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From disclosure to demonstration

How Indian companies are making ESG commitments credible



Board Leadership Center (India)

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India's sustainability reporting regime has crossed an important threshold. What began as a disclosure requirement is now operating as a test of organisational discipline, covering systems, governance, and the ability to reliably stand behind sustainability claims.

This shift is most visible in how companies are responding to Business Responsibility and Sustainability Reporting (BRSR), particularly BRSR Core. The move to a defined set of auditable ESG indicators, subject to mandatory independent assurance, has changed what commitment means in practice. ESG is no longer judged primarily by intent or narrative quality. It is increasingly judged by governance strength and data credibility.

An analysis of FY 2024–25 disclosures and assurance practices across 94 NIFTY 100 companies shows that commitment to ESG is now widespread, but unevenly embedded. Many companies have moved quickly to meet higher assurance expectations. Fewer have fully integrated sustainability into board oversight, reporting boundaries, and enterprise control systems.

This paper examines how ESG commitment is translating, sometimes imperfectly, into governance reality.

BRSR is the broader mandatory disclosure framework; BRSR Core is the assured subset of key ESG metrics within it — where assurance obligations and regulatory scrutiny are most concentrated



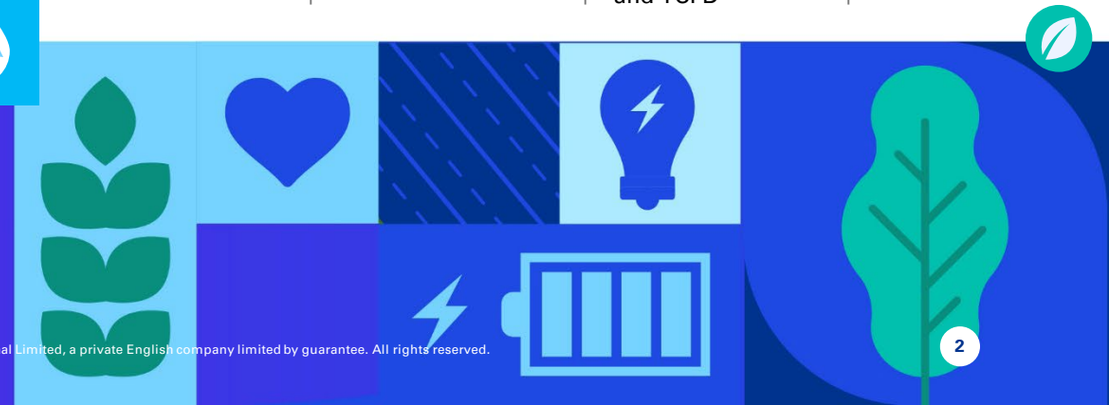
Survey snapshot[1]

100%
opted for reasonable assurance on BRSR Core — none chose the lighter assessment option

51%
operate a dedicated Sustainability and Corporate Social Responsibility (CSR) Committee

61%
voluntarily obtained third-party assurance beyond mandatory BRSR Core, many aligning with GRI and TCFD

71%
completed BRSR assurance more than 20 days after the financial audit



1. KPMG in India's Accounting and Auditing Update (Issue 115), February 2026).

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The credibility floor has moved

When SEBI allowed companies to choose between a basic check (assessment) or a more detailed check (assurance) of their sustainability disclosures, it gave them flexibility. However, in reality, large listed companies did not use that flexibility. All 94 NIFTY 100 companies studied for FY 2024–25 chose the more thorough option—reasonable assurance—making it the new minimum standard for credibility.

The results of these checks are telling. Only one company failed to fully meet the standard, because it could not provide enough reliable data and had weak internal systems and processes. A few others passed but included notes from the auditors highlighting certain limitations or areas of concern, instead of ignoring them.

This does not mean the system is broken. In fact, it shows that sustainability checks are now strict enough to uncover real weaknesses. The more important issue now is whether companies' internal systems—such as data management, clear responsibility, and board oversight—are strong enough to meet the higher expectations that come with independent assurance.

SEBI is encouraging voluntary value chain disclosures for the top 250 companies from FY 2025-26, with assurance expected to follow.

Commitment is revealed by where companies draw the line

Few decisions shape ESG credibility as directly as the reporting boundary. Under BRSR, companies are required to clarify whether reporting is based on a standalone or consolidated perimeter, aligned with their financial statements. Most companies complied with this requirement. About two thirds reported on a standalone basis, while roughly one third reported on a consolidated basis.

However, credibility is tested not by the headline choice, but by the exceptions that sit beneath it.

Nearly one in four companies explicitly excluded certain entities or sites from their stated reporting boundary. Some provided reasonable explanations, such as lack of operational control or immateriality. Others did not. Eight companies excluded entities or operations without offering any explanation at all.

In a purely narrative regime, such omissions might have gone unnoticed. In an assured environment, they raise immediate questions. An exclusion without rationale is not a technical oversight. It is a governance position for which accountability has not been clearly taken.

This pattern highlights a recurring issue. Reporting boundaries are often drawn based on data availability rather than where material ESG risk actually resides. That is not a determination management should make in isolation. It is a board level judgement about the scope of accountability the organisation is prepared to accept.

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When sustainability numbers change, boards are being tested

Almost half of the companies analysed revised at least some prior year BRSR figures. In many cases, this reflects progress rather than weakness. Methodologies were refined. Indicators were aligned with the December 2024 Industry Standards on BRSR Core. Reporting perimeters changed following corporate restructurings.

These revisions are a natural consequence of a framework that is still maturing.

What deserves closer attention is the way revisions are explained. Five companies revised prior year sustainability figures without providing any explanation. In a context where sustainability data is now subject to independent assurance, this creates unnecessary opacity.

Once ESG information is assured, restatements carry reputational weight similar to financial corrections. Boards are accustomed to scrutinising changes in accounting figures. Sustainability disclosures have reached a point where similar discipline is expected.

The broader issue is not how often data changes, but whether boards understand why it changes, and whether controls over non financial data are approaching the standard long applied to financial reporting.

Governance structures are in place, substance varies

Responsibility for sustainability oversight is now well institutionalised. More than half of the companies studied have a dedicated sustainability and CSR committee. Others vest responsibility in the risk management committee or the full board.

This shift reflects growing recognition that ESG cannot sit entirely at the margins of governance. However, formal structure alone does not guarantee meaningful oversight.

The difference between stronger and weaker governance lies in how actively these bodies engage. Committees that review disclosures only at the point of publication are operating very differently from those that participate in setting reporting boundaries, escalating data quality concerns, and monitoring how assurance findings are addressed.

As assurance expectations tighten and regulators probe deeper, boards will be judged less on whether a sustainability committee exists and more on whether it exercises real control and challenge.

Integration gaps expose organisational priorities

One of the clearest indicators of how seriously sustainability is treated is timing.

Where ESG information is viewed as decision critical, it is produced and assured alongside financial data. Where it is treated as supplementary, it follows later.

Only 15 per cent of companies completed BRSR assurance on the same day as, or before, the financial audit. For nearly one third of companies, the gap exceeded 50 days, with the longest extending to just under 100 days.



Financial audit to BRSR assurance sign-off[1]	Companies	Share
Same day or before financial audit	14	15%
1 to 20 days after	13	14%
21 to 50 days after	37	39%
More than 50 days (longest: 98 days)	30	32%

Part of this reflects operational reality. Sustainability data systems are less mature, and assurance processes are still bedding down. However, timing also reflects prioritisation. A company operating with a two month lag between financial and sustainability sign off is effectively running parallel reporting systems, with ESG positioned downstream.

Reducing this gap is not merely about efficiency. It is a governance signal about whether sustainability information is considered integral to performance and risk oversight.

Voluntary assurance is becoming a strategic choice

Beyond mandatory BRSR Core, companies are beginning to diverge. 61 per cent of companies voluntarily sought third party assurance over sustainability information beyond what regulation requires. Many aligned these efforts with international frameworks such as GRI, TCFD, or the GHG Protocol. Others limited assurance strictly to BRSR Core.

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This divergence is creating a two tier market in ESG credibility. Some companies are using broader assurance to strengthen investor confidence, prepare for international scrutiny, or support access to ESG linked capital. Others are meeting the regulatory minimum and stopping there.

Neither approach is inherently right or wrong. What matters is whether the position has been consciously determined. Boards that have not discussed whether their assurance posture aligns with their investor profile, financing strategy, and stated sustainability ambitions are leaving credibility to chance rather than design.

From saying to proving

The FY 2024–25 picture is encouraging, but incomplete. Universal adoption of reasonable assurance, the spread of formal governance structures, and the willingness of many companies to go beyond mandatory requirements all reflect real progress. At the same time, unexplained boundary exclusions, opaque restatements, extended assurance lags, and uneven committee effectiveness point to areas of continuing fragility.

These are not anomalies. They are early indicators of where regulatory scrutiny, investor questioning, and assurance escalation are most likely to concentrate.

BRSR in India is now less about what companies promise and more about what they can substantiate. Boards that treat sustainability as a governance system, deliberately designed and actively overseen, will be better positioned as expectations continue to rise. Those that treat it as an annual reporting obligation may remain compliant, but risk falling behind credibility standards that are tightening quickly.



Questions for boards to consider

Assurance posture: Is our current voluntary assurance scope a considered board-level position, or where we have defaulted? Given our investor base and financing arrangements, does it reflect where ESG credibility expectations are heading?

Boundary integrity: Is our reporting boundary drawn around where material ESG risk sits, or around what management found most convenient to collect? Are the rationale and any exclusions formally documented?

Prior-year revisions: When sustainability figures are revised, does the board understand why — and is the level of rigour equivalent to how a financial restatement would be handled?

Substantive oversight: Does our sustainability committee receive information in sufficient depth to exercise real oversight — on data quality, assurance findings, and management's response — or is it reviewing a compliance summary?

Integration timeline: What is the gap between our financial audit sign-off and BRSR assurance? Has the board set any direction on closing it — and is there a management roadmap to do so?

Value chain readiness: As the BRSR Core perimeter expands and mandatory value chain assurance approaches, are we building the data infrastructure and governance discipline now — or planning to retrofit it under regulatory pressure?

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