy for ethics, bribery and corruption
- Number of complaints received regarding bribery and corruption
- Details of fines / penalties /punishment/ award/ compounding fees/ settlement with respect to Ethical, Transparent and Accountable.

Policy Disclosure:

- 96 companies have disclosed that it has an anti-corruption, anti-bribery or ethics policy on their website. Out of them few companies disclosed Whistle Blower policy or Code of conduct as ethics policy.

Complaints Reporting:

- All sample companies have given disclosure related to stakeholder’s complaints regarding ethics, bribery and corruption for FY 2022-23, whereas only 189 companies disclosed the same for FY 2021-22.

EVALUATION FRAMEWORK

The 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 Policy Disclosures and three main factors 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, as per the recommendations of SEBI appointed ESG Advisory Committee and SEBI mandate on ESG Disclosures, Ratings and Investing (amendment in SEBI CRA Regulations for ERP & master circulars issued in July, 2023); SES has also incorporated the key developments in its ESG Evaluation Framework i.e. BRSR Core framework & ESG parameters relevant to Indian Context.

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	MONITERING 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 Model developed by SES 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")[3], 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)

ESG SCORING & METHODOLOGY

SES ESG Model is divided into four sections Policy Disclosures, Environment, Social & Governance.

POLICY DISCLOSURES

ENVIRONMENT

- General Disclosures
- Product / Services disclosures
- Energy Consumption
- Renewable Energy
- Air Emissions
- Water Consumption
- Effluents Management
- Waste Management
- Environmental Incidents

SOCIAL

- Workforce Diversity & Management
- Health & Safety
- CSR
- Community Engagement
- Product / Service Quality
- Customer Orientation
- Cyber Security
- Customer Privacy

GOVERNANCE

- 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***

[3] ***SASB:** The **ISSB** has committed to building on the industry-based SASB Standards and embedding SASB's industry-based approach to standards development.*

Standards]; Sustainable Development Goals; Task Force on Climate-Related Financial Disclosures; UNGC Principles, International Organization for Standardization and relevant frameworks.

Policy Disclosures: A question is asked quite often to SES, why Policy Disclosures is a separate parameter for evaluation? Firstly, Policy has been 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. Policy section analyses BRSR disclosures and other policy disclosures provided and reporting framework adopted by the Company, relating to ESG factors. Secondly, a separate score for policy reveals that policy making is easiest and is a low hanging fruit, however following policy and achieving good scores on all the three ESG factors is a very different game. This is corroborated from generally near perfect score by all under policy section but low scores across ESG factors.

Lastly a separate score somehow, set an agenda for achieving a better score all across.

This section of analysis will be removed effective 2024-25 as by that time policy disclosures must get translated to action.

ESG - WHAT IS BEING SCORED?

SES Model scores policy disclosures, targets set, adequacy of disclosure, initiatives taken and performance for three factors viz. E S & G, through 800+ well researched questions, these questions are aimed to get binary answers based on disclosures made by a company. These binary answers are used to give section wise numerical score and then finally giving the company a grading. 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 Score ("ESG Score") does not only look into disclosures practices of the Company but also takes into account 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 Score** is an outcome of the analysis of the Company's disclosure practices, policies, present/ actual position and future prospects of the Company. Further, the Model also provides positive scores based on implementation of sustainable practices and meeting the parameters of performance evaluation.

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.

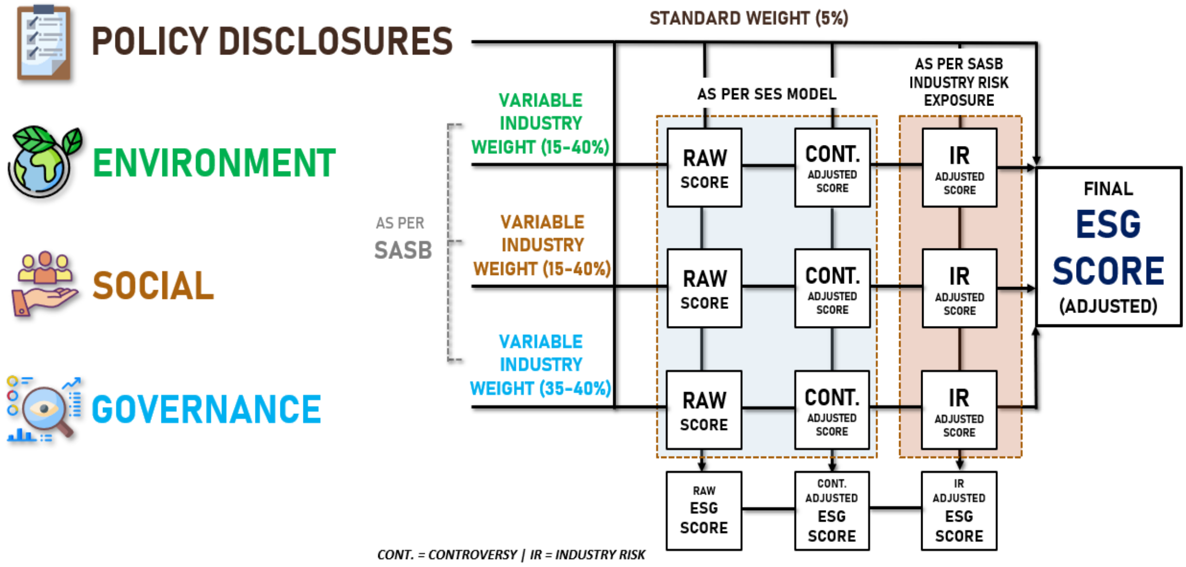
It may be noted that:

> ***"SES licenses and uses the SASB Materiality Map® Disclosure Topics and SICS in ESG Work"***

Division into 4 sections:

The overall ESG score is arrived based on weightage assigned to each of three factors E, S&G [excluding Policy Disclosures (which is standard at 5% for all industries)], 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 - The first section of the Model analyses Company's Policy Disclosure, which forms the base for its scoring Model.

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 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:

POLICY DISCLOSURES	ENVIRONMENT	SOCIAL	GOVERNANCE
5%	15-40%	15-40%	35-45%
Standard	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.

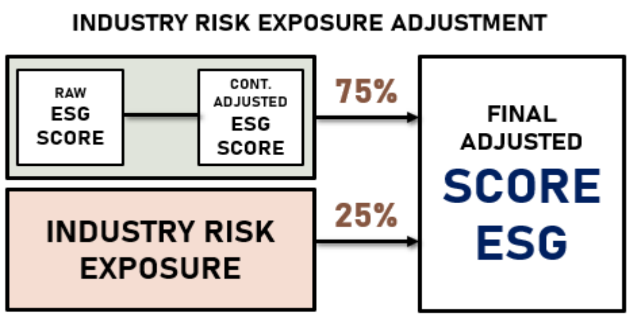
Each question has a highest absolute score of 5 and lowest of 0 (or highest score of 100 and lowest of 0). SES has set criteria and information disclosed is mapped against the criteria. Verified information forms the basis of score for each of the question.

The raw ESG score is a culmination of section wise scores obtained by the company on policy disclosures, 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 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 has referred to SASB Materiality Map or Materiality Finder. Based on the issue, materiality information and inputs, SES 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.



Overall ESG Score (Final Adjusted ESG Score) / Combined ESG Score: Score depicts final adjusted ESG Score of the Company (based on analysis on parameters under Policy Disclosures, Environment, Social and Governance) with all adjustments.

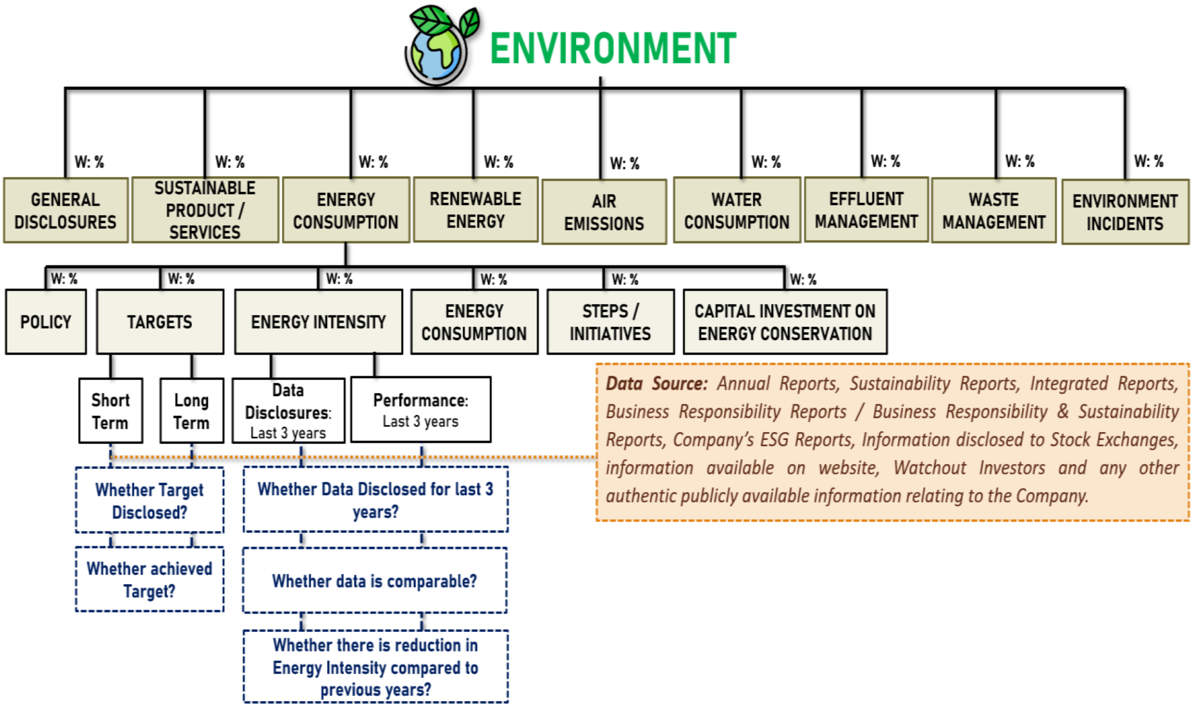
Overall ESG Grade: Overall ESG score is given in Numeric form out of 100 as also converted to “Alpha Grades”.

In Addition to the above, following additional Statutory Scores will also be given:

Core ESG Score: It analyses the parameters as identified / will be identified by the SEBI as part of CORE ESG Framework. For FY 2023-24, it is based on disclosures available in BRSR for given FY, and is not strictly as per SEBI prescribed parameters, as some of the disclosures are mandated in BRSR format for FY 2024-25. Core ESG Score shall be as per SEBI prescribed directions from FY 2024-25 onwards.

Parivartan Score: It analyses the quantitative parameters and reflects the incremental changes that the company has made in its transition story.

EXAMPLE: FLOWCHART FOR ARIVING 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*20%)]
- The sum of each Weighted Score represents the total score of that section / factors (viz. Policy Disclosures / Environmental Factors / Social Factors / Governance Factors) [For Example: Weighted Score 1 = 15, Weighted Score 2 = 20 and Weighted Score 3 = 30, then total score for that Section / Factor 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 the added parameter.

However, with introduction of BRSR and various other ESG related developments & recommended, 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 uses only public data (soon to be mandated by SEBI) using following sources of information: Annual Reports, Sustainability / Integrated / ESG Reports, Business Responsibility & Sustainability Reports, Business Responsibility Reports, information disclosed to stock exchanges, information available on website of the Companies, Watchout investors, Capitaline database and any other authentic publicly available information relating to the Companies.

The scores 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 has not been taken into consideration. As SES 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 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 scores accordingly.

As disclosures are not standardized yet (which hopefully may not be a case once BRSR regime gets stabilized), there is a distinct possibility that a particular company may have done better, yet due to lack of a mandated format and mandatory requirements, its disclosures may fall short, resulting in a score which may not reflect true position. While these scores are indicative, however one score alone cannot be used to draw any definite conclusion whether a company is good or bad. However, SES is confident that in coming years with mandate of BRSR, disclosure will improve reflecting true picture. A near static ESG Scores year on year for any company/ industry or entire sample would indicate lack of concern/ focus for ESG, unless the score is already at top. SES ESG scores should only be seen as current assessment and indicator of the potential for improvement rather than a standalone assessment of the company.

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 financial year 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:** SEBI had released following consultation papers with respect to ESG space:
    - **February, 2023:** Consultation Paper on Regulatory Framework for ESG Rating Providers (ERPs) in Securities Market (Weblink)

- **February, 2023:** Consultation Paper on ESG Disclosures, Ratings and Investing (Weblink)
- **4th July, 2023:** SEBI has amended SEBI (Credit Rating Agencies) Regulations, 1999 to include a Chapter for Regulation of ESG Rating Providers (ERPs).

  Existing ERPs were provided a period of six months to obtain Registration from SEBI or should file an application with SEBI for registration and can continue to operate as an ERP until the finality of application. SES being an existing ERP at the time of SEBI Regulations for ERPs, it has formally applied for SEBI Registration within the prescribed time lime.
- **12th July, 2023:** SEBI has issued a Master Circular for ESG Rating Providers (ERPs)
- **12th July, 2023:** SEBI has prescribed BRSR Core - Framework for assurance and ESG disclosures for value chain.
  - The format of BRSR Core for reasonable assurance is placed at Annexure I.
  - The BRSR format after incorporating new KPIs of BRSR Core is placed as Annexure II
- **20th July, 2023:** New category of Mutual Fund schemes for Environmental, Social and Governance ("ESG") Investing and related disclosures by Mutual Funds

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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
- SEBI (Prohibition of Insider Trading) Regulations, 2015
- SEBI (Buy-back of Securities) Regulations, 2018

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.

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.[4] Two most prominent sustainability reporting formats are GRI & IIRC (now part of IFRS Foundation).

GLOBAL REPORTING INITIATIVE ("GRI")

The Global Responsibility Initiative's Sustainability Reporting Standards (GRI Standards) were the first and as per their disclosure, these are most widely adopted global standards for sustainability reporting.

[4] *G4 Sustainability Reporting Guidelines*

GRI is a voluntary initiative established in 1997 to develop a framework for companies to report across non-financial parameters. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in public interest.[5]

> "*Developed by the Global Sustainability Standards Board (GSSB), the GRI Standards enable all organizations to report publicly on their economic, environmental and social impacts – and show how they contribute towards sustainable development.*"
>
> - Source: GRI website

In a period of almost two decades GRI reporting format has undergone many changes, starting from first version of global standards G1 launched in year 2000, GRI G4 was launched in May 2014. Further, in October 2016, GRI launched the most recent guidelines on Sustainability Reporting which is known as the GRI Standard and this has now been upgraded from the GRI-G4 guidelines.

The GRI has also incorporated principles enunciated and has harmonized guidelines with United Nations Global Compact's Ten Principles, 2000; the OECD's Guidelines for Multinational Enterprises, 2011; and the UN's Guiding Principles on Business and Human Rights, 2011.

Development - GRI: Reporting with the Sector Standards

The GRI Sector Program started developing standards for 40 sectors, starting with those that have the highest impact. As a new addition to the family of GRI Standards, the Sector Standards are designed to help identify a sector's most significant impacts and reflect stakeholder expectations for sustainability reporting. They describe the sustainability context for a sector, outline organizations' likely material topics based on the sector's most significant impacts, and list disclosures that are relevant for the sector to report on. The revised Universal Standards 2021 will remain the starting point for all GRI reporting and for the use of the Sector Standards, thereby increasing transparency and relevancy of the sustainability reporting for organizations in the sector. As of 14th February, 2024; following sector specific standards have been published by GRI:

- Oil & Gas
- Coal
- Agriculture, Aquaculture, and Fishing
- Mining

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.

Standards are developed by two standard-setting boards, the International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB).

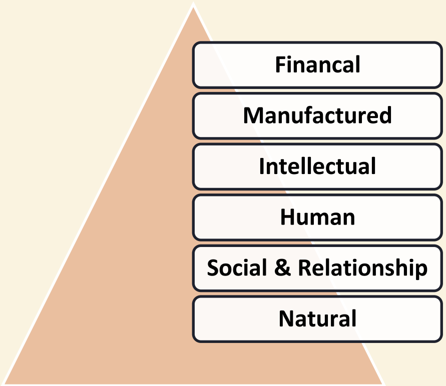
The IFRS Foundation completed the consolidation of the Value Reporting Foundation (VRF) into the IFRS Foundation. It follows the commitment made at COP26 to consolidate staff and resources of leading global sustainability disclosure initiatives to support the IFRS Foundation's new International Sustainability Standards Board's (ISSB) work to develop a comprehensive global baseline of sustainability disclosures for the capital markets.

[5] *Global Reporting Initiative: https://www.globalreporting.org/Information/about-gri/Pages/default.aspx*

International Integrated Reporting Council ("IIRC")

The <IR> Framework and Integrated Thinking Principles are maintained under the auspices of the Value Reporting Foundation, a global non-profit organization that offers a comprehensive suite of resources designed to help businesses and investors develop a shared understanding of enterprise value—how it is created, preserved, or eroded.

6 TYPES OF CAPITAL UNDER IR FRAMEWORK



GUIDING PRINCIPLES OF IR FRAMEWORK

- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationships
- Materiality
- Conciseness
- Consistency and comparability

All guiding principles when combined, describe the organization's strategy and show a holistic picture of interrelatedness and dependencies of various capital on each other to create a value of an organization in the short, medium and long term. Integration of all vital information related to the Company leads to more self-explanatory integrated report.

Sustainability Accounting Standards Board ("SASB") - ISSB

SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the Standards identify the subset of environmental, social, and governance (ESG) issues most relevant to financial performance in each industry.

Recognising the value of existing frameworks and the market demand for streamlining, the **International Sustainability Standards Board (ISSB) builds on and consolidates the work of market-led investor-focused reporting initiatives, including:**

- SASB Standards
- Task Force for Climate-related Financial Disclosures (TCFD) Recommendations
- Integrated Reporting Framework
- Climate Disclosure Standards Board (CDSB) Framework

The ISSB develops IFRS Sustainability Disclosure Standards designed to meet investor information needs and enable companies to communicate decision-useful information efficiently to global capital markets.

The ISSB is committed to delivering standards that are cost-effective, decision-useful and market informed. Its work is backed by the G7, the G20, the International Organization of Securities Commissions (IOSCO), the Financial Stability Board, African Finance Ministers and Finance Ministers and Central Bank Governors from more than 40 jurisdictions.

The first two ISSB Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and IFRS S2 Climate-related Disclosures (IFRS S2) are effective for reporting periods beginning after 1 January 2024.

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.[6]

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

The Financial Stability Board *[an international body that monitors and makes recommendations about the global financial system]* established the TCFD to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

---

[6] *https://www.undp.org/content/undp/en/home/sustainable-development-goals.html*

ANNEXURE I – EVALUATION PARAMETERS

ESG MODEL: EVALUATION & ASSESSMENT FACTORS

POLICY DISCLOSURES

About: *This section analyses Company's disclosures in Business Responsibility / Sustainability which comprises of 9 principles and other general ESG practices.*

Note: 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 Score. Having proved SES point, this section of analysis will be removed effective 2024-25 as by that time policy disclosures must get translated to action.

POLICY DISCLOSURES

- 1.1. Management and Process Disclosures
- 1.2. General Disclosures - Company Background
- 1.3. BRSR beyond: Sustainability Reports & Other Global Frameworks
- 1.4. Material Issues

1.1. MANAGEMENT AND PROCESS DISCLOSURES

Assessment Factors: Section B of BRSR aims at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements. Accordingly, entities are analysed based on their disclosures and practices.

Connections to Frameworks / Legal Requirement
• *Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**")*

Principles:

P1 *- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.*

P2 *- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.*

P3 *- Businesses should promote the well-being of all employees.*

P4 *- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.*

P5 *- Businesses should respect and promote human rights.*

P6 *- Business should respect, protect, and make efforts to restore the environment.*

P7 *- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.*

P8 *- Businesses should support inclusive growth and equitable development.*

P9 *- Businesses should engage with and provide value to their customers and consumers in a responsible manner.*

- **Questions:** Following questions / parameters are analysed:

Q1. a. *Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)*

Q1. b. *Has the policy been approved by the Board? (Yes/No)*

Q1. c. *Web Link of the Policies, if available*

Q2. *Whether the entity has translated the policy into procedures. (Yes / No)*

Q3. *Do the enlisted policies extend to your value chain partners? (Yes/No)*

__Q4.__ Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle."

__Q5.__ Specific commitments, goals and targets set by the entity with defined timelines, if any.

__Q6.__ Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

__Q7.__ Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

__Q8.__ Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

__Q9.__ Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

__Q10. a1.__ Performance against above policies and follow up action: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

__Q10. a2.__ Performance against above policies and follow up action: Frequency Disclosed

__Q10. b1.__ Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances : Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

__Q10. b2.__ Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances : Frequency Disclosed

__Q11.__ Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

- **Reasons for negative response:** In case where the Company does not have policy, has the Company provided reason(s) for the same?

__R1:__ The entity does not consider the Principles material to its business (Yes/No)

__R2:__ The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)

__R3:__ The entity does not have the financial or/human and technical resources available for the task (Yes/No)

__R4:__ It is planned to be done in the next financial year (Yes/No)

__R5:__ Any other reason (please specify)

1.2. GENERAL DISCLOSURES – COMPANY BACKGROUND

Assessment Factors: BRSR requires companies to disclose certain information about company operations.

● Products / Services details | ● BRSR Reporting (Standalone v. Consolidated)

● Company operations | ● Locations / Market served

Connections to Frameworks / Legal Requirement

- *BRSR – Section A: General Disclosures*

Following questions / parameters are analysed:

- **Name of the person who may be contacted in case of any queries on the BRSR report**
- **Reporting Boundary (Standalone or Consolidated)**
- **Details of business activities (accounting for 90% of the turnover)**
- **Products/Services sold by the entity (accounting for 90% of the entity's Turnover)**
- **Number of locations where plants and/or operations/offices of the entity are situated in India**
- **Number of locations where plants and/or operations/offices of the entity are situated in other countries (International)**
- **Markets served in India**

- **Markets served in other countries (International)**
- **Contribution of exports as a percentage of the total turnover of the entity**

✹ 1.3. SUSTAINABILITY REPORTS & OTHER GLOBAL FRAMEWORKS

Assessment Factors: Company's reporting practices is analysed in this category
● BRSR Reporting | ● External Assurance| ● GRI | ● IIRC | ● TCFD | ● SDGs | ● Others (UNGC, CDP etc)

Connections to Frameworks / Legal Requirement
• *Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations")* • *GRI 102-22 / 102-20 / 102-31 / 102-45(b) / 102-56* • *IFRS – IR Framework* • *Task Force on Climate related Financial Disclosures (TCFD)* • *GHG Protocol* • *Sustainable Development Goals* • *UNGC: Principle 8*

Following questions / parameters are analysed:

- **Whether the Company has published BRSR Report?**
- **In case of BRSR Report being published, is the said Report Externally Assured?**
- **Whether the Company has made disclosures following GRI or Integrated Reporting (IIRC)?**
- **Whether the Company has made disclosures following Task force on Climate related Financial Disclosures (TCFD)?**
- **Whether the Company has made disclosures relating to Sustainable Development Goals (SDGs)?**
- **Whether the Company has subscribed to disclose endorsement of any additional ESG principles or initiatives (other than GRI, IIRC, TCFD, SDG)**

✹ 1.4. MATERIAL ISSUES

Assessment Factors: BRSR requires companies to indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity. Accordingly, company's disclosures practices are analysed.

Connections to Frameworks / Legal Requirement
• *BRSR – Section A 26. Overview of the entity's material responsible business conduct issues*

Following questions / parameters are analysed separately for each Environmental & Social Pillar:

- **Whether material issues identified?**
- **Whether indicated risk or opportunity?**
- **Whether provided rationale for identifying the risk / opportunity?**
- **In case of risk, whether disclosed approach to adapt or mitigate such risk?**
- **Whether disclosed Financial implications of the risk or opportunity?**

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.*

ENVIRONMENT

- **2.1** General Disclosures & Practices
- **2.2** Sustainable Products / Service
- **2.3** Energy Consumption
- **2.4** Renewable energy
- **2.5** Air emission
- **2.6** Water consumption
- **2.7** Effluents Management
- **2.8** Waste Management
- **2.9** Environmental Compliane & Incidents

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

GENERAL DISCLOSURES / STATEMENTS

Connections to Frameworks / Legal Requirement

- *BRSR - PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment*
- *BRSR – Section A 26. Overview of the entity's material responsible business conduct issues*
- *GRI 102-15, 102-29, 201-2, 103-2 (c-i) (c-vii), 300, 103-1, 103-1 and 304*
- *UNGC P7-9*
- *General Statement on EMS, ISO 14001 UNGC Principles 7-9*
- *SDG 12, 13, 14 and 15*
- *MCA's National Guidelines for Responsible Business Conduct ("**NGRBC**"): P6, Core Element 3*

Following questions / parameters are analysed:

- **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?**
  - **Whether disclosed targets set under the PAT scheme?**
  - **Whether targets set under the PAT scheme have been achieved?**
  - **In case PAT targets have not been achieved, whether disclosed the remedial action taken by the Company?**
- **Does the entity have any project related to reducing Green House Gas emission?**
- **Whether adopted strategy(ies) by the company to reduce usage of hazardous and toxic chemicals for products and processes and the practices adopted to manage such wastes?**

- **Whether the Company identified environmental risks / opportunity?**
- **Whether there is board-level oversight of climate-related issues?**
- **Does the company operate in green or environmentally friendly offices or buildings? (E.g. LEED, BREEAM, IGBC)**
- **Does the entity have a business continuity and disaster management plan?**
- **Whether disclosed details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year?**
  - **Whether conducted by independent external agency? [projects undertaken by the entity based on applicable laws]**
  - **Whether Results communicated in public domain? [projects undertaken by the entity based on applicable laws]**

✹ BIODIVERSITY / DEFORESTATION:

Connections to Frameworks / Legal Requirement
• *BRSR - PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment* • *GRI 101: Biodiversity 2024* • *GRI 304: Biodiversity 2016* • *ISO/CD 17298 Biodiversity*

Following questions / parameters are analysed:

- **Does the entity have operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.)**
- **In case the entity has operations/offices in/around ecologically sensitive areas; whether it has disclosed information on environmental approvals / clearances?**
- **With respect to the ecologically sensitive areas, whether provided details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities?**
- **Whether disclosed or discussed about Afforestation or CAMPA?**

✹ CERTIFICATIONS:

Connections to Frameworks / Legal Requirement
• *ISO 14001 – EMS* • *ISO 50001 - Energy Management* • *ISO 14040 – Life Cycle Assessment* • *Leadership in Energy and Environmental Design – Green Building Certifications*

Following questions / parameters are analysed:

- **Has the Company disclosed / obtained certifications relating to:**
  - **Environment Management System**
  - **Energy Management System**
  - **Life Cycle Assessment**
  - **LEEDs**

✹ POLICIES:

Connections to Frameworks / Legal Requirement
• *BRSR - PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment*

Following questions / parameters are analysed: Specific Policy on

- **Environment**
- **Energy / Policy related to Energy**

- **Renewable Energy / or RE part of any policy related to Energy or Energy Policy**
- **GHG / Air Emissions / Climate Change**
- **Water Policy**
- **Waste Water / Effluents**
- **Waste Management**
- **Bio-Diversity**

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

SUSTAINABLE SOURCING / RESOURCE EFFICIENCY

Connections to Frameworks / Legal Requirement
• *BRSR – Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe* • *GRI 103-2, 103-2(c)(i), 204, 204-1, 301-1 and 2* • *SDG 8 & 12* • *UNGC P7, 8 and 9*

Following questions / parameters are analysed:

- **Does the entity have procedures in place for sustainable sourcing?**
- **Disclosed percentage of inputs were sourced sustainably?**
- **Percentage of inputs were sourced sustainably**
- **Whether recycled or reused input material to total material used in production (for manufacturing industry) or providing services (for service industry)?**
- **Whether disclosed % recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)?**
- **Whether disclosed & what was the % recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)?**
- **Whether undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated?**
- **If disclosed details of such initiatives, whether disclosed outcome of the initiative?**
- **% of R&D investments in specific technologies to improve the environmental and social impacts of product**
- **% of capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product**

VALUE CHAIN

Connections to Frameworks / Legal Requirement
• *BRSR – Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe* • *BRSR – Q6 & Q7 of Leadership Indicator of Principle 6: Businesses should respect and make efforts to protect and restore the environment*

Following questions / parameters are analysed:

- **Whether any significant adverse impact to the environment, arising from the value chain of the entity?**
- **Whether mitigation or adaptation measures have been taken by the entity with respect to adverse impact to the environment, arising from the value chain of entity?**

- **Whether disclosed percentage of value chain partners (by value of business done with such partners) that were assessed for entity?**
- **Percentage of value chain partners (by value of business done with such partners) that were assessed for entity**

LIFE CYCLE ASSESSMENT

Connections to Frameworks / Legal Requirement
• *BRSR – Q1 & Q2 of Leadership Indicator of Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe* • *SDG 12* • *UNGC Principles 7-9* • *The leading standards for Life Cycle Assessment (LCA) are ISO 14040 and ISO 14044.*

Following questions / parameters are analysed:

- **Has the entity conducted of Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?**
- **Whether disclosed % of total Turnover contributed?**
- **Whether conducted by independent external agency?**
- **Whether Results communicated in public domain?**
- **Whether significant social or environmental concerns and/or risks arising from production or disposal of products / services, as identified in the LCA or through any other means?**

RECLAIMED PRODUCTS & PACKAGING

Connections to Frameworks / Legal Requirement
• *BRSR – Q4 Essential Indicator of Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe* • *SDG 12* • *UNGC P7&8* • *GRI 103-2(a-ii, iii and vii), 204, 301, 301-2 and 301-3(a)*

Following questions / parameters are analysed:

- **Whether disclosed / described the processes in place to safely reclaim products for reusing, recycling and disposing at the end of life for following parameters:**
  - **Plastics (including packaging)**
  - **E-waste**
  - **Hazardous waste**
  - **other waste (as specified by the Company)**
- **Whether provided information on reclaimed products and their packaging materials (as percentage of products sold) for product category(ies)?**
- **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities?**
- **Whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**
- **In cases EPR plan not submitted to PCB, whether provided steps taken to address the same?**

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 and Volume)*
- Reduction in total energy consumption / energy intensity
- Steps taken to conserve energy or reduce energy consumption
- Investment on energy conservation equipment

Connections to Frameworks / Legal Requirement

- *BRSR – Q1 of Essential Indicator of Principle 6: Businesses should respect and make efforts to protect and restore the environment*
- *GRI 302-1, 2, 3, 4*
- *SDG 12, 13*
- *Section 134(3)(m) of the Companies Act, 2013 (the "**Act**") r/w Rule 8(3)(A) of Companies Account Rules, 2014*
- *UNGC: Principle 7-9*
- *SASB: General Issue / Energy Management*
- *TCFD: Risk Management: Part B*

TARGETS

Following questions / parameters are analysed:

- **Disclosure / Set Targets to reduce Energy Consumption / Conserve Energy (Short term & Long Term)**
- **Achievement of Targets to reduce Energy Consumption / Conserve Energy (Short term & Long Term)**

ENERGY CONSUMPTION

Following questions / parameters are analysed:

- **Disclosure & reduction in energy consumption or usage**
  - **Total electricity consumption**
  - **Total fuel consumption**
  - **Energy consumption through other sources**
  - **Total Energy Consumption (3-year data trend)**

ENERGY INTENSITY

Following questions / parameters are analysed:

- **Disclosure & reduction in Energy Intensity**
  - **Energy intensity per rupee of Turnover (y-o-y change)**
  - **Energy intensity (Physical volume - Relevant Metric) (y-o-y change) (3-year data trend)**

INITIATIVES

Following questions / parameters are analysed:

- **Steps or initiative taken to reduce or conserve energy consumption**

CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Following questions / parameters are analysed:

- **Disclosure Capital Investment on Energy Conservation Equipment**
- **Increase in Capital Investment on Energy Conservation Equipment (in absolute terms and in relative terms - comparison with revenue)**

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

Connections to Frameworks / Legal Requirement
• *BRSR – Q1 of Essential Indicator of Principle 6 (Format as amended in July, 2023)* • *GRI 302-1, and 2* • *SDG 7* • *Section 134(3)(m) of the Act r/w Rule 8(3)(A) of Companies Account Rules, 2014* • *SASB: General Issue / Energy Management (SASB Industry Standards)* • *RE 100*

TARGETS

Following questions / parameters are analysed:

- **Disclosure - Targets for increase in Renewable Energy (Short term & Long Term)**
- **Performance - Targets for increase in Renewable Energy (Short term & Long Term)**

RENEWABLE ENERGY USAGE

Following questions / parameters are analysed:

- **Disclosure on amount of renewable energy consumed**
  - **Electricity consumption from renewable sources**
  - **Fuel consumption from renewable sources**
  - **Renewable energy consumption through other sources**
  - **Total Renewable Energy Consumption**
- **Increase in amount of renewable energy consumed**
- **Disclosure on % Renewable Energy Consumption out of Total Energy Consumption**
- **Increase in % Renewable Energy Consumption out of Total Energy Consumption**

INITIATIVES

Following questions / parameters are analysed:

- **Steps or initiative taken to increase renewable energy consumption**

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
- 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

Connections to Frameworks / Legal Requirement
• *BRSR – Q6, Q7 & Q8 of Essential Indicator of Principle 6* • *BRSR – Q2 of Leadership Indicator of Principle 6* • *GRI 302-1, and 2* • *SDG 7* • *Section 134(3)(m) of the Act r/w Rule 8(3)(A) of Companies Account Rules, 2014* • *SASB: General Issue / Energy Management (SASB Industry Standards)* • *GRI 305-1, 2, 3, 4,5, 6 and 7*

- *UNGC Principles: 7-9*
- *SASB: General Issue / GHG Emissions (SASB Industry Standards)*
- *TCFD: Metrics & Targets (Disclosure B)*
- *SDG 13*
- *GHG Protocol*
- *Science Based Targets initiative*

TARGETS

Following questions / parameters are analysed:

- **Disclosure - Targets for reduction in GHG emissions (Short term & Long Term)**
- **Performance - Targets for reduction in GHG emissions (Short term & Long Term)**
- **Target for Carbon Neutral / Carbon Positive / Net Zero**

GHG EMISSIONS

Following questions / parameters are analysed:

- **Disclosure & reduction in GHG emissions**
  - **Scope 1 emissions**
  - **Scope 2 emissions**
  - **Scope 3 emissions**
  - **Total Emissions: Scope 1 + 2**

GHG EMISSIONS INTENSITY

Following questions / parameters are analysed:

- **Disclosure & reduction in GHG emissions intensity**
  - **Scope 1 emissions intensity**
  - **Scope 2 emissions intensity**
  - **Scope 3 emissions intensity**
  - **Total Emissions intensity: Scope 1 + 2 per rupee of Turnover**
  - **Total Emissions intensity - Scope 1 + 2 (Relevant Metric - Optional)**

CARBON NEUTRAL / CARBON POSITIVE / NET ZERO

Following questions / parameters are analysed:

- **Achieved status of Carbon Neutral / Carbon Positive / Net Zero**

INITIATIVES – GHG / CARBON EMISSIONS

Following questions / parameters are analysed:

- **Steps disclosed to reduce GHG emissions**

OTHER AIR EMISSIONS

Following questions / parameters are analysed:

- **Disclosure & reduction in other Air emissions:**
  - **NOx**
  - **SOx**
  - **Particulate matter (PM)**
  - **Persistent organic pollutants (POP)**
  - **Volatile organic compounds (VOC)**
  - **Hazardous air pollutants (HAP)**

INITIATIVES – OTHER AIR EMISSIONS

Following questions / parameters are analysed:

- **Steps disclosed to reduce other air 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
- Water Management in Water Stress areas or regions
- Water Neutrality / Water Positive
- Steps or initiatives taken to reduce / recycle / re-use water

Connections to Frameworks / Legal Requirement
• *BRSR – Q3 of Essential Indicator of Principle 6*
• *BRSR – Q1 of Leadership Indicator of Principle 6*
• *GRI 303-1, 3, 4 and 5*
• *SDG 6 and 12*
• *SASB: General Issue / Water & Wastewater Management (SASB Industry Standards)*

TARGETS

Following questions / parameters are analysed:

- **Disclosure of Targets for reduction in Water Consumption (Short term & Long Term)**
- **Targets for reduction in Water Consumption (Short term & Long Term)**
- **Target for Water Neutral / Water Positive**

WATER WITHDRAWAL OR WATER CONSUMPTION

Following questions / parameters are analysed:

- **Disclosure & Performance of Water Withdrawal or Water Consumption:**
  - **Surface water**
  - **Groundwater**
  - **Third party water**
  - **Seawater / desalinated water**
  - **Others**
  - **Total volume of water withdrawal**
  - **Total Water Consumption**
  - **Water positive amount**
  - **Rainwater harvesting**

WATER INTENSITY

Following questions / parameters are analysed:

- **Disclosure & Performance of Water Intensity:**
  - **Water intensity per rupee of Turnover**
  - **Water intensity (Relevant Metric - Optional)**

WATER NEUTRAL / WATER POSITIVE

Following questions / parameters are analysed:

- **Achieved status of Water Neutral / Water Positive**

✹ WATER WITHDRAWAL / CONSUMPTION IN WATER STRESS REGION

Following questions / parameters are analysed:

- **Disclosure & Performance of Water Withdrawal or Water Consumption in Water Stress Areas**
  - **Surface water**
  - **Groundwater**
  - **Third party water**
  - **Seawater / desalinated water**
  - **Others**
  - **Total volume of water withdrawal**
  - **Total Water Consumption**
- **Disclosure & Performance of Water Intensity in Water Stress Areas:**
  - **Water intensity per rupee of Turnover**
  - **Water intensity (Relevant Metric - Optional)**

✹ INITIATIVES

Following questions / parameters are analysed:

- **Steps or initiative taken to reduce water consumption or water withdrawal**

2.7. EFFLUENTS / WASTE WATER 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

Connections to Frameworks / Legal Requirement
• *BRSR – Q3 of Essential Indicator of Principle 6 (as per amended format in July, 2023)* • *BRSR – Q1 of Leadership Indicator of Principle 6* • *GRI 303-2, 306-2* • *SDG 12*

✹ TARGETS

Following questions / parameters are analysed:

- **Disclosure of Targets for reduction in Effluents / Waste Water Discharge (Short term & Long Term)**
- **Targets for reduction in Effluents / Waste Water Discharge (Short term & Long Term)**
- **Target for Zero Liquid Discharge**

✹ EFFLUENTS / WASTE WATER DISCHARGE

Following questions / parameters are analysed:

- **Disclosures & performance of Effluents / Waste Water Discharge: Absolute Amount**
  - **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)**
- **Disclosure & Performance of Waste Water Intensity:**

- Water intensity per rupee of Turnover
- Water intensity (Relevant Metric - Optional)

EFFLUENTS / WASTE WATER DISCHARGE IN %

Following questions / parameters are analysed:

- **% Effluents / Waste Water Discharge:**
  - **Surface Water (Treated and Untreated)**
  - **Groundwater (Treated and Untreated)**
  - **Seawater (Treated and Untreated)**
  - **Sent to Third parties (Treated and Untreated)**
  - **Others (Treated and Untreated)**
  - **Total Water Discharged (Treated and Untreated)**

ZERO LIQUID DISCHARGE

Following questions / parameters are analysed:

- **Achieved status of Zero Liquid Discharge**

EFFLUENTS / WASTE WATER DISCHARGE IN WATER STRESS AREA

Following questions / parameters are analysed:

- **Effluents / Waste Water Discharge in Water Stress Area**
  - **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)**

INITIATIVES

Following questions / parameters are analysed:

- **Steps or initiative taken to reduce effluents or waste water 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.)
- 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

Connections to Frameworks / Legal Requirement
• *BRSR – Q3 & Q4 of Essential Indicator of Principle 2* • *BRSR –Q4 of Leadership Indicator of Principle 2* • *BRSR – Q9 & Q10 of Essential Indicator of Principle 6* • *BRSR – Q4 of Leadership Indicator of Principle 6* • *GRI 303-2, 306-2* • *SDG 12*

TARGETS

Following questions / parameters are analysed:

- **Disclosure of Targets relating to waste generation / disposal (Short term & Long Term)**
- **Achievement of Targets relating to waste generation / disposal (Short term & Long Term)**

WASTE GENERATION

Following questions / parameters are analysed:

- **Disclosure and performance of Waste Generation:**
    - **Plastic waste**
    - **E-Waste**
    - **Bio-medical waste**
    - **Construction and demolition waste**
    - **Battery waste**
    - **Radioactive waste**
    - **Other Hazardous waste**
    - **Other non-hazardous waste**
    - **Total waste generated**

WASTE RECOVERED / DISPOSED

Following questions / parameters were analysed:

- **Disclosure and performance of Waste recovered / disposed**
    - **Total waste recovered through recycling**
    - **Total waste recovered through re-using**
    - **Total waste recovered through other recovery operations**
    - **% of waste recovered through recycling, re-using and other recovery operations**
    - **Total waste disposed by nature of Incineration**
    - **% of waste disposed by nature of Incineration**
    - **Total waste disposed by nature of Landfilling**
    - **% of waste disposed by nature of Landfilling**
    - **Total waste disposed by nature of Other disposal operations**
    - **% of waste disposed by nature of Other disposal operations**

PLASTIC NEGATIVE / ZERO WASTE

Following questions / parameters are analysed:

- **Achieved status of Plastic Negative / Zero Waste**

INITIATIVES

Following questions / parameters are analysed:

- **Steps or initiative taken to reduce waste generation or increase waste recycle / reuse**

2.9. ENVIRONMENTAL COMPLIANCE & CONTROVERSIES / INCIDENTS

Assessment Factors:

- Environmental incidents which may pose a risk for the Company or its reputation.
- Compliance with environmental laws
- Controversies

Connections to Frameworks / Legal Requirement
• *BRSR – Q13 of Essential Indicator of Principle 6*

ENVIRONMENTAL COMPLIANCE

Following questions / parameters are analysed:

- **Is the entity compliant with Water (Prevention and Control of Pollution) Act?**
- **Is the entity compliant with Air (Prevention and Control of Pollution) Act?**
- **Is the entity compliant with Environment protection Act, 1986 and rules thereunder?**
- **In case of any non-compliances, whether provided details of all such non-compliances?**

ENVIRONMENTAL CONTROVERSIES / INCIDENTS

Following questions / parameters are analysed:

- **Whether any product recalled due to environmental reasons in the last 3 years?**
- **Whether any product banned due to environmental reasons in the last 3 years?**
- **Whether there was any incident relating to environmental pollution or regulatory action due to location of the Company in the last 3 years?**
- **Whether there was any incident relating to environmental pollution or regulatory action due to business operations / products of the Company in the last 3 years?**
- **Whether there were any significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations?**

2.10. INDIRECT ENVIRONMENTAL IMPACT (in case of Banks / Insurance)

Assessment Factors (Banks):

- Climate Risk Assessment In Financing
- Sustainable Financing / Responsible Lending

Assessment Factors (Banks):

- Climate Risk Assessment related to Underwriting activities
- Climate Risk Assessment related to Investment activities
- Environmental Risk Exposure Assessment

BANKS

Following salient questions / parameters are analysed:

- **Whether Bank has identified Climate Related Risk as a Material risk impacting the Bank?**
- **The Bank has disclosed process and frequency with which board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues?**
- **Whether the Bank has assigned climate-related responsibilities to management-level positions or committees?**
- **Whether Bank described the process(es) used to determine which risks and opportunities could have a material financial impact on the organization?**
- **Whether Bank has disclosed Total loans to Companies based on Sectors/ Industries?**
- **Is Bank a signatory to UN Principles for Responsible Banking (UN PRB)?**
- **Whether Bank's board's oversight climate-related risks and opportunities?**
- **The risk management committee specifically address climate related risk?**
- **Does Bank undertake preliminary environmental, social & climate due diligence of the projects funded by the Bank?**
- **Did Bank classify risks in various categories such as credit risk, market risk, liquidity risk, and operational risk?**
- **Based on severity, has the Bank classified sector lending in various sectors?**
- **Does Bank have an exclusion list w.r.t. investments?**

- **Does Bank have Provision for Sustainable Finance for customers?**
- **Whether the Bank issue Green Bonds to Finance loans for Customers?**
- **Did Bank disclose the amount or percentage of lending for Impact or community investing?**
- **Whether Bank has set targets regarding Sustainable Finance?**
- **Whether Bank provide investments in projects that have positive societal and environmental impact?**
- **Whether Bank provide subsidized loans for Sustainable Business or Business which are addressing the Global Climate related issues?**

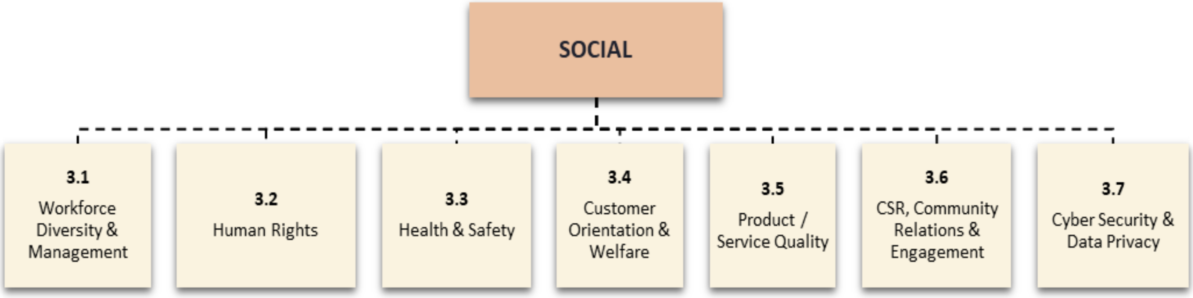
INSURANCE

Following salient questions / parameters are analysed:

- **Risk Management Policy Identifies climate risk**
- **Incorporation of climate risk in investment and underwriting practices**
- **Board's oversight climate-related risks and opportunities**
- **Process and frequency with which board and/or board committees are informed about climate-related issues**
- **Risk Management committee oversee the Company's climate related risk**
- **Policy on climate change**
- **Climate-related risk assessment has impacted product development and pricing**
- **Disclosed the Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes on gross and net of catastrophe reinsurance bases**
- **Climate Change Scenario Analysis**
- **Estimations of Physical and Transition Risk from Climate Change**
- **Industry Wise disclosure of investment exposure**
- **Percentage exposure to Low carbon sectors**
- **Impact Investment Strategy Disclosures**
- **Restriction on Investments in certain sectors**
- **Insurance underwriting activities, where relevant, are aligned with a well below 2°C scenario**
- **Positive impacts of its underwriting activities on climate change**

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 | Gender Diversity
- Employees with Disability | Workforce Turnover Rate
- Parental Leave: Return to Work / Retention | Retirement Benefits
- Workforce Development & Training | Equal Opportunity
- Workforce Grievance Mechanism | Strikes or wage disputes

TOTAL EMPLOYEES

Connections to Frameworks / Legal Requirement

- *BRSR – 20a. Employees and workers (including differently abled of SECTION A: GENERAL DISCLOSURES*
- *GRI 102-7(a-i), 102-8(a), (c) and GRI 405*

Following questions / parameters are analysed:

- **Disclosure of following data points for Employees and Workers:**
  - **Permanent (Total / Male / Female)**
  - **Other than Permanent (Total / Male / Female)**

GENDER DIVERSITY

Connections to Frameworks / Legal Requirement

- *BRSR – 20a. Employees and workers (including differently abled of SECTION A: GENERAL DISCLOSURES*
- *GRI 102-7(a-i), 102-8(a), (c) and GRI 405*
- *SDG: 5, 10*
- *UNGC Principle 6*

Following questions / parameters are analysed:

- **Total Women Workforce (%) increased y-o-y**
- **% of Women Workforce**
- **Total Women Employees (%) increased y-o-y**
- **% of Women Employees**
- **Total Women Workers (%) increased y-o-y**
- **% of Women Workers**

EMPLOYEES WITH DISABILITY

Connections to Frameworks / Legal Requirement
• *BRSR – 20b. Differently abled Employees and workers of SECTION A: GENERAL DISCLOSURES* • *BRSR – Q3 & Q4 of Essential Indicators of Principle 3* • *BRSR – Q3 of Leadership Indicators of Principle 3* • *GRI 202-2 and 405* • *UNGC Principle 6* • *SDG: 5, 10*

Following questions / parameters are analysed:

- **Disclosure of following data points for Employees and Workers:**
  - **Permanent (Total / Male / Female)**
  - **Other than Permanent (Total / Male / Female)**
- **Are the premises / offices of the entity accessible to differently abled employees and workers?**
- **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?**
- **Discussed about Job Creation to disabled employees**
- **Provides Job to disabled employees**

WORKFORCE TURNOVER RATE

Connections to Frameworks / Legal Requirement
• *BRSR – 22. Turnover rate for permanent employees and workers of SECTION A: GENERAL DISCLOSURES* • *GRI 401*

Following questions / parameters are analysed:

- **Disclosures and performance (y-o-y change) of following data points:**
  - **Permanent Employees (Total / Male / Female)**
  - **Permanent Workers (Total / Male / Female)**
- **% Turnover Rate for following data points:**
  - **Permanent Employees (Total / Male / Female)**
  - **Permanent Workers (Total / Male / Female)**

PARENTAL LEAVE: RETURN TO WORK / RETENTION

Connections to Frameworks / Legal Requirement
• *BRSR – Q3 of Essential Indicators of Principle 3*

Following questions / parameters are analysed:

- **Disclosures and performance (y-o-y change) of 'Return to work rate':**
  - **Permanent Employees (Total / Male / Female)**
  - **Permanent Workers (Total / Male / Female)**
- **Disclosures and performance (y-o-y change) of 'Retention Rate':**
  - **Permanent Employees (Total / Male / Female)**
  - **Permanent Workers (Total / Male / Female)**
- **% of 'Return to work rate':**
  - **Permanent Employees (Total / Male / Female)**
  - **Permanent Workers (Total / Male / Female)**
- **% of 'Return to work rate':**
  - **Permanent Employees (Total / Male / Female)**
  - **Permanent Workers (Total / Male / Female)**

RETIREMENT BENEFITS

Connections to Frameworks / Legal Requirement
• *BRSR – Q2 of Essential Indicators of Principle 3*

Following questions / parameters are analysed:

- **% of employees covered of total employees & workers for:**
  - **PF**
  - **Gratuity**
  - **ESI**
- **Statutory dues deducted and deposited with the authority**
  - **PF**
  - **ESI**

WORKFORCE DEVELOPMENT

Connections to Frameworks / Legal Requirement
• *BRSR – Q8 of Essential Indicators of Principle 3*

Following questions / parameters are analysed:

- **Disclosure of skill upgradation training and % coverage of following data points:**
  - **Employees (Total / Male / Female)**
  - **Workers (Total / Male / Female)**
- **Disclosure of Performance and career development review and % coverage of following data points:**
  - **Employees (Total / Male / Female)**
  - **Workers (Total / Male / Female)**
- **Disclosed average hours of training per employee**

WORKFORCE: OTHER DISCLOSURES & REPORTING

Connections to Frameworks / Legal Requirement
• *BRSR – Q4, Q6 & Q7 of Essential Indicators of Principle 3* • *BRSR – Q4 of Leadership Indicators of Principle 3*

Following questions / parameters are analysed:

- **Does the entity provide equal opportunities to all its employees and to all eligible applicants for employment in the Company?**
- **Is there a mechanism available to receive and redress grievances for <u>permanent</u> employees / workers?**
- **Is there a mechanism available to receive and redress grievances for <u>non-permanent</u> employees / workers?**
- **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**
- **Disclosed Membership of employees and worker in association(s) or Unions recognised by the listed entity?**
- **Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company**
- **Whether there are any Strikes by employees / workers?**
- **Whether there are any wage related disputes with employees / workers?**

3.2. HUMAN RIGHTS

Assessment Factors: Disclosure on Human Rights and related practices;

- Training on Human Rights | ● Payment of Minimum Wages
- Median Remuneration & Gender Pay Gap | ● Anti-Sexual Harassment Practices & Complaints
- Child Labour / Discriminatory Employment | ● Wages related complaint
- Committee for Human Rights | ● Human Rights grievances mechanism
- Value Chain Assessment – Human Rights | ● Actions on Human Rights issues

TRAINING ON HUMAN RIGHTS

Connections to Frameworks / Legal Requirement
• *BRSR – Q1 of Essential Indicators of Principle 5*
• *UNGC: Human Rights*
• *SDG: Human Rights*

Following questions / parameters are analysed:

- **Disclosure and % coverage of following data points:**
  - **Employees (Total / Permanent / Other than permanent)**
  - **Workers (Total / Permanent / Other than permanent)**

MINIMUM WAGES

Connections to Frameworks / Legal Requirement
• *BRSR – Q2 of Essential Indicators of Principle 5*
• *Minimum Wages Act 1948*

Following questions / parameters are analysed:

- **Disclosures with 'Equal to Minimum Wage':**
  - **Employees (Total / Permanent / Other than permanent)**
  - **Workers (Total / Permanent / Other than permanent)**
- **Disclosures & % workforce with 'More than Minimum Wage':**
  - **Employees (Total / Permanent / Other than permanent)**
  - **Workers (Total / Permanent / Other than permanent)**

MEDIAN REMUNERATION – GENDER PAY GAP

Connections to Frameworks / Legal Requirement
• *BRSR – Q3(a) & Q3(b) of Essential Indicators of Principle 5*
• *Minimum Wages Act 1948*

Following questions / parameters are analysed:

- **Disclosures of Median Remuneration (Male / Female / Total) for following:**
  - **Board of Directors (BoD)**
  - **Key Managerial Personnel**
  - **Employees other than BoD and KMP**
  - **Workers**
- **Analyses of Material Pay Gap for following:**
  - **Employees other than BoD and KMP (Male v. Female)**
  - **Workers (Male v. Female)**
- **Disclosures of Remuneration (Male / Female / Total) for following:**
  - **Salary(ies)**
  - **Wage(ies)**

COMPLAINTS

Connections to Frameworks / Legal Requirement
• *BRSR – Q7 of Essential Indicators of Principle 5 (as per amended format of BRSR in July, 2023)*
• *GRI 102-7(a-i), 102-8(a), (c) and GRI 405*
• *SDG: 5, 10*
• *UNGC Principle 6*

Following questions / parameters are analysed:

- **Disclosure & Complaints trend for following data points:**
  - **Sexual Harassment – Number of Complaints**
  - **Sexual Harassment Complaints Intensity – % of Complaints [Total Complaints / Total Female Workforce (Employees + Workers)**
  - **Discrimination at workplace**
  - **Child Labour**
  - **Forced Labour/Involuntary Labour**
  - **Wages**
  - **Other human rights related issues**

HUMAN RIGHTS: OTHER DISCLOSURES & REPORTING

Connections to Frameworks / Legal Requirement
• *BRSR – Q4, Q5, Q8, Q9, Q10 & Q11 of Essential Indicators of Principle 5*
• *BRSR – Q1, Q2, Q3, Q4 & Q5 of Leadership Indicators of Principle 5*

Following questions / parameters are analysed:

- **Does the Company have focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**
- **Whether described the internal mechanisms in place to redress grievances related to human rights issues?**
- **Whether disclosed Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases?**
- **Do human rights requirements form part of Company's business agreements and contracts?**
- **Whether disclosed % of plants and offices that were assessed (by entity or statutory authorities or third parties)?**
- **Whether provided details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments (by entity or statutory authorities or third parties)?**
- **Whether disclosed details of a business process being modified / introduced as a result of addressing human rights grievances/complaints?**
- **Whether disclosed details of the scope and coverage of any Human rights due-diligence conducted?**
- **Whether disclosed % of value chain partners (by value of business done with such partners) that were assessed?**
- **Whether provided details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments (by value of business done with such partners)?**

3.3. HEALTH & SAFETY

Assessment Factors: Disclosure & practices on Health & Safety of the Company;

- Health & Safety practices | Wellbeing of Workforce (Insurance, Maternity etc)
- Training on Health & Safety | Safety Records
- Complaints: Working Conditions | Other Disclosures & Practices

✹ GENERAL DISCLOSURES & PRACTICES

Connections to Frameworks / Legal Requirement
• *BRSR – Q10(a), Q10(b), Q10(c), Q10(d), Q12, Q14 &Q15 Essential Indicators of Principle 3*
• *BRSR – Q1 of Leadership Indicators of Principle 3*
• *GRI 403*
• *UNCG: Principle 6*
• *SDG: 10*

Following questions / parameters are analysed:

- **Whether an occupational health and safety management system has been implemented by the entity?**
- **Whether disclosed the coverage health and safety management system?**
- **Whether disclosed the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**
- **Whether disclosed the processes for workers to report the work-related hazards and to remove themselves from such risks?**
- **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?**
- **Whether described the measures taken by the entity to ensure a safe and healthy work place?**
- **Whether disclosed % of plants and offices that were assessed (by entity or statutory authorities or third parties)?**
- **Whether provided details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions?**
- **Does the entity extend any life insurance or any compensatory package in the event of death of employees / workers?**

✹ WELLBEING OF WORKFORCE

Connections to Frameworks / Legal Requirement
• *BRSR – Q1 Essential Indicators of Principle 3*

Following questions / parameters are analysed:

- **Disclosure & % coverage on 'Health Insurance' for following:**
  - **Employees (Total / Permanent / Other than permanent)**
  - **Workers (Total / Permanent / Other than permanent)**
- **Disclosure & % coverage on 'Accident Insurance' for following:**
  - **Employees (Total / Permanent / Other than permanent)**
  - **Workers (Total / Permanent / Other than permanent)**
- **Disclosure & % coverage on 'Maternity Benefits' for following:**
  - **Employees (Total / Permanent / Other than permanent)**
  - **Workers (Total / Permanent / Other than permanent)**
- **Disclosure & % coverage on 'Paternity Benefits' for following:**
  - **Permanent Employees**
  - **Other than permanent employees**
  - **Permanent Workers**
  - **Other than permanent workers**
- **Disclosure & % coverage on 'Day Care facilities' for following:**
  - **Permanent Employees**
  - **Other than permanent employees**
  - **Permanent Workers**

- Other than permanent workers

TRAINING ON HEALTH & SAFETY

Connections to Frameworks / Legal Requirement
• *BRSR – Q8 Essential Indicators of Principle 3*

Following questions / parameters are analysed:

- **Disclosure and % coverage of following data points:**
    - **Permanent Employees**
    - **Other than Permanent Employees**
    - **Total Employees**
    - **Permanent Workers**
    - **Other than Permanent Workers**
    - **Total Workers**

SAFETY RECORDS

Connections to Frameworks / Legal Requirement
• *BRSR – Q11 Essential Indicators of Principle 3* • *GRI 403* • *SDG: 3* • *SASB: General Issue / Employee Health & Safety (SASB Industry Standards)*

Following questions / parameters are analysed:

- **Disclosed following data points for Employees & Workers and analyses of y-o-y change:**
    - **Lost Time Injury Frequency Rate**
    - **No. of fatalities**
    - **Total recordable work-related injuries**
    - **High consequence work-related injury or ill-health (excluding fatalities)**
- **Zero Fatalities**

COMPLAINTS

Connections to Frameworks / Legal Requirement
• *BRSR – Q13 Essential Indicators of Principle 3*

Following questions / parameters are analysed:

- **Disclosure & Complaints trend for following data points:**
    - **Working Conditions**
    - **Health & Safety**

HEALTH & SAFETY: OTHER DISCLOSURES & REPORTING

Connections to Frameworks / Legal Requirement
• *BRSR – Q3, Q4 & Q5 of Leadership Indicators of Principle 3*

Following questions / parameters are analysed:

- **Whether provided information relating to employees / workers having suffered high consequence work-related injury / ill-health / fatalities, who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**
- **Whether disclosed % of value chain partners (by value of business done with such partners) that were assessed on Health and safety practices & Working Conditions?**
- **Whether provided details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners?**

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

GENERAL DISCLOSURES & PRACTICES

Connections to Frameworks / Legal Requirement
• *BRSR – Q1 of Essential Indicator of Principle 9*
• *BRSR – Q1, Q2, Q3 & Q4 of Leadership Indicator of Principle 9*

Following questions / parameters are analysed:

- **Whether Mechanisms in place to receive and respond to consumer complaints and feedback?**
- **Whether disclosed Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**
  - **Environmental and social parameters relevant to the product**
  - **Safe and responsible usage**
  - **Recycling and/or safe disposal**
- **Whether disclosed Channels / platforms where information on products and services of the entity can be accessed?**
- **Whether disclosed steps taken to inform and educate consumers about safe and responsible usage of products and/or services?**
- **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services**
- **Does the Company display product information on the product over and above what is mandated as per local laws?**
- **Did Company carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity?**

COMPLAINTS

Connections to Frameworks / Legal Requirement
• *BRSR – Q3 of Essential Indicators of Principle 9*

Following questions / parameters are analysed:

- **Disclosure & Complaints trend for following data points:**
  - **Advertising**
  - **Delivery of essential services**
  - **Restrictive Trade Practices**
  - **Unfair Trade Practices**
  - **Others**

3.5. PRODUCT / SERVICE QUALITY

Assessment Factors:
- Product / Service Quality, Safety and any product / service related incidents
- Instances of Product Recall: Forced or Voluntary
- Instances of Product Ban

Connections to Frameworks / Legal Requirement
• *BRSR – Q4 & Q6 of Essential Indicators of Principle 9* • *GRI 102-2(b)* • *SDG 12* • *UNGC P7&8* • *ISO 9001*

PRODUCT QUALITY/ SERVICE QUALITY POLICY

Following questions / parameters are analysed:

- **Product Quality/ Service Quality Policy**
- **Whether a Quality Management System has been implemented by the entity?**
- **Certification relating to Quality Management System (E.g. ISO 9001)**

PRODUCT RECALLS

Following questions / parameters are analysed:

- **Instances of product recalls on accounts of safety issues**

PRODUCT / SERVICE BAN

Following questions / parameters are analysed:

- **Instances of product bans on accounts of safety issues**

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)
- Political donations
- Financial Inclusion (for Banks)

GENERAL DISCLOSURES & PRACTICES

Connections to Frameworks / Legal Requirement
• *BRSR – Q1, Q3 of Essential Indicators* • *BRSR – Q1, Q3, Q4 & Q5 of Leadership Indicators* • *GRI 102-9, 103-1, 2, 204-1, 412*

Following questions / parameters are analysed:

- **Whether described mechanisms to receive and redress grievances of the community?**
- **Does the Company have a preferential procurement policy where it gives preference to purchase from suppliers comprising marginalized /vulnerable groups?**
- **Whether disclosed from which marginalized / vulnerable groups it does procurement?**
- **Whether disclosed information on affiliations with trade and industry chambers/ associations?**
- **Whether provided details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities?**
- **Whether disclosed details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws?**
- **Whether provided details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments?**
- **Whether provided information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company?**

- **Whether provided details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved?**
- **Political donations in last three financial years**

CSR SPEND

Connections to Frameworks / Legal Requirement
• *Section 134(3)(o) and Section 135 of the Act* • *Rule 9 of the Companies (Accounts) Rules, 2014* • *The Companies (Corporate Social Responsibility) Rules, 2014* • *BRSR – VI. CSR Details of SECTION A: GENERAL DISCLOSURES* • *BRSR – Q2 & Q6 of Leadership Indicator of* • *GRI 103-43, 103-2 (c-vii) (c-v), 201-1(a-ii), 203-1 and 413(a-iv), (a-vi)*

Following questions / parameters are analysed:

- **Details of CSR projects & CSR spend**
- **In case of less than statutory requirement, amount transferred any fund specified under Schedule VII as per second proviso to section 135(5) of the Act?**
- **In case of less than statutory requirement, Amount transferred to Unspent CSR Account as per section 135(6)?**
- **Whether disclosed information on CSR projects undertaken by entity in designated aspirational districts as identified by government bodies?**
- **Whether disclosed beneficiaries of CSR Projects?**
- **Does the company take part in various government initiatives / mission as part of their CSR activity?**

INCLUSIVE DEVELOPMENT

Connections to Frameworks / Legal Requirement
• *BRSR – Q4 & Q5 of Essential Indicator of Principle 8 (as per amended BRSR format in July, 2023)*

Following questions / parameters are analysed:

- **Discussed about Job Creation**
- **Disclosed Wages paid to people employed in smaller towns**
- **Job creation in smaller towns – Wages paid to people employed in smaller towns as % of total wage cost**
- **Percentage of input material (inputs to total inputs by value) sourced from suppliers - Directly sourced from MSMEs/ small producers**
- **% change - Directly sourced from MSMEs/ small producers**
- **Percentage of input material (inputs to total inputs by value) sourced from suppliers - Sourced directly from within the district and neighbouring districts**
- **% change - Sourced directly from within the district and neighbouring districts**

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 ensures safe security system (IT security, firewalls, initiatives etc)
- Complaints: Data Security / Data Privacy

Connections to Frameworks / Legal Requirement
• *BRSR – Q3, Q5 & Q6 of Essential Indicator of Principle 9*
• *Regulation 21 (Risk Management Committee) of the SEBI Listing Regulations*
• *GRI 418: Customer* Privacy
• *ISO/IEC 27001 Information security management systems*

GENERAL DISCLOSURES & PRACTICES

Following questions / parameters are analysed:

- **Does the Company have a policy on cyber security and risks related to data privacy?**
- **Framework on cyber security and risks related to data privacy**
- **Risk Management function on Cyber Security**
- **Number of instances of data breaches**
- **In case of data breaches – Disclosed impact**
- **Percentage of data breaches involving personally identifiable information of customers**
- **Steps taken to ensures safe security system (IT security, firewalls, initiatives etc)**
- **IT related Certification (E.g. ISO/IEC 27001)**

COMPLAINTS

Following questions / parameters are analysed:

- **Disclosure & Complaints trend for following data points:**
  - **Data Privacy**
  - **Cyber Security**

3.8. FINANCIAL INCLUSION (in case of Banks / Insurance)

Assessment Factors:

- General Disclosures & Access to Financial Services
- Priority Sector Lending (in case of banks)
- Disclosure of access to various Financial Schemes
- Financial literacy and inclusion
- Awards passed by the Banking Ombudsman (in case of Banks)

Connections to Frameworks / Legal Requirement
• *RBI - National Strategy for Financial Inclusion (NSFI): 2019-2024 – Universal Access to Financial Services*

GENERAL DISCLOSURES & PRACTICES

Following questions / parameters are analysed:

- **Financial Literacy Programmes**
- **Number of Customers**
- **Number of Branches/ Outlets in Semi Urban and Rural Regions**
- **Priority Sector Lending**
- **Access to various Financial Schemes (PMJDY, PMSBY etc)**
- **Awards passed by the Banking Ombudsman**

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.*

GOVERNANCE

- **4.1** Board Independence & Diversity
- **4.2** Board Committees
- **4.3** Director's Remuneration
- **4.4** Statutory Auditors
- **4.5** Audit & Financial Reporting
- **4.6** Stakeholders Engagement, Ownership & Control
- **4.7** Ethics, Bribery & Other Governance Factors

4.1 BOARD COMPOSITION & DIVERSITY

Assessment Factors: Companies Board structure including;

- Board Expertise | Board Diversity – Gender, Expertise
- Association and Independence of Directors | Attendance & Time Commitments
- Combination of Independent & Non-Independent Directors
- Woman Director(s) | Age profile of directors

Connections to Frameworks / Legal Requirement

- *Second proviso to Section 149(1) r/w Rule 3(i) of the Companies (Appointment of Directors) Rules, 2014, Section 149 (4) of the Companies Act, 2013 (**Act**), First proviso of Section 196 (3), Proviso to Section 177(2)*
- *Regulation 17(1)(a) & (b), Regulation 17 (1A) Regulation 34(3) r/w Schedule V: Para (C)(2)(a), (h), Regulation 18(3)(c) (in relation to directors to be appointed on the Audit Committee) of the **SEBI Listing Regulations***
- *GRI 102-22(a-v), 102-18, 102-18(a), 102-22 (a-i), (a-ii), (a-vii), 102-24 and GRI 102-23*
- *RBI circular on 'Upper age limit for Whole Time Directors on the Boards of Banks' dated September 9, 2014*
- *RBI Master Direction - Reserve Bank of India ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019*
- *Rule 5(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014*

GENDER DIVERSITY

Following questions / parameters are analysed:

- **Woman Director**
- **Independent Woman Director**

AGE DIVERSITY

Following questions / parameters are analysed:

- **Shareholder's Approval (ED: 70+, NED: 75+)**
- **Average Board Age**

DIRECTORSHIP CATEGORY DIVERSITY

Following questions / parameters are analysed:

- **Optimum number of ID(s) / NED(s) and ED(s)**

EDUCATION DIVERSITY

Following questions / parameters are analysed:

- **Director's Education Qualifications**

INDEPENDENCE OF THE BOARD

Connections to Frameworks / Legal Requirement
• *Section 149(4), (10) & (11) of the Act.* • *Regulation 17(1)(b), Regulation 17 (1B), Regulation 25(2) of the SEBI Listing Regulations* • *GRI 102-22 (a-ii),102-22 (a-iii) and 102-23*

Following questions / parameters are analysed:

- **Independence of the Board**
- **Chairperson of the Board**
- **Tenure / association of Independent Director**
- **Lead Independent Director**
- **% Voting Against on Resolutions - Independent Directors**

APPOINTMENT / EXIT OF INDEPENDENT DIRECTOR

Connections to Frameworks / Legal Requirement
• *Section 168 of the Act r/w Rule 15 and 16 of the Companies (Appointment and Qualification of Directors) Rules, 2014* • *Regulation 30 r/w Schedule III, Part A, Para A, 7B of the SEBI Listing Regulations* • *Regulation 34(3) r/w Schedule V: Para (C)(2)(j) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Shareholder's Approval (within 3 months)**
- **Exit of Independent Directors**

ATTENDANCE AT BOARD MEETINGS & AGMS

Connections to Frameworks / Legal Requirement
• *Section 92(1)(f), Section 178(7) and 165(1) r/w proviso thereof, of the Act* • *Regulation 34(3) r/w Schedule V: Para (C)(2)(b) & (c), Regulation 18(1)(d), 19(3), 20(3), 17A of the SEBI Listing Regulations* • *GRI 102-22(a-iv)*

Following questions / parameters are analysed:

- **Attendance at Board meetings**
- **Attendance at AGMs**

DIRECTOR's TIME COMMITMENTs

Connections to Frameworks / Legal Requirement
• *Section 92(1)(f), Section 178(7) and 165(1) r/w proviso thereof, of the Act* • *Regulation 34(3) r/w Schedule V: Para (C)(2)(b) & (c), Regulation 18(1)(d), 19(3), 20(3), 17A of the SEBI Listing Regulations* • *GRI 102-22(a-iv)*

Following questions / parameters are analysed:

- **Directors Time Commitments (Directorships in Listed Companies)**
- **Directors time commitments (Directorships in Public Companies)**
- **Directors time commitments (Directorships in All Companies)**

DIRECTOR's ROTATION POLICY

Connections to Frameworks / Legal Requirement
• *Section 149 & 152 of the Act.*

Following questions / parameters are analysed:

- **Non-Independent Director's (NIDs) retirement by rotation**

DISCLOSURE ON EXPERTISE MATRIX

Connections to Frameworks / Legal Requirement
• *Regulation 34(3) r/w Schedule V: Para (C)(2)(h) of the SEBI Listing Regulations*

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

Audit Committee

Connections to Frameworks / Legal Requirement
• *Section 177(2) of the Act* • *Regulation 18(1)(b), (c) & (d), 46(2)(c), 34(3) r/w Schedule V: Para (C)(3)(b) & (c), 19(1) & (2) of the SEBI Listing Regulations* • *RBI Master Direction - Reserve Bank of India ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019*

Following questions / parameters are analysed:

- **Composition of Audit Committee**
- **Audit Committee members expertise**
- **Chairperson of Audit Committee**
- **Number of Meetings conducted by Audit Committee**
- **Attendance at Audit Committee Meetings**

Nomination and Remuneration Committee

Connections to Frameworks / Legal Requirement
• *Section 177(2) of the Act* • *Regulation 19(1) & (2) of the SEBI Listing Regulations* • *RBI Notification on 'Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Other Risk Takers' dated January 13, 2012*

Following questions / parameters are analysed:

- **Composition of Nomination and Remuneration Committee**
- **Chairperson of Nomination and Remuneration Committee**
- **Numbers of Meetings conducted by NRC**
- **Attendance at Nomination and Remuneration Committee Meetings**

Risk Management Committee

Connections to Frameworks / Legal Requirement
• *Section 134(3)(n) of the Act* • *Regulation 21(2), 21(3), 21(3A), 46 (2)(c) of the SEBI Listing Regulations* • *GRI 102-29, 102-30, 102-31, 102-33 and 102-34* • *NGRBC: P6 Core Element (1)*

Following questions / parameters are analysed:

- **Disclosure on Risk Management Policy**
- **Composition of Risk Management Committee (Independence)**
- **Composition of Risk Management Committee (Directors)**
- **Disclosure on Risk (including ESG impacts) & its Mitigation**
- **Number of Meetings conducted by RMC**
- **Attendance at Risk Management Committee**

Stakeholders Relationship Committee

Connections to Frameworks / Legal Requirement
• *Section 178(5) of the Act* • *Regulation 20 (2), 20(2A), 20(3), 46(2)(c) & 34(3) r/w Schedule V: Para (C)(6)(a) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Composition of Stakeholders Relationship Committee**
- **Chairperson of Stakeholders Relationship Committee**
- **Number of meetings conducted by Stakeholders Relationship Committee**
- **Attendance at Stakeholders Relationship Committee Meetings**

CSR Committee

Connections to Frameworks / Legal Requirement
• *Section92(1)(f) and 135 of the Act and the Companies (Corporate Social Responsibility) Rules, 2014* • *Regulation 46(2)(c) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Composition of CSR Committee**
- **Chairperson of CSR Committee**
- **Numbers of Meetings conducted by CSR**
- **Attendance at CSR Committee**

RECOMMENDATIONS OF BOARD COMMITTEES

Connections to Frameworks / Legal Requirement
• *Section 177(8) of the Act* • *Regulation 34(3) r/w Schedule V: Para (C)(10)(j) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Has the Board not accepted or rejected any recommendation of any committee?**

4.3. DIRECTOR'S REMUNERATION

Assessment Factors: Remuneration comparison with respect to;

- Total Board Remuneration & Practice | Executive & Non-Executive Directors
- Promoter and Non-Promoter | Independent Directors
- Sustainability related payments | Clawback & Malus
- Board Evaluation

GENERAL REMUNERATION PRACTICE

Connections to Frameworks / Legal Requirement
• *Rule 5(1)(ii) and (viii), Rule 5 (x) Rule 6 of the Companies (Appointment and Remuneration) Rules, 2014* • *Regulation 17(e) of SEBI Listing Regulations* • *Section 92(1)(g), 92(1)(g) r/w Rule 7 of Companies (Management and Administration) Rule, 2014 r/w MGT-7, 101, 102, 134(3)(e), of the Act r/w Section 178(3), (4) and 4(b), 149 (9), 178(4)(b), 197(1) & (12) of the Act and 200 of the Act* • *Regulation 17(6) (ca), 34(3) r/w Schedule V: Para (C)(5)(b) and (c) and 46(2) (b) and (f) of the SEBI Listing Regulations* • *RBI Notification on 'Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Other Risk Takers' dated January 13, 2012* • *GRI 102-35, 102-36 and 102-37*

Following questions / parameters are analysed:

- **Skewness / Board discretion on EDs remuneration**

- Performance linked remuneration of EDs
- Directors Remuneration Policy
- Disclosures on components of directors' remuneration
- NED's & ID's Commission (Remuneration Practice)

Median Remuneration of Employees

Connections to Frameworks / Legal Requirement
• Section 197(12) of the Act r/w Rule 5(ii) and (viii) of the Companies (Appointment and Remuneration) Rules, 2014 • GRI 102-38

Following questions / parameters are analysed:

- Ratio of Median Remuneration of Employees

FAIRNESS IN REMUNERATION

Connections to Frameworks / Legal Requirement
• Section 197(12) of the Act r/w Rule 5(viii) of the Companies (Appointment and Remuneration) Rules, 2014 • Regulation 17(ca) of SEBI Listing Regulations • Regulation 17(e) of SEBI Listing Regulations

Following questions / parameters are analysed:

- Remuneration practice and disclosure on justification for director remuneration
  - Does Remuneration of all EDs have variable Component?
  - If the Company has a promoter executive director, what is the ratio between the highest paid promoter executive director to the lowest paid non-promoter executive directors' compensation?
  - If the Company has a promoter executive director, what is the ratio between the highest paid promoter executive director to the highest paid non-promoter executive director' compensation?
  - What is the ratio of percentage increase in average of Promoter Executive remuneration and percentage increase in average of non-promoter Executive directors' remuneration?
  - Do the performance-related elements of executive remuneration form a significant proportion of their total remuneration package?
  - Are 2 or more promoter EDs paid exact/ similar remuneration in last three years, irrespective of performance?
  - What is the ratio of remuneration paid to highest paid ED to lowest paid ED?
  - What is the ratio of remuneration of the highest paid NED to lowest paid ED?
  - What is the ratio of highest paid ID to lowest paid ID? (excluding sitting fees)
  - Ratio of the average remuneration paid to Promoter NED to the average remuneration paid to Non-Promoter NED?
  - What is the ratio of highest paid promoter NED commission to lowest paid commission to Non-Promoter NED?
  - What is the ratio of remuneration apart from sitting fees, to highest paid NED to lowest paid NED (excluding IDs)?

BOARD PERFORMANCE EVALUATION AND TRAINING

Connections to Frameworks / Legal Requirement
• Section 134(3)(p) of the Act • Regulation 17(10), 25(4), 34(3) r/w Schedule V: Para (C)(4) (d & g) and Para (C)(2)(g), 46(2)(i) of the SEBI Listing Regulations • GRI-102-27, 102-28(a & d), 102-28 (b & c), 103-3 • SEBI Circular dated May 10, 2018

Following questions / parameters are analysed:

- Disclosure on Annual Board Performance Evaluation

- **Disclosure regarding measures taken to develop and enhance the Board's knowledge on ESG topics**
- **Disclosure regarding any action taken by the company based on previous year's observations on the Board's evaluation**

OTHER REMUNERATION CLAUSES

Following questions / parameters are analysed:

- **ED Remuneration includes clause / criteria relating climate parameters / performance (i.e. Pay linked to Sustainability performance)**
- **ED appointment terms include 'Clawback & Malus' clause**

4.4. STATUTORY AUDITORS

Assessment Factors: Disclosure & practices on;

- Appointment of Statutory Auditor | ● Association of Audit Partner
- Exit of Auditors | ● Fees of Auditors | ● Regulatory Action on Auditors

APPOINTMENT OF AUDITORS

Connections to Frameworks / Legal Requirement
• *Section 139(2)(b) of the Act* • *Section 139(2)(b)(ii) of the Act r/w Rule 6 of the Companies (Audit and Auditors) Rules, 2014* • *Regulation 36(5) of SEBI Listing Regulations* • *Regulation 30 r/w Schedule III, Part A, Para A(7) of the SEBI Listing Regulations* • *RBI - Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) - 2021*

Following questions / parameters are analysed:

- **Audit Firm's Term**
- **Audit Firm's tenure / association**
- **Shareholder's Approval – Disclosed Basis for Appointment / Credentials**

AUDITORS RESIGNATION

Connections to Frameworks / Legal Requirement
• *Regulation 30 r/w Schedule III, Part A, Para A(7) and (7A) of the SEBI Listing Regulations* • *Section 140(2) of the Act r/w Rule 8 of the Companies (Audit and Auditors) Rules, 2014*

Following questions / parameters are analysed:

- **Auditors Resigned during a Financial Year**

AUDITORS REMUNERATION

Connections to Frameworks / Legal Requirement
• *Regulation 36(5) of SEBI Listing Regulations* • *ICAI guidelines states that Statutory Auditors should not accept assignments if fee earned from the non-audit assignments is more than the total statutory audit fee.* • *Section 144 of the Act* • *Schedule II, Part C, Para A, (2), (3) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Shareholder's Approval – Proposed Auditors fees disclosed**
- **Components of Statutory Auditors fees**

REGULATORY ACTION

Connections to Frameworks / Legal Requirement
• *Third proviso to Section 139(1) of the Act r/w Rule 4(1)(d) of the Companies (Audit and Auditors) Rules, 2014*

Following questions / parameters are analysed:

- **Regulatory Action on Statutory Auditors**

4.5. AUDIT & FINANCIAL REPORTING

Assessment Factors:

● Audit qualifications	● Related party transactions	● CARO Disclosures & Analyses
● Contingent Liabilities	● Fraud Reporting	● Other financial parameters

CARO DISCLOSURES

Connections to Frameworks / Legal Requirement
• *CARO 2020 & SCHEDULE III PARAMETERS*

Following questions / parameters are analysed:

- **Maintenance of proper records showing full particulars of Tangible and Intangible Assets**
- **No material discrepancies noticed on physical verification of Property, Plant and Equipment**
- **Title deeds of immovable properties held in the name of the Company**
- **No significant discrepancy (more than 10%) in revaluation of Tangible Assets**
- **No proceedings initiated or pending against the company under Benami Transactions Act**
- **No material discrepancies noticed on physical verification of Inventory**
- **Quarterly Statements filed with the Banks are in agreement with the books of the Company**
- **Terms and conditions of the loans & guarantees extended were not prejudicial to the Company's interest**
- **In case of loans or advances, repayment of principal and payment of interest are regular as per stipulated schedule**
- **Any loans or advances granted are overdue for more than 90 days**
- **No existing dues were renewed, extended or settled by granting fresh loans**
- **No loans granted to Promoters, Related Parties that are repayable on demand or without specifying terms**
- **No undisputed statutory dues are outstanding for more than 6 months from due date**
- **No transactions which were unrecorded in Books, recorded in tax Assessments under IT Act**
- **No default in repayment of loans or other borrowings to any lender**
- **Not been declared as a willful defaulter by any bank or financial institution or any Lender**
- **Term Loans raised are applied for the purposes for which they were obtained**
- **No funds obtained to meet the obligations of its subsidiaries, JVs or associates.**
- **No loans raised through pledge of securities held in its subsidiaries, joint ventures or associate companies**
- **Equity raised or monies borrowed were applied for the purpose for which they were obtained**
- **No fraud has been noticed or reported during the year**
- **The Auditor has taken into consideration the whistle-blower complaints received by the Company**
- **All RPTs are compliant with section 177 and section 188 of the Companies Act, 2013**
- **Internal Audit systems are commensurate with the size and nature of business**
- **No non-cash transactions with its directors or persons connected with its directors**
- **The Company has not incurred Cash losses**
- **No material uncertainty regarding capability of meeting liabilities existing at the date of balance sheet**
- **No Qualifications or adverse remark by Auditors of other Companies, if any included in Consolidated financials**
- **No material transactions with struck off companies**
- **Financial ratios as required under schedule III disclosed**

✸ INTERNAL FINANCIAL CONTROLS

Connections to Frameworks / Legal Requirement
• *Section 134(5) (c) and (e) of the Act* • *Section 143(3)(i) of the Act r/w Rule 10A of the Companies (Audit and Auditors) Rules, 2014* • *Regulation 17 (8) SEBI Listing Regulations r/w Schedule II, Part B, Para C and Para D of the SEBI Listing Regulations* • *Regulation 34(3) r/w Schedule V: Annual Report (B)(1)(f) of the SEBI Listing Regulations* • *Regulation 18(3) r/w Schedule II, Part C, Para A (11), (12) and (15) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Observation / Weakness in company's Internal Controls**
- **RegTech / Systems solution**

✸ TAX DISPUTES

Connections to Frameworks / Legal Requirement
• *Section 92(1)(h), 129 r/w Schedule III of the Act, 143(3)(f) and (j) and 143 (4) of the Act r/w Rule 11(a) of the Companies (Audit and Auditors) Rules, 2014,* • *Regulation 30 r/w Schedule III, Part A, Para B (8) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Tax disputes (in Contingent Liabilities)**
- **Tax disputes in contingent liabilities as % of Net Worth**
- **Penalties**

✸ CASH POSITION OF THE COMPANY

Connections to Frameworks / Legal Requirement
• *Section 129 r/w Schedule III, 134(3)(j) of the Act* • *Regulation 33(3)(g), 34(2)(c) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Cash as % of total assets**
- **Company's Cash Ratio** *[Cash & Bank Balance / Current Liabilities]*
- **Discussion on cash balances in the Annual Report**

✸ RESTATEMENT OF FINANCIALS / QUALIFICATIONS IN STATUTORY AUDITORS REPORT

Connections to Frameworks / Legal Requirement
• *Section 134(3)(f)(i), 143(3)(f) and (h), 143(4), 145, third proviso to 131(1) r/w 134 of the Act* • *Regulation 33(1)(e) r/w Regulation 33(3)(d) r/w Schedule IV, Part A, (BA), (BB) and (C), 46(2)(q) r/w Regulation 47(1)(b) of the SEBI Listing Regulations* • *GRI 102-48*

Following questions / parameters are analysed:

- **Qualifications in Statutory Auditors Report**
- **Restatement of financial statements**
- **Management response/ discussion on qualifications/observations by Statutory Auditors**

✸ QUALIFICATIONS IN SECRETARIAL AUDITORS REPORT

Connections to Frameworks / Legal Requirement
• *Section 134(3)(f)(ii) of the Act*

✸ RELATED PARTY TRANSACTIONS

Connections to Frameworks / Legal Requirement
• *Regulation 23, 34(3) r/w Schedule V: Annual Report (C)(10(a) and (f), 46(2)(g) and (s) of the SEBI Listing Regulations*

- *BRSR – Q9 (Open-ness of business) of Essential Indicator of Principle 1 -*
- *SEBI Circular: Disclosure obligations of listed entities in relation to Related Party Transactions*
- *Section 129 r/w Schedule III, 134(3)(h), Section 188 and Section 136(1) of the Act r/w Rule 15(3) of Companies (Meetings of the Board) Rules, 2014*
- *GRI 102-25 (b-iv), 102-45*
- *Clause 3(xiii) of the Companies Auditor Report Order (CARO) Rules, 2016*

Following questions / parameters are analysed:

- **RPT Policy**
- **RPTs were at Arm's length & in Ordinary course of business**
- **In case of Omnibus approval, whether such approval / transactions reviewed by Audit Committee?**
- **In case of Omnibus approval, whether such approval / transactions reviewed externally?**
- **Shareholder's Approval for Material RPTs - Omnibus Transactions obtained for 1 year only**
- **Shareholder's Approval for Material RPTs - Justification provided for entering into material RPTs**
- **Shareholder's Approval for Material RPTs - Adequate disclosure on pricing was provided**
- **Shareholder's Approval for Material RPTs - Concerned raised in SES PA Reports**
- **RPT with Board / CEO / MD**
- **Royalty Payments**
- **Is the increase in royalty over the last five years higher than increase in PBT?**
- **% Voting Against on Resolutions - Related Party Transactions**
- **Share of RPTs in Total Purchases**
- **Share of RPTs in Total Sales**
- **Share of RPTs in Total Loans & Advances**
- **Share of RPTs in Investments (except for PSUs)**

DISCLOSURE OF MAJOR TRANSACTIONS, OFF-BALANCE SHEET ACTIVITIES AND OTHER MATERIAL EVENTS

Connections to Frameworks / Legal Requirement

- *Section 129 r/w Schedule III and 134 of the Act*

Following questions / parameters are analysed:

- **Contingent liabilities disclosure**
- **Total contingent liabilities as compared to Net Worth**
- **Discussion in Board Reports**

KEY FINANCIAL RATIOS

Connections to Frameworks / Legal Requirement

- *Regulation 34(3) r/w Schedule V: Annual Report (B)(1)(i) of the SEBI Listing Regulations*

4.6. 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
- Regulatory Actions relating to Capital Markets

PERIODIC INTERACTIONS

Connections to Frameworks / Legal Requirement

- *Regulation 30 r/w Schedule III, Part A, Para A (15) of the SEBI Listing Regulations*
- *Regulation 46(2)(o) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Earnings Calls / Investor Calls**

- **Transcript or minutes of earning calls**

QUATERLY COMMUNICATION FROM MANAGEMENT

Connections to Frameworks / Legal Requirement
• *Regulation 27(1) r/w Schedule II Part E, 33(3)(a), 30 r/w Schedule III, Part A, Para A(15), 46(2)(o) of the SEBI Listing Regulations* • *SEBI Circular dated May 10, 2018 for implementation of certain recommendations of the Kotak Committee Report*

Following questions / parameters are analysed:

- **Financial results disclosure**
- **Presentation or press release**

REGULATORY ACTIONS

Connections to Frameworks / Legal Requirement
• *Section 92(1)(h) of the Act* • *Regulation 30 r/w Schedule III, Part A, Para B(8) of the SEBI Listing Regulations* • *Regulation 34(3) r/w Schedule V: Annual Report (C)(10)(b) of the SEBI Listing Regulations*

Following questions / parameters are analysed:

- **Regulatory Actions taken by the Regulatory Authority such as SEBI, RBI, MCA etc**

SHAREHOLDERS ENGAGEMENT

Connections to Frameworks / Legal Requirement
• *Regulation 23(4), 33(1)(e) r/w Schedule IV Part A: (J), 34(3) r/w Schedule V: Annual Report (C)(6)(d) and (e), 34(3) r/w Schedule V(C)(6)(c), 43A and 44(3) of the SEBI Listing Regulations* • *Section 114 and 188 of the Act*

Following questions / parameters are analysed:

- **Objective Dividend Distribution Policy ("DDP")**
- **Reported shareholders complaints**
- **Pending shareholders complaints**
- **Voting on Shareholders Resolutions**

SHARE PLEDGING BY PROMOTERS

Connections to Frameworks / Legal Requirement
• *Regulation 31 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011* • *Regulation 31 of the SEBI Listing Regulations* • *SEBI Circular dated August 7, 2019 on disclosure for reasons for encumbrance by promoters of listed entities.*

Following questions / parameters are analysed:

- **% Voting Leverage**
- **Pledge reason(s)**

STAKEHOLDERS IDENTIFICATIONS AND ENGAGEMENT

Connections to Frameworks / Legal Requirement
• *BRSR – Q1, Q2 of Essential Indicators of Principle 4*

- **Whether the Company has described the processes for identifying key stakeholder groups of the entity?**
- **Whether disclosed list stakeholder groups identified as key for the entity?**
- **Whether disclosed the frequency of engagement with each stakeholder group?**
- **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics?**

- **Whether provided details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups?**

4.7. ETHICS, BRIBERY & OTHER GOVERNANCE FACTORS

Assessment Factors: Disclosures & practices on;

● Code of Conduct	|	● Insider Trading
● Whistle Blower / Vigil Mechanism	|	● Ethics, Anti-Bribery or Anti-Corruption practices
● Conflict of Interest	|	● ESOPs / Issues of Securities

CODE OF CONDUCT FOR BOARD, SENIOR MANAGEMENT AND EMPLOYEES

Connections to Frameworks / Legal Requirement

- *Regulation 46(2)(d) of the SEBI Listing Regulations*
- *Regulation 26(3) of the SEBI Listing Regulations*
- *Schedule V: Annual Report, Part D of the SEBI Listing Regulations*
- *GRI 102-16*
- *303A.10 Code of Business Conduct and Ethics, NYSE Listing Manual*

Following questions / parameters are analysed:

- **Code of conduct for Board of Directors & KMPs**
- **Code of conduct for employees**

WHISTLE BLOWER / VIGIL MECHANISM

Connections to Frameworks / Legal Requirement

- *Regulation 22(2), 34(3) r/w Schedule V: Annual Report (C)(10)(c), 46 (2)(e) of the SEBI Listing Regulations*
- *Section 177(9) and (10) of the Act r/w Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014*
- *GRI 102-17*

Following questions / parameters are analysed:

- **Details of establishment of vigil or Whistle Blower Mechanism and Whistle Blower Policy**
- **Access to Audit Committee Chairperson**
- **Affirmation of access to the Audit Committee**
- **Disclosure of Whistle Blower complaints**
- **Whistle Blower complaints reported**

INSIDER TRADING

Connections to Frameworks / Legal Requirement

- *Chapter IV- Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015*

Following questions / parameters are analysed:

- **Insider Trading Policy / Code of Conduct**
- **Default with Insider Trading Regulations**
- **Conviction / penalty relating to insider trading**

ISSUE OF SECURITIES

Connections to Frameworks / Legal Requirement

- *SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018*
- *Chapter III and IV of the Act*

Following questions / parameters are analysed:

- **Issues of Securities by way of Preferential Issues, QIP, Rights Issue, FPO, etc.**
- **Issue of Securities to employee under employee benefit scheme**

ETHICS, BRIBERY AND CORRUPTION

Connections to Frameworks / Legal Requirement
• *BRSR – Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.* • *GRI 102-16, 102-17, 102-44, 103-2(c-i), GRI 103-1 and GRI-205*

Following questions / parameters are analysed:

- **Has the company disclosed its policy for ethics, bribery and corruption?**
- **Does the ethics, bribery and corruption policy covers the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**
- **Has the Company disclosed the number of complaints received regarding bribery and corruption?**
- **Trend in complaints received regarding bribery and corruption**
- **Does the company provide periodic communications and trainings to its directors and employees regarding company's anti-corruption policies and procedures?**
- **Details of fines / penalties /punishment/ award/ compounding fees/ settlement with respect to Ethical, Transparent and Accountable**

CONFLICT OF INTEREST

Connections to Frameworks / Legal Requirement
• *BRSR – Q6 & Q7 of Essential Indicators of Principle 1* • *BRSR – Q2 of Leadership Indicators of Principle 1*

Following questions / parameters are analysed:

- **Has the company disclosed details of complaints with regard to conflict of interest of the Directors?**

ANNEXURE II – LIST OF 200 COMPANIES - SAMPLE

SR. NO.	NAME OF THE COMPANY	INDUSTRY	MARKET CAP. (31st Mar, 2023)
1	Maruti Suzuki India Ltd.	Automobile and Auto Components	2,50,489
2	Mahindra & Mahindra Ltd.	Automobile and Auto Components	1,44,088
3	Tata Motors Ltd.	Automobile and Auto Components	1,39,762
4	Bajaj Auto Ltd.	Automobile and Auto Components	1,09,922
5	Eicher Motors Ltd.	Automobile and Auto Components	80,646
6	Bosch Ltd.	Automobile and Auto Components	57,129
7	TVS Motor Company Ltd.	Automobile and Auto Components	51,176
8	Tube Investments of India Ltd.	Automobile and Auto Components	49,180
9	Hero MotoCorp Ltd.	Automobile and Auto Components	46,909
10	Samvardhana Motherson International Ltd.	Automobile and Auto Components	45,470
11	Schaeffler India Ltd.	Automobile and Auto Components	44,821
12	Balkrishna Industries Ltd.	Automobile and Auto Components	37,725
13	MRF Ltd.	Automobile and Auto Components	35,646
14	UNO Minda Ltd.	Automobile and Auto Components	27,554
15	Sona BLW Precision Forgings Ltd.	Automobile and Auto Components	24,206
16	Siemens Ltd.	Capital Goods	1,18,487
17	Hindustan Aeronautics Ltd.	Capital Goods	91,325
18	ABB India Ltd.	Capital Goods	71,310
19	Bharat Electronics Ltd.	Capital Goods	71,307
20	CG Power and Industrial Solutions Ltd.	Capital Goods	45,822
21	Cummins India Ltd.	Capital Goods	45,173
22	Polycab India Ltd.	Capital Goods	43,131
23	Ashok Leyland Ltd.	Capital Goods	40,871
24	Astral Ltd.	Capital Goods	35,913
25	Bharat Forge Ltd.	Capital Goods	35,871
26	APL Apollo Tubes Ltd.	Capital Goods	33,428
27	Honeywell Automation India Ltd.	Capital Goods	32,170
28	Supreme Industries Ltd.	Capital Goods	31,929
29	AIA Engineering Ltd.	Capital Goods	27,382
30	Thermax Ltd.	Capital Goods	27,319
31	Escorts Kubota Ltd.	Capital Goods	24,951
32	Bharat Heavy Electricals Ltd.	Capital Goods	24,392
33	Pidilite Industries Ltd.	Chemicals	1,19,606
34	SRF Ltd.	Chemicals	71,493
35	UPL Ltd.	Chemicals	53,867
36	PI Industries Ltd.	Chemicals	45,974
37	Linde India Ltd.	Chemicals	34,368
38	Solar Industries India Ltd.	Chemicals	34,318
39	Gujarat Fluorochemicals Ltd.	Chemicals	33,177
40	Coromandel International Ltd.	Chemicals	25,851
41	Deepak Nitrite Ltd.	Chemicals	25,132
42	Tata Chemicals Ltd.	Chemicals	24,774
43	Sumitomo Chemical India Limited	Chemicals	21,269
44	Larsen & Toubro Ltd.	Construction	3,04,165
45	UltraTech Cement Ltd.	Construction Materials	2,20,038
46	Grasim Industries Ltd.	Construction Materials	1,07,502
47	Shree Cement Ltd.	Construction Materials	94,484
48	Ambuja Cements Ltd.	Construction Materials	72,585
49	Dalmia Bharat Ltd.	Construction Materials	36,901
50	ACC Ltd.	Construction Materials	31,308
51	J.K. Cement Ltd.	Construction Materials	22,591
52	Asian Paints Ltd.	Consumer Durables	2,64,897

53	Titan Company Ltd.	Consumer Durables	2,23,269
54	Havells India Ltd.	Consumer Durables	74,461
55	Berger Paints India Ltd.	Consumer Durables	56,508
56	Voltas Ltd.	Consumer Durables	27,075
57	Metro Brands Ltd.	Consumer Durables	21,593
58	Avenue Supermarts Ltd.	Consumer Services	2,20,311
59	Trent Ltd.	Consumer Services	48,878
60	Info Edge (India) Ltd.	Consumer Services	48,102
61	Indian Hotels Co. Ltd.	Consumer Services	46,071
62	Indian Railway Catering And Tourism Corporation Ltd.	Consumer Services	45,824
63	Zomato Ltd.	Consumer Services	43,623
64	FSN E-Commerce Ventures Ltd.	Consumer Services	35,432
65	Jubilant Foodworks Ltd.	Consumer Services	29,040
66	Vedant Fashions Ltd.	Consumer Services	27,656
67	3M India Ltd.	Diversified	25,869
68	Hindustan Unilever Ltd.	Fast Moving Consumer Goods	6,01,578
69	ITC Ltd.	Fast Moving Consumer Goods	4,76,322
70	Nestle India Ltd.	Fast Moving Consumer Goods	1,89,982
71	Britannia Industries Ltd.	Fast Moving Consumer Goods	1,04,107
72	Godrej Consumer Products Ltd.	Fast Moving Consumer Goods	99,012
73	Dabur India Ltd.	Fast Moving Consumer Goods	96,543
74	Varun Beverages Ltd.	Fast Moving Consumer Goods	90,094
75	Tata Consumer Products Ltd.	Fast Moving Consumer Goods	65,853
76	Marico Ltd.	Fast Moving Consumer Goods	62,041
77	United Spirits Ltd.	Fast Moving Consumer Goods	55,010
78	Adani Wilmar Ltd.	Fast Moving Consumer Goods	52,747
79	Procter & Gamble Hygiene & Health Care Ltd.	Fast Moving Consumer Goods	43,301
80	Colgate Palmolive (India) Ltd.	Fast Moving Consumer Goods	40,998
81	United Breweries Ltd.	Fast Moving Consumer Goods	37,663
82	Patanjali Foods Ltd.	Fast Moving Consumer Goods	35,085
83	HDFC Bank Ltd.	Financial Services (Bank)	8,98,088
84	ICICI Bank Ltd.	Financial Services (Bank)	6,12,483
85	State Bank of India	Financial Services (Bank)	4,67,427
86	Kotak Mahindra Bank Ltd.	Financial Services (Bank)	3,44,231
87	Axis Bank Ltd.	Financial Services (Bank)	2,64,121
88	Bank of Baroda	Financial Services (Bank)	87,318
89	IndusInd Bank Ltd.	Financial Services (Bank)	82,858
90	Canara Bank	Financial Services (Bank)	51,603
91	Punjab National Bank	Financial Services (Bank)	51,311
92	IDBI Bank Ltd.	Financial Services (Bank)	48,386
93	Union Bank of India	Financial Services (Bank)	45,485
94	Yes Bank Ltd.	Financial Services (Bank)	43,276
95	Indian Overseas Bank	Financial Services (Bank)	42,436
96	AU Small Finance Bank Ltd.	Financial Services (Bank)	38,614
97	Indian Bank	Financial Services (Bank)	35,937
98	IDFC First Bank Ltd.	Financial Services (Bank)	34,350
99	Bandhan Bank Ltd.	Financial Services (Bank)	31,532
100	Bank of India	Financial Services (Bank)	30,633
101	UCO Bank	Financial Services (Bank)	29,053
102	Federal Bank Ltd.	Financial Services (Bank)	28,010
103	Life Insurance Corporation of India	Financial Services (Insurance)	3,37,976
104	SBI Life Insurance Company Ltd.	Financial Services (Insurance)	1,10,207
105	HDFC Life Insurance Company Ltd.	Financial Services (Insurance)	1,07,296
106	ICICI Prudential Life Insurance Company Ltd.	Financial Services (Insurance)	62,679
107	ICICI Lombard General Insurance Company Ltd.	Financial Services (Insurance)	52,526
108	Star Health and Allied Insurance Company Ltd.	Financial Services (Insurance)	30,148

109	General Insurance Corporation of India	Financial Services (Insurance)	23,448
110	Bajaj Finance Ltd.	Financial Services (Non-Bank/Insurance)	3,40,054
111	SBI Cards and Payment Services Ltd.	Financial Services (Non-Bank/Insurance)	70,028
112	Bajaj Holdings & Investment Ltd.	Financial Services (Non-Bank/Insurance)	65,887
113	Cholamandalam Investment and Finance Company Ltd.	Financial Services (Non-Bank/Insurance)	62,581
114	Shriram Finance Ltd.	Financial Services (Non-Bank/Insurance)	47,155
115	One 97 Communications Ltd.	Financial Services (Non-Bank/Insurance)	40,360
116	Power Finance Corporation Ltd.	Financial Services (Non-Bank/Insurance)	40,063
117	Muthoot Finance Ltd.	Financial Services (Non-Bank/Insurance)	39,340
118	HDFC Asset Management Company Ltd.	Financial Services (Non-Bank/Insurance)	36,450
119	Indian Railway Finance Corporation Ltd.	Financial Services (Non-Bank/Insurance)	34,762
120	REC Ltd.	Financial Services (Non-Bank/Insurance)	30,401
121	PB Fintech Ltd.	Financial Services (Non-Bank/Insurance)	28,758
122	Mahindra & Mahindra Financial Services Ltd.	Financial Services (Non-Bank/Insurance)	28,621
123	Sundaram Finance Ltd.	Financial Services (Non-Bank/Insurance)	25,548
124	Poonawalla Fincorp Ltd.	Financial Services (Non-Bank/Insurance)	22,462
125	Bajaj Finserv Ltd.	Financial Services (& Insurance through Subsidiary(ies))	2,01,730
126	Aditya Birla Capital Ltd.	Financial Services (& Insurance through Subsidiary(ies))	37,128
127	Max Financial Services Ltd.	Financial Services (& Insurance through Subsidiary(ies))	21,915
128	Sun Pharmaceutical Industries Ltd.	Healthcare	2,35,879
129	Dr. Reddy's Laboratories Ltd.	Healthcare	76,981
130	Divi's Laboratories Ltd.	Healthcare	74,951
131	Cipla Ltd.	Healthcare	72,683
132	Apollo Hospitals Enterprise Ltd.	Healthcare	61,984
133	Torrent Pharmaceuticals Ltd.	Healthcare	52,024
134	Zydus Lifesciences Ltd.	Healthcare	49,755
135	Abbott India Ltd.	Healthcare	46,888
136	Max Healthcare Institute Ltd.	Healthcare	42,825
137	Alkem Laboratories Ltd.	Healthcare	40,605
138	Aurobindo Pharma Ltd.	Healthcare	30,357
139	Lupin Ltd.	Healthcare	29,501
140	Biocon Ltd.	Healthcare	24,774
141	Syngene International Ltd.	Healthcare	23,865
142	Glaxosmithkline Pharmaceuticals Ltd.	Healthcare	22,442
143	Tata Consultancy Services Ltd.	Information Technology	11,73,055
144	Infosys Ltd.	Information Technology	5,92,394
145	HCL Technologies Ltd.	Information Technology	2,94,501
146	Wipro Ltd.	Information Technology	2,00,446

147	LTIMindtree Ltd.	Information Technology	1,40,799
148	Tech Mahindra Ltd.	Information Technology	1,07,336
149	Tata Elxsi Ltd.	Information Technology	37,111
150	L&T Technology Services Ltd.	Information Technology	35,678
151	Persistent Systems Ltd.	Information Technology	35,228
152	MphasiS Ltd.	Information Technology	33,832
153	Oracle Financial Services Software Ltd.	Information Technology	28,197
154	KPIT Technologies Ltd.	Information Technology	25,361
155	Coforge Ltd.	Information Technology	23,295
156	Adani Enterprises Ltd.	Metals & Mining	1,99,551
157	JSW Steel Ltd.	Metals & Mining	1,66,329
158	Tata Steel Ltd.	Metals & Mining	1,27,715
159	Hindustan Zinc Ltd.	Metals & Mining	1,23,950
160	Vedanta Ltd.	Metals & Mining	1,02,019
161	Hindalco Industries Ltd.	Metals & Mining	91,090
162	Jindal Steel & Power Ltd.	Metals & Mining	55,717
163	Steel Authority of India Ltd.	Metals & Mining	34,159
164	NMDC Ltd.	Metals & Mining	32,691
165	Reliance Industries Ltd.	Oil Gas & Consumable Fuels	15,77,069
166	Oil & Natural Gas Corporation Ltd.	Oil Gas & Consumable Fuels	1,90,025
167	Coal India Ltd.	Oil Gas & Consumable Fuels	1,31,667
168	Indian Oil Corporation Ltd.	Oil Gas & Consumable Fuels	1,10,004
169	Adani Total Gas Ltd.	Oil Gas & Consumable Fuels	95,436
170	Bharat Petroleum Corporation Ltd.	Oil Gas & Consumable Fuels	74,687
171	GAIL (India) Ltd.	Oil Gas & Consumable Fuels	69,137
172	Petronet LNG Ltd.	Oil Gas & Consumable Fuels	34,328
173	Hindustan Petroleum Corporation Ltd.	Oil Gas & Consumable Fuels	33,591
174	Gujarat Gas Ltd.	Oil Gas & Consumable Fuels	31,638
175	Indraprastha Gas Ltd.	Oil Gas & Consumable Fuels	30,009
176	Oil India Ltd.	Oil Gas & Consumable Fuels	27,289
177	NTPC Ltd.	Power	1,69,789
178	Power Grid Corporation of India Ltd.	Power	1,57,436
179	Adani Green Energy Ltd.	Power	1,39,577
180	Adani Energy Solutions Ltd.	Power	1,10,774
181	Adani Power Ltd.	Power	73,899
182	Tata Power Co. Ltd.	Power	60,791
183	NHPC Ltd.	Power	40,381
184	JSW Energy Ltd.	Power	39,612
185	Torrent Power Ltd.	Power	24,531
186	DLF Ltd.	Realty	88,294
187	Macrotech Developers Ltd.	Realty	44,821
188	Oberoi Realty Ltd.	Realty	30,637
189	Godrej Properties Ltd.	Realty	28,665
190	Phoenix Mills Ltd.	Realty	23,236
191	Adani Ports and Special Economic Zone Ltd.	Services	1,36,499
192	InterGlobe Aviation Ltd.	Services	73,665
193	Container Corporation of India Ltd.	Services	35,354
194	GMR Airports Infrastructure Ltd.	Services	24,476
195	Delhivery Ltd.	Services	24,168
196	Bharti Airtel Ltd.	Telecommunication	4,17,578
197	Indus Towers Ltd.	Telecommunication	38,538
198	Tata Communications Ltd.	Telecommunication	35,497
199	Vodafone Idea Ltd.	Telecommunication	28,234
200	Page Industries Ltd.	Textiles	42,277