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Bridging Accounts and Sustainability: The Evolving Role of Chartered Accountants in India

Chartered Accountants are the architects of sustainable growth, bridging the gap between financial integrity and environmental responsibility. Sustainability has emerged as a pivotal aspect of business operations and strategic decision-making globally, with organizations increasingly recognizing the importance of balancing economic growth and environmental and social responsibility. In India, this transition towards sustainable business practices is gaining significant momentum, driven by regulatory mandates, stakeholder expectations, and the growing emphasis on environmental, social, and governance (ESG) principles of sustainability. Chartered Accountants (CAs), as trusted advisors and financial stewards, are uniquely positioned to bridge the gap between sustainability objectives and financial imperatives and explores the evolving role of CAs in promoting sustainable accounting practices in India and examines the role of CAs in the Business Responsibility and Sustainability Reporting (BRSR) Core. This study further examines the technical assurance implications of SEBI's BRSR Core, its nine ESG attributes, ESG data traceability, internal controls, risk-based assurance procedures, and ICAI's SSA-5000.

Introduction

Sustainability has emerged as an important dimension of corporate governance, risk management, and long-term value creation. Investors, regulators, lenders, customers, employees, and other stakeholders increasingly require reliable information on how organizations manage climate-related risks, resource consumption, employee well-being, diversity, supply chain practices, and governance. Consequently, sustainability reporting is progressively moving from broad narrative statements to measurable, comparable, and evidence-supported disclosures.

This transformation has created a new professional dimension for Chartered Accountants. Traditionally, the accounting profession has been closely associated with financial reporting, auditing, taxation, internal control, and assurance. However, the increasing importance of ESG information requires accounting professionals to extend their competencies to non-financial information. The central professional question is no longer simply whether an organization has disclosed an ESG indicator, but whether the reported indicator is complete, accurate, consistently measured, appropriately calculated, and supported by sufficient appropriate evidence.

SEBI's BRSR Core framework comes in handy. The BRSR Core identifies specific ESG indicators within nine ESG attributes and provides a structured framework for reporting and evaluation. Thus, the framework establishes a strong link between sustainability reporting and assurance. The interface provides an opportunity for Chartered Accountants to apply professional skills in risk assessment, materiality, internal controls, sampling, reconciliation, recalculation, analytical procedures, evaluation of evidence and professional judgment.

In the context of global sustainability reporting, this function is also evolving. In June 2023, the International Sustainability Standards Board (ISSB) released IFRS S1 and S2 as international standards for financial statements pertaining to sustainability. While IFRS S2 focuses exclusively on climate-related risks and opportunities, IFRS S1 considers sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects.

At the same time, the Indian profession has established its architecture for sustainability assurance. ICAI has issued SSA 5000 – General Requirements for Sustainability Assurance Engagements, together with the Framework for Sustainability Assurance Engagements. SSA 5000 is applicable to sustainability assurance engagements for financial years beginning on or after 1 April 2027. The standard provides a comprehensive, principle-based framework for

sustainability assurance in India and represents an important development in the professional assurance of ESG information.

Evolution from Sustainability Reporting to Sustainability Assurance

The previous approach to sustainability reporting frequently focused on conveying an organization's sustainability activities, policies, and successes. Such reports may provide significant narrative content, but the comparability and verifiability of quantitative indicators may differ significantly.

The establishment of the BRSR Core signals a shift toward more structured ESG data. The emphasis is shifting toward quantitative indicators, defined methodology, and proof to back up stated information. This has altered the professional aspect of sustainability reporting.

SEBI's Business Responsibility and Sustainability Reporting Core Framework

The purpose of SEBI's BRSR Core Framework is to improve the quality, comparability, and dependability of sustainability-related data that publicly traded companies provide. The BRSR Core identifies a targeted set of Key Performance Indicators (KPIs) across nine ESG attributes: (i) Green-house gas (GHG) footprint; (ii) Water footprint; (iii) Energy footprint; (iv) Embracing circularity – details related to waste management by the entity; (v) Enhancing employee wellbeing and safety; (vi) Enabling gender diversity in business; (vii) Enabling inclusive development; (viii) Fairness in engaging with customers and suppliers; and (ix) Open-ness of business. By focusing on quantifiable, standardized data that can be evaluated or assured, the framework advances ESG reporting beyond descriptive claims.

The BRSR Core is especially important from the standpoint of a Chartered Accountant since it necessitates a stronger focus on data quality, evidence, and traceability. In order to determine if reported ESG figures can be linked to the underlying source records, such as electricity bills, fuel records, trash registers, meter readings, HR records, procurement documents, and customer/supplier databases, the practitioner must take into account the ultimate disclosure. Risk assessment, internal control evaluation, sampling, document inspection, reconciliation, recalculation, analytical techniques, and testing of estimates and assumptions are examples of appropriate methods. As a result, ESG data can be included in the conventional assurance concepts of completeness, accuracy, occurrence, cut-off, categorization, and presentation.

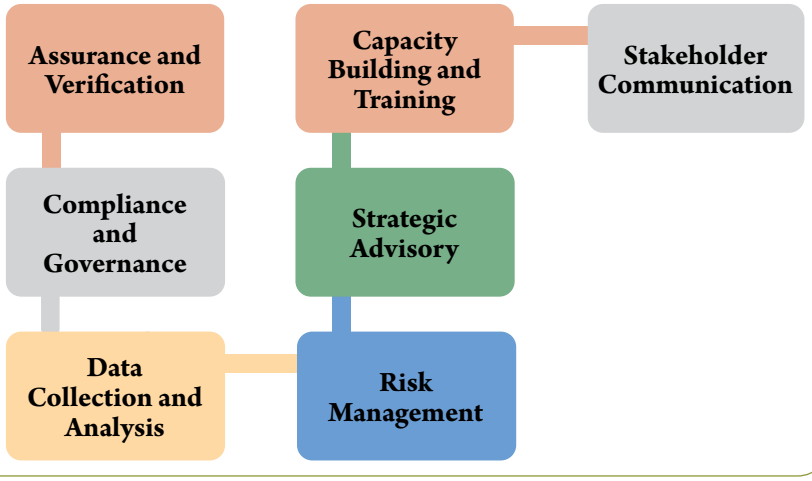
> "CAs assist organizations in aligning their BRSR Core disclosures with applicable laws, regulations, and frameworks. They help establish robust internal controls and governance mechanisms for sustainable reporting."

In carrying out BRSR Core evaluations or assurance, the framework also emphasizes the significance of professional competence, independence, and sustainability knowledge. SEBI subsequently introduced additional provisions concerning value-chain disclosures and the framework for assessment or assurance. Under SEBI's March 28, 2025 circular, ESG disclosures for the value chain are voluntary for the top 250 listed entities from FY 2025-26, and any associated assessment or assurance is also voluntary. This regulatory development gives rise to a field of work for Chartered Accountants that blends traditional assurance expertise with specific knowledge of ESG measurement, carbon accounting, environmental metrics, social indicators, data analytics, and sustainability reporting standards. In this context, ICAI's SSA 5000 – General Requirements for Sustainability Assurance Engagements and the Framework for Sustainability Assurance Engagements provide the professional architecture for sustainability assurance in India.

The Role of Chartered Accountants in BRSR Core

CAs play a critical role in the implementation, assurance, and reporting of the BRSR Core, which focuses on non-financial disclosures related to ESG. Their involvement includes certain key functions, as depicted in Figure 1.

Figure 1: Role of Chartered Accountants in BRSR Core



1. **Assurance and Verification:** CAs provide independent assurance of the accuracy, completeness, and reliability of the BRSR Core disclosures. This enhances stakeholder confidence by validating reported ESG data and ensuring compliance with regulatory requirements and standards.
2. **Compliance and Governance:** CAs assist organizations in aligning their BRSR Core disclosures with applicable laws, regulations, and frameworks. They help establish robust internal controls and governance mechanisms for sustainable reporting.
3. **Data Collection and Analysis:** Leveraging their expertise in financial and non-financial data management, CAs support the collection, aggregation and analysis of ESG metrics. They ensure that sustainability data are effectively integrated into financial reporting systems.
4. **Risk Management:** By identifying and assessing ESG-related risks, CAs contribute to the development of risk-mitigation strategies reflected in BRSR Core disclosures. This helps organizations manage sustainability risks in addition to financial risks.
5. **Strategic Advisory:** CAs advise on the strategic implications of sustainability initiatives, helping companies embed ESG considerations into their business models and decision-making processes. They guide organizations in setting measurable targets and monitoring their progress.
6. **Capacity Building and Training:** CAs facilitate training programs for management and staff on BRSR Core requirements, sustainability reporting standards, and best practices, enhancing organizational readiness and competence.
7. **Stakeholder Communication:** They aid in crafting transparent and coherent sustainability narratives that effectively communicate a company's ESG performance to investors, regulators, and other stakeholders.

BRSR Core and the Nine ESG Attributes

SEBI's BRSR Core specifies nine ESG attributes for measuring and reporting a company's sustainability performance: (i) Green-house gas (GHG) footprint; (ii) Water footprint; (iii) Energy footprint; (iv) Embracing circularity – details related to waste management by the entity; (v) Enhancing employee wellbeing and safety; (vi) Enabling gender diversity in business; (vii) Enabling inclusive development; (viii) Fairness in engaging with customers and suppliers; and (ix) Open-ness of business. These attributes cover environmental, social, and governance dimensions and provide a structured basis for ESG measurement, reporting, and assurance. Intensity ratios and other specified metrics support comparability of reported performance.

These characteristics are crucial for Chartered Accountants because the data is derived from multiple sources rather than just the accounting system. Electricity meters, fuel records, and waste management systems can provide environmental data; HR and payroll records can provide social data;

BRSR Core ESG Attribute		
BRSR Core Attribute	**Potential Source Data**	**Illustrative CA Procedures**
Green-house gas (GHG) footprint	Fuel records, electricity bills, emission factors	Inspection, reconciliation, recalculation
Water footprint	Meter readings, invoices, extraction/ discharge records	Completeness testing, unit verification
Energy footprint	Electricity, fuel and energy records	Reconciliation, analytical review
Embracing circularity – details related to waste management by the entity	Waste registers, weighing records, disposal certificates	Reconciliation and sample testing
Enhancing employee wellbeing and safety	HR, payroll, safety and incident records	Record verification and control testing
Enabling gender diversity in business	HR master data, payroll	Reconciliation and analytical procedures
Enabling inclusive development	Procurement and employee-location data	Classification and completeness testing
Fairness in engaging with customers and suppliers	Complaint records, procurement and accounts payable	Analytical review and corroboration
Open-ness of business	ERP, related-party registers, ledgers	Reconciliation with corporate records



and ERP, purchasing, sales, related-party, and financial records can provide governance data. To ensure that the data presented under the BRSR Core is correct, comprehensive, and traceable, an assurance provider must verify not just the final ESG number but also its source, computation, and supporting documentation.

This approach converts each ESG attribute into a testable information population, thereby enabling the CA to apply systematic assurance procedures.

BRSR Core, ESG Data Traceability and Sustainability Assurance

Sustainability reporting is now a more systematic, assurance-focused approach rather than a mostly narrative one due to the regulatory environment. As a subset of the BRSR, SEBI created the Business Responsibility and Sustainability Report Core, which includes specific measurements and key performance indicators under nine ESG criteria. The framework was created with the express purpose of facilitating reasonable certainty and enhancing the dependability and comparability of sustainability data. Additionally, according to SEBI, industry-specific changes or approximations are allowed as long as they are properly stated, although the BRSR Core offers a fundamental technique for reporting and assurance.

This development alters the character of Chartered Accountants' professional activity. Preparing sustainability data and determining whether a report has the necessary disclosures are no longer the only tasks involved. An assurance trail connecting the reported ESG metric to its source data, data processing guidelines, internal controls, computations, management evaluation, and ultimate disclosure is necessary. As a result, sustainability assurance is becoming more and more like a structured audit of non-financial data, where the pertinent reporting criteria must be taken into account for completeness, accuracy, classification, cut-off, consistency, occurrence, and presentation.

Technical Assurance Procedures for BRSR Core

Risk is the foundation of a strong BRSR Core assurance engagement. The entity, its business model, reporting boundaries, ESG governance structure, information systems, and pertinent reporting criteria should all be understood by the assurance provider first. Then, in order to create procedures that are sensitive to the risks of major misrepresentation, omission, improper classification, or unsubstantiated estimates, the provider should identify these areas.

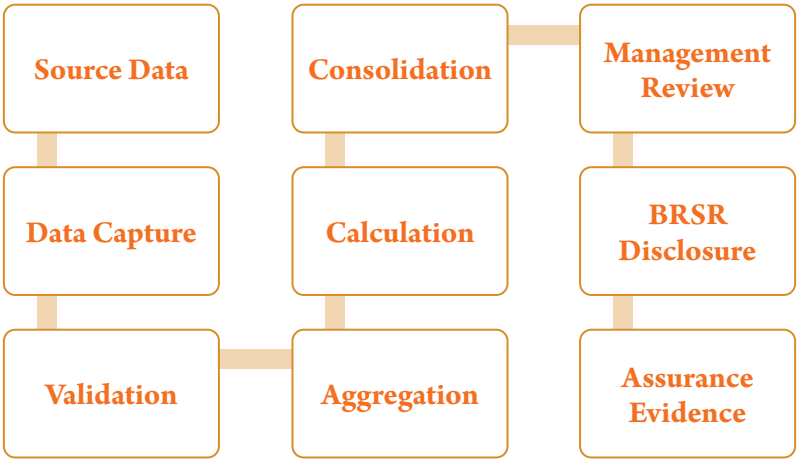
Source papers such as gasoline and electricity invoices, meter records, payroll registers, HR master data, trash manifests, recycler certifications, contracts, laboratory reports, grievance registers, and related-party records are all examined during inspection. When physical processes or measurement systems are pertinent, such as when monitoring waste measurement procedures or meter readings, observation may be employed. For derived ESG indicators like emissions, intensity ratios, percentages, and wage-related metrics, recalculation is especially crucial. To ascertain whether the claimed results can be replicated, performance entails carrying out a control or computation on one's own. While analytical techniques can spot odd trends, inexplicable variations, or discrepancies between operational and ESG data, confirmation can be necessary for specific third-party data.

Sampling should be designed according to risk, population characteristics, materiality, and the reliability of controls. Where large datasets are available, data analytics can extend testing beyond small samples by identifying duplicate records, missing values, unusual transactions, outliers, abrupt year-on-year movements, and mismatches between source systems. Therefore, the use of technology is not merely a convenience; it can strengthen the assurance provider's ability to evaluate completeness and consistency across large ESG populations.

ESG Data Traceability and Audit Trail

Data traceability is a central requirement for credible ESG assurance. A reported BRSR Core figure should be capable of being traced backwards through a documented data lineage. A practical assurance chain is as is depicted in Figure 2.

Figure 2: A Practical Assurance Chain



The purpose of this chain is to establish where the number originated, how it was processed, who reviewed it, and what evidence supports the final disclosure.

For example, Scope 1 greenhouse gas emissions may be traced from the reported BRSR figure to the consolidated emissions workbook, then to plant-level fuel consumption, fuel invoices and consumption registers, and finally to the emission factors and calculations used to convert fuel quantities into carbon dioxide equivalents. Similarly, Scope 2 emissions can be traced from the disclosure to electricity consumption records, utility invoices or meter data, renewable energy information where relevant, applicable emission factors, and the final calculation. The assurance provider should test whether the population is complete, whether the units and conversion factors are appropriate, whether the calculations can be reproduced, and whether the changes in methodology have been documented.

The same traceability principle applies to the water and waste data. Water consumption should be reconciled with meter readings, invoices, extraction records, and other relevant source documents. Waste figures should be supported by weighing records, waste registers, classification records, transporter documentation, and recycler or disposal certificates. Differences between operational records and reported ESG data should be investigated rather than automatically accepted as immaterial.

Internal Controls over Sustainability Reporting

Internal control over sustainability data is necessary for accurate ESG reporting. Standardized definitions, permitted data entry, job segregation, and system validation are a few examples of preventive measures. Reconciliations, exception reports, variance analysis, and management reviews are a few examples of detective controls. Documented modifications, error rectification, and acceptance of updated computations are examples of corrective controls. When relying on internally generated data, the assurance provider should evaluate if the controls are properly designed, implemented, and functioning as intended.

> “Materiality in sustainability assurance should be related to relevant reporting criteria and intended users’ information requirements. Inaccurate measurements, omissions, classification errors, unsupported estimations, methodological modifications, or inconsistencies in reporting bounds can all pose risks.”

The relationship between operational departments and financial or sustainability teams should also be taken into account during control testing. Because of manual extraction, spreadsheet modifications, or uneven reporting boundaries, there is a frequent danger that the ESG reporting workbook contains a different figure than the operational system. Relevant elements of the assurance process include interface controls, version control, access limitations, and evidence review.

Materiality and Risk Assessment in ESG Assurance

Materiality in sustainability assurance should be related to relevant reporting criteria and intended users’ information requirements. Inaccurate measurements, omissions, classification errors, unsupported estimations, methodological modifications, or inconsistencies in reporting bounds can all pose risks. For example, GHG reporting may be sensitive to wrong emission factors, water reporting may be vulnerable to omitted sources, employee safety reporting may be vulnerable to under-recording, and related-party information may be misclassified. As a result, instead of using a consistent checklist for each KPI, the assurance provider should direct more thorough procedures toward higher-risk information.

Value Chain ESG Data and Assurance

The BRSR Core also takes the sustainability information challenge beyond the reporting entity. Under SEBI’s subsequent framework, the value chain encompasses the top upstream and downstream partners of a listed entity that individually comprise 2% or more of the listed entity’s purchases and sales (by value), respectively. However, the listed entity may limit its value-chain disclosure to cover 75% of its purchases and sales (by value), respectively. The March 28, 2025 SEBI circular further provides that ESG disclosures for the value chain are voluntary for the top 250 listed entities from FY 2025-26. Where a listed entity voluntarily provides value-chain ESG disclosures, the associated assessment or assurance is also voluntary.

Value-chain information poses a higher evidentiary risk from an assurance standpoint since the underlying data may come from sources other than the listed entity’s own systems. Where an entity elects to make value-chain ESG disclosures, CAs could assess contractual ESG requirements, supplier and customer questionnaires, third-party certificates, declarations, sample-based corroboration, procurement and sales records, and consolidation controls. Evidence produced directly by the reporting business and evidence obtained from external value-chain actors should be distinguished in the assurance methodology, with the reporting boundary, assumptions, estimates, and percentage of purchases and sales covered clearly documented.

ICAI SSA 5000 and the Indian Sustainability Assurance Architecture

ICAI has now issued SSA 5000 – General Requirements for Sustainability Assurance Engagements, together with the Framework for Sustainability Assurance Engagements. The standard establishes a comprehensive, principle-based approach to sustainability assurance and is applicable to sustainability assurance engagements for financial years beginning on or after 1 April 2027. It is designed to support assurance over sustainability information across different topics and reporting frameworks, and it strengthens the professional architecture for sustainability assurance in India.

The issuance of SSA 5000 marks a transition from the earlier assurance standards used for sustainability information to a dedicated sustainability assurance standard. SSA 5000 is therefore referred to in this article as an issued standard. Once SSA 5000 comes into force, SSAE 3000 and SAE 3410 will stand withdrawn. The accompanying Framework for Sustainability Assurance Engagements provides the broader reference framework for sustainability assurance engagements. Together, SSA 5000 and the Framework support a structured engagement perspective covering acceptance and planning, understanding the entity and reporting criteria, risk assessment, design and performance of assurance procedures, evaluation of evidence and misstatements, documentation, and formation of assurance conclusions.

In practical terms, SSA 5000 reinforces the need for CAs to obtain sufficient appropriate evidence, exercise professional judgment, understand sustainability information systems and controls, evaluate estimates and assumptions, and maintain appropriate independence and ethical safeguards. This complements SEBI's BRSR Core requirements by providing a professional assurance perspective to the regulatory requirement for credible ESG information and by establishing a clear transition to the Indian sustainability assurance framework applicable from financial years beginning on or after 1 April 2027.

Concluding Remarks

The BRSR Core marks a significant shift towards structured, measurable, and evidence-based sustainability reporting in India, expanding the professional role of Chartered Accountants beyond conventional financial reporting. CAs can strengthen ESG assurance through risk assessment, materiality, internal controls, data traceability, evidence evaluation, sampling, recalculation, and analytical procedures. The underlying principle is ESG Disclosure → Evidence → Traceability → Verification → Credibility, which ensures that material ESG information is supported by reliable source records and reproducible calculations.

The issuance of ICAI's SSA 5000 – General Requirements for Sustainability Assurance Engagements, together with the Framework for Sustainability Assurance Engagements, further reflects the growing importance of sustainability assurance. Applicable to sustainability assurance engagements for financial years beginning on or after 1 April 2027, SSA 5000 provides a dedicated professional framework for assurance over sustainability information. Chartered Accountants must increasingly combine their expertise in accounting, auditing, and internal controls with specialized knowledge of ESG measurement, reporting, and assurance methodologies. By integrating these capabilities, CAs can enhance the credibility of BRSR Core disclosures and contribute to transparent, accountable, and sustainable corporate practices in India.

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