



The Diversity Pact

The 5 transformation principles for more diversity and inclusion





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As a participant in the Diversity Pact, you commit to working for change locally in the company and improving the framework for diversity and inclusion in Danish companies.

It is mandatory that Danish companies and organisations work to improve the gender balance in management boards, supervisory boards, and other management levels, where relevant, so that equal gender representation (40/60) can be realised broadly in Danish businesses. Also, companies and organisations should promote the development of an inclusive culture that can support well-being among all employees. Otherwise, we as a country will miss out on talent, innovation, competitiveness, growth, and prosperity.

Participating companies or organisations commit to following the Diversity Pact's '5 transformation principles', which concern implementing and driving a series of practical actions that create a more inclusive corporate culture. As a result, you commit to setting concrete targets for the

under-represented gender in your company's top three management layers, adapting the conditions in your company so that we as businesses can reach the goal of gender balance, i.e., a 40/60 split.

Participants in the Diversity Pact recognise that gender balance and increased diversity among managers and employees help to ensure that the company achieves the best possible results.

We, therefore, encourage all companies and organisations to join the Diversity Pact so that together we can both create more diversity and inclusion in Denmark and focus on the necessary framework and conditions to support this development.

Participating companies receive a communication package with content that can show customers, employees and business partners that the company is actively taking part in the work to create more diversity and inclusion in Denmark, and that can inspire others to do the same.

The 5 transformation principles

Change requires action. Your company can put diversity and inclusion into practice by following the 5 transformation principles of the Diversity Pact.



Measurability principle: Your company or organisation commits to setting an ambitious and realistic target for gender representation in the company's top management body (the management board or the board of directors) and at other management levels where appropriate. Be transparent about the goal and share your data. The target will help us, as businesses, to achieve the 40/60 gender balance.



Inclusion principle: Your company or organisation is committed to inclusive management and to ensuring an inclusive company culture where all employees feel they belong and do not face unfair discrimination based on their age, gender, religious beliefs, sexual orientation, national and social origin, political opinion, disability, race, colour, and ethnic origin.



Talent pipeline principle: Your company or organisation commits to building a balanced talent pipeline to senior positions in the company and strive to attract, retain, develop, and promote leadership talent, regardless of age, gender, etc. The objective is to create the best conditions for a balanced talent pipeline in the company, ensuring that the best skills are brought into play for senior positions.



Role model principle: Your company or organisation commits to ensuring the use of diverse role models in the company; for example, through external communication and press materials, the use of spokespersons and internal communication materials.



Board principle: Your company or organisation commits to conducting an assessment of the current processes for board recruitment in your company. The aim is to assess the diversity of the skills profile of the current board of directors and, on that basis, to determine whether current recruitment efforts allow for all relevant candidates to be considered. If the company does not have an external board of directors or an external advisory board, it should assess whether this could possibly provide value in the future.

Guidance:

How to work with the principles

Change requires action. Therefore, it is important that you, as a member of the Diversity Pact, take actions that support the 5 transformation principles. The most important thing is that your company has initiatives and actions that work for your type of business, industry, and specific challenges. Here are some examples of how your company can work with the 5 transformation principles for inspiration.

Measurability principle

You can, for example, comply with this principle by:

Formulating a clear vision and strategy

Formulate a clear vision for diversity and inclusion. The vision should describe a future image of you as a diverse and inclusive company. The vision is the common direction that the whole company must work to achieve. If you do not have a vision for diversity and inclusion, employees will not know where management wants the organisation to go and what diversity and inclusion goals need to be realised. The vision can usefully be followed up by a DE&I strategy, which describes how you will achieve your vision through strategic actions and objectives. The vision and strategy should not be disconnected from the company's other strategies and goals and can, therefore, benefit from a strategic underpinning in your corporate strategy and the backdrop to your transformation process towards a more diverse and inclusive company across the entire organisation. [Read more here.](#)

Setting concrete targets for management, board, and other management levels, where appropriate

Set a concrete target for the under-represented gender in the company's top management body. This could be the board of directors or the management. It is important that you specify what top management levels are found in your

company. Set a target figure that your company considers ambitious and realistic - taking into account the circumstances of your company or industry at the time of setting the target figure. Set a new and higher target for the proportion of the under-represented gender once the previously set target has been met until equal representation is achieved. The same applies to the other two levels of management, where relevant. Keep in mind that the target figure should contribute to the overall business reaching the goal of a 40/60 gender balance.

Setting objectives to increase the proportion of the under-represented gender throughout the company

To create the best conditions for a balanced gender representation in the company's top and other management bodies and to bring all competencies into play, where possible and appropriate, targets should also be set to increase the proportion of the under-represented gender at the next two levels of management in the company. The next levels of management refer to the levels of management that exist in the company in addition to the top management body, which is responsible for day-to-day operations. This could be the management board and the next level of management reporting to the management board, e.g. department directors, finance directors, team leaders, etc. [Read more here.](#)

Being transparent and sharing data

Be open and transparent about your path to meeting the set targets. It is important to be transparent and open - also about the areas where challenges may exist. Open and transparent sharing of the gender balance in the company will contribute to more focus on this area and could also inspire other companies. Therefore, present the information on your gender balance and objectives in one place where it is publicly accessible; for example, on your website. By doing so, you also contribute to a broader acceptance and recognition of the issue in Danish businesses. Prepare an action plan Prepare an action plan outlining how you will achieve your objectives in this area. The action plan should clarify who is responsible for the different actions, what the deadlines are, and focus on continuous monitoring and evaluation of the actions undertaken. If your target is a 50/50 split of men and women in management, it is beneficial to work with the same split for the other layers of management, so that the talent pipeline to the top layer of management does not run out of candidates.

The inclusion principle

You can, for example, comply with this principle by:

Recognising the power of diversity

Recognise and communicate continually and at the management level that gender balance and increased diversity among managers and employees help your company achieve better results. The road to more gender diversity and diversity in the company is best paved with recognition and support from top management. This can be done, for example, in internal articles, speeches and presentations or in the context of strategy work. [Read more here.](#)

Carrying out a service check of your HR policies

Make sure your HR policies do not favour some groups of employees over others. Review your HR policies and, while respecting the conditions of your business, strive to offer working conditions that allow each employee to balance

his or her working life with his or her private life and personal needs. This can be expressed, for example, through leave, seniority, retention, and maternity. Remember also to take into account other family forms, such as co-mothers or co-fathers.

Preparing a company policy on gender balance and diversity

A policy on gender balance and diversity is a key tool in promoting diversity and creating an inclusive working environment in the company. A well-communicated policy in this area can provide clear guidance to managers, employees and stakeholders on how the company relates to and works on key diversity issues within the company. [Read more here.](#)

Addressing unconscious bias

All people are guided by preconceived attitudes or biases, such as when we recruit and promote. We cannot get rid of our biases, but by becoming aware that they exist, we can minimise their impact on our behaviour and the decisions we make in recruitment and promotion processes. There are numerous examples of how bias affects the assessment of, for example, women's and men's performance and competencies. To address unconscious bias in the organisation, consider anonymising names, and other gender



markers, in the initial assessment of applications and CVs during recruitment. Also, consider whether you should require both genders to be represented on recruitment committees, etc. Also, make sure that your recruitment process is always driven by objective evaluation criteria, focusing on the candidate's skills, experience, and potential. [Read more here.](#)

Being aware of non-binary gender categories

Launch initiatives that support the inclusion of LGBTI+ people in your company. For example, give the option to answer 'other' - rather than just 'male' or 'female' - when asking internal or external respondents about their gender in response to employee surveys, satisfaction analyses, surveys, etc. [Read more here.](#)

Talent Pipeline principle

You can, for example, comply with this principle by:

A gender-balanced talent pool

To achieve gender-balanced leadership, it is crucial that you retain, develop, and promote women throughout the talent pipeline. This also means being aware of whether it also requires investment in further training of female talent to get more people to move up within the organisation. Investing in training is not about fixing women; it's about ensuring diversity at all levels of management and empowering the entire talent pool. People are the most valuable resource companies have. That is why retaining and developing diverse talent is key. [Read more here.](#)

Keeping an eye on potential

When too few women are promoted to the first level of the management ladder, it will constitute a barrier to diversity in the top management layers. Therefore, efforts to increase the number of women in top management are also about getting better at spotting potential in a broad sense and motivating more female employees to seek a career as a manager. This also means that a

candidate should not only be assessed on past CV performance but also based on future potential. At the same time, it is just as important to see the potential among mature talents. You can easily get your first management job after many years on the job market. [Read more here.](#)

Mentoring and role models

The imbalance of female and male managers in many companies implies a general lack of female role models. They are essential for the talent pipeline to more women managers because role models can motivate more people to pursue a career in leadership. One way your company can do this is by setting up a sponsorship or mentoring scheme that gives employees with management ambitions a place to seek advice and guidance. A scheme like this can be a tool for potential managers to reverse issues and barriers of a manager with long experience and to support the employee on the way to a career as a manager. [Read more here.](#)

Consider your recruitment process

A gender imbalance in management is sometimes explained by a lack of female candidates and applicants in the recruitment process. If this is true in your company, you should revisit your job postings and approach to recruitment. At the same time, please note that discarding applicants based on age is contrary to the Danish Discrimination Act. Therefore, you may want to check the gender and age distribution of previous applicants for management positions within a given period. This will give a general insight into whether your business is more likely to attract one gender or a particular age group over another. [Read more here.](#)



Role model principle

You can, for example, comply with this principle by:

Think about the language in your job postings

Think about the language and images you use in your job postings. Make sure your job postings are neutrally worded so that you appeal to a wide range of applicants and don't inadvertently put anyone off applying.

Make sure your job postings emphasise that all applicants are encouraged to apply for the position regardless of their age, gender, religious beliefs, sexual orientation, national and social origin, political opinion, disability, race, colour and ethnic origin, gender identity, expression and characteristics.

Parental leave for fathers and mothers

Parental leave, i.e., leave after giving birth, can be divided equally between mothers and fathers. This creates flexibility for families to make more choices about the division of parental leave and enables both parents to be at home with the child. So make sure your company creates a good culture and supports the legitimacy of parental leave for both men and women.

[Read more here.](#)

Communication and PR - how is the company presented visually?

Consider which photos you use in your external communications. This can be photos of employees, the working environment, etc. Make sure these photos reflect an inclusive and welcoming workplace that embraces diversity.

Company spokespeople

Also, consider the spokespeople your company uses and who you feature in media interviews, articles, etc. If it is only the CEO of the company, it does not always provide an image of a balanced and diverse company. Consider whether you can get a wider and more diverse range of specialists and managers to speak out - this can also be a route towards more female and diverse role models.

Contributing to breaking down gender stereotypes in work and education choices among young people

Many young people at the primary school level could benefit from being presented with a variety of career and education options, reducing the risk of them choosing a sector or pathway based on gender stereotypes. Businesses can work with primary, secondary and technical schools to break down these barriers and create opportunities for young people. This can be in connection with school internships, apprenticeships, open company programmes, etc.

[Read more here.](#)

Board competence principle

You can, for example, comply with this principle by:

Be open about your recruitment

If we are to overcome unequal gender representation on Danish boards, we also need to be open about the processes that can help change it. Many recruitments to Danish boards take place through intimate and closed network circles, which limits the diversity of candidates and means the recruitment field lacks competencies from the overall talent pool. Therefore, as far as possible, create a more open and transparent approach in the recruitment of future members to your board. This can be accomplished by posting the position or using board databases such as [Board People](#) or [nBoard](#).

Setting diversity requirements in the recruitment process

Set diversity requirements for your headhunters and recruitment agencies when searching for board members. The requirements should match the desired spread of, for example, age, gender, and nationality on the board.

Creating more dynamism and rotation

Increased professionalisation of board work also goes hand in hand with increased dynamism and rotation, which can contribute to innovation and the opportunity to challenge the status quo. For example, strengthen board rotation by proposing an upper limit of x number of years of service for board members. Set a cap that encourages rotation on the board while maintaining a degree of continuity. This will also provide a better basis for changing existing diversity challenges on the board.

Opportunities to serve on boards and advisory boards

Candidates for management and board positions are recruited based on their experience, qualifications and skills. By allowing your own employees to participate in board and advisory board work alongside their jobs, you contribute to an increased level of competence and a larger and more diverse talent pool.



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