

June 2023

ESG::readings

Series of analyses from the Indian financial and corporate sectors

CRISIL MI&A Research, leveraging its strong sectoral research capability, rich databases, track record of scoring Indian companies, and global and domestic expertise, brings to you sharp insights on various facets of environmental, social and governance (ESG) in India.

Mind the gap

Gender equity disparity remains gaping at India's largest companies

Gender equality at the workplace is a significant aspect of the social, or 'S', pillar of ESG. While still lagging in many ways, Indian companies are being pushed to introspect on how equitable and safe their workplaces are for women, and put out information on the same. While disclosures are only slowly improving, an analysis of even the available information is instructive.

In this issue of ESG Readings, we have analysed the fiscal 2022 annual reports of India's top 50 companies by market capitalisation, comparing them over several gender-related metrics that try to capture the multi-dimensional aspects of gender equality. These include women representation, pay ratio (gap), return-to-work rate, paternity leave policy, menstrual leave policy, day care facilities, and more.

Here, we summarise our key findings under eight major heads:

Glass ceilings, everywhere

Only two of the 50 companies are led by a woman managing director(MD)/CEO while only three have a woman CFO. Two

have women chairpersons. At the Board level, the average gender diversity was found to be 24%, compared with 17% in CRISIL's overall coverage of ~500 companies. For companies with women in MD/CEO roles, the average was slightly higher at 28%.

In the overall workforce, the proportion of women in the top 50 companies remains very low at 18%. That compares poorly with the average global gender diversity, which is already a not-so-high 39% as per S&P Global 2021 estimates. But interestingly, the companies with women MD/CEOs have a significantly higher gender diversity at 28.5%.

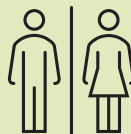
When women lead, they can be rainmakers

The two companies with women MD/CEOs increased their profits by Rs 1,470 billion (combined) since their women leaders' appointments. They also saw an average increase of ~151% in their stock prices over this period. Stock prices of companies with women CFOs rose ~13% on average since their appointments.



2

of the 50 companies have a woman MD/CEO. Only three have a woman CFO



18%

overall gender diversity in the top 50 companies



28.5%

gender diversity where women are MD/CEOs



13%

increase in the stock prices of companies with women CFOs, since their appointment



0.79:1

average gender pay ratio



6 days

maximum paternity leave offered by these companies



30

of the 50 companies offer creche facilities



0

offer period leaves

The gap that never closes

The disclosure of remuneration offered to female employees vis-à-vis male employees is very uneven. Of the 50 companies analysed, 29 highlighted the median remuneration of male and female employees for different categories such as Board members, key managerial personnel, permanent employees and workers.

The average ratio of pay (CTC) offered to women and men in these companies worked out to 0.79. The category-wise average ratios were 0.70 for Board of Directors, 0.66 for key managerial personnel, 0.87 for permanent employees, and 0.95 for workers — revealing not only the gap, but how it widens as one goes up the ladder.

No period leaves

We found none of the 50 companies currently offer period leaves to its female employees. Globally, Spain became the first European country to grant paid menstrual leave to workers, among a host of other sexual health rights.

While this is also being widely adopted in Japan, China and the US, Indian companies still have a long way to go.

Penalty of parenthood?

Moreover, only 37 of the 50 companies offer paternity leave to its male employees. Of those that do, only eight offer this benefit to 100% of its employees, up to a maximum of six days, implying that the burden of caregiving is disproportionately on the mother. Currently, in India, all provisions related to paternity leave apply only to government employees and not to the private sector.

Only 26 of the 50 companies disclose the return-to-work rate (post child birth) of employees, averaging 92%. Fourteen companies reported a 100% return-to-work rate last year.

More child care at work

On the positive side, with the dual-income family becoming the norm, Indian companies have started offering day care facilities at their premises in accordance

with the National Minimum Guidelines for Setting Up and Running Crèches under Maternity Benefit Act, 2017. About 30 of the top 50 companies in India offer day care facilities to their employees.

The road to safety

Only six of the 50 companies currently offer cab/transport services to its employees to and fro their homes. More companies must actively provide this service, especially for those working beyond regular hours, to promote a safer working environment. More women employees also need to raise the demand for it.

There's work — and then there's work-from-home

Finally, we found about 31 of these 50 companies offer flexibility such as work-from-home facility. A recent survey of ~1,000 women professionals conducted by JobsForHer, a leading Indian online career platform for women, revealed that over 40% of respondents prefer flexible working options that allow some amount of work from home.

Analytical contacts:

Joslyn Chittilapally

Associate Director

joslyn.chittilapally@crisil.com

About CRISIL Market Intelligence & Analytics

CRISIL Market Intelligence & Analytics, a division of CRISIL, provides independent research, consulting, risk solutions, and data & analytics. Our informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies.

Our strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, make us the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong, UAE and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [LINKEDIN](#) | [TWITTER](#) | [YOUTUBE](#) | [FACEBOOK](#) | [INSTAGRAM](#)

CRISIL Privacy Notice

CRISIL respects your privacy. We may use your personal information, such as your name, location, contact number and email id to fulfil your request, service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com/privacy.