



Confederation of Indian Industry

# **PUTTING THE ESG SPOTLIGHT ON DIVERSITY AND INCLUSION:**

**It is time to take notice**

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White Paper

**28TH DECEMBER 2022**

For the Confederation of Indian  
Industry

**INDIAN WOMEN NETWORK (EAST)  
WEST BENGAL CHAPTER**

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'Putting the ESG Spotlight on Diversity and Inclusion' was written as a white paper intended to fulfil The Confederation of Indian Industry, Indian Women Network's vision to increase women's representation at various levels across companies, analyse current DEI trends in India and compare them to the global picture, and suggest recommendations for better integration of women on boards.

The document was prepared by the Nikore Associates team, with Mitali Nikore (IWN member) as the lead author, and Mannat Sharma and Anusha Paul Choudhury as co-authors of this study. Research and writing assistance were provided by Ria Singhal. Additional assistance on data analysis from Ayushi Agarwal, Saba Godiwala and Tushar Arora is acknowledged. The document benefitted from a peer review by Akshay Kanikar and Areen Deshmukh.

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## List of Abbreviations

BRSR	Business Responsibility and Sustainability Report
CEO	Chief Executive Officer
CII	Confederation of Indian Industry
CMIE	Centre for Monitoring Indian Economy
CSR	Corporate Social Responsibility
DEI	Diversity, Equity & Inclusion
DTRs	Disclosure Guidance and Transparency Rules
ESG	Environmental, Social and Governance
FLFPR	Female Labour Force Participation Rate
FSA	Financial Services Agency
KPIs	Key Performance Indicators
NASDAQ	National Association of Securities Dealers Automated Quotations
NGRBC	National Guidelines on Responsible Business Conduct
NSSO	National Sample Survey Organisation
NVGs	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SEC	Securities & Exchange Commission
SGX	Singapore Exchange
UK	United Kingdom
UKCGC	UK Corporate Governance Code
UN	United Nations
USA	United States of America
WEF	World Economic Forum
WPR	Workforce Participation Rate
USISPF	US-India Strategic Partnership Forum



# Executive Summary

This paper aims to explore the intersection between **Environmental, Social and Governance (ESG)** principles and **Diversity, Equity & Inclusion (DEI)** initiatives across companies in India. It investigates the extent to which ESG-focused policies incorporate gender concerns and the subsequent impact on the representation of women.

## Rationale

India lags behind the world in female workforce participation and is **ranked 11th from the bottom** among 131 countries. Women bore the immediate impact of pandemic-induced lockdowns. Additionally, women's employment was slower to recover, and unemployed women were discouraged from seeking work.

**~40%**

Over the last 50 years, the difference between the proportion of men and women in the labour force has remained at ~40 percentage points.

## Representation of Women

**135th**

India is ranked 135th out of 146 countries in the Global Gender Gap Report 2022.

**25%**

Females comprised 25% of entry-level professionals and only 4% of senior managers in 2018.

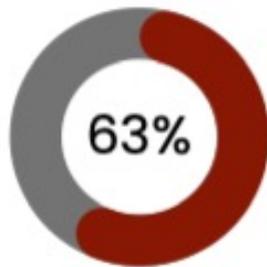
**42.7%**

Females comprised only 42.7% of STEM graduates in 2018.

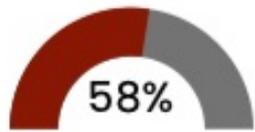
A questionnaire-based survey was distributed to CII member companies in India to examine the efforts undertaken by the companies to enhance women's representation across job roles. Most of the firms that responded were large enterprises (**38%**), followed by medium (**35%**), small (**12%**), and micro (**15%**).

## Representation of Women in the Surveyed Firms

Majority of the companies have less than 30% female employees overall and less than 20% female employees in managerial positions.



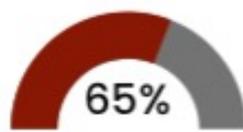
63% of the surveyed firms have **less than 30%** of women in their organisation. **Only 13%** of the surveyed firms have **more than 50%** of women in their organisation.



58% of the surveyed firms have **less than 20%** of women in **junior-level roles**.



77% of the surveyed firms have **less than 30%** of women in **frontline roles**.



65% of the surveyed firms have **less than 20%** of women in **technical roles**.



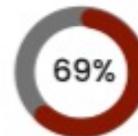
Representation of women further declines in senior leadership



70% of the surveyed firms have **less than 20%** of women in **middle-managerial roles**.



82% of the surveyed firms have **less than 20%** of women in **senior-managerial roles**.



69% of the surveyed firms have **less than 30%** of women in **successor roles**.

## Perception of Employees on DEI Initiatives

**40%**

Employees of 40% the surveyed firms strongly agree that top and middle-management **support DEI**.

Employees of 73% of the surveyed firms strongly agree that their company has an **environment of free expression of ideas** irrespective of gender.

**73%**

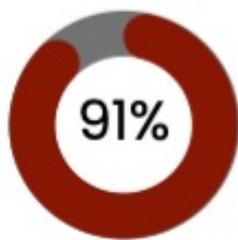
**69%**

Employees of 69% of the surveyed firms strongly agree that their firm shows strong commitment towards providing **equal employment opportunities** irrespective of gender.

## Implementation of DEI Initiatives

A comparison is presented between Nifty50 firms and the surveyed firms on implementation of DEI initiatives. Most companies rely heavily on implementation of "traditional" initiatives while relatively neglecting "innovative" initiatives.

### Traditional Initiatives

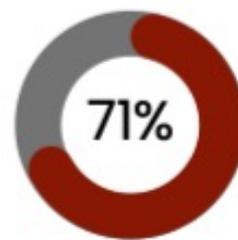


**Surveyed Firms**



**Nifty50 Firms**

91% of the surveyed firms and 96% of Nifty50 firms provide **maternity leave**.



**Surveyed Firms**



**Nifty50 Firms**

71% of the surveyed firms and 100% of Nifty50 firms implement **Prevention of Sexual Harassment (POSH)**.

### Innovative Initiatives



**Surveyed Firms**

**Nifty50 Firms**

51% of the surveyed firms and 16% of Nifty50 firms provide **gender sensitization training**.



**Surveyed Firms**

**Nifty50 Firms**

71% of the surveyed firms and 22% of Nifty50 firms provide **flexi-work options**.



**Surveyed Firms**

**Nifty50 Firms**

53% of the surveyed firms and 36% of Nifty50 firms provide **gender-neutral parental leave**.

The **dipstick survey** reflects that neither the surveyed firms nor Nifty50 firms provide adequate **childcare facilities** to parents. Only 38% of Nifty50 firms provide childcare facilities. 24% of the surveyed firms provide creche, 53% provide nursing breaks and 18% provide lactation rooms.

## ESG Compliance Requirements in Developed Countries

### USA

ESG compliance regulations in the United States continue to be some of the most forward-looking in the world and include norms for gender and diversity.

### UK

UK has no single ESG law or regulation; some provisions recommend gender diversity and public disclosure of the gender gap but are not mandatory.

### Japan

ESG has not been codified into Japanese law and regulation; ESG matters are dealt with soft-law rulemaking.

### Singapore

In Singapore, there is no prescribed method of sustainable reporting and companies have carte blanche over the topics they wish to report on.

## ESG Compliance Requirements in India

ESG norms in India are solely reliant upon furnishing the annual **Business Responsibility and Sustainability Report (BRSR)** report.

### 103 Indicators

BRSR report classifies Key Performance Indicators (KPIs) into two sub-categories: **62 mandatory indicators** and **41 voluntary indicators**.

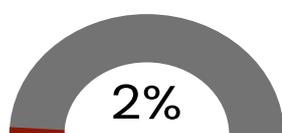
### 4 Principles

Out of the nine total principles, only four principles (Principle 3,4, 5 and 8) are aligned with **UN's Sustainable Development Goal #5 (Gender Equality)**.

### 11 Indicators

Out of the 62 mandatory and 41 voluntary indicators, only eleven indicators are **gender responsive**.

## Comparison between India and Developed Countries: ESG Compliance Requirements



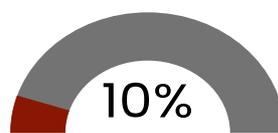
### United Kingdom

Out of 41 total indicators, only one indicator is gender responsive.



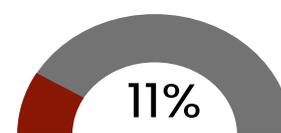
### Singapore

Out of 27 total indicators, 5 indicator are gender responsive.



### Japan

Out of 31 total indicators, only 3 indicator are gender responsive.



### India

Out of 103 total indicators, 11 indicator are gender responsive.



India has a higher proportion of gender-responsive indicators as compared to UK and Japan.

## Industry Best Practices from the Surveyed Firms

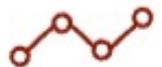


The dipstick survey results reflect that many surveyed firms are putting in tremendous **efforts to increase the representation of women** in their organizations, along with implementing innovative DEI initiatives. Their efforts have resulted in **increased efficiency** and higher growth.



A paint manufacturing company, based in Navi Mumbai, **hired 30% female employees in all the open positions** in the last six months before the survey. Their firm has a transparent **culture of openness, fairness, diversity & inclusiveness**.

**Result:** *effective teamwork across functions*



A container and glassmaking company, based in Kolkata, **recruited women in technical roles** such as accounting and marketing.

**Result:** *massive improvements, along with improved customer satisfaction.*



A steel company, based in Jharkhand has started hiring female employees from reputed government and private colleges. They also provide **menstrual leaves** for 2-5 days in a month to all female employees.

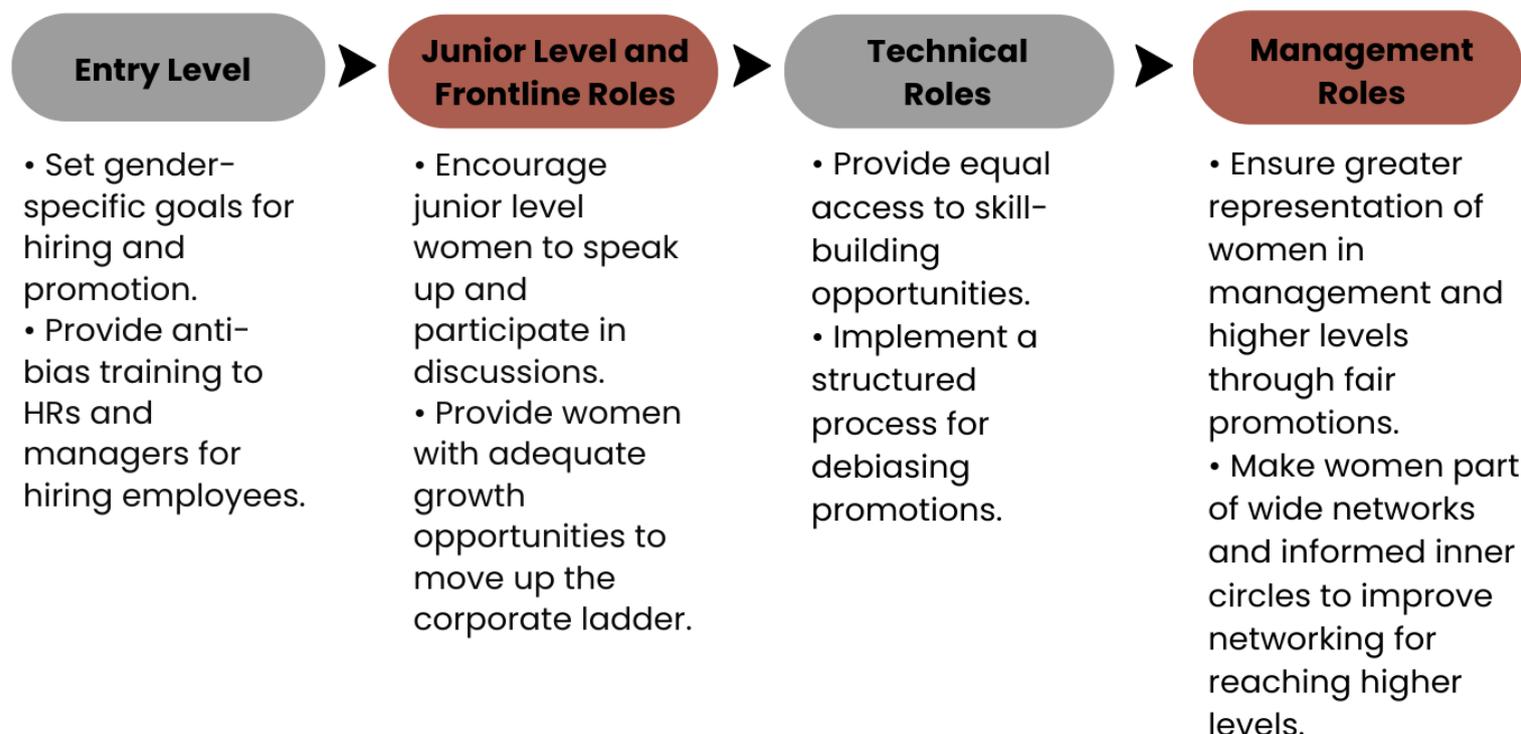
**Result:** *female representation increased from 8% to 15% in the last two years before the survey.*



A steel company, based in Jharkhand, launched '**V-SHAKTI: Diversity Leadership Program**' for accelerating growth through leadership framework with 16 female employee leaders.

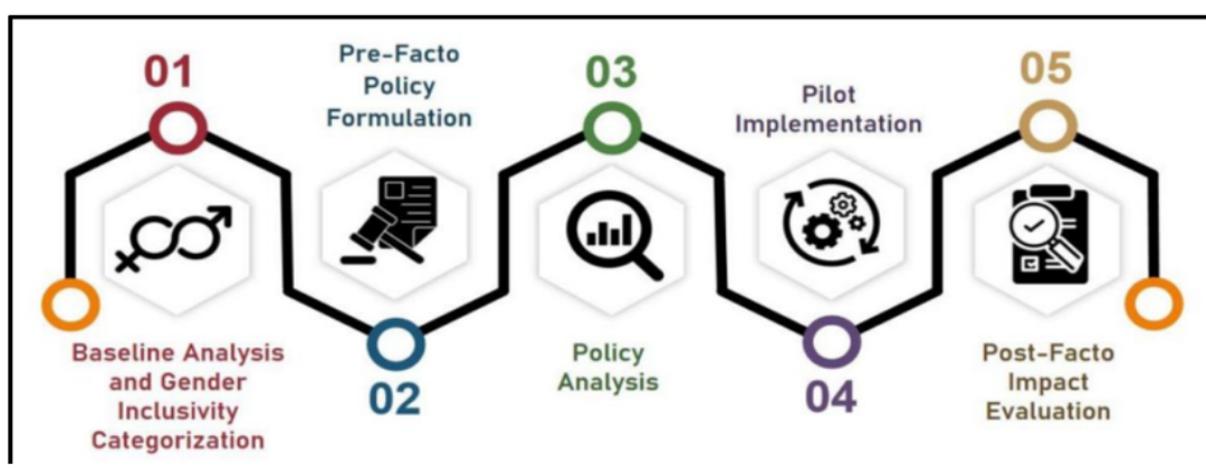
**Result:** *drastic improvements in diversity across all functions.*

## Key Recommendations: Level-based Framework



## Five-Stage Gender Inclusivity Framework

The study recommends a five-stage firm-level approach to address lack of gender diversity accurately, in coordination with various industry organisations like CII



Source: [Nikore Associates Gender Primer](#)

## Concluding Note

The white paper attempts to provide corporate leaders with an overview of recommendations as well as principles around introducing effective DEI measures. Coordinated implementation of the five-stage framework, across all levels of the corporate hierarchy, will amplify the impact of each intervention.



# Putting the ESG Spotlight on Diversity and Inclusion: It is Time to Take Notice

## Main Report

## Introduction

The Confederation of Indian Industry - Indian Women's Network (CII-IWN) works extensively with industry leaders to strengthen women's economic participation in all spheres. Their initiatives are in line with their vision to be the largest network of career women for promoting women's participation, growth, and leadership in the workplace.

According to the World Economic Forum (WEF), the world is 132 years away from gender parity ([WEF, 2022](#)). For India, the wait for parity will be even longer, 197 years, since women's economic participation has been steadily declining over the past few decades. Only a third of India's women participate in the labour force, 9% of top managers are women, and only 3% of firms have female majority ownership ([WEF, 2022](#)). Due to the pandemic, the already precarious participation of women in the labour force was put at even greater risk. This pandemic-induced inequality has placed India at the 143rd rank among 146 nations in the Economic Participation and Opportunity sub-index of the WEF's Global Gender Gap Index for 2022 ([WEF, 2022](#)).

This paper aims to explore the intersection between Environmental, Social and Governance (ESG) principles and Diversity, Equity & Inclusion (DEI) initiatives across companies in India. It investigates the extent to which ESG-focused policies incorporate gender concerns and the subsequent impact on the representation of women. It presents an overview of DEI initiatives being undertaken by Nifty50 companies at the Indian level and firms within the network of CII-IWN. Further, this paper analyses ESG mechanisms across key international markets and presents a comparative analysis of gender compliance measures.

The paper provides an overview of the female labour force participation (FLFPR) in India drawing on secondary data from National Sample Survey Organisation (NSSO). The Nikore Associates team, a group of young economists, also undertook an in-depth analysis of annual reports of Nifty50 companies to understand the implementation of DEI measures at a national level. A team of young professionals and students from George College, Kolkata helped in administering a dipstick survey amongst CII-IWN member firms to examine the efforts undertaken by companies to enhance women's representation across different levels. The findings of this primary and secondary data analysis are discussed extensively. The paper also includes a list of suggestions and recommends best practices to promote women's workforce participation and advance CII-IWN's vision of a diverse and inclusive workplace.

## Section 01: The Indian FLFPR Journey & the Impact of COVID

- *India lags behind in the world in female workforce participation and is ranked 11th from the bottom among 131 countries.*
- *Over the last 50 years, the difference between the proportion of men and women in the labour force has remained at ~40 percentage points.*
- *The exodus of rural women from the labour force has been a key driver of falling FLFPR, especially since 2004.*
- *Women bore the immediate impact of pandemic-induced lockdowns.*
- *Additionally, women's employment was slower to recover, and unemployed women were discouraged from seeking work.*

India is an economic powerhouse on the global stage. Yet, despite sizable gains in female education, decreases in overall fertility rates, and rapid economic growth, India's female labour force participation (FLFPR) remains among the lowest in the world - ranking as the 11th worst country, globally, in 2021 ([World Bank, 2022](#)). An examination of the time series data over the past five decades (1970 - 2018) discovered that this is not a new phenomenon; the labour force participation rate, for women, has been in steady decline and hit its lowest levels since independence, in 2017 ([Nikore et al., 2022](#)).

Secondary data, sourced from the National Sample Survey Organisation (NSSO), helped capture historical trends in labour market outcomes: The FLFPR, for 15 years and above, declined steadily from 47% in 1987-88 to 23% in 2019-20 ([Nikore et al., 2022](#)). The difference between the proportion of men and women in the labour force has remained at ~40 percentage points over the last four decades ([Nikore et al., 2022](#)). While the rural FLFPR nearly halved from 54% in 1987-88 to 25% in 2017-18, with an increase to 33% in 2019-20 (largely driven by an increased casualization and a rise in self-employment), the urban FLFPR fell from 26% in 1987-88 to 19% in 2009-10 and has remained flat at 21% since 2011-12 ([Nikore et al., 2022](#)). The exodus of rural women from the labour force has been a key driver of falling FLFPR, especially since 2004 ([Nikore et al., 2022](#)).

Beginning in early 2020, COVID-19 and their associated lockdowns disproportionately impacted women's employment vs. men, exacerbating an already precarious situation. First, women bore the *immediate* impact; 37% of women (15 million) lost their jobs vs. 28% of men. Second, women's employment was *slower to recover*. Compared to January 2020, women's labour force was 10% smaller in January 2022, vs. 2% for men. Third, the pandemic debilitated women-owned enterprises and *discouraged unemployed women from seeking*

work; by the end of 2020, only 37% of unemployed women were actively looking for paid work (compared to 67% of men) ([Nikore et al., 2022](#)).

The steep decline in FLFPR can be accounted for within two distinct groups of women: *rural uneducated* and *urban educated*. Between 1987-88 and 2018-19, the rural female Workforce Participation Rate (WPR) fell from 53% to 25%, compared to a decline from 25% to 18% for urban females ([Nikore et al., 2021](#)). Additionally, for the highly educated, only 24% of graduates, and 38% of post-graduates, are employed - implying that nearly 60% of highly educated women are not at work in India ([Nikore et al., 2022](#)). Furthermore, while the labour force contracted by 11.3 million between January 2020 and January 2022 (5.1 million women and 6.2 million men), the decrease for men (2%) is significantly lower than for women (9%) ([CMIE, 2022](#)).

It is pertinent to note that three-fourths of this reduction was driven by the fall in urban women's labour force participation. Eight months into the lockdown, the percentage decline in the labour force between November 2019 and 2020 stood at 27% for urban women, compared to 3% for urban men ([Nikore et al., 2022](#)). Urban women were also the slowest to recover their jobs among all other groups; while urban men recovered their employment to pre-pandemic levels by October 2020, urban women did not - even by June 2021 ([Nikore, 2021](#)).

A careful analysis of the sectoral composition of urban women's employment, from 2017-18 to 2020-21, reveals a hidden conundrum: growth, if any, is stimulated by an increase in self-employment (as both own-account workers and helpers in household enterprises), rather than salaried work. While 35% of urban women were self-employed in 2018-19, this rose to 38% in 2020-21. Regular salaried workers experienced a decline from 55% to 50% over the same period ([Nikore et al., 2022](#)).

Over and above this, it is important to note representation of women in leadership positions in the Indian corporate sector continues to remain low. In a recent survey of 300 companies conducted by JobsForHer, found that women made up only 13% of senior management positions, across large enterprises, despite more than half reporting that they have special diversity, equity and inclusion (DEI) measures in place ([JobsForHer, 2022](#)).

Women in senior leadership roles have also faced higher rates of burnout than their male counterparts while working remotely during COVID-19 ([Khan and Nikore, 2021](#)). For instance, nearly two-thirds of women in India felt compelled to always be available for work, fearing their career might suffer otherwise, versus 52% globally ([Deloitte, 2021](#)).

It is important to additionally note the nexus between gender and climate, the latter of which will influence every facet of life in the 21<sup>st</sup> century. Women and girls experience a "threat multiplier" that exacerbates adverse impacts of climate change on their lives; they are far less likely to survive and more likely to be injured during disasters owing to disparities in



information, mobility, decision-making, access to resources and training, as well as social norms ([UN Women, 2022](#); [Nikore et al., 2022](#)). With increasing frequency of extreme temperatures and lowering of agricultural productivities due to climate change, majority of women in South Asia (primarily dependent on agriculture) are at a risk of reduced wages or loss of livelihood altogether. Gender equality is the crucial missing link achieving a truly sustainable world, a perspective echoed by the Commission on the Status of Women during their sixty-sixth session in 2022 ([UN Women, 2022](#)).

Given the vulnerability of women's economic participation in India, it becomes an important goal for corporate sector enterprises to undertake a variety of measures for attracting, retaining, and promoting women across different levels in their organisations to create women leaders of the future for India. The rest of the paper is organised as follows: Section 2 elaborates on the analysis of a dipstick survey distributed to CII member companies regarding the representation of women in firms and the implementation of DEI initiatives. Section 3 highlights the comparison of gender-responsiveness of India's ESG compliance structures with rest of the developed world. Section 4 provides corporate leaders with an overview of recommendations as well as principles around introducing effective DEI measures.

## Section 02: DEI Measures in Indian Companies

- *India has amongst the **lowest rates of female labour force participation globally.***
- *DEI initiatives are an **umbrella term** used to formulate policies that promote a greater representation and participation of different groups of individuals, especially women.*
- *India could boost its **GDP by \$770 billion by 2025** by advancing women's equality in the workplace.*
- *Nikore Associates undertook an analysis of **500 DEI initiatives** implemented by NIFTY50 companies in the last two years of the pandemic.*

The analysis based on section 1 highlights that India has amongst the lowest rates of female labour force participation globally, with only parts of the Arab world being lower than India ([World Bank, 2017](#)). COVID-19 additionally worsened the situation; due to a multitude of factors including mobility restrictions, an increase in unpaid care work, the digital gender divide, the shadow pandemic of domestic violence, and other issues at the workplace.

India could boost its GDP by \$770 billion by 2025 by advancing women's equality in the workplace ([McKinsey, 2018](#)). To achieve this, India must prioritise three economic levers: increase women's labour-force participation rate, increase the number of hours of *paid work* and raise women's productivity relative to men. This necessitates Indian companies to be at the forefront of diversity and inclusion initiatives.

Commonly used to describe diversity-focused actions in the workplace, DEI initiatives are an umbrella term used to formulate policies that promote a greater representation and participation of different groups of individuals - across different genders, races and ethnicities, abilities and disabilities, religions, cultures, ages, and sexual orientations, and people with diverse backgrounds, experiences, and expertise.

Nikore Associates undertook an analysis of 500 DEI initiatives implemented by NIFTY50 companies in the last two years of the pandemic – presented in the gender primer on diversity, equity and inclusion for South Asian enterprises ([Nikore et al., 2022](#)). Based on this analysis, companies were observed to heavily rely on traditional initiatives (maternity benefits, POSH implementation, mentoring for senior leadership and diversity hiring) while neglecting more innovative ones (gender sensitisation training, gender-neutral parental leave, flexible work hours etc.).

This section entails an analysis of the dipstick survey distributed to CII-IWN firms. We decipher inferences on women's representation at different levels of the corporate

structure. Further, we examine the efforts undertaken by companies to prioritise building a diverse workforce and enabling an inclusive, women-friendly environment. A comparison between the NIFTY50 analysis, and CII IWN dipstick survey, is also depicted.

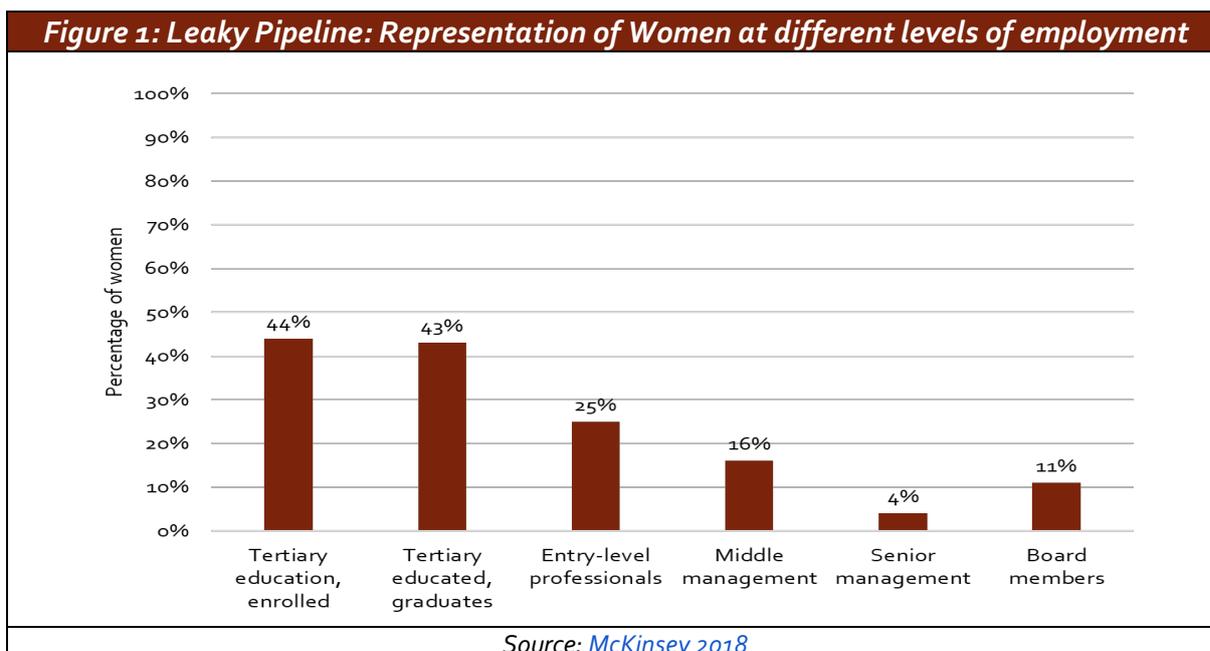
## Section 2.1: Dipstick Survey of CII IWN member enterprises

The study team for CII-IWN conducted primary research to examine the efforts undertaken by CII member companies to enhance women's representation across job roles. The study also aimed to understand the implementation of DEI initiatives in these organisations. A dipstick survey was distributed to CII member companies in India. Most of the companies that responded were large enterprises (38%), followed by medium (35%), small (12%), and micro (15%). A summary of results, both on the **representation of women** and **DEI initiatives**, is presented below.

### Section 2.1.1: Representation of Women

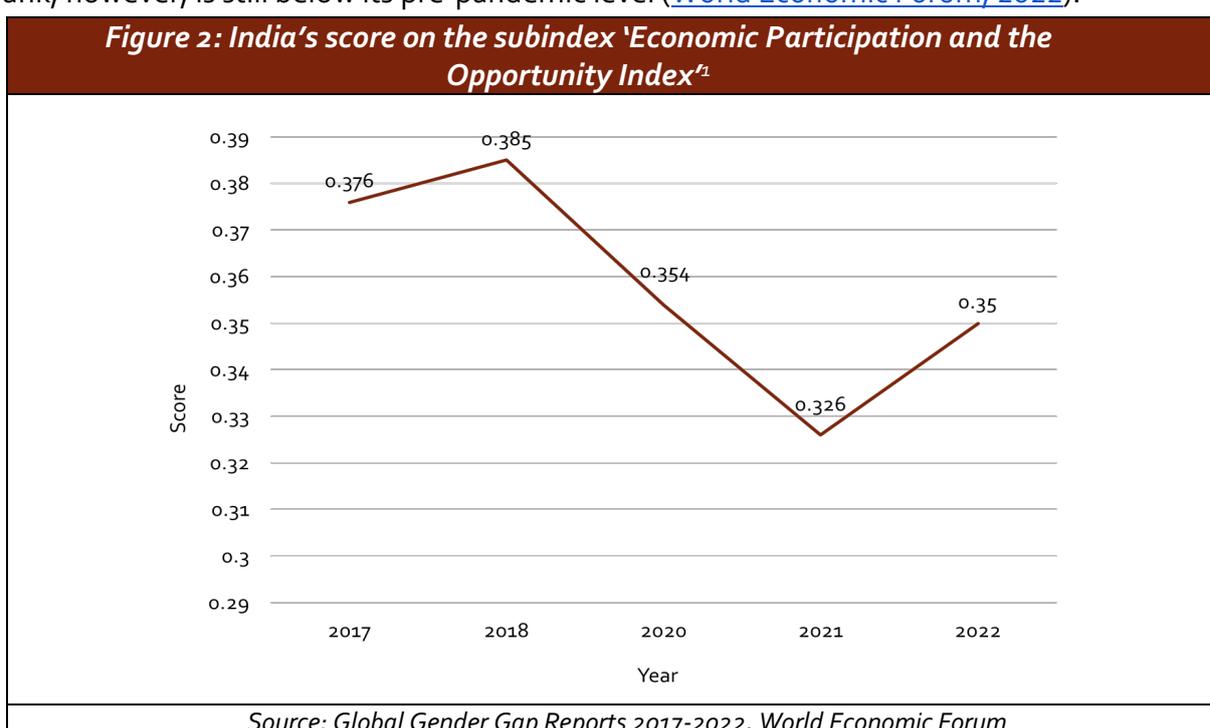
- *Despite comprising 43% of graduates, women formed **only 25% of entry-level and 4% of senior management positions** in 2018 (McKinsey, 2018).*
- *The proportion of female directors on companies' boards was only about **13%** in the year 2019 (Gupta et al, 2020).*
- *The first part of the CII-IWN survey aims to understand women's representation at various levels in the company including **managerial positions, frontline/customer-facing roles, technical/specialised roles, and successor roles**. Majority of the companies had less than 30% female employees and less than 20% female employees in managerial positions.*

Current research shows that despite comprising 43% of graduates, Indian women formed only 25% of entry-level and 4% of senior management positions in 2018 ([McKinsey, 2018](#)). The following 'leaky pipeline' diagram shows the representation of women at different levels of employment. It can be inferred that as we move up the corporate ladder, women's representation significantly declines. Additionally, while women comprised of 37% of entry-level roles in 2021, the number steadily fell as they moved closer to the top. Only 26% of women progressed from junior to mid-management roles, 19% from mid-to senior-management, and 16% from senior-to leadership roles ([JobsForHer, 2022](#)).

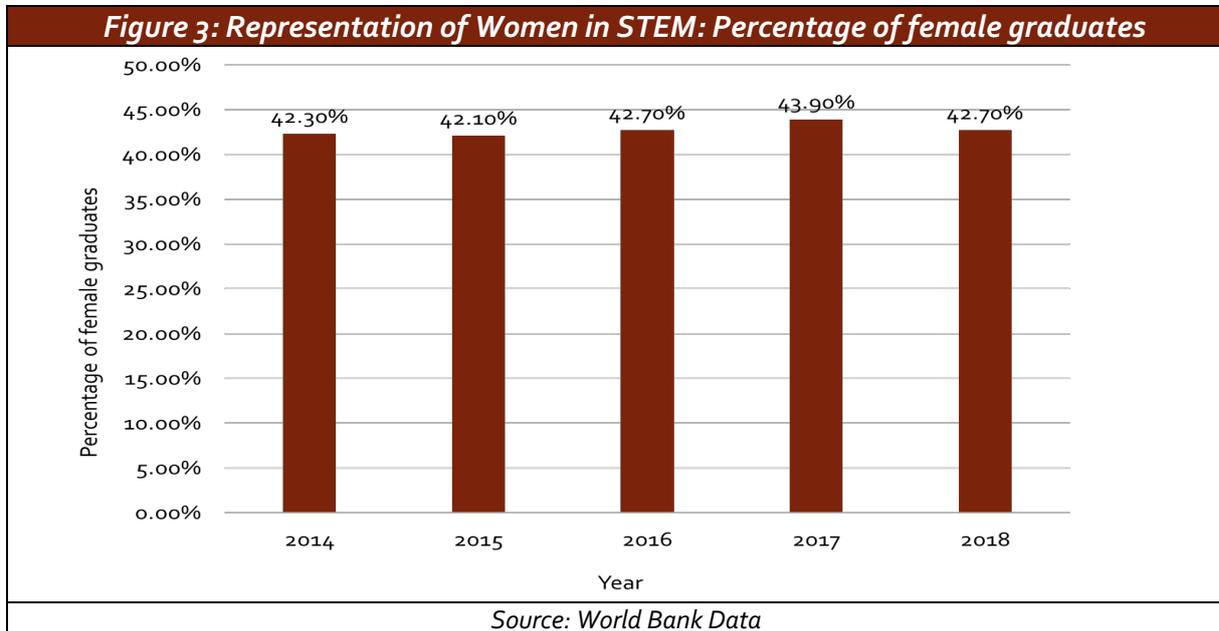


Women are overrepresented in cost centres, e.g., secretarial/administrative work, and underrepresented in revenue generators like marketing, sales, and engineering. Only 2.8% of Indian firms have female-majority ownership, and just 6% of Fortune India 500 companies are women-led ([World Economic Forum, 2020](#); [Fortune India, 2020](#)). The proportion of women directors in Indian companies' boards was only about 13% in the year 2019 ([Gupta et al, 2020](#)). Additionally, companies with greatest proportion of women on executive committees earn 47% higher returns on equity as compared to companies with none ([McKinsey, 2022](#)).

In the Global Gender Gap Report 2022, India was ranked 135 out of 146 countries. On the sub-index 'Economic Participation and Opportunity', India marginally improved from its last year rank, however, is still below its pre-pandemic level ([World Economic Forum, 2022](#)).

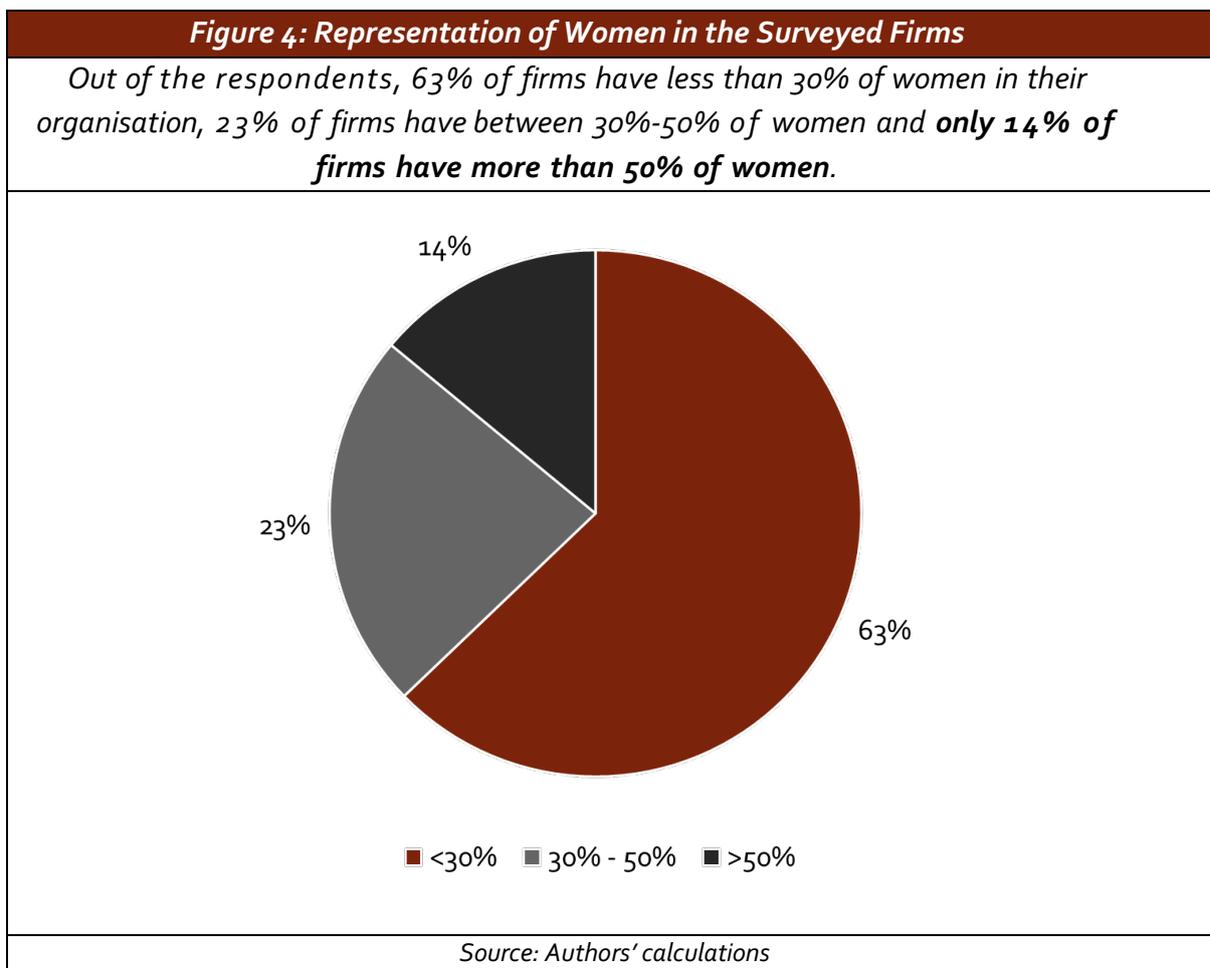


In the STEM sector (Science, Technology, Engineering and Mathematics), only 42.7% of graduates were females in 2018. From 2017 to 2018, there was a decline in the number of female graduates in STEM from 43.9% to 42.7% ([World Bank Data](#)).



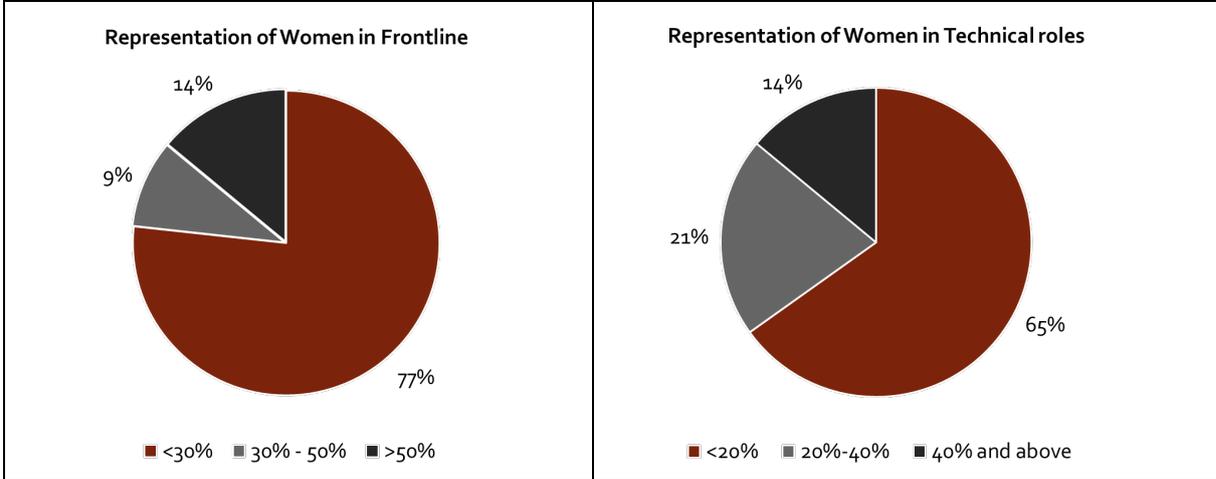
<sup>1</sup> The 14th edition of the report, the '[Global Gender Gap Report 2020](#)', was launched in December 2019, using the latest available data at the time. The 15th edition, the '[Global Gender Gap Report 2021](#)', comes out a little over one year after COVID-19 was officially declared a pandemic.

Keeping these statistics in mind, the first part of the dipstick survey aims to understand women’s representation at various levels of the surveyed companies, including **managerial** positions (junior, middle, and senior levels), **frontline/customer-facing** roles, **technical/specialised** roles, and **successor** roles. The survey results highlight that majority of the firms had less than 30% female employees and less than 20% female employees in managerial positions.

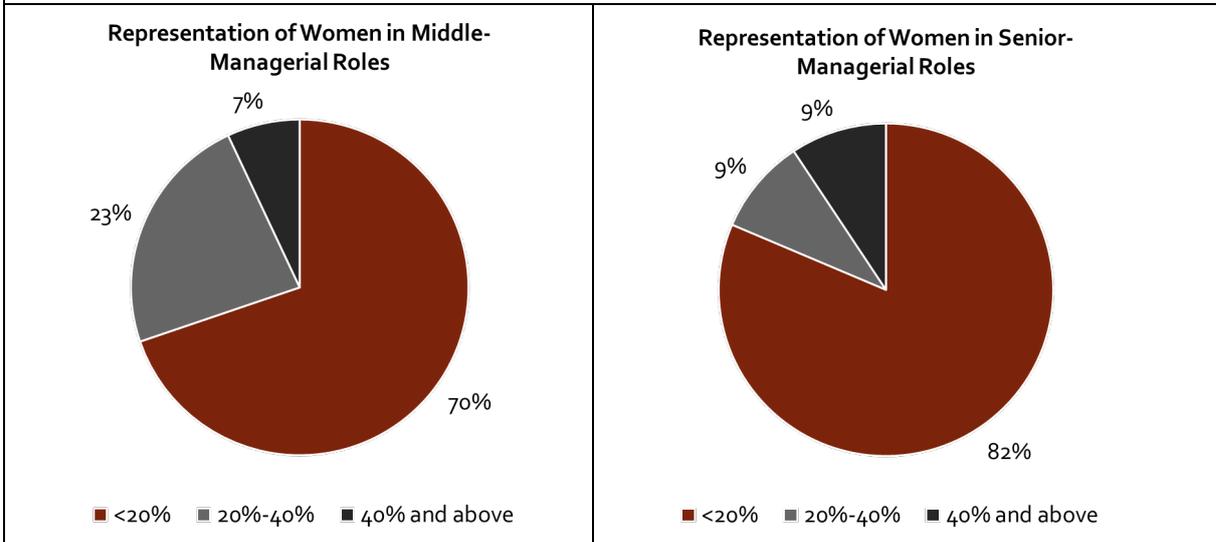


**Figure 5: Representation of Women at Various Levels in the Surveyed Firms**

**77% of firms had less than 30% women in frontline roles, 9% of firms had between 30%-50% and 14% firms had 50% and above. From the same pool, 65% of firms had less than 20% women in technical roles, 11% of firms had between 20%-40% and 14% of firms had 40% and above.**



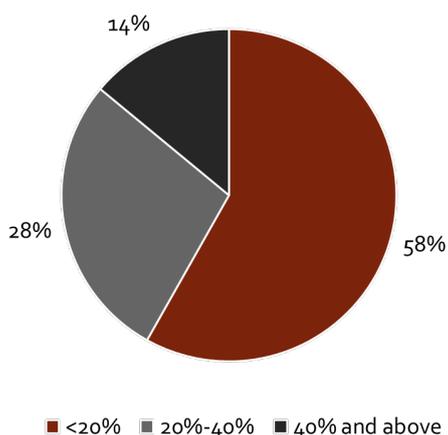
**70% of firms had less than 20% women in middle-management roles, 23% of firms had between 20%-40% and only 7% of firms had 40% and above women in middle-management roles. From the same pool, 82% of firms had less than 20% women in senior-managerial roles, 9% of firms had between 20%-40% and 9% of firms had 40% and above women in senior-managerial roles.**



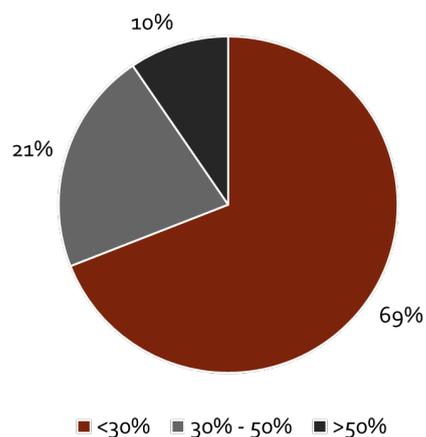
**Figure 5: Representation of Women at Various Levels in the Surveyed Firms**

58% of firms had less than 20% women in junior roles, 28% of firms had between 20%-40% and **only 14% of firm had 40% and above women in junior roles**. From the same pool, 69% of firms had less than 30%, 21% of firms had between 30%-50% and **only 10% of firms had 50% and above women in successor roles**.

**Representation of Women in Junior-Level Roles**



**Representation of Women in Successor Roles**



Source: Authors' calculations

## Section 2.1.2: DEI Initiatives

- *Women's representation and satisfaction within the workplace can lead to **improved productivity and a reduction in attrition.***
- *Globally, when compared to similar companies; companies in the top quartile for gender diversity were **27% more likely to outperform their national industry average** in terms of economic profit.*
- *The second part of the CII-IWN survey examines the efforts of a company in undertaking **DEI initiatives.** It is observed that while DEI initiatives at the national level amongst Nifty50 companies are largely traditional, leaning towards compliance linked measures, the surveyed firms perform better on innovative measures such as having flexi-work options, gender sensitisation training, and gender-neutral parental leave.*

Women's representation and satisfaction within the workplace can lead to improved productivity and a reduction in attrition. This can be highlighted by looking at a firm's journey towards inclusion and diversity and tracking the effects the change/ introduction of policies has had on the financial and non-financial aspects of the company, such as Returns on Investment, level of satisfaction among employees, general welfare, increase in participation of target groups, reduction in pay gaps, and achievement of industry benchmarks.

Established by UN Global Compact and UN Women, the Women's Empowerment Principles (WEPs) suggest that fostering business practices that empower women aid in boosting productivity, achieving economic equality, and increasing economic diversification. They suggest the implementation of comprehensive diversity and inclusion practices at all levels of corporate structures ([UN Women](#)). Additionally, undertaking innovative practices such as flexible work hours, greater use of technology, or setting quantitative targets for recruiting women at all levels of the firm can help advancing best managerial talent to leadership positions ([Nikore, 2012](#)).

Several studies corroborate these findings. The International Centre for Research on Women (ICRW) emphasizes the benefits of greater gender inclusivity to businesses: more financial and market returns as a result of diverse leadership, enhanced team performance and motivation (team members are more likely to feel motivated when they see greater representation of people from different backgrounds, sharing different perspectives), and lower corporate risks. ([Nikore, 2022](#); [ICRW, 2017](#)). A study of more than 1,700 companies around the world highlighted that embracing diversity boosts innovation, leading to better financial performance ([Boston Consulting Group, 2019](#)).

A study of more than 1,000 companies in 15 countries found a correlation between diversity at the executive level and not just profitability but also value creation; companies in the top

quartile for gender diversity on executive teams were 25% more likely to have above-average profitability than companies in the fourth quartile ([McKinsey, 2020](#)). This highlights the need to understand DEI implementation in companies.

The second part of the survey evaluates the efforts of a company in undertaking DEI initiatives. For this study, Indian DEI initiatives have been categorised into the following 2 categories: “traditional” and “innovative”.

<b>Table 1: Categorisation of Initiatives as “Traditional” or “Innovative”</b>	
<b>Traditional</b>	<b>Innovative</b>
Maternity benefits A. Maternity leave B. Maternity allowances	Gender sensitisation training
Prevention of sexual Harassment A. Formation of an Internal Complaints Committee (ICC) B. POSH training C. POSH research D. POSH implementation	Promoting non-traditional jobs
Mentoring for senior leadership A. Leadership training B. Leadership endorsement	Peer support networks for women
Diversity hiring policies	Peer support networks for young parents
	Return to work post career break
	Gender-neutral parental leave
	Paternity leaves
	Flexible Working hours
	Retention
	Childcare facilities
<i>Source: Nikore Associates' Gender Primer</i>	



## **Traditional Initiatives**

As per our research, traditional initiatives are largely clustered into 4 major categories:

### **A. Maternity Benefits**

Maternity benefits as per Maternity Benefit Act, 1961 include maternity leave and maternity allowance, as per provisions ([Ministry of Labour and Employment, 1961](#)). Under the Maternity Benefit Amendment Act, 2017 a large proportion of these actions ensure statutory compliance, such as the six-month maternity leave ([Ministry of Labour and Employment, 2017](#)).

### **B. Prevention of Sexual Harassment**

This includes initiatives such as the presence of Internal Complaints Committee (ICC), implementation of Prevention of Sexual Harassment (POSH) training and awareness programs and POSH-related research initiatives.

### **C. Mentoring for Senior Leadership**

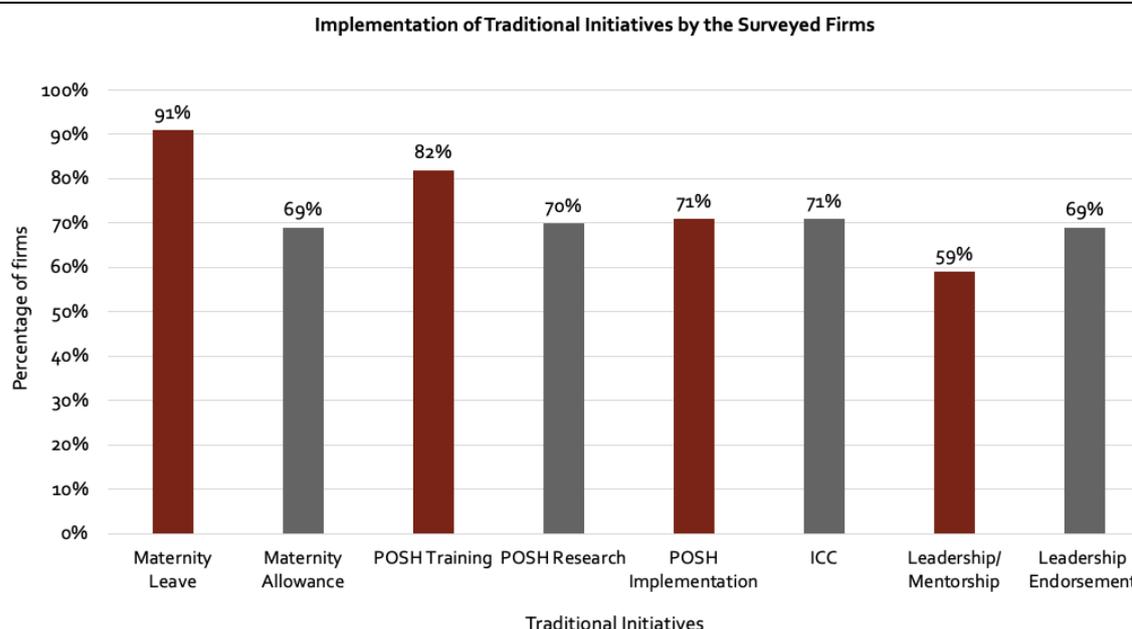
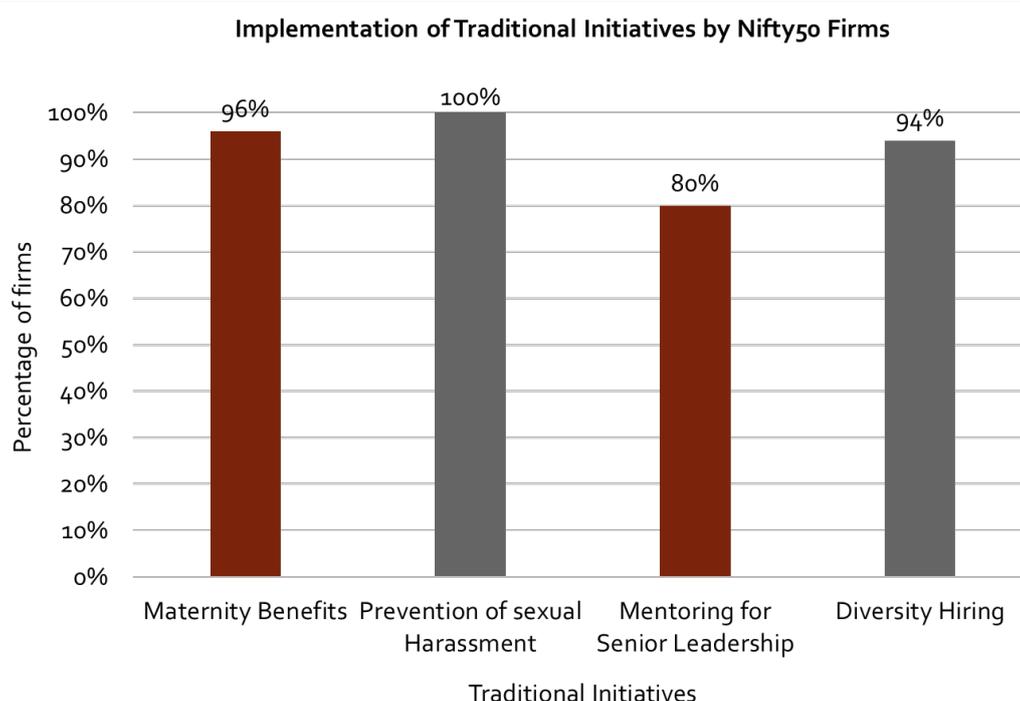
This includes leadership endorsement & sponsorship for diversity-focused initiatives and organising mentorship programs towards women.

### **D. Diversity Hiring Policies**

Companies are assessed based on their recruitment and hiring processes, to reduce biases related to a candidate's age, race, gender, and other characteristics.

**Figure 6: Analysis of Traditional Initiatives Implemented by NIFTY50 and the Surveyed Firms**

Nearly 96% of Nifty50 firms provide maternity benefits, whereas 91% of the surveyed firms provide maternity leave, and **only 69% of the surveyed firms provide maternity allowance**. While **all Nifty50 firms implement POSH**, only 71% of the surveyed firms implement POSH. Additionally, 80% of Nifty50 firms provide mentoring for senior leadership, as compared to 59% of the surveyed firms. Some surveyed firms reported diversity hiring measures as intended goals for the future.



Source: Authors' calculations

### *Box 1: Some Industry Best Practices*

**Wipro** has well-defined policies and an **SOP (Standard Operating Procedure)** to ensure the safety of women employees inside and outside the campus. Some of the initiatives include Safety Awareness Programs for women employees, Global 24x7 Security Command Centre, a cab pickup/ drop facility with an escort and mobile apps to confirm **“Safe Reach”**.

*Source: Nikore Associates' Gender Primer*

### *Box 2: Some Industry Best Practices*

A HR consulting company, based in Chennai, is recruiting more women who want to **resume work after a brief break**. An event management company, based on Bhubaneshwar, is trying to foster an inclusive environment and create awareness about diversity and inclusivity in the workplace through mentorship programs for employees.

*Source: Survey response from CII enterprises*

### *Box 3: Some Industry Best Practices*

A **unique portal** on Gender Sensitisation to impart training on the Prevention of Sexual Harassment (POSH) at the workplace has been launched by Oil and Natural Gas Corporation. **An online Gender Sensitisation training program on POSH** was organised for corporate-level executives, and around 2200 officials from different work centres participated in it.

*Source: Nikore Associates' Gender Primer*

## **Innovative Initiatives**

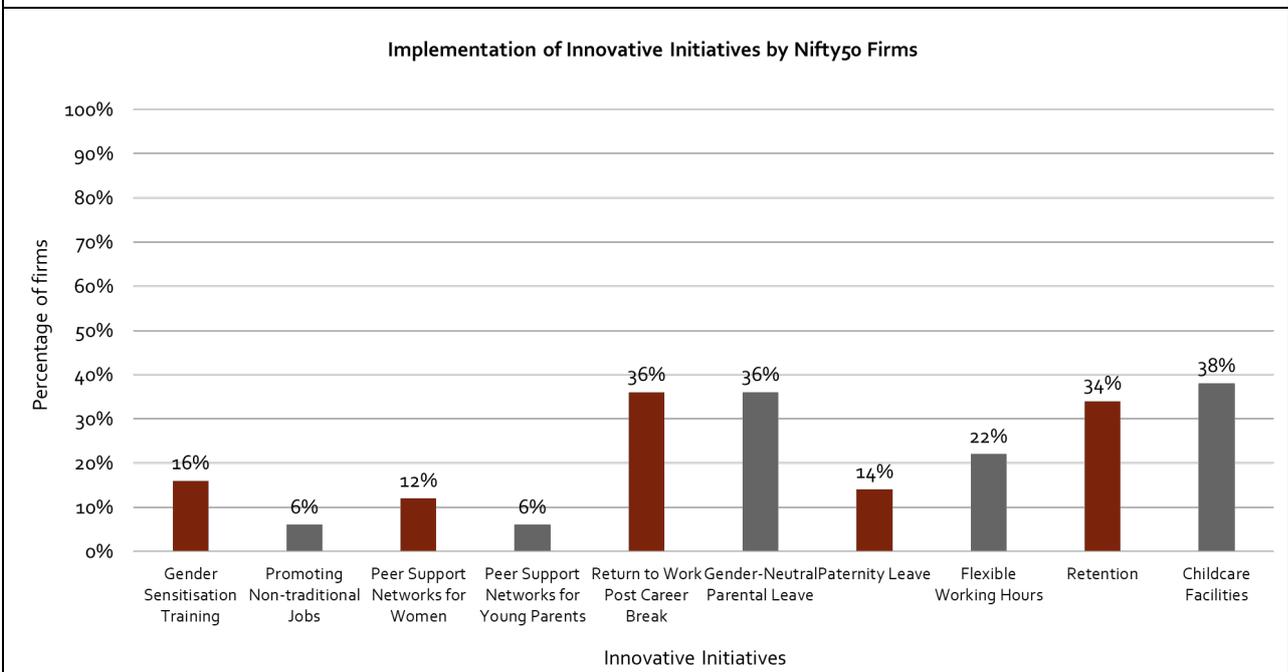
Encouragingly, there are some early traces of innovation in DEI initiatives such as gender sensitisation training to address cultural, social, and unconscious biases; efforts for women to undertake non-traditional job roles; peer support networks for women employees and young parents; encouraging women to return to work post-career breaks, offering childcare facilities and gender-neutral parental leaves. However, these are only offered by a small subsection of companies.

**Figure 7: Analysis of Innovative Initiatives Implemented by the surveyed firms**

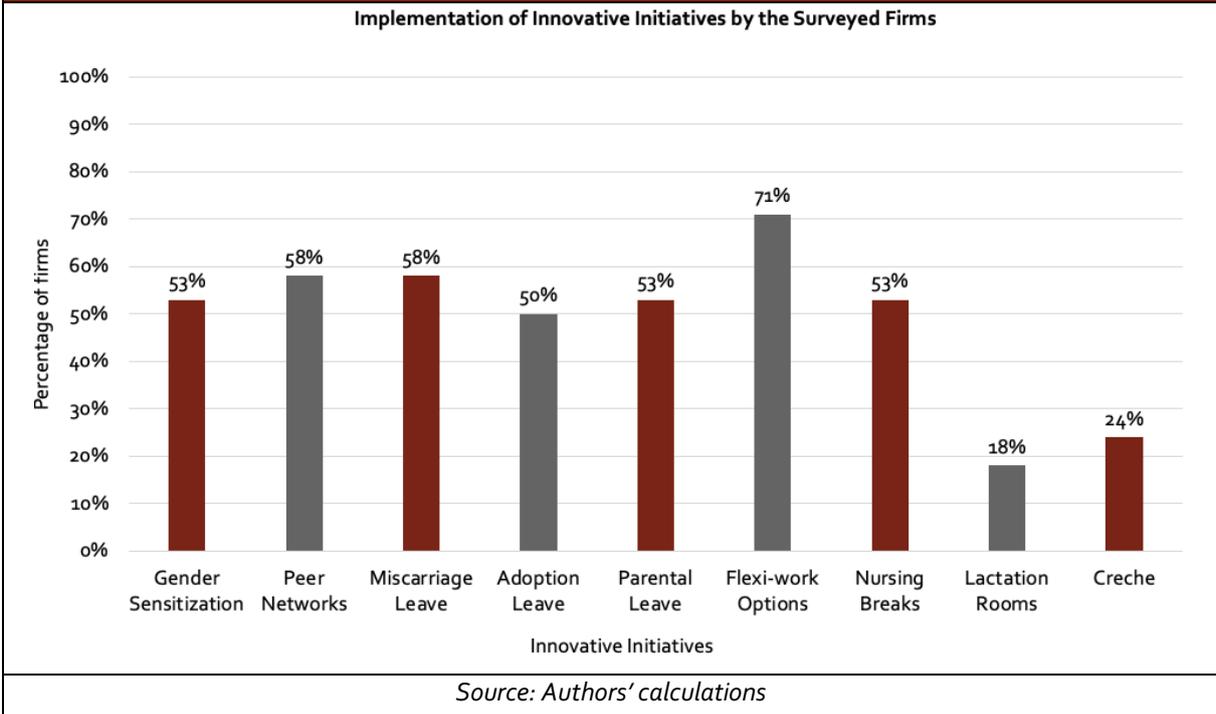
On the innovative initiatives, **the surveyed firms perform much better than Nifty50 firms.** Only 16% of Nifty50 firms provide gender sensitization training as compared to 53% of surveyed firms. 12% of Nifty50 firms provide peer support networks for women and 6% provide peer support networks for young parents. Nearly 58% of the surveyed firms provide some kind of peer networks.

Nearly 53% of the surveyed firms provide gender-neutral parental leave as compared to 36% of Nifty50 firms. Only 22% of Nifty50 firms provide flexible work options which have become **highly crucial post-pandemic.** On the other hand, 71% of the surveyed firms provide flexible work options.

However, **none of them provide adequate childcare facilities.** Only 38% of Nifty50 firms provide childcare facilities, while 24% of the surveyed firms provide creche, 53% provide nursing breaks and 18% provide lactation rooms.



**Figure 7: Analysis of Innovative Initiatives Implemented by the Surveyed firms**



**Box 4: Some Industry Best Practices**

P&G's '**Share the care**' is an inclusive policy that aims to enable all new parents working to avail of parental leave irrespective of their gender or marital status. It entitles all new parents — including biological parents, domestic partners, adoptive parents, or parents in same-sex couples — to **8 weeks of fully paid leave**. It is a step towards shifting cultural norms in India by making child caregiving unbiased.

*Source: Nikore Associates' Gender Primer*

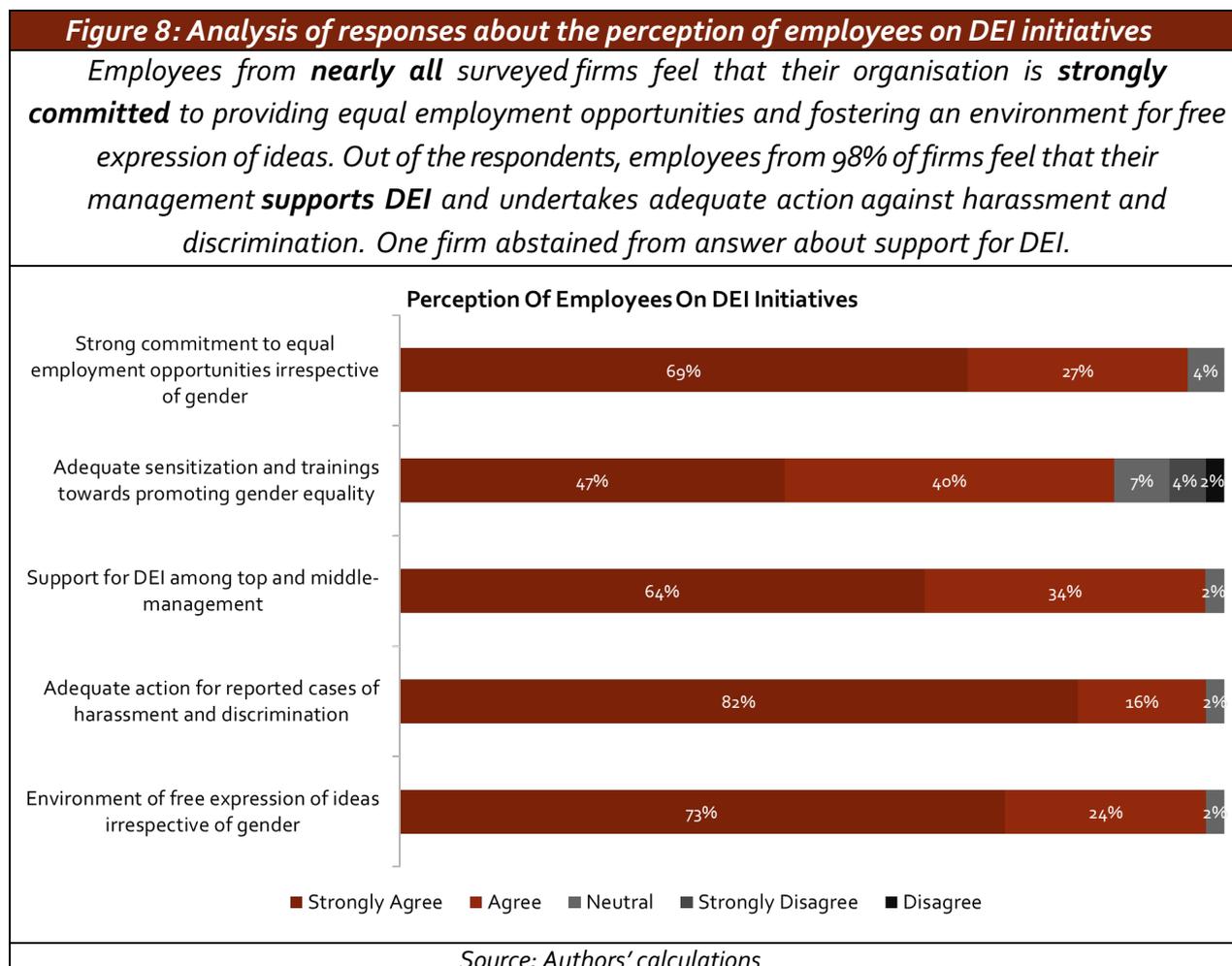
**Box 4: Some Industry Best Practices**

The Population Foundation of India launched an awareness campaign, called '**Main Bhi Kuch Kar Sakti Hoon.**' By telecasting two seasons in 50 countries; on 16 regional Kendra of Door Darshan and 12 languages, this **multimedia edutainment initiative** aimed to positively shift viewers' knowledge and perception on family planning and gender equality issues.

*Source: Nikore Associates' Gender Primer*

### Section 2.1.3: Perception of Employees on DEI Initiatives

The third part of the survey aims to understand employee perceptions towards the organisations’ DEI initiatives. Employees reflected on the company’s commitment towards providing equal employment opportunities and promoting gender equality.



### Section 2.2: Conclusion

While support for DEI initiatives among middle and senior management is strong and effective changes in work culture have been observed, most companies lag in maternity allowances for women (“**traditional initiative**”) as well as other provisions necessary for adequate work-life balance (like **creche facilities, gender-neutral parental leave, adoption leave, nursing breaks** etc.). Surveyed companies reported a safe environment to report harassment, and a collaborative atmosphere where employees were encouraged to express their ideas freely – both encouraging signs promoting the success of DEI initiatives. However, progress remains to be made in adequate gender sensitisation training and long-term commitment to equal employment opportunities for men and women. In this regard, it becomes important to understand gender diversity measures as a part of ESG requirements across countries. The next section presents an engendered, comparative analysis of ESG trends in India, UK, USA, Japan, and Singapore.

### Section 03: ESG Compliance Requirements for Gender Equality

- *ESG (Environmental, Social and Governance) frameworks evaluate companies on **various dimensions of sustainability**.*
- *DEI initiatives fall under the social pillar of ESG.*
- *As international investors continue to look for ESG-compliant firms, Indian companies may face **scrutiny over the low representation of women in the entirety of corporate hierarchy**.*

Environmental, Social and Governance (ESG) refers to a "collection of corporate performance evaluation criteria used to assess the robustness of a company's governance mechanisms, and its ability to effectively manage environmental and social concerns". In simpler terms, ESG frameworks evaluate companies on various dimensions of sustainability. Diversity, Equity, and Inclusion (DEI) initiatives fall under the social pillar of ESG; incorporating a gender lens serves the dual purpose of both addressing inequity issues and motivating investors to invest in ESG-compliant companies.

Free trade jurisdictions, with open financial markets, are perceived to prefer incentive-based regulation due to fears that an overly prescriptive approach may drive investment and businesses away. In this section, we analyse how, so far, developed countries (such as the United States of America (USA), United Kingdom (UK), Japan & Singapore) have remained consistent with this approach - while maintaining a generally flexible regulatory regimen.

In India, as of FY 2022-23, it is mandatory for the top 1000 listed companies (by market capitalisation) to furnish a Business Responsibility & Sustainability Report (BRSR), in a format prescribed by the Securities and Exchange Board of India (SEBI) ([SEBI, 2021](#)). In contrast, ESG norms are much stricter globally. As international investors continue to look for ESG-compliant firms, Indian companies may subsequently face scrutiny over the low representation of women on their boards. India may also struggle to attract adequate Foreign Direct Investment (FDI) required to sustain an annual growth rate of 8%-9% since, out of a cumulative investment pool of \$45 trillion, \$12 trillion is now dependent on ESG ([USISPF, 2020](#)).

It is pertinent to note that while both Corporate Social Responsibility (CSR) and ESG cover similar themes under the sustainability umbrella, there is a distinct difference between the two. While the former focuses more on corporate volunteering, lowering carbon footprints, and engaging with charities, ESG, by far, provides a more quantitative measure of sustainability. However, CSR funding can be an important tool for combating climate change since developing countries face a nearly \$100 billion shortfall in climate finance. India stands

to lose \$35 trillion by 2070 due to climate change if no mitigation measures are taken, or gain \$11 trillion due to expansion in countermeasures ([Nikore et al., 2022](#)).

### Section 3.1: Analysis of ESG Compliance Requirements in Developed Countries

- *ESG compliance regulations in the United States continue to be some of the most forward-looking in the world and include norms for gender and diversity.*
- *UK has no single ESG law or regulation; some provisions recommend gender diversity for succession plans but are not mandatory.*
- *In Singapore, there is no prescribed method of sustainable reporting and companies have carte blanche over the topics they wish to report on.*
- *ESG has not been codified into Japanese law and regulation; ESG matters are dealt with soft-law rulemaking.*
- *In India, it is mandatory for the top 1000 listed companies to furnish a Business Responsibility & Sustainability Report, in a format prescribed by the SEBI.*

This section analyses ESG compliance structures across four regions, globally: the United States of America, the United Kingdom, Singapore, and Japan. The countries were specifically chosen to accurately assess the diversity in sustainability practices across the globe. While the west (represented by USA & UK) generally outperforms their counterparts in Asia, Europe leads the pack in sustainability practices. Asian sustainability markets are heterogenous: while Japan performs relatively poorly due to overreliance on soft-law governance, Singapore surpasses some western economies with respect to gender responsive ESG practices.

#### United States of America

ESG compliance regulations in the United States continue to be some of the most forward-looking in the world. The first ever CSR/ESG disclosure mandate was approved by the Securities & Exchange Commission (SEC) in August 2021; companies listed on NASDAQ were required to disclose the diversity of their boards ([SEC, 2021](#)). In addition, the House of Representatives passed the ESG Disclosure Act of 2021, mandating disclosure for a range of matters including sustainability and diversity for all employees ([Congress.gov, 2021](#)). Two supplementary regulations are currently in the proposal stage. NASDAQ Rule 5605(f) and 5606 (2022) include disclosure norms for gender, and diversity as a factor for considering director-level candidates ([Harvard, 2022](#)).

#### United Kingdom

As of summer 2022, the UK has no single ESG law or regulation; disclosure norms are primarily reliant upon the Companies Act, UK Corporate Governance Code 2018 (UKCGC), the Listing Rules,



the Disclosure Guidance and Transparency Rules (DTRs) ([Financial Reporting Council, 2018](#); [FCA Handbook, 2022](#)). Furthermore, Principle J and Provision 23 of UKCGC recommends gender diversity for succession plans and public disclosure of the gender gap ([Financial Reporting Council, 2018](#)). However, neither are mandatory.

Table 2 given below, presents a comprehensive analysis of gender responsive ESG regulation in the United States and the United Kingdom.

**Table 2: Analysis of ESG Regulation in USA & UK**

Country	ESG Regulation	Mandatory (Yes/No)	Gender Lens	Mandatory (Yes/No)	Are ESG norms of parent company applicable?
United States	NASDAQ Rule 5605(f) and 5606	No	Rule 5606 will require Nasdaq-listed companies to publicly disclose in an aggregated form, information on the <b>voluntary self-identified gender, racial characteristics, and LGBTQ+</b> status of the company's board of directors.	Yes	No
United Kingdom	UK Corporate Governance Code	No (Companies can either comply with the code or explain why they didn't)	As per 'Principle J' of the UKCGC; both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote <b>diversity of gender, social and ethnic backgrounds, cognitive and personal strengths</b> . Under 'Provision 23' of the code; the organisation should detail down the company <b>strategy for diversity and inclusion</b> , with regards to <b>gender balance at senior management</b> .	Yes	No
United Kingdom	Diversity and Inclusion on company boards and executive management rules	No	Requires publicly listed companies to disclose in their annual reports, the status of their board's diversity and inclusion efforts. Progress will be measured against the following specified targets: <ul style="list-style-type: none"> <li>• At least <b>40% of the board should be women</b>.</li> <li>• At least <b>one senior board position should be held by a woman</b>, for example, Chair, CFO, or CEO.</li> </ul>	Yes	No



**Table 2: Analysis of ESG Regulation in USA & UK**

Country	ESG Regulation	Mandatory (Yes/No)	Gender Lens	Mandatory (Yes/No)	Are ESG norms of parent company applicable?
United States	SEC Disclosure Laws and Regulations	No	The SEC requires all public companies to disclose information that may be material to investors, even disclosures on ESG-related risks and <b>how diversity is considered a factor in the process for considering director candidates.</b>	Yes	No

*Source: Respective legal documents for each country*

## Singapore

In Singapore, there is no prescribed method of sustainable reporting and companies have carte blanche over the topics they wish to report on. Singapore Exchange (SGX) recommends certain gender-disaggregated disclosure indicators, including the number of female board directors as a percentage of all directors ([SGX, 2021](#)). Additionally, [Provision 2.4](#) of the Code of Governance (operating on a comply-or-explain basis) advocates for a balanced group of directors with appropriate diversity in both gender and age ([Singapore Institute of Directors](#)).

## Japan

ESG has not been codified into Japanese law and regulation; ESG matters are dealt with soft-law rulemaking. Women's participation in the workforce, in Japan, has been underpinned by law since 1 April 2016, when the Act on the Promotion of Women's Participation and Advancement in the Workplace (2016) was passed ([Gender Equality Bureau Cabinet Office](#)). While it initially required companies with 300 employees or more to collect data on specific indicators, subsequent revisions (in 2019) to the law mean that it will now apply to companies with more than 100 employees ([Women's Empowerment Principles, 2020](#)). The act has a ten-year lifespan. In addition, Japan's Corporate Governance Code (2021) recommends gender diversity in the workforce, committee, and board on comply-or-explain basis.

Table 3, given below, presents a comprehensive analysis of gender responsive ESG regulation in the Singapore and Japan.

**Table 3: Analysis of ESG Regulation in Singapore & Japan**

Country	ESG Regulation	Mandatory (Yes/No)	Gender Lens	Mandatory (Yes/No)	Are ESG norms of parent company applicable?
Japan	Act on Promotion of Women's Participation and Advancement in the Workplace	Yes	<p>Collecting and analysing data on issues of gender and employment: <b>number of female employees newly hired, gender gap about years of continuous employment, working hours, number of female managers.</b></p> <p>Devise and disclose action plans to improve gender equality with concrete objectives and measures, based on the analysis.</p>	Yes	No
	Japan's Corporate Governance Code	No (Comply or explain basis for companies listed on the Tokyo Stock Exchange)	<ul style="list-style-type: none"> <li>• <b>Gender Diversity in the workforce Provision 2.4:</b> Companies should promote diversity of personnel, including the active participation of women.</li> <li>• <b>Gender Diversity on the Committees Provision 4.10:</b> Inclusion of women in nomination and remuneration committees.</li> <li>• <b>Gender Diversity on the Board Provision 4.11:</b> The board should be balanced in terms of diversity, including gender.</li> </ul>	No (comply or explain)	No

**Table 3: Analysis of ESG Regulation in Singapore & Japan**

Country	ESG Regulation	Mandatory (Yes/No)	Gender Lens	Mandatory (Yes/No)	Are ESG norms of parent company applicable?
Singapore	Singapore Code of Corporate Governance	No (The Code is on a comply or explain basis)	<ul style="list-style-type: none"> <li>• <b>Provision 2.4:</b> The board and board committees should be of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.</li> </ul>	Yes	No
	SGX's Sustainability Reporting	No	<ul style="list-style-type: none"> <li>• Data for employees by <b>gender</b> (in %).</li> <li>• <b>New hires</b> and <b>turnover by gender</b> (in %).</li> <li>• The number of <b>female board directors as a percentage of all directors</b>.</li> <li>• <b>Average training hours per employee by gender</b>.</li> <li>• <b>Women in management team</b> (in %).</li> </ul>	Yes	No
<p><i>Source: Respective legal documents for each country</i></p>					

If investors from any region within the US, UK, Singapore, or Japan invest internationally in sectors that require ESG disclosures, **norms of the home country are not applicable.**



## Section 3.2: Analysis of ESG Compliance Requirements in India

- *ESG norms in India are solely reliant upon furnishing the annual BRSR report.*
- *Based on the nine principles of NGRBC, Section 3 of the BRSR report classifies KPIs into two sub-categories that companies are required to report on: **62 mandatory indicators and 41 voluntary indicators.***
- *From these, **principles 3,4,5,8** incorporate gender-responsive indicators. They **broadly cover**- gender pay gap, remuneration, paternity benefits, training, career advancement opportunities and associations/unions for women.*

ESG norms in India are solely reliant upon furnishing the annual [Business Responsibility and Sustainability Report \(BRSR\)](#) report - this is an evolved version of the pre-existing Business Responsibility Report (BRR), mandatory until FY 2021-22, and comes at the tail end of the evolution of ESG reporting in India. Starting from the [National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business \(NVGs\)](#) issued by the Ministry of Corporate Affairs in 2008, the reporting landscape underwent several variations with the introduction of Business Responsibility Reporting (BRR), Corporate Social Responsibility (CSR), Investor Relations (IR), National Guidelines on Responsible Business Conduct (NGRBC) and now the Business Responsibility and Sustainability Report (BRSR).

It is important to note that ESG reporting (via the BRSR report) has been stipulated mandatory for the financial year 2022-23 but was voluntary for the financial year 2021-22 so that businesses may have sufficient time to get used to the new reporting regulations. By mandating ESG reporting for Indian corporations, SEBI is making concerted efforts to support the fulfilment of the Paris Climate Accords and the Sustainable Development Goals (SDGs) formulated by the United Nations (UN).

**Table 4: Alignment of NGRBC Principles with ESG Pillars**

*In the following table, the authors have delineated the nine principles of NGRBC under the ESG pillars.*

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

*Source: Authors' analysis based on SEBI's BRSR report*

**Table 5: Mandatory and Voluntary Indicators for NGRBC Principles**

*Based on the nine principles of NGRBC, Section 3 of the BRSR report classifies Key Performance Indicators (KPIs) into two sub-categories that companies are required to report on: 62 **mandatory indicators** and 41 **voluntary indicators**.*

<b>Pillars of Diversity and Inclusion</b>	<b>Number of Mandatory Indicators</b>	<b>Number of Voluntary Indicators</b>
Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	<b>7</b>	<b>1</b>
Businesses should provide goods and services in a manner that is sustainable and safe.	<b>4</b>	<b>5</b>
Businesses should respect and promote the well-being of all employees, including those in their value chains.	<b>15</b>	<b>6</b>
Businesses should respect the interests of and be responsive to all its stakeholders.	<b>2</b>	<b>3</b>
Businesses should respect and promote human rights.	<b>10</b>	<b>5</b>
Businesses should respect and make efforts to protect and restore the environment.	<b>12</b>	<b>9</b>
Businesses should engage in influencing policy in a responsible and transparent manner.	<b>2</b>	<b>1</b>
Businesses should promote inclusive growth and equitable development.	<b>4</b>	<b>6</b>
Businesses should engage with and provide value to their consumers in a responsible manner.	<b>6</b>	<b>5</b>
<i>Source: Authors' analysis based on SEBI's BRSR report</i>		

**Table 6: Gender responsiveness of NGRBC Principles**

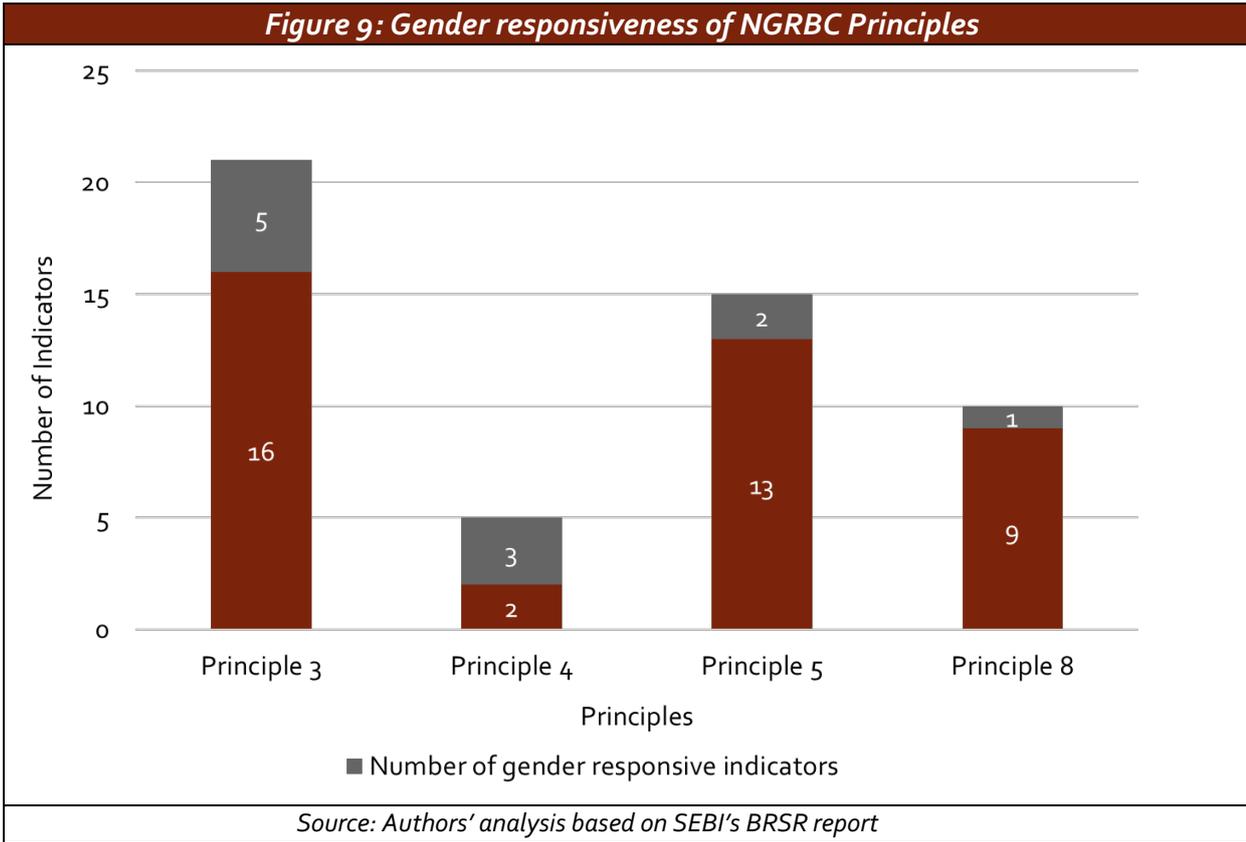
*Out of the 62 mandatory and 41 voluntary indicators, only **four** principles (Principle 3,4, 5 and 8) are aligned with UN's Sustainable Development Goal #5 (Gender Equality), and only **eleven indicators** are gender responsive.*

<p><b>Principle 3:</b> Businesses should respect and promote the well-being of all employees, including those in their value chains.</p>	<p><b>Principle 4:</b> Businesses should respect the interests of and be responsive to all its stakeholders.</p>	<p><b>Principle 5:</b> Businesses should respect and promote human rights.</p>	<p><b>Principle 8:</b> Businesses should promote inclusive growth and equitable development.</p>
<p><b>Out of 21 indicators, 5 are gender responsive.</b></p> <p>Details of measures for the well-being of employees, covering health insurance, accident insurance, maternity benefits, paternity benefits, and day care facilities.</p> <p>Return to work and retention rates of permanent employees and workers that took parental leave.</p>	<p><b>Out of 5 indicators, 3 are gender responsive.</b></p> <p>Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics.</p> <p>How is feedback from such consultations provided to the board?</p> <p>Details, if stakeholder consultation is used to support the identification and management of environmental, and social topics.</p>	<p><b>Out of 15 indicators, 2 are gender responsive.</b></p> <p>Details of minimum wages paid to employees and workers.</p> <p>Gender-disaggregated details of remuneration paid to all employees.</p>	<p><b>Out of 10 indicators, 1 is gender responsive.</b></p> <p>Details of a preferential procurement policy where the entity gives preference to purchase from suppliers comprising marginalized /vulnerable groups?</p>

**Table 6: Gender responsiveness of NGRBC Principles**

<p>Membership of employees and worker in association(s) or Unions recognised by the listed entity.</p> <p>Details of training given to employees and workers.</p> <p>Details of performance and career development reviews of employees and workers.</p>	<p>Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.</p>		
<p><i>Source: Authors' analysis based on SEBI's BRSR report</i></p>			

Section C of the BRSR report is aimed at helping businesses demonstrate their performance in integrating the Principles and Core Elements of NGBRC with key processes and decisions. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible. Figure 9 demonstrates the gender responsiveness of the four principles aligned with SDG #5.



3 out of 5 (**60%**) indicators under Principle 4 are gender responsive in nature, followed by 5 out of 21 (**24%**) indicators under Principle 3, 2 out of 15 (**13%**) indicators under Principle 5, and 1 out of 10 (**10%**) indicators under Principle 9.

### Section 3.3: Comparison between India & Developed Countries – ESG Compliance Requirements

- *Japan's Corporate Governance Code recommends principles 2.4, 4.10 and 4.11 to account for gender diversity in the workforce, committees and board, respectively.*
- *Out of 41 provisions listed in the UK's Corporate Governance Code, **only one provision** expands on gender diversity on the board.*
- *From a list of 27 core ESG metrics, Singapore's SGX's Sustainability Reporting has **only 5 gender-responsive metrics**. Out of 51 principles from Singapore's Code of Corporate Governance, **only 1 principle expands on board diversity**.*
- *As per India's NGBRC principles, out of the 62 mandatory and 41 voluntary indicators, **only four principles** (Principle 3, 4, 5 and 8) are aligned with UN's Sustainable Development Goal #5, and **only eleven indicators** are gender responsive.*

This section undertakes a comparative analysis of gender-responsiveness of ESG regulations in Japan, UK, Singapore, and India through an in-depth analysis of ESG Compliance documents of these countries. To understand the gender responsiveness of these requirements, the authors have attempted to identify the principles that have a gender component.

#### Japan

[Japan's Corporate Governance Code](#), 2021 establishes fundamental principles for effective corporate governance at listed companies in Japan. It enlists 31 principles, spread across 5 sections that aim to achieve sustainable growth over the mid-to long-term period. From these 31 principles, only 3 principles are gender responsive. Principles 2.4, 4.10 and 4.11 account for gender diversity in the workforce, committees and board, respectively.

#### United Kingdom

The [UK Corporate Governance Code](#), 2018 has been created by the Financial Reporting Council to value diversity, promote integrity and openness in a company's culture. A total of 18 principles are segregated under the 5 pillars of Board Leadership and Company Purpose; Division of Responsibilities; Composition, Succession and Evaluation; Audit, Risk, and Internal Control; and Remuneration. Within these 18 principles, there are a total of 41 provisions. From 18 principles, only principles J and L emphasise on gender diversity in the nomination committee, and only one provision, provision 23 expands on gender diversity on the board.

## Singapore

i) [SGX's Sustainability Reporting](#) was developed by Singapore Exchange in 2021. It recommends a list of 27 core ESG metrics for issuers to use as a starting point for sustainability reporting. Out of these, only 5 metrics are gender responsive. Under gender diversity, it suggests reporting gender-disaggregated information on existing employees, new employees, and employee turnover. Additionally, it recommends companies to provide information on women on the board and women in the management team.

ii) The [Code of Corporate Governance](#) was released in 2018. A total of 51 provisions are segregated under 13 principles. Out of the 51 provisions, only one expands on board diversity.

## India

[NGRBC](#), released by the Ministry of Corporate Affairs, Government of India is a set of principles designed to assist businesses to perform above and beyond the requirements of regulatory compliance. Out of the 62 mandatory and 41 voluntary indicators, only four principles (Principle 3, 4, 5 and 8) are aligned with UN's Sustainable Development Goal #5, and only eleven indicators are gender responsive.

### Comparative Analysis:

Based on the identification of gendered indicators in these countries, Table 7 presents a comparative analysis of these ESG regulations. Japan and UK have only 10% and 2% of gender-responsive indicators, respectively. In comparison to these two countries, India has a higher proportion of gender-responsive indicators (at 11%). With 19% of gendered indicators, Singapore's Sustainability Reporting portfolio has a higher proportion of gendered indicators, when compared to India (at 11%). In addition to this report, Singapore also recommends the Code of Corporate Governance which has only 2% engendered indicators.

However, India has not yet instituted compulsory reporting standards for appointing women in entry-level, mid-level, or senior-level posts, which is evident in Table 8. This lack of regulation exacerbates the slowing progress of Indian women to leadership positions; out of full score of 7 in the Advancement of Women to Leadership Roles, India scored 3.5 ([World Economic Forum, 2022](#)). Additionally, since voluntary in nature, many companies are yet to put in place self-reporting and monitoring mechanisms to measure diversity targets, making it difficult to compare their performance over time.

**Table 7: Comparative Analysis of ESG Indicators (UK, Singapore, Japan, India)**

Country	ESG Regulation	Total no. of indicators	Total no. of gender responsive indicators	Percentage of gender responsive indicators
United Kingdom	UK Corporate Governance Code, 2018	<b>41</b>	<b>1</b>	<b>2%</b>
Singapore	SGX's Sustainability Reporting, 2022	<b>27</b>	<b>5</b>	<b>19%</b>
	Singapore Code of Corporate Governance, 2018	<b>51</b>	<b>1</b>	<b>2%</b>
Japan	Japan's Corporate Governance Code, 2021	<b>31</b>	<b>3</b>	<b>10%</b>
India	Business Responsibility & Sustainability Report, 2021	<b>103</b>	<b>11</b>	<b>11%</b>

*Source: Authors' analysis*

**Table 8: Comparative Analysis of Common Gender-Inclusive Indicators (Singapore, UK, USA, Japan, India)**

*Based on the comparative analysis of ESG regulations surveyed in Singapore, UK, USA, Japan, and India, only select few indicators are gender responsive in nature. Table 8 summarises these gender-responsive indicators and provides a list of common indicators that are important in improving women's participation in the corporate structure. While most of the countries have regulations for these indicators, India only mandates data on gender pay gap.*

Indicators	Singapore	United Kingdom	United States	Japan	India
<b>Appointment to the board</b> should be subject to formal, rigorous, and transparent procedure to promote merit and diversity of gender.	The <b>Corporate Code's Principle 2</b> and <b>Provision 2.4</b> expands on board diversity. Under SGX Sustainability Report, data on Women in Board should be published.	<b>Principle J</b> and <b>Principle L</b> of UKCGC discuss board diversity.	NASDAQ Rule 5606 requires companies to publish aggregated data on board members' self-identified gender.	Corporate Governance Code Principle 4.10 mentions that the board should be constituted in a manner which should achieve diversity, including women.	
<b>Gender balance of the nomination committee, and the senior management.</b>	Under <b>SGX Sustainability Report</b> , data on Women in Management should be published.	Provision 23 of the UKCGC emphasizes on gender diversity in the nomination committee.		Principle 4.11.1 of the Corporate Governance Code mentions that the company should seek advice from the committees which should include the	

**Table 8: Comparative Analysis of Common Gender-Inclusive Indicators (Singapore, UK, USA, Japan, India)**

				perspective of gender and other diversity and skills.	
<b>Diversity at entry and mid-level positions</b> , with a total enterprise headcount.	Under <b>SGX Sustainability Report</b> , data on Gender diversity of current and new hires should be published.			Principle 2.4 of the Corporate Governance Code states companies should recognize that the existence of diverse perspectives and should promote diversity of personnel, including the active participation of women.	
If the organization is <b>unable to meet board diversity targets</b> , it should comprehensively explain the challenges faced.		Diversity and Inclusion on Company Boards report, requires companies to release a statement explaining diversity measures taken.	NASDAQ Rule 5605(f) enlists board diversity targets and provision to explain in case of non-compliance.		

**Table 8: Comparative Analysis of Common Gender-Inclusive Indicators (Singapore, UK, USA, Japan, India)**

<b>Data on Gender-Pay Gap.</b>					Principle 5 of BRSR has a provision for gender-disaggregated data of median remuneration of all employees of the company.
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*Source: Respective legal documents for each country*

The comparative analysis of gender-responsive indicators between India and select developed nations, shows that India performs well on gender-linked indicators in BRSR standards – particularly board representation, however, India may need to strengthen provisions around incorporating diversity at different levels in the corporate structure.

Keeping this in mind, Section 4 delves deeper into company-led recommendations focusing on listening to female employees and practising data-driven DEI initiatives. It is also important to modify regulatory structures to reflect the increasing ESG needs of companies.

## Section 04: Recommendations

The exodus of women from the urban labour force, juxtaposed with a pre-existing low urban FLFPR (even amongst educated women), is indicative of missed opportunities to attract women's talent in the country. Additionally, continued gaps between the actual and intended impact of DEI initiatives suggest that corporates can re-examine their DEI practices for efficacy and effectiveness. Based on the primary and secondary research conducted in the previous sections, this section provides a list of recommendations and principles for corporate leaders.

### Section 4.1: Recommendation Principles

The following principles have been recommended to improve gender representation in companies:

- **Principle 1:** Listen to employees, especially women
- **Principle 2:** Practise data-driven DEI
- **Principle 3:** Adopt the Lifecycle approach
- **Principle 4:** Implement the five-stage gender-inclusivity framework

The study recommends that companies use the following 4 principles as the basis for designing and implementing DEI initiatives. These general principles will help organisations improve firm culture, utilise data more effectively, and achieve firm diversity goals. ([Nikore et al., 2022](#))

#### **Principle no. 1:** *Listen to employees, especially women*

Adopt a bottom-up culture, run pilots, and ask the employees, especially women to speak up, participate in open forums, and respond to anonymous surveys to pinpoint the exact gaps in existing policies, and understand employee needs.

#### **Principle no. 2:** *Practise data-driven DEI*

Regular data collection to track diversity metrics and representation of women at different seniority levels and departments, can help companies measure and assess the effectiveness and impact of DEI initiatives.

#### **Principle no. 3:** *Adopt the Lifecycle approach*

A comprehensive DEI strategy does not take a piecemeal approach, and rather focuses on the lifecycle of the employee from hiring to retention, and then to growth and professional

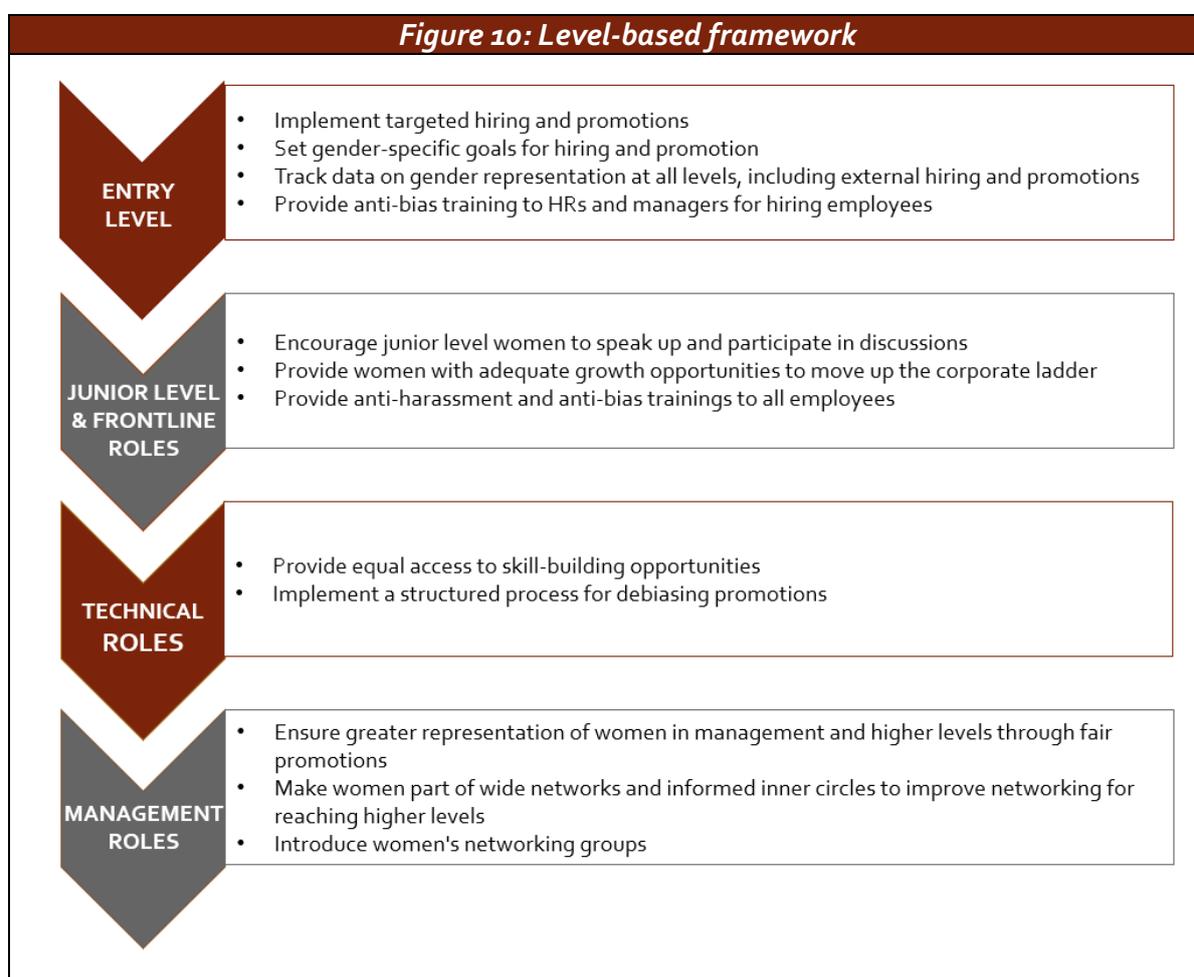
development. This can help in creating a pipeline of women at different stages of seniority in the organisation.

**Principle 4:** *Implement Nikore Associates’ five-stage gender-inclusivity framework*

Companies can follow a 5-stage gender-inclusivity action framework, starting with a baseline analysis to benchmark company performance across key metrics of gender equity, then move to the analysis of alternative policy options, and then to implementing priority policies to maximise value for money and policy effectiveness. The final stage is impact evaluation, which is essential to understanding whether the selected policies were able to deliver on their targets and intended impact.

**Section 4.2: Level-Based Recommendations (based on Principle 3)**

Nikore Associates’ Gender Primer on Diversity, Equity and Inclusion views DEI interventions as dynamic processes which cannot end at the hiring level. Women, in various positions in an organisation, require differentiated strategies to succeed and become senior leaders. This requires companies to implement targeted policies across the employee lifecycle. Implementing a level-based framework, such as the one shown below, will play an effective role in attracting, retaining, and promoting women across different levels in their organisations.





We detail the following level-based framework that can be used by corporates to build a pipeline of women at four levels of positions:

1. **Entry Level:** As noted in section 2 above, out of the respondents, 63% of firms have less than 30% of women in their organisation, 23% of firms have between 30%-50% of women and only 14% of firms have more than 50% of women.

Underrepresentation of women begins at the entry level itself; it becomes exponentially harder to secure representation of women in the upper rungs of the ladder without an entry-level approach. Companies must recognise the importance of introducing female talent in the workplace and implement strategies like targeted hiring and promotion that increase the proportion of women in entry-level positions. Additionally, companies can improve employee representation by setting gender-specific goals for hiring and promotion. Companies should also track data on gender representation at all levels, including external hiring and promotions. Anti-bias training can be provided to HRs and managers for hiring employees.

#### ***Box 6: Some Industry Best Practices***

A paint manufacturing company, based in Navi Mumbai, **hired 30% female** employees in all the open positions in the **last six months** before the survey. To improve diversity in the firm, they are also hiring from other states of India. Their firm has a transparent culture of openness, fairness, diversity & inclusiveness. These combined efforts of the firm have resulted in **effective teamwork** across functions.

*Source: Survey response from CII enterprises*

#### ***Box 7: Some Industry Best Practices***

A private hospital chain, headquartered in Kolkata, reported that **more than 50% of their staff are women**, and from diversified regions and cultures. The firm has institutionalized DEI culture in the organization, with management commitment towards **hiring diverse talent irrespective of gender differences**.

*Source: Survey response from CII enterprises*

2. **Junior Level & Frontline Roles:** The analysis based on survey responses suggests that 58% of firms had less than 20% women in junior roles, 28% of firms had between 20%-40% and only 14% of firm had 40% and above women in junior roles. 77% of firms had less than 30% women in frontline roles, 9% of firms had between 30%-50% and 14% firms had 50% and above.

Junior-level women must be encouraged to speak up and participate in discussions and provided with adequate growth opportunities which help them move up the

corporate ladder. Anti-harassment and anti-bias trainings for all employees can help retain women at all levels, but especially junior-level women, and women in customer

**Box 8: Some Industry Best Practices**

A financial services company, based in Kolkata, recruits diverse talent and **uses analytics to measure employee efforts**. Such initiatives can ensure fair promotions for junior-level women. Moving forward, they aim to improve awareness about diversity and inclusion issues in the workplace and facilitate inclusive onboarding.

*Source: Survey response from CII enterprises*

**Box 9: Some Industry Best Practices**

A steel company, based in Jharkhand has started hiring female employees from reputed government and private colleges, specially from commerce & science stream to diversify the critical positions. The firm also provides **menstrual leaves** for 2-5 days in a month to all female employees. Due to their efforts, **female representation** in the firm has increased **from 8% to 15%** in the last two years before the survey.

*Source: Survey response from CII enterprises*

3. **Technical Roles:** The analysis in section 2 depicts that 65% of firms had less than 20% women in technical roles, 11% of firms had between 20%-40% and 14% of firms had 40% and above.

**Box 10: Some Industry Best Practices**

A container and glassmaking company, based in Kolkata, **recruited women in technical roles** such as accounting and marketing. The company witnessed **massive improvements** post adoption of DEI policy, accompanied by improved customer satisfaction.

*Source: Survey response from CII enterprises*

**Box 11: Some Industry Best Practices**

Companies like ONGC and WIPRO have respectively set up Women Development Forum (WDF) and Women of Wipro Programme (WoW) to **train mid-managerial women staff on leadership, promote gender inclusivity through training** and create other innovative initiatives to support women. These initiatives benefit families and communities by empowering those at the workplace and at home.

*Source: Nikore Associates' Gender Primer*

4. **Management Roles:** As discussed in section 2, 70% of firms had less than 20% women in middle-management roles, 23% of firms had between 20%-40% and only 7% of firms had



40% and above women in middle-management roles. From the same pool, 82% of firms had less than 20% women in senior-managerial roles, 9% of firms had between 20%-40% and 9% of firms had 40% and above women in senior-managerial roles.

Globally, companies with women CEOs have significantly more women on their boards than those run by men – 34% vs. 19%, respectively ([McKinsey, 2022](#)). Additionally, women leaders are 2x as likely as men leaders to spend substantial time on DEI work ([McKinsey, 2022](#)). Hence ensuring greater representation of women in management and higher levels through fair promotions can improve the representation of women throughout the organisation. Since women face more challenges in networking compared to men; to be considered for top positions, they must be a part of both wide networks and informed inner circles. Women's networking groups can be introduced by companies to give women an opportunity to meet mentors who can assist them in navigating the workplace's complexities.

#### **Box 12: Some Industry Best Practices**

A steel company, based in Jharkhand, launched '**V-SHAKTI: Diversity Leadership Program**' which is a structured program for accelerating growth through leadership framework and external assessments for diversity leaders and their placement on key positions. 16 female employees were identified for leadership roles and assigned key positions. They also have an **equal remuneration policy** for all employees working in executive grades. The company reported seeing drastic improvements in diversity in all areas by creating equal opportunities in the workplace.

*Source: Survey response from CII enterprises*

#### **Box 13: Some Industry Best Practices**

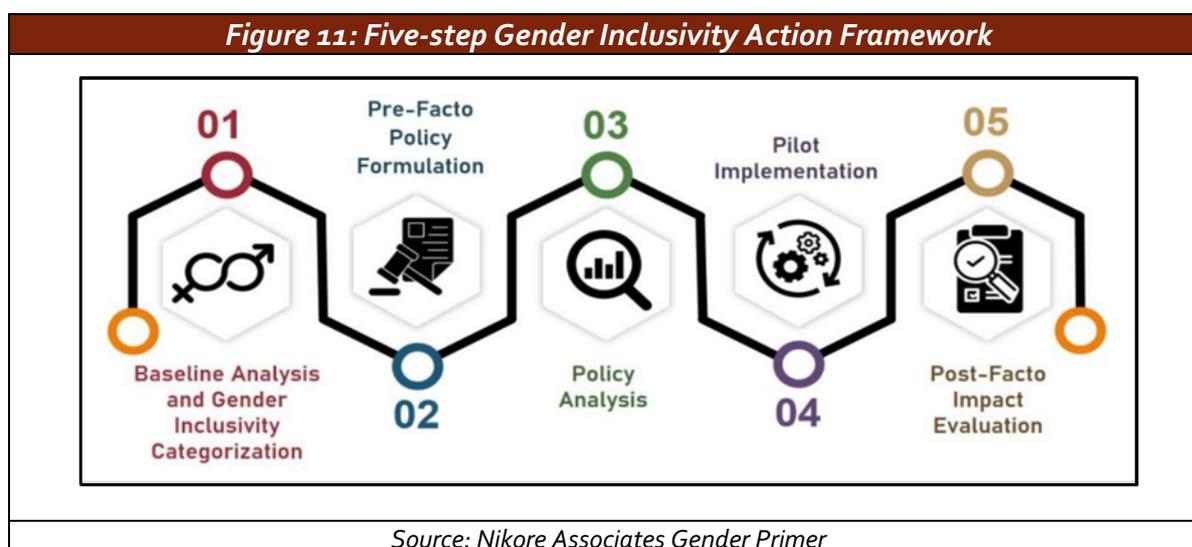
A construction company, based in Bhubaneswar, mentioned that **one of their two board members is a female**, and under her leadership, the organization has put a lot of effort towards women's growth. A paint manufacturing company, based in Navi Mumbai, also mentioned that **female managers are coming up** to take bigger responsibilities. Due to team diversity, cohesive teams are also being formed.

*Source: Survey response from CII enterprises*

### Section 4.3: Five-Stage Gender Inclusivity Framework

The study recommends a firm-level approach; lack of gender diversity cannot be accurately addressed through legal regulation alone. A company-led approach with coordination through various industry organisations like CII aiding in setting benchmarks, promoting best practices, and fostering knowledge creation that will encourage companies across the country to enhance and realise their diversity goals (Nikore et al, 2022).

To allow a seamless integration of women in both lower-level and managerial positions, companies may use the following five-step gender inclusivity action framework. The stages are discussed in detail below.



#### Stage 01: Baseline Gender Inclusivity Assessment & Benchmarking

**Aim:** To identify the company's standing in terms of gender inclusivity (basic, intermediate, or advanced), the areas where they perform well, and areas requiring improvement.

This stage enables companies to determine target areas for focus and assists companies to figure out their strategic priorities as they move from basic to intermediate and later, to the advanced levels. Priority is placed on evaluating the level of control over resources, inclusion in decision-making, the agency to use resources, and how the current policies have supported the personal growth and professional aspirations of each gender in the company.

#### Stage 02: Pre-Facto Policy Formulation

**Aim:** To identify target beneficiaries for a new policy and determine policy parameters.

This may be achieved by gathering both qualitative and quantitative data such as revenues, metrics on employee satisfaction and retention, determination of intended outcomes, and identifying factors to test policy effectiveness.

### **Stage 03: Policy Analysis**

***Aim:** To plan, formulate, and adopt potential policies used to bring about the intended results (as identified in Stage 02).*

To determine the policy that yields the best results, it is necessary to explore and develop numerous policies, and perform a cost-benefit analysis for all.

### **Stage 04: Pilot Implementation**

***Aim:** Pilot implementations may potentially produce evidence that may aid future policymaking efforts.*

A pilot is conducted on a smaller sample before actual implementation of a policy. The performance helps determine the validity of assumptions stated during policy formulation. Over the course of the pilot, the policy must be implemented and adequate documentation of its processes and impacts must be provided.

Additionally, to determine and evaluate performance against key indicators chosen in Stage 02, appropriate monitoring mechanisms must be set up. The performance may be subsequently assessed in Stage 05.

### **Stage 05: Post-Facto Evaluation**

***Aim:** Address inquiries made following completion of pilot implementation, documentation of processes, and monitoring of important parameters.*

After the policy is put into effect, it is crucial to evaluate the discrepancy between expected and actual policy results and determine whether it has reached their intended beneficiaries. This stage may also be referred to whilst evaluating effectiveness of current policies and programmes. This step should help reveal how the proposed policy improved gender inclusivity in the company – both qualitatively and quantitatively.

## Concluding Note

By now, it is well understood that India's female WPR is among the lowest globally. Even among the highly educated, nearly 60% of women are not at work in India. COVID-19, in addition to the pre-existing skewed gender balance, worsened the scenario; women's labour force contracted further - particularly in the urban areas. Therefore, not only are fewer women returning to the workforce post COVID-19, but they are also more stressed and have lower productivity owing to a greater burden of unpaid care work.

Lack of institutional support is a key deterrent towards returning to work for women, based on consultations conducted by Nikore Associates, especially for full-time, in-person roles. This raises a significant issue for the country: despite greater awareness, and an increase in the number of DEI initiatives, gaps persist between intended and actual impact on employee satisfaction, productivity, retention, and growth.

To understand these gaps better, CII IWN undertook a dipstick survey amongst member companies in India. The survey concluded a consistently low representation of women throughout the corporate hierarchy, including in technical, frontline and successor roles. Furthermore, most companies relied upon implementation of "traditional" DEI initiatives (covering maternity benefits and POSH compliance), while relatively neglecting "innovative" initiatives (like gender sensitisation trainings and paternity leave). Long-term commitment to ensuring equal opportunities for both men and women were also missing.

When compared to other countries in the developed world, India has a decent performance with respect to gender-responsiveness of ESG compliance structures - relying solely on furnishing the annual BRSR report, mandated for the top 1000 companies by market capitalisation. However, there is still a lot to do. The white paper attempts to provide corporate leaders with an overview of recommendations as well as principles around introducing effective DEI measures, chiefly (i) listening to all employees, especially women; (ii) data driven approach to DEI initiatives; (iii) lifecycle approach to DEI measures and (iv) five-stage gender inclusivity framework for implementation. Coordinated implementation of the five-stage framework, across all levels of the corporate hierarchy, will amplify the impact of each intervention. It is hoped that this white paper not only helps corporate leaders become more empathetic, and responsive, towards the needs of women, but also provides them with practical tools for implementing effective DEI measures.

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**Appendix 1: National Guidelines on Responsible Business Conduct**

*In the following table, the authors have delineated the nine principles of [NGRBC](#) under the Environmental, Social, and Governance pillars. The cells highlighted in red contain gender-responsive principles.*

Environmental	Social	Governance
<b>Principle 2:</b> Business should provide goods and services in a manner that is sustainable and safe.	<b>Principle 2:</b> Business should provide goods and services in a manner that is sustainable and safe.	<b>Principle 1:</b> Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.
<b>Principle 6:</b> Businesses should respect and make efforts to protect and restore the environment.	<b>Principle 3:</b> Businesses should respect and promote the well-being of all employees, including those in their value chains.	<b>Principle 3:</b> Businesses should respect and promote the well-being of all employees, including those in their value chains.
	<b>Principle 4:</b> Businesses should respect the interests of and be responsive to all its stakeholders.	<b>Principle 5:</b> Businesses should respect and promote human rights.

***Appendix 1: National Guidelines on Responsible Business Conduct***

	<p><b>Principle 5:</b> Businesses should respect and promote human rights.</p>	<p><b>Principle 7:</b> Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.</p>
	<p><b>Principle 8:</b> Businesses should promote inclusive growth and equitable development.</p>	<p><b>Principle 9:</b> Businesses should engage with and provide value to their consumers in a responsible manner.</p>
<p><i>Source: National Guidelines on Responsible Business Conduct (NGRBC), MCA</i></p>		



## Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India completes 75 years of Independence in 2022, it must position itself for global leadership with a long-term vision for India@100 in 2047. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2022-23 as Beyond India@75: Competitiveness, Growth, Sustainability, Internationalisation has prioritized 7 action points under these 4 sub-themes that will catalyze the journey of the country towards the vision of India@100.

With 62 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

### Confederation of Indian Industry

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