Sustainability Reporting Maturity Model (SRMM)

- Framework and Implementation

Environmental **Social** **Governance**

November 2026



Agenda

01 Background of BRSR

02 Why ICAI introduced SRMM

03 Components of SRMM Version 3

04 Two models: Manufacturing and Services

05 Role of Chartered Accountants

06 Next steps

01



Background of BRSR

India’s sustainability reporting journey: from voluntary guidelines to assured disclosures



BRSR is structured in three sections built on the nine NGRBC principles

Section A

General disclosures

Corporate identity, products and operations, employees, holding/subsidiary details, CSR and transparency

Section B

Management and process disclosures

Policies, governance, leadership and oversight structures mapped to the nine principles

Section C

Principle-wise performance

Essential indicators (mandatory) and leadership indicators (voluntary) for each principle

The nine NGRBC principles anchor every BRSR disclosure

- **P1** Ethics, transparency and accountability
- **P2** Sustainable and safe goods and services
- **P3** Well-being of employees and value-chain workers
- **P4** Responsiveness to all stakeholders
- **P5** Respect and promote human rights
- **P6** Protect and restore the environment
- **P7** Responsible and transparent public-policy advocacy
- **P8** Promote inclusive growth and equitable development
- **P9** Responsible engagement with consumers

Existing and upcoming reporting and assurance requirements

1,000

Top listed entities by market capitalisation required to file BRSR

Phased assurance on BRSR core

Top-1000 listed entities are currently covered under BRSR Core assurance in FY 2026-27

FY 2026–27

Third party assessment / assurance over value chain reporting for top 250 listed companies

Beyond BRSR: global frameworks used alongside it

- Global Reporting Initiative (GRI) Standards
- IFRS Sustainability Disclosure Standards issued by the ISSB
- SASB Standards, chosen by reporting objectives and stakeholder expectations

Quick revision: Background of BRSR

Q1. In BRSR Section C, leadership indicators are:

A. Mandatory for all listed entities

B. Required only for unlisted entities

C. Replaced by BRSR Core

D. Voluntary



Quick revision: Background of BRSR

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Quick revision: Background of BRSR

Q2. How many NGRBC principles anchor every BRSR disclosure?

A. Five

B. Seven

C. Nine

D. Twelve



Quick revision: Background of BRSR

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02

Why ICAI introduced SRMM



Disclosure alone is no longer enough – stakeholders want to see maturity

- Entities are expected to **integrate** sustainability into governance, strategy, operations and risk management – not just disclose
- There was **no structured way** to benchmark sustainability reporting against defined criteria
- Investors, regulators, lenders and customers need reliable, comparable, **decision-useful ESG information**
- Entities sit at different stages of their sustainability journey and need a **path to improve**

SRMM gives entities a structured, self-assessed route to continuous improvement

01
Understand

Current level of sustainability reporting maturity

02
Identify

Gaps and improvement areas

03
Strengthen

Internal sustainability processes and governance

04
Improve

Transparency and stakeholder confidence

05
Align

Progressively with evolving expectations and practices

SRMM has evolved in step with BRSR, from one model to sector-specific versions

March 2021	September 2023	September 2026
Version 1.0	**Version 2.0**	**Version 3.1 / 3.2**
Comprehensive scoring tool based on the BRSR format recommended by the MCA Committee on BR Reporting	Updated to incorporate changes in the BRSR format notified by the SEBI BRSR Circular	Separate models: V3.1 for Manufacturing and V3.2 for Services, with optional CA validation

Factors that made a new version of SRMM necessary

Sector relevance

Manufacturing and services face different priorities; separate models improve fit

BRSR Core and assurance

Assured, material KPIs are now expected of large listed entities

Global frameworks

ISSB, GRI and SASB practices shape investor expectations

New Indian schemes

Carbon Credit Trading Scheme (CCTS) and Green Credit Programme

Quality over quantity

Scoring how meaningful, reliable and consistent disclosures are over time

Credibility

Optional independent validation by a Chartered Accountant, with published scores

Quick revision: Why ICAI introduced SRMM

Q1. What is the core purpose of SRMM?

A. To replace the statutory BRSR filing

B. A structured, self-assessed route to benchmark and improve reporting maturity

C. To conduct a financial audit of ESG spend

D. To issue carbon credits to entities



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Quick revision: Why ICAI introduced SRMM

Q2. Under SRMM Version 3, which model applies to which sector?

A V3.1 – Manufacturing; V3.2 – Services

B V3.1 – Services; V3.2 – Manufacturing

C One common model for all sectors

D V3.1 – Listed; V3.2 – Unlisted entities



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03



Components of SRMM Version 3

SRMM scores entities out of 300 across three sections

40 points

Section A

General Disclosures and Management Procedures

200 points

Section B

Sustainability Reporting and Performance Assessment

60 points

Section C

Sustainability Leadership and Strategic Initiatives

Note: an entity must score at least 30% in each section (A ≥ 12, B ≥ 60, C ≥ 18; 90 of 300 overall) to be assigned a maturity level. Where parameters are NA, the 30% applies to the NA-adjusted maximum.

Section A tests governance foundations and management procedures (40 points)

What is assessed

- **Identity:** completeness of general disclosures (A1)
- **Governance:** designated Board/Committee for sustainability; material issues identified (A2–A3)
- **Policy discipline:** frequency of ESG policy review (A4)
- **Assurance:** level of assurance and independent assessment (A5)
- **Workforce:** differently-abled employees/workers, women in workforce, turnover (A6–A9)

…and accountability

- **Grievances:** redressal mechanism and resolution rate (A10)
- **Risk:** risk assessments including financial implications (A11)
- **Group alignment:** subsidiaries aligned to ESG targets and KPIs (A12)
- **Commitments:** measurable sustainability goals and achievement of disclosed targets (A13–A14)
- **Leadership:** statement from the director responsible for the BRSR (A15)

Section B measures performance across seven themes (200 points)

Theme	Examples of what is scored
Ethics, Governance & Anti-Corruption	Anti-corruption policy, conflicts of interest, fines, ethics training
Responsible Business & Value Chain	Sustainable R&D capex, sourcing, EPR, waste, reclaim processes
Workforce Wellbeing, Safety & Inclusion	Benefits, PF/ESI coverage, OHS, LTIFR, training, return-to-work
Stakeholder Engagement & Human Rights	Stakeholder identification, minimum wages, HR due diligence
Environmental Performance & Climate Action	Energy, renewables, water, ZLD, Scope 1–3, EIA, innovation
Consumer Responsibility, Public Policy & Inclusive Growth	Business continuity, SIA, local sourcing, cyber security, recalls
Diversity, Equality & Community Engagement	Diversity data, discrimination incidents, community engagement

Section C rewards leadership and strategic integration (60 points)

C1–C4

Climate strategy

Physical and transition risk assessment, SBTi-validated targets, certified carbon credits

C5–C8

Circularity

Circular economy strategy, life cycle assessment, recycled raw material and water

C9–C13

Responsible supply chain

Supplier ESG code, value-chain assessments, capacity building, traceability

C14–C17

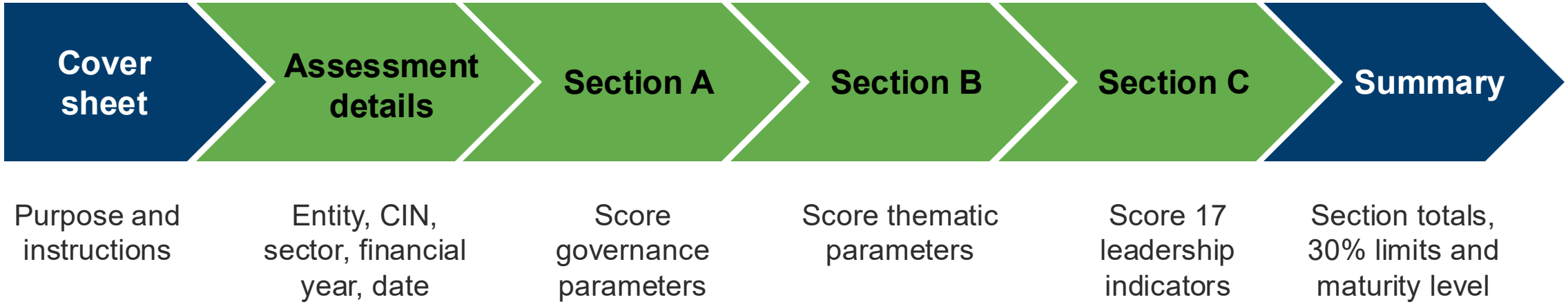
Integration and value

CSR spend, sustainability-linked finance, ESG in ERM, SDG alignment

Scores translate into four maturity levels

Maturity level	Score range	What it looks like
Level 1 – Formative	>30% to ≤50%	Minimal disclosures; compliance-driven; no formal ESG governance or targets
Level 2 – Developing	>50% to ≤65%	Essential norms met; policies established; limited quantitative tracking; no external assurance
Level 3 – Emerging	>65% to ≤80%	Quantitative ESG metrics tracked; stakeholder engagement formalised; external assurance initiated
Level 4 – Established	>80% to 100%	Comprehensive disclosures; science-based targets; value-chain coverage
Below Level 1 – Not Rated	<30% in any section	Fails the minimum 30% gate in one or more sections

Excel self-evaluation utility operationalises the model



Quick revision: Components of SRMM Version 3

Q1. What is the maximum score for Section B in SRMM?

A. 40 points

B. 60 points

C. 300 points

D. 200 points



Quick revision: Components of SRMM Version 3

Q1. What is the maximum score for Section B in SRMM?

A. 40 points

B. 60 points

C. 300 points

D. 200 points



Quick revision: Components of SRMM Version 3

Q2. What minimum score must an entity achieve in EACH section to be assigned a maturity level?

A 30%

B 20%

C 50%

D 65%



Quick revision: Components of SRMM Version 3

Q2. What minimum score must an entity achieve in EACH section to be assigned a maturity level?

- **A** 30%
- **B** 20%
- **C** 50%
- **D** 65%



Quick revision: Components of SRMM Version 3

Q3. An entity scores 72% overall and clears every section gate. Its maturity level is:

A Level 1 – Formative

B Level 3 – Emerging

C Level 2 – Developing

D Level 4 – Established



Quick revision: Components of SRMM Version 3

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A. Level 1 – Formative

B. Level 3 – Emerging

C. Level 2 – Developing

D. Level 4 – Established



Quick revision: Components of SRMM Version 3

Q4. How many leadership indicators are scored in Section C?

A 12

B 15

C 17

D 93



Quick revision: Components of SRMM Version 3

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A 12

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C 17

D 93



04

Two models: Manufacturing and Services



V3.1 and V3.2 tailor the same architecture to each sector

Dimension	SRMM V3.1 – Manufacturing	SRMM V3.2 – Services
Scope	Manufacturing incl. extraction, processing, mining and similar activities	Financial services, IT, telecom, healthcare, education, hospitality, logistics, retail, professional services
Sector profile	Larger environmental footprint; dependence on natural resources	Larger human-capital footprint; significant digital and data infrastructure
Focus areas	Energy and emissions, waste, circular economy, responsible sourcing, EIA, LCA	Employee well-being, data privacy and cybersecurity, digital carbon footprint, green buildings, responsible digital practices
Structure	Sections A / B / C – 40 / 200 / 60 points	
Validation	Optional independent CA validation	

Same 300 points, different mix: 93 vs 87 parameters

	Number of questions	
Section / theme	**Manufacturing**	**Services**
Section A – General Disclosures (40 pts)	15	15
B: Ethics, Governance & Anti-Corruption	6	6
B: Responsible Business & Value Chain	6	5
B: Workforce Wellbeing, Safety & Inclusion	10	11
B: Stakeholder Engagement & Human Rights	9	9
B: Environmental Performance & Climate Action	12	10
B: Consumer Responsibility & Public Policy	14	11
B: Diversity, Equality & Community	4	3
Section C – Leadership (60 pts)	17	17
Total parameters	**93**	**87**

What changes for Services

- Fewer value-chain and environmental parameters – no EIA, ZLD or EPR
- An extra workforce parameter: apprentices and interns
- Digital footprint, green buildings and data breaches added
- Section C swaps raw-material circularity for IT hardware and service lifecycle

Quick revision: Two models: Manufacturing and Services

Q1. How many parameters do the Manufacturing and Services models contain?

A. 87 vs 93

B. 93 vs 87

C. 93 vs 93

D. 100 vs 100



Quick revision: Two models: Manufacturing and Services

Q1. How many parameters do the Manufacturing and Services models contain?

A. 87 vs 93

B. 93 vs 87

C. 93 vs 93

D. 100 vs 100



Quick revision: Two models: Manufacturing and Services

Q2. Which parameter is NOT included in the Services model (V3.2)?

A. Data breaches

B. Apprentices and interns

C. Environmental Impact Assessment (EIA)

D. Green buildings



Quick revision: Two models: Manufacturing and Services

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A. Data breaches

B. Apprentices and interns

C. Environmental Impact Assessment (EIA)

D. Green buildings



Quick revision: Two models: Manufacturing and Services

Q3. What is the total score available under the Services model?

A. 300 points

B. 200 points

C. 250 points

D. 360 points



Quick revision: Two models: Manufacturing and Services

Q3. What is the total score available under the Services model?

A. 300 points

B. 200 points

C. 250 points

D. 360 points



Quick revision: Two models: Manufacturing and Services

Q4. Which focus area is emphasised in V3.2 – Services?

A. Zero liquid discharge (ZLD)

B. Extended producer responsibility (EPR)

C. Raw-material circularity

D. Data privacy and cybersecurity



Quick revision: Two models: Manufacturing and Services

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C. Raw-material circularity

D. Data privacy and cybersecurity



05



Role of Chartered Accountants

Role of the CA: who can validate, and what validation covers

01

Qualification requirement

- ICAI member holding a valid Certificate of Practice (CoP)
- Passed ICAI's certificate course on Sustainability and BRSR

02

CPE requirement

- Minimum 10 hours of structured / unstructured CPE every year, related to sustainability
- Must be met annually to continue eligibility

03

Scope of the validation

- Based on disclosures, documents, supporting records, explanations and evidence provided by management
- Not a financial audit; no assurance or guarantee of future ESG performance
- External BRSR / sustainability report assurance may be used as evidence, subject to professional judgement
- The CA is not responsible for the technical accuracy of engineering, scientific, environmental or carbon reports by other professionals – except to the extent relied upon

Management owns the information; the CA validates it

Management's responsibilities

- Complete, accurate and consistent information across all SRMM parameters
- Adequate supporting records, data and documentation for every disclosure
- Access to relevant documents, policies and internal records
- No material information withheld or misrepresented

CA's responsibilities

Professional conduct

- Professional judgement, objectivity and independence
- Apply scoring criteria consistently, without bias
- Document scoring rationale (partial, qualitative, NA); keep entity information confidential
- Maintain confidentiality

Verification of evidence

- Verify documents, records, policies, certifications and public disclosures
- Do not rely solely on management assertions – cross-verify
- Flag and document material discrepancies in working papers

Evidence documentation: official sources and complete working papers

Sources of information – drawn from the entity's official disclosures and records

Annual Report and Directors' Report	BRSR	Standalone ESG / Sustainability Report	Board-approved sustainability and ESG policies
Third-party assurance statements and external audit reports	Internal MIS, HR records, utility bills, certifications, compliance filings	Board and committee minutes on ESG oversight	Invoices, vendor agreements and supply-chain documents

Working papers

- Maintain comprehensive assessment working papers as required by ICAI's Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) and the Code of Ethics.
- Retain the file for at least 7 years (SQC 1).

Scoring methodology

General principles

- Score strictly per each parameter's criteria
- Assess and document the reasonableness of management estimates and assumptions

Partial disclosures

- Score only the level of disclosure evidenced – no credit beyond the evidence
- Document what was available and what was absent

Proportionality

- Credible internal evidence = Partial credit, never top tier

Not Applicable

- NA only when evidence and operations show the parameter is genuinely inapplicable
- NA parameters are to be excluded from the denominator and score recalculated on the adjusted total

Use of experts

Technical areas where the CA may rely on external domain experts

- Environmental engineering and pollution control
- Energy audits and renewable energy certifications
- Carbon accounting and GHG emission verification
- Biodiversity and natural capital assessments
- Occupational health and safety audits
- Lifecycle assessments (LCA) and service footprint
- Cybersecurity and data privacy (DPDP Act 2023) assessments
- IT carbon footprint assessment

Basis of reliance

- Competence
- Objectivity
- Relevance of findings to the SRMM parameter

- No need to re-perform or validate the expert's technical work
- Document the basis and extent of reliance in working papers

Certification: what the CA confirms and what the certificate shows

The CA certifies that

- The self-assessed SRMM score on the information, records, explanations, and supporting evidence made available by the management, in accordance with the SRMM framework.
- No material misstatement, omission or misrepresentation exists in the disclosures reviewed

The certificate must disclose
Name and membership number of the issuing CA
Name of the entity assessed
Reporting period covered
Section-wise scores (A, B, C) and total out of 300
Maturity level achieved
Qualifications, limitations or observations, if any
Date of issue
UDIN

Publication of scores and annual reassessment

ICAI website
CA-validated scores may be displayed on www.icai.org
Only with the entity's written consent

Entity disclosures
Score may be disclosed in the Annual Report, including notes to consolidated financial statements

Withdrawal & reassessment

- ICAI may withhold or withdraw a score after a quality review finding, a material restatement or disciplinary proceedings against the CA
- Reporting maturity should be reassessed annually

Additional guidance: judgement throughout the validation

Professional skepticism

Stay alert to incomplete, inconsistent or unsupported self-assessments; clarify before finalising if representations conflict with evidence

Materiality

Weigh entity size, sector and parameter significance; minor errors that do not materially affect the evaluation need not change the score

Sampling

Where testing every item is impractical, apply a documented, judgement-based sampling approach

Management representations

Rely on them only where reasonable and supported by other evidence where possible; document the reliance

Step-by-step protocol from engagement to issuance

01
Eligibility

Practising CA, competent in sustainability assurance and BRSR, independent of the entity

02
Engagement letter

Scope, applicable standards, level of assurance, fees, responsibilities & restrictions

03
Planning

Obtain the V3.1 workbook; identify high-risk scoring areas; scale procedures to risk

04
Self-evaluation

Obtain the entity's self-evaluation, certified by an authorised person

05
Representation letter

Signed MRL: completeness, no material misstatement, engagement boundaries

06
UDIN

Mandatory UDIN for issuing the certificate

07
QC review

Engagement partner / QC sign-off; retain file for 7 years (SQC 1)

08
Issuance

Address the certificate to the Board; verbatim reproduction if included in the Annual Report

Quick revision: Role of Chartered Accountants

Q1. How many hours of sustainability-related CPE must a validating CA complete each year?

A 5 hours

B 10 hours

C 20 hours

D 40 hours



Quick revision: Role of Chartered Accountants

Q1. How many hours of sustainability-related CPE must a validating CA complete each year?

A. 5 hours

B. 10 hours

C. 20 hours

D. 40 hours



Quick revision: Role of Chartered Accountants

Q2. How long must the SRMM working paper file be retained under SQC 1?

A. 3 years

B. 5 years

C. 10 years

D. 7 years



Quick revision: Role of Chartered Accountants

Q2. How long must the SRMM working paper file be retained under SQC 1?

A 3 years

B 5 years

C 10 years

D 7 years



Quick revision: Role of Chartered Accountants

Q3. How are parameters marked 'Not Applicable' treated in scoring?

A. Excluded from the denominator; score recalculated

B. Scored as zero

C. Awarded full marks

D. Given partial credit



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Quick revision: Role of Chartered Accountants

Q4. Which item is mandatory for issuing the SRMM certificate?

A. Entity's GSTIN

B. SEBI approval

C. UDIN

D. Board resolution of the CA firm



Quick revision: Role of Chartered Accountants

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06



Next steps

What SRMM offers Chartered Accountants and companies

For Chartered Accountants

- **New service line:** SRMM validation and certification engagements that build on existing assurance skills
- **Route into BRSR Core assurance:** hands-on experience testing ESG evidence, KPIs and controls
- **Advisory follow-on:** gap analysis, improvement roadmaps and data-system fixes for low-scoring parameters
- **Defensible judgement:** a parameter-based 300-point model with documented evidence standardises work and lowers engagement risk
- **Recurring work:** annual reassessment turns a one-off engagement into a repeat client relationship

For companies

- **Clear baseline:** a score out of 300 and a maturity level shows exactly where the entity stands
- **Prioritised action list:** low-scoring parameters point to specific gaps to close before the next reporting cycle
- **Assurance readiness:** cleaner data, evidence and controls now ease BRSR Core and value-chain assurance later
- **Credibility:** a CA-validated score backs ESG claims to investors, lenders and customers
- **Like-for-like benchmarking:** sector models (Manufacturing / Services) allow fair peer and year-on-year comparison

Next steps: from self-assessment to validated, improving maturity

For entities

- Run the SRMM self-assessment using the sector utility
- Identify gaps and formulate a roadmap for systematic improvement
- Benchmark against defined criteria, peers and industry
- Strengthen systems and practices, evidence and data systems to drive effective sustainability performance and credible reporting
- Consider independent CA validation and publication

For Chartered Accountants

- Complete ICAI's certificate course on Sustainability and BRSR
- Maintain 10 hours of sustainability CPE a year
- Apply the step-by-step validation protocol and checklist

Quick revision: Next steps

Q1. How often should an entity's reporting maturity be reassessed?

A. Every three years

B. Only once

C. Every five years

D. Annually



Quick revision: Next steps

Q1. How often should an entity's reporting maturity be reassessed?

A. Every three years

B. Only once

C. Every five years

D. Annually



Quick revision: Next steps

Q2. What is the first recommended step for entities?

A. Apply directly for publication

B. Run the SRMM self-assessment using the sector utility

C. Obtain a UDIN

D. Initiate BRSR Core assurance



Quick revision: Next steps

Q2. What is the first recommended step for entities?

A. Apply directly for publication

B. Run the SRMM self-assessment using the sector utility

C. Obtain a UDIN

D. Initiate BRSR Core assurance



Thank you

Questions and discussion