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Corporate climate transition planning and disclosures in India

Tanya Rana, Energy Analyst - South Asia, IEEFA
Shantanu Srivastava, Research Lead - South Asia, IEEFA

Contents

Figures and tables

Key findings

The assessment finds that the International Sustainability Standards Board (ISSB) S2 (Climate-related Disclosures) offers robust climate-specific guidance, while the Business Responsibility and Sustainability Reporting (BRSR) framework adopts a broader, ESG-oriented approach, with limited alignment with transition planning needs. Neither framework alone gives investors a complete picture of corporate climate transition readiness.

BRSR omits several key elements of credible transition planning. These include clear linkages between greenhouse gas targets and transition levers, mandatory scenario analysis, granular governance disclosures (such as climate-related remuneration), and a funding strategy for transition plans.

BRSR includes stronger social and community engagement indicators compared to ISSB. However, climate-specific stakeholder dependencies (suppliers, customers, workforce transitions) remain underdeveloped and require enhancement.

With global sustainable finance markets increasingly demanding credible transition plans and forward-looking metrics, Indian corporates risk losing access to capital if disclosures remain high-level and unstandardised.

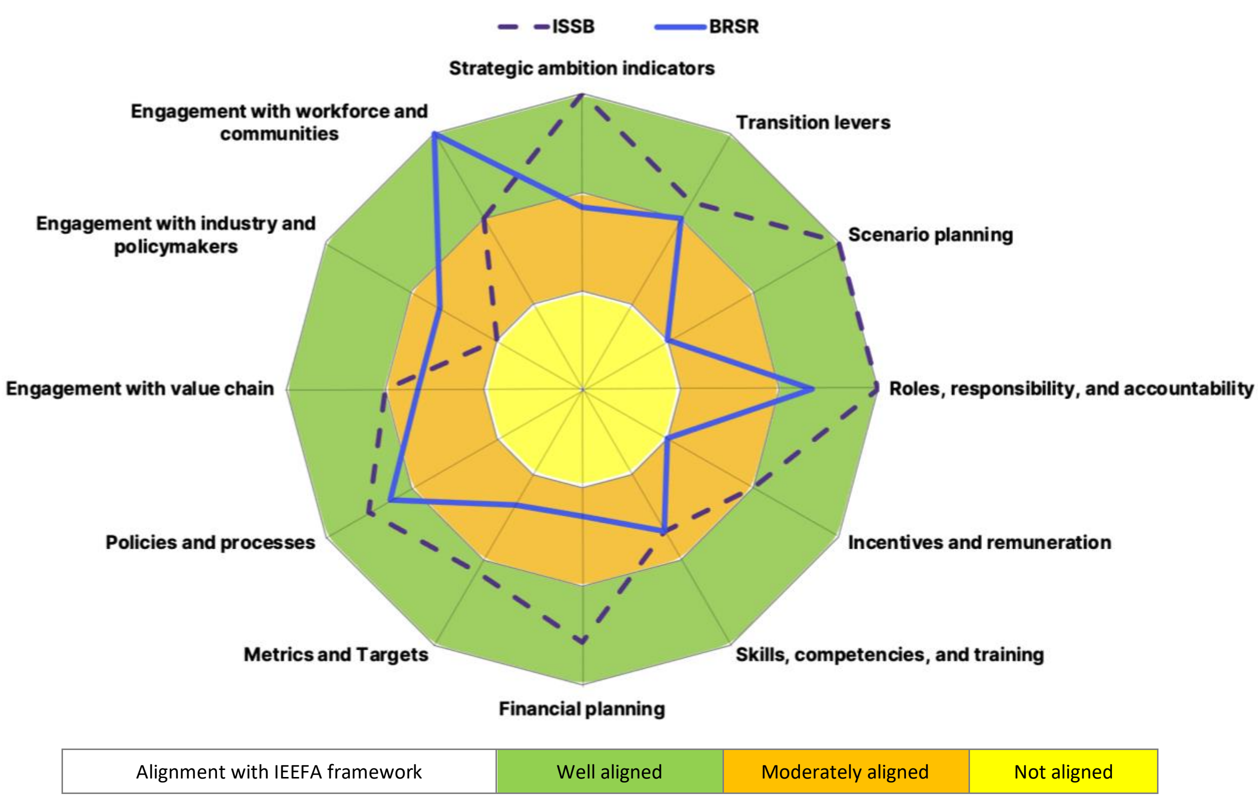
Executive summary

India’s corporate climate transition landscape is evolving rapidly as climate risks, investor expectations, and global reporting norms converge. While companies are increasingly committing to net-zero pathways, the credibility of their transition strategies hinges on transparent, consistent, and forward-looking disclosures.

This report compares India’s Business Responsibility and Sustainability Reporting (BRSR) framework and the International Sustainability Standards Board’s (ISSB) standards with a transition plan assessment framework developed by IEEFA, evaluating how effectively current standards support meaningful transition plan reporting.

The assessment finds that ISSB S2 (Climate-related Disclosures) provides detailed climate-specific guidance, while BRSR is broader and environmental, social and governance (ESG) oriented with limited alignment to climate transition planning requirements. Importantly, neither framework offers investors a complete picture of a company’s transition readiness when mapped against IEEFA’s transition plan assessment framework.

Figure 1: Mapping of ISSB and BRSR standards against IEEFA’s transition plan assessment framework



Source: IEEFA analysis. The position of the ISSB/BRSR lines on the coloured bands indicates strength of alignment with individual components of IEEFA's framework.

Table 1: Points of contrast

ISSB	BRSR
ISSB S2 offers detailed climate-specific disclosures, including transition plan requirements (where available), scenario analysis, governance roles and incentives, financial impacts, and transition-related targets.	BRSR, by contrast, provides broad ESG disclosures but includes limited climate-specific requirements and no mandatory scenario analysis.
ISSB relies on narrative-based metrics, introducing subjectivity in company reporting.	BRSR uses comparatively more objective reporting metrics.
ISSB does not require companies to connect GHG targets with identified transition levers, making it difficult to assess the credibility of corporate transition pathways.	BRSR does not provide specific guidance on linking GHG targets to transition actions, leaving gaps in evaluating the robustness of corporate transition plans.
ISSB requires disclosures on board accountability, management responsibility, and integration of climate metrics in executive remuneration.	BRSR only asks for the "highest authority", with no mandate for dedicated climate oversight or remuneration alignment.
ISSB mandates disclosure of scenario analysis inputs, assumptions, time horizons, and resilience, enabling a more robust risk assessment.	By contrast, BRSR does not require scenario planning, thereby limiting forward-looking visibility.
ISSB requires disclosure of capital expenditure plans, low-carbon revenue projections, funding strategy, and use of internal carbon price.	BRSR does not require forward-looking financial metrics or disclosures on how transition levers will be financed or affect operations.
ISSB remains high-level on social dimensions, focusing on financial materiality. Neither standard systematically captures dependencies, alignment, or collaborative action with stakeholders — including suppliers and customers — that are needed to deliver transition plan outcomes.	BRSR sets more detailed requirements for stakeholder consultation, community impacts, and value chain assessments, including social safeguards. BRSR includes some indicators on dependencies, alignment, or collaborative action with stakeholders — including suppliers and customers — but lacks a narrative or transition-specific framing.
Neither framework alone provides a complete view of transition readiness. ISSB is strong on climate rigour but weak on social impact and stakeholder dependencies.	BRSR provides broader ESG coverage yet lacks key elements such as scenario analysis, clear linkages between targets and transition levers, and forward-looking governance and incentive alignment.

Introduction

With climate-related financial risks becoming increasingly material, shaping capital flows, investment decisions, and regulatory priorities, governments and corporates worldwide are intensifying efforts to transition to a low-carbon economy. The shift is being driven not only by environmental imperatives but also by the need to safeguard value, manage systemic risks, and capture emerging opportunities.

According to the Net Zero Tracker, 139 of 199 countries have established net-zero targets, reflecting widespread alignment with global climate goals as of 27 November 2025.[1] While national commitments set the overarching direction for climate action, corporate actions play a critical role in translating these goals into economic outcomes. Countries can outline pathways and targets, but the transition to a low-carbon economy ultimately depends on how businesses invest, innovate, decarbonise operations, reconfigure value chains, and shift capital allocation. Corporate actions, taken across sectors such as energy, manufacturing, transport, and finance, collectively determine whether national and global net-zero targets can be achieved.

Net Zero Tracker's assessment of corporate climate commitments also shows increasing momentum, with 1,282 out of 1,987 assessed companies committing to net-zero pathways, representing nearly two-thirds of all evaluated entities as of 27 November 2025.[2] As companies set net-zero targets globally, the credibility and clarity of their transition strategies have become essential. Without transparent and well-structured plans, country-level ambitions risk remaining aspirational. Conversely, when companies develop robust transition pathways and disclose them consistently, they collectively build the foundation for national and global net-zero alignment.

This is why greater focus is being placed on corporate climate transition planning and disclosures. Amid the global urgency to curb climate change — driven by environmental impacts, rising external costs of emissions, investor focus on sustainability, and regulatory pressure — companies are increasingly required to provide transparent, decision-useful disclosures on their climate transition planning efforts. Several independent bodies have developed guidelines to standardise and streamline corporate sustainability and climate-related transition plan reporting. These include frameworks from the ISSB; the Task Force on Climate-related Financial Disclosures (TCFD), now fully incorporated into the ISSB's climate standard (IFRS S2); and the Carbon Disclosure Project (CDP), all of which are widely used by companies and investors globally.

Global and domestic sustainability standards

As corporate climate commitments continue to expand, regulators and standard-setters worldwide have recognised the need to standardise sustainability and climate disclosures to enhance transparency, comparability, and accountability. Without clear and consistent reporting requirements,

[1] Net zero Tracker. November 2025
[2] Net zero Tracker. November 2025

investors, policymakers, and stakeholders struggle to assess whether corporate transition plans are credible or aligned with broader climate goals. This has led to the development of robust disclosure frameworks that formalise what companies must report on their governance structures, climate strategies, transition pathways, risk management practices, and performance metrics.

These attempts to structure the information provided by companies are intended to assess not only where they stand today, but also their future trajectory, which levers they plan to use, and how they will be held accountable.

Emergence of the International Sustainability Standards Board

The International Sustainability Standards Board (ISSB) is tasked with creating a global baseline for climate-related disclosures. The International Financial Reporting Standards (IFRS) Foundation established the ISSB in 2021 as an independent global standard-setting body responsible for developing the IFRS Sustainability Disclosure Standards. The board's objective is to create a consistent, comparable, and decision-useful global baseline for sustainability disclosures, enabling investors and stakeholders to assess companies' sustainability-related risks and opportunities (R&O).

In 2023, ISSB published its first two standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. This marked a major step towards harmonising sustainability reporting frameworks worldwide. As of 1 July 2025, 16 jurisdictions globally had adopted the standards, and 20 other jurisdictions planned to adopt them.[3]

- IFRS S1 outlines the general requirements for disclosing sustainability-related financial information, covering governance, strategy, risk management, metrics, and targets across all sustainability topics. It applies to any sustainability factor that could reasonably influence an entity's cash flows, access to finance, or cost of capital.
- IFRS S2 sets out specific climate-related disclosure requirements aligned withTCFD framework. It mandates the disclosure of climate R&O, transition plans, GHG emissions (Scopes 1, 2, and 3), climate-related scenario analysis, and progress against climate targets.

The ISSB S2 standard has elements of the transition plan disclosure (discussed in the later sections). Notably, ISSB has taken responsibility for the entire body of work of the transition plan taskforce (TPT), which was set up by the UK to provide a framework for robust climate transition plan disclosures.[4] In June 2025, the ISSB board published a guidance document on disclosing information about an entity's climate-related transition, including information about transition plans, in accordance with IFRS S2.[5]

[3] IFRS. IFRS Foundation publishes jurisdictional profiles providing transparency and evidencing progress towards adoption of ISSB Standards. June 2025
[4] ISSB. IFRS Foundation publishes guidance on disclosures about transition plans. June 2025
[5] ISSB. IFRS Foundation publishes guidance on disclosures about transition plans. June 2025

India's BRSR standards

In India, the demand for robust sustainability disclosures is being institutionalised through the Security and Exchange Board of India's (SEBI) BRSR framework,[6] which mandates ESG disclosures from listed companies. In FY2023, SEBI introduced the BRSR disclosure framework for the top 1,000 listed companies based on market capitalisation, aiming to provide a more structured, quantitative, and comparable approach to sustainability disclosures.

BRSR is organised into three sections:

- **Section A** captures general information about the company, including its operations, products, subsidiaries, and workforce.
- **Section B** focuses on management and process disclosures, outlining the policies, practices, and internal mechanisms companies use to implement the National Guidelines on Responsible Business Conduct (NGRBC) principles,[7] along with their targets and progress.
- **Section C** presents principle-wise performance, reporting against the nine NGRBC principles (see Figure 2) through essential (mandatory) and leadership (voluntary) indicators.

Figure 2: NGRBC principles guiding BRSR standards

BRSR Principle 1 Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.	**BRSR Principle 2** Businesses should provide goods and services in a manner that is sustainable and safe.	**BRSR Principle 3** Businesses should respect and promote the well-being of all employees, including those in their value chains.
BRSR Principle 4 Businesses should respect the interests of and be responsive to all their stakeholders.	**BRSR Principle 5** Businesses should respect and promote human rights.	**BRSR Principle 6** Businesses should respect and make efforts to protect and restore the environment.
BRSR Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	**BRSR Principle 8** Businesses should promote inclusive growth and equitable development.	**BRSR Principle 9** Businesses should engage with and provide value to their consumers in a responsible manner.

Source: SEBI

In 2023, SEBI introduced BRSR Core, a focused subset of disclosures designed to enhance assurance, reliability, and comparability. It applies to the top 150 listed companies based on market capitalisation and requires disclosure of the BRSR assurance provider's identity and the type of

[6] SEBI. Business Responsibility & Sustainability Reporting Format.
[7] The National Guidelines on Responsible Business Conduct issued by the Ministry of Corporate Affairs are the foundational principles for India's BRSR framework.

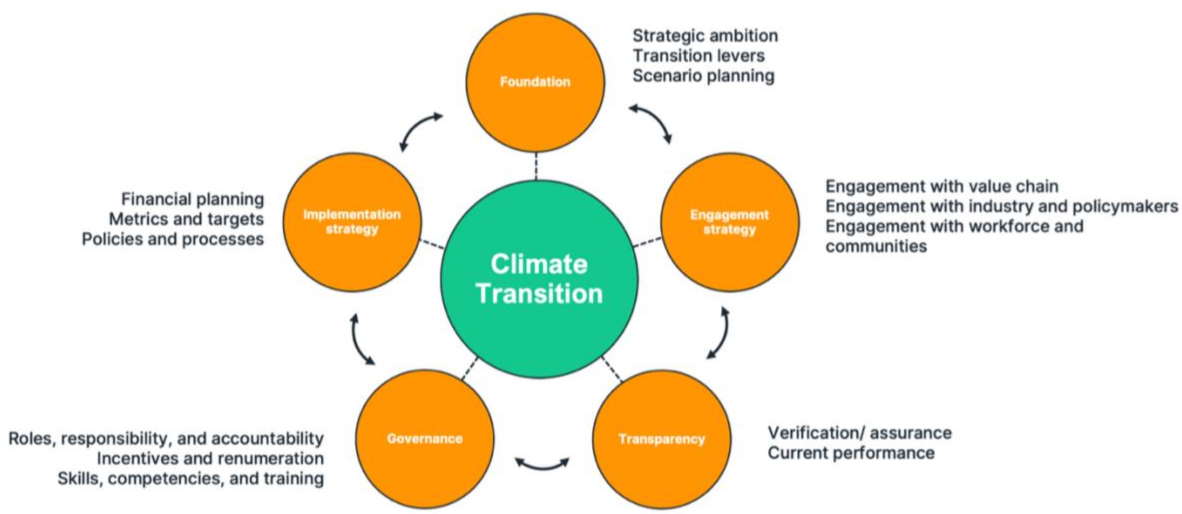
assurance obtained (reasonable or limited). Additionally, 11 key performance indicators were added or changed from voluntary to essential, strengthening reporting requirements.

While BRSR has some indicators that align with transition plan disclosure requirements, as explained in the later sections, this alignment is not significant. Critical elements such as scenario analysis and transition-linked incentive structures are largely missing. This underscores that BRSR is a broad sustainability reporting framework rather than a framework designed for transition plan disclosures.

IEEFA's transition plan assessment framework

Given the importance of transition planning and disclosures in the context of financing the corporate energy transition in India, and the limited regulatory guidance on such disclosures, IEEFA has undertaken a detailed analysis of the current landscape of climate transition planning among Indian corporates. To support this analysis, the IEEFA team developed a transition plan assessment framework. The primary objective of this framework is to evaluate the quality of climate-related disclosures, the essential elements of the transition plan, and the progress of Indian corporates towards climate transition outcomes.

Figure 3: IEEFA framework components and interconnectedness



Source: IEEFA analysis

The framework is primarily based on the TPT framework and has also incorporated inputs from a review of 18 globally recognised transition plan assessment and disclosure frameworks/guidance, complemented by consultations with regulators, corporates, investors, research institutions, and sustainability service providers.

IEEFA's framework should be treated as an assessment framework as opposed to a disclosure framework. The different elements have been structured to assess if a company provides a holistic picture of its transition planning, with clear linkages across elements. IEEFA recommends that as a disclosure framework, TPT guidance serves as the best available resource globally.

The framework comprises 14 interconnected components grouped into five major categories (Foundation, Governance, Implementation Strategy, Engagement Strategy, and Transparency), each critical for evaluating a company's decarbonisation strategy and its capacity to navigate the complexities of a low-carbon future. This approach, underpinned by a set of 77 metrics (grouped under the 14 components), recognises that a successful transition requires a multifaceted strategy, involving strategic planning, operational changes, governance, and stakeholder engagement. The individual components are discussed later, along with insights from our analysis.

Finally, the IEEFA framework is sector-agnostic and assesses the "availability" of disclosures against the "quality" of disclosures. This recognises that some sectors, such as power generation, are better positioned to disclose their transition strategies given technological, policy, and market-related tailwinds. However, transition planning is likely to be more challenging in other sectors, especially industry, where deep decarbonisation technologies are still evolving. In addition, many emerging market corporates, including those in India, are still at an early stage of their climate transition planning journey. Hence, disclosure on some of the metrics is considered sufficient for our analysis even if the depth and quality of disclosures vary.

Purpose and scope of the report

This report examines two key disclosure frameworks: BRSR in India and IFRS globally, and maps their requirements against IEEFA's transition plan assessment framework.

The objectives of this report are threefold:

1) To assess how BRSR and IFRS S1 & S2 define corporate reporting expectations for the climate transition.
2) To contextualise these expectations within corporate transition-plan readiness, as assessed using IEEFA's 14-component framework.
3) To identify alignments, gaps, and actionable areas for companies seeking to integrate transition planning in corporate disclosures and for regulators considering alignment of BRSR with transition plan disclosures.

In addition, this report refers to SEBI's latest available guidance on BRSR,[8] the most recent updates to the BRSR format,[9] and the IFRS Foundation's ISSB S1 General Requirements for Disclosure of

[8] SEBI. Guidance note for Business Responsibility & Sustainability Reporting format.
[9] SEBI. Business Responsibility & Sustainability Reporting Format.

Sustainability-related Financial Information standard[10] and ISSB S2 Climate-related Disclosures standard[11] for global climate disclosure requirements that was released in June 2023.

Mapping insights: BRSR vs ISSB

The following sections elaborate on the mapping exercise undertaken by IEEFA. While the framework has five categories, this analysis focuses on four, leaving out "transparency", which covers reporting and verification/validation of a company's GHG inventory. The "transparency" category reflects the results of companies' actions, while the analysis is limited to understanding disclosure regulations pertaining to the transition planning process.

Foundation

Foundation indicators form the core of climate transition planning. These indicators communicate an entity's climate vulnerabilities, opportunities, and the key actions it plans to undertake to achieve its ambition.

Table 2: Mapping for foundation category

Foundation	ISSB	BRSR
Strategic ambition		
Net-zero and emission reduction targets		
Alignment with climate targets and sector pathways		
Commitments to phasing out fossil fuels and high-carbon assets		
Climate resilience (key physical risks)		
Transition levers		
Identification of key risks and opportunities		
Identification of transition levers		
Alignment with strategic ambition		
Scenario planning		

Alignment with IEEFA framework	Well aligned	Moderately aligned	Not aligned

Source: IEEFA analysis

[10] IFRS. IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information, June 2023.
[11] IFRS. IFRS S2: IFRS: Climate-related Disclosures, June 2023.

Strategic ambition

Strategic ambition indicators set the foundation for an entity's transition by defining clear, long-term climate goals aligned with global/regional/sectoral climate targets. They provide a roadmap for the company's decarbonisation trajectory.

- Coverage under ISSB: S2 Paragraph ->10 (a), 14 (a); 29 (a, c); 33 (c, e, f, g); 36 (a, b, d, e)

- Coverage under BRSR: Section B-> Question 5 (details given in BRSR guidance note); Section C -> Principle 6 -> Essential indicator 7; Essential Indicator 2

Under ISSB, strategic ambition is covered in detail. ISSB sets out detailed requirements for reporting on key metrics necessary to track an entity's GHG mitigation and climate resilience targets, including how global or jurisdictional climate agreements or commitments have informed those targets. Under ISSB, entities must disclose details on the metric used, the target's scope and boundary, the timeframe for achievement, the baseline, interim targets, and whether the target is absolute or intensity-based (for GHG). Entities are also required to disclose the extent to which offsets are applied in achieving their GHG reduction targets. In addition, the standard requires entities to disclose the GHG gases as well as scope emissions covered by the target. Also, the standard requires disclosure of plans to manage or phase out carbon-, energy-, or water-intensive operations.

BRSR generally covers disclosures on specific commitments, goals and targets set by an entity, with defined timelines. These targets may relate to any aspect within the broader ESG ambit, not necessarily GHG emissions. The BRSR guidance document suggests that target disclosures include details such as the baseline, scope coverage (entities included), and timelines. However, these elements are not mandatory and serve only as guidance. As a result, many companies simply state their net-zero target and do not disclose targets related to transition levers, leaving the depth of disclosure largely at the discretion of the entity.

In terms of strategic ambition, the ISSB mandates detailed, target-specific climate disclosures, whereas the BRSR provides broader guidance that is largely non-mandatory and does not require metric-level detail.

Transition levers

Transition lever–related indicators identify specific strategies that enable a company to reduce its emissions and mitigate or adapt to physical risks. These levers translate the entity's strategic ambition into actionable steps by addressing identified risks and capitalising on opportunities. There should be a strong linkage between the identified R&O, the strategic ambition, and the transition levers themselves.

Identification of climate-related R&O

- Coverage under ISSB: S1 -> Paragraph 30 (a); S2 -> Paragraph 10 (a)
- Coverage under BRSR: Section A-> Question 26 (details given in BRSR guidance note)

Both ISSB and BRSR require disclosure of sustainability-related R&O. ISSB requires entities to provide information that enables users to understand the climate-related R&O that can reasonably be expected to affect the entity's prospects. This includes describing the specific climate-related R&O identified, and specifying the timeframe (short-, medium-, or long-term) over which their impacts are expected to occur. ISSB also requires entities to distinguish between climate-related physical and transition risks.

On the other hand, BRSR requires entities to disclose their material sustainability R&O related to environmental and social matters. Companies must classify each identified item as an environmental or social R&O and provide a clear description. Entities must also explain the rationale for each risk or opportunity, including the potential impacts associated with them. Further, companies must qualitatively/quantitatively (as applicable) describe the positive and negative financial impacts of each risk, considering parameters such as changes in demand, operational costs, or investment needs.

Identification of transition levers

- Coverage under ISSB: S1-> Paragraph 30 (a, b, c); S2 -> Paragraph 14 (a)
- Coverage under BRSR: Section A -> Question 26 (details given in BRSR guidance note)

In terms of transition levers, ISSB — under the "strategy and decision-making" section — requires entities to disclose how they have responded and plan to respond to identified R&O through their strategic choices. This includes describing current and anticipated mitigation and adaptation actions, such as changes in production processes or equipment, relocation of facilities, workforce adjustments, or modifications to product specifications. Entities must outline how they plan to achieve their climate-related targets, including GHG emissions targets. In addition, ISSB requires entities to disclose their transition plan, if one exists, although preparing such a plan is not mandatory.

The BRSR, on the other hand, requires companies to disclose their approach to adapting to or mitigating identified risks, along with the associated financial implications.

Alignment with strategic ambition

- Coverage under ISSB: S2 -> Paragraph 14 (a)
- Coverage under BRSR: Section B -> Question 5, 6 (details given in BRSR guidance note)

For both ISSB and BRSR, there is no requirement to link transition levers with short-, medium-, and long-term GHG targets identified under the entity's strategic ambition, or to disclose the quantitative mitigation potential of each lever.

Under ISSB, this can be potentially disclosed as part of key assumptions the entity has used in developing its transition plan and under disclosures on how the entity plans to achieve climate-related targets, while the BRSR guidance document suggests disclosing the expected result or outcome, in quantitative or qualitative terms.

Both ISSB and BRSR require the identification of R&O, with ISSB mandating explicit climate-related disclosures. ISSB also requires disclosure of a climate transition plan, where available, thereby effectively covering transition levers. BRSR takes a more "open-ended" approach to disclosures and only requires this if a risk is identified, potentially leaving out levers such as business model diversification. However, neither standard clearly articulates the critical link between strategic ambition, identified R&O, and the planned transition levers needed to achieve that ambition while ensuring R&O are addressed.

Scenario planning

By considering different future scenarios, companies can develop robust and flexible transition plans. This component helps the company adapt to changing circumstances and emerging challenges.

- Coverage under ISSB: S2 -> Paragraph 22, 25 (a, b); Appendix B (B12, B15)
- Coverage under BRSR: NA

The ISSB framework aligns with the TCFD standard, under which scenario analysis is a critical component of the strategy disclosure. Under ISSB, entities must disclose their assessment of climate resilience, including implications for strategy, key uncertainties, and their ability to adapt over the short-, medium-, and long-term, considering financial resources, asset flexibility, and planned climate-related investments.

Entities must also provide detailed information about the inputs used in their scenario analysis. This includes disclosing which climate-related scenarios were used and their sources. The analysis should indicate whether a diverse range of scenarios was considered. Entities must specify whether the scenarios reflect climate-related transition risks or physical risks. They should disclose if any scenario is aligned with the latest international climate agreements. Entities must explain why the chosen scenarios are relevant to assessing their resilience. They should also indicate the time horizons used in the analysis and the scope of operations considered, such as operating locations and business units. Key assumptions regarding policies, macroeconomic trends, energy usage, and technology must also be disclosed.

Under BRSR standards, climate-related scenario analysis disclosures are not required. The framework does not question whether the entity has used scenario analysis to arrive at material climate-related risks and/or assess the resilience of the company's climate strategy.

Scenario analysis is comprehensively covered under ISSB, helping companies to communicate climate-related risks and evaluate their impact on business operations. Scenario analysis also informs strategic responses, including transition plans and investments in transition levers.

Governance

Governance indicators are critical as they disclose information on whether accountability for transition planning is embedded within a company's leadership and oversight structures. By defining who is responsible and how decisions are made, governance indicators ensure that a company's transition plan is credible, actionable, and consistently monitored.

Table 3: Mapping for governance category

Governance	ISSB	BRSR
Roles, responsibility, and accountability		
Board-level oversight and structure		
Accountability in climate-related oversight		
Incentives and remuneration		
Skills, competencies, and training		
Criteria and enhancement of board competencies		
Training and skill development for climate expertise		

Alignment with IEEFA framework	Well aligned	Moderately aligned	Not aligned

Source: IEEFA analysis

Roles, responsibility, and accountability

This component ensures that clear roles and responsibilities are assigned, and that accountability mechanisms are in place for overseeing and driving the transition.

- Coverage under ISSB: S1 -> Paragraph 27; S2 -> Paragraph 6
- Coverage under BRSR: Section B -> Question 8, 9 (details given in BRSR guidance note)

Under 'Governance', ISSB requires companies to disclose information about the body or individual responsible for overseeing climate-related R&O. This could be the board, a dedicated committee, or an equivalent authority, or a designated individual who is accountable for climate oversight. Companies are expected to explain how these responsibilities are reflected in the governing body's or individual's terms of reference, mandates, role descriptions, or other relevant policies. The disclosure should clarify whether oversight is delegated to a specific management-level position or committee.

In addition, the ISSB expects companies to identify how climate-related responsibilities are defined, and the role of the management in monitoring and controlling related governance processes. This ensures that both strategic oversight and operational accountability for climate matters are clearly communicated.

BRSR also requires disclosure of the governance of sustainability-related matters by the company across its nine principles. Though the scope of details required differs compared to the ISSB, BRSR only asks entities to disclose the highest authority responsible for implementing and overseeing their Business Responsibility policy(ies). It also asks for disclosure of the specified committee of the Board or Director responsible for decision-making on sustainability-related issues under Question 9 in the same section. However, it does not mandate and thus does not encourage the appointment of a specific individual (such as a CSO) or the creation of a dedicated board-level ESG or sustainability committee. Additionally, there is no requirement to disclose operational responsibilities for implementing the transition plan.

ISSB goes beyond naming responsible bodies and individuals by requiring disclosure of roles, responsibilities, and accountability mechanisms for climate-related matters. However, the scope of details required is for overall sustainability issues and not as specific as ISSB S2.

Incentives and remuneration

By linking rewards to climate performance, companies can motivate employees to prioritise climate action and align their efforts with the company's goals.

- Coverage under ISSB: S2 -> Paragraph 29 (g)
- Coverage under BRSR: NA

ISSB, under 'Metrics and Targets' (M&T), requires entities to disclose how climate-related metrics are integrated into remuneration, detailing whether and how these considerations are reflected in remuneration policies and the proportion of executive compensation linked to climate-related performance. BRSR does not include such a requirement.

Neither of the standards require disclosure of the incentive structure for the workforce below executive level.

Incentives and remuneration are key to incentivising the achievement of climate ambition that the entity has laid out. While ISSB requires these disclosures for executives, it does not trickle down to the workforce.

Skills, competencies, and training

A skilled and knowledgeable board, executives and workforce are essential for a successful climate transition. This component focuses on building the necessary capabilities and expertise within the organisation.

- Coverage under ISSB: S1 -> Paragraph 27 (a); S2 -> Paragraph 6 (a), Appendix B (B6)
- Coverage under BRSR: Section C -> Principle 1 -> Essential Indicator 1

ISSB requires entities to disclose how they assess and ensure the availability or development of the necessary skills and competencies to oversee strategies addressing climate-related R&O.

Under ISSB, entities must explain how the governance body or individual, responsible for oversight of climate-related R&O, determines whether appropriate skills and competencies exist, or will be developed, to effectively oversee climate-related issues.

ISSB highlights that entities must take stock of their existing skills, capabilities and resources, when selecting an appropriate approach for climate-related scenario analysis. At the same time, it clarifies that where resources are available, entities are expected to invest in building or acquiring the necessary skills and capabilities to conduct robust scenario analysis.

BRSR has no such requirement. However, it does require disclosure of the percentage coverage of training and awareness programmes on any of the nine principles during the financial year for the board of directors, key management personnel, and employees/workers. No further guidance is provided on this indicator in SEBI’s guidance note on BRSR. A notable point is that this indicator on percentage coverage is not a requirement under ISSB and can be disclosed as part of narrative disclosures under skills, capabilities and resources available.

Mapping internal skills and competencies across the organisational hierarchy to achieve and assess climate targets is covered well under ISSB; however, the standard does not include objective metrics requiring information on bridging skill gaps through training, which is covered more broadly under BRSR. Neither standard covers both skill mapping and training requirements.

Implementation strategy

Implementation strategy indicators form the execution component of a transition plan. These indicators communicate how an entity will operationalise its climate ambition, detailing financial planning to achieve climate targets, linking transition levers to measurable metrics, and ensuring policies and processes support effective implementation and credible delivery.

Table 4: Mapping for implementation strategy category

Implementation strategy	ISSB	BRSR
Financial planning	Well aligned	Not aligned
Capex (capital expenditure)	Well aligned	Not aligned
Revenue	Well aligned	Not aligned
R&D (Research & Development)	Moderately aligned	Moderately aligned
Metrics and Targets (M&T)	Moderately aligned	Not aligned
Transition lever M&T	Moderately aligned	Moderately aligned
Governance M&T	Moderately aligned	Not aligned
Financial planning M&T	Moderately aligned	Not aligned
Stakeholder engagement M&T	Moderately aligned	Not aligned
Climate resilience M&T (Key physical risks)	Well aligned	Moderately aligned
Policies and processes	Well aligned	Moderately aligned
Climate policy framework	Well aligned	Moderately aligned
Risk management process	Well aligned	Not aligned
Impact analysis	Not aligned	Well aligned
Disclosure and verification	Well aligned	Well aligned

Alignment with IEEFA framework	Well aligned	Moderately aligned	Not aligned

Source: IEEFA analysis

Financial planning

This component assesses a company's financial strategies and resource allocation for its climate transition. It examines how the company plans to finance low-carbon investments, manage potential financial risks, and evaluate the financial implications of the transition. Additionally, it evaluates the company's ability to integrate climate considerations into its financial planning and reporting.

Impact on financial position

- Coverage under ISSB: S1 -> Paragraph 34 (a), 35 (a, c), 36; S2-> Paragraph 14 (a, b), 16, 17, 29 (d, e)
- Coverage under BRSR: Section C -> Principle 2 -> Essential Indicator 1

ISSB requires entities to disclose how their financial position might change over time, including capital expenditure (capex) planned to be incurred, investments expected, research and development (R&D) areas, and impact on operational cash flows. It also requires disclosure of climate-related opportunities, including the amount and share of assets or business activities aligned with such opportunities. Entities may also report current revenues from products or services aligned with the low-carbon economy.

Such disclosures are not required under BRSR. However, companies are required to report on the share of current-year R&D and capex spent on technologies that improve environmental and social outcomes. While not mandated per transition lever, this information can potentially be linked to them.

Source of funding

- Coverage under ISSB: S1 - > Paragraph 35 (c); S2 -> Paragraph 14 (b), 16 (c)
- Coverage under BRSR: NA

ISSB requires disclosure of planned resources of funding to implement the activities outlined in its climate strategy. BRSR does not require any disclosures on the source of funding to undertake envisaged transition levers.

Use of carbon prices

- Coverage under ISSB: S2 -> Paragraph 29 (f)
- Coverage under BRSR: NA

Details on the use of an internal carbon price are required under ISSB. Entities must disclose whether and how a carbon price is applied in decision-making processes, along with the specific price used. BRSR does not include a comparable disclosure requirement.

Overall, financial planning related to climate strategy is well covered under ISSB, particularly through forward-looking metrics on the entity's future financial position, sources of current and future funding, and the use of internal carbon pricing.

Metrics and Targets

Clear and measurable targets are essential for tracking progress and holding the company accountable. This component defines the key performance indicators used to monitor the transition.

The M&T sub-component is closely linked to other elements of the framework. Strategic ambition and transition levers identified in the foundation section are translated into short-, medium-, and long-term M&T in this section. Similarly, governance indicators, such as incentives and training, identified under the governance component are broken down into quantitative M&T to track progress using common metrics. The same approach applies to engagement metrics discussed in the following section.

- Coverage under ISSB: S1-> 27, 33, 35 (c, d), 36, 45, 46, 48, 49, 50, 51, 52, 53; S2 -> Paragraph 6, 14 (a, c), 16 (c, d), 17, 27, 28, 33, 34, 35, 37
- Coverage under BRSR: Section B -> Question 5, 6

For foundation indicators, ISSB requires entities to disclose quantitative and qualitative climate-related targets it has set to monitor progress towards its strategic goals. For BRSR, as mentioned earlier, this is covered broadly under Section B (question 5, 6) where entities are required to disclose specific commitments, goals, and targets they have set, along with defined timelines across the nine principles (covering E, S and G).

For governance-related M&T, ISSB guidance suggests including details on remuneration, skill development, competencies, and training initiatives under the ‘Governance’ category. This guidance can therefore be extended to the disclosure of related targets. The BRSR does not provide comparable guidance.

With respect to M&T related to financial performance, metrics such as revenues, capex, and R&D can be disclosed under changes in financial performance under ISSB in the ‘Strategy and decision-making’ section. Under sub-section ‘Financial position, financial performance and cash flows’, ISSB guidance allows companies to disclose information on anticipated effects on revenues, costs, expenses and investments. The BRSR does not include comparable guidance, but companies can disclose revenue-related targets under Question 5 in Section B.

For M&T associated with stakeholder engagement (covered in the next section), ISSB guidance suggests disclosing targets related to engagement with suppliers and clients, as well as the outcomes of engagement activities. No such guidance is part of the BRSR.

Both ISSB and BRSR do not mandate specific disclosures for transition levers, governance, financial planning, and engagement, which are instead covered under broader headings. However, ISSB’s transition plan guidance provides more detailed direction on potential disclosures across all these components.

Policies and processes

Effective policies and processes are necessary to support the implementation of the transition plan. This component ensures that the company has all the necessary internal mechanisms in place.

Climate policy framework guiding transition plan activities

- Coverage under ISSB: S1 -> Paragraph 27; S2 -> Paragraph 6, 14 (a)
- Coverage under BRSR: Section B -> Question 1

Under the ISSB, entities must disclose how sustainability-related R&O are considered when shaping overall strategy, approving major transactions, and managing risks and policies. Under BRSR, this is generally addressed through disclosures on whether the entity's policy or policies cover each principle and its core elements, as outlined in the NGRBCs.

Risk management process for identification and mitigation of climate R&O

- Coverage under ISSB: S2 -> Paragraph 14 (a), 25
- Coverage under BRSR: NA

ISSB requires disclosures on the processes and related policies used to identify, assess, prioritise, and monitor sustainability-related R&O. This includes the inputs and parameters considered, whether and how scenario analysis informs risk identification, and how the nature, likelihood, and magnitude of climate impacts are evaluated. Under BRSR, this is not required.

Impact analysis of entity transition plan on stakeholders

- Coverage under ISSB: NA
- Coverage under BRSR: Section C -> Principle 4 -> Leadership Indicator 1, 2, 3

This is not specifically required under ISSB but is addressed more comprehensively under BRSR. BRSR asks entities to describe Board-stakeholder consultation processes on economic, environmental, and social issues, including examples of how stakeholder input has influenced policies and actions. It also asks for the frequency and mode of communication with key stakeholders.

Disclosure and verification of climate-related information

This indicator pertains to the disclosure and verification (by an internal or external party) of the entity's GHG emission claims, along with internal controls for verifying other climate-related information.

- Coverage under ISSB: S2 -> Paragraph 29 (a), Appendix B (B53, B54)
- Coverage under BRSR: Section C -> Principle 6 -> Essential Indicator 7, Leadership Indicator 2

Under ISSB, entities must disclose how the management uses controls and procedures to oversee sustainability-related R&O, which broadly cover all climate-related information to be disclosed.

Under ISSB, GHG emissions must be measured using the Greenhouse Gas Protocol for standardisation and reliability. ISSB specifically mentions the disclosure of verification of Scope 3 emissions. It says that Scope 3 emissions require verified data through on-site checks, calculation reviews, or cross-checking. The standard also requires disclosure of measurement approaches, inputs, assumptions, and prioritisation of high-quality data for faithful Scope 3 representation.

There is no specific question on internal control for R&O under BRSR. However, BRSR asks whether an independent assessment, evaluation, or assurance has been conducted by an external agency for Scope 1, 2, and 3 emissions, and requires disclosure of the external agency's name. The BRSR Core requires entities to obtain third-party assurance for Scope 1 and Scope 2 GHG emissions, as well as GHG emission intensity (Scope 1 + Scope 2) data points.[12]

ISSB emphasises climate-related policies that guide transition plan activities, a risk management framework to monitor and act on identified R&O, and internal verification mechanisms to ensure the quality of climate data, all of which are largely absent within BRSR. However, BRSR offers stronger coverage of impact analysis, reflecting its broader focus on social indicators alongside environmental considerations, an area that is largely missing within ISSB.

Engagement strategy

Engagement strategy indicators form an essential part of a transition plan. These indicators communicate how an entity will work with stakeholders across its value chain and wider ecosystem to address dependencies, secure cooperation, and ensure its climate ambition can be credibly and effectively delivered. They cover both the impact the company has through its operations on stakeholders, and its dependence on external stakeholders to achieve its transition plan targets.

Table 5: Mapping for engagement strategy category

Engagement strategy	ISSB	BRSR
Engagement with value chain		
Supplier/supply chain engagement		
Client engagement and low-carbon transition		
Engagement with industry and policymakers		
Alignment with trade and industry associations and industry policy		
Engagement with industry climate initiatives		
Public sector and government engagement		
Engagement with workforce and communities		

[12] SEBI. Annexure I - Format of BRSR Core. Page 1

Alignment with IEEFA framework	Well aligned	Moderately aligned	Not aligned

Source: IEEFA analysis

Under ISSB S2, there are no specific metrics requiring disclosure of engagement strategies or dependencies on suppliers, industry, policymakers, workforce, and communities. These aspects can be disclosed as part of "current and anticipated indirect mitigation and adaptation efforts" (strategy and decision-making) and through disclosures on how climate-related R&O affect an entity's business model and value chain, including where these impacts are most concentrated (business model and value chain) under the 'strategy' section.

Engagement with value chain

Collaborating with suppliers, customers, and other stakeholders can help the company reduce its emissions across the value chain. This component fosters partnerships and drives collective action.

- Coverage under ISSB: S1-> Paragraph 32, Appendix B (B5); S2-> 13, 14 (a)
- Coverage under BRSR: Section C -> Principle 1 -> Leadership indicator 1; Principle 6 -> Leadership indicator 6,7; Principle 8 -> Leadership Indicator 3

Under ISSB transition plan guidance, engagement activities with the value chain (both suppliers and customers) include a related indicator on "evidence of GHG emissions reductions by suppliers or evidence of social dialogue in clients' climate-related transition plans". In addition, these activities can be disclosed as part of "current and anticipated indirect mitigation and adaptation efforts" under ISSB. In this context, ISSB requires narrative information (similar to other sections), rather than information that is quantitative in nature.

Under BRSR, engagement strategy is covered through specific metrics. Under Principle 1, companies disclose awareness programmes conducted for value chain partners on the NGRBC Principles, including the total number of programmes held, topics or principles covered, and the percentage of value chain partners reached (by value of business). Under Principle 6, companies must disclose significant adverse environmental impacts linked to the value chain, associated mitigation or adaptation measures, and the percentage of partners assessed for environmental impact. Under Principle 8, companies are required to disclose preferential procurement policies for marginalised or vulnerable groups, specifying the groups covered. Additionally, Principle 4 requires entities to describe processes for stakeholder consultation (which generally includes consultation with suppliers and customers) on economic, environmental, and social matters, including whether such consultation informs the identification and management of environmental and social topics, with examples of how stakeholder input has influenced policies and operations.

While ISSB includes narrative disclosures, it falls short of requiring sufficient information on value chain engagement. BRSR includes specific indicators covering supply chain engagement but does not have a dedicated narrative section that would allow companies to disclose other *relevant information not captured by the indicators (nor is this addressed in the BRSR guidance document).*

Engagement with industry and policymakers

Engaging with industry peers and policymakers can help shape supportive policies and accelerate the transition. This component promotes collaboration and advocacy.

- Coverage under ISSB: NA
- Coverage under BRSR: Section C -> Principle 7 -> Essential Indicator 1 (a, b), Leadership Indicator 1

ISSB does not require disclosures on engagement with industry and policymakers, nor is this covered in its guidance document. Under BRSR, while metrics do not specifically address engagement for consistency or alignment with a company's climate change policy, companies are required to disclose the number of affiliations with trade and industry chambers or associations, as well as the names of the top 10 such industry associations. Additionally, companies must disclose details of public policy positions advocated under the leadership indicators.

BRSR includes specific indicators on engagement with industry and policymakers; however, it does not provide a narrative section. The user still has to assess if these engagements align with the entity's stated climate position.

Engagement with workforce and communities

A successful transition requires the support of employees and local communities. This component focuses on building trust, addressing concerns, and ensuring a just transition.

- Coverage under ISSB: S1 -> Appendix B (B4, B44 (a))
- Coverage under BRSR: Section C -> Principle 4 -> Leadership Indicator 1, 2, 3; Principle 6 -> Essential Indicator 12; Principle 8 -> Essential indicator 3

The ISSB transition plan guidance suggests disclosure of the outcome of engagement activities with the workforce and communities (for example, evidence of social dialogue in clients' climate-related transition plans). In addition, under 'Connected Information', ISSB S1 requires entities to provide information that explains the effects of its strategic response to the sustainability-related R&O on the workforce and local communities.

Under BRSR, disclosures related to engagement with workforce and communities are much better presented. Under Principle 4, entities must describe the processes for stakeholder consultation on economic, environmental, and social matters. They should state whether such consultation informs the identification and management of environmental and social topics, and provide examples of how stakeholder input has influenced policies and operations.

Engagements with vulnerable or marginalised groups, and the actions taken to address their concerns, must also be disclosed. Under Principle 6, entities must disclose environmental impact assessments conducted during the reporting year. Principle 8 requires entities to outline mechanisms for receiving and addressing community grievances, along with action taken to mitigate negative social impacts identified through social impact assessments.

ISSB does not cover this aspect of stakeholder engagement. BRSR's dual focus on environmental and social indicators ensures that engagement with the workforce and communities, as well as associated just transition–related implications arising from a company's operations, are well covered.

Conclusion

The comparative assessment of BRSR and ISSB against IEEFA's framework reveals a clear divergence in the depth, structure, and climate specificity of disclosures required from companies. While ISSB S2 offers a comprehensive, climate-focused baseline anchored in global good practices, BRSR remains a broader ESG-oriented framework with comparatively limited alignment to climate transition planning needs.

From a transition planning perspective, ISSB provides a clearer linkage between overall GHG targets, alignment with global or national sectoral pathways, identified R&O, selected transition levers, and the resilience of these risks and potential responses. BRSR, while covering several foundational ESG indicators and offering deeper insights into social impact and community engagement, does not provide the same level of granularity, consistency, or forward-looking structure required to evaluate a company's climate-transition readiness.

A key aspect that enables ISSB standards to better cover transition planning metrics is the release of a specific guidance document. This guidance allows coverage of metrics not explicitly mentioned as indicators in S1 and S2 but that can be addressed under broader categories.

Overall, this mapping underscores that neither BRSR nor ISSB alone offers a comprehensive view of a company's transition plan.

BRSR is more structured and indicator-based, making its disclosures relatively objective and easier to benchmark across companies. In contrast, ISSB S2 is more narrative, emphasising contextual explanations, forward-looking information, and judgment-based disclosures on governance, strategy, and climate-related risk management, and M&T, making it less prescriptive and more qualitative than BRSR.

IEEFA's framework positions transition planning as a unified exercise for corporates and highlights ways to make existing sustainability standards more consistent from a transition-planning and disclosure standpoint.

Appendix

Table 6: Interoperability of ISSB and BRSR w.r.t. IEEFA's framework

Category	Component	ISSB	BRSR
Foundation	**Strategic ambition**	S2 Paragraph ->10 (a), 14 (a); 29 (a, c); 33 (c, e, f, g); 36 (a, b, d, e)	Section B-> Question 5 Section C -> Principle 6 -> Essential indicator 7; Essential Indicator 2
	Transition levers	S1-> Paragraph 30 S2 -> Paragraph 10 (a), 14 (a)	Section A - > Question 26 Section B -> Question 5, 6
	Scenario planning	S2 -> Paragraph 22, 25 (a, b); Appendix B (B12, B15)	NA
Governance	**Roles, responsibility, and accountability**	S1 -> Paragraph 27 S2 -> Paragraph 6	Section B -> Question 8, 9
	Incentives and remuneration	S2 -> Paragraph 29 (g)	NA
	Skills, competencies, and training	S1 -> Paragraph 27 (a) S2 -> Paragraph 6 (a), Appendix B (B6)	Section C -> Principle 1 -> Essential Indicator 1
Implementation strategy	**Financial planning**	S1 -> Paragraph 34 (a), 35 (a, c), 36 S2-> Paragraph 14 (a, b), 16; 17, 29 (d, e, f)	Section C -> Principle 2 -> Essential Indicator 1
	Metrics and Targets	S1-> 27, 33, 35 (c,d), 36, 45, 46, 48, 49, 50, 51, 52,	Section B -> Question 5, 6

		53 S2 -> Paragraph 6, 14 (a, c), 16 (c, d), 17, 27, 28, 33, 34, 35, 37	
	Policies and processes	S1 -> Paragraph 27 S2 -> Paragraph 6, 14 (a), 25, 29 (a), Appendix B (B53, B54)	Section B -> Question 1 Section C -> Principle 4 -> Leadership Indicator 1, 2, 3; Principle 6 -> Essential Indicator 7, Leadership Indicator 2
Engagement strategy	**Engagement with value chain**	S1-> Paragraph 32, Appendix B (B5) S2-> 13, 14 (a)	Section C -> Principle 1 -> Leadership indicator 1; Principle 6 -> Leadership indicator 6,7; Principle 8 -> Leadership Indicator 3
	Engagement with industry and policymakers	NA	Section C -> Principle 7 -> Essential Indicator 1 (a, b), Leadership Indicator 1
	Engagement with workforce and communities	S1 -> Appendix B (B4, B44 (a))	Section C -> Principle 4 -> Leadership Indicator 1, 2, 3; Principle 6 -> Essential Indicator 12; Principle 8 -> Essential indicator 3

About IEEFA

The Institute for Energy Economics and Financial Analysis (IEEFA) examines issues related to energy markets, trends and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy. www.ieefa.org

About the authors

Shantanu Srivastava

Shantanu Srivastava is responsible for leading the sustainable finance and climate risk initiatives at IEEFA South Asia. He specialises in the financing, policy, and technology aspects of the Indian electricity market. Shantanu's primary objective is to contribute to the establishment of a strong sustainable finance ecosystem in the region. ssrivastava@ieefa.org

Tanya Rana

Tanya Rana is an Energy Analyst at IEEFA, specialising in India's energy transition and the decarbonisation of industries and the power sector. She holds a bachelor's degree in commerce from the University of Delhi, and has pursued her master's degree in public policy from the National Law School of India University, Bengaluru. trana@ieefa.org