

Proposed ISS Benchmark Policy Changes for 2020-21

Submission to the ISS

Chartered Institute of Personnel and Development (CIPD)

October 2020

Background

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 155,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

Our response

Our comments relate to the proposed change to the UK and Ireland Policy.

The progress made through government action and voluntary targets have been impactful. However, there is a concern that if the pressure of the Hampton Alexander Review were to end, the focus on gender diversity would also reduce. This was seen in 2015 when the Davies' review ended. Formalising gender diversity in the ISS policy is a way to retain this pressure and make gender diversity on boards the norm.

Question: Do you support the proposed policy change?

Yes

Question: Do you have any concerns with the proposed policy change?

Our only concern is that the current proposals focus only on gender diversity, and this risks a one-dimensional view of diversity from the board perspective. We would encourage ISS to consider in the future including action relating to ethnic diversity like that being suggested for the US, particularly if the US proposals prove to be successful in driving ethnic diversity at board level.



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Question: If the proposed change contemplates ISS adverse vote recommendations, are they targeted appropriately?

Yes

Question: If the proposed change contemplates ISS adverse vote recommendations, are the appropriate mitigating factors being considered?

Yes

Question: If the proposed change includes a transition period for the implementation of a policy, is it about right, too short or too long?

Yes

Question: If the proposed change applies to a particular set of companies, is the proposed coverage universe appropriate?

Yes

Question: Are there any other factors that ISS should consider when contemplating the proposed policy change?

None

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