SUSTAINABILITY

REPORT

The Current State of BRSR in Corporate India 2.0

Improving Sustainability Disclosures, Better Data Consistency, and Enhanced Reporting Quality

EXECUTIVE SUMMARY

Effectively incorporating sustainability into financial decisions—including those involving investment processes and the resulting capital allocation decisions—is one of the most significant challenges for global capital markets and industry today. Although sustainability data has now entered mainstream discourse, the debate continues around how to integrate it into financial reports and how to identify which approaches are most effective for including it in investment decisions across different industries, sectors, and markets. Integrating sustainability in a meaningful and measurable way presents both a challenge and an opportunity for investment analysts and portfolio managers, regardless of asset class or geography.

Investment decision makers base their decisions on objective data analysis. Hence, company disclosures on sustainability parameters play an important role in this process. In accordance with Securities and Exchange Board of India (SEBI) directives, FY2022–23 marked the inaugural full reporting year for mandatory Business Responsibility and Sustainability Reporting (BRSR) by the top 1,000 companies in India by market capitalization. As the regulator, SEBI has mandated BRSR disclosures, and the companies are required to report them as a part of their respective annual reports. For more details on the evolution of BRSR, please refer to Appendix A.

BRSR encompasses disclosures aligned with nine principles of the National Guidelines on Responsible Business Conduct (NGRBCs). These principles cover such key areas as gender participation, emissions, water use, energy footprint, and employee well-being. In this second edition of our analysis of BRSR disclosures, the data indicate that despite some challenges, corporate India has made notable progress in ESG (environmental, social, and governance) reporting, both qualitatively and quantitatively.

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Engagement with Stakeholders

Respect for diverse stakeholder perspectives forms the foundation for sustainable progress in any arena, and BRSR is no different. In this context, in addition to BRSR data analysis, we have conducted detailed individual interviews and roundtables with multiple stakeholders, such as asset management companies, investors, corporations, rating agencies, and ESG data providers. The underlying theme for all stakeholders is how to improve the data and reporting quality to make the BRSR more useful in investment decision-making.

Enhancements and Decision Usefulness

In many cases, we observe that it is in the interest of almost all stakeholders to have standardization of reporting units, no frequent change in reporting boundaries without a robust rationale, and consistent calculation methodologies. There is also demand for additional data in some areas: For example, carbon and climate-transition data are seen as increasingly important for investment decision makers. Sector-specific reporting is important to avoid box-ticking, where companies give generic or "not applicable" responses that do not reflect their actual impact. For instance, metrics such as R&D or capital expenditure (capex) on environmental and social impact may not be relevant for financial institutions in the same way as for manufacturing companies. Similarly, product recall metrics are more common in Healthcare but broadly relate to consumer safety, which may look different in sectors like Energy or Utilities. Adapting metrics to each sector helps ensure that disclosures are relevant and useful for decision-making.

The utility of BRSR varies according to individual preferences. For many investors, BRSR is primarily a risk management tool; it has not yet reached the level of a decisive alpha-generating input. At the same time, other investors use BRSR to identify ESG leaders and laggards within sectors by assessing and tracking companies' climate risk exposure, transition preparedness, and carbon exposure.

Sector Features and BRSR Data Characteristics

Although BRSR is organized around nine principles, along with General Disclosures, our analysis focused on quantitative and clearly defined qualitative data for comparison to avoid descriptive, text-based responses. As a result, this report does not cover all the principles. We observed that higher employee churn persists in the Financials, Information Technology (IT), Consumer Discretionary, and Communication Services sectors, while the Energy, Utilities, and Materials sectors maintained lower attrition levels. In addition, capex investments in clean technologies are rising steadily, and sustainable sourcing procedures are being adopted widely.

Energy consumption is also part of the BRSR framework. For our sample, overall energy reporting has expanded, with a rapid increase in the number of companies disclosing renewable energy consumption. This increase is most notable in the Financials, Consumer Discretionary, and Industrials sectors. Energy intensity (energy consumption per unit of revenue [megajoules per INR]) rose over the three-year period we studied, driven mainly by the Utilities and Materials sectors, whose energy-heavy operations and growing activity levels typically cause higher consumption per rupee of revenue. In contrast, the Financials, Healthcare, Industrials, and Real Estate sectors showed declining energy intensity, reflecting the lighter energy footprint of service and project-based businesses.

For emissions, reporting coverage remained very high for Scope 1 and Scope 2 emissions, and it is increasing. Emission intensity patterns broadly mirror emissions: Heavy-emitting sectors maintain the highest intensity levels, while Financials, IT, Healthcare, Consumer Staples, and Real Estate show declines aligned with their lower operational footprints. For Scope 3 emissions and intensity, reporting coverage is expanding, with significant volatility across sectors. We also observed that value chain environmental assessments continue to expand, and an increasing number of companies are disclosing their sourcing from micro, small, and medium enterprises (MSMEs), although sector dependence varies significantly.

Opportunities and Impact

Opportunities for further improvement and more utility as a decision useful input for the sustainability disclosures continue to emerge. For example, building a robust talent pool pipeline with relevant sustainability expertise will be helpful for the ecosystem and will require support from various stakeholders. This will also be significantly helpful for some of the smaller enterprises, because capacity and resource-related constraints are even bigger for them. Thus, access to a larger talent pool would help firms reduce both the internal and external costs associated with data collection and reporting.

Additionally, stakeholders, under the guidance of SEBI, need to collectively explore and conduct a careful review of the areas where monitoring BRSR data

is not adding significant value and where dropping it will not have a significant undesirable impact. Similarly, they need to identify areas where it will be helpful to add more data requirements, such as the need for more forward-looking climate disclosures.

For decision makers at all levels, integrating sustainability data with financial metrics is a strategic necessity for judicious capital allocation, robust risk pricing, and enhanced operational efficiency. A significant majority of institutional investors now use sustainability information in their decision-making. In this context, we believe that this report will foster a more informed discussion on sustainability issues in India.

Objective Sought for Sustainability Disclosures

We recommend reporting enhancements for companies to improve the comparability and analysis of BRSR data. One key area for enhancement is increased granularity of data, which is often helpful but should not be at the expense of mandatory data specified by the BRSR format. The information must be reported consistently. In addition, the units of measurement should be specified clearly and unambiguously to prevent confusion and ensure accurate data reporting. It will also be helpful if the companies are reporting complete data within the BRSR format itself, which will facilitate efficient data capture for stakeholders. Ensuring consistency in reporting will significantly enhance its usefulness for making decisions.

Consistent and accurate sustainability disclosures are critical to support investment decision-making and efficient capital allocation. Increased transparency through enhanced disclosures also underpins market integrity. With this report and analysis, we hope to contribute to and support evidence-based policymaking and future disclosure enhancements.

Who Should Read This Report?

This report provides an overview of sustainability disclosures and their evolution in the listed market segment of corporate India. The findings are relevant for the following stakeholders:

- **Regulators and policymakers.** Regulators and policymakers who are shaping the future of sustainability disclosures in India will gain evidence-based insights into how the BRSR framework is being implemented across sectors. The report highlights areas of progress as well as key challenges, such as standardization, comparability, and assurance quality. The findings can support informed policy calibration, help identify gaps in the current framework, and guide the evolution of BRSR to ensure it remains decision useful, globally aligned, and proportionate across companies of different sizes and sectors.
- **Institutional investors and rating agencies.** Institutional investors, asset managers, and rating agencies will also find this report valuable as it

evaluates the usability of BRSR data in investment decision-making and risk assessment. The analysis sheds light on how sustainability disclosures are currently used primarily as a risk management tool and where improvements are needed to enhance the role of these disclosures in capital allocation, valuation, and ESG integration. It also highlights issues around data consistency, sector comparability, and forward-looking climate disclosures, which are critical for strengthening analytical frameworks and improving investment outcomes.

- **Corporates and reporting entities.** Companies will gain insight into how reporting practices have evolved over the past few years. We hope this report will also encourage a continued shift from purely compliance-driven reporting to greater maturity and consistency in sustainability disclosures.
- **Media, academia, public policy influencers, and retail investors.** We expect this report to contribute meaningfully to the broader discourse on sustainability disclosures in India and to stimulate informed policy and market discussions. We also anticipate it will help spread awareness among retail investors about sustainability issues and how to incorporate them into individuals' financial decisions.

METHODOLOGY

We have analyzed sustainability disclosures (BRSR data) from the annual reports of 300 listed companies in India across three financial years: FY2022–23, FY2023–24, and FY2024–25. We designed our sample selection methodology for these 300 companies in order to provide broad and meaningful market representation in terms of market cap coverage as well as sector representation. We selected the parameters for this study based on the following three primary criteria:

- **Coverage of major areas.** We focused our analysis on disclosures from all three core areas of sustainability: environmental, social, and governance.
- **Focus on quantitative and binary parameters.** Our research concentrated on quantitative parameters, clearly defined qualitative data, and those with binary (i.e., yes/no) responses. It did not incorporate descriptive, text-based responses.
- **Measurability for time series development.** We focused on parameters that enable the measurement of progress or deterioration in tangible terms.

During the six months prior to writing this report, we also conducted detailed individual interviews with multiple industry stakeholders and organized joint events, such as roundtables, to understand their perspectives. Although it may seem that stakeholder views often conflict, the underlying theme among those we spoke with is how to improve the data and reporting quality to make the BRSR more useful in decision-making.

For more details on the research methodology, please refer to Appendix B.

RECOMMENDATIONS

We have divided our recommendations into three key categories for the following: (1) the format of BRSR disclosures, (2) the companies subject to BRSR disclosures, and (3) other constituents of the sustainability ecosystem, including investors, policymakers, ESG rating providers, and capital providers.

For BRSR Format

1. **Clarify leadership and governance classification to prevent distortion of governance outcomes.** As BRSR disclosures are increasingly used for governance and diversity analysis, ambiguity in the classification of senior management, key managerial personnel (KMP), and leadership roles offers a potential area for improvement. Often, there is wide variation in how companies define their leadership, including mapping of roles across the board of directors, KMP, and senior management categories. Clearer classification guidance would significantly strengthen the reliability, comparability, and analytical usefulness of disclosures.
2. **Introduce sector-sensitive interpretation of select BRSR indicators.** Analysis of BRSR disclosures, in addition to stakeholders' inputs, reveals that several BRSR indicators are sector dependent. For example, product recalls are concentrated primarily in the Healthcare and Consumer Discretionary sectors, whereas data breach incidents are more common in IT and other sectors that deal with large customer databases. R&D and capex metrics are inherently more relevant for manufacturing and product-based companies. Sector-sensitive guidance would improve within-sector comparability and better align assessment with underlying business models and risk profiles.
3. **Strengthen robustness of assurance practices under BRSR.** Globally, CFA Institute advocates for strong investor protection and ensuring that corporate financial and sustainability reporting and disclosures, as well as the related independent audits and assurance provided to investors, are reliable and of high quality. It is always helpful when companies provide investors and other stakeholders with clear information about assurance obtained over their sustainability disclosures, because the reliability and interpretability of data are important factors for decision usefulness. As external assurance of selected BRSR metrics expands among the reporting entities in India, status on assurance and clearer articulation of scope and meaning are increasingly important.

For Companies

1. **Consistency in reporting boundaries across reporting periods.** Changes in reporting boundaries across years, such as shifts between standalone and consolidated reporting and changes in operational facilities/plants coverage without solid rationale or adequate explanation, continue to limit the comparability of sustainability data over time. These changes include

variations in the scope, which can complicate trend analysis even when underlying operations remain largely unchanged. Maintaining consistency in reporting scope across periods is essential for enabling meaningful assessment of environmental and social performance.

2. **Explanation for material environmental changes and methodological shifts.** Large year-on-year movements in parameters such as energy consumption, emissions, intensity metrics, or calculation methodologies are frequently reported without adequate explanation. Providing concise qualitative context would strengthen data credibility for stakeholders while allowing companies to explain performance dynamics that cannot be fully captured through numbers alone. Such narrative disclosures are increasingly important for investors seeking to understand the factors contributing to changes, as well as how reported trends align with companies' operational and strategic sustainability efforts.
3. **Accuracy and transparency in sustainability-linked and intensity calculations.** Sustainability-linked disclosures and intensity metrics are affected by inconsistent calculation practices, including unclear denominators and percentages reported without corresponding absolute values. In several cases, companies reference financial statement figures (such as revenue, R&D, or capex) without clearly disclosing the underlying inputs used. Presenting these base values alongside reported indicators would improve transparency, enhance comparability, and allow stakeholders to better assess how key metrics are derived.

For Other Constituents of the Sustainability Ecosystem

Other constituents include investors, policymakers, ESG rating providers, and capital providers. Our recommendations for this group are as follows.

1. **Strong need to focus on capacity building.** Although larger companies have more resources to invest in BRSR data collection and reporting, smaller companies typically lack the same capacity. Hence, it is important to train more people across organizations, and targeted capacity-building is required. Building a sufficient talent pool for different areas in sustainability will be helpful for the entire ecosystem.
2. **Careful evaluation of data usefulness.** The stakeholders need to collectively review the areas where data may not add significant value in terms of financial materiality and where its decision usefulness for investors and asset managers is limited. Similarly, there could be areas where it will help to add more data requirements, such as the need for more forward-looking climate disclosures. As the risks associated with climate issues and emissions are gaining prominence for many sectors, including banking and insurance, the need for more credible data becomes crucial.

3. **Better linkage for sustainability data with financials.** For decision makers across different levels of seniority, integrating sustainability data with financial metrics is a strategic necessity for judicious capital allocation, robust risk pricing, and enhanced operational efficiency. This linkage is also important for increasing investor confidence in local institutions and issuers. A significant majority of institutional investors now use sustainability information in some form. For companies, it will be helpful if they can demonstrate not only that their ESG data are robust but also how the data are linked to their financial statements.

KEY FINDINGS

As previously mentioned, BRSR is organized around nine principles, along with the General Disclosures. Given our focus on quantitative parameters and clearly defined qualitative data, our analysis does not cover all the principles. All data points and related analysis are based on information provided in the sampled companies' annual reports.

General Disclosures: Reporting Boundary and Workforce Dynamics

1. Standalone reporting of sustainability information remains dominant in India.
    - Across three years of data analyzed (FY2022–23 to FY2024–25), companies continue to overwhelmingly use standalone reporting.
    - 77.0% → 76.33% → 76.25% of companies disclosed on a standalone basis for FY2022–23, FY2023–24, and FY2024–25, respectively.
    - Communication Services companies maintained 100% standalone reporting across all years.
    - Companies in Real Estate (70% consolidated) and Utilities (60%–67% consolidated) consistently reported on a consolidated basis as opposed to a standalone basis.
    - At a global level, increasing emphasis is on improving alignment between financial statements and sustainability disclosures. In this context, companies that present consolidated financial statements in their annual reports may consider reporting BRSR data on a consolidated basis as well. Doing so will help bridge the gap on financial materiality and will also make BRSR data much more useful for investors and stakeholders in terms of its decision usefulness.
2. Employee turnover remains steady, while worker turnover is gradually rising.
    - Employee turnover stayed broadly stable (20.8% → 19.5% → 21.2% for FY2022–23, FY2023–24, and FY2024–25, respectively). Higher-than-average churn persisted in the Financials, IT, Consumer

Discretionary, and Communication Services sectors, while the Energy, Utilities, and Materials sectors maintained lower-than-average attrition levels.

- Worker turnover has risen gradually (7.6% → 8.0% → 8.6% for FY2022–23, FY2023–24, and FY2024–25, respectively). Turnover remained lower than average across capital-intensive sectors (e.g., Energy, Utilities, and Materials), and Real Estate reported minimal worker exits because most labor is outsourced, resulting in limited available worker-level data.

Principle 2: Sustainable and Safe Goods and Services

1. R&D investments: Reporting improved, but the share of companies reporting zero R&D investment rose.
   - The percentage of companies in our sample that do not report information on R&D investment declined from 41% in FY2022–23 to 34% in FY2024–25, indicating improved disclosure.
   - Only 10%–11% of companies allocated 100% of their R&D investment to technologies focused on environmental and social impact across FY2022–23, FY2023–24, and FY2024–25.
   - Although the percentage of companies not reporting declined, the share of companies reporting zero R&D investment rose. In our view, this dynamic indicates that improved reporting does not always equal improved investment in a particular area.
   - Low applicability: For the Financials sector, many companies reported that this data point is "not applicable" to them.
2. Capex investments in environmental and social technologies rose steadily.
   - The share of companies not reporting capex investment in environmental and social technologies declined from 33% in FY2022–23 to 27% in FY2024–25, indicating improved disclosure.
   - Capex activity in technologies focused on environmental and social impacts is more broad-based than those focused on R&D, with more than 50% of companies reporting at least some capex investment by FY2024–25.
   - A full (100%) environmental and social-oriented capex remained consistently low, with only 3%–4% of companies in our sample allocating all capex to technologies focused on environmental and social impacts across the three-year period.
3. Sustainable sourcing procedures were widely adopted.
   - The proportion of companies reporting procedures for sustainable sourcing stood at 77% in FY2022–23 and FY2023–24, increasing to 79% in FY2024–25.

Principle 6: Protect and Restore the Environment

1. Energy reporting expanded; renewable energy reporting grew faster.
   - The number of companies in our sample disclosing renewable energy consumption data rose steadily over the three-year period—from 224 in FY2022–23, to 242 in FY2023–24, to 252 in FY2024–25.
   - The number of companies disclosing non-renewable energy consumption data use rose gradually over the three-year period—from 284 in FY2022–23, to 286 in FY2023–24, to 290 in FY2024–25.
   - The strongest growth in renewable energy disclosures came from the Financials, Consumer Discretionary, and Industrials sectors.
2. Energy intensity rose during the three-year period.
   - Energy intensity (energy consumption in megajoules [MJ] per INR of revenue) increased from 0.0634 → 0.0672 → 0.0697 for FY2022–23, FY2023–24, and FY2024–25, respectively. This increase was driven mainly by the Utilities and Materials sectors, where energy-heavy operations and growing activity levels may cause higher consumption per rupee of revenue. In contrast, Financials, Healthcare, Industrials, and Real Estate show declines, reflecting the lighter energy footprint of service and project-based businesses.
3. Scope 1 and Scope 2 emissions and intensity showed high reporting coverage, with rises concentrated in structurally high-emitting sectors.
   - Reporting coverage remained very high (266 → 280 → 283 companies for FY2022–23, FY2023–24, and FY2024–25, respectively), and emissions rose mainly across structurally high-emitting sectors such as Utilities, Energy, Materials, Industrials, and Communication Services.
   - Emission-intensity patterns broadly mirrored those of emissions: Heavy-emitting sectors maintained the highest intensity levels, while Financials, IT, Healthcare, Consumer Staples, and Real Estate showed declines aligned with their lower operational footprints.
4. Scope 3 emissions and intensity showed expanding coverage with significant volatility across sectors.
   - Reporting of Scope 3 emissions expanded significantly (114 → 142 → 153 companies for FY2022–23, FY2023–24, and FY2024–25, respectively). Emissions rose mainly in sectors with deeper value-chain exposure such as Materials and Utilities, where upstream activities (e.g., raw materials, processing, logistics) contribute significantly to overall Scope 3 levels.
   - Intensity rose in the Materials and Utilities sectors, reflecting their greater upstream dependence, while Consumer Discretionary, Communication Services, Healthcare, and IT showed moderating intensity consistent with their comparatively lighter value chain footprints and lower indirect emissions.

Principle 8: Inclusive Growth and Equitable Development

1. Value-chain environmental assessments continued to expand.
   - The number of companies reporting value chain assessments rose from 74 → 106 → 121 for FY2022–23, FY2023–24, and FY2024–25, respectively.
   - The Consumer Discretionary sector consistently reported the highest assessment counts, indicating sustained focus on supplier-level environmental impacts.
2. Procurement from MSMEs was widely disclosed, but sector dependence varied.
   - The number of companies reporting the share of procurement from MSMEs remained broad and stable (248 → 267 → 267 companies for FY2022–23, FY2023–24, and FY2024–25, respectively).
   - Consumer Discretionary and Materials have 40+ reporting companies with average MSME sourcing of 20%–22% and 13%–14%, respectively, across the three-year period. Energy, despite the sector consisting of only seven to eight reporting companies, showed the highest sourcing share (39.7% → 37.7% → 61.1% for FY2022–23, FY2023–24, and FY2024–25, respectively).

Principle 9: Providing Value to Consumers Responsibly

1. Voluntary product recalls remained limited and sector specific.
   - Incidents of product recalls remained low (14 → 13 → 15 companies for FY2022–23, FY2023–24, and FY2024–25, respectively), with Healthcare contributing the most but declining over time.
   - Consumer Discretionary showed a gradual rise in product recalls, and most other sectors reported none.
2. Forced recalls remained rare across the sample.
   - Forced recalls (5 → 6 → 6 companies for FY2022–23, FY2023–24, and FY2024–25, respectively) were concentrated mainly in the Healthcare sector, with isolated one-off cases in Industrials, Consumer Discretionary, Utilities, and staples.
3. Data breaches increased in FY2024–25, although breaches involving customer personally identifiable information (PII) remained limited.
   - Breaches rose (13 → 13 → 19 for FY2022–23, FY2023–24, and FY2024–25, respectively) and were driven by increases in the Consumer

Discretionary and IT sectors, while breaches in the Healthcare sector fluctuated year by year.

- Breaches involving customer PII remained low across all sectors over the years.

For more details on these findings and insights from BRSR data, please refer to Appendix C.

Important Takeaways from Stakeholder Interactions

1. Standardization of units, reporting boundaries, and calculation methodologies are the biggest reform levers.
2. Carbon and climate-transition data will dominate the next phase of BRSR evolution as this information becomes increasingly important for decision makers.
3. Assurance alone is insufficient without methodological clarity. There is also a need for more credible assurance providers.
4. Investor engagement, rather than regulation alone, will drive reporting quality. Asset managers look for directional progress and consistency.
5. Sector-specific and proportionate reporting is important to avoid box-ticking for stakeholders. The relevance of sector-specific parameters cannot be overstated.

As part of our assessment of the BRSR and sustainability landscape in India, we conducted stakeholder engagements, including interviews and roundtables, with participants across different segments. Based on what we learned from these engagements, we considered the following key stakeholder groups:

- asset management companies and investors,
- companies (issuers),
- rating agencies and ESG data providers, and
- other stakeholders, including proxy advisers and service providers.

The takeaways presented next draw on these interactions as well as our data analysis.

Asset Management Companies and Investors

1. **BRSR is primarily a risk management tool.** It is not a decisive alpha-generating input in most cases. Nonetheless, it significantly helps investors identify ESG leaders and laggards within sectors by assessing and tracking their climate risk exposure, transition preparedness, and carbon exposure.
2. **Carbon and climate data are becoming central.** As the physical and transition risks associated with climate data and emissions are gaining prominence, asset managers want to see greater focus on transition plans and disclosure of corporate transition pathways. In many sectors—such as Utilities and Financials—transition plans and disclosures will be particularly useful.
3. **Data reliability expectations are pragmatic.** Although data quality is always a priority and remains imperfect, the current state is broadly satisfactory for investors and asset managers. Investors always look for directional consistency and progress in data quality rather than absolute precision.
4. **ESG data disclosures must be able to be integrated with financial analysis.** ESG disclosures are most useful when they are clearly linked to financial performance and capital allocation decisions. For instance, aligning decarbonization pathways with capex plans and financial impact would make ESG data more relevant for investment analysis.

Companies (Issuers)

1. **BRSR maturity is improving, but internal integration remains externally driven.** BRSR has evolved into a more mature and usable framework: Corporates indicate that early "growing pains" have largely been resolved through experience and learning, and reporting standards have also improved. At the same time, internal awareness within companies of ESG is increasing. This awareness, however, remains largely driven by external demand rather than intrinsic strategic integration, highlighting the need for stronger push by senior management.
2. **Some BRSR sections lack sufficient guidance.** For many companies, this challenge is serious as it leads to generic boilerplate disclosures with limited analytical value. More support, including regulatory guidance with examples, especially for smaller companies, will help in further improving disclosures.
3. **Assurance quality is a growing concern.** Large assurance firms often avoid BRSR because of conflicts with consulting work, while smaller assurance providers raise credibility concerns that undermine confidence in reported data.
4. **Strengthening BRSR through greater clarity, proportionality, and guidance.** Although the overall corporate view holds that BRSR is directionally sound, there is a growing sense that clarity, proportionality, and better guidance are needed to avoid compliance fatigue and superficial reporting.

Rating Agencies and ESG Data Providers

1. **BRSR has significantly improved data availability.** Over the last three reporting cycles, both the extent of data availability and quality have improved significantly. The local framework aligns well with global frameworks, but comparability across reporting companies remains a challenge in some cases. It will be helpful if companies report data that have better comparability.
2. **Standardization gaps are the biggest pain point.** There are issues related to units of measurement, reporting boundaries, consolidated versus standalone reporting, and intensity metrics reported by companies. Framework fatigue is setting in, as frequent changes in BRSR make it challenging for rating agencies to reliably use BRSR data in their rating models.
3. **Assurance has not yet translated into reliability gains.** Although there could be strong reasons behind this, the shift from reasonable to limited assurance has diluted confidence. For observers, methodological assurance (how data are calculated) is as important as data-level assurance.
4. **It is a good beginning, but more work is needed in several areas.** BRSR overall offers a strong foundation, but without standardization, sector specificity, and stable frameworks, its analytical value remains constrained. More progress in these areas will make BRSR more useful for decision-making.

Other Stakeholders, Including Proxy Advisers and Service Providers

1. **Indian listed companies are making progress on sustainability disclosures.** In general, stakeholders agree that BRSR has helped in offering a structured sustainability disclosures framework to both reporting companies and those who use this information. Our findings indicate that the scope of data and extent of corporate coverage are satisfactory.
2. **Data overload and limited forward-looking disclosures constrain usability.** Stakeholders note that the breadth of BRSR indicators can lead to data overload, limiting analytical efficiency. In parallel, forward-looking climate disclosures remain underdeveloped, with gaps in transition planning, interim targets, and strategic alignment, as well as the need to evaluate improvements across core and consolidated BRSR reporting.
3. **MSME inclusion is critical.** Larger companies have larger teams and more resources, which can be useful in enhancing quality of data collection, quality checks, and how to interpret the information collected. Smaller companies lack this capacity and resources, however, so targeted capacity-building is required.
4. **Better understanding of investor perspectives.** There is a need to further understand the perspective of both international and domestic investors and collect possible inputs on how they view sustainability disclosures in India, in the context of BRSR's role in supporting capital inflows to India.

CONCLUSION

Around the world, several jurisdictions have implemented sustainability reporting in some form, and serious attempts are being made by the regulators and policymakers to make such disclosures more financially value relevant for investment decision-making. Regulatory support from the International Sustainability Standards Board (ISSB) has played an important role in advancing the decision usefulness of the reported information for investors.

The IFRS Sustainability Symposium, convened in October 2025, brought together participants from 45 jurisdictions with a focus on implementing the ISSB standards. At the event, a significant expansion of the Jurisdictional Adopters Working Group (formerly called the Jurisdictional Working Group) was announced, and regulators discussed how ISSB standards could serve as a common global passport across capital markets. The introduction of passporting provisions—which will allow jurisdictions to reciprocally accept reports prepared in accordance with the ISSB Standards—may help with unlocking efficiencies and comparable information.[1]

Globally, however, much work remains to be done. The sustainability disclosures ecosystem and reporting entities are in the early stages of developing and adopting the ISSB standards, even among those parties that are interested and intend to do so. Despite the pursuit of interoperability of sustainability disclosures standards between those developed by the ISSB and those developed by the European Financial Reporting Advisory Group—the European Sustainability Reporting Standards—significant fragmentation persists. Interoperability as a goal remains elusive, making a focus on financial value-relevant information challenging in European jurisdictions. Globally, we observe that the ISSB standards are being adopted with different variations across jurisdictions. Nonetheless, we must also consider that the development of international sustainability disclosure standards that focus on financially material information for investors is in a nascent stage. The reporting frameworks, adoption, and acceptance among stakeholders are still evolving.

In India, the sustainability reporting ecosystem has made significant progress over the last five years, with the regulator, SEBI, leading from the front. In 2021, when SEBI replaced the erstwhile "Business Responsibility Report" with the BRSR, a clear roadmap for progress emerged because the regulator also made it mandatory for the top 1,000 listed companies (by market capitalization) to report their sustainability information in the prescribed format. In this BRSR reporting template, the Indian listed companies are making substantial and consistent progress in disclosing useful information on important parameters.

[1] For more details on the passporting initiative, see IFRS, "Initiative to Facilitate the Role of ISSB Standards as a Global Passport Announced at IFRS Sustainability Symposium" (30 October 2025). www.ifrs.org/news-and-events/news/2025/10/initiative-facilitate-role-issb-standards-as-global-passport/.

There are two key requirements for the decision usefulness of any data reported by hundreds of companies across sectors: standardization and comparability. With respect to both these benchmarks, BRSR has made progress, but certainly more needs to be done. We recommend reporting enhancements for companies to improve comparability and analysis of BRSR data. For example, increased granularity of data is often helpful, and the units of measurement should be specified clearly. With its analysis and insights, we believe this report on BRSR will be useful for stakeholders and make a meaningful contribution for development and growth of the sustainability ecosystem in India.

APPENDIX A. EVOLUTION OF BRSR IN INDIA

The journey toward BRSR began in the late 1980s, when the Ministry of Corporate Affairs (MCA) mandated disclosure in corporate annual reports regarding conservation of energy, technology absorption, and foreign exchange.[2] This mandate was followed by the introduction of the Indian Wildlife (Protection) Act, Water Act, Air Act, and Environment (Protection) Act by the Ministry of Environment and Forests (MoEF) including subsequent updates in the regulation, further emphasizing environmental protection and sustainability.[3]

In 2003, SEBI's Clause 49 of the Listing Agreement incorporated recommendations from its Committee on Corporate Governance as well as public feedback. The clause contained mandatory guidelines aimed at aligning these recommendations and feedback with global standards.[4] Also in 2003, the Charter on Corporate Responsibility for Environmental Protection (CREP) set targets on conservation of water and energy, and the removal of toxic pollutants in an environmentally friendly manner, demonstrating the government's commitment to promote sustainable business practices.[5]

The evolution of ESG/sustainability reporting in India took a significant step forward in 2011, when the MCA issued National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business (NVGs). The following year, SEBI mandated the top 100 listed companies by market capitalization to include the Business Responsibility Report (BRR) as part of their annual reports.[6] The BRR required companies to disclose their performance on nine principles derived from the NVGs. This requirement was later extended to 500 companies in 2015 and 1,000 companies in 2019.[7,8]

[2] MCA, "Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988" https://dmt-prd.s3.amazonaws.com/static/act1956_rules/Companies%20%28Disclosure%20of%20Particulars%20in%20the%20Report%20of%20Board%20of%20Directors%29%20Rules%2C%201988.pdf.

[3] See "National Voluntary Guidelines: Creating a Conducive Policy Environment for Responsible Business and Responsible Investment in India" (2012). www.aspirecircle.org/wp-content/uploads/2020/05/National-Voluntary-Guidelines-Genesis-Document.pdf.

[4] SEBI, "Corporate Governance in Listed Companies: Clause 49 of the Listing Agreement" (26 August 2003). www.sebi.gov.in/legal/circulars/aug-2003/corporate-governance-in-listed-companies-clause-49-of-the-listing-agreement_15948.html.

[5] Central Pollution Control Board, "Action Points Under CREP for Tannery Sector" (12 August 2019). www.cpcb.nic.in/crep.

[6] SEBI, "Circular: Business Responsibility Reports" (13 August 2012). www.sebi.gov.in/sebi_data/attachdocs/1344915990072.pdf.

[7] SEBI, "Circular: Format for Business Responsibility Report (BRR)" (4 November 2015). www.sebi.gov.in/legal/circulars/nov-2015/format-for-business-responsibility-report-brr-_30954.html.

[8] SEBI, "Extension of Applicability of Business Responsibility Reporting (BRRs) to Top 1000 Listed Entities from Present Requirement to 500 Listed Entities, Based on Market Capitalization" (December 2019). www.sebi.gov.in/sebi_data/meetingfiles/dec-2019/1576469077048_1.pdf.

The year 2019 marked a significant milestone in the evolution of responsible business conduct in India. The MCA released the NGRBCs, updating and expanding upon the earlier NVGs.[9,10] In 2020, MCA constituted a Committee on Business Responsibility Reporting to review the existing BRR framework and recommend changes to enhance its effectiveness and alignment with global reporting standards.[11]

Approximately two years later, in May 2021, SEBI introduced the BRSR as a robust and comprehensive reporting framework, replacing the BRR. The BRSR requires companies to report on their performance against nine principles, like the BRR, but with more granular and quantitative disclosures.[12] In 2023, SEBI further strengthened the BRSR framework by introducing the BRSR Core, a subset of the BRSR consisting of key performance indicators (KPIs) under nine ESG attributes. Additionally, SEBI has introduced ESG disclosures for the value chain, requiring listed entities to report KPIs in the BRSR Core for their top upstream and downstream partners. This will be applicable to the top 250 listed entities on a comply-or-explain basis from FY2024–25, with limited assurance from FY2026.[13]

Exhibit A1 shows the evolution of BRSR in India from 1989 through 2023.
Exhibit A2 shows the timeline of BRSR in India from 2011 through 2023.

[9] MCA, "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" (2011). www.csr.gov.in/content/csr/global/master/home/aboutcsr/history.html.

[10] MCA and Indian Institute of Corporate Affairs, "National Guidelines for Responsible Business Conduct" (2019). https://iica.nic.in/sob_ngrb.aspx#:~:text=Annexure%203%20of%20the%202019,and%20processes%20to%20integrate%20the.

[11] MCA, "Report of the Committee on Business Responsibility Reporting" (8 May 2020). https://iica.nic.in/images/Committee-Report-on-Business-Responsibility-Reporting_MCA.pdf.

[12] SEBI, "Business Responsibility and Sustainability Reporting by Listed Entities" (10 May 2021). www.sebi.gov.in/legal/circulars/may-2021/business-responsibility-and-sustainability-reporting-by-listed-entities_50096.html.

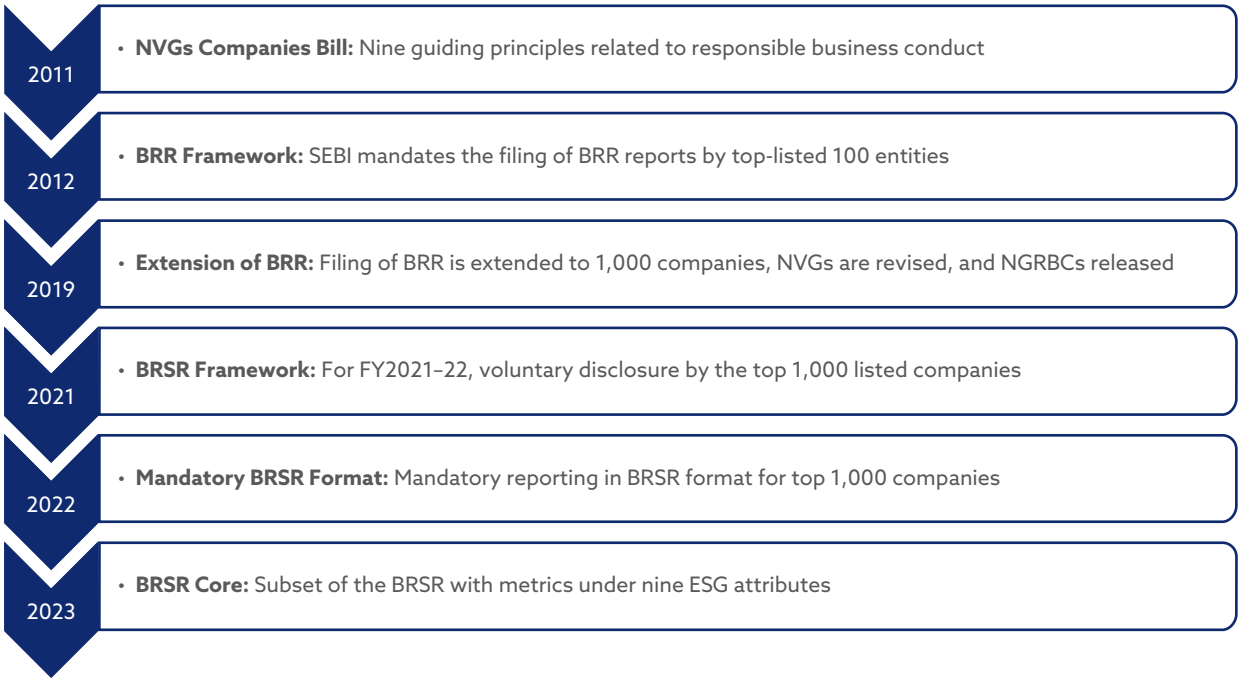
[13] SEBI, "Circular: BRSR Core: Framework for Assurance and ESG Disclosures for Value Chain" (12 July 2023). www.sebi.gov.in/legal/circulars/jul-2023/brsr-core-framework-for-assurance-and-esg-disclosures-for-value-chain_73854.html.

Aspire Circle Fellowship, "National Voluntary Guidelines: Creating a Conducive Policy Environment for Responsible Business and Responsible Investment." https://aspirecircle.org.

Exhibit A1. Evolution of Business Responsibility and Sustainability Reporting in India, 1989–2023

Date	Policy	Institution	Details
1989	Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988	MCA	Mandatory disclosure in the annual report on a) conservation of energy, b) technology absorption, and c) foreign exchange
1994/2006	EIA (Environmental Impact Assessments)	MoEF	Specific disclosure requirements for developers seeking environment clearance; disclosure requirements extended to seven additional sectors in 2006
2000	Clause 49 of the Listing Agreement	SEBI	Incorporates the recommendations of SEBI's Committee on Corporate Governance and public feedback into a set of mandatory guidelines that help entities to align with global standards
2003	Charter on Corporate Responsibility for Environmental Protection (CREP)	MoEF, Central Pollution Control Board (CPCB)	Sets targets on conservation of water, energy, and removal of toxic pollutants, to be conducted in an environment-friendly manner
2010	Guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises (CPSEs)	Department of Public Enterprises	Specifies how much CPSEs should invest in their CSR programs
2011	National Voluntary Guidelines	MCA	Nine principles to guide businesses related to responsibility
2011	Companies Bill, 2011	MCA	Aimed to modernize and consolidate corporate laws in India, enhancing corporate governance, transparency, and investor protection
2012	BRR Framework Released	SEBI	SEBI mandates the filing of BRR reports by top-listed 100 entities
2015	Extension of BRR	SEBI	Extension of BRR to 500 companies
2019	Extension of BRR and Revision of NVGs to NGRBCs	SEBI, MCA	Further extension of BRR to 1,000 companies; alignment with Sustainable Development Goals (SDGs) and United Nations Guiding Principles on Business and Human Rights
2021	BRSR framework released	SEBI	For FY2021–22, voluntary disclosure by the top 1,000 listed companies by market capitalization in BRSR format
2022	Mandatory BRSR Format	SEBI	Mandatory reporting in BRSR format for top-listed 1,000 companies by market capitalization
2023	BRSR Core: Framework for Assurance and ESG Disclosures for Value Chain	SEBI	A subset of the BRSR, consisting of a set of KPIs/metrics under nine ESG attributes

Exhibit A2. Timeline of Business Responsibility and Sustainability Reporting in India, 2011–23



APPENDIX B. RESEARCH METHODOLOGY

In May 2021, SEBI released the BRSR framework, a comprehensive set of sustainability disclosures that covers ESG issues. In our first report, "The Current State of BRSR at Corporate India," published in October 2024, we analyzed the BRSR disclosure data for FY2022–23, based on a sample of 300 companies.[14] The present study builds on that foundation by extending the analysis across three financial years: FY2022–23, FY2023–24, and FY2024–25.

The sample selection methodology was designed to provide broad and meaningful market representation. The original construction of the 300-company sample was based on market capitalization rankings as of 31 March 2023.

Sample Selection

As of 31 March 2023, the total market capitalization of all Indian listed companies was approximately INR270 trillion. The aggregate market capitalization of the 300 companies included in our sample amounted to INR207 trillion (USD2.5 trillion), representing more than 76% of the total listed market capitalization at that time.

The sample consists of 300 companies, with a primary focus on the top 200, which represent 66.7% of the sample by number and 97% by market capitalization. The subsequent four tiers of 100 companies (201–300, 301–400, 401–500, and 501–600) each include 15 companies, contributing 5% of the sample per tier. Collectively, these 60 companies account for only 2.5% of the total market capitalization. The last four tiers (601–700, 701–800, 801–900, and 901–1,000) each consist of 10 companies, contributing 3.3% of the sample per tier. Together, these 40 companies account for only 0.3% of the total market capitalization of the 300-company sample. This distribution strategy ensures a balance between the inclusion of leading market players and broader representation across market capitalization tiers. **Exhibit B1** details the metrics by rank.

The market capitalization distribution of the sample reflects a well-balanced selection, as illustrated by the bell-shaped curve in **Exhibit B2**. The sample broadly represents companies across various market capitalization categories, ranging from less than INR10 billion to more than INR5 trillion. This diversity underscores the robustness of the sample and ensures a comprehensive overview of the market.

As shown in Exhibits B1 and B2, the combined market capitalization of the sample exceeded three-fourths of the total market capitalization of Indian

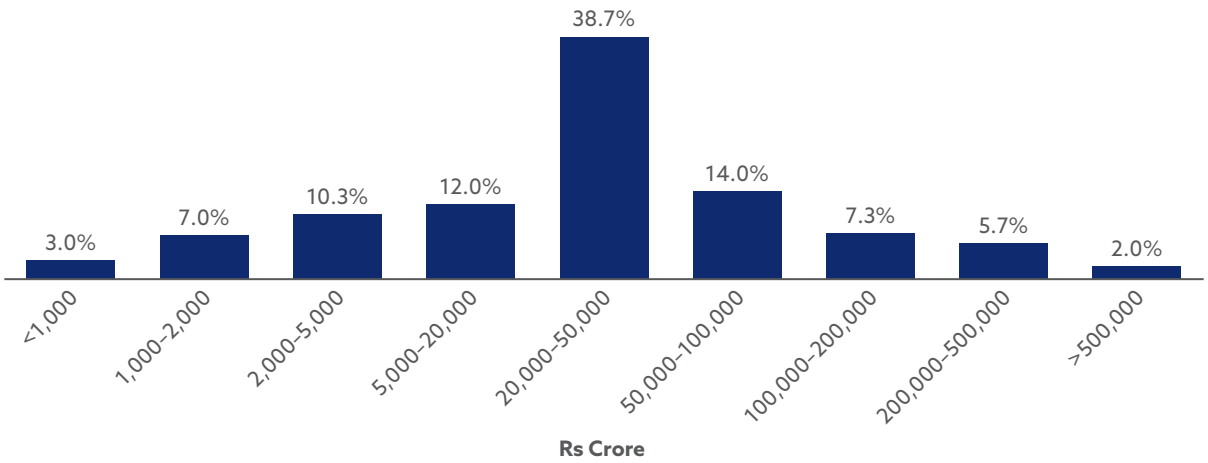
[14] CFA Institute, NSE, and CFA Society India, "The Current State of BRSR at Corporate India" (October 2024). https://rpc.cfainstitute.org/sites/default/files/-/media/documents/article/industry-research/current-state-of-brsr-at-corporate-india.pdf.

Exhibit B1. Market Capitalization of Sample Companies, as of 31 March 2023

Rank	Number of Companies	Percentage of Sample Share	Market Cap (INR Billion)	Percentage Share of Market Cap
1–200	200	66.7	201,336	97.20
201–300	15	5.0	2,542	1.23
301–400	15	5.0	1,304	0.63
401–500	15	5.0	787	0.38
501–600	15	5.0	534	0.26
601–700	10	3.3	249	0.12
701–800	10	3.3	173	0.08
801–900	10	3.3	129	0.06
901–1,000	10	3.3	86	0.04
Aggregate	300	100.0	207,138	100.00

listed companies as of 31 March 2023, indicating that the sample was broadly representative of the Indian listed market at the time of selection. Since March 2023, the total market capitalization of Indian listed companies has increased substantially, rising from approximately INR270 trillion to around INR468 trillion as of January 2026. Despite this expansion, the structural concentration of market value among large-cap companies remains high: The top 200 listed companies continue to account for roughly three-fourths of total market capitalization. Given that the sample in this report includes these top 200 companies, along with an additional 100 companies ranked between

Exhibit B2. Market-Cap-Wise Distribution of the Sample, as of 31 March 2023



201 and 1,000 as of March 2023, this sample continues to provide meaningful coverage of the Indian listed equity market.

To enable consistent time-series analysis across FY2022–23, FY2023–24, and FY2024–25, we have retained the same set of 300 companies. Maintaining a fixed panel enhances comparability across years and allows trends in disclosure practices to be assessed without distortions arising from changes in sample composition.

Sector-Wise Sample Selection

As **Exhibits B3** and **B4** illustrate, the sector-wise distribution of our sample and that of the top 1,000 companies are broadly similar.

Exhibit B3. Sector-Wise Distribution of the Sample

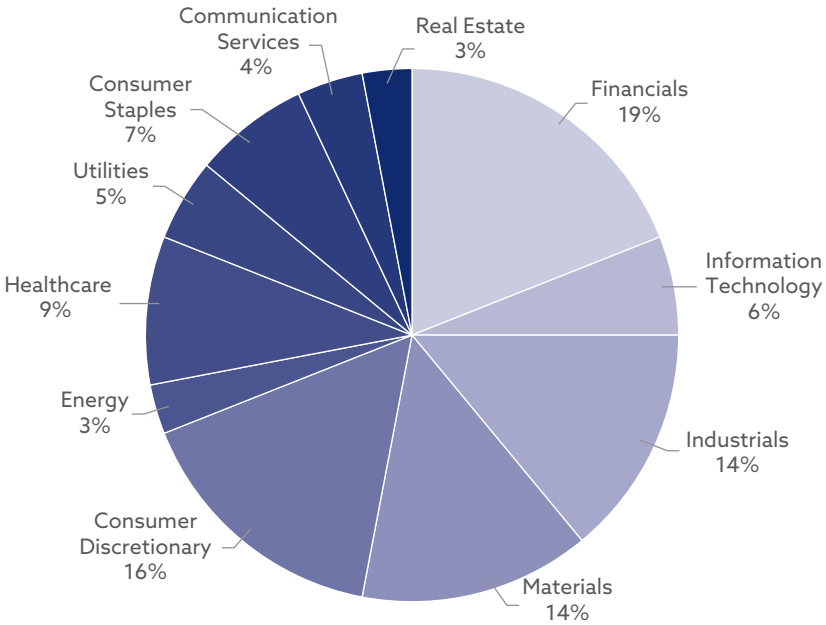
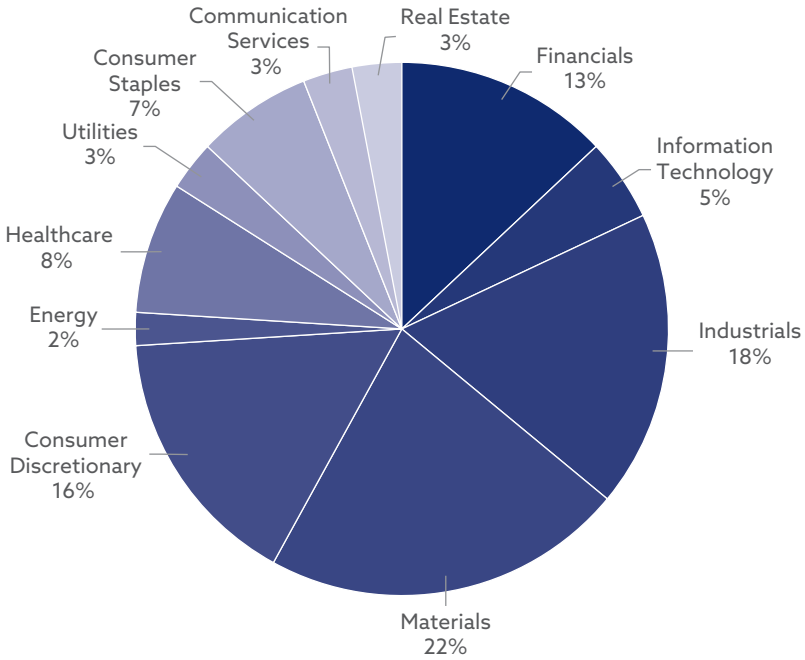


Exhibit B4. Sector-Wise Distribution of Top 1,000 Companies



Selection of BRSR Parameters

Because of the manual nature of this exercise, it was not feasible to include all parameters available in the BRSR reporting for the study. Consequently, parameter selection for this study was based on the following three primary criteria:

- **Coverage of major areas.** We included parameters from all three core areas (environmental, social, and governance) as well as emissions intensity, segregating them according to relevance. It is important to note that some parameters may overlap between categories.
- **Focus on quantitative and binary parameters.** Although qualitative parameters hold significant importance, they are often difficult to compare across companies. Therefore, our focus was on quantitative parameters and those with binary (yes/no) responses. We examined clearly defined qualitative data but did not incorporate descriptive, text-based responses.
- **Measurability for time series development.** To facilitate the creation of a time series for future use, we selected parameters that enable the measurement of progress or deterioration in tangible terms.

The parameters were categorized as environmental, social, and governance, as follows:

Environmental

BRSR PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

1. Percentage of R&D and capex investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.
2. Does the entity have procedures in place for sustainable sourcing?

BRSR PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

1. Details of total energy consumption (in joules or multiples) and energy intensity for the current financial year and previous financial year.
    a. Total electricity consumption
    b. Total fuel consumption
    c. Energy consumption through other sources
    d. Total energy consumption
    e. Energy intensity per rupee of turnover (Total energy consumption/ Turnover in rupees)
2. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and their intensity for the current financial year and previous financial year.
    a. Total Scope 1 emissions in metric tons of CO_2 equivalent
    b. Total Scope 2 emissions in metric tons of CO_2 equivalent
    c. Total Scope 1 and Scope 2 emissions per rupee of turnover
3. Details of total Scope 3 emissions and their intensity for the current financial year and previous financial year.
    a. Total Scope 3 emissions in metric tons of CO_2 equivalent
    b. Total Scope 3 emissions per rupee of turnover
4. Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency. If yes, list the name of the external agency.
5. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Social

BRSR General Disclosures

1. Employees' and workers' details (permanent, other than permanent, male, female, number and percentage of total).
2. Turnover rate for permanent employees and workers.

BRSR PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

1. Percentage of input material (inputs to total inputs by value) sourced from suppliers for the current financial year and previous financial year.
    a. Directly sourced from MSMEs/small producers
    b. Sourced directly from within the district and neighboring districts

BRSR PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

1. Details of instances of product recalls on account of safety issues: Number and reasons for recall.
    a. Voluntary recalls
    b. Forced recalls

Governance

BRSR PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

1. Provide the following information relating to data breaches:
    a. Number of instances of data breaches, along with the impact
    b. Percentage of data breaches involving PII of customers

APPENDIX C. DETAILED INSIGHTS FROM BRSR DATA

Reporting Boundary

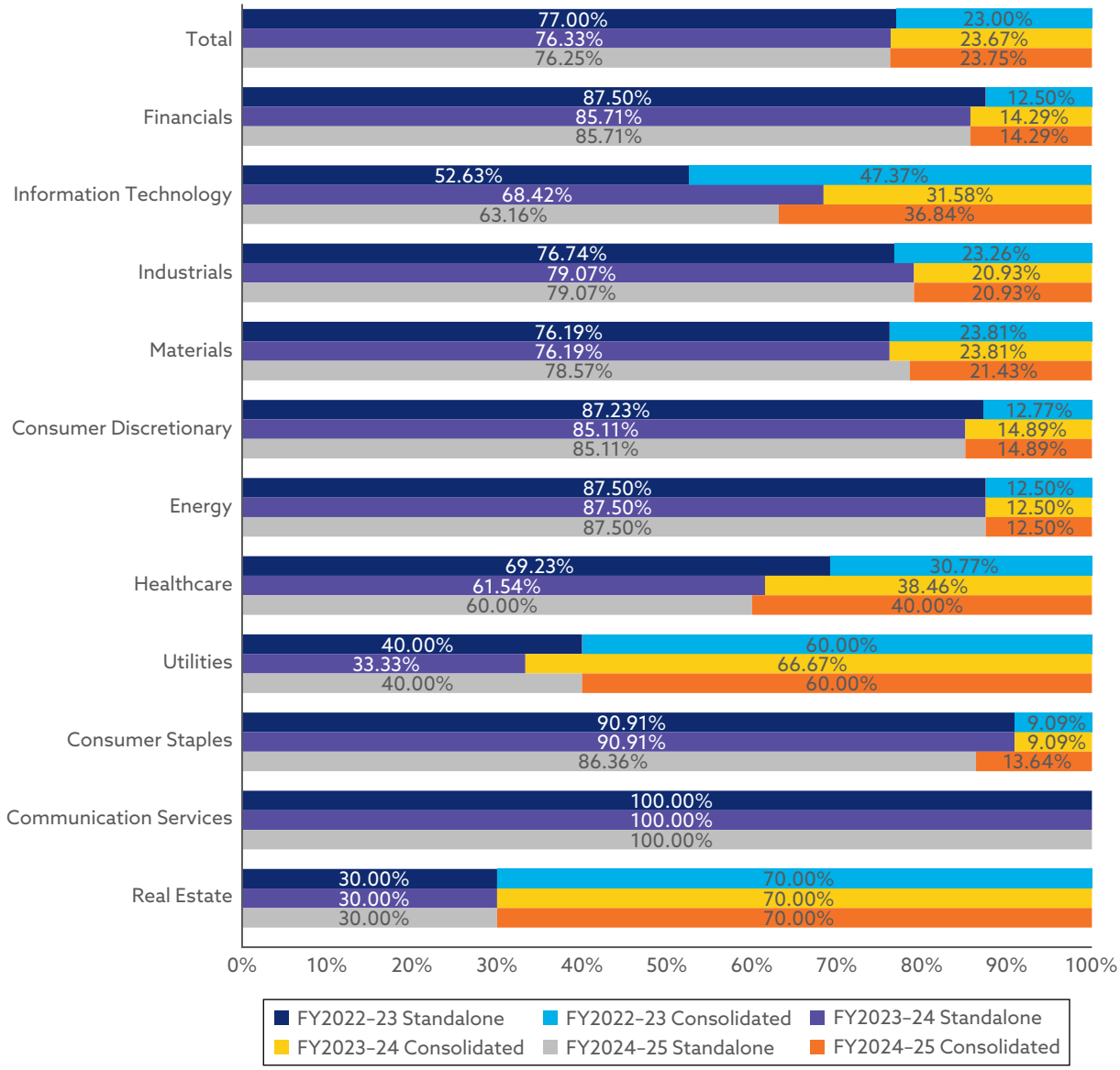
Across the three-year period from FY2022–23 to FY 2024–25, reporting boundaries under the BRSR framework remained broadly stable, with companies consistently favoring standalone reporting. At the aggregate level, standalone disclosures held steady at 77.00% in FY2022–23, 76.33% in FY2023–24, and 76.25% in FY2024–25, while consolidated reporting mirrored these levels at 23.00%, 23.67%, and 23.75%, respectively.

Sector-level patterns reveal more nuanced movements, as **Exhibit C1** illustrates. Most consumer-focused sectors, such as Consumer Staples, Consumer Discretionary, and Communication Services, have consistently favored standalone reporting over the three-year period. In contrast, sectors with more complex operating structures continued to rely more heavily on consolidated disclosures.

Real Estate consistently reported 70% consolidated, while the Utilities sector ranged between 60% and 67% across FY2022–23, FY2023–24, and FY2024–25. Healthcare exhibited a clear upward movement in consolidated reporting, rising from 30.77% in FY2022–23 to 40.00% in FY2024–25, and IT showed year-to-year shifts but ended higher at 36.84% in FY2024–25. Other sectors, such as Energy, Industrials, Materials, and Financials, recorded only marginal changes, reinforcing the overall stability of reporting choices.

In several cases, companies also included clarifications describing how they incorporated sustainability data from their various operational sites such as offices and manufacturing facilities, irrespective of whether the primary reporting boundary was standalone or consolidated. Overall, despite these sector-specific movements, the broader landscape remained largely unchanged, indicating that companies have consistently found little need to alter their preferred reporting approach over the three years.

Exhibit C1. Sector-Wise Classification Based on Reporting Boundary, FY2022–23 through FY2024–25



Workforce Turnover

Under this section, the entity discloses the turnover rates for the specified categories: employees and workers. In the Industrial Relations Code, 2020, the term "employee"[15] is defined in Section 2(l) and the term "worker"[16] is defined in Section 2(zr). Put simply, the difference between the two terms is that the former includes individuals employed by an establishment in an administrative, managerial, or supervisory capacity and drawing wages above a threshold limit. The latter also includes journalists and sales promotion employees.

The turnover rate for employees and workers is calculated as the number of employees/workers who have left the employment of the entity as a proportion of average number of employees/workers during the year. **Exhibit C2** illustrates the turnover rate trends. The turnover rate for employees remained broadly steady, shifting from 20.8% in FY2022–23 to 19.5% in FY2023–24 and 21.2% in FY2024–25. In contrast, the turnover rate for workers shows a gradual upward progression from 7.6% to 8.0% and 8.6% across the three years.

Employee and worker turnover trends across FY2022–23 through FY2024–25 largely reflect the structural characteristics of each sector. **Exhibit C3** details our findings by sector. High-mobility industries, such as Financials, IT, Consumer Discretionary, and Communication Services, continued to record elevated employee churn. The Financials sector shows a rising trajectory from 24.8% in FY2022–23 to 32.1% in FY2024–25, while Communication Services, traditionally exposed to high attrition, declined consistently from 35.9% to 30.4% and 26.6% for FY2022–23, FY2023–24, and FY2024–25, respectively. In contrast, capital-intensive sectors such as Energy, Utilities, and Materials maintained low and steady employee turnover.

Worker turnover patterns mirrored these structural distinctions. IT shows notable variation, from 11.8% to 5.7% to 15.7% for FY2022–23, FY2023–24, and

[15] Under Sec 2(l) of the Industrial Relations Code (2020), "employee" means "any person (other than an apprentice engaged under the Apprentices Act, 1961), employed by an industrial establishment to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union." See Ministry of Labour and Employment, Government of India, "The Industrial Relations Code, 2020" (28 November 2025). www.indiacode.nic.in/bitstream/123456789/22040/1/A2020-35.pdf.

[16] Under Sec 2(zr) of the Industrial Relations Code, 2020, "worker" means "any person (except an apprentice as defined under clause (aa) of section 2 of the Apprentices Act, 1961) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and includes working journalists as defined in clause (f) of section 2 of the Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 and sales promotion employees as defined in clause (d) of section 2 of the Sales Promotion Employees (Conditions of Service) Act, 1976, and for the purposes of any proceeding under this Code in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched or otherwise terminated in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person—(i) who is subject to the Air Force Act, 1950, or the Army Act, 1950, or the Navy Act, 1957; or (ii) who is employed in the police service or as an officer or other employee of a prison; or (iii) who is employed mainly in a managerial or administrative capacity; or (iv) who is employed in a supervisory capacity drawing wages exceeding eighteen thousand rupees per month or an amount as may be notified by the Central Government from time to time: Provided that for the purposes of Chapter III, "worker"—(a) means all persons employed in trade or industry; and (b) includes the worker as defined in clause (m) of section 2 of the Unorganised Workers' Social Security Act, 2008." See Ministry of Labour and Employment, Government of India, "The Industrial Relations Code, 2020" (28 November 2025). www.indiacode.nic.in/bitstream/123456789/22040/1/A2020-35.pdf.

Exhibit C2. Overall Turnover Rates for Employees and Workers, FY2022–23 through FY2024–25

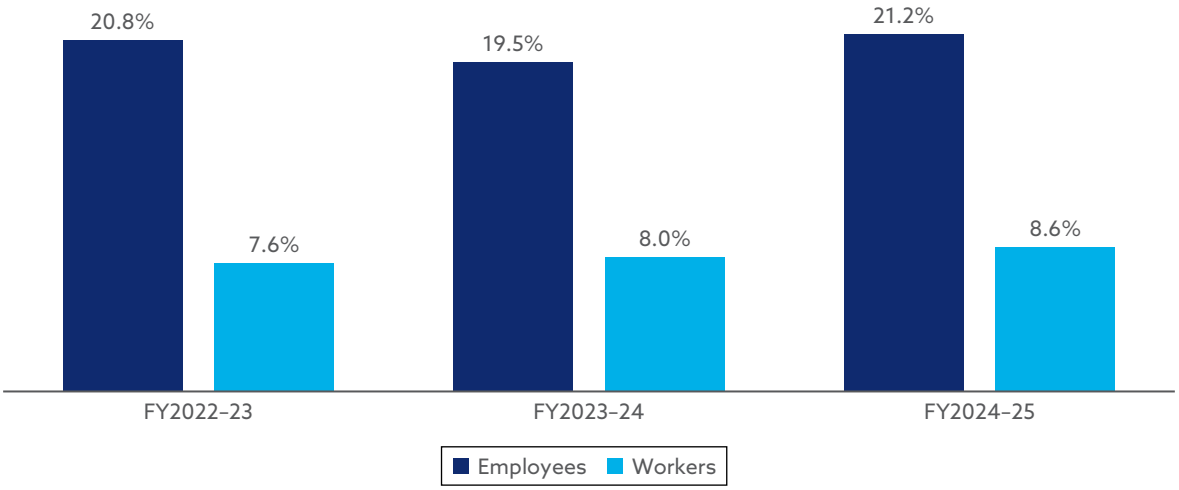


Exhibit C3. Sector-Wise Employee and Worker Turnover Rates, FY2022–23 through FY2024–25

Sector	Employees			Workers		
	FY2022–23	FY2023–24	FY2024–25	FY2022–23	FY2023–24	FY2024–25
Financials	24.8%	21.9%	32.1%	2.1%	0.2%	0.1%
Information Technology	22.3%	18.4%	20.5%	11.8%	5.7%	15.7%
Industrials	16.9%	17.4%	16.4%	5.1%	7.8%	7.6%
Materials	17.2%	16.3%	16.6%	8.2%	8.6%	9.7%
Consumer Discretionary	24.2%	23.2%	22.5%	12.7%	9.7%	9.9%
Energy	5.8%	5.9%	6.0%	6.9%	6.5%	7.5%
Healthcare	24.2%	24.0%	21.6%	7.2%	8.7%	9.1%
Utilities	6.3%	7.4%	9.5%	4.6%	4.4%	8.1%
Consumer Staples	19.2%	17.4%	19.1%	5.4%	9.5%	8.6%
Communication Services	35.9%	30.4%	26.6%	2.6%	5.9%	5.3%
Real Estate	21.5%	22.7%	21.2%	0.0%	0.0%	0.0%
Total	20.8%	19.5%	21.2%	7.6%	8.0%	8.6%

Note: The color gradient represents turnover rates, with green indicating lower turnover and red indicating higher turnover.

FY2024–25, respectively. The Financials sector displays very low worker turnover because companies in this sector typically do not employ workers as defined under the BRSR framework, resulting in minimal or no reported exits. Real Estate also reported near-zero worker turnover, because companies disclose that they engage most site-level labor through third-party contractors, meaning that workforce attrition is not captured within company-level worker categories.

Across FY2022–23 through FY2024–25, most turnover patterns align with expected workforce and business characteristics, with one notable exception. Healthcare—globally known for high attrition caused by staff shortages, shift fatigue, and competitive hiring—showed unusually stable employee turnover at around 22% (FY2024–25) and modest worker turnover between 7% and 9% across FY2022–23 through FY2024–25, suggesting stronger retention mechanisms or more formalized workforce structures among sampled companies. Additionally, around 8% of companies revised their FY2022–23 and FY2023–24 turnover figures in their FY2024–25 BRSR submissions, reflecting maturing disclosure practices and improving data accuracy.

Investments in R&D and Capex

Under this parameter, companies disclose the percentage of their R&D and capex directed toward technologies aimed at enhancing environmental and social impacts, offering a key signal of corporate readiness for transition and alignment of capital deployment with sustainability objectives. **Exhibits C4** and **C5** show companies reporting the percentage of R&D investments and percentage of capex investments, respectively, in technologies aimed at improving environmental and social impact.

R&D allocation toward environmental and social impact technologies showed gradual improvement in reporting participation over FY2022–23 through

Exhibit C4. Companies Reporting the Percentage of R&D Investments in Technologies to Improve Environmental and Social Impact, FY2022–23 through FY2024–25

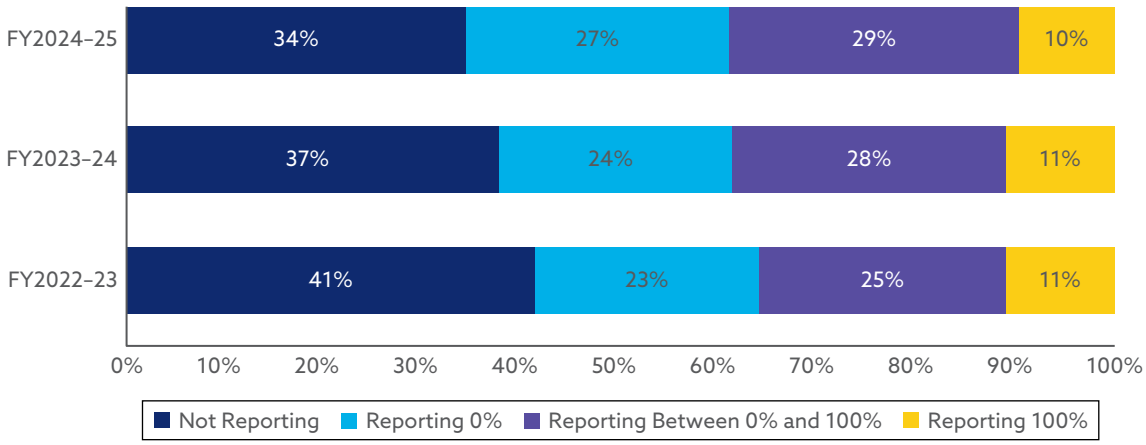
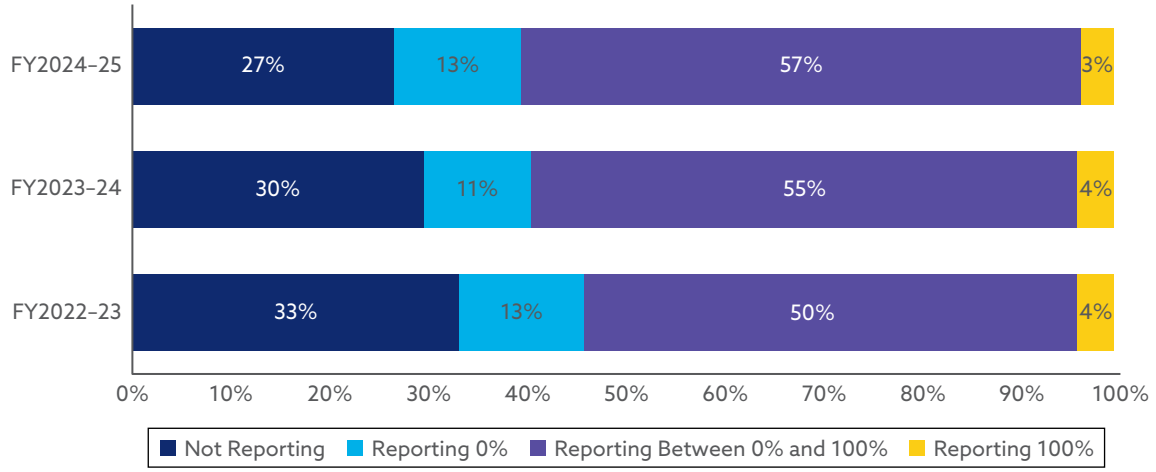


Exhibit C5. Companies Reporting the Percentage of Capex Investments in Technologies to Improve Environmental and Social Impact, FY2022–23 through FY2024–25



FY2024–25, with the share of non-reporting companies declining from 41% to 34%. Most of this progress, however, reflects partial R&D allocation rather than full commitment, with the share of companies allocating 100% remaining broadly unchanged at around 10%–11%. In addition, a growing share of companies reported zero allocation, indicating that improvements in disclosure are not always accompanied by meaningful shifts in R&D investment.

Sectoral patterns point to comparatively stronger engagement in Materials and Industrials, reflecting their higher transition exposure. The Financials sector accounts for a substantial share of R&D non-reporting, which may reflect the sector's business model and the limited applicability of traditional R&D classifications to financial services activities.

Capex allocation toward environmental and social impact technologies reflected broader engagement than R&D over FY2022–23 through FY2024–25, with more than half of the sample reporting some level of allocation by FY2024–25 and non-reporting declining to 27% in FY2024–25. Unlike R&D, where participation remains more limited, capex activity is concentrated in partial allocations, indicating that companies are prioritizing selective deployment of sustainability-linked assets rather than comprehensive reorientation of capital expenditure. Full capex allocation remains at around 3%–4% across FY2022–23 through FY2024–25, suggesting that transition efforts are largely incremental. Sectoral patterns highlight stronger participation in the Materials and Industrials sectors, consistent with their asset-intensive operating models.

Sustainable Sourcing

Sustainable sourcing procedures were reported by 231 companies (77%) in both FY2022–23 and FY2023–24, increasing modestly to 238 companies (79%) in FY2024–25. Although this number indicates a relatively mature level of baseline

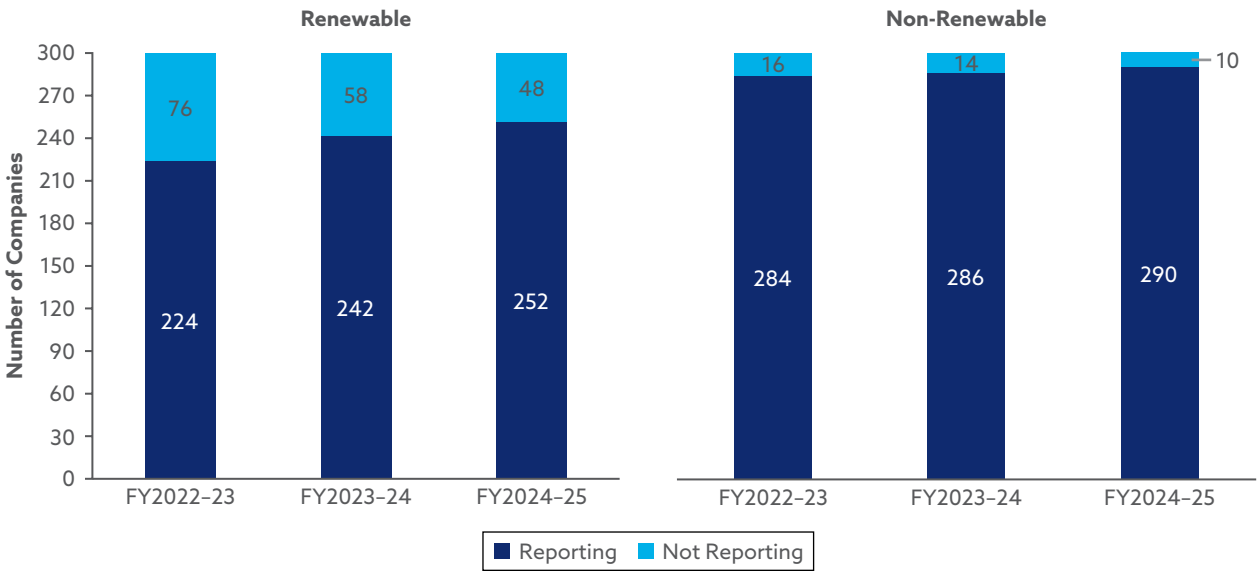
adoption, recent gains appear incremental, suggesting limited momentum in expanding formal sourcing practices.

Energy Consumption

Energy disclosures offer an important insight into how companies are responding to rising transition risks and operational pressures across the economy, and **Exhibit C6** examines both renewable and non-renewable energy disclosures. A three-year view from FY2022–23 to FY2024–25 shows a steady expansion in reporting coverage, suggesting improving alignment with BRSR expectations. Renewable energy disclosures increased from 224 companies in FY2022–23 to 242 in FY2023–24 and 252 in FY2024–25, while non-renewable reporting rose more gradually from 284 to 286 and 290 over the same period. Financials drove much of this growth, with renewable reporting rising from 25 companies in FY2022–23 to 40 in FY2024–25, followed by Consumer Discretionary (37 to 40) and Industrials (38 to 41) over the same period, pointing to strengthening compliance maturity beyond traditional energy-intensive sectors.

Within the 300-company sample, Energy and Utilities together account for a relatively small share of companies. Reporting participation within those two sectors remained consistently high across all three years, however, with energy disclosures stable at 8 companies throughout the period and Utilities reporting non-renewable energy for 15 companies alongside steady renewable participation (12 to 14 companies). Taken together, these trends reflect a gradual broadening of energy disclosures, with incremental gains concentrated in the Financials sector and select consumption-led segments.

Exhibit C6. Total Renewable and Non-Renewable Energy Consumption Reporting, FY2022–23 through FY2024–25

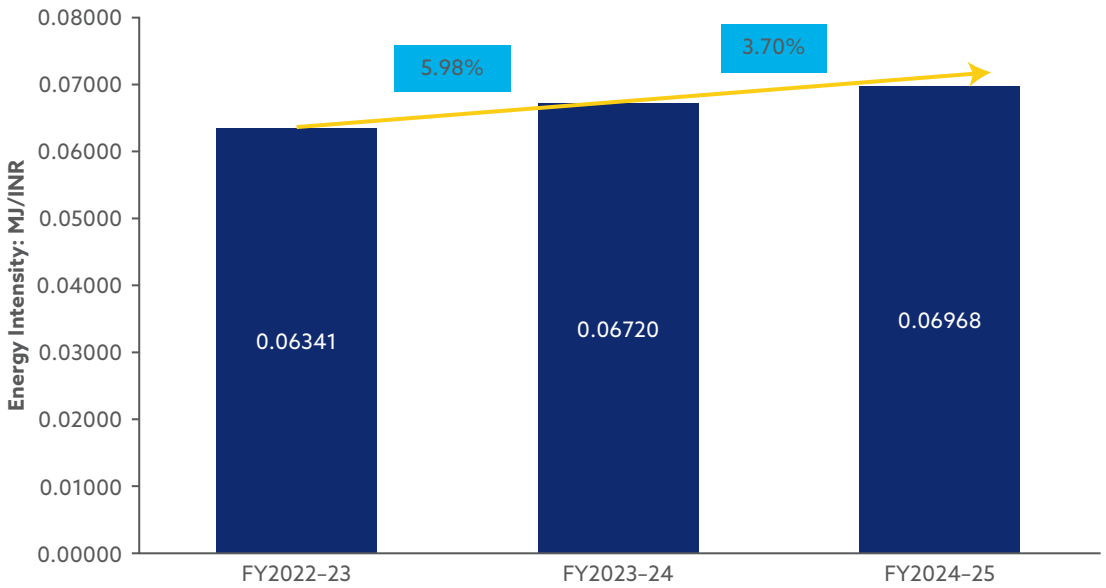


Energy intensity, measured as total energy consumption per rupee of revenue from operations, provides insight into how efficiently companies use energy to generate revenue. From FY2022–23 through FY2024–25, aggregate energy intensity increased from 0.06341 in FY2022–23 to 0.06720 in FY2023–24 and further to 0.06968 in FY2024–25, reflecting a 5.98% rise in FY2023–24 followed by an additional 3.70% increase in FY2024–25 over the period. **Exhibit C7** illustrates these trends.

Sectoral trends highlight a widening divergence in performance. Utilities continue to exhibit the highest energy intensity, increasing from 0.55671 in FY2022–23 to 0.63903 in FY2024–25, while Materials also recorded a steady rise from 0.16361 to 0.18282 over the same period. Energy showed marginal improvement in FY2024–25 following an increase in FY2023–24, while Consumer Staples experienced a reversal after a sharp rise in FY2023–24. In contrast, several service-oriented sectors demonstrated improving efficiency: Financials recorded a consistent decline from 0.00091 in FY2022–23 to 0.00075 in FY2024–25, Healthcare and Industrials also posted net reductions over the three-year period; and Real Estate continued to trend downward from 0.00770 in FY2022–23 to 0.00494 in FY2024–25. IT and Communication Services exhibited year-on-year volatility, underscoring uneven efficiency pathways across sectors. **Exhibit C8** details the energy intensity results by sector.

Overall, efficiency gains in lower-intensity sectors are being offset by rising intensity in Utilities and Materials, shaping the aggregate energy intensity trajectory over the period. Although overall coverage has improved, persistent

Exhibit C7. Energy Intensity Among Sample Companies, FY2022–23 through FY2024–25



Note: Energy intensity is calculated as total energy consumption divided by revenue from operations.

Exhibit C8. Sector-Wise Energy Intensity, FY2022–23 through FY2024–25

Sector	FY2022–23	FY2023–24	FY2024–25	FY2023–24 vs FY2022–23	FY2024–25 vs FY2023–24
	Avg. Energy Intensity	Avg. Energy Intensity	Avg. Energy Intensity	% change (YoY)	% change (YoY)
Total	0.06341	0.06720	0.06968	5.98%	3.70%
Utilities	**0.55671**	**0.61241**	**0.63903**	10.01%	4.35%
Materials	0.16361	0.16979	0.18282	3.77%	7.68%
Energy	0.04600	0.04789	0.04742	4.12%	–0.99%
Consumer Staples	0.02579	0.02838	0.02717	10.03%	–4.26%
Healthcare	0.02162	0.02160	0.01988	–0.12%	–7.96%
Industrials	0.01791	0.01860	0.01746	3.82%	–6.12%
Communication Services	0.01949	0.01630	0.01698	–16.38%	4.19%
Consumer Discretionary	0.01367	0.01404	0.01450	2.74%	3.28%
Real Estate	0.00770	0.00572	0.00494	–25.62%	–13.73%
Information Technology	0.00212	0.00258	0.00247	21.81%	–4.29%
Financials	**0.00091**	**0.00085**	**0.00075**	–5.82%	–12.30%

Note: Bold figures denote the highest and lowest energy intensity values across sectors for each year.

challenges around reporting boundaries, intermittent year-on-year participation in some sectors, and unexplained extreme variations in disclosed figures underscore ongoing comparability limitations. These factors should be considered when interpreting the observed trends, particularly as BRSR reporting continues to evolve.[17]

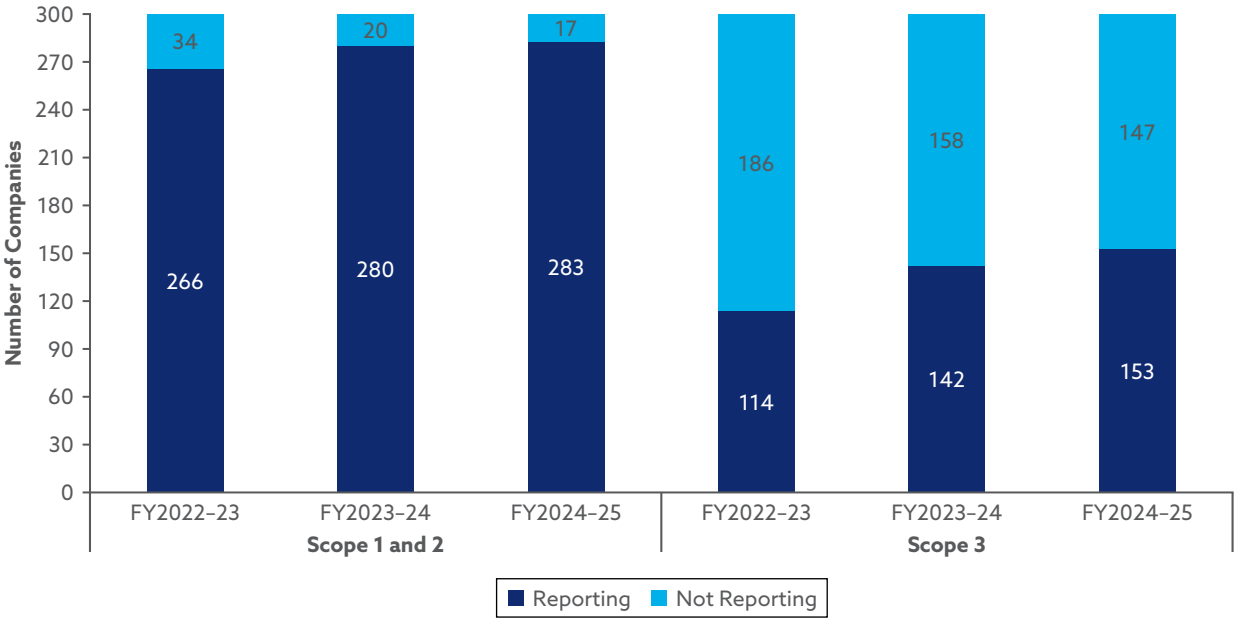
Emissions

Greenhouse gas emissions across Scope 1, Scope 2, and Scope 3 provide an important view of how company activities impact the environment, covering emissions from operations, purchased energy, and wider value chains. Within the 300-company sample, Scope 1 and Scope 2 reporting remained consistently high over FY2022–23 through FY2024–25, increasing from 266 companies in FY2022–23 to 280 in FY2023–24 and 283 in FY2024–25, with near-universal

[17] Data comparability and exclusions for FY2023–25 energy analysis:

To enable meaningful time-series comparisons of energy reporting and energy intensity across FY2023–25, we constructed a consistent company panel. Approximately 7%–8% of companies were excluded from the analysis for the following reasons: changes in reporting boundaries or methodologies, including addition or removal of operational units or plants, which prevented like-for-like comparisons across years; inconsistent disclosure across periods, where companies reported energy data in some years but not others; and extreme year-on-year variations (exceeding 5×–6×) in reported energy figures without adequate explanatory notes, indicating potential data quality issues.

Exhibit C9. Category-Wise Emission Reporting, FY2022–23 through FY2024–25



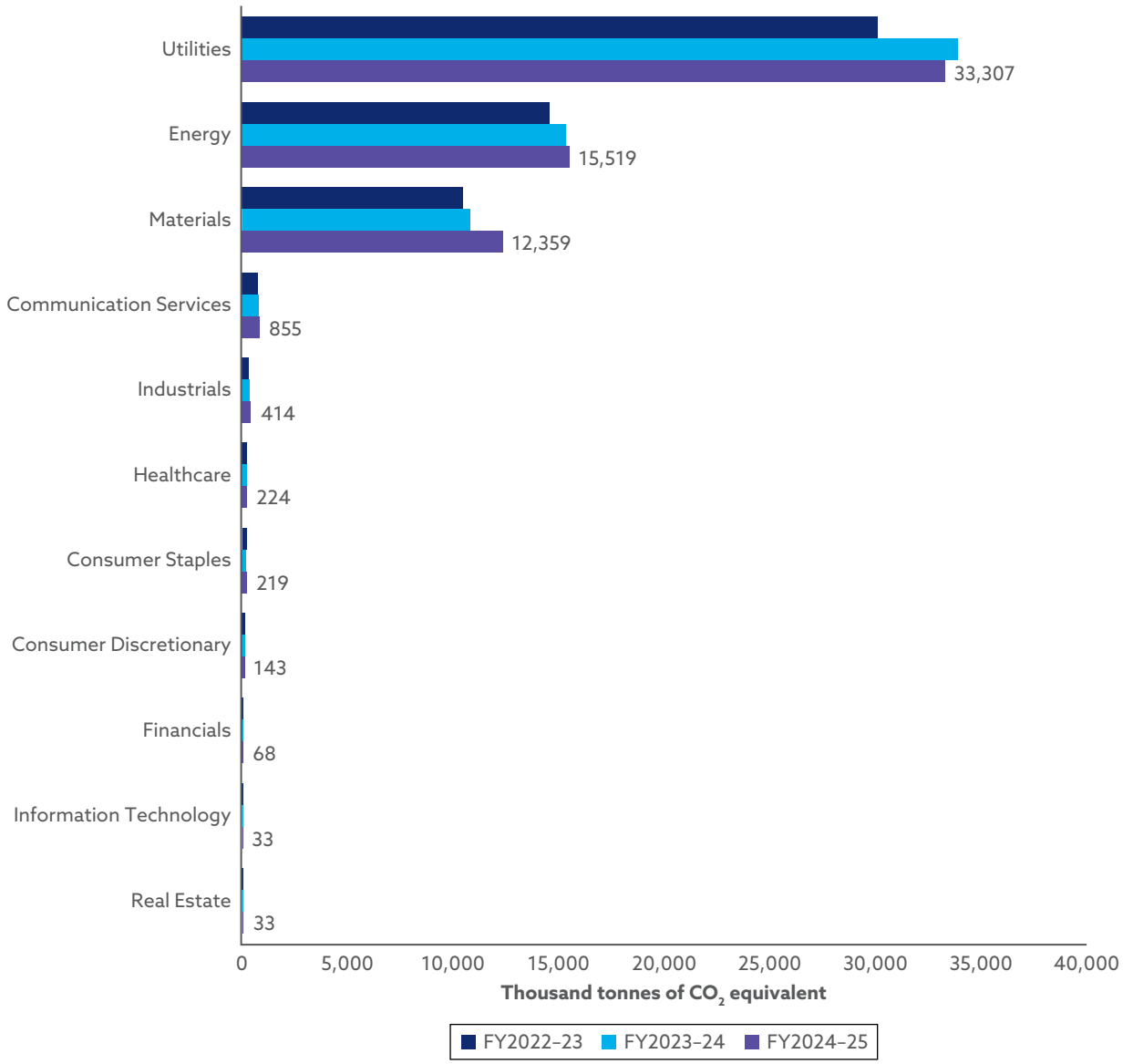
participation across Industrials, Materials, Utilities, IT, and Energy by FY2024–25. Scope 3 disclosures, despite showing steady growth from 114 companies in FY2022-23 to 153 in FY2024–25, remained uneven across sectors, with approximately half of companies in Financials, Industrials, Materials, and Healthcare reporting value-chain emissions, and lower coverage in Consumer Discretionary, highlighting varied progress in extending emissions measurement beyond direct operations. **Exhibit C9** illustrates these findings.

Scope 1 and Scope 2 Emissions

To enable meaningful year-on-year analysis, we examined Scope 1 and Scope 2 emissions using two datasets. First, we constructed a common company sample, including only companies that reported consistently across FY2022–23 through FY2024–25, allowing for like-for-like comparisons unaffected by changes in reporting coverage. Second, we analyzed emissions using the full reporting sample for each year to reflect aggregate trends as disclosure participation expanded over time. Across both datasets, companies exhibiting unusually large fluctuations (typically exceeding 5×–6× changes) without supporting explanations, as well as cases where changes in measurement boundaries (such as inclusion or exclusion of facilities) materially affected reported figures, were excluded in order to improve comparability and reduce distortion arising from methodological inconsistencies.

Exhibit C10 illustrates the results by sector using a consistent set of companies reporting across FY2022–23 through FY2024–25. Scope 1 and Scope 2 emissions show a broadly upward trajectory at the aggregate level, with increases

Exhibit C10. Scope 1 and Scope 2 Emissions: Consistent Reporting Sample, FY2022–23 through FY2024–25



Note: Thousand tonnes = 1,000 metric tons.

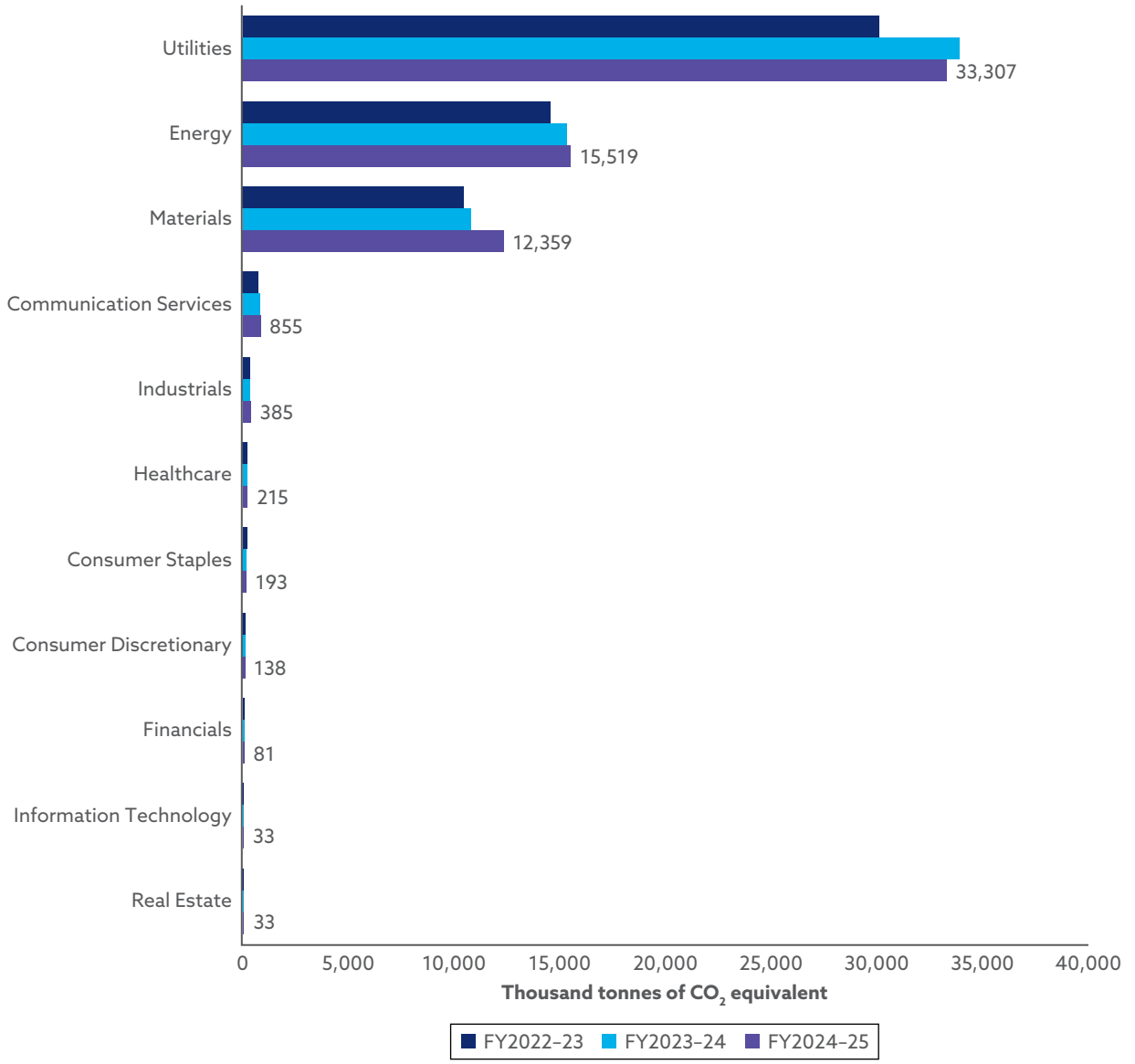
concentrated in structurally energy-intensive sectors. Service-oriented sectors recorded relatively muted changes or declines.

Exhibit C10 also shows that between FY2022–23 and FY2023–24, emissions rose across Industrials, Energy, Utilities, Materials, and Communication Services, partly offset by reductions in Financials, IT, Healthcare, Consumer Staples, and Real Estate. This pattern continues into FY2024–25, with Industrials and Materials recording the largest year-on-year increases, while Financials, IT,

Utilities, and Real Estate continue to moderate. Throughout the period, a small group of high-emitting sectors continues to account for a disproportionate share of total Scope 1 and Scope 2 emissions.

When assessed using the full reporting sample for each year, as shown in **Exhibit C11**, total Scope 1 and Scope 2 emissions increase further, reflecting both underlying emissions trends and expanding disclosure coverage. Importantly, the direction of movement remains consistent with the like-for-like

Exhibit C11. Scope 1 and Scope 2 Emissions: Full Reporting Sample, FY2022–23 through FY2024–25



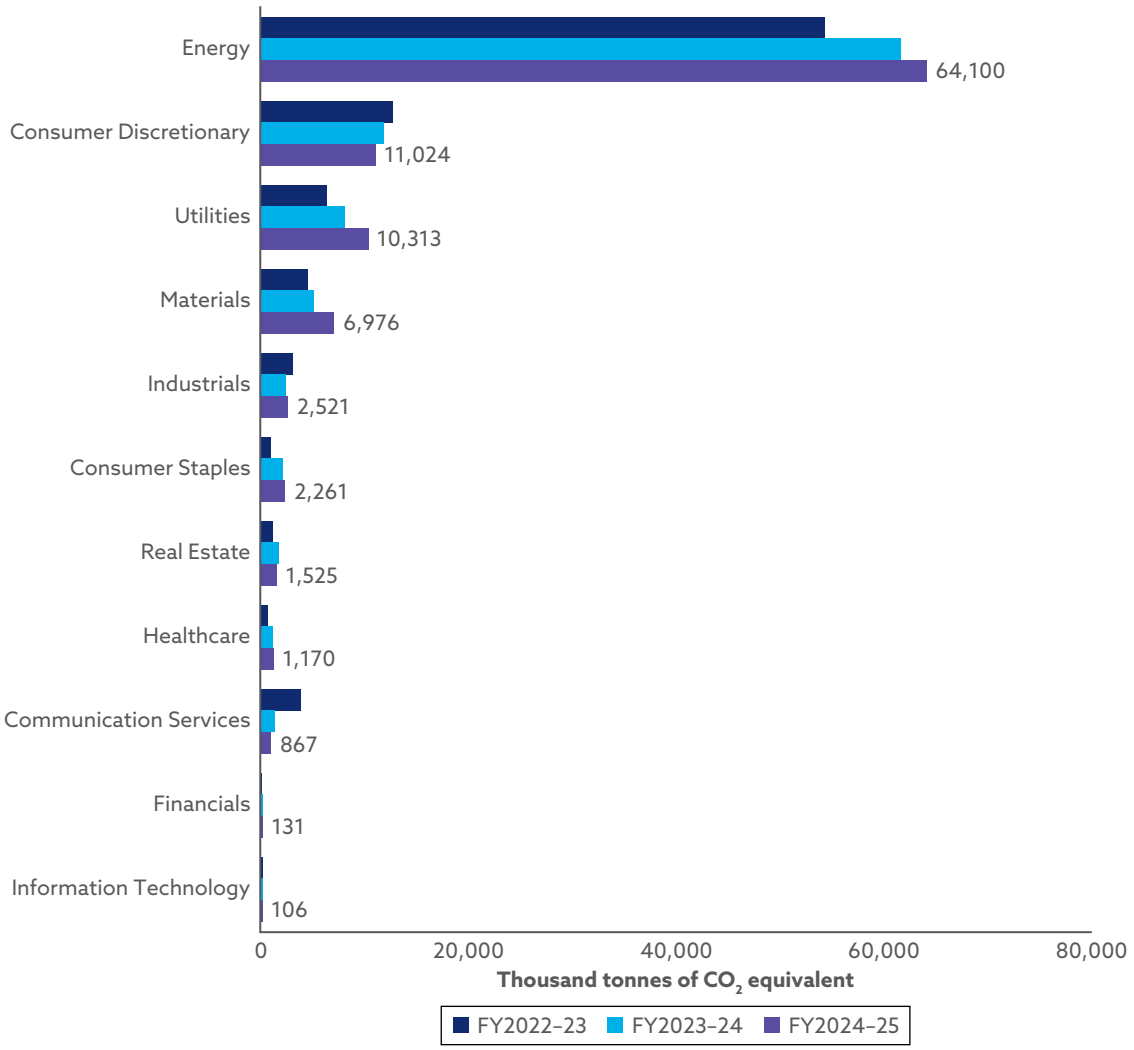
Note: Thousand tonnes = 1,000 metric tons.

analysis, indicating that aggregate emissions growth is primarily driven by structurally energy-intensive sectors, even as several lower-emission sectors register declines. Taken together, these results point to diverging emissions pathways across corporate India.

Scope 3 Emissions

Using the same like-for-like (i.e., consistent) and full-sample framework, we assessed Scope 3 emissions over FY2022–23 through FY2024–25. **Exhibit C12** illustrates our findings by sector using the sample of consistently reporting companies.

Exhibit C12. Scope 3 Emissions: Consistent Reporting Sample, FY2022–23 through FY2024–25

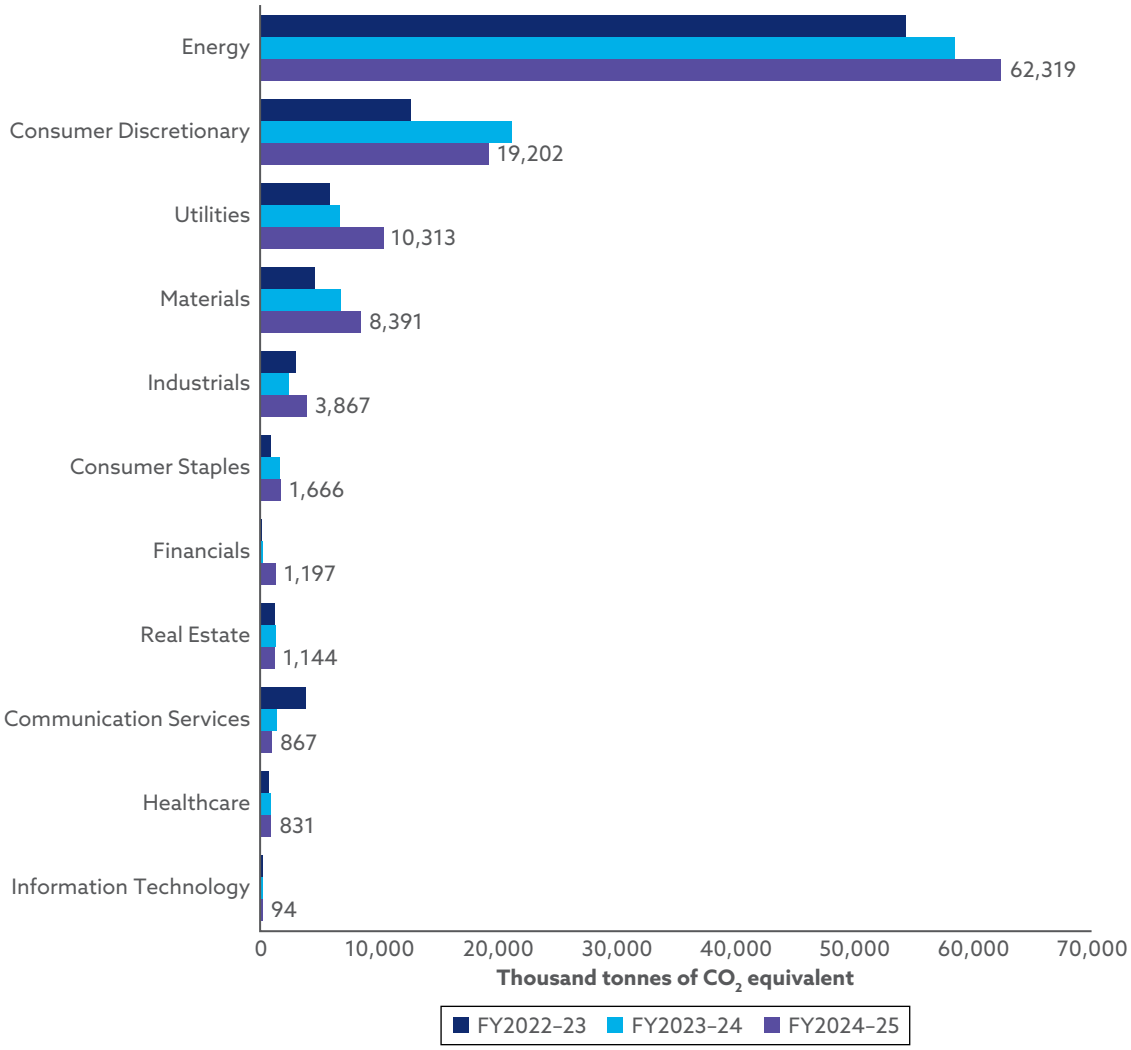


Note: Thousand tonnes = 1,000 metric tons.

Exhibit C12 shows that Scope 3 emissions over FY2022–23 through FY2024–25 reflect wider dispersion across sectors and greater sensitivity to changes in reporting boundaries. Between FY2022–23 and FY2023–24, emissions increased across Financials, Healthcare, Utilities, Consumer Staples, Materials, Energy, and Real Estate, while Industrials and Communication Services declined. This pattern shifted in FY2024–25, most notably with Industrials reversing direction, while Materials, Energy, Utilities, and Consumer Staples continued to rise, alongside moderation in Consumer Discretionary, Communication Services, IT, and Real Estate.

When assessed using the full reporting sample as shown in **Exhibit C13**, year-on-year movements of Scope 3 emissions diverge more sharply from

Exhibit C13. Scope 3 Emissions: Full Reporting Sample, FY2022–23 through FY2024–25



Note: Thousand tonnes = 1,000 metric tons.

the like-for-like view in several sectors, most notably Financials, Consumer Discretionary, Industrials, and Materials. Although the overall direction remains broadly aligned, the full sample shows more pronounced swings, reflecting the influence of newly reporting companies on headline levels. Taken together, Scope 3 shows greater variability than Scope 1 and Scope 2, reflecting both the added complexity of value-chain measurement and wider dispersion in emissions pathways across corporate India.

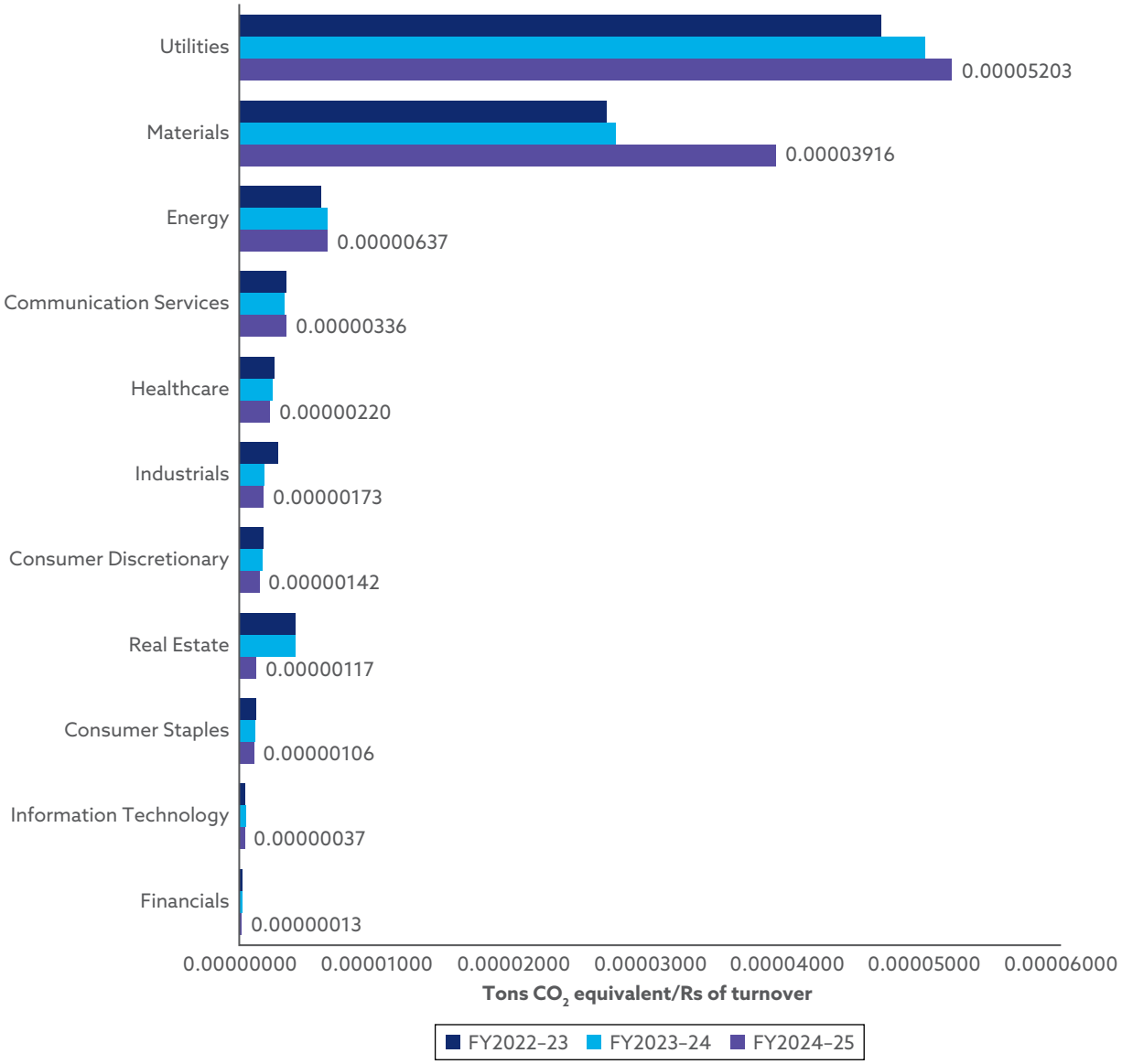
Emission Intensity

We assessed emission intensity using only a consistent set of reporting companies to enable like-for-like comparison over FY2022–23 through FY2024–25, given the sensitivity of intensity metrics to changes in sample composition. **Exhibit C14** illustrates our findings by sector for Scope 1 and Scope 2 emission intensity.

Scope 1 and Scope 2 emission intensity over FY2022–23 through FY2024–25 shows early efficiency gains alongside persistent sectoral divergence. Several service-oriented sectors, including IT, Consumer Staples, Healthcare, and Consumer Discretionary, improved by FY2024–25. Financials also showed moderation, although results warrant caution given sector's sensitivity to bank revenue definitions. Real Estate outcomes should be interpreted carefully because of small sample sizes that can materially influence sector averages. In contrast, Utilities and Materials continued to record the highest intensity levels, both trending upward. Viewed alongside absolute emissions, intensity patterns reveal key sectoral contrasts: Although Energy contributes materially to Scope 1 and Scope 2 emissions, its intensity remains lower than that of Utilities and Materials, reflecting differences in how emissions scale relative to revenue. Overall, FY2024–25 highlights uneven progress in decoupling emissions from economic output, with efficiency gains concentrated in lower-emission sectors.

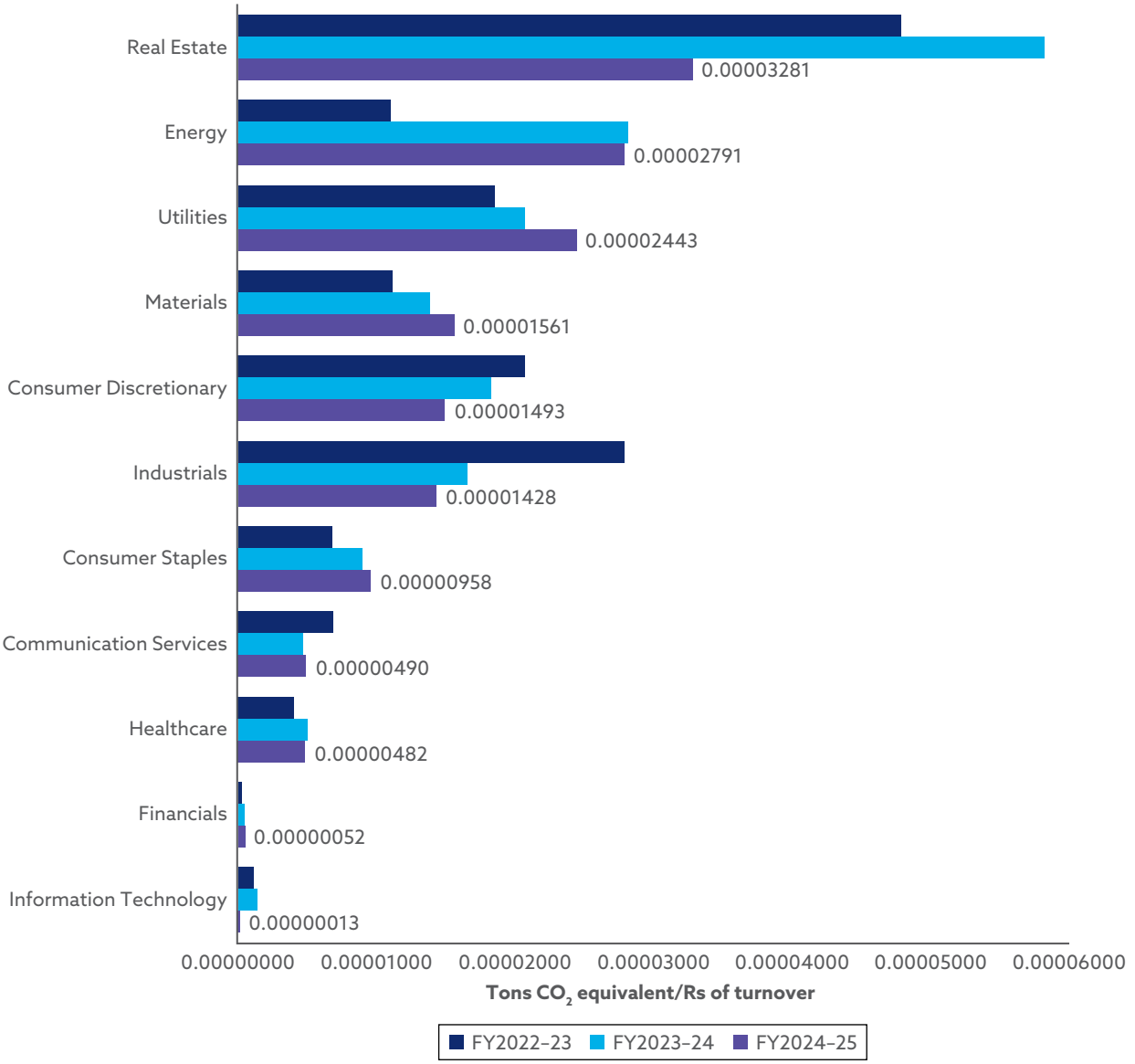
Exhibit C15 shows that Scope 3 emission intensity over FY2022–23 through FY2024–25 exhibited pronounced sectoral variability, reflecting differences in value-chain exposure across industries. Materials and Utilities continued to record rising intensity through FY2024–25, aligning with sustained growth in their absolute Scope 3 emissions. In contrast, Consumer Discretionary, Communication Services, Healthcare, Industrials, and IT showed moderation by FY2024–25, indicating improving value-chain efficiency in several service-oriented industries. Financials and Real Estate also displayed notable movements over the period, although results should be interpreted with caution given these industries' sensitivity to revenue definitions and small sample sizes. Overall, FY2024–25 highlights uneven progress in improving Scope 3 emissions efficiency, with gains concentrated in select service sectors and continued intensity pressures in structurally upstream-intensive industries.

Exhibit C14. Scope 1 and Scope 2 Emission Intensity: Consistent Reporting Sample, FY2022–23 through FY2024–25



Note: Scope 1 and Scope 2 emission intensity is calculated as total Scope 1 and Scope 2 emissions divided by revenue from operations.

Exhibit C15. Scope 3 Emission Intensity: Consistent Reporting Sample, FY2022–23 through FY2024–25

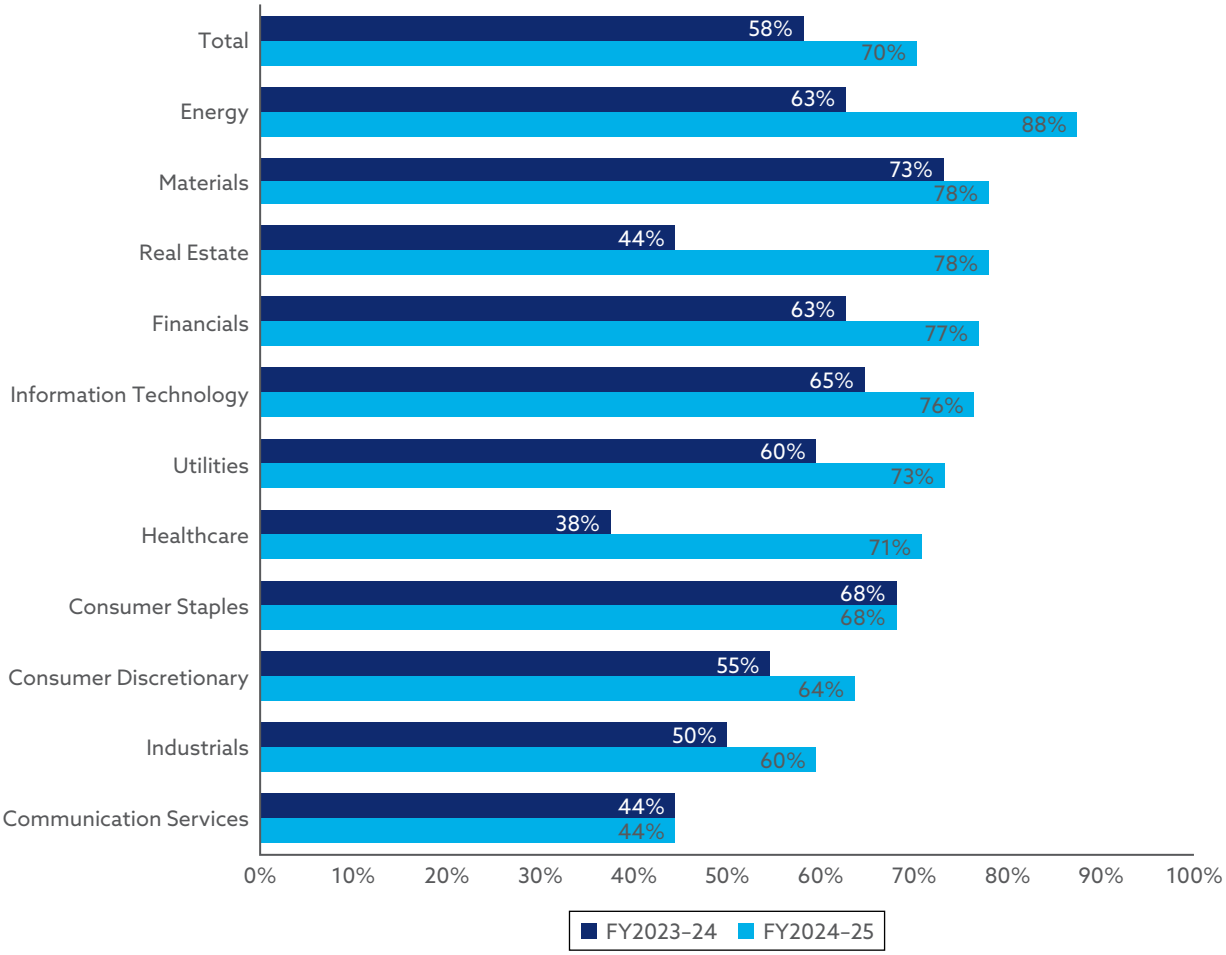


Note: Scope 3 emission intensity is calculated as total Scope 3 emissions divided by revenue from operations.

External Assurance for Environmental Data

This parameter captures whether companies obtained independent external assurance for environmental data, such as Scope 1, Scope 2, and Scope 3 emissions. Thus, the external assurance parameter indicates the credibility of reported environmental data. **Exhibit C16** illustrates our findings by sector for FY2023–24 through FY2024–25.

Exhibit C16. Share of Scope 1 and Scope 2 Reporting Companies Obtaining External Assurance, FY2023–24 through FY2024–25

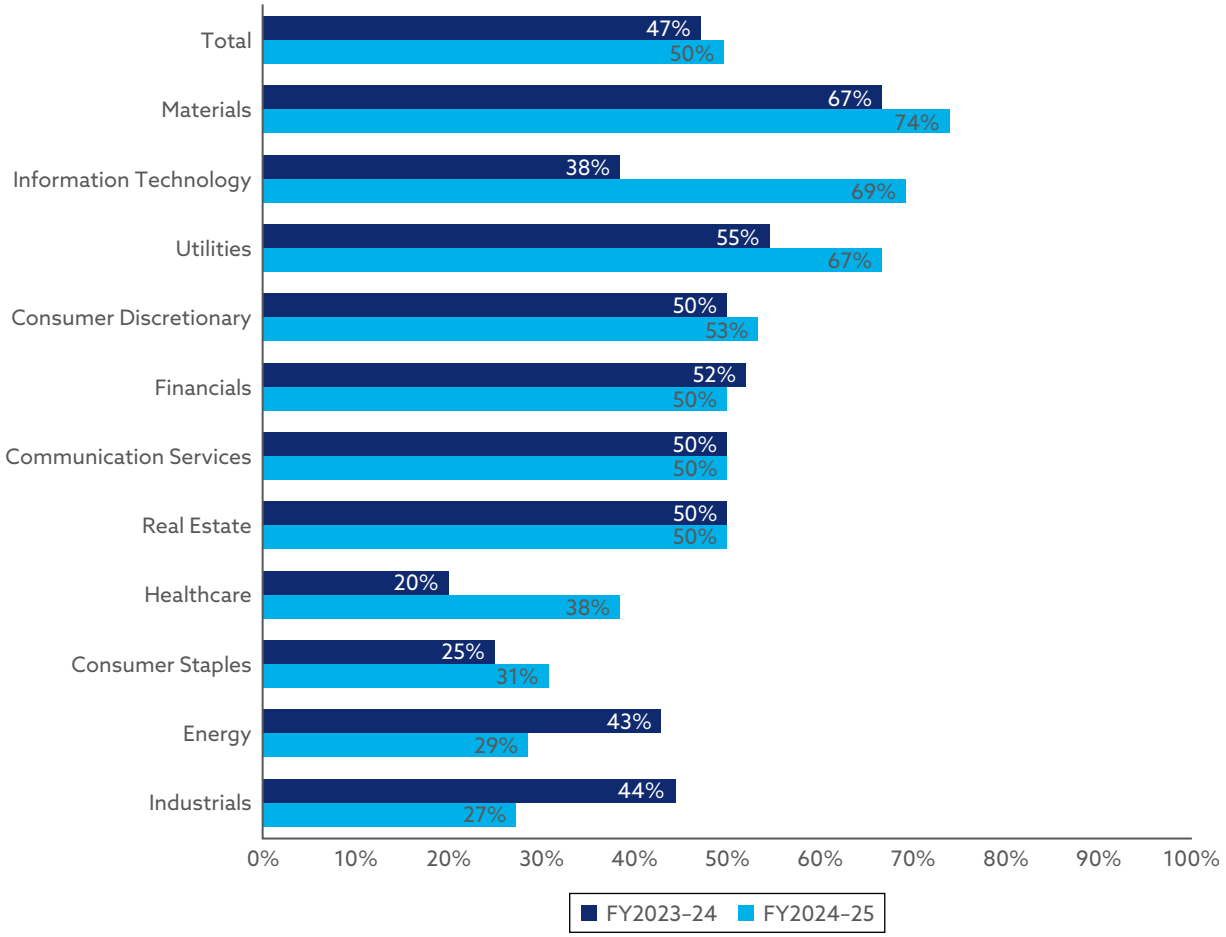


Note: The percentages represent the proportion of companies reporting Scope 1 and Scope 2 emissions that obtained external assurance.

Among companies reporting Scope 1 and Scope 2 emissions, external assurance coverage rose from 163 companies (58%) in FY2023–24 to 199 companies (70%) in FY2024–25, reflecting a clear strengthening of third-party verification practices. We observed the largest year-on-year gains in Healthcare (38% to 71%), Real Estate (44% to 78%), Energy (63% to 88%), and Financials (63% to 77%) between FY2023–24 and FY2024–25, while Materials (78%) and Utilities (73%) continued to exhibit relatively high assurance coverage in FY2024–25. In contrast, Communication Services remained unchanged at 44%. Overall, FY2024–25 marks a clear step-up in assurance adoption, signaling growing emphasis on data credibility, although sectoral dispersion persists.

Exhibit C17 applies the external assurance parameter to companies reporting Scope 3 emissions during the same period. Of these, external assurance coverage increased modestly from 67 companies (47%) in FY2023–24 to

Exhibit C17. Share of Scope 3 Reporting Companies Obtaining External Assurance, FY2023–24 through FY2024–25



Note: The percentages represent the proportion of companies reporting Scope 3 emissions that obtained external assurance.

76 companies (50%) in FY2024–25, indicating slower uptake relative to Scope 1 and Scope 2. We observed the largest gains between FY2023–24 and FY2024–25 in IT (38% to 69%) and Materials (67% to 74%), with further improvement in Utilities (55% to 67%) and Healthcare (20% to 38%). In contrast, assurance coverage declined in Industrials (44% to 27%) and Energy (43% to 29%), while Communication Services and Real Estate remained unchanged at 50%. Overall, FY2024–25 shows only a marginal step-up in Scope 3 assurance adoption, which may reflect both the greater complexity of value-chain verification and evolving regulatory expectations around Scope 3 assurance under the BRSR framework.[18]

[18] Under SEBI's BRSR framework, disclosure of Scope 1 and Scope 2 emissions is mandatory for eligible listed companies. Third-party assessment or assurance of selected ESG metrics, including emissions, is being phased in under the BRSR Core framework based on company size (starting with the largest listed entities), on a comply-or-explain basis. Scope 3 emissions are not included within the mandatory BRSR Core disclosures and remain voluntary/leadership-based during the period analyzed, with no current requirement for external assurance. Consequently, assurance coverage varies across companies and years.

Value Chain/MSME Sourcing

Value Chain Assessment for Environmental Impacts

Value chain partner assessments for environmental impacts show a broad-based increase across FY2022–23 through FY2024–25, suggesting a stronger focus on supply chain environmental due diligence. Most sectors reported higher assessment counts in FY2024–25 than FY2022–23, with sharp increases in Materials (14 in FY2022–23 to 23 in FY2024–25) and Industrials (9 to 20) over the same period, reflecting greater focus on monitoring environmental impacts in high-impact value chains. Consumer Discretionary consistently reported the highest assessment levels, rising from 19 in FY2022–23 to 25 in FY2024–25, while Financials increased from 1 to 8 over the same period, suggesting growing value chain accountability even in service-led sectors. Overall, the trend suggests increasing attention to environmental impacts beyond direct operations. **Exhibit C18** details the results by sector.

Directly Sourced from MSME/Small Producers (%)

Direct sourcing from MSMEs/small producers was reported by a broad and stable set of companies across FY2022–23 through FY2024–25, with the number of disclosing companies increasing slightly (248 in FY2022–23, 267 in FY2023–24, and 267 in FY2024–25). Although disclosure coverage remained

Exhibit C18. Number of Value Chain Partner Assessments by Sector, FY2022–23 through FY2024–25

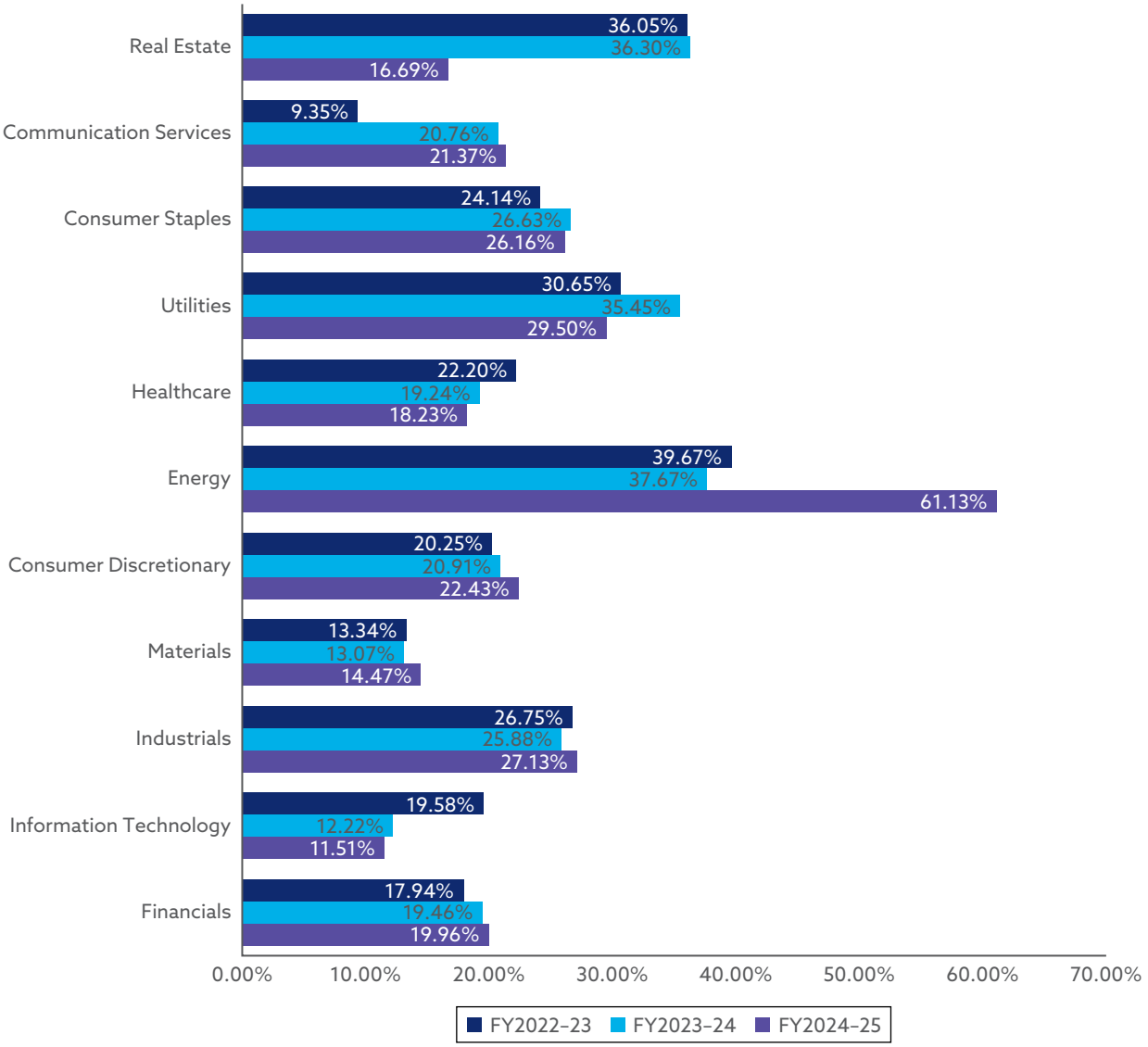
Sector	FY2022–23	FY2023–24	FY2024–25
Financials	1	5	8
Information Technology	6	6	8
Industrials	9	18	20
Materials	14	19	23
Consumer Discretionary	19	21	25
Energy	1	3	2
Healthcare	5	14	11
Utilities	4	5	8
Consumer Staples	7	10	10
Communication Services	4	2	3
Real Estate	4	3	3
Total	**74**	**106**	**121**

consistent, the intensity of MSME sourcing varied significantly by sector. Consumer Discretionary and Materials consistently recorded the widest reporting base (more than 40 companies each year) but showed moderate average MSME sourcing shares (around 20%–22% and 13%–14%, respectively). In contrast, Energy stands out as a key outlier, reported by only seven to eight companies yet recording the highest and rising average sourcing share (39.67% in FY2022–23, 37.67% in FY2023–24, and 61.13% in FY2024–25), indicating deeper MSME integration within a smaller reporting subset. Overall, the data suggest that MSME sourcing is widely disclosed while sector-level sourcing dependence is uneven, with select sectors demonstrating materially higher MSME linkage despite limited disclosure counts. **Exhibits C19** and **C20** illustrate these results.

Exhibit C19. Number of Companies Reporting Direct Sourcing from MSMEs, FY2022–23 through FY2024–25

Sector	FY2022–23	FY2023–24	FY2024–25
Financials	31	39	40
Information Technology	15	16	16
Industrials	35	37	36
Materials	41	41	41
Consumer Discretionary	43	44	44
Energy	7	8	8
Healthcare	23	26	26
Utilities	15	15	15
Consumer Staples	20	22	22
Communication Services	8	10	10
Real Estate	10	9	9
Total	**248**	**267**	**267**

Exhibit C20. Average Procurement from MSMEs (% share)



Product Recall

Voluntary Recall

Voluntary recalls remained limited and concentrated across FY2022–23 through FY2024–25. The number of companies with voluntary recall incidents is broadly stable year-on-year (14 in FY2022–23, 13 in FY2023–24, and 15 in FY2024–25), indicating low but persistent recall activity within the sample. Healthcare accounted for the highest recall volumes, declining from 12 instances in FY2022–23 to 9 in FY2024–25, suggesting improving controls or fewer events over time. In contrast, Consumer Discretionary showed a clear increase,

Exhibit C21. Number of Voluntary Recalls by Sector, FY2022–23 through FY2024–25

Sector	FY2022–23	FY2023–24	FY2024–25
Financials	0	0	0
Information Technology	0	0	0
Industrials	0	0	0
Materials	1	0	0
Consumer Discretionary	1	3	5
Energy	0	0	0
Healthcare	12	10	9
Utilities	0	0	1
Consumer Staples	0	0	0
Communication Services	0	0	0
Real Estate	0	0	0
Total	**14**	**13**	**15**

rising from one instance in FY2022–23 to five in FY2024–25, while most other sectors reported no recall activity across the period. Overall, voluntary recalls remain sector specific, with risk increasingly concentrated in consumer-facing segments. **Exhibit C21** details the number of voluntary recalls by sector.

Forced Recall

Forced recalls remain infrequent and sector-concentrated across FY2022–23 through FY2024–25. The number of companies with forced recall incidents edged up slightly year-on-year (five in FY2022–23, six in FY2023–24, and six in FY2024–25), indicating that such events remain rare in the sample. Healthcare recorded the highest forced recall instances overall, rising from three in FY2022–23 to four in FY2023–24, before moderating to two in FY2024–25, reflecting volatility rather than a sustained trend. Other than in Healthcare, forced recalls were largely isolated, with one-off occurrences in select sectors across the years. Overall, forced recalls remain concentrated in a small subset of companies, with limited incidence across most sectors. **Exhibit C22** details forced recalls by sector.

Exhibit C22. Number of Forced Recalls by Sector, FY2022–23 through FY2024–25

Sector	FY2022–23	FY2023–24	FY2024–25
Financials	0	0	0
Information Technology	0	0	0
Industrials	0	0	1
Materials	1	0	0
Consumer Discretionary	1	2	1
Energy	0	0	0
Healthcare	3	4	2
Utilities	0	0	1
Consumer Staples	0	0	1
Communication Services	0	0	0
Real Estate	0	0	0
Total	**5**	**6**	**6**

Number of Instances of Data Breaches

Data breaches remain concentrated in a limited subset of companies across FY2022–23 through FY2024–25. The number of companies with data breach incidents increased in FY2024–25 (13 in FY2022–23, 13 in FY2023–24, and 19 in FY2024–25), indicating higher breach activity in the latest year. The Healthcare sector recorded the highest breach count in FY2022–23 (10), falling sharply in FY2023–24 (2) before increasing again in FY2024–25 (4), reflecting year-on-year volatility. In contrast, Consumer Discretionary showed the sharpest increase, rising from two instances in FY2023–24 to five in FY2024–25, while IT increased from one in FY2022–23 to three in FY2024–25. Breaches involving customer PII remained limited but were concentrated in a few sectors. In FY2023–24, all breaches in Financials and IT involved customer PII, while Consumer Discretionary had one out of two such breaches; in FY2024–25, Consumer Discretionary had one out of five. Overall, although breach instances increased in FY2024–25, customer PII-related breaches remained limited.

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