

Global Best Practices in Workplace Inclusion for Transgender Employees: Lessons for Indian Corporate Governance

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Abstract: The contemporary jurisprudence and scenario of the corporate governance in India as well as globally has gone through a drastic systematic change which has not only shaped the corporate structure concerning board of directors, shareholders, subscribers, members but has also altered the concerns revolving around the inclusion of the vulnerable communities in the decision making procedure of the corporate governance. The situation of moving toward a comprehensive stakeholder-centric approach and away from the conventional theory of shareholder primacy is another significant change brought to corporate governance. Diversity, Equity, and Inclusion (DEI) are now seen as crucial markers of organizational resilience, human capital efficiency, and Environmental, societal, and Governance (ESG) performance rather than just optional societal obligations in this developed paradigm. “The broader umbrella of Diversity and inclusivity has been a strong witness of the establishment of the level playing field where people from every community can strive towards excellence without having to face the obstruction of discrimination and hostility meted out by the society. For India, a nation currently navigating a transition from historical marginalization to legal recognition of transgender identities, these global lessons provide a vital roadmap. The integration of the transgender community into the formal economy is not just a moral imperative but a strategic necessity, particularly as regulatory bodies like the Securities and Exchange Board of India (SEBI) mandate increasingly granular reporting on social inclusion.”

Key Words: *Inclusion, Diversity, Dignity, Corporate, Transgender.*

I. THE GLOBAL ARCHITECTURE OF TRANSGENDER INCLUSION AND BENCHMARKING

The foundation of modern democracy stands firm on the ideals of equality and liberty, liberty which not only intends to propagate the approaches and practices concerning anti-discrimination, but also intends to put all

human beings, irrespective of their sex, gender, class, creed, on an equal footing. This broad umbrella brings the transgender people within its ambit, who are considered as one of the vulnerable communities having faced torture, humiliation, and societal backlashes for time immemorial.

For many years, the foundation of contemporary civil rights has been dependent on an anti-discrimination legal framework to provide equitable access to social and economic pursuits. However, the protective effectiveness of these laws is continuously examined, negotiated, and frequently determined to be insufficient for certain oppressed groups whose identities defy fundamental societal boundaries. Among the various aspects and domains wanting consideration, the employment opportunities of transgender people are considered to be the most important landscape. It is arguably the most important new battlefield in this long-running fight for justice and equality in the workplace, and it is located right at the tense nexus of changing legal precedent, swift societal change, and deeply ingrained organizational momentum

The transgender inclusion in the workplace which once used to be a distant dream has started becoming a reality in contemporary times. Although there are obstructions which stand as impediment on the way to achieve the level playing field and equality as the other workers, yet the institutionalization of transgender workplace equality on a global scale is largely driven by sophisticated benchmarking instruments that provide corporations with a clear set of standards and a mechanism for accountability.¹

Among these benchmarking instruments, the most important ones are the Human rights campaign(HRC), Foundation's Corporate Equality Index (CEI), which has served as the definitive tool for measuring LGBTQ+ workplace equality in the United States and among multinational corporations for over two decades. Since its inception in 2002, the CEI has catalyzed a "sea-change" in corporate policy by creating a competitive environment where firms strive to earn top ratings through the adoption of pro-equality measures.

II. THE EVOLUTION OF GLOBAL STANDARDS: THE HRC CORPORATE EQUALITY INDEX

No changes can take place unless and until stringent measures have been taken and implemented by the governing authorities. The inclusion of transgender people in the corporate governance is not an easy task and cannot happen overnight. To ensure that it gets implemented properly all around the globe, the CEI has consistently "raised the bar," progressively introducing more stringent criteria to ensure that companies do not become complacent with baseline protections. The situation used to be different in the early years. The focus of the corporate equality index mostly centred around non-discrimination practices and statements. However, in recent times the situation has taken another turn. The index discloses the other needs and requirements of the transgender community.²

For instance, in order to receive a perfect score, the CEI began requiring transgender-inclusive health insurance coverage in 2012. Due to this requirement, large businesses were compelled to bargain with insurance companies to eliminate exclusions for transition-related medically essential treatment, such as hormone replacement therapy and gender-affirming surgery.

¹ Meeting of the International Panel of Experts In International Human Rights Law and on Sexual Orientation and Gender Identity held in Yogyakarta, Indonesia, November 6-9, 2006, Yogyakarta Principles on the Application of International Human Rights Law in relation to Sexual Orientation and Gender Identity, 3 (2007)

² The Yogyakarta Principles Plus 10 – Additional Principles and State Obligation on the Application of International Human Rights Law in Relation to Sexual Orientation, Gender Expression and Sex Characteristics to Complement the Yogyakarta Principles, November 10, 2017, available at: <https://www.refworld.org/docid/5c5d4e2e4.html> (last visited on January 14, 2026).

Metric Evolution in HRC CEI (2002-2025)	2002 Initial Benchmark	2025 Advanced Benchmark
Non discrimination policy	Inclusion of sexual orientation in 5% of the 500 fortune companies	Inclusion of gender identity in 98% of the rated company
Transgender healthcare	Zero companies offering trans inclusive healthcare	87% of the companies provide equal opportunity without any exclusive coverage
Transition guidelines	No formal documentation or organisation guidance offered	1051 companies provide formal gender transition guidelines
Participation scope	319 participating companies	1,449 participating businesses, including 72 first-time participants.
Supplier diversity	No requirement for contractor or supply chain alignment.	Mandatory for the contractors to the inclusive policies designed for the transgender people

The situation has progressed at an exponential rate and in 2025 we got to see various equality commitments undertaken by the corporate offices to ensure equality for the transgender community. A record 765 companies earned the "Equality 100 Award," signifying a perfect score across all metrics. This growth is the example of the understanding of the corporate offices that equality forms the bedrock of an inclusive society and to ensure that the transgender people are included in the workforce, dynamic and radical measures are a must.³

Additionally, according to internal climate surveys, nearly 20% of LGBTQ+ employees would think about leaving a company that reverses its inclusive policies, and 93.5% of them see a flawless CEI score as a crucial sign of corporate support. This implies that the consequences of exclusion extend beyond reputation and have a significant influence on organizational productivity and talent retention.

III. UNITED NATIONS STANDARDS OF CONDUCT FOR BUSINESS

Alongside the private measures for the inclusion of transgender community like the CEI, there comes the measures like United Nations Standards of Conduct for Business Tackling Discrimination against Lesbian, Gay, Bi, Trans, and Intersex (LGBTI) People. It has been developed through the collaborative effort with the partnership for Global LGBTI equality, these standards are grounded in international human rights law and the UN Guiding Principles on Business and Human Rights. The UN standards laid down in the charter are not only some decorative words rather it puts forth a pledge of respecting human rights, not only in the workplace but also in the marketplace and the community.

³ Jonathan L. Koehnig, Distributive Consequences of the Medical Model, 46 Harvard Civil Rights-Civil Liberties Law Review 619 (2011) (last visited on 14th January 2026)

The UN framework is considered as a unique and differentiated approach towards the inclusivity battle which has been ongoing for ages and decades. It has already been seen that the struggle for the transgender community is indeed a battle and every day they have been working towards getting the recognition that they rightfully deserve not only in the workplace but also in the education institutions. Ever since they are born, they are ridiculed and taunted by the people in the society and they are never given the rightful recognition to be treated as a gender and since they do not fall within the heteronormative and confirming approach of the gender identity they are considered as untouchables. Among these scenarios, the UN framework stands as a messiah which takes a “nuanced and differentiated approach toward transgender individuals. This is a critical second-order insight: transgender people face distinct human rights concerns compared to the broader LGBTQ+ population, often involving greater exposure to violence, lack of legal recognition, and systemic barriers to healthcare.”⁴

IV. THE INDIAN REGULATORY PARADIGM: FROM JUDICIAL MANDATE TO LEGISLATIVE FRAMEWORK

In India the progress for the inclusion of the community within the work force and even in the education institutions has become possible due to the judicial pronouncement and one of the important judicial pronouncements which has actually brought some drastic changes for the inclusion of the transgender community is the NALSA versus Union of India. The bureaucratic implementation of various policies is also a commendable step towards such progress. The foundational legal document for transgender rights in India is the 2014 Supreme Court judgment in National Legal Services Authority (NALSA) v. Union of India.

To have a general understanding of the contemporary socio-legal scenario, it is pertinent for us to study its history, which has been dramatic and often circuitous. As we study world history, it shows us that the recognition of transgender people and the extension of protection for non-conforming gender identities did not take place overnight; it became globally recognised through sex-stereotyping theory.

However, the Supreme Court established the sex-stereotyping doctrine in *Price Waterhouse v. Hopkins* (1989). According to this notion, discrimination based on sex occurs when an individual is subjected to unfavorable employment actions because they don't fit sex-based expectations. For example, a woman who is too "masculine," or a transgender person whose appearance defies cis-normative standards.

This is the judicial situation as far as the United States is concerned. In India, the recognition came much later. The recognition of legal rights of transgender people in India is not a standalone statutory amendment which does not require consideration, rather it came through a constitutional revolution formulated by the Hon'ble Supreme court of India, through the landmark case of *NALSA v Union of India*, 2014.

The ruling significantly altered the constitutional conception of personhood, equality, and dignity for transgender people rather than just establishing new protections. The Court confirmed that transgender people are entitled to the full range of fundamental rights protected by the Constitution, especially Articles 14, 15, 16, 19, and 21, and formally acknowledged them as the Third Gender.

⁴ Goodwin v. United Kingdom, Application No. 17488/90, ¶83, European Court of Human Rights (Grand Chamber).

The NALSA judgment is considered as an important change as it not only upheld the basic fundamental rights granted to the citizens, but it also laid down affirmative directives to the State and central government so that they can grant the equal access that these people rightfully deserve. These changes included the recognition of transgender people as Socially and educationally backward class so that they get an upliftment in the education sector and employment.

This verdict paved the foundation of a constitutional floor, which is considered a legal minimum that ensures the right to identity and non-discrimination. This verdict also led to the enactment of Transgender protection act which is one of significant statutes ensuring and securing the rights and liberties of this vulnerable community.⁵

V. THE NALSA JUDGMENT AND THE RIGHT TO SELF-DETERMINATION

The NALSA judgement is considered as a significant and foundational judicial pronouncement in India for the legal recognition of the transgender community, as this ruling for the very time gave transgender community the recognition of “third gender”. Additionally, it supported people's fundamental freedom to self-identify as their gender without having to submit to biological or medical testing. The Court placed gender identification into the fundamental rights framework by interpreting the right to "dignity" under Article 21 of the Indian Constitution as encompassing variety in self-expression.

After the ruling the court went further and laid down certain directives to implement the policy changes for the inclusion of the transgender community. The court sent these directions to both the central and the state government to ensure that these transgender communities are treated as socially and economically backward classes. In this way, it will make them eligible for having the access to all sorts of reservation in educational institutions and public employment. This directive recognized the intersectional nature of marginalization, acknowledging that the community had been subject to "extreme discrimination in all spheres of society”

VI. THE TRANSGENDER PERSONS (PROTECTION OF RIGHTS) ACT, 2019

For the codification and effective implementation of the NALSA ruling, the Indian parliament came up with the enactment of the legislation which solely governs the rights of the Transgender people. The Act is, Transgender Persons (Protection of Rights) Act in 2019, followed by the 2020 Rules. This legislation is considered a significant step as it effectively gives instructions to the corporate, private, government establishments to deal with the inclusion of the transgender community in the workforce without prejudice and discrimination. Under Section 9 of the Act, establishments are explicitly prohibited from discriminating against transgender persons in employment matters, including recruitment and promotion.

The 2020 Rules introduced a set of compliance requirements for all establishments:

- Equal opportunity policy (EOP): This is a crucial measure that is taken to ensure inclusion. An EOP that covers infrastructure modifications (like unisex restrooms), safety precautions (like guards and transportation), and hygiene goods must be published and displayed by every establishment.

⁵ European Convention for the Protection of Human Rights and Fundamental Freedoms, as amended by Protocols Nos. 11 and 14, November 4, 1950, ETS 5, Arts. 3, 8.

- Designation of a Complaint Officer: Not only the deliberation of rules, rather after the rules come into being, within 30 days of it, it becomes a mandate to designate a person as a complaint officer who would be able to deal with the complaints arising out of the violation of the human rights of the Transgender people.
- Confidentiality principle: The EOP must specify that, unless the employee chooses to reveal it, the institution will keep their gender identification private.

The community and legal professionals have harshly criticized the 2019 Act notwithstanding these provisions. Although the Act's Section 4 supports "self-perception of gender identity," Sections 5 and 6 impose a bureaucratic barrier by forcing people to apply for a certificate of identity from a District Magistrate. In addition, the Supreme Court expressed dismay in 2025 that the majority of states, aside from West Bengal, Tamil Nadu, and Delhi, have not introduced regulations to carry out the Act, resulting in a "cold freeze" of the rights outlined in the law books.⁶

Corporate Governance and the SEBI BRSR Mandate

The most effective tool for inclusion of transgender people is perhaps the Business Responsibility and Sustainability Reporting (BRSR) framework introduced by SEBI. It is also very mandatory for the top 1,000 listed companies by market capitalization from FY 2022-23, BRSR requires companies to provide quantifiable metrics on sustainability-related factors, including human rights and diversity.

VII. INTEGRATING DEI INTO ESG DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) have nine guiding principles that form the foundation of the BRSR framework. The well-being of all workers, including those in the value chain, is specifically the emphasis of Principle 3. This requires a change from qualitative narrative to quantitative transparency for transgender inclusion.

A critical advancement in the Indian regulatory landscape is the introduction of "BRSR Core" in 2023. This refined framework identifies specific Key Performance Indicators (KPIs) that require "reasonable assurance" from a third-party auditor. This elevates diversity reporting from a self-declared exercise to an audited financial-grade disclosure, ensuring that claims of inclusivity are supported by actual evidence, such as payroll records reflecting equal pay and insurance certificates showing transition-related coverage.⁷

VIII. THE REPORTING GAP: "OTHER" GENDER DATA

Although we have seen that the SEBI has provided a lot of effective and modern measures to include the transgender community in the workforce especially creating a separate category as "other" for the inclusion of them, however it is still seen that in the corporate governance and the offices companies the position and

⁶ (2018); Sthabir Khora, Misconstruction of the Anti-atrocities Act's Misuse, 53(15) Economic & Political Weekly (2018); Flavia Agnes, Protective Legislations Myth of Misuse, 30(16) Economic & Political Weekly (1995)

⁷ Emily Blincoe, Sex Markers on Birth Certificates: Replacing the Medical Model with Self-identification, 46(1) Victoria University of Wellington Law Review 57 (2015).

category of the other continues to be at 0 or nil and not a single person is included in the work force not because they are not having the requisite capability to work but because the atmosphere in the workplace is not safe and inclusive enough for them to feel included because of which the shy away and even if they join the work they decide to quit it.

One of the main issues facing Indian corporate governance is this "data gap"; without precise data, businesses are unable to monitor the effectiveness of their inclusion programs or manage diversity. In order to address this, managers are increasingly implementing "Self-ID" programs, which are based on companies such as IBM and allow workers to willingly and discreetly disclose their gender identity in order to better understand the company's workforce diversity.

IX. LEADING PRACTICES AND CORPORATE CASE STUDIES IN INDIA

The move on the safe that has been taken for the inclusion of the transgender people is not restricted only to the private office; rather it has also been seen that in the big multinational companies globally the step has become implemented effectively for the maintenance of the status quo and as well as for creating a level playing field.

These organizations have successfully integrated global best practices into the local socio-legal context, demonstrating that inclusion is a driver of competitive advantage.⁸

X. TATA STEEL: A MODEL FOR INDUSTRIAL INCLUSION

Another remarkable initiative that has been taken by the Tata is the initiative of mosaic which is considered as an inclusionary policy framework designed especially for the transgender people so that they can also be included in the workforce as per their capability. The corporation has established a concrete goal to achieve 20% diversity in its staff by 2028, going beyond token gestures. Recruitment, Sensitization, Retention & Development, Infrastructure, and Celebration are the five pillars that support this goal.

This change became very prominent in 2021 when Tata broke long-standing industry stereotypes by onboarding transgender Heavy Earth Moving Machinery (HEMM) operators at its mines. This was supported by a robust sensitization program for the wider team and the creation of gender-neutral infrastructure. Furthermore, the company's HR policies are among the most progressive in the country, offering equal benefits for same-sex partners and comprehensive insurance coverage for gender-affirming procedures, including hormone therapy and psychological counseling. In 2023, Tata Steel was named a "Global DEI Lighthouse" by the World Economic Forum, making it the only Indian company to receive this recognition among eight global leaders.

⁸ Government of Tamil Nadu, Backward Classes, Most Backward Classes and Minorities Welfare Department (BCC Department), G.O. (Ms) No. 28 (April 6, 2015).

XI. ACCENTURE INDIA: TRANSITIONING BEYOND BINARIES

Remarkable instance and example of the multinational company approaching the gender neutrality and inclusivity policy framework is the step that has been taken by Accenture India which is not only inclusive in nature but it also ensures that the marital relationship of the transgender people on the non binary gender those who do not confirm the gender identity which have been stereo to pickle for ages in India as well as globally is not give an important and rather they are looked at as human beings. Open time it happens that even if the transgender people are possessing the unique visit qualities capabilities and the qualifications they are not given the work that it deserves to get just because of their general identity it is looked at very prominently over and above everything.

One of the remarkable steps that this company has taken for the inclusion of the transgender people is the medical coverage that it has extended to them especially for their gender assignment surgery and providing them the full coverage of the medical facilities without any exclusions.

Additionally, their parental leave policy is clearly inclusive: LGBTQ+ employees are entitled to paternal leave regardless of gender identity, and transmen who are capable of bearing children are eligible for 26 weeks of maternity leave. Additionally, the definition of "secondary caregiver" has been expanded. Accenture has implemented "Gender Affirmation Leave," a significant initiative that recognizes the time needed for social and medical transition for transgender employees.⁹

XII. OPERATIONALIZING INFRASTRUCTURE: THE RESTROOM AND WORKPLACE DILEMMA

One of the biggest challenges in corporate company inclusion for the transgender people continues to be the rest room challenge which has always been an Ina accessible to the people belonging to this community. The gender-neutral reached rooms are not built and even if those are built those are not given access to all the transgender people he respective of the rank that their holding in the office. It has also been seen that the raised rooms are not even given importance in the smaller companies where the transgender people can get work if they wish to but they do not go for it because of not having access to a gender neutral restroom.

To bridge this gap, global best practices suggest:

- Inclusive Infrastructure Design: Ensuring that new office campuses incorporate unisex or gender-neutral restrooms at the planning stage.
- Flexible Uniform Policies: Allowing employees to choose uniforms that align with their gender identity rather than their biological sex.
- Digitized Inclusion: Updating IT systems to allow for preferred names and pronouns in email directories and security badges.

⁹ Sweekruti (Scheme for Promotion of Transgender Equality and Justice), Social Securities and Empowerment of Persons with Disabilities Department, Government of Odisha, 2018

XIII. CHALLENGES IN HEALTHCARE AND INSURANCE IMPLEMENTATION

Another barrier for the transgender people in achieving inclusion in the society is the high cost and expensive gender reassignment surgery which are not even most of the time covered within the medical coverage because of which most of the transgender people cannot afford that surgery. However, the Government of India has announced the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana scheme which includes the general anesthesia surgery and provides a 5 lakhs medical to the people but when it comes to the private companies and the officers this still excludes this generally assigned surgery from the medical coverage of in treating it as a cosmetic surgery however Tata and the Essel Group have become one of the progressive companies who have included the rainbow riders scheme and has also extended their medical coverage to this surgery for the transgender people so that they can also be included in the work force.¹⁰

XIV. CONCLUSION: BRIDGING THE GAP BETWEEN POLICY AND PRACTICE

The evolution of transgender inclusion in India represents a unique confluence of ancient cultural roots, modern judicial activism, and global corporate standards. While the global architecture provided by the HRC CEI and the UN Standards of Conduct offers a technically sound playbook, the Indian context requires a deeper commitment to overcoming systemic social stigma and intersectional marginalization.

The transition from a "colonial-era" Act that criminalized non-binary identities to a mandatory SEBI BRSR framework that rewards transparency is a testament to India's ambition to lead in the Global South. However, the true measure of success will not be found in "glowing ESG reports" or symbolic "Pride Month" celebrations. It will be found in the physical presence of all-gender restrooms, the flexibility of insurance policies that cover hormone therapy, and the career progression of transgender managers into senior leadership roles.

As Indian corporations align with global best practices, they must remember that inclusion is not a destination but a continuous journey of learning and adaptation. By moving beyond "pink-washing" to institutionalize dignity and equity, Indian corporate governance can transform a marginalized community into a vibrant and productive workforce, ultimately driving the nation toward a more resilient and inclusive future. The mandate for the modern board is clear: the question is no longer if transgender employees should be included, but how the organization will restructure itself to let them lead.¹¹

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