

ENHANCED VOLUNTARY CODE OF CONDUCT FOR EXECUTIVE SEARCH FIRMS

Hampton-Alexander Review

Introduction

In recognition of the progress since the publication of the Davies Review in 2011, an accreditation process has been 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 determining criteria for this recognition are laid out below. These have been strengthened periodically since their introduction in 2014 to underpin continued progress on gender diversity. The Hampton-Alexander 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 AIM, small cap, private, mutual, international and subsidiary businesses and the not for profit/government sector; this is separately assessed and recognised by the Hampton-Alexander Steering Group under the ‘Beyond FTSE 350 accreditation’ process.

Determining criteria for Hampton-Alexander FTSE 350 accreditation

A. **Quantitative output measures:** Accredited firms are those with a demonstrated track record of playing a major role in improving gender diversity. They will therefore:

1. Have supported the appointment of at least 4 women to the boards of FTSE 350 companies over the Performance Period, which begins 1st October 2019 and ends 31st December 2020.
2. Have achieved over the Performance Period a proportion of at least:
 - 40% women Appointments in their FTSE 100 board work (across both Executive and Non-Executive Director roles) and;
 - 45% women Appointments in their FTSE 250 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 role.

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; this should include publishing relevant summary data on their track record and case studies on their website as appropriate.
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 women candidates aspiring to their first FTSE board position.
4. Running internal training and awareness programmes to share and embed best practice 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 in this document are required to share detailed performance data in January 2021 on a confidential but agreed, consistent basis with the Hampton-Alexander Steering Group. A template will be provided and only the first submission of the template will be accepted.

For the avoidance of doubt:

‘Performance Period’ means the 1st October 2019 to 31st December 2020.

‘Appointment’ means the date at which the candidate’s appointment to the board of a FTSE 350 company is publically announced.

An Appointment will be deemed to qualify providing the company was listed as a constituent of the FTSE 350 Index at any time during the Performance Period.

The outputs required in the template are as follows:

- The total number of FTSE 100 and 250 board Appointments in the Performance Period.
- Total number of men and women Appointments to FTSE 100 and FTSE 250 boards.
- The % of women at shortlist and appointment stages.
- Names of men and women appointed and appointment date.
- Details of women being appointed to their first FTSE 350 board.
- 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 Steering Group.

The criteria for accreditation is for the Performance Period only and will be reviewed thereafter and updated as required.

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.

February 2020