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## **Financial Reporting Council Consultation Document: Gender Diversity On Boards**

Dear Chris,

### **Gender Diversity on Boards**

We welcome the opportunity to comment on the above Consultation Paper on Gender Diversity on Boards.

BlackRock is one of the world's preeminent asset management firms and a premier provider of global investment management, risk management and advisory services to institutional and retail clients around the world. As of 31 March 2011, BlackRock's assets under management totalled €2.58 trillion across equity, fixed income, cash management, alternative investment and multi-asset and advisory strategies including the industry-leading iShares® exchange traded funds ("ETFs"). Through BlackRock Solutions®, the firm offers risk management, strategic advisory and enterprise investment system services to a broad base of clients with portfolios totalling more than €6.73 trillion.

Our client base includes corporate, public, multi-employer pension plans, insurance companies, third-party and mutual funds, endowments, foundations, charities, corporations, official institutions, banks and individuals. BlackRock represents the interests of its clients by acting in every case as a fiduciary. It is from this perspective that we engage on all matters of public policy. BlackRock supports regulatory reform globally where it increases transparency, protects investors, facilitates responsible growth of capital markets and, based on thorough cost-benefit analyses, preserves consumer choice.

BlackRock is a member of European Fund and Asset Management Association ("EFAMA") and a number of national industry associations<sup>1</sup> reflecting our pan-European activities and reach.

BlackRock agrees that focus of the UK Corporate Governance Code should be on board effectiveness and improving the quality and functioning of corporate boards. We share the view of the Financial Reporting Council, expressed in the consultation paper, that diversity, in all its aspects, can enhance board effectiveness if it results in a broader range of perspectives being taken into consideration in board decision-making. We agree also that there can be benefits in terms of customer and employee relations when they see directors who they believe might understand their viewpoint.

BlackRock is a strong proponent of a formal and transparent nominating process for board directors as we believe it increases the likelihood of identifying suitably qualified and experienced candidates from diverse backgrounds. We believe it would be helpful for the report of the nominating committee to include a discussion of the board's policy on diversity and how it was taken into account in any appointments made during the period. It should also discuss its own composition in the context of the policy and any objectives the board is

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<sup>1</sup> ABI, AFG, ASF, ASIP, BVI, DUFAS, Eumedion, IAPF, IFIA, IMA, Inverco, NAPF, and SFA.

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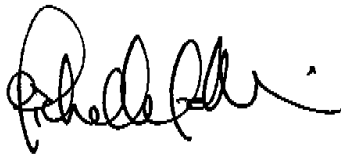
working towards in the near term. To the extent it has been unable to meet the diversity objectives, the board should discuss any obstacles encountered. This would help identify any industry-specific, structural or fundamental impediments to achieving diverse boards which may need to be dealt with by policy makers.

We support the wording proposed for Provision B.2.4 and do not consider it necessary to be more prescriptive about the content of the report of the nominating committee. We also support the proposed addition to Principle B.6 on board evaluation, namely, to take into account the board's diversity policy in the assessment of board composition and effectiveness.

We believe companies should have anticipated there being a disclosure requirement on them by 2012, given the high profile public debate in the UK and Europe. We would support a proposal that companies include the new disclosures of the Corporate Governance Code in their 2012 annual report. This also seems consistent with the recommendation in Lord Davies' that boards announce their aspirational gender diversity targets by September 2011.

We hope these comments are helpful.

Yours ever,



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