## Statement of Process (SOP) for Business Responsibility and Sustainability Report (BRSR)

## **Introduction**

## The phase of these efforts came with the mandatory introduction of the BRSR Core framework by the Securities and Exchange Board of India (SEBI) in 2023. Applied to the top 150 listed companies, BRSR Core integrates seamlessly with the NGRBCs, requiring companies to disclose their ESG performance through both quantitative metrics (key performance indicators - KPIs) and qualitative information. This move enhances transparency and accountability, enabling stakeholders like investors and consumers to evaluate corporate commitment to sustainable practices.

## Looking forward, the BRSR framework is balanced to evolve further, potentially aligning with global best practices in ESG reporting. As companies increasingly prioritize ESG considerations in their strategic decisions, the BRSR Core framework signifies a transformative step towards fostering a business environment characterized by responsible practices and heightened social and environmental awareness.

1. Scope

This SOP focuses on the BRSR Core, a subset of the BRSR format. It requires disclosure of the company's performance against the nine Environmental, Social, and Governance (ESG) attributes outlined in the National Guidelines on Responsible Business Conduct (NGBRCs). This involves evaluating ethical business practices, human rights, environmental sustainability, and stakeholder engagement among other critical areas. Each attribute is further defined by specific key performance indicators (KPIs).

The scope of this BRSR Core process encompasses:

* + - Review and analysis of all nine ESG principles outlined in the NGBRCs.
    - Data collection from relevant departments responsible for managing each principle. Examples include Human Resources (HR), Compliance, Corporate Social Responsibility (CSR), Infrastructure, and IT.

It requires compiling data into a structured format aligned with BRSR Core reporting standards, accompanied by narrative explanations and quantitative analysis. A rigorous review process ensures data accuracy and integrity before seeking approvals from senior management or the board of directors.

Upon approval, the finalized BRSR Core report is disseminated to stakeholders to enhance transparency and accountability. Continuous improvement is encouraged through monitoring feedback and evolving regulatory practices, ensuring ongoing enhancement of ESG performance and reporting practices. This systematic approach underscores organizational commitment to sustainability and responsible business practices, promoting trust and credibility among stakeholders.

1. Review Methodology

To ensure comprehensive and accurate reporting, the BRSR process will employ a multi-pronged approach:

* Disclose all details under the three sections designed by SEBI:

1. **Section A: GENERAL DISCLOSURES**

These include details of the listed entity, products/ sevices of the entity, operations, employees, CSR activities, turnover and transparency and disclosure compliance.

1. **Section B: MANAGEMENT AND PROCESS DISCLOSURES**

These include details of the ESG committee or the Board of Directors responsible for ESG and disclosures of management process according to the nine principls defined by NGRBC

1. **Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

Under this, all the disclosures under each principles are covered. These principles include:

Ethics & integrity

Sustainable products

Employee well being

Stakeholders

Human rights

Environment

Regulatory requirement

Inclusive growth

Consumer and IT

These disclosures are split into two categories:

**Leadership Indicators** - While not mandatory by SEBI, these are included for transparency

**Essential Indicators** – Mandatory by SEBI from the organisation

Document Analysis: The team will review relevant documents, which would be intimidated through mail, along with policies, and reports from various departments to substantiate the company's performance against each principle and its corresponding KPIs (both Essential and Leadership Indicators).

1. Roles and Responsibilities

A dedicated BRSR team will be established to oversee the data collection, analysis, and report development. This team will consist of representatives from the following departments:

* + - * + Human Resources (HR): Responsible for ESG principles related to labor practices, diversity, and equal opportunity.
        + Compliance: Focuses on principles concerning ethical business conduct, prevention of bribery and corruption, and fair operating practices.
        + Corporate Social Responsibility (CSR): Oversees information related to community engagement, philanthropy, and social responsibility initiatives.
        + Infrastructure & Admin : Manages data collection for principles pertaining to environmental stewardship and resource efficiency and across our presence
        + IT: Ensures data security and integrity throughout the BRSR process.
        + Product: Responsible for ensuring product details are included in the report.
        + Corporate Legal: Deals with legal aspects regarding data and reporting.
        + Customer Operations: Handles customer interactions like telecalling and reminders.
        + Verbos: Deals with ESG aspects that are difficult to quantify, such as financial inclusion, human rights, and diversity.

Each team member will be responsible for:

* + - * + Participating actively in team meetings and discussions.
        + Providing data and documentation pertaining to their assigned ESG principles.
        + Analysing data and contributing to the development of the BRSR report.



[BRSR Core - Template](C:\\Users\\geethaa\\AppData\\Local\\Microsoft\\Windows\\INetCache\\Content.Outlook\\Desktop\\Chola_Internship_Work - Mrithubashini Sethuraman\\Scenario Analysis - Excel\\Core BRSR Template update FY 23-24 (Apr-Sep) Updating_27.06.2024.xlsx)

The following table delineates the respective teams responsible for handling the sections and principles required for disclosure under the BRSR Core framework mandated by SEBI:

|  |  |  |
| --- | --- | --- |
| S.No | **Leadership Indicators** | **Content** |
| 1 | Finance | Section A |
| 2 | CSR | Principal 8 |
| 3 | Secretariat | Principal 7 |
|  |  |  |
| 5 | Admin & IT | Principal 6 |
| 6 |  |  |
| 7 | Infra | Section A |
| 8 | Product | Principal 2 |
| 9 | HR | Section A  Principal 1  Principal 3  Principal 5 |
|  |  |  |
| 11 | Corporate Legal | Principal 1 |
| 12 | Verbos | Section A Section B |
| 13 | LI Verbos | Principal 2 Principal 4 |
| 14 | IT | Principle 9 |
| 15 | Customer support - Ops | Section A |

This structured approach ensures that each section of the BRSR Core framework is overseen by dedicated teams with expertise in their respective areas, facilitating comprehensive and accurate reporting on environmental, social, and governance (ESG) aspects as mandated by regulatory guidelines.

The respective person of each disclosure are listed below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Spoc** | **Department** | **Mail id** | **Contact number** |
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1. Deliverables

The BRSR process will produce the following deliverables:

* Summary Report: A comprehensive report summarizing the company's performance against all nine ESG principles, including data analysis, achievements, and any identified areas for improvement.
* Data Compilation: All collected data from various departments, including relevant KPIs and supporting documentation.
* Revisions and Recommendations: Proposed revisions to existing policies or initiatives to enhance the company's ESG performance.

1. Timeline

The BRSR process for the financial year 2024-2025 will adhere to the following timeline:

[Start Date]: Commencement of data collection and team meetings.

[Midpoint Date]: Interim review of progress and data analysis.

[End Date]: Completion of the BRSR report and submission for internal review.

1. Approval and Sign-Off

Upon completion, the BRSR report will undergo a thorough review process:

* Internal Review: The report will be presented to relevant internal stakeholders, such as senior management and the Board of Directors, for their feedback and approval.
* External Review: Depending on SEBI's specific requirements, the report might require an independent external audit to provide reasonable assurance on the disclosed information.

Revisions will be made based on feedback received during the review process. The final report will be signed off by the designated management representative and submitted to SEBI in accordance with the stipulated deadlines.

1. Conclusion

This SOP outlines a comprehensive and systematic approach to ensure the successful completion of the BRSR Core reporting for the financial year 2024-2025. By adhering to this process, the company can fulfill its mandatory reporting obligations to SEBI while demonstrating its commitment to responsible business practices and sustainability.