

Aligning India's Business Responsibility and Sustainability Report with the ISSB Standards: A Comparative Analysis

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Abstract: The sustainability reporting space is overcrowded with multiple frameworks. The Environmental, Social and Governance (ESG) is the latest version of sustainability reporting. Multiple ESG reporting frameworks because of varied country requirements, stakeholder needs and mainly due to the fact that ESG reporting initially evolved from being a voluntary form of disclosure rather than a mandatory one. Currently, there is no single standard that applies to the ESG disclosures made by companies. The creation of the International Sustainability Standards Board (ISSB) and the release in June 2023 of IFRS S1 and IFRS S2 has signaled a shift towards standardised global sustainability disclosures. These standards have been accepted by more than 30 jurisdictions, covering over 50% of the world's GDP. The Security and Exchange Board of India (SEBI) has also developed the Business Responsibility and Sustainability Report (BRSR) as well as the ESG-specific BRSR Core. This article compares India's BRSR framework with the ISSB standards. It looks at their origins, structure, climate-related requirements, value chain rules, and assurance procedures. Although both frameworks are based on the TCFD recommendations, they differ on a fundamental issue: for whom is the reporting being done? The BRSR places greater emphasis on real-world impact and the wider needs of stakeholders, while the ISSB concentrates solely on financial materiality for investors. It would not be practical or desirable for India to adopt the ISSB standards in full. The more realistic approach moving forward is therefore interoperability—aligning the BRSR with the ISSB's global baseline while at the same time keeping the main domestic priorities.

Keywords – ESG disclosures, Responsible Investing, Sustainability Reporting, ISSB, BRSR, IFRS S1, IFRS S2.

1. Introduction

The aim of mitigating climate change and the move towards inclusive and sustainable development are central to the United Nations Sustainable Development Goals. Together with the demand from stakeholders for non-financial information, this has led to increased interest in Environmental, Social and Governance (ESG).

The ESG framework includes environmental factors, social factors and governance factors and these relate to the way in which a company operates in the natural environment, the effect it has on stakeholders and aspects of corporate governance and business integrity (UNGC, 2004).

There exists no universal standard or framework which covers ESG disclosures, since sustainability disclosures originally were voluntary and it has only very recently been the case that there is a shift towards making them mandatory. The lack of unity has often been referred to as an "alphabet soup" of overlapping and inconsistent frameworks, a situation that causes reporting fatigue for those preparing the reports. (Tett, 2020)

The most recent major response to this issue has been the establishment of the International Sustainability Standards Board (ISSB) by the IFRS Foundation, an announcement made in November 2022. The board's role was to develop a complete set of global standards relating to financial disclosures on sustainability matters. The first two standards, IFRS S1 and IFRS S2, were published in June 2023. Adoption has been quick since over thirty jurisdictions have either adopted the standards or otherwise made use of them. These jurisdictions represent more



than fifty percent of the world's global GDP and are therefore making the ISSB a very important player in the standardisation of frameworks.

India's sustainability disclosures on the other hand, evolved over a period of time, moving from voluntary guideline under the Ministry of Corporate Affairs to a listing obligation under the Securities and Exchange Board of India. The Securities and Exchange Board of India, the country's market regulator, progressively built a mandatory disclosure regime that culminated in the Business Responsibility and Sustainability Report (BRSR). Subsequently, the assurance-focused BRSR Core was also released. The evolution of this regime from a regulator's perspective has been documented in the authors' earlier work. What has received comparatively little attention is how the Indian framework relates to the emerging global baseline set by the ISSB. This paper addresses that gap. Its purpose is to compare the BRSR framework with the ISSB standards across their principal features, to identify where the two converge and where they diverge, and to consider what the comparison implies for the future direction of sustainability disclosure in India.

2. Review of Literature

While a single, universal ESG reporting standard has yet to be established, several intergovernmental and non-profit organizations have introduced widely recognized frameworks. Key contributions come from institutions such as the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC), the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), and the Carbon Disclosure Project (CDP). (EY, 2021).

The various ESG reporting frameworks lack standardisation. Even though some of them are based on or have been developed from others, the situation still amounts to an 'alphabet soup' when it comes to reporting and measurement (Liang and Chang, 2022). It is believed that companies will not be able to deal effectively with climate change in the absence of a commonly agreed reporting standard (Tett, 2020) and that there is a sense of 'reporting fatigue' caused by the requirement to satisfy a number of different information demands (Pavoni, 2020).

The ESG framework includes environmental factors relating to the way in which an entity operates in the natural environment, social factors relating to its effects on stakeholders, and governance factors which involve corporate governance and business integrity (Bose, 2020). There has never been a single standardised ESG reporting framework to oversee the area, but a number of inter-governmental and non-profit organisations have created influential frameworks and recommendations, including the Global Reporting Initiative, the International Integrated Reporting Council, the Sustainability Accounting Standards Board, the Task Force on Climate-related Financial Disclosures and the Carbon Disclosure Project (Bose, 2020; Eckhart, 2020).

A degree of consolidation has since occurred as the Value Reporting Foundation and the Climate Disclosure Standards Board were absorbed into the IFRS Foundation, providing the institutional foundation for the ISSB and its work of building a global baseline (IFRS Foundation, 2023a).

A central theme in the comparative literature is the question of materiality. The ISSB standards adopt financial materiality, directing disclosure towards the sustainability-related risks and opportunities that could reasonably be expected to affect an entity's cash flows, its access to finance or its cost of capital, and hence its enterprise value (IFRS Foundation, 2023a).

Comparative institutional studies of ESG disclosure across developed and developing economies have highlighted how differences in materiality orientation, enforcement and market maturity shape the disclosure regimes that jurisdictions adopt (Singhania & Saini, 2023).



3. Research Design

This study is descriptive in nature and adopts a comparative doctrinal approach. It relies on secondary data drawn from primary regulatory and standard-setting sources, principally the circulars, consultation papers and reporting guidelines published by the Securities and Exchange Board of India and IFRS S1 and IFRS S2 together with supporting material published by the IFRS Foundation and the ISSB. These are supplemented by institutional reports and stakeholder analyses concerning the alignment of Indian disclosure practice with international standards. The two frameworks are compared across a set of features selected for their regulatory significance, and no primary empirical data are collected.

4. The BRSR Framework: An Overview

The move towards sustainability disclosure in India began with the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business, announced by the Ministry of Corporate Affairs in 2011. These guidelines set out a structured Business Responsibility Report format. In 2012, SEBI required the top 100 listed entities by market capitalisation to include a Business Responsibility Report in their annual reports and this requirement was placed within the Listing Obligations and Disclosure Requirements Regulations. In 2015, this requirement was extended to the top 500 entities and top 1000 in 2019.

With the introduction of the National Guidelines on Responsible Business Conduct (NGRBC) in 2019 and the growing demand for ESG related information, SEBI introduced the Business Responsibility and Sustainability Report (BRSR) in 2021. The BRSR is organised around the nine principles of the National Guidelines on Responsible Business Conduct, with disclosures under each principle divided into mandatory essential indicators and voluntary leadership indicators. It was voluntary for the financial year 2021-22 and mandatory for the top 1,000 listed entities from the financial year 2022-23. To strengthen the assurance of disclosures, SEBI introduced the BRSR Core in 2023 the BRSR Core is a subset of quantifiable key performance indicators, focused principally on climate and social metrics. The BRSR Core is subject to third-party reasonable assurance and phased in through a glide path. A 2025 circular directed at easing the compliance burden introduced a permissible assessment alternative to assurance, redefined the value-chain threshold, made value-chain disclosures voluntary, and added indicators of domestic relevance together with Purchasing Power Parity-adjusted intensity ratios. This was intended to enhance cross-jurisdictional comparability. A fuller account of this regulatory evolution is provided in the authors' earlier work. Shukla, T. (2025)

5. The ISSB Standards: IFRS S1 and IFRS S2

In June 2023 the ISSB issued its first two standards. IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information, sets out the overall framework. It requires an entity to disclose material information about the sustainability-related risks and opportunities that could reasonably be expected to affect its cash flows, its access to finance or its cost of capital over the short, medium and long term. Its disclosures are structured around the four pillars inherited from the Task Force on Climate-related Financial Disclosures, namely governance, strategy, risk management, and metrics and targets, and it emphasises connectivity between sustainability-related and financial information within a single reporting package.

IFRS S2, Climate-related Disclosures, applies that architecture to climate. It requires disclosure of greenhouse gas emissions across Scope 1, Scope 2 and Scope 3, measured in accordance with the Greenhouse Gas Protocol, together with information on physical and transition risks, climate resilience and scenario analysis, and it incorporates industry-based metrics derived from the SASB Standards. The two standards are effective for annual reporting periods beginning on or after 1 January 2024, subject to transition reliefs in the first year of application. The ISSB standards are conceived as a global baseline within a "building blocks" approach, upon which individual jurisdictions may add requirements to meet local needs, and are designed to interoperate with the impact-focused

disclosures of the Global Reporting Initiative. Further thematic standards, addressing matters such as nature and human capital, are on the ISSB's forward agenda.

6. Comparative Analysis

Although the BRSR and the ISSB standards share a common lineage in the recommendations of the Task Force on Climate-related Financial Disclosures, they differ in ways that reflect their distinct origins and purposes. The principal points of comparison are set out below and summarised in Table 1.

Origins and institutional design

The BRSR is the product of a national securities regulator acting within a domestic legal framework, and it is mandatory and enforceable for the entities within its scope. The ISSB standards are the product of an international standard-setter and carry no legal force of their own; they become binding only where a jurisdiction chooses to adopt them. This difference in institutional character shapes much of what follows, for the BRSR must answer to the priorities of a single market while the ISSB standards must command acceptance across many.

Materiality orientation

The most consequential divergence concerns materiality. The ISSB standards are grounded in financial materiality: their object is to inform investors about the sustainability matters that bear on enterprise value. The BRSR, by contrast, is impact- and stakeholder-oriented. Built upon the nine principles of the National Guidelines on Responsible Business Conduct, it addresses an entity's responsibilities towards employees, communities, consumers and the environment, and calls for disclosure of matters that would not necessarily meet a test of financial materiality. In this respect the BRSR sits closer to the double or impact materiality of the Global Reporting Initiative than to the enterprise-value focus of the ISSB, and any effort at alignment must confront this difference of purpose rather than treat it as a matter of technical detail. Roy, D., Nair, R., & Sharma, B. (2025)

Conceptual architecture

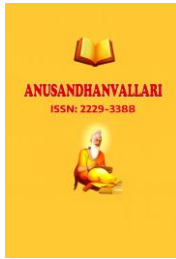
The two frameworks are organised differently. The BRSR arranges its disclosures under nine principles, each subdivided into essential and leadership indicators, an architecture that mirrors the structure of India's responsible business conduct guidelines. The ISSB standards arrange disclosure under the four pillars of governance, strategy, risk management, and metrics and targets. A preparer moving between the two frameworks must therefore re-map its information, since a single ISSB pillar such as risk management, draws on data that the BRSR distributes across several principles.

Thematic scope

The BRSR covers the full breadth of environmental, social and governance matters within a single report. The ISSB standards, at present, comprise a general standard and a climate standard, so that their mandatory coverage is climate-first, with broader environmental and social themes to be addressed by future thematic standards. Consequently the BRSR is, for the time being, wider in social and governance coverage, while the ISSB standards are deeper and more rigorous on climate.

Greenhouse gas and climate-risk disclosure

On emissions the ISSB standards are the more demanding. IFRS S2 requires disclosure of Scope 1, Scope 2 and Scope 3 emissions, whereas the BRSR Core requires Scope 1 and Scope 2 emissions with a gas-wise breakdown and intensity ratios and treats value-chain emissions more tentatively. The ISSB standards also require explicit disclosure of physical and transition risks, climate resilience and scenario analysis, elements that the BRSR addresses only lightly. The absence of a mandatory scenario-analysis requirement is among the clearest gaps between the Indian framework and the global baseline.



Treatment of the value chain

Both frameworks reach beyond the reporting entity into its value chain, but they do so differently. The BRSR defines value-chain partners as those individually contributing two per cent or more of the entity's purchases or sales, and following the 2025 circular treats value-chain disclosures as voluntary and defers their commencement. The ISSB standards treat the value chain as integral to the identification of sustainability-related risks and opportunities and to the measurement of Scope 3 emissions, and so embed it more firmly in the disclosure obligation. Roy, D., Nair, R., & Sharma, B. (2025)

Assurance

The BRSR Core requires reasonable assurance of its selected indicators, with third-party assessment now permitted as an alternative under the 2025 circular, phased in through a glide path across cohorts of listed entities. The ISSB standards, as disclosure standards, do not themselves prescribe assurance; assurance requirements are determined by the adopting jurisdiction. In India the assurance dimension is being developed by the Institute of Chartered Accountants of India, whose Sustainability Reporting Standards Board is advancing standards aligned with the international assurance standard ISSA 5000, a development that will bear directly on the credibility of both BRSR and any future ISSB-aligned disclosures.

Applicability, comparability and international alignment

The BRSR applies to a defined population of large listed entities and is filed both in the annual report and in XBRL format on the Ministry of Corporate Affairs portal. The ISSB standards apply wherever a jurisdiction adopts them and are intended to sit within the general purpose financial reporting package alongside the financial statements. To aid comparability, the BRSR relies on Purchasing Power Parity-adjusted intensity ratios and on indicators of specific relevance to the Indian context, such as job creation in smaller towns and sourcing from micro, small and medium enterprises. The ISSB standards rely on industry-based metrics derived from the SASB Standards and on a digital taxonomy that supports structured, machine-readable reporting. The two therefore pursue comparability by different means, the BRSR emphasising domestic relevance and the ISSB emphasising cross-border consistency.

Table 1: Comparison of the BRSR framework and the ISSB standards

Standard-setter	Securities and Exchange Board of India (market regulator), building on MCA guidelines	International Sustainability Standards Board under the IFRS Foundation (global standard-setter)
Legal status	Mandatory for the top listed entities by market capitalisation; enforceable under LODR	Voluntary global baseline; binding only where a jurisdiction adopts it
Conceptual architecture	Nine NGRBC principles, sub-divided into essential (mandatory) and leadership (voluntary) indicators	Four TCFD pillars: governance, strategy, risk management, and metrics and targets
Materiality basis	Impact- and stakeholder-oriented; broad economic, social and environmental responsibility	Financial materiality; risks and opportunities affecting enterprise value and investor decisions

Thematic scope	Full environmental, social and governance coverage in a single report	IFRS S1 general requirements plus IFRS S2 climate; further thematic standards on the roadmap
GHG emissions	BRSR Core: Scope 1 and Scope 2 with gas-wise breakup and intensity ratios; limited value-chain data	IFRS S2: Scope 1, Scope 2 and Scope 3 required, measured per the GHG Protocol
Climate risk	Limited treatment of physical and transition risk; no mandatory scenario analysis	Explicit physical and transition risk, climate resilience and scenario analysis
Value chain	Partners individually contributing 2% or more of purchases/sales; disclosure now voluntary and deferred	Value chain integral to identifying risks/opportunities and to Scope 3 emissions
Assurance	BRSR Core: reasonable assurance, with third-party assessment now a permitted alternative (glide path)	Set by jurisdiction; in India via ICAI standards (SSA 5000, aligned with ISSA 5000)
Comparability tools	PPP-adjusted intensity ratios; India-specific indicators (small-town jobs, MSME sourcing)	Industry-based (SASB-derived) metrics; ISSB digital taxonomy for structured data
Filing	Annual report plus XBRL filing on the MCA portal	Within the general purpose financial reporting package, alongside financial statements

Source: Compiled by the authors from SEBI circulars, the National Guidelines on Responsible Business Conduct, and IFRS S1 and IFRS S2.

7. Towards Convergence: Pathways for India

The comparison indicates that the relationship between the BRSR and ISSB standards should be viewed not as a choice between competing frameworks, but rather as a matter of the extent and methods by which the Indian regulatory regime should converge with the global baseline. Two key considerations argue against the wholesale adoption of ISSB standards. First, the frameworks serve different purposes: the BRSR's stakeholder and impact orientation reflects a deliberate policy decision regarding the responsibilities of Indian businesses. Replacing it with a purely financial-materiality standard would significantly narrow this ambition. Second, complete adoption is complicated by domestic specificities. Current estimates place the BRSR at approximately forty percent alignment with IFRS S2, highlighting both meaningful common ground and a substantial gap yet to be bridged.

A more pragmatic approach is interoperability, whereby India retains the BRSR as its domestic framework while aligning it more closely with the ISSB baseline in areas where such alignment is beneficial. Several measures could facilitate this process. Publishing a mapping between the BRSR Core indicators and the requirements of



IFRS S1 and IFRS S2 would enable entities reporting under both frameworks to avoid duplication and clarify areas of divergence. Expanding the BRSR's climate requirements to include Scope 3 emissions, as well as introducing scenario analysis and climate-resilience disclosures, would address the most significant gaps identified. Ongoing development by the Institute of Chartered Accountants of India of assurance standards consistent with international norms would enhance the reliability of disclosures under either framework. Simultaneously, indicators of domestic relevance that distinguish the BRSR, along with its Purchasing Power Parity-adjusted intensity ratios, can be maintained as supplementary elements within a building-blocks approach. This ensures that convergence with the global baseline does not compromise contextual relevance. Implementing any of these measures will also require sustained capacity-building among preparers, assurers, and regulators.

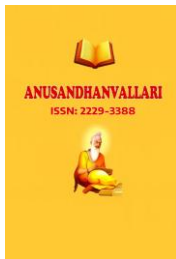
8. Conclusion

The issuance of IFRS S1 and IFRS S2 has given the field of sustainability disclosure a credible global baseline for the first time, and the rapid movement of jurisdictions towards these standards makes the question of India's relationship to them pressing. This paper has compared the BRSR framework with the ISSB standards across their institutional design, materiality orientation, conceptual architecture, thematic scope, emissions and climate-risk requirements, value-chain treatment, assurance arrangements and mechanisms for comparability. The two frameworks share a common ancestry but serve different masters: the BRSR speaks to a broad range of stakeholders about the impact of business, while the ISSB standards speak to investors about the effect of sustainability on enterprise value.

The comparison indicates that convergence, rather than replacement, is the appropriate goal for India. By mapping the BRSR to the ISSB standards, strengthening its climate and assurance requirements, and preserving the indicators that reflect national priorities within a building-blocks approach, India can align with the global baseline while retaining a disclosure regime suited to its own circumstances. Further studies might examine the actual alignment of BRSR Core disclosures with IFRS S2 through a detailed mapping of indicators, or assess how prepared Indian listed entities are, in practice, to report against the ISSB standards.

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