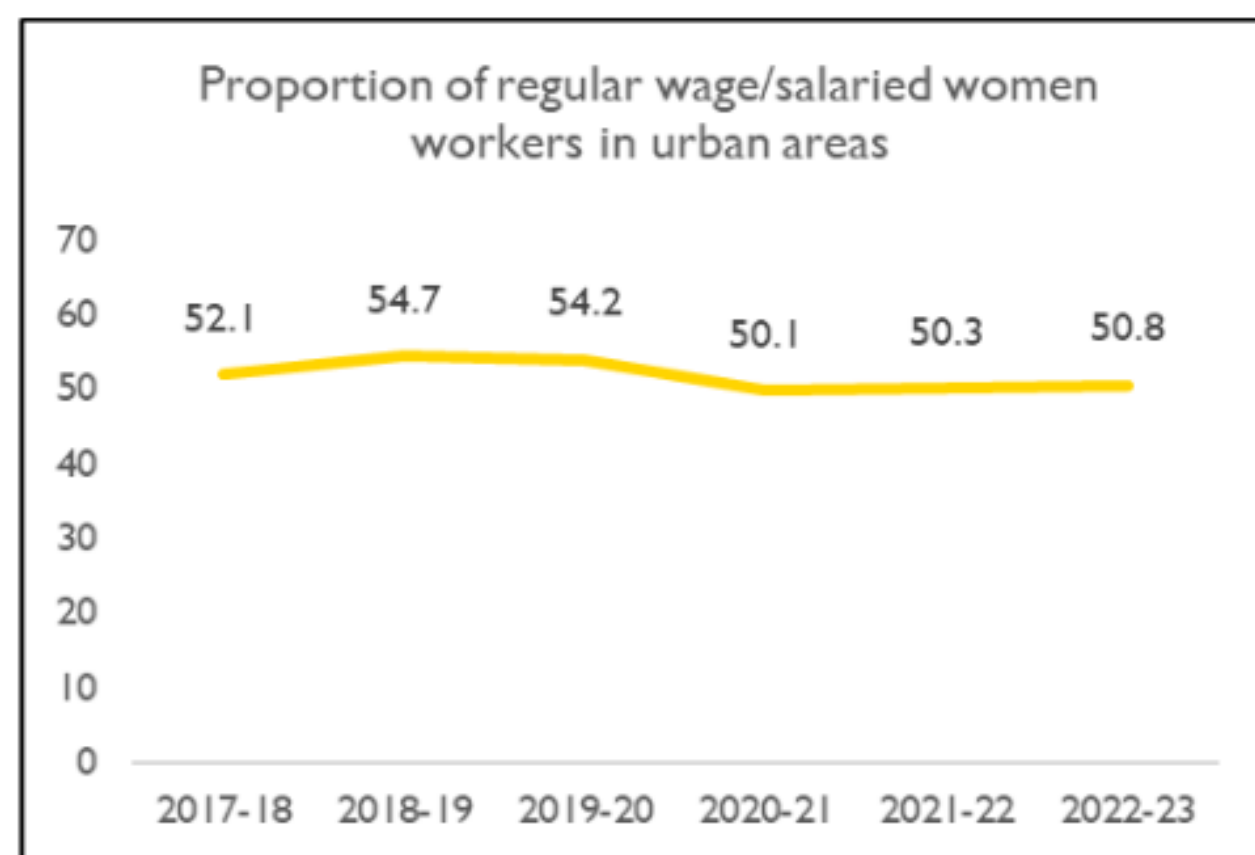
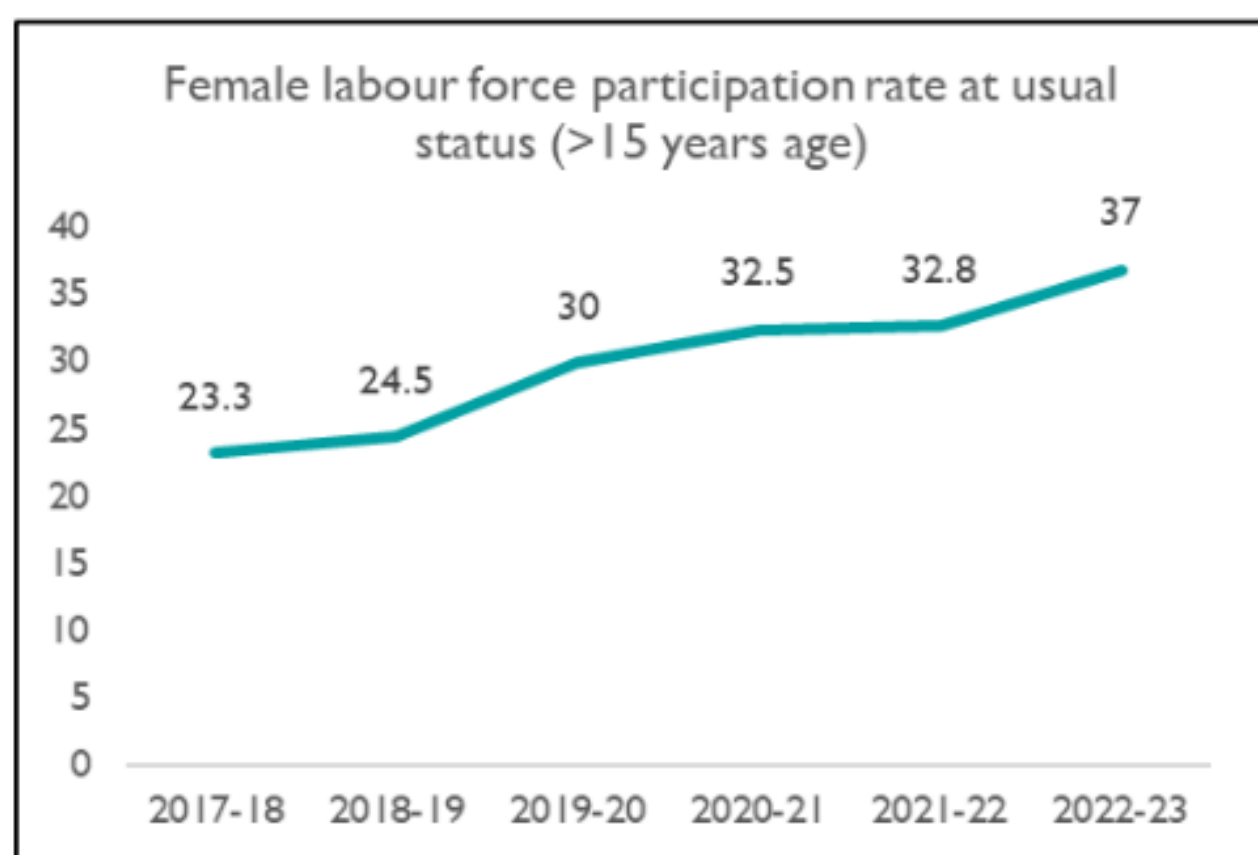


Narrowing the gender data gap: A roadmap to improve **gender data reporting** in corporate annual reports



INTRODUCTION

India is characterised by low female labour force participation rate but has seen an increasing trend over recent years. A time series analysis of the labour force participation of women aged 15 and above in India shows a rise from 23% in 2017-18 to 37% in 2022-23, while male labour force participation stands at 78.5%. However, on a closer look, it is observed that the growth in female labour force participation is restricted to the agricultural sector, while there is sluggish to stagnant growth in the non-agricultural sector, specifically, the salaried/regular wage employment. Focusing on the urban salaried female employment, there has been a dormant growth of 0.7% since 2020. In order to address this issue, along with understanding the scale, there needs to be holistic availability of gender data in the formal sector. Gender statistics is fragmented and irregular at best, which hinders data-driven decision making. While there has been abundant research dedicated to examine the validity and adequacy of gender data in national level datasets, identical analysis in the private sector is limited.



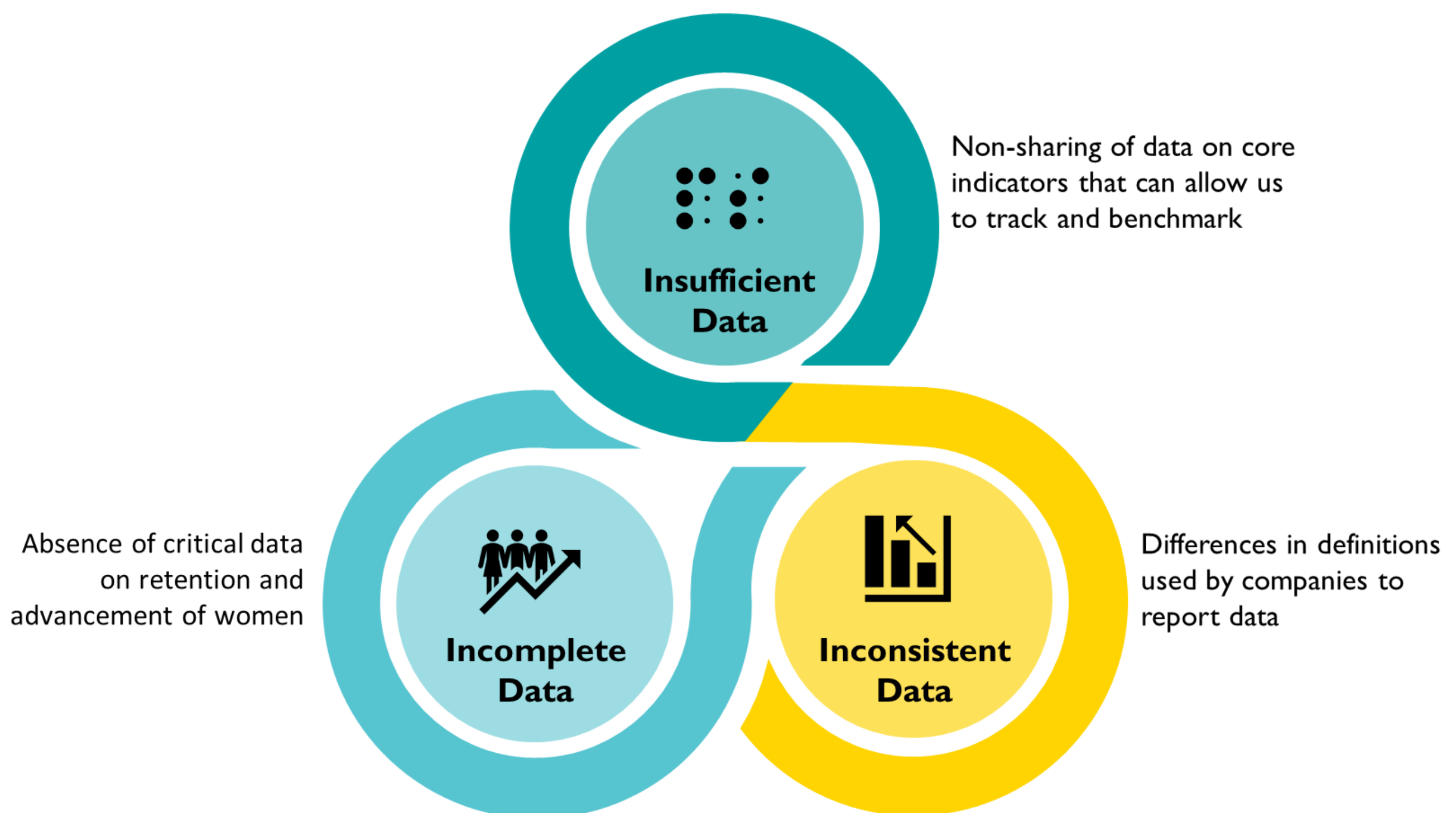
Reporting formats followed by formal sector companies in annual reports since 2009 included basic disclosures on sustainability, employee well-being, and social value addition but lacked comprehensive gender representation data. In 2012, SEBI released the Business Responsibility Reporting framework, making it mandatory for the top 100 listed companies but still it lacked detailed gender reporting. The Ministry of Corporate Affairs in 2019 revised the guidelines, improving gender reporting by including data on women in governance and top management. Finally, SEBI introduced the Business Responsibility and Sustainability Reporting (BRSR) in 2021, which offers a more comprehensive and structured approach to gender data reporting compared to prior reporting formats, making it mandatory for the top 1000 listed companies, facilitating a more in-depth analysis of gender statistics. However, there is no initiative in India currently which aggregates such data and analyses them to come up with helpful insights. This prevents us from having a macro view of the sector-wise or industry wise situation.

Close the Gender Gap Platform

To address this, The Udaiti Foundation has launched the Close the Gender Gap (CtGG) platform. The CtGG is a go-to hub on women’s representation in the workplace that includes data, analytics and resources. CTGG looks to drive commitments & action towards gender parity in the workforce. Levers include supporting gender disaggregated data, narrative-building, creating champions & platforms, and industry & policy engagement. The platform enables comprehensive analysis of gender data in the formal sector with a trend element, as a critical tool for understanding gender disparities in employment, as well as empowering companies to acknowledge where they stand in terms of gender diversity. This blog outlines the issues we have found while collating data from the annual reports of companies for three financial years (FY 2020-21 to FY 2022-23). It discusses what the reporting format currently lacks to facilitate ease of gender data collection and analysis along with recommendations.

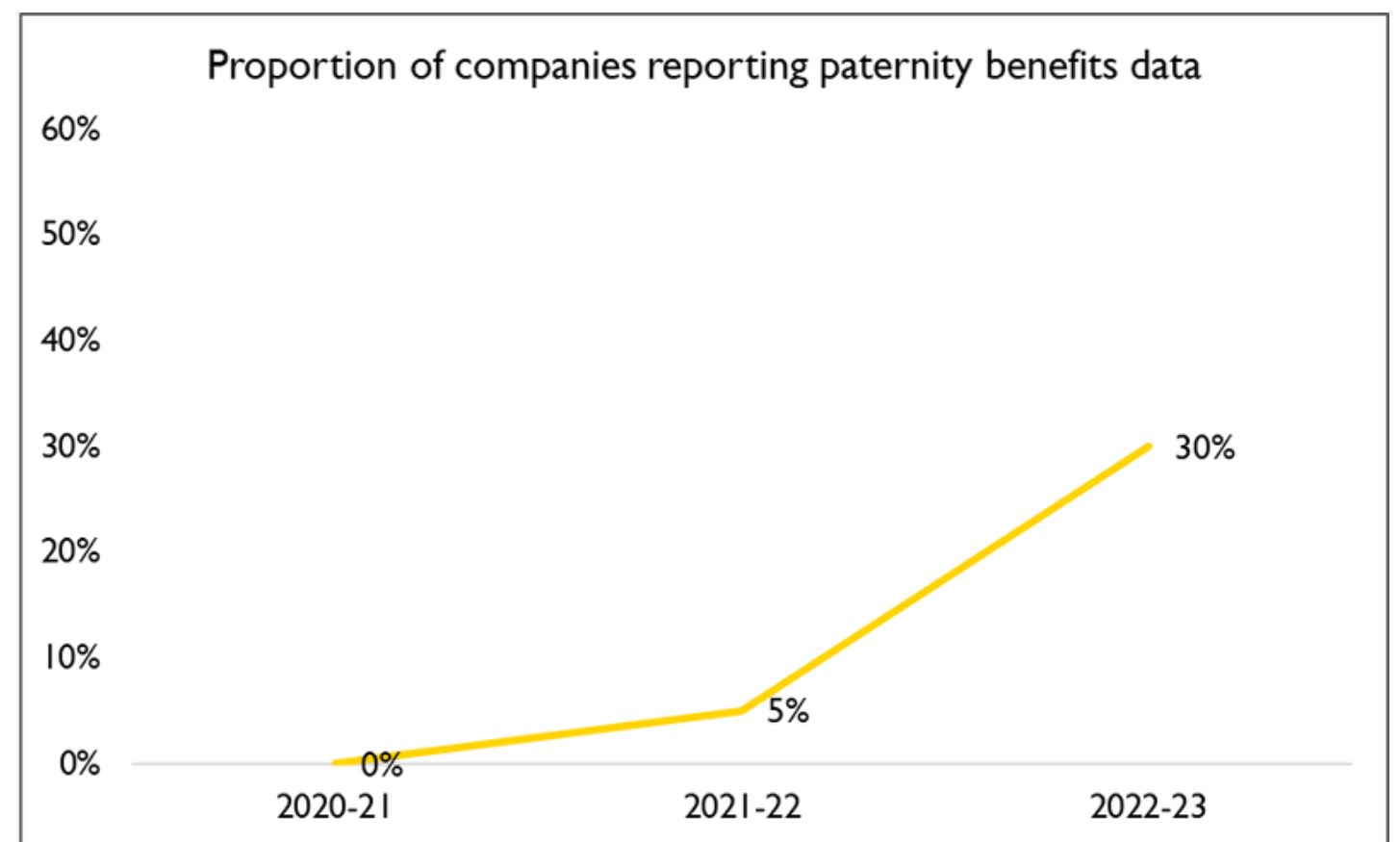
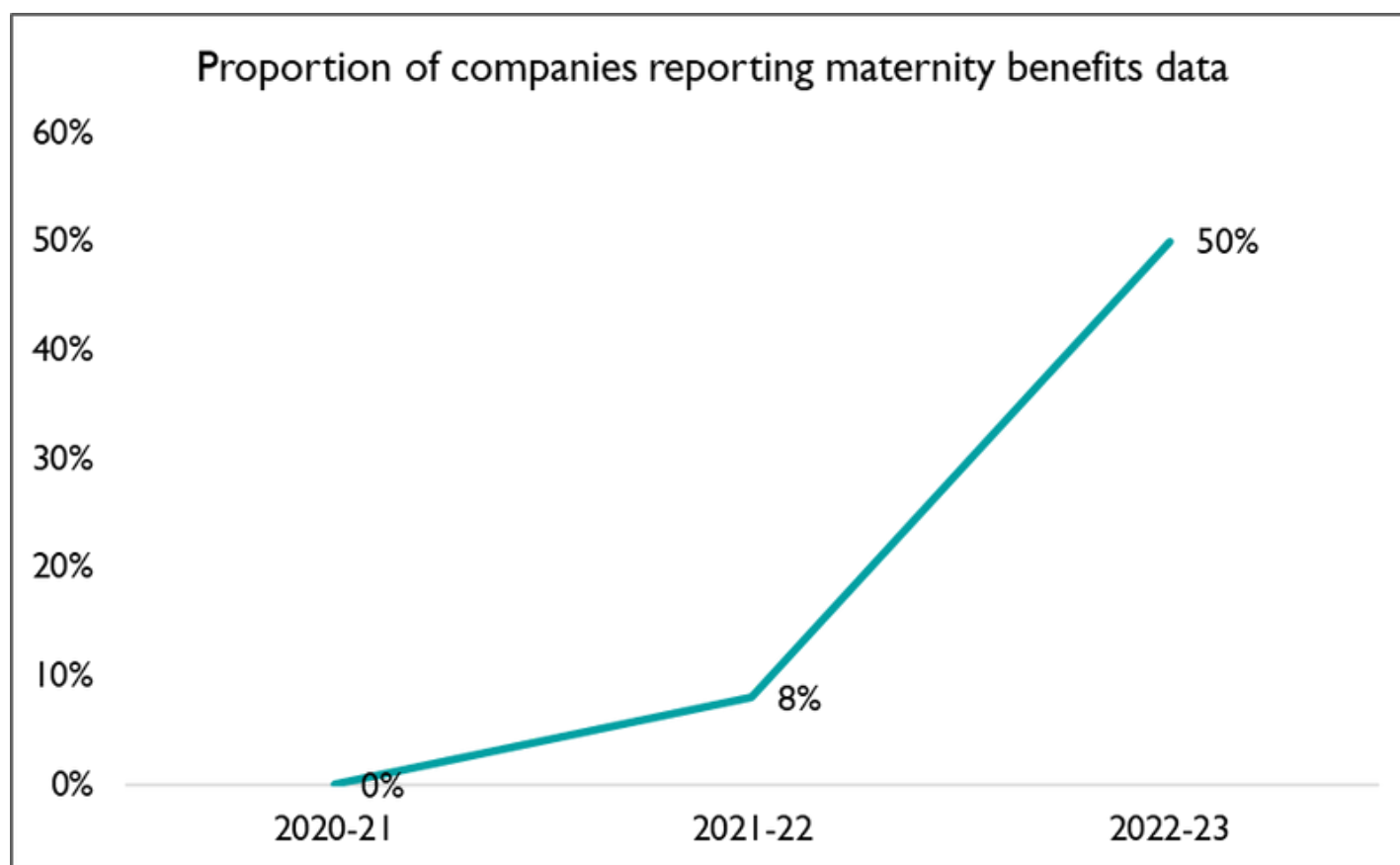
Issues in Gender Reporting by Indian Inc

The primary objective of the annual reports is for companies to provide information on their financial position and performance to investors and stakeholders. In recent times, companies also share their performance towards ESG responsibilities disclosing their activities transparently. The issues observed by reviewing the gender reporting by Indian companies are mapped to the **I3 Framework** depicted below.



1. Insufficient Data

The BRSR Framework has given a set of core indicators on gender for the companies to report on. While data on indicators like number of women employees, women in key management positions are reported by most of the companies, companies are still lagging in reporting data on multiple indicators including well-being policies and benefits. In the FY 2022-23, only about 50% companies explicitly reported data on maternity benefits and 30% of them reported data on paternity benefits. Though this is a drastic increase compared to FY 2020-21, all organisations need to report these data points to get insights on gender diversity measures taken by the companies.



2. Inconsistent Data

Disparity in reporting has been observed across annual reports of companies hindering effective aggregation and benchmarking. There are a few areas in which the format of reporting varies across companies.



In the FY 2022-23 around 33% of the companies reported Individual remuneration of Board of Directors and Key Management persons, while 67% reported the median value*.



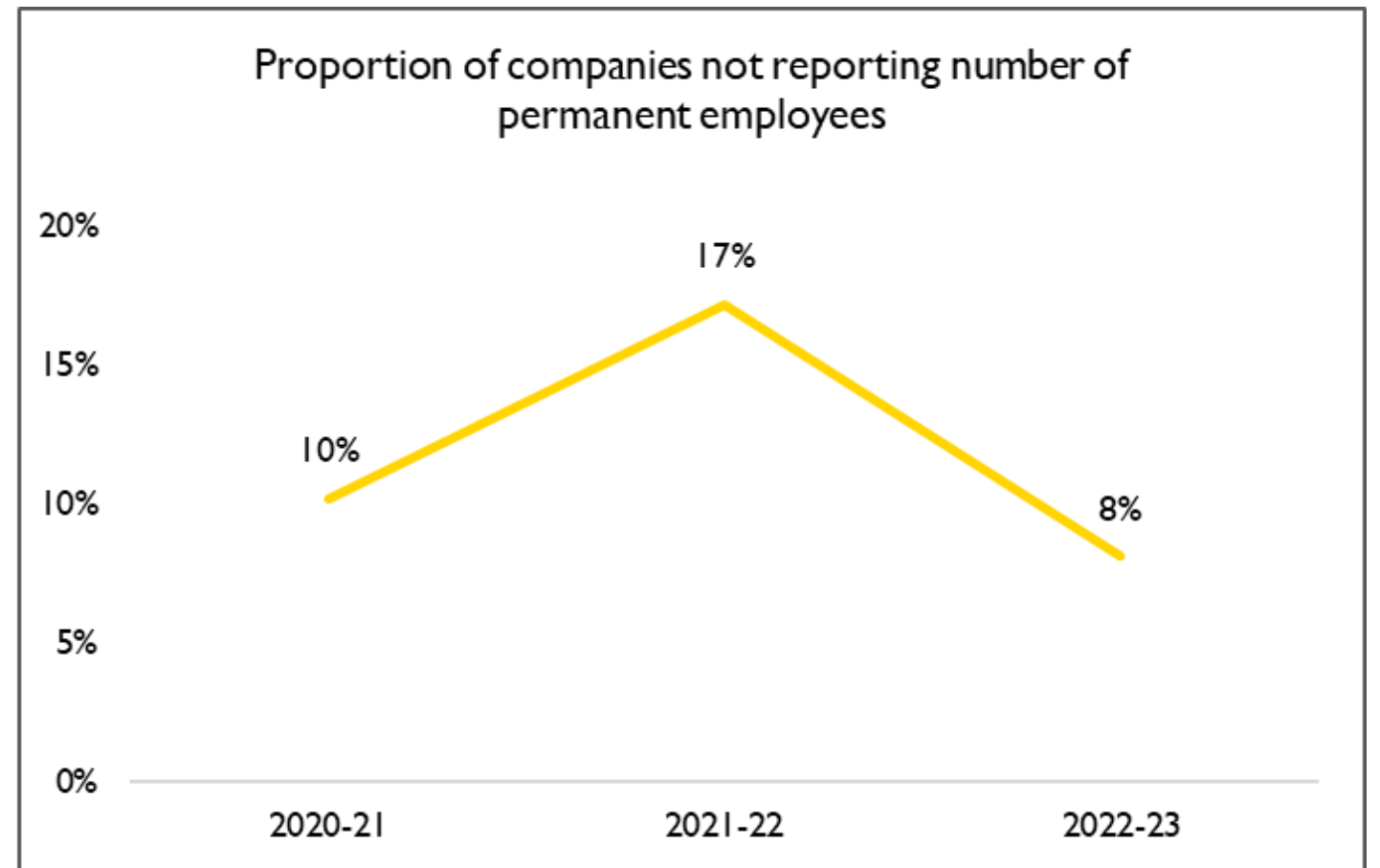
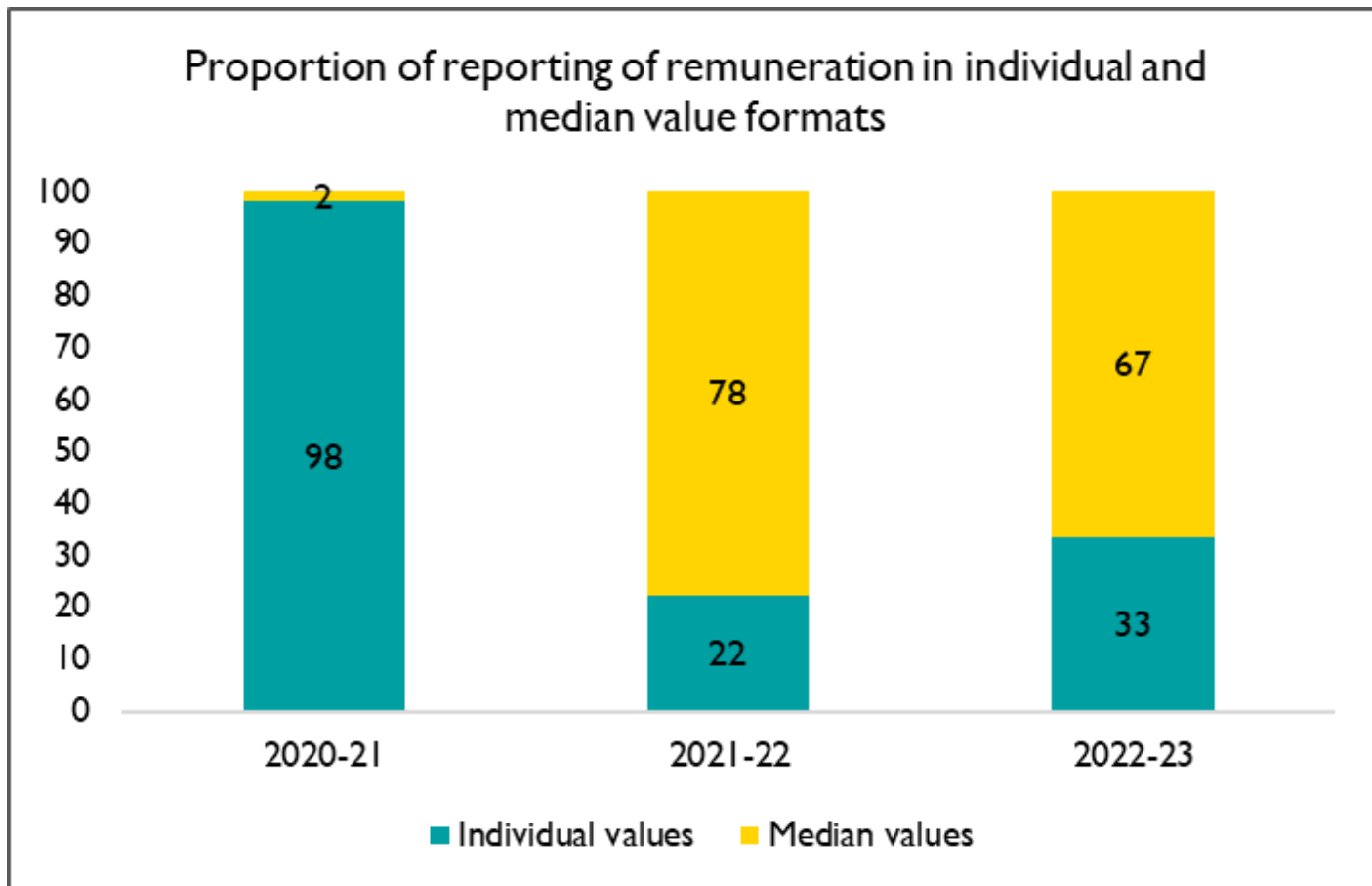
11% of companies in 2020-22 combined the remuneration values of BoD and KMP together. There is also a disparity in reporting of the number of BoD and KMP. While in some companies, the number of male and female BoD and KMP are clearly reported, in others, the names, gender and positions of the BoD and KMP are given. A problem in the second format is that the names of directors/KMP whose term has ceased is also mentioned with footnotes. This makes data collation challenging.



Another key inconsistency in the format of reporting has been observed in the way the number of total employees, permanent employees and other than permanent employees has been reported. Around 17% of companies in 2021-22 did not explicitly mention the number of permanent employees. However, this has improved in 2022-23, where only 8% of the companies have merged the permanent employees number with the total number of employees.



For data on the number of employees benefited from policies like maternity leave, paternity leave and health insurance, some companies have reported the total employees as beneficiaries while others reported only the number of employees who availed the benefits in the reporting year.



3. Incomplete Data

Even though the gender indicators that are part of the BRSR framework are quite elaborate, few critical indicators across hiring, retention and advancement are still missing from the annual reports. Currently, there is no indicator in the BRSR framework which sheds light on the hiring practices of companies. The overall hiring rate of women, along with a deep-dive into the hiring of women versus men in core roles such as tech, sales, product etc will provide valuable insights. Apart from gender breakup of women representation in permanent, contractual and worker level, there is also a need for reporting of representation of women at different seniority levels. We propose the following 10 indicators to be mandatorily reported by all companies for better understanding of gender diversity in the formal sector.

Theme	Indicators	Definition
Hiring	Hiring rate of women	Women hires as a % out of all hires that FY
	Hiring of women in core roles	% of women hired in core roles like Tech/Engineering, Sales, etc.
Representation	Women in contractual and worker level roles	% of women in contractual roles and permanent and non-permanent worker level roles
	Women in senior leadership	Number of women in board, executive, and senior managerial level
	Level-wise representation of women	% of women in each seniority level (Entry level, Junior and Mid level, Senior level) along with a qualitative definition of what each position means in the company
Advancement	Level wise median remuneration of women	Median remuneration of women in each seniority level (Entry level, Junior and Mid level, Senior level, BoD, and KMP level)
Retention	Attrition rate among men and women	%of women who resigned at the end of the year vs number of men who resigned at the end of the year
	Return to work rate among women	Number of women who have returned to work after a) sabbatical b) maternity leave
	Provision of well being facilities/policies	Maternity leave, daycare/creche facility, paternity leave, accident insurance, health insurance, menstrual leave are provided by the company