

ENHANCED VOLUNTARY CODE OF CONDUCT FOR EXECUTIVE SEARCH FIRMS

Introduction

In recognition of the progress since the publication of the Davies Review in 2011, an accreditation process was developed to acknowledge those Executive Search firms who are at the forefront of helping FTSE 350 boards to enhance their gender diversity – consistent with their overall objective of helping their clients to build great boards. The *‘Taking the Next Step’* review by Charlotte Sweeney in 2014 also recommended recognising those Executive Search firms achieving a higher level of women appointments on FTSE 350 boards.

The determining criteria for this recognition are laid out below. The Hampton-Alexander Review Steering Group has responsibility for determining which firms are deemed to have met them. This will be reassessed on an annual basis.

It should be stressed that this designation specifically reflects track record in and promotion of gender diversity in the FTSE 350 space. There are many firms doing enormously valuable work with small cap, private, mutual, international and subsidiary businesses and the not for profit/government sector, but this was not the primary focus of the Davies Steering Group.

Determining criteria for Hampton-Alexander FTSE 350 accreditation

- A. **Quantitative output measures:** Accredited firms should be those with a demonstrated track record of playing a major role in improving gender diversity. In the preceding 12 months (normally the calendar year), they should therefore:
1. Have supported the appointment of at least 4 women to the boards of FTSE 350 companies over the last year.
 2. Have achieved a proportion of at least 33% female appointments in their FTSE 350 board work (across both Executive and Non-Executive Director roles).
 3. Have a proven record of helping women to achieve their first FTSE 350 board appointment.
- B. **Qualitative active promotion of gender diversity:** Equally, upper tier firms should be recognised as those working most substantively to promote gender diversity. They will be, at a minimum:
1. Demonstrably fully delivering against all the provisions in the Standard Voluntary Code (as attached).
 2. Visibly signalling their commitment to supporting gender diversity clearly on their websites, in marketing literature and in discussions with clients and candidates.

3. Launching, continuing or supporting initiatives to expand their databases of and contacts with potential new/future women board Directors, and/or programmes to support aspiring women candidates to their first FTSE board position.
4. Ensuring detailed familiarity with and appropriate use of external lists produced by organisations such as Cranfield.
5. Publishing relevant summary data on their track record and case studies on their website as appropriate.
6. Running internal training and awareness programmes to share and embed best practices within their firms and to ensure that full adherence to the Code is effectively monitored.

Accreditation process

Executive Search firms that believe that they meet the criteria for the accreditation as laid out above are required to share detailed performance data annually on a confidential but agreed, consistent basis with the Hampton-Alexander Review Steering Group. The outputs required are:

- The total number of FTSE 100 and 250 board assignments completed in the year.
- Total number of, and names of, women appointed to FTSE 100 and FTSE 250 boards.
- The % of women at longlist, shortlist and appointment stages.
- Names of women appointed and appointment date.
- Details of how many women were being appointed to their first FTSE 350 boards.
- Additional qualitative information in support of Section B above as required.

The award of 'accredited' status will be at the sole discretion of the Hampton-Alexander Review Steering Group.

A separate process for acknowledging Executive Search firms making a similarly valuable contribution to improving gender diversity in organisations outside of the FTSE 350 has also been developed.