

Name of the person/entity proposing comments		Indian Association of Investment Professionals (CFA Society India)		
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Category (Listed Entity / MII / Market Intermediary / Professional / Investor / Academician / General Public etc.)		Association of Investment Professionals		
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Sr. No.	Proposal	Confirmity to Proposal	Comments	Rationale
1	<p>Para 1.3.1 of expert committee report (ECR) - Redefine Value chain</p> <p>7.1.1. To redefine value chain partners as follows: "Value chain shall encompass the upstream and downstream partners of a listed entity, individually comprising 2% or more of the listed entity's purchases / sales (by value) respectively."</p>	Agree	<p>We appreciate SEBI's proposal as this would bring a big relief for companies. The easing of value chain reporting norms will give more time to corporates to work with their value chain partners to meet the norms.</p> <p>The move is a positive step to strike a balance between promoting business sustainability reporting and easing the compliance burden on business by making the process less burdensome while maintaining transparency and accountability.</p> <p>However, we would like to highlight that sustainability/climate change varies from company to company. For example, for auto industries, GHG emission or energy consumption is the highest in the downstream, not upstream. It is better if companies can explain why they choose certain value chain partners and how it is material to the company.</p> <p>We suggest introducing sector specific KPIs to help companies disclose meaningful information with regard to their sustainability initiatives. If the entity includes emissions information provided by entities within its value chain in its calculation of Scope 3 greenhouse gas emissions, it must explain the source of GHG emission.</p>	<p>The change in the definition of value chain partners reduces the possible number of upstream/downstream value chain partners, enabling additional ease of doing business while still assuring a comprehensive coverage of key value chain partner</p> <p>As per analysis done by CFA Institute on BRSR data covering 300 companies (70% of Market capitalization) , only 25% of companies have been able to do value chain assessment of environmental impacts.</p> <p>Companies had raised concerns over the stringent norms for the value chain, which will trickle down to thousands of ancillary companies and third parties.</p>
2	<p>Alternative to Para 1.3.1 of ECR - Redefine Value chain</p> <p>To redefine value chain partners as follows: "Value chain shall encompass the upstream and downstream partners of a listed entity, individually comprising 2% or more of the listed entity's purchases or sales (by value) respectively, and cumulatively comprising at least 75% of the listed entity's purchases or sales (by value), respectively." [Refer para 7.1.2 of Consultation Paper]</p>	Agree	<p>We support the alternative proposal as this follows the materiality principle. The corporates will have additional ease of doing business while still ensuring coverage of key value chain partners.</p>	<p>We believe that as the ESG reporting norms are evolving, so giving some flexibility to corporates initially is appreciated.</p>
3	<p>Para 1.3.2 of ECR - Previous Year Numbers</p> <p>For the first year of reporting ESG disclosures for value chain, i.e. FY 2024-25, it may be clarified that reporting previous year numbers shall be voluntary.</p>	Agree	<p>This is a positive move because as per our understanding many corporates were struggling with collecting data from value chain partners.</p>	

4	<p>Para 1.3.3 of ECR - Voluntary in place of "comply or explain"</p> <p>"Voluntary" disclosures approach in place of "comply or explain" approach for ESG disclosures for value chain and assurance thereof.</p>	Agree	<p>This is a positive move because as per our understanding many corporates were struggling with collecting data from value chain partners.</p> <p>However, we would suggest that SEBI proposes a glide path with timelines from "voluntary" to "comply and explain", as that would be essential for companies to be ready in future.</p>	
5	<p>Additional Proposal - Disclosure of Percentage of Sales/purchase covered by value chain partners</p> <p>The listed entity shall disclose the percentage of total sales and purchases covered by the value chain (VC) partners for which ESG disclosure are provided. [Refer para 7.1.5 of Consultation Paper]</p>		No comments	
6	<p>Para 2.3 of ECR - Disclosure of Green credits</p> <p>Addition of a leadership indicator under Principle 6 of BRSR, seeking disclosure on how many green credits have been generated (i) by the company, (ii) by the value chain partners.</p>	Agree	We support the SEBI proposal for introducing Green Credits. Though, this is an additional requirement, but it is only in leadership indicators.	The voluntary nature of the disclosures reduces the impact of this addition.
7	<p>Para 3.2.1 and 3.2.2 of ECR - Substitution of "assurance" with "assessment"</p> <p>With regards to BRSR, the term "assurance" shall be substituted with "assessment" in LODR Regulations and SEBI circulars on BRSR.</p>	Agree	<p>We appreciate SEBI's effort to ease the challenges being faced by corporates. As per market experts, companies were struggling and finding it costly to obtain assurance.</p> <p>However, we would request that SEBI should clarify the definition of "assessment" i.e. the process of assessment, who can do the assessment etc. Also, we would suggest that SEBI should provide a glide path to corporates from "assessment" to "assurance". We believe the timelines should be clearly in place to help corporates continue to push towards better reporting norms.</p> <p>As per analysis done by CFA Institute on BRSR data covering 300 companies (70% of Market capitalization) , 1/3rd of the companies already has energy and emission data externally assured, so reversing the rule may not be the only solution. SEBI can suggest the type of companies or segment of market which needs to have assurance mandatorily.</p>	We believe that as the ESG reporting norms are evolving, so giving some flexibility to corporates initially is appreciated.
8	<p>Alternative to Para 3.2.1 and 3.2.2 of ECR - Substitution of "assurance" with "assessment"</p> <p>With regards to BRSR, the term "assurance" shall be substituted with "assessment or assurance". [Refer para 7.3.3.1 of Consultation Paper]</p>	Agree	Same as above	

9	<p>Para 3.2.3 of ECR - Applicability of "assessment"</p> <p>Applicability: Disclosures for FY2023-24: Either to undertake "assessment" or "reasonable assurance" of BRSR Core. Disclosures for FY2024-25 and onwards: "Assurance" to be substituted with "Assessment".</p>	Agree	Same as above	
10	<p>Alternative to Para 3.2.3 of ECR - Applicability of "assessment"</p> <p>The proposed alternative (of undertaking either assessment or assurance) shall come into effect from disclosures for FY2023-24. [Refer para 7.3.3.2 of Consultation Paper]</p>		No comments	