

CIRCULAR

SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42

March 28, 2025

To,

All listed entities

All the recognized Stock Exchanges

Dear Sir/Madam,

Sub: Measures to facilitate ease of doing business with respect to framework for assurance or assessment, ESG disclosures for value chain, and introduction of voluntary disclosure on green credits.

1. Based on the recommendations of the Expert Committee for Facilitating Ease of Doing Business and pursuant to public consultation, the Board, on December 18, 2024, decided to revise various provisions regarding ESG disclosures for value chain, provide an option to undertake 'assessment' or 'assurance' for BRSR Core and ESG disclosures for value chain, and introduce disclosure on green credits.
2. Accordingly, the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") in this regard, have been amended vide Gazette ID CG-MH-E-28032025-262027 dated March 28, 2025.
3. Further, the following partial modifications are being carried out in the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 captioned, "Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities", dated November 11, 2024:

Green Credits

- 3.1. In Principle 6 of BRSR, provided under Annexure 16 of the aforementioned master circular, an additional leadership indicator (i.e. an eighth leadership indicator) shall be included seeking disclosures on green credits in the following format -

"8. How many Green Credits have been generated or procured:

- a. By the listed entity*
- b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners"*

3.2. **Applicability:** The provisions under this Section shall be applicable for BRSR disclosures for FY 2024-25 and onwards.

Assessment or Assurance

3.3. In order to facilitate ease of doing business, decrease cost and effort for listed entities and their value chain partners for verifications of sustainability reporting, as well as make the process profession agnostic, the following is mandated, and accordingly the relevant provisions on BRSR Core and ESG disclosures for value chain, as prescribed in Section IV-B of Chapter IV of the aforementioned master circular, stand revised as under.

3.4. Para 2.1 of the aforementioned master circular shall read as:

“The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) / metrics under 9 ESG attributes. Keeping in view the relevance to the Indian /Emerging market context, few new KPIs have been identified for assessment or assurance such as job creation in small towns, open-ness of business, gross wages paid to women etc. Further, for better global comparability intensity ratios based on revenue adjusted for Purchasing Power Parity (PPP) have been included. The format of BRSR Core for assessment or assurance is placed at Annexure 17A. Further, it is specified that “assessment” refers to third-party assessment undertaken as per the standards developed by the Industry Standards Forum (ISF) in consultation with SEBI.”

3.5. Further, Para 2.2 of the aforementioned master circular shall read as:

“In order to facilitate the verification process, the BRSR Core specifies the data and approach for reporting and assessment or assurance. It is clarified that the approach specified is only a base methodology. Any changes or industry specific adjustments / estimations shall be disclosed.”

3.6. Further, Para 2.4.2 of the aforementioned master circular shall read as:

“Listed entities shall mandatorily undertake assessment or assurance of the BRSR Core, as per the glide path specified in the following table:”

Financial Year	Applicability of BRSR Core to top listed entities (by market capitalization)
2023 – 24	Top 150 listed entities
2024 – 25	Top 250 listed entities
2025 – 26	Top 500 listed entities
2026 – 27	Top 1000 listed entities

3.7. Further, Para 4, 4.1 and 4.2 of the aforementioned master circular shall read as:

“4. Assessment or Assurance Provider

4.1 The Board of the listed entity shall ensure that the assessment or assurance provider of the BRSR Core has the necessary expertise, for undertaking assessment or assurance.

4.2 The listed entity shall ensure that there is no conflict of interest with the assessment or assurance provider appointed for assessing or assuring the BRSR Core. For instance, it shall be ensured that the assessment or assurance provider or any of its associates do not sell its products or provide any non-audit / non-assessment / non-assurance related service including consulting services, to the listed entity or its group entities.”

3.8. In Annexure 16 of the aforementioned master circular, under Section A, Part I, Points 14 and 15 shall read as:

“14. Name of assessment or assurance provider

15. Type of assessment of assurance obtained.”

3.9. In Annexure 17A of the aforementioned master circular, i.e. “Format of BRSR Core” –

3.9.1. the column “Data & Assurance Approach” shall be read as:

“Data & Assessment or Assurance Approach”.

3.9.2. in Sr. No. 4, under the parameter - “Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations”, the note in the column “Data & assessment or assurance approach” shall read as:

“Disclosure may be provided if certificates from vendors have been relied upon for assessment or assurance of KPIs on waste management”.

ESG Disclosures for Value Chain

3.10. In order to facilitate ease of doing business, provide additional time to listed entities and their value chain partners for setting up measurement and reporting systems and avoid unintended impact on small businesses in terms of cost and compliance requirements, it has been decided to defer the disclosure and assessment or assurance with respect to value chain by one year and to revise the threshold for values chain partners.

3.11. Para 3.1 of the aforementioned master circular shall read as:

“Disclosures for value chain shall be made by the listed company as per BRSR Core, as part of its Annual Report. For this purpose, value chain shall encompass the top upstream and downstream partners of a listed

entity, individually comprising 2% or more of the listed entity's purchases and sales (by value) respectively. However, the listed entity may limit disclosure of value chain to cover 75% of its purchases and sales (by value) respectively.”

3.12. Para 3.4.1 of the aforementioned master circular shall read as:

“ESG disclosures for the value chain shall be applicable to the top 250 listed entities (by market capitalization), on a voluntary basis from FY 2025-26.”

3.13. Para 3.4.2 of the aforementioned master circular shall read as -

“The assessment or assurance of the above shall be applicable on a voluntary basis from FY 2026-27.”

3.14. After para 3.4.2, a new para 3.5 and 3.6 as under shall be inserted:

“3.5 For the first year of reporting ESG disclosures for value chain, reporting of previous year numbers shall be voluntary. To illustrate, for value chain disclosures of FY 2025-26, reporting of previous year data (i.e., data for FY 2024-25) shall be voluntary.”

“3.6 If a listed entity provides ESG disclosures for value chain, then it shall disclose the percentage of total sales and purchases covered by the value chain partners, respectively, for which ESG disclosure are provided.”

4. The provisions of circular shall be applicable from the date of issuance of this circular, except otherwise mentioned specifically.
5. The Stock Exchanges are advised to bring the contents of this circular to the notice of their listed entities and ensure its compliance.
6. This circular is issued in exercise of the powers conferred under Section 11(1) and 11A of the Securities and Exchange Board of India Act, 1992 read with Regulation 101 of LODR Regulations.
7. This circular is available on SEBI website at www.sebi.gov.in under the category: ‘Legal → Circulars’.

Yours faithfully,

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