

Principles of Proper and Qualified Executive Search in BDU e.V.

Code of Conduct for Executive Search Firms in BDU e.V.

Preamble

The successful placement of executives and key personnel plays a crucial role in the success and future viability of companies and organizations. In dynamic labor markets, characterized by rapid changes and increasing talent shortages, the expertise of executive search firms specializing in **Executive Search** is of significant importance. Their consultants commit to high levels of responsibility in their processes and actions.

The **Bundesverband Deutscher Unternehmensberatungen (BDU) e.V.** aims to promote and ensure the professionalism of its member firms and the entire industry. The "**Principles of Proper and Qualified Executive Search Consulting**" (**GoPB**), outlined below, complement the general professional principles of BDU e.V. They serve as a guideline for member firms in their executive search work, ensuring a trustworthy relationship between consultants, clients, and candidates.

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1. Our guidelines

The following principles define the actions of an executive search firm throughout the consulting process:

- **Competence**
The executive search firm possesses the necessary experience, qualifications, and methodologies to professionally execute the assignment.
- **Striving for Excellence**
The firm commits to identifying the best possible candidate for the client company in every assignment, applying market and methodological expertise.
- **Integrity**
The executive search firm advises the client company to the best of its knowledge and represents its interests optimally, while also adopting a critical stance when necessary, based on its market knowledge and expertise.
- **Objectivity**
The representation of the client and the position to be filled, as well as the assessment of candidates, is conducted with the highest level of objectivity.
- **Tolerance and Non-Discrimination**
Candidate selection is based on professional and personal suitability, without considering irrelevant factors such as gender, age, physical or mental disabilities, ethnicity, religion, worldview, or sexual identity. The executive search firm aims to promote diversity in selection processes.
- **Confidentiality**
Throughout executive search projects, internal company information and candidate data are handled confidentially and used strictly for the intended purpose, in compliance with data protection and competition laws.

2. Collaboration between the executive search firm and the Client

2.1 Assignment Clarification

Executive search firms within BDU e.V. only accept mandates for which they have the necessary experience, expertise, and internal resources. They promptly inform clients of unrealistic expectations or conditions and do not take on assignments where successful completion appears unlikely.

As part of the briefing process, the **job description** and **requirement profile** for the position to be filled are discussed and aligned with the firm's expertise and experience in the industry or function. Additionally, market conditions, competitive positioning, corporate strategy, organizational values (corporate culture), financial framework, and development opportunities of the role are reviewed. Upon request, a **confidentiality agreement** may be provided to the client at this stage.

The client specifies which companies should not be targeted for direct approaches.

The client receives a written summary detailing the **search methodology** (direct approach, database/social media research, advertising, and other legally permissible tools, e.g., AI-driven digital tools), the **fee structure**, and other contractual terms.

If AI-based tools are used, the executive search firm remains responsible for interpreting results and determining the next steps. All applicable European and German regulations concerning AI are strictly followed.

2.2 Exclusivity

BDU executive search firms generally work on an **exclusive** basis to ensure a high level of service, discretion in candidate approach, and to prevent confusion from multiple approaches.

2.3 Fees

The **fee** of an executive search firm is typically based on the anticipated effort and the target salary of the position, rather than solely on successful placement. It is invoiced on a **pro rata** basis according to service or time progression. A **first installment** is due upon assignment, covering initial research costs and reflecting the exclusivity of the collaboration.

If the **search profile** is significantly revised, fee adjustments may be necessary. In case of project termination, the search firm must be compensated for work completed. If **multiple candidates** are hired, the agreement typically stipulates that these placements are also subject to fees.

2.4 Collaboration

The client company receives **regular updates** on project status, potential challenges, and delays.

To achieve the best possible outcome, the **client** is expected to inform the executive search firm of relevant organizational changes, promptly assess presented candidates, and ensure **availability** for interviews.

The **search firm** supports the selection process beyond contract signing and assists with **onboarding** to ensure sustainable placement success.

2.5 Candidate Selection

Thanks to professionalism and experience, the involvement of an executive search firm ensures **careful and objective candidate selection**. The process typically includes:

- Reviewing application documents and references for **plausibility and accuracy** (without assuming liability).
- Conducting **in-depth interviews**, supplemented by **assessments or testing** where applicable.
- Providing the client with **confidential candidate reports**, including a **personal evaluation** of how well each candidate meets the requirements.
- Obtaining **references** (only with candidate consent).
- Excluding individuals who **submit false information or forged documents**.

2.6 Client Protection & Guarantee

Placed candidates are generally **excluded from future executive searches** at the same client, as per the **client protection agreement**.

If a placed candidate **leaves within the probation period**, the search firm typically provides a **replacement search**, except in cases beyond its control (e.g., layoffs, organizational changes, insolvency, or relocation).

2.7 Confidentiality & Data Protection

BDU members **guarantee confidentiality** of all internal information unless disclosure is necessary for the search. The scope of information sharing is contractually defined.

The client is required to handle candidate data in compliance with **data protection laws**. Confidential reports are only shared with a **designated** group within the client's organization. Unauthorized forwarding is prohibited.

If external service providers or subcontractors are engaged, they must comply with **GoPB standards, equal opportunity laws, and data protection regulations**.

All confidential data is **deleted** after the **legal retention period**, unless explicit consent for further storage has been given.

3. Collaboration between the executive search firm and candidates

3.1 Professional Conduct

Candidates are treated with **respect and professionalism**. The executive search firm provides an **objective** representation of the client and the position to ensure candidates can accurately assess opportunities and risks.

3.2 Information Obligations

Candidates receive **detailed information** about the client company (subject to approval). If confidentiality is required, application documents are only shared **with consent or in anonymized form**.

Candidates are **regularly updated** on the status of their application.

3.3 Legal Compliance

- **Direct approaches** comply with competition laws.
- Initial contact at work is **brief**, with further discussions **outside working hours**.
- **Candidate data are handled confidentially and shared only with consent**.
- **Reference checks** require explicit candidate approval.
- **Application documents** are deleted after six months unless further retention is agreed.

3.4 No Candidate Fees

Candidates are never charged **placement fees** or other costs. The client company is the sole contracting party.

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