NEW LABOUR CODES 2025 AND IMPACT ON BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR): A GOVERNANCE–DISCLOSURE CONVERGENCE ANALYSIS

Introduction

India's four Labour Codes mark the extensive reform and compilation of the nation's labour laws in 70 years. The Codes consolidate 29 Central Labour Laws into four primary codes: The Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020, and the Occupational Safety, Health and Working Conditions Code 2020. The enactment of the Codes in Parliament is incomplete pending notification and adoption by the Central Government. States have variously compiled or published draft Codes. As of now, the BRSR transformed what was previously a voluntary, management-level mechanism to an obligatory and reputational framework. Top 1,000 entities listed by the SEBI in 2022-23 must comply with the BRSR, which is aligned to the NGRBC.[1] BRSR Guidelines include nine pillars of accountability in a corporate context: governance, product responsibility, employee accountability and fulfillment, the promotion of the welfare of concerned parties, the justice and promotion of detractors' rights, the promotion of the environment and the legislative process. It incorporates accountability themes on inclusiveness, growth and governance.[2]

The statutory elements of the Labour Codes impact the BRSR's disclosure obligations within the dynamic compliance framework. This means the BRSR's disclosure requisites, in addition to the other laws, do impose compliance obligations. Connecting the Labour Code's compliance requisites of definitional wage, social security (including the gig and platform economy), occupational safety, grievance, and industrial relations will shape the kind of disclosure that will be expected under BRSR's and Section B, specifically, Principles 3, 5, and 9 of the Management and Process Disclosures, respectively.

In this context, this article breaks down the Labour Codes in detail, beyond the sub-series, and argues that the Labour Codes once implemented will require the BRSR to alter the compliance and sustainability disclosure obligations that will be in force.

PART I: THE FOUR NEW LABOUR CODES — AN OVERVIEW

1.1 The Legislative Architecture

The Labour Codes consolidate 29 central labour laws into four thematic statutes. The key structural changes relevant to BRSR disclosures are:

---

[1] Securities and Exchange Board of India, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reg. 34.

[2] Ministry of Labour and Employment, Government of India, *Status of Labour Codes Implementation* (2023).

Labour Code	Laws Consolidated	Primary BRSR Relevance
Code on Wages 2019	Minimum Wages Act, Payment of Wages Act, Payment of Bonus Act, Equal Remuneration Act	P5 (Wages/Gender Pay), P8 (Inclusive Growth), BRSR Sec A — Employee/Worker data
Industrial Relations Code 2020	Industrial Disputes Act, Trade Unions Act, Industrial Employment (Standing Orders) Act	P3 (Employee Wellbeing), P5 (Workers' Rights), BRSR Sec A — grievance data
Code on Social Security 2020	EPF Act, ESI Act, Maternity Benefit Act, Gratuity Act, Building & Construction Workers Act	P3 (Social Security coverage), P5 (Benefits), BRSR Sec A — Benefits disclosures
OSH Code 2020	Factories Act, Mines Act, Contract Labour Act, Building Workers Act (+ others)	P3 (Safety), P5 (Safe Conditions), BRSR Sec A — Safety KPIs, contractor management

1.2 The BRSR Framework at a Glance

The BRSR is structured into three sections:

BRSR Structure

- **Section A — General Disclosures:**
  Company identity, operations, employees, holding structures, CSR, transparency & grievances
- **Section B — Management & Process Disclosures**:
  Policies, governance, targets and performance on each NGRBC Principle
- **Section C — Principle-wise Performance Disclosures:**
  Essential + Leadership indicators across all 9 Principles

This article focuses on Sections A and B, which serve as the governance and policy foundation for Section C disclosures.

PART II: IMPACT ON THE NINE NGRBC PRINCIPLES

The New Labour Codes intersect with all nine NGRBC Principles.[3] They have a direct and substantive impact on Principle 3 (Employee Well-being), Principle 5 (Human Rights), and Principle 8 (Inclusive Growth and Equitable Development). Additionally, they indirectly reinforce Principles 1 (Ethics, Transparency & Accountability), Principle 2 (Product Sustainability), Principle 4 (Stakeholder Engagement), Principle 6 (Environmental Protection), Principle 7 (Public Policy), and Principle 9 (Consumer Value) by strengthening governance structures, compliance frameworks, and responsible business conduct. Below, each Principle is examined in detail.

Principle 1 — Ethics, Transparency and Accountability

Principle 1 of the National Guidelines on Responsible Business Conduct (NGRBCs) under the SEBI's BRSR framework mandates that companies act and govern themselves with integrity, transparency, and accountability. Fulfilment of this principle can be seen in the statutory compliance obligations that operate under different kinds of corporate and regulatory compliance laws. There are the Labour Codes like the Code on Wages, 2019, and the Industrial Relations Code, 2020. As far as the transparency of standing orders and wage payments provisions in these codes, there are advances that emphasize labour rights, rights of employees, and governance of the working environment and these can be most closely associated with the employee well-being and Responsible Business Conduct (RBC) principles.

1.1 Wage Transparency under Code on Wages 2019

The Code on Wages, 2019 introduces a uniform and standardised definition of "wages," which has been adopted across all four Labour Codes.[4] This harmonised definition reduces ambiguities arising from varying wage interpretations under earlier labour laws. By limiting exclusions and introducing a 50% threshold for wage components, the Code curbs excessive structuring of salary packages designed to minimise statutory contributions such as provident fund, gratuity, and bonus.[5] Consequently, it promotes greater transparency, uniformity, and compliance in wage-related statutory calculations.

---

[3] Ministry of Corporate Affairs, Government of India, National Guidelines on Responsible Business Conduct (2018).

[4] Code on Wages, 2019, s. 2(y).

[5] Code on Wages, 2019, s. 9.

<u>Illustrative Impact on P1</u>

BEFORE: A company structured salaries with large allowances (HRA, conveyance, special pay) kept outside 'basic wages', artificially suppressing EPF and gratuity contributions.

AFTER (Code on Wages): Wages must comprise at least 50% of CTC; allowances cannot collectively exceed 50%. This compels a restructuring that is more transparent to employees and auditors — and must be disclosed as part of BRSR P5 disclosures on ethics in remuneration.

BRSR Disclosure Trigger: Section B (P1) : Policy on equal and fair remuneration; whether wage computation methodology is disclosed to workers.

1.2 Standing Orders — Formalising Workplace Rules

The Industrial Relations Code, 2020 increases the applicability threshold for standing orders to industrial establishments employing 300 or more workers, up from 100 or more workers under the earlier Industrial Employment (Standing Orders) Act, 1946. Under the Code, establishments with 300+ workers must draft and certify standing orders based on model standing orders issued by the government, ensuring rules on classification of workers, attendance, leave, termination, misconduct, and other service conditions are formalised. Smaller establishments are not required to have certified standing orders but remain governed by model standing orders. This change reduces compliance burden for smaller firms while mandating greater transparency of workplace conduct rules in larger entities information that aligns with BRSR Principle 1 disclosures on governance of workplace conduct.

Principle 2 — Sustainable and Safe Products and Services

Principle 2 of the SEBI BRSR framework focuses on sustainable and safe products and services, responsible sourcing, and minimizing environmental and social risks across the value chain. While the Occupational Safety, Health and Working Conditions Code, 2020 primarily governs workplace health and safety standards, it also indirectly supports Principle 2 objectives. The Code includes specific provisions relating to hazardous processes, safety standards in factories, engagement and regulation of contract labour, and employer accountability mechanisms. These provisions strengthen risk management within operational facilities, extend oversight to contractors, and supply chain partners, thereby contributing to responsible value chain management and sustainable production practices.

2.1 Hazardous Processes and Product Safety

The Occupational Safety, Health and Working Conditions Code, 2020 consolidates and rationalizes provisions relating to hazardous processes that were previously contained under the Factories Act, 1948 and the Mines Act, 1952. The Code, read with its First Schedule, identifies industries involving hazardous processes and prescribes enhanced safety obligations, including medical examination, health surveillance, worker protection measures, and mandatory safety standards. While the OSH Code itself does not impose sustainability disclosure requirements, compliance with its safety and risk management provisions becomes relevant for disclosures under SEBI’s Business Responsibility and Sustainability Reporting (BRSR), particularly under Principle 2, which requires companies to assess and disclose the environmental and social risks associated with their products and processes.

Illustrative Impact on P2

BEFORE: A chemical manufacturer disclosed product safety under Factories Act hazardous process rules without integrating contractor and third-party supply chain obligations.

AFTER (OSH Code): The Code explicitly covers inter-state migrant workers and contract workers in hazardous processes. The principal employer must ensure safety standards extend to contractors — creating a supply chain safety obligation disclosed under BRSR P2.

BRSR Disclosure Trigger: Principle 2 Whether safety assessment extends to supply chain; proportion of inputs from sustainable/audited suppliers.

Principle 3 — Employee Wellbeing and Worker Rights

India’s Labour Codes significantly impact principle 3 of the Business Responsibility and Sustainability Reporting (BRSR) framework aligned with the National Guidelines on Responsible Business Conduct (NGRBC). Principle 3 requires companies to respect and promote the well-being of all employees and workers, including those engaged through value chains and contractual arrangements. The four Labour Codes namely the Code on Wages, 2019; the Industrial Relations Code, 2020; the Occupational Safety, Health and Working Conditions Code, 2020; and the Code on Social Security, 2020 consolidate and rationalize multiple labour laws and expand employer obligations relating to minimum wages, timely payment, social security coverage, occupational safety, health standards, working conditions, industrial relations, and grievance redressal. Together, these Codes substantially influence corporate disclosures under Principle 3 by strengthening compliance expectations and formalizing employer responsibilities across wages, social protection, workplace safety, and employee welfare.

3.1 Expanded Definition of 'Worker' and 'Employee'

The Labour Codes adopt broader and more inclusive definitions of workers and establishments. The Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code) generally applies to establishments employing 10 or more workers, though specific chapters (such as those relating to factories) may apply different thresholds—for example, 10 workers with power and 20 workers without power in the case of factories.[6]

Further, the Code on Social Security, 2020 explicitly recognizes and provides a framework for gig workers, platform workers, and inter-state migrant workers, significantly expanding the formal ambit of social protection.

This broadened definitional scope substantially increases the category of persons and establishments that may fall within compliance and policy obligations, thereby widening the regulatory reach of labour governance frameworks.[7]

Category	**Pre-Code Coverage**	**Post-Code Coverage (BRSR Implication)**
Gig / Platform Workers	No formal social security coverage	Code on Social Security: Gig/platform workers to be covered under a separate Social Security Fund. BRSR must disclose benefits extended to this category.
Contract Workers	Limited under Contract Labour Act — often excluded from ESI/EPF of principal employer	OSH Code: Principal employer responsible for safety of all workers on premises. BRSR P3 must reflect contractor worker KPIs.
Inter-State Migrant Workers	Building & Other Construction Workers Act coverage only	Code on Social Security + OSH Code: Mandatory registration, portability of

[6] Code on Social Security, 2020, ss. 109–114
[7] Industrial Relations Code, 2020, s. 2(o) read with relevant provisions on fixed-term employment.

Category	Pre-Code Coverage	Post-Code Coverage (BRSR Implication)
		benefits. BRSR P3 disclosure on migrant worker welfare.
Fixed-Term Employees	No statutory parity with permanent employees	IR Code: Fixed-term employees entitled to same wages and statutory benefits as regular employees. BRSR pay-gap disclosures impacted.

3.2 Social Security — Broadened Scope and New Funds

The Code on Social Security 2020 introduces several changes material to BRSR P3:

- **Employees' Provident Fund (EPF):** The threshold for EPF applicability is expected to be lowered over time, companies must disclose the proportion of workers covered.
- **Employees' State Insurance (ESIC):** Extended to all establishments with 10+ workers (from 20+); coverage of hazardous establishments regardless of workforce size.
- **Gratuity:** Continuous service definition now includes fixed-term and contract workers, altering liability computations and benefits disclosures.
- **Maternity Benefit:** Unchanged in substance but now consolidated — creches mandatory for 50+ women workers.
- **New Social Security Funds**: For unorganised workers, gig workers, and platform workers — to be funded by aggregators (up to 1–2% of turnover or 5% of worker payout). BRSR must reflect whether company participates and the extent of coverage.

Illustrative Impact on P3 — Social Security

Scenario: A logistics company employs 3,000 delivery executives as 'gig workers' through an app-based platform.

BEFORE: No statutory social security coverage — no disclosure required in BRSR.

AFTER (Code on Social Security): The company (as 'aggregator') must register workers and contribute to the Social Security Fund.

BRSR P3 Impact: Section A must now disclose these workers in the 'other than permanent' category. Section B (P3) must report on social security coverage for gig workers. Section C (P3, Essential Indicator 4) — welfare measures for permanent and non-permanent workers must be updated.

3.3 Occupational Safety — OSH Code 2020

The OSH Code 2020 consolidates 13 laws and introduces a uniform safety framework. Key BRSR-relevant provisions:

OSH Code Provision	BRSR P3 Disclosure Impact
Annual Health Check: Establishments with 500+ workers must conduct annual health check-ups	BRSR P3 (Essential Indicator 5): Proportion of workers covered by health/accident welfare measures — annual check-ups now mandatory disclosure
Safety Committee: Mandatory for hazardous processes and large establishments	BRSR Section B (P3): Governance structure for occupational safety — safety committee constitution and functioning
Working Hours: 8-hour workday, 48-hour week; overtime limited to 125 hours per quarter	BRSR P3 disclosure on working hours; deviations from OSH Code norms are a governance red flag in BRSR Section B
Leave Encashment: Carry-forward of earned leave (180 days max), with encashment rights	BRSR benefits disclosures — leave policies aligned to Code obligations
Contract Labour: Principal employer responsible for wages, amenities of contractor workers	BRSR P3 Section C — worker statistics must now include contractor workers for whom principal employer is liable

3.4 Illustrative Mapping: P3 BRSR Section C (Essential Indicators)

BRSR P3 Essential Indicator	Labour Code Change	New Disclosure Requirement
EI 1: Employee count by type (permanent, other than permanent)	Fixed-term employment now has statutory recognition under IR Code	Fixed-term employees must be separately enumerated; benefits parity with permanent employees disclosed
EI 2: Differently-abled employees/workers	OSH Code: Accessibility provisions in workplace safety plans	Workplace adaptation measures for differently-abled under OSH framework must be disclosed

BRSR P3 Essential Indicator	Labour Code Change	New Disclosure Requirement
EI 4: Welfare measures for permanent and non-permanent	Code on Social Security: Gig workers covered; portability of benefits	Welfare measures for gig/platform/migrant workers now required
EI 5: Accidents, occupational diseases, near-misses	OSH Code: Unified accident reporting framework; DISH (Database of Industrial Safety & Health) notified	All reportable incidents under OSH Code must align with BRSR disclosures
EI 6: Employees/workers covered under social security schemes	Code on Social Security: Broader coverage, new funds	Coverage percentages for EPF, ESIC, NPS, Gratuity by worker category required

Principle 4 — Stakeholder Engagement

Principle 4 of the National Guidelines on Responsible Business Conduct (NGRBC) requires businesses to respect the interests of and be responsive to all stakeholders, particularly those who are disadvantaged, vulnerable, and marginalized. It mandates companies to identify stakeholders systematically and establish structured engagement mechanisms. In this context, the Industrial Relations Code, 2020 strengthens formal employee management engagement frameworks by introducing provisions relating to grievance redressal committees, trade union recognition, and dispute resolution mechanisms, thereby reinforcing structured stakeholder participation within organizations.

4.1 Works Committees and Grievance Redressal Councils

The **Industrial Relations Code, 2020**, the following mechanisms are provided:

• **Works Committee (100 or more workers):** The appropriate Government may require an establishment employing 100 or more workers to constitute a Works Committee to promote measures for securing and preserving amity and good relations between the employer and workers, and to comment upon matters of common interest or concern. The Code provides flexibility to the Government to prescribe the threshold. While not directly linked in the statute to ESG reporting, its functioning may support disclosures under BRSR Principle 4 (Stakeholder Engagement).

• **Grievance Redressal Committee (20 or more workers):** Every industrial establishment employing **20 or more workers** is mandatorily required to constitute a Grievance Redressal Committee for resolution of disputes arising out of individual grievances. The committee must have equal representation of employer and workers, with adequate representation of women workers (as prescribed). Though the Code does not mandate public disclosure of grievance data, such information may be relevant for ESG/BRSR reporting.

• **Industrial Tribunal:** The Code rationalizes adjudicatory mechanisms by retaining Industrial Tribunals for adjudication of industrial disputes. It expands coverage by recognizing fixed-term employment, broadening definitions relevant to workers, though gig and platform workers are primarily addressed under the Social Security Code rather than the IR Code. The Tribunal's composition and jurisdiction are prescribed under the Code and relevant rules.

<u>**Illustrative Impact on P4**</u>
Scenario: A manufacturing company with 1,500 workers previously relied on ad hoc HR processes for grievance redressal. **AFTER (IR Code):** Mandatory Grievance Redressal Committee; minutes, outcomes and timelines must be maintained. **BRSR Disclosure Trigger**: Section A (Transparency & Grievance Mechanisms): Number of grievances received, % resolved within 30 days, % pending. Section B (P4): Formal mechanisms for worker grievance redressal. **Quantitative Change Example**: If 120 grievances were received in FY 2024–25 and 90% resolved, this data flows into BRSR as a compliance and engagement metric previously there was no statutory framework requiring this tracking.

Principle 5 — Human Rights

Principle 5 is one of the most significantly impacted principles. It requires businesses to respect and promote human rights by ensuring non-discrimination, elimination of child and forced labour, safe and healthy working conditions, fair wages, freedom of association, and protection of human dignity across their operations and value chain.

5.1 Equal Remuneration — Code on Wages

The Code on Wages, 2019 consolidates and replaces the Equal Remuneration Act, 1976 while retaining the statutory mandate of equal remuneration for work of a similar nature. It further expands the framework by prohibiting gender-based discrimination in matters of recruitment and wages, except in cases where employment of a particular gender is legally restricted. The disclosures under BRSR Principle 5 relating to gender pay gaps and anti-discrimination policies align with the Code's compliance requirements and reinforce corporate accountability toward pay equity and workplace equality.[8]

P5 BRSR Disclosure	Code on Wages Linkage
Gender pay gap (% difference in median wages)	Code mandates equal wages for same/similar work; BRSR must quantify whether parity is achieved
Non-discrimination in recruitment	Code prohibits discrimination in recruitment on grounds of gender; HR policies must be aligned
Minimum wage compliance	Code creates a universal floor wage concept — BRSR must disclose whether all workers receive at least the Floor Wage
Proportion of workers paid below national minimum wage	New disclosure requirement post-Code; any worker below floor wage is a BRSR red flag

5.2 Child and Forced Labour — Expanded Definitions

The Occupational Safety, Health and Working Conditions Code, 2020 and the Code on Social Security, 2020 strengthen labour governance architecture, however the substantive prohibition of child and adolescent labour continues to be governed primarily by the Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 (as amended in 2016).[9]

• **Prohibition of hazardous employment for adolescents (14–18 years):** Employment in hazardous occupations remains prohibited under the Child and Adolescent Labour Act. The

[8] Code on Wages, 2019, s. 3
[9] Occupational Safety, Health and Working Conditions Code, 2020, ss. 22–24.

OSH Code reinforces workplace safety standards but does not independently redefine minimum age thresholds.

• **Worker registration and formalisation:** The Code on Social Security introduces mechanisms for worker registration, including Aadhaar-linked databases, coverage expansion to gig, and platform workers. While not designed specifically as an anti-child labour tool, increased formalisation enhances traceability and reduces risks associated with informal and undocumented labour practices.

• **Contractor regulation and principal employer accountability:** The OSH Code mandates licensing and compliance obligations for contractors and principal employers. Although child labour prohibition stems from separate legislation, due diligence by principal employers strengthens supply-chain accountability and aligns with Business Responsibility and Sustainability Reporting (BRSR) Principle 5 relating to human rights in the value chain.

Illustrative Impact on P5 — Value Chain Human Rights
Scenario: A garment company sources from contract manufacturers who employ home-based workers. **BEFORE:** No statutory obligation to verify contractor compliance with child labour norms for home-based workers. **AFTER (OSH Code + Code on Social Security):** Registration obligations and principal employer liability extend social accountability further into the supply chain. **BRSR P5 Leadership Indicator 1:** Proportion of establishments assessed for human rights practices — contract manufacturers must now be included in scope. **BRSR P5 Leadership Indicator 3:** Corrective actions taken on human rights grievances — contractor grievances must be tracked.

5.3 Freedom of Association — Industrial Relations Code

The Industrial Relations Code modifies the framework for trade unions and collective bargaining:

• **Negotiating Union / Negotiating Council:** The IR Code introduces a formal mechanism for union recognition. Where there is only one registered trade union, that union is recognised as the sole negotiating union. If there are multiple registered unions, the union with 51% or more of workers as members becomes the sole negotiating union. If no union has 51%, a negotiating council is formed consisting of unions that have the support of at least 20% of the workers, with representation proportional to membership.[10]

• **Strike Notice Requirements:** Under the IR Code, workers must give a notice of strike, and employers must give a notice of lockout at least 60 days before the intended action. In addition, strikes or lockouts cannot commence until 14 days after the notice has been given. Strikes or lockouts are also prohibited during certain periods such as ongoing conciliation, tribunal or arbitration proceedings, and while a settlement/award is in force.

Note: The often quoted "14-day notice for strikes in all industries" is only part of the requirement**.** The Code requires both a 60-day advanced notice window and a minimum 14-day cooling-off period before the action can begin.

• **Secret Ballot / Verification:** IR Code rules provide for membership verification for recognising negotiating unions or council representatives. The draft central rules indicate that membership verification through secret ballot is the default method (with electronic voting permitted by agreement), and costs are to be borne by the employer.

• **BRSR P5 Disclosure:** For BRSR Principle 5 (P5) disclosures related to industrial relations, typical metrics include:

- Percentage of permanent workers who are members of a recognised trade union**;**
- Number of collective bargaining agreements in place**;**
- These disclosures reflect alignment with the Code's structured collective bargaining framework.

(Note: These are common disclosures under BRSR P5; actual BRSR guidance should be checked for precise wording*.)*

[10] Industrial Relations Code, 2020, s. 14.

Change Impact Example

Previously: A company disclosed trade union membership without specifying whether the union was 'recognised' under any statutory framework.

Now: BRSR must disclose specifically whether a 'Recognised Negotiating Union/Council' exists under the IR Code — a more precise and legally meaningful disclosure that investors and auditors can verify.

Principle 6 — Environment

The direct environmental impact of the Labour Codes on BRSR Principle 6 (Environment) is limited. However, the Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code) creates indirect linkages with environmental governance through its regulation of hazardous processes, toxic substances, and occupational exposure standards.

• **OSH Code – Hazardous Processes & Chemical Exposure:** The OSH Code contains specific provisions governing hazardous processes, handling of toxic substances, and prescribed occupational exposure limits. While these provisions are primarily worker-centric, they often intersect with environmental compliance obligations under the Environment (Protection) Act, 1986 and allied rules (such as hazardous waste and chemical handling regulations). Companies maintaining compliance with occupational exposure standards typically implement process controls that also reduce emissions and environmental contamination at source. However, compliance under the OSH Code does not automatically amount to environmental compliance; the regulatory objectives remain distinct.

• **BRSR Principle 6 Disclosure Linkage:** Under BRSR P6, companies are required to disclose environmental compliance status, penalties, notices, and environmental incidents. In situations where a hazardous substance release results in both worker exposure violations under the OSH Code and environmental contamination under environmental laws, the incident may trigger dual disclosure obligations — under occupational safety compliance reporting and environmental disclosure reporting.

• **Waste and ETP-Related Worker Coverage:** The OSH Code applies uniformly to workers engaged in hazardous operations, including waste handlers, effluent treatment plant (ETP) operators, and personnel involved in pollution control activities. While their safety metrics are primarily reportable under BRSR Principle 3 (Employee Well-being), operational lapses involving waste mismanagement or chemical handling may also have environmental consequences requiring reporting under Principle 6.

Principle 7 — Policy Advocacy

Principle 7 of the SEBI Business Responsibility and Sustainability Reporting (BRSR) framework requires companies to disclose their public policy advocacy and participation in policy formulation processes. This includes engagement with regulators, government bodies, trade associations, and industry chambers. Companies must transparently report whether such engagement aligns with their stated values, sustainability commitments, and governance policies.

Given that the four Labour Codes enacted by Parliament — namely the Code on Wages, 2019; the Industrial Relations Code, 2020; the Occupational Safety, Health and Working Conditions Code, 2020; and the Code on Social Security, 2020 — are yet to be fully implemented due to pending notification and State-level rulemaking in several jurisdictions, any company engagement relating to their operationalization (such as discussions on implementation timelines, floor wage determination, gig and platform worker classification, or compliance frameworks) would qualify as policy advocacy. Accordingly, such engagement should be appropriately disclosed under BRSR Principle 7, along with details of the forums through which engagement occurred and confirmation of alignment with the company's governance framework.

Disclosure Trigger

If a company or its industry association has submitted representations to the Ministry of Labour or State Governments on the interpretation of 'wages' under the Code on Wages, or on the OSH Code's threshold for safety committees, this constitutes policy advocacy and must be disclosed in BRSR P7.

Anti-advocacy obligation: The Code on Wages aligns with India's commitment to ILO Convention 100 (Equal Remuneration). BRSR P7 requires that companies' policy advocacy does not undermine international human rights norms — advocacy against inclusive wage coverage would be a BRSR disclosure risk.

Principle 8 — Inclusive Growth and Equitable Development

Principle 8 focuses on promoting inclusive growth and equitable development. It encourages businesses to contribute to the social and economic advancement of communities in which they operate particularly vulnerable and marginalized groups. Its material relevance depends on the company's specific materiality assessment under the BRSR framework.

8.1 Floor Wages and the Informal-Formal Bridge

The Code on Wages introduces the concept of a National Floor Wage (NFW) — a minimum wage below which no State can set its minimum wage. This transformative inclusion mechanism has direct BRSR P8 implications:

BRSR P8 Disclosure	Code on Wages Linkage
% of value chain workers paid above NFW	NFW creates a measurable benchmark — BRSR must report whether workers in company's extended value chain meet the floor
Number of jobs created in underdeveloped areas	IR Code's reclassification of industrial areas and OSH Code's extension to construction sector — job creation metrics in Tier 2/3 regions
Input sourcing from marginalised communities	Code on Social Security's coverage of unorganised sector workers — companies sourcing from cooperatives or SHGs must disclose their compliance assistance

8.2 Gig and Platform Workers — The Inclusion Imperative

The *Code on Social Security, 2020* legally recognises gig and platform workers for the first time and provides for extending social security protections to them, including provisions for life and disability cover, health and maternity benefits, accident compensation, and old-age protection. According to the NITI Aayog report *India's Booming Gig and Platform Economy*, the number of gig and platform workers in India was estimated at around 7.7 million in 2020-21, and is projected to rise to about 23.5 million by 2029-30.[11] This makes the inclusion of gig and platform workers within the social security framework under the Code one of the most significant expansions of formal labour protections in recent years. If you're referring

[11] NITI Aayog, India's Booming Gig and Platform Economy (2022).

specifically to the oft-quoted "7–8 million" figure, the accurate baseline from the NITI Aayog report is **7.7** million for 2020-21.

Illustrative P8 Impact — E-commerce Company
Before the Code: 50,000 last-mile delivery partners classified as 'independent contractors' — no EPF, ESIC, or gratuity. Zero BRSR P8 disclosure obligation for this category.
After the Code: Company must register as 'aggregator', contribute to Social Security Fund (up to 5% of amount paid to gig workers or 1–2% of turnover, whichever is lower).
BRSR Section B (P8): Disclose social impact of business — coverage of gig workers under Social Security Fund becomes a headline inclusive growth metric.
BRSR Section C (P8, Essential Indicator): CSR-adjacent — contribution to Social Security Fund may be counted as investment in inclusive worker welfare.
Investor Lens: ESG rating agencies (MSCI, Sustainalytics, FTSE) treat gig worker welfare as a governance and social risk indicator. BRSR alignment with Code compliance becomes an ESG rating input.

Principle 9 — Consumer Responsibility

Principle 9 of the National Guidelines on Responsible Business Conduct (NGRBC) relates to responsible consumer engagement and data privacy. While the Labour Codes do not directly regulate consumer protection or data privacy matters, there are important indirect governance linkages that may influence Principle 9 disclosures under the BRSR framework.

• **Workforce Conditions and Product/Service Quality:** Compliance with the Code on Wages, 2019 and the Occupational Safety, Health and Working Conditions Code, 2020 contributes to fair remuneration, safe workplaces, and regulated working hours. Stable and adequately protected working conditions reduce operational disruptions, workplace fatigue, and quality-control failures. This may indirectly influence product reliability, consumer satisfaction levels, complaint ratios, and recall incidences disclosed under Principle 9.

• **Frontline Workforce and Service Delivery:** In service-oriented sectors such as healthcare, hospitality, and IT-enabled services, employee well-being and regulated working hours under the OSH Code materially affect service quality and consumer experience. Fatigue management and occupational safety compliance can therefore have downstream implications on consumer trust, grievance handling, and contractual performance standards — which are relevant under Principle 9 disclosures.

• **Supply Chain Ethics Dimension:** Responsible labour practices within the value chain enhance brand credibility and reduce reputational risks. While P9 focuses on consumer welfare, disclosures relating to product responsibility can be strengthened when read alongside labour compliance under Principle 3 (Employee Well-being).

PART III: IMPACT ON BRSR SECTION A — GENERAL DISCLOSURES

Business Responsibility and Sustainability Reporting (BRSR) Section A captures foundational disclosures relating to the company's profile, operations, workforce composition, CSR initiatives, and governance mechanisms. While the Labour Codes do not directly effect the BRSR framework, they significantly influence the nature, scope, and precision of workforce-related disclosures. The consolidation and standardization introduced under the Labour Codes affect how companies collect, classify, and report employment, wage, social security, and occupational safety data, thereby impacting several workforce disclosures within Section A.

3.1 Employee and Worker Data (Section A, Q20–22)

Section A requires disclosure of the total number of employees and workers, classified by employment type (permanent, non-permanent, and contractual), gender, and differently-abled status. While the disclosure requirement arises under the BRSR framework, the Labour Codes—particularly the Code on Wages, 2019, Industrial Relations Code, 2020, Code on Social Security, 2020, and Occupational Safety, Health and Working Conditions Code, 2020—have broadened statutory definitions of "employee," "worker," and "contract labour." These expanded definitions may widen the scope of individuals that companies need to consider while compiling workforce-related disclosures.

Section A Question	Pre-Code Disclosure	Post-Code Disclosure (Labour Code Impact)
Q20: Number of employees (permanent/other than permanent)	Employees as per Companies Act / employment contracts	IR Code: Fixed-term employees = separate statutory category, must be enumerated separately with benefit parity note
Q20: Number of workers (permanent/contracted)	Workers as defined under Factories Act	OSH Code: Wider definition — all workers including inter-state migrants, home-based workers in certain sectors

Section A Question	Pre-Code Disclosure	Post-Code Disclosure (Labour Code Impact)
Q20(b): Differently-abled employees and workers	Based on RPwD Act compliance	OSH Code: Accessibility obligations in safety plans — differently-abled workers in hazardous roles require enhanced safety measures, BRSR must reflect
Gig/Platform Workers	Not required to be disclosed	Code on Social Security: Aggregators must register and report — BRSR must now include gig workers in 'other than permanent' worker data

Change Illustration — IT/ITES Company

Old BRSR Sec A: 12,000 permanent employees + 3,000 contractual workers (through staffing agencies).

New BRSR Sec A (post-Code): 12,000 permanent employees + 800 fixed-term employees (now a separate statutory category under IR Code) + 3,000 contractual workers + 2,500 platform/gig workers engaged through company app (now covered under Code on Social Security as 'aggregator').

Impact: Workforce footprint in BRSR increases significantly; social security coverage percentage changes; benefit parity disclosures become more granular.

3.2 Transparency and Grievance Mechanisms (Section A, Q25)

Section A of the BRSR requires disclosure of grievance redressal mechanisms and the number of complaints received and resolved across specified stakeholder categories. The new Labour Codes formalise grievance redressal frameworks, thereby influencing the manner in which such data is captured and reported.

- **Industrial Relations Code, 2020 — Grievance Redressal Committee (GRC):** Under Section 4 of the Industrial Relations Code, 2020, every industrial establishment employing **20 or more workers** is required to constitute a Grievance Redressal Committee (GRC). The Committee must include adequate representation of workers, including women. While the Code mandates constitution and functioning of the GRC, maintenance of records and proceedings becomes relevant for compliance and inspection purposes. Accordingly, disclosures under BRSR Section A should reflect the number of worker grievances received, resolved, and pending, aligned with internal GRC records.

- **Code on Wages, 2019 — Wage-related disputes:** The Code on Wages provides for appointment of an Authority to hear and decide claims relating to non-payment or underpayment of wages, wrongful deductions, and delayed payments. These are quasi-judicial proceedings initiated by employees or authorised representatives. For BRSR reporting purposes, organisations should disclose material wage-related complaints and pending proceedings, where applicable, particularly if they reflect systemic issues.
- **Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code) — Safety grievances:** The OSH Code allows workers to raise safety concerns and provides powers to the Inspector-cum-Facilitator to inquire into complaints. Workers are protected against victimisation for raising legitimate safety concerns. While the Code does not prescribe a standalone internal safety grievance committee in the same manner as the IR Code, employers are required to maintain safe working conditions and comply with inspection and reporting obligations. BRSR Section A disclosures should separately capture safety-related grievances and their resolution status as part of stakeholder grievance reporting.

3.3 CSR Details (Section A, Q-24)

The Labour Codes introduce an expanded compliance and disclosure landscape that intersects with CSR-related reporting, though not in a substitutive manner. While Corporate Social Responsibility (CSR) obligations continue to operate under Section 135 of the Companies Act, 2013, the Code on Social Security, 2020 establishes a Social Security Fund for gig and platform workers, financed inter alia through mandatory contributions by aggregators.

Although such contributions are statutory in nature and do not qualify as CSR expenditure under Schedule VII of the Companies Act, they represent structured investments in worker welfare. From a disclosure perspective, companies may consider cross-referencing these statutory welfare contributions in their Business Responsibility and Sustainability Report (BRSR), particularly under workforce well-being and social impact disclosures.

Further, BRSR Section A seeks details on CSR activities related to worker welfare, skill development, and community development. While apprenticeship compliance arises primarily under the Apprentices Act, 1961, organizations may strategically align voluntary CSR initiatives in vocational training or skill building with broader labour law compliance objectives. Thus, while Labour Code obligations and CSR remain legally distinct, their reporting narratives may be aligned within sustainability disclosures to present a holistic view of workforce-centric governance.

PART IV: IMPACT ON BRSR SECTION B — MANAGEMENT & PROCESS DISCLOSURES

Business Responsibility and Sustainability Reporting (BRSR) Section B serves as the governance backbone of the report. It requires companies to disclose the policies, oversight mechanisms, risk management processes, training initiatives, performance targets, and grievance redressal mechanisms that operationalise each of the nine NGRBC Principles. Recent labour law reforms, particularly the four Labour Codes, significantly impact disclosures under Principle 3 (Employee Well-being), and have consequential relevance to Principle 5 (Human Rights), especially in areas such as non-discrimination, occupational safety, working conditions, and grievance mechanisms. Companies may need to update their Section B disclosures to reflect alignment with these evolving statutory requirements.

4.1 Policy Landscape (Section B — Policies for each Principle)

Section B of the BRSR requires the company to disclose whether it has policies in place covering each of the nine NGRBC Principles. It further seeks clarification on whether such policies are approved by the Board or an appropriate authority, whether they extend to the company's value chain (including suppliers and contractors), and whether they are publicly available.

While the BRSR mandates disclosure of policy existence and governance oversight, the Indian Labour Codes do not specifically mandate a "policy audit" in the context of sustainability reporting. However, the Labour Codes require statutory compliance, maintenance of registers, implementation of standing orders (where applicable), workplace safety measures, social security contributions, grievance redressal mechanisms, and adherence to working conditions standards. Therefore, companies must ensure that their internal HR and labour-related policies are aligned with the provisions of the four Labour Codes to demonstrate regulatory compliance and responsible business conduct under Principle 3 of the NGRBC.

BRSR Section B Policy Question	Labour Code–Driven Policy Update Required
Does the company have a policy on employee wellbeing? (P3)	Policy must now address: fixed-term employee benefits parity (IR Code), gig worker welfare (Code on Soc. Sec.), OSH Code safety standards, annual health checks, OSH committees
Does the policy extend to value chain partners? (P3, P5)	OSH Code principal employer liability + Code on Soc. Sec. contractor coverage: Yes, policy must explicitly extend to contractors and aggregated workers
Does the company have a human rights policy? (P5)	Code on Wages equal remuneration; OSH Code anti-forced labour; IR Code freedom of association: Policy must reference Code compliance as the minimum human rights standard
Is there a whistleblower/grievance policy for workers? (P1, P3)	IR Code Grievance Redressal Committee is mandatory — Section B policy disclosure must reference GRC as a formal mechanism, not just a voluntary HR process

4.2 Governance and Oversight (Section B — Governance for each Principle)

Section B seeks information regarding the highest governance body responsible for overseeing each Principle and the mechanism through which performance against each Principle is reviewed. In this context, the Labour Codes introduce certain statutory governance structures that may require appropriate disclosure, wherever applicable.

• **Safety Committees (Occupational Safety, Health and Working Conditions Code, 2020)** Mandatory in every establishment employing 500 or more workers, and in establishments carrying on hazardous processes (threshold may be lower if prescribed by State rules). The employer must constitute a Safety Committee comprising representatives of workers and management. Details regarding composition, number of meetings, and key outcomes may be disclosed in BRSR Section B (Principle 3 – Employee well-being).

• **Works Committees (Industrial Relations Code, 2020)** The appropriate government may require constitution of a Works Committee in establishments employing 100 or more workers, to promote measures for securing and preserving amity and good relations between employer and workers. The committee shall consist of representatives of employers and workers.

Disclosure relating to composition, number of meetings, and issues resolved may be reflected in BRSR Section B (Principle 3 and Principle 5 – Employee engagement & human rights).

• **Grievance Redressal Committee (Industrial Relations Code, 2020)** Every establishment employing 20 or more workers must constitute a Grievance Redressal Committee for resolution of individual grievances. The committee must have equal representation of employers and workers, with adequate representation of women (where applicable). Disclosures may be made under BRSR Section B (Principle 3 and Principle 4).

• **Board-Level Oversight of Labour Law Compliance** While the Labour Codes do not expressly mandate board-level review, governance best practices and SEBI's BRSR framework encourage board and committee-level oversight of statutory labour compliance, employee welfare, and industrial relations. Companies may place labour compliance reviews before the Audit Committee, Risk Management Committee, or ESG/Sustainability Committee, and reflect this in BRSR Section B – Governance Disclosures.

Governance Disclosure Change — Manufacturing Company

Section B (P3): 'Our HR department oversees employee welfare. Welfare measures are reviewed annually by the CHRO.'

Section B (P3) after Labour Codes: 'Employee welfare governance operates through a three-tier structure: (i) OSH Committee (constituted under OSH Code 2020, 18 members, quarterly meetings — 4 meetings in FY 2024–25, 12 safety action items closed); (ii) Grievance Redressal Committee under the Industrial Relations Code 2020 (8 members, 47 grievances received, 44 resolved within 30 days in FY 2024–25); (iii) Board ESG Committee with quarterly review of labour compliance KPIs including OSH Code, Social Security coverage, and wage gap data.'

This level of specificity is now both legally grounded and BRSR-compliant.

4.3 Targets and Performance (Section B — Targets for each Principle)

Section B asks companies to set measurable targets on each Principle. The Labour Codes provide concrete, statutory benchmarks that can anchor BRSR targets:

Illustrative Target-Setting under Labour Code Framework
P3 Target Example: Achieve 100% social security coverage (EPF + ESIC) for all workers including contractors by FY 2025–26 in compliance with the Code on Social Security 2020. Current baseline: 87% of eligible workers covered. **P3 Target Example:** Zero reportable incidents under OSH Code 2020 for FY 2025–26, against a baseline of 3 incidents in FY 2024–25. **P5 Target Example:** Reduce gender pay gap from current 18% (median) to 10% by FY 2026–27, consistent with the equal remuneration mandate of the Code on Wages 2019.
P8 Target Example: Onboard all 12,000 gig delivery workers onto the Social Security Fund under Code on Social Security 2020 by Q2 FY 2025–26. **P4 Target Example**: Constitute Grievance Redressal Committees at all 14 manufacturing locations by June 2025, with 100% grievance resolution within 30 days by FY 2025–26.

4.4 Comprehensive Section B Impact Matrix

The table below summarises the principal changes to Section B disclosures across all nine Principles arising from the Labour Codes:

Principle	Labour Code	Section B Disclosure Change
P1 — Ethics	Code on Wages	Wage transparency policy; wage computation methodology disclosed to workers
P2 — Sustainable Products	OSH Code	Hazardous process safety governance; supply chain safety audits
P3 — Employees	All Four Codes	OSH Committee; GRC; social security coverage targets; gig worker welfare policy; fixed-term parity policy
P4 — Stakeholders	IR Code	Works Committee; GRC composition and outcomes; collective bargaining agreements
P5 — Human Rights	Code on Wages; OSH Code; IR Code	Equal pay policy; floor wage compliance; freedom of association governance; anti-forced labour supply chain

Principle	Labour Code	Section B Disclosure Change
P6 — Environment	OSH Code	Hazardous substance governance overlapping with environmental management
P7 — Policy Advocacy	All Codes	Disclosure of representations to government on Code implementation
P8 — Inclusive Growth	Code on Wages; Code on Soc. Sec.	Social Security Fund participation; floor wage targets for value chain; gig worker inclusion programme
P9 — Consumer	OSH Code	Worker welfare as a determinant of service/product quality; working hours compliance

PART V: KEY CHALLENGES AND STRATEGIC RECOMMENDATIONS

5.1 Data Infrastructure Gap

The four Labour Codes — namely the Code on Wages, Industrial Relations Code, Code on Social Security, and Occupational Safety, Health and Working Conditions Code — require employers to maintain detailed records relating to worker classification, wages, social security enrolment, contract labour engagement, working conditions, and grievance redressal mechanisms. While many organizations maintain basic payroll and compliance registers, structured and disaggregated data (including contractor labour, fixed-term employees, inter-state migrant workers, and gig/platform workers) is often not centrally aggregated across enterprise systems.

Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Business Responsibility and Sustainability Report (BRSR) framework requires granular workforce disclosures — including employee categories, gender diversity, social security coverage, training hours, grievance redressal timelines, and worker well-being indicators. In the absence of integrated HRIS or workforce analytics systems capable of consolidating data across subsidiaries, contractors, and non-traditional workforce categories, BRSR disclosures risk being incomplete or inconsistent. Accordingly, companies may need to strengthen their digital compliance and workforce data management infrastructure to ensure alignment between statutory labour obligations and ESG reporting requirements.

Strategic Recommendation 1

Conduct a BRSR Data Readiness Audit against the four Labour Codes. Map each BRSR Section A and B disclosure to the specific Labour Code provision that generates the underlying data. Identify gaps between statutory record-keeping obligations and BRSR disclosure requirements.

Assign data ownership: HR for employee/worker counts; Finance for wage and social security data; Legal/Compliance for grievance and dispute data; EHS for OSH Code safety data.

5.2 Policy and Procedure Refresh

Most companies have employee policies drafted against the legacy labour laws. These policies must be reviewed and updated to reflect the four Codes and the updated policies must be reflected in BRSR Section B responses, which ask specifically about policy approval, scope, and communication.

Strategic Recommendation 2

Undertake a structured Policy Gap Analysis across: HR Policy (IR Code + Code on Wages), Safety Policy (OSH Code), Social Security Policy (Code on Social Security). For each policy, update to reflect new definitions (wages, worker, fixed-term employment), new obligations (gig worker coverage, OSH committee, GRC), and new liabilities (principal employer accountability for contractors).

5.3 Integrated Compliance Calendar

BRSR disclosures are required to be reported annually as part of the Annual Report under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for applicable listed entities. In contrast, compliance under the four Labour Codes (namely the Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; and Occupational Safety, Health and Working Conditions Code, 2020) is ongoing and event-based, involving periodic filings, maintenance of registers, statutory returns, inspections, and continuous adherence to workplace standards. Accordingly, companies should develop an integrated compliance calendar that synchronizes statutory labour law obligations. such as wage revisions (where applicable), EPF and ESIC returns (as governed by respective regulations), occupational safety audits, and grievance redressal committee meetings with the annual BRSR reporting cycle. This ensures timely data capture, accuracy in ESG disclosures (especially under BRSR Principle 3: Employee Well-being), and alignment between regulatory compliance and sustainability reporting frameworks.

5.4 Board Awareness and Governance

Section B of the BRSR requires disclosure on Board-level oversight of ESG risks and opportunities, including governance structures established for implementation of each Principle. While the BRSR does not expressly mandate specific reporting on Labour Code compliance, labour-related regulatory compliance is intrinsically material to Principles 3 (Employee Well-being), 5 (Human Rights), and 8 (Inclusive Growth and Equitable Development). Accordingly, as a matter of sound governance and ESG risk management, the Board or its delegated committee (such as the Audit Committee or ESG Committee) should be periodically apprised of labour compliance status. Instituting a structured quarterly Labour Compliance Dashboard—covering occupational safety indicators, grievance redressal outcomes, social security coverage, wage equity metrics, and human rights compliance—would align with emerging BRSR governance best practices and strengthen Board oversight.

5.5 BRSR Assurance Considerations

The Securities and Exchange Board of India (SEBI) has introduced a phased requirement for reasonable assurance on the BRSR Core, which comprises a specified subset of key ESG indicators under the Business Responsibility and Sustainability Reporting (BRSR) framework. This requirement currently applies in a staggered manner to the top listed entities by market capitalization.

Labour and workforce-related Key Performance Indicators (KPIs) including total employee and worker strength, gender diversity, wages, social security coverage, training, occupational health and safety incidents, and working conditions form a significant component of the BRSR Core disclosures.

Under the four consolidated Labour Codes namely the Code on Wages, 2019, Industrial Relations Code, 2020, Code on Social Security, 2020, and Occupational Safety, Health and Working Conditions Code, 2020 employers are required to maintain statutory registers and records relating to wages, social security contributions (including EPF and ESIC), and occupational health and safety incidents. These statutory records such as wage registers, EPF and ESIC filings, accident/incident registers, and employment records can serve as primary documentary evidence for independent assurance providers conducting BRSR Core reasonable assurance. Accordingly, companies should establish a structured mapping between Labour Code statutory records and the corresponding BRSR Core indicators to ensure audit readiness, traceability, and compliance integrity.

CONCLUSION

India's four new Labour Codes enacted and represent a landmark consolidation of 29 central labour laws into streamlined frameworks. The Code on Wages, Industrial Relations Code, Code on Social Security, and Occupational Safety, Health and Working Conditions (OSH) Code. These reforms, still pending full notification and state-level implementation as of 2026, fundamentally reshape compliance landscapes for India's top 1,000 listed entities mandated to file Business Responsibility and Sustainability Reports (BRSR) under SEBI guidelines. Aligned with the National Guidelines on Responsible Business Conduct (NGRBC), BRSR elevates sustainability reporting from voluntary disclosures to mandatory, assured metrics across nine principles, with Sections A (general disclosures), B (management processes), and C (principle-wise performance) demanding granular data on governance, employees, and stakeholders. The Labour Codes intersect profoundly with BRSR, particularly Principles 3 (employee well-being), 5 (human rights), and 8 (inclusive growth), while indirectly bolstering others like Principle 1 (ethics and transparency) through standardized wage definitions, standing orders, and grievance mechanisms. This convergence transforms BRSR from an ESG add-on into a compliance anchor, compelling companies to integrate statutory labour records wage registers, safety logs, and social security filings directly into sustainability narratives. The Codes' broadened definitions of "worker" and "establishment" amplify BRSR's scope. Pre-Code regimes fragmented coverage, often excluding gig, platform, contract, and fixed-term employees from core benefits. Now, the Code on Social Security explicitly recognizes gig and platform workers via dedicated funds (funded by 1-2% of aggregator turnover or 5% of payouts), inter-state migrants through portable benefits, and fixed-term employees with parity in wages and gratuity. The OSH Code lowers thresholds (e.g., 10 workers for general applicability, with factories at 10/20 based on power usage), mandating principal employer accountability for contractor safety, annual health check-ups (for 500+ workers), and safety committees in hazardous processes. Industrial Relations mandates Grievance Redressal Committees (GRCs) for 20+ workers and Works Committees for 100+, with structured trade union recognition via secret ballot verification. Wages are harmonized with a 50% basic pay floor, curbing allowance-heavy structures that evaded provident fund (EPF) and gratuity liabilities. These shifts demand BRSR updates: Section A must enumerate "other than permanent" workers (now including gig cohorts); Section B policies on equal remuneration, safety governance, and stakeholder engagement must cite Code compliance; Section C essential indicators—like employee counts by type, social security coverage percentages, accident rates, and grievance resolutions—will reflect statutory KPIs, with leadership indicators probing value-chain human rights audits. Direct impacts cascade across NGRBC Principles. Principle 3 (employee well-being) sees the heaviest overhaul: OSH Code's 8-hour workday caps, overtime limits (125 hours/quarter), and leave encashment rules (180-day carry-forward) benchmark welfare disclosures; social security expansions (ESIC to 10-worker establishments, gratuity for contract workers) require coverage ratios by category. Principle 5 (human rights) aligns with wage equity mandates (prohibiting gender discrimination in recruitment/pay), child/adolescent labour prohibitions (reinforced via contractor licensing), and freedom of association (negotiating unions/councils needing 51% or 20%+ support). Principle 8 (inclusive growth) leverages floor wages as a bridge from informal to formal economies, with BRSR disclosures on minimum wage compliance flagging any sub-floor pay as red flags. Indirectly, Principle 1 gains from wage transparency and standing orders (mandatory for 300+ workers); Principle 4 from formalized GRCs (equal employer-worker representation, 30-day resolutions); Principle 6 (environment) via OSH hazardous process controls overlapping emission safeguards; Principle 7 (policy advocacy) through disclosures on Labour Code representations to ministries; and Principles 2/9 via supply-chain safety extending to product responsibility.

Challenges loom large for compliance. Many firms lack systems to track non-permanent workers' benefits or contractor incidents, risking assurance failures under BRSR Core (mandatory from FY2026-27). Data silos between HR, legal, and ESG teams hinder integration, while state variations in Code rules complicate uniform reporting. Gig worker funds introduce novel metrics untested in prior BRSR cycles. Proactive strategies are imperative: audit data pipelines to map statutory filings (e.g., DISH safety database) to BRSR templates; refresh policies for GRCs, OSH committees, and gig welfare, embedding them in board-level ESG dashboards; synchronize labour calendars with BRSR timelines for seamless annual filings. Pilot disclosures in FY2025-26 can identify gaps, leveraging tech for real-time wage audits and migrant portability tracking.

Looking ahead, full Labour Code rollout expected post-2026 state notifications will cement BRSR as a litmus test for sustainable labour practices. Compliant leaders will display robust governance, attracting ESG investors amid India's demographic dividend. Laggards risk penalties, reputational hits, and auditor qualifications. By fusing labour compliance with sustainability, the Codes foster equitable growth, transparency, and resilience, positioning India Inc. as a global benchmark in responsible business. Proactive alignment is not mere regulatory hygiene it's a strategic lever for value creation in an era of assured, stakeholder-driven reporting.