

Chris Hodge

From: Marie-Claire Haines <Marie-Claire.Haines@mitie.com>
Sent: 28 July 2011 16:28
To: Chris Hodge
Subject: Response to FRC consultation: Gender Diversity on Boards

Response to FRC consultation: Gender Diversity on Boards

MITIE is a people business and we pride ourselves in creating and nurturing outstanding management; a vein that runs right through MITIE as an organisation. At MITIE we believe that our success is a direct result of the collective experiences, talent, perspectives, cultures and unique attributes of our people. Our approach to conducting business will be underpinned by a belief that all individuals should be treated fairly and have access to equal opportunities. We respect and embrace diversity in our organisation and work to support a culture that is inclusive and reflective of our vision and values. We also seek to adopt similar principles of diversity and inclusion in the selection and management of relationships with our supplier base and will encourage them to adopt similar philosophies in their relationships with their own employees and suppliers.

MITIE welcomes the recommendations in the Lord Davies report and sees this as an opportunity to help organisations shift their behaviour around diversity. The decision not to introduce quotas, as referred to in the 'Foreword' of the report is a sensible and pragmatic view. MITIE believes that setting aspirational targets could drive a different behaviour that is not necessarily in the best interests of the Company and its stakeholders. The issue of diversity should be tackled in a manner that considers all areas of the diversity agenda of which gender forms an important part.

Diversity at Board level has to be balanced against the skills and experience and should be a natural fit into any recruitment or succession planning and talent management process. On some of the specific questions raised as part of the consultation we would comment as follows:

Should the UK Combined Code (UKCC) be amended so that listed companies are required to publish their policies on gender diversity in boardrooms and to report against them in their annual reports?

Companies should be encouraged to provide wider disclosure but disclosure around diversity policy and practice should be voluntary. Companies recognise the challenges around the different areas of diversity but there has to be greater support and understanding to help Boards achieve any voluntary aspirational goals it sets – many of these support mechanisms have already been identified in the Lord Davies report.

Disclosure could be included in both the governance report with wider explanation in a report from the Nomination Committee; and in the Annual Report to deal with the way in which diversity is managed right across the organisation. Alternatively, readers could be referred to information on their corporate website.

Would it be beneficial to set out the key elements to be covered by a gender diversity policy and whether this should be published in the UKCC or elsewhere?

Any additional guidance that sets out specific key elements to be covered by a gender diversity policy would be helpful. The respect already afforded to the UKCC would provide the right lever to help drive change at a more fundamental level. Target/quotas do not necessarily help bring about the right kind of change required.

Should the UKCC be amended to include specific reference to the board's policy on gender diversity when board evaluation is considered?

Diversity should be a natural consideration when looking at evaluation and refreshing of Board membership.

When should the changes to the UKCC, if any, be implemented?

Any changes should be introduced in a pragmatic manner to allow companies the time to understand how they can best effect and introduce changes.

We look forward to reading the outcome and conclusions of the consultation.

-ENDS-

Kind regards

Marie-Claire

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