

WIDE CIRCULATION DRAFT

BUREAU OF INDIAN STANDARDS
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**Sustainability Reporting and Disclosure Requirements —
Part 11 — Affected Communities**

ICS 03.100.02

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| Social Responsibility Committee, MSD 10 | Sectional | Last Date for receipt of Comments is December 2024 |
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Foreword

This Indian Standard was adopted by the Bureau of Indian Standards, after the draft finalized by the Social Responsibility Sectional Committee had been approved by the Management and Systems Division Council. This standard specifies the requirements for Sustainability Reporting and Disclosures.

This standard provides requirements on various aspects of Sustainability Reporting, especially covering topics concerned with the title of the standard. This is the first time such standards have been attempted by any organization in the country.

This standard (Part 11) is a part of IS _____ under the general title ‘Sustainability Reporting and Disclosure Requirement’. Other parts in this series are:

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| Part 1 | Glossary and acronyms |
| Part 2 | General requirements |
| Part 3 | General disclosures |
| Part 4 | Climate change and pollution |
| Part 5 | Water and marine resources |
| Part 6 | Biodiversity and ecosystems |
| Part 7 | Resource use and circular economy |
| Part 8 | Own workforce |
| Part 9 | Stakeholders engagements |
| Part 10 | Worker in the value chain |
| Part 12 | Consumers and end-users |
| Part 13 | Business conduct |
| Part 14 | Governance and internal controls |
| Part 15 | Performance indicators and impact assessment for SDGs |

The Bureau of Indian Standards (BIS) with the sole directive to formulate National Standards to assess and certify products, systems and services in the country, undertook the responsibility to devise Indian Standard on ‘Sustainability Reporting and Disclosures’. BIS further realized

the need to make criteria based standards for Sustainability Reporting and Disclosures, which will act as strengthened framework for organizations to report their disclosures on ESG across environment, social and governance issues.

The composition of the Committee responsible for the formulation of this standard is given in Annex

Introduction

Introduction given in Part 1 of this standard shall apply (IS _____ (Part 1) : XXXX – Sustainability Reporting and Disclosure Requirement - Glossary and acronyms).

Draft Indian Standard
**Sustainability Reporting and Disclosure Requirements —
Part 11 — Affected Communities**

1 Scope

This document sets out the requirements for disclosures of local and affected communities and indigenous people that are affected or cost to be affected by organization's activities. This document also covers material impacts which are directly linked to organization's operations, product or services and its related material risks and opportunities.

This document applies to all organizations of all types and sizes regardless of their sectors of activities and covers communities' economic, social, cultural and human rights.

NOTES:

- 1) Regardless of requirements given in this standard, the organizations shall also comply the disclosures requirements given by the regulator.
- 2) For any dispute arising out of the declarations made by an organization, the provisions of the regulations and the decision of the regulator shall be final.
- 3) This document is complementary and interoperable with existing voluntary and regulatory frameworks.

2 Normative references

There are no normative references in this document.

3 Terms and definitions

The terms and definitions given in Part 1 of this standard (IS XXXX (Part 1):2024 – Sustainability reporting and disclosure requirements – Glossary and acronyms) shall apply.

4 Organization

4.1 The organization shall determine local communities and stakeholders and engaged with identified vulnerable groups. The organization shall describe types of communities subjective to material impacts by its own operations or through its upstream and downstream value chain. The organization shall specify if such communities are:

- i) directly living or working around the organization's operating sites, factories, facilities or other physical operations affected by activities at those sites.
- ii) living along the organization's value chain
- iii) living at one end or other of organization's value chain
- iv) group of indigenous people

4.2 The organization shall describe the types of communities who may be or are negatively affected as per its materiality assessment and how its particular activities bring greater of this harm to such communities.

4.3 The organization shall also disclose how the material impact on effective communities could lead to financial affect for it. The organization shall describe the actions taken for it.

4.4 The organization shall disclose the action it takes to engage with the affected communities and/or their representatives about material actual and potential positive and/or negative impacts on them and how perspective of affected communities are taken into account into the decision making process of the organization.

5 Impacts, risk and opportunities

5.1 The organization shall describe how its operations have material positive and material negative impacts on the affected communities, including indigenous groups, and the actions it takes to mitigate such impacts. The organization shall also describe its impacts on use of land and natural resources on human rights and tenure rights including impacts from resettlement of local affected communities. This shall also include the material positive and material negative impacts communities have on organization's activities.

5.2 The organization shall provide information related to any material risk and opportunity arising from impacts and dependencies on affected communities. The organization shall frame its policies to address the management of material impacts on communities and associated material risks and opportunities. The organization shall specify if such policies cover specific groups or all affected communities.

The organization shall disclose any particular policy provision for preventing and addressing impacts on indigenous communities, and shall describe its human rights policy commitments related to affected communities.

6 Key performance indicators (KPIs)

6.1 The organizations shall report annually on the Key Performance Indicators (KPI). The organization shall report:

- i) the mechanisms to receive and redress grievances of the community
- ii) the information on projects for which ongoing rehabilitation and resettlement (R&R) is being undertaken
- iii) number and percentage of projects affected families covered by R&R
- iv) amount paid to project affected families in the financial year

$$\% \text{ of project affected families (PAF)} = \frac{\text{No.of project affected families covered under R\&R}}{\text{Total number of project affected families}} \times 100$$

- v) social impact assessments, including gender impact assessments, based on participatory processes
- vi) local community development programs based on local communities' needs and expectations
- vii) broad based local community consultation committees and processes that include vulnerable groups
- viii) formal local community grievance processes

6.2 Reports shall include both absolute figures and intensity metrics (See Annex A).

Notes:

1. Annex A gives the details for declaration of information as per SEBI's BRSR Core and its format respectively, which may be followed in case of declaration as per requirements of format of BRSR Core.
2. Disclosure as per Annex II – Section C (Principle 8, disclosure 1, 2 and 3 of essential indicators) of BRSR Core is applicable to this part and hence is addressed in Annex A.

7 Disclosure requirements for affected communities

7.1 General disclosures

The organization shall disclose how its strategy and business model play a role in taking action on significant material impacts on affective communities. The organization shall disclose if the views of the materially affected communities have been taken into consideration while deciding its strategy and business model.

7.2 Material impacts, risks and opportunities

The organization shall disclose the information regarding its operation significant actual and potential negative impacts on local communities, including the location of the activities and the significant actual and negative impacts of activities.

The organization shall report the vulnerability and risk to local communities from potential negative impacts due to factors, including:

- i) the degree of physical or economic isolation of the local community
- ii) the level of socio economic development, including the degree of gender equality within the community
- iii) the state of socioeconomic infrastructure, including health and education infrastructure
- iv) the proximity to operations
- v) the level of social organization
- vi) the strength and quality of the governance of local and national institutions around local communities

7.3 The organization shall disclose its approaches and actions to mitigate material risks and pursuing material opportunities related to affected communities and effectiveness of those approaches and actions.

The organization shall also understand processes, initiatives or engagements through which it works to prevent, mitigate and remediate the negative material impact and seek to achieve positive material impacts for affected communities and improve the lives of affected communities. The organization shall further declare how it tracks and assess the effectiveness of its actions, programmes and investments for intended outcomes for affected communities.

8 Disclosure on targets

8.1 The organization shall disclose the time-bound and outcome oriented targets related to managerial material negative impacts, advancing positive impacts and managing impacts, risks and opportunities.

8.2 The process for setting the targets, how these targets affect the communities, and how the organization engages with the communities and their representatives shall be disclosed for:

- i) setting the targets
- ii) tracking the organization's performance against targets
- iii) improvements identification as a result of performance

ANNEX A
(Clause 6.2)

Format for new KPIs as per BRSR core as per Principle 8 of NGRBC are as follows:

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
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| | | | | | |
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2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| Sl. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|----------------|---|--------------|-----------------|--|-------------------------------------|--|
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3. Describe the mechanisms to receive and redress grievances of the community.