

**GRI 405: DIVERSITY AND EQUAL  
OPPORTUNITY**  
2016

**GRI**  
**405**

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# Contents

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## Introduction 3

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## GRI 405: Diversity and Equal Opportunity 5

- 1. Management approach disclosures 5
- 2. Topic-specific disclosures 6
  - Disclosure 405-1 Diversity of governance bodies and employees 6
  - Disclosure 405-2 Ratio of basic salary and remuneration of women to men 7

---

## References 8

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### About this Standard

<b>Responsibility</b>	This Standard is issued by the <a href="#">Global Sustainability Standards Board (GSSB)</a> . Any feedback on the GRI Standards can be submitted to <a href="mailto:standards@globalreporting.org">standards@globalreporting.org</a> for the consideration of the GSSB.
<b>Scope</b>	<i>GRI 405: Diversity and Equal Opportunity</i> sets out reporting requirements on the topic of diversity and equal opportunity. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
<b>Normative references</b>	This Standard is to be used together with the most recent versions of the following documents. <a href="#">GRI 101: Foundation</a> <a href="#">GRI 103: Management Approach</a> <a href="#">GRI Standards Glossary</a>  In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
<b>Effective date</b>	This Standard is effective for reports or other materials published on or after 1 July 2018. Earlier adoption is encouraged.

**Note:** This document includes hyperlinks to other Standards. In most browsers, using **'ctrl' + click** will open external links in a new browser window. After clicking on a link, use **'alt' + left arrow** to return to the previous view.

# Introduction

## A. Overview

This Standard is part of the set of GRI Sustainability Reporting Standards (GRI Standards). These Standards are designed to be used by organizations to report about their impacts on the economy, the environment, and society.

The GRI Standards are structured as a set of interrelated, modular standards. The full set can be downloaded at [www.globalreporting.org/standards/](http://www.globalreporting.org/standards/).

There are three universal Standards that apply to every organization preparing a sustainability report:

*GRI 101: Foundation*

*GRI 102: General Disclosures*

*GRI 103: Management Approach*

***GRI 101: Foundation is the starting point for using the GRI Standards. It has essential information on how to use and reference the Standards.***

An organization then selects from the set of topic-specific GRI Standards for reporting on its material topics. These Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics) and 400 (Social topics).

Each topic Standard includes disclosures specific to that topic, and is designed to be used together with *GRI 103: Management Approach*, which is used to report the management approach for the topic.

***GRI 405: Diversity and Equal Opportunity is a topic-specific GRI Standard in the 400 series (Social topics).***

## B. Using the GRI Standards and making claims

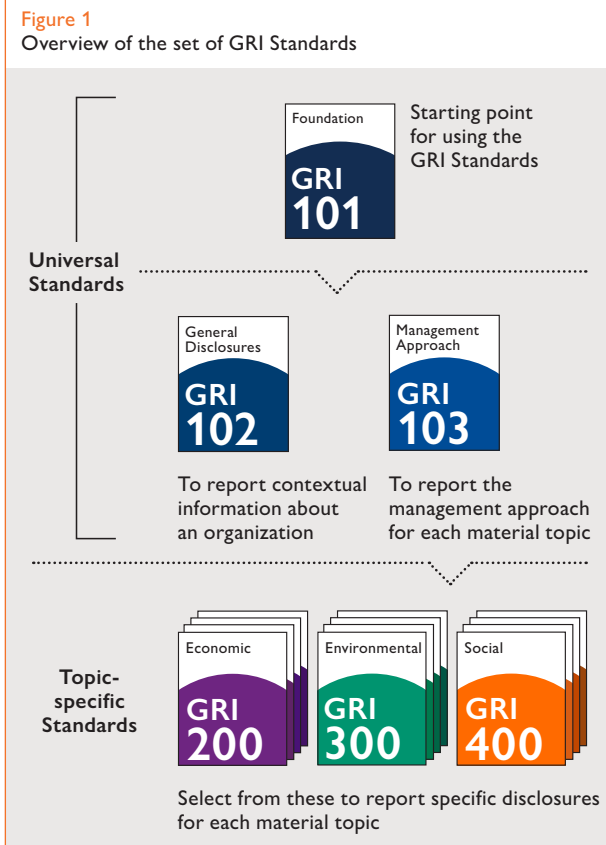
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 405: Diversity and Equal Opportunity*, if this is one of its material topics.

2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

**See Section 3 of *GRI 101: Foundation* for more information on how to use the GRI Standards, and the specific claims that organizations are required to include in any published materials.**



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## C. Requirements, recommendations and guidance

The GRI Standards include:

**Requirements.** These are mandatory instructions. In the text, requirements are presented in **bold font** and indicated with the word 'shall'. Requirements are to be read in the context of recommendations and guidance; however, an organization is not required to comply with recommendations or guidance in order to claim that a report has been prepared in accordance with the Standards.

**Recommendations.** These are cases where a particular course of action is encouraged, but not required. In the text, the word 'should' indicates a recommendation.

**Guidance.** These sections include background information, explanations and examples to help organizations better understand the requirements.

An organization is required to comply with all applicable requirements in order to claim that its report has been prepared in accordance with the GRI Standards. See [GRI 101: Foundation](#) for more information.

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## D. Background context

In the context of the GRI Standards, the social dimension of sustainability concerns an organization's impacts on the social systems within which it operates.

*GRI 405* addresses the topic of an organization's approach to diversity and equal opportunity at work.

When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers. For example, the organization can gain access to a larger and more diverse set of potential workers. These benefits also flow through to society in general, as greater equality promotes social stability and supports further economic development.

These concepts are covered in key instruments of the International Labour Organization, the Organisation for Economic Co-operation and Development, and the United Nations: see [References](#).

The disclosures in this Standard can provide information about an organization's impacts related to diversity and equality at work, and how it manages these impacts.

Additional disclosures that relate to this topic can also be found in:

- [GRI 404: Training and Education](#)
- [GRI 406: Non-discrimination](#)

# GRI 405: Diversity and Equal Opportunity

This Standard includes disclosures on the management approach and topic-specific disclosures. These are set out in the Standard as follows:

- Management approach disclosures (this section references *GRI 103*)
- Disclosure 405-1 Diversity of governance bodies and employees
- Disclosure 405-2 Ratio of basic salary and remuneration of women to men

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## 1. Management approach disclosures

Management approach disclosures are a narrative explanation of how an organization manages a material topic, the associated impacts, and stakeholders' reasonable expectations and interests. Any organization that claims its report has been prepared in accordance with the GRI Standards is required to report on its management approach for every material topic, as well as reporting topic-specific disclosures for those topics.

Therefore, this topic-specific Standard is designed to be used together with *GRI 103: Management Approach* in order to provide full disclosure of the organization's impacts. *GRI 103* specifies how to report on the management approach and what information to provide.

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### Reporting requirements

- 1.1** The reporting organization shall report its management approach for diversity and equal opportunity using *GRI 103: Management Approach*.

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### Guidance

When reporting its management approach for diversity and equal opportunity, the reporting organization can also describe the legal and socioeconomic environment that provides opportunities for, and barriers to, gender equity.

This can include the share of female workers performing the organization's activities, their equal remuneration, and their participation at the highest governance level.

## 2. Topic-specific disclosures

### Disclosure 405-1

#### Diversity of governance bodies and employees

##### Reporting requirements

The reporting organization shall report the following information:

- a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:
  - i. Gender;
  - ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
  - iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).
- b. Percentage of employees per employee category in each of the following diversity categories:
  - i. Gender;
  - ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
  - iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

Disclosure  
405-1

##### Reporting recommendations

- 2.1 When compiling the information specified in Disclosure 405-1, the reporting organization should use data from [Disclosure 102-7](#) in *GRI 102: General Disclosures* to identify the total number of employees.

##### Guidance

###### *Guidance for Disclosure 405-1*

Examples of governance bodies that exist within an organization can be the board of directors, management committee, or a similar body for a non-corporate organization.

An organization can identify any other indicators of diversity used in its own monitoring and recording that are relevant for reporting.

###### *Background*

This disclosure provides a quantitative measure of diversity within an organization and can be used in conjunction with sectoral or regional benchmarks. Comparisons between broad employee diversity and management team diversity offer information on equal opportunity. Information reported in this disclosure also helps in assessing which issues can be of particular relevance to certain segments of the governance bodies or employees.

## Disclosure 405-2

### Ratio of basic salary and remuneration of women to men

#### Reporting requirements

Disclosure  
405-2

The reporting organization shall report the following information:

- a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.
- b. The definition used for 'significant locations of operation'.

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#### Reporting recommendations

- 2.2 When compiling the information specified in Disclosure 405-2, the reporting organization should base remuneration on the average pay of each gender grouping within each employee category.

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#### Guidance

##### *Guidance for Disclosure 405-2*

The reporting organization can draw from the information used for Disclosure 405-1 to identify the total number of employees in each employee category by gender.

##### *Background*

An organization can take an active role in reviewing its operations and decisions, in order to promote diversity, eliminate gender bias, and support equal opportunity. These principles apply equally to recruitment, opportunities for advancement, and remuneration policies. Equality of remuneration is also an important factor in retaining qualified employees.

# References

The following documents informed the development of this Standard and can be helpful for understanding and applying it.

## **Authoritative intergovernmental instruments:**

1. International Labour Organization (ILO) Convention 100, 'Equal Remuneration Convention', 1951.
2. International Labour Organization (ILO) Convention 111, 'Discrimination (Employment and Occupation) Convention', 1958.
3. International Labour Organization (ILO), 'Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy', 2006.
4. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
5. United Nations (UN) Convention, 'Convention on the Elimination of all Forms of Discrimination against Women (CEDAW)', 1979.
6. United Nations (UN) Convention, 'International Convention on the Elimination of All Forms of Racial Discrimination', 1965.
7. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Intolerance and of Discrimination based on Religion and Belief', 1981.
8. United Nations (UN) Declaration, 'Declaration on the Elimination of All Forms of Racial Discrimination', 1963.
9. United Nations (UN) Declaration, 'Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities', 1992.
10. United Nations Educational, Scientific and Cultural Organization (UNESCO) Declaration, 'Declaration on Race and Racial Prejudice', 1978.
11. United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and United Nations Global Compact, 'Women's Empowerment Principles', 2011.
12. United Nations (UN) Fourth World Conference on Women, 'Beijing Declaration and Platform for Action', 1995.



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