

## **THE STANDARD VOLUNTARY CODE OF CONDUCT FOR EXECUTIVE SEARCH FIRMS**

### **FTSE Women Leaders Review**

#### **Introduction**

Search firms are committed to helping their clients increase the effectiveness of their boards and senior executive teams and acknowledge the value that diversity brings; they readily acknowledge the important role their profession needs to play in supporting chairs, nominations committees, CEOs and CHROs as they take steps to enhance the diversity on their boards, in both executive and non-executive roles, and in their senior executive ranks. The key areas of focus include increasing the proportion of women and broadening ethnic diversity.

The Voluntary Code of Conduct for Executive Search Firms (The Code), outlined below, lays out steps for search firms to follow across the search process, from accepting a brief through to induction. Since its launch following the Davies Review in 2011, it has been refined and enhanced over time, reflecting learnings from search firms themselves, the independent review of its effectiveness in 2014, the annual Hampton-Alexander and FTSE Women Leaders reports and the Parker report in 2016.

#### **Code of Conduct: Provisions**

- 1. Board Succession Planning:** Search firms should support Chairs and their nomination committees in developing medium-term succession plans that identify the balance of experience and skills that they will need to recruit for over the next two to three years to maximise board effectiveness. This time frame will allow a broader view to be established by looking at the whole board, not individual hires; this should facilitate increased flexibility in candidate specifications.
- 2. Executive Succession Planning:** Search firms should support nomination committees, CEOs and CHROs in developing clear, appropriate targets for enhancing diversity in senior executive roles and in developing plans to strengthen the pipeline of diverse candidates.
- 3. Diversity Goals:** When taking a specific brief, search firms should look at overall board or senior executive composition and, in the context of the business's agreed aspirational goals on gender balance and diversity more broadly, explore with the client if recruiting women and/or ethnically diverse individuals is a priority both generally and on this occasion.
- 4. Defining Briefs:** In defining briefs, search firms should work to ensure that significant weight is given to relevant skills, underlying competencies and personal capabilities and not just proven career experience, in order to extend the pool of candidates beyond those with existing board roles or conventional corporate careers. On Chair searches in particular, search firms should work to ensure that the briefs are framed in as open and inclusive a way as possible.

**5. Longlists/Shortlists:** When presenting their longlists, search firms should try to ensure that at least 40% of the candidates are women – and, if not, should explicitly justify to the client why they are convinced that there are no other qualified female options, through demonstrating the scope and rigour of their research.

Search firms should seek to ensure that the shortlist is appropriately reflective of the longlist. They should discuss with their clients each woman on the longlist and seek to have at least two women whom they would ‘strongly recommend’ that the client should meet for Non-Executive searches; they should have a similar aspiration on Chair searches as well.

Search firms should also discuss and agree with the client and meet specific targets for ethnic diversity on the longlist and seek to ensure that the shortlist is appropriately reflective of the longlist.

**6. Candidate Support:** During the selection process, search firms should provide appropriate support to candidates, in particular first-time ones, to prepare them for interviews and guide them through the process.

**7. Supporting Candidate Selection:** As clients evaluate candidates, search firms should ensure that they continue to provide appropriate weight to intrinsic competencies and capabilities, supported by thorough referencing, rather than over-valuing certain kinds of experience. Search firms should, as necessary, advise their clients on how to run their interview process to demonstrate the required rigour and professionalism and share best practices on how to reduce the impact of unconscious biases.

**8. Induction:** Search firms should provide advice to clients on best practice in induction and ‘on boarding’ processes to help new board directors or senior executive hires settle quickly into their roles.

**9. Embedding Best Practice:** Search firms should ensure that best practices in supporting clients on enhancing board and senior executive diversity are well documented and shared internally and that adherence to the Code is effectively monitored. They should discuss (or arrange training on) unconscious biases and how to reduce their impact.

**10. Signalling Commitment:** Search firms should signal their commitment to supporting diversity on boards and in senior executive ranks, and their adherence to the Code, through their websites, marketing literature and client discussions. They should share data on their track record on their website as appropriate and include case studies of their success.

**11. Broadening the Candidate Pool:** Search firms should seek to broaden their own networks of potential candidates, leveraging as appropriate external lists produced by relevant organisations. They are encouraged to invest time into developing relationships with the pipeline of future female and ethnically diverse candidates.

**Embedding and developing the Code**

The revised Code has now been signed up to by 96 search firms, who collectively account for the vast majority of the board work in the UK. All have committed to following the Code's provisions in their board and senior executive search processes, irrespective of sector, company and organisation and to ensuring that the 11 provisions of the Code are embedded in their day-to-day practices.

We will continue periodically to review the effectiveness of the Code and progress towards improving board diversity, with the FTSE Women Leaders and Parker Steering Groups and other key stakeholders and recommend changes as appropriate.

October 2021

**Signatories to the Voluntary Code of Conduct – as at 30 July2024:**

<b>Number:</b>	<b>Executive Search Firms</b>
1	Advised Consulting Group
2	AMC Executive Search
3	Anderson Quigley
4	The Association of Executive Search and Leadership Consulting
5	Audeliss
6	Baxter Neumann
7	Beaumont Bailey
8	Boyden
9	Capita Resourcing
10	Carbon
11	Carlyle Associates
12	CJPI
13	Clifton Hill Associates
14	Cornforth Consulting Limited
15	Directorbank Executive Search Ltd
16	Distinctive People HR & OD
17	Dixon Walter
18	Drax
19	Egon Zehnder
20	Ellwood Atfield
21	Eric Salmon & Partners
22	Fidelio Partners
23	First Flight
24	Fletcher Jones
25	Flint Hyde
26	Founders Keepers
27	FWB Park Brown
28	Gatenby Sanderson
29	Godliman Partners
30	Goodson Thomas

31	Green Park
32	Harvey Nash
33	Hays Executive
34	Head4Talent
35	Hedley May
36	Heidrick & Struggles/JCA Partners
37	Henley Insights Group
38	Holtby Turner
39	HopkinsLongworth
40	Independent Search Partnership
41	Infosec
42	HW Global Talent Partners
43	Interactive Selection
44	JD Haspel and BoardiD
45	Korn Ferry
46	Lavelle Executive Search
47	Leathwaite
48	Leila McKenzie Associates LTD
49	Level Consulting AG
50	Liftstream
51	Longwater Partners
52	Lygon Group
53	Maven
54	Miles Partnership
55	Miles Advisory
56	Mitchell Rayner
57	Mullwood Partnership
58	MWM Consulting
59	NGS Global
60	Norman Broadbent Executive Search
61	Nurole
62	Oryx Executive Search Ltd
63	Odgers Berndston
64	PageGroup
65	Partner Executive (part of Partner Group)
66	Per Ardua
67	Perrett Laver
68	Redgrave Partners
69	Ridgeway Partners
70	Russell Reynolds Associates
71	Sainty Hird & Partners
72	Sam Allen Associates
73	Sapphire Partners
74	Selint International
75	Savannah Group
76	Saxton Bampfylde
77	Society
78	Spencer Stuart

<b>79</b>	Stonehaven
<b>80</b>	Taylor Bennett
<b>81</b>	Ten2Two
<b>82</b>	The Good Board
<b>83</b>	The Inzito Partnership
<b>84</b>	The Murray Partnership
<b>85</b>	The Nakedheadhunter
<b>86</b>	The Virtual Advisory Board
<b>87</b>	Thewlis Graham Associates
<b>88</b>	Titan Executive
<b>89</b>	Trinity Search Group
<b>90</b>	True Search
<b>91</b>	Trust Associates LLP
<b>92</b>	Tyzack Partners
<b>93</b>	Veredus
<b>94</b>	Warren Partners
<b>95</b>	Wenham Carter Group
<b>96</b>	Wickland Westcott