

HEIDRICK & STRUGGLES

# 2020 ESG Report

## Table of Contents

## Executive Summary

**H**eadquartered in Chicago, Illinois, Heidrick & Struggles International, Inc. is a global leadership advisory firm providing executive search and consulting services to senior executives and leading organizations worldwide. We provide our services to a broad range of clients through the expertise of over 425 consultants located in major cities around the world. We are a publicly traded company with shares listed on the Nasdaq Stock Market.

This is our firm's first ESG report. It references both GRI and SASB frameworks, with respective indices available in the appendix at the end of this report. We look forward to sharing our progress on these issues as we advance on our sustainability journey.

Some highlights from our 2020 report include:

- **We announced** our Diversity & Inclusion principles and launched our new Diversity & Inclusion Practice to help our clients build more effective and representative organizations.
- **At the Board of Directors level**, 61% of our U.S. placements were diverse; globally, more than 60% of our initial proposed Board candidates were diverse, exceeding our Board Diversity Pledge.
- **Maintaining our own commitment to diversity**, more than 60% of our Board of Directors are now women or People of Color.
- **During the pandemic**, we worked to ensure our employees were safe, first and foremost, and felt supported and able to be productive.
- **We formalized a new Flexible Workspace Philosophy** and created and delivered more than 700 learning experiences to give employees more control over their career development.
- **We began measuring** our carbon footprint, which shrank considerably in 2020 as we transitioned to serving clients virtually. We have committed to measure our 2020 carbon impact this year, and we committed to offsetting our carbon impact beginning in 2021.

## A Message From Our President & CEO



“As a firm, we aspire to lead and model the changes we want to see in the world, driving an increasingly sustainable business model. Now is the time to make public what we have been driving as a firm globally.”

### Dear Stakeholders,

As trusted leadership advisors to leading organizations around the world, one of the most consequential conversations we at Heidrick & Struggles have the privilege of helping to shape in boardrooms and organizations globally is on sustainability and environmental, social, and governance (ESG) issues. The topics are complex and cover a wide array of areas, from climate change, pollution, and water management, to income inequality, diversity, data protection, and much more. These are issues that will influence future business opportunities for positive impact and long-term success. When we combine the depth of our client relationships with the breadth of our global footprint, we are uniquely placed to lead these critical conversations in two important ways.

First, we start with ourselves. As a firm, we aspire to lead and model the changes we want to see in the world, driving an increasingly sustainable business model. Living our firm’s values each and every day is a foundational pillar of our efforts to lead change. Our commitment to our values allows us to support not only our people, but also our candidates, our clients, and our communities. Through our diversity and inclusion

initiatives, we are working to increase diverse representation across all levels of our firm and create a culture where our employees feel they can bring their authentic selves to work. We operate with integrity across all of our businesses and in how we treat and protect the information entrusted to us by our clients and candidates. We also contribute to our local communities where we live and work in an effort to buoy local cultures, groups, and the environment, and to leave a positive, lasting legacy.

Second, our role as leadership advisors enables us to augment our influence through the work we do with our clients globally. We help our clients identify and hire the best leaders through our executive search services. As trusted advisors in these conversations, we have helped our clients expand their thinking and increase diverse representation, find creative, innovative leaders who can spark their transformation efforts, and identify leaders who can direct and shape their commitments and contributions to society. In our consulting business, we advise our clients on their most critical leadership and organizational issues, from diversity and inclusion to defining their vision and purpose to shaping the aspirations and direction of their

organizations’ cultures. Through our consulting services, we help leaders, teams, and organizations on their respective journeys, which in turn helps the world.

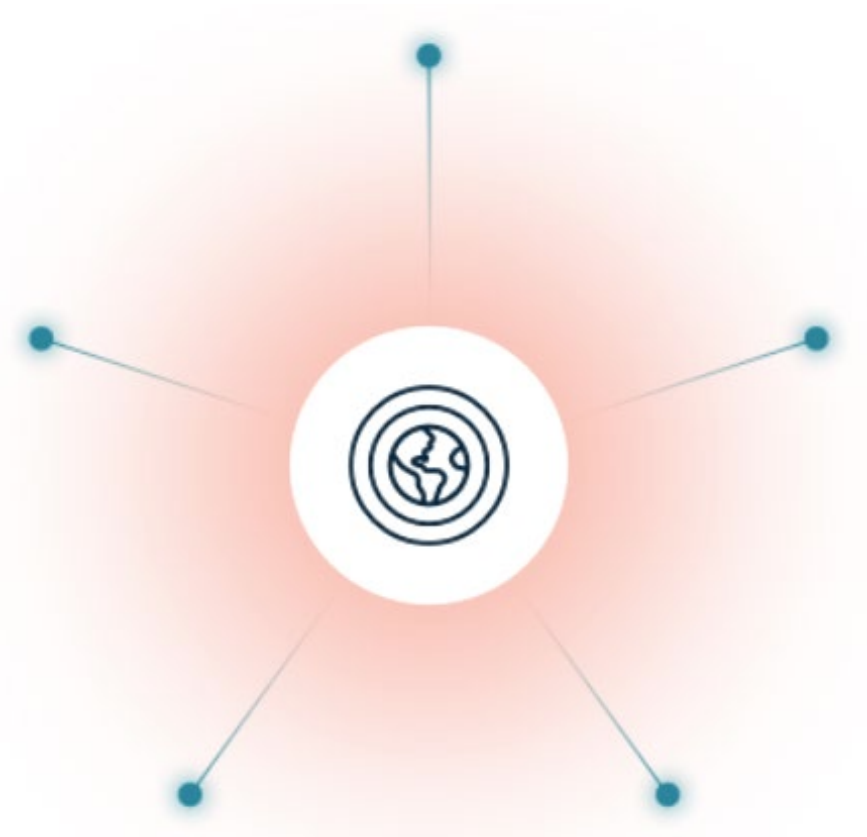
We are extremely proud of all of the work that we have done to help change the world, one leadership team at a time. That work includes our own actions and commitments, which we are excited to share publicly through our first ESG report. We believe it is important that the commitments we make to change and to measuring our progress are made publicly to encourage others on similar paths, and to create greater accountability for ourselves.

We look forward to sharing our progress over the years to come.

A handwritten signature in black ink that reads "K. Rajagopalan". The signature is fluid and cursive.

**Krishnan Rajagopalan**  
President & CEO,  
Heidrick & Struggles

Our culture stems from our values, which were developed by our Board and senior leaders, and exemplified daily by every member of our staff. We strive to create an open, inclusive, and committed culture where our staff can fully enjoy their work and trust their colleagues and partners. We believe this type of culture creates an environment that is most conducive to a productive and happy team.



## Our Purpose

We Help Our Clients Change the World, One Leadership Team at a Time™



## Our Vision

We are committed to serving our clients as trusted advisors providing diversified solutions across executive search, leadership consulting, and culture shaping.



## Our Values

Our global network of search professionals and leadership consultants are guided by five primary values serving as the firm's foundation. These five values build on the principles that have guided the actions of the people of Heidrick & Struggles for more than 60 years. They have led us to success, earning the respect of our peers in the industry and of leaders of the organizations we serve. These values will continue to be at the core of everything we do to help our clients build the best leadership teams in the world:

- Respect and value each individual
- Grow with our clients
- Win as one firm
- Always act with integrity
- Own the results



# Serving Clients

Finding leadership solutions

## 2020 Highlights

Quickly pivoted to serving clients virtually, continuing to provide our clients with leaders and leadership advice in a critical year

Helped our clients find and place thousands of top senior executives and board members in 2020

Expanded our offerings in Heidrick Consulting, including launching a new Diversity & Inclusion Practice

We are one of the leading leadership advisory firms in the world, helping companies identify, assess, and attract top leadership talent. We accelerate the performance of leaders, teams and organizations through our complementary consulting services.

Our clients include large and small cap companies in the U.S. and abroad, as well as governments, nonprofits, educational institutions, and others. We are a publicly traded company, headquartered in Chicago, with shares listed on the Nasdaq Stock Market.

Our success hinges on our ability to build trust with our stakeholders—clients, employees, peers, and investors alike. Our efforts to improve the sustainability of our firm, across environmental, social, and governance (ESG) aspects, support this aim by continually streamlining our operations and innovating solutions.

## Our Services

At our core, we help boards and leadership teams to be successful. We place importance on building strong

partnerships with our clients in order to ensure their satisfaction. The aim of these services is to create leaders, teams and companies that thrive. Our services include:

### Executive Search

We partner with our clients—respected organizations across the globe—to help them build and sustain the best leadership teams in the world, with a special focus on placing top-level senior executives. Through our unique relationship-based, data-driven approach, we help our clients find the right leaders, set them up for success, and accelerate their performance.

We form cross-sector consultant search teams for each client to offer geographical knowledge, industry insights, or expertise based on the particular role the client is looking to fill. By taking advantage of our global

presence in this way, we are able to provide our clients with best-in-class market intelligence and service.

Our Executive Search consultants also specialize in searches for specific “C-level” functional officers, such as chief executive officers and board directors, human resources officers, financial officers, information and technology officers, and others.

### Heidrick Consulting

As a complement and extension of our search services, we partner with organizations through Heidrick Consulting to unlock the power of their people. Our tools and experts use data and technology to bring science to the art of human capital development and organizational design. Our services allow our clients to accelerate their strategies and the effectiveness of individual leaders, teams, and organizations as a whole.

Heidrick Consulting offers our clients groundbreaking approaches to human capital development through a myriad of solutions, ranging from leadership assessment and development, team and organization acceleration, digital acceleration and innovation, diversity and inclusion advisory services, and culture shaping.



“Robust account management and engendering a long-term and holistic mindset, whilst also being quick to foster and respond to innovation, is at the core of our go-to-market strategy.”

#### Jenni Hibbert

Global Managing Partner and Head of Search Go-To-Market, Heidrick & Struggles



## Our Practices

Our executive search and consulting businesses operate in six broad industry practices:

|                                | Billings |      |      |
|--------------------------------|----------|------|------|
|                                | 2020     | 2019 | 2018 |
| • Financial Services           | 25%      | 26%  | 28%  |
| • Industrial                   | 20       | 21   | 21   |
| • Global Technology & Services | 21       | 21   | 20   |
| • Consumer Markets             | 17       | 17   | 16   |
| • Healthcare & Life Sciences   | 14       | 12   | 11   |
| • Social Impact                | 3        | 3    | 4    |
|                                | 100%     | 100% | 100% |

## Our Clients

For our clients, one of our critical differentiators is our global access to and knowledge of regional and functional markets and candidate talent. Our global clientele includes:

- Fortune 1000 companies
- Middle market and emerging growth companies
- Governmental, higher education, and nonprofit organizations
- Other leading private and public entities



*We aspire...*

To help guide the world's leading organizations through all of their top talent questions and needs. Through our efforts, we champion diversity, fairness, and transparency in talent decisions.

### Case Study

## Placing an experienced healthcare CEO

One of the U.S.'s largest public health systems selected us to conduct their CEO search. After sourcing recommendations from experts in the healthcare field, we shortlisted 12 candidates for interview by the selection committee.

Utilizing our **Infinity Framework** methodology—which leverages four decades of data and behavioral research—we provided them with unique insights and analysis of each candidate's experience, expertise, leadership capabilities, agility, and potential.

The selection committee conducted three rounds of interviews, all virtually. Empowered by the breadth of the search and the quality of the assessments, the final candidate received unanimous approval from the selection committee and was hired. He became the client's first permanent Latino CEO.





# Diversity & Inclusion

Driving change in our firm and yours

## 2020 Highlights

Became one of the 50 first signatories to Change the Race Ratio

Launched new D&I principles, D&I Practice, Advancing Black Leaders Group, and development program for our Professionals of Color (POC) employees

Three of our senior executives won awards for influential leadership



We are dedicated to building diverse leadership teams and organizations, and to creating inclusive cultures and workplaces—where all voices are heard, where all individuals feel safe, valued, and accepted, and where all are able to thrive and achieve equitable success. Diversity enriches our workplace.

Diversity and inclusion (D&I) are not just words at Heidrick & Struggles. Guided by our values, we began our diversity and inclusion journey more than two decades ago and have only deepened our commitment since then through our D&I principles and programs to support all of our employees, particularly in the last six years.

D&I is embedded in everything we do, including our work with clients. In 2020, we launched our new Diversity & Inclusion Practice to help our clients find the same growth through diversity that we strive for in our own firm.



## Our Diversity & Inclusion Principles

In June 2020, our President and CEO, Krishnan Rajagopalan, penned an open letter addressing the civil unrest that arose in response to historic and ongoing violence against the Black community in the United States. In it, he reaffirmed our stance that we are unwavering in our commitment to develop meaningful ways to use our voice, our resources, and our platform to combat racism, prejudice, and discrimination in service of our purpose—to help change the world, one leadership team at a time. [Read the full CEO message.](#)

In August 2020, we announced our new Diversity & Inclusion Principles.

### We Create

We create a culture of inclusion where everyone is valued and respected. We create a culture that embraces differences and encourages authenticity. We create innovation by maximizing the contributions of our diverse populations. We offer services to our clients to help them do the same.

### We Invest

We invest in the advancement, experience, and success of diverse talents within our organization. We invest in leaders both internally and externally who are inclusive and empathetic and champion diversity. We invest in our communities, specifically targeting those groups that have been historically underrepresented and disadvantaged.

### We Build

We build talent pipelines for our clients and ourselves that intentionally target and develop diverse talents. We build diverse and inclusive teams to best represent our clients and their interests. We build innovative solutions to enhance the success of diverse individuals. We build quantifiable measures that define and track diversity statistics to create accountability.



“Nothing is more exhilarating than sitting with a client and seeing colleagues from around the world come together to present the most inspirational candidates available across the region and globe. Language and distance may separate us, but we are united in our determination to showcase outstanding professionals, wherever they are located. We find value in our differences.”

**Stephen McAlinden**  
Regional Leader, APAC,  
Heidrick & Struggles

## Supporting our Clients on Their D&I Journeys

Through our work with clients, we play a critical role in improving diversity among senior leaders and the visibility of diverse candidates. In April 2020, we announced the launch of our new global Diversity & Inclusion Practice, bringing together our global network of highly experienced consultants to help clients build diverse and inclusive leadership teams, organizations, and cultures.

Since launching, the Diversity & Inclusion Practice has built a comprehensive, integrated suite of services and solutions that can be adapted to meet our clients' D&I needs. The practice brings together Executive Search and Heidrick Consulting—with a complementary lens on talent recruitment, leadership development, and building inclusive

cultures—enabling us to help our clients achieve their D&I goals, no matter where they are in their journeys.

### AESC Diversity Pledge

As members of the Association of Executive Search Consultants (AESC), we supported the development of the [AESC Diversity Pledge](#), a global promise to combat racism, prejudice, and discrimination within our own organization, with our clients and candidates that we serve, and within the communities where we live and work. On behalf of Heidrick & Struggles, our CEO, Krishnan Rajagopalan, participated in the initial working group that developed the Pledge, and we became one of the Pledge's first signatories in 2020.



### Director Institute

In 2019, we launched our [Director Institute](#) program. The program creates a fully integrated apprenticeship program, pairing CEO-recommended diverse executives with boards of relevant but non-competitive companies in order to accelerate their professional development. Participants are given a unique, immersive experience in the boardroom of another company, providing them with mentorship and encouragement to grow their own executive and boardroom presence.

Our first cohort of diverse senior executives has gained valuable experience and exposure, strengthening their operating skills and career trajectories, including potential board service.

### Board Diversity Pledge

In 2018, we doubled down on our commitment to supporting board diversity when we became the first executive search firm to formally announce a diversity target for board of directors searches. Developed in collaboration with Stanford's Rock Center for Corporate Governance, the [Board Diversity Pledge](#) was designed to increase the number of women and members of underrepresented groups considered by boards. We announced that, on an annual and cumulative basis, at least half of board candidates presented to clients on initial slates would be diverse. We have exceeded that goal each year since then. In the United States, 61% of our 2020 board of director placements—not just candidates or initial slate—were diverse. Globally, more than 60% of our initial proposed Board candidates were diverse, exceeding our Board Diversity Pledge.



*We aspire...*

**To give a voice to all employees so they feel included, inspired and that the firm invests in their successes — particularly those groups who have not had that representation and investment historically.**

## Change the Race Ratio

In October 2020, we became one of the first 50 signatories to the [Change the Race Ratio](#) pledge, a commitment to publish our Board and senior leadership diversity targets and our progress towards them, and to create a culture that enables diversity to thrive.

As discussed elsewhere in this report, we are proud to share that our Board of Directors is 37.5% gender diverse and 25% racially/ethnically diverse. Overall, 32% of our Board and senior leadership is gender diverse and 14% is racially/ethnically diverse.

We also understand that there is more work to do. We aspire to achieve leadership that is as diverse as the communities we serve. We are actively working to develop our next generation of diverse leadership internally. We have set goals to add at least two gender diverse members to our Board and senior leadership team and at least one racially/ethnically diverse member in 2021.

## Pay Equity

To address pay inequality for women and minorities, a number of state and local jurisdictions have enacted legislation barring the use of historical

compensation information during the hiring process. In compliance with these laws, we do not ask for or use candidates' historical compensation information. The client may however opt out of this policy if both the position and the client are based in a jurisdiction that has no legislative or regulatory restrictions prohibiting inquiries into compensation history.

Internally within Heidrick & Struggles, we have aligned compensation at all levels to reflect our values of respect and integrity and to continue moving toward equity.



“Our board diversity pledge has had a huge impact in and out of the firm. It signaled that we would ‘walk the talk’ and ensure that diversity was always a part of our board work, regardless of whether a client asked for it specifically or not.”

### Bonnie Gwin

Vice Chairman and Co-Managing Partner of CEO & Board Practice, Heidrick & Struggles

## Diversity & Inclusion Case Study

### Building a pipeline of high-potential female leaders

A client wanted to bring more women into its senior ranks. They partnered with us to design a holistic leadership development program to identify and prepare high-potential female leaders across their organization. The year-long journey we crafted brought together a cohort of female leaders for in-person seminars, learning on the job, networking, and project work.

Within ten months, 40% of the participants had been promoted or had their roles officially expanded. Business leaders also reported significant growth in leader effectiveness among their direct reports who were part of the program.



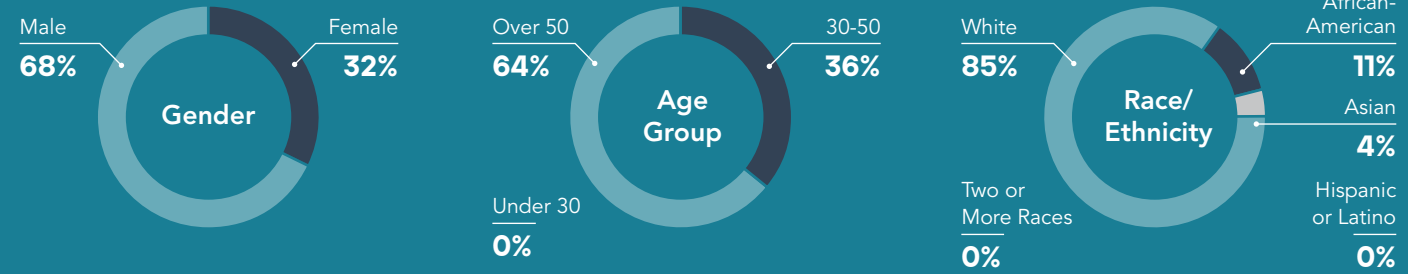
# Diversity Begins at Home

As part of our ongoing journey, we have made an internal commitment to hold ourselves accountable by measuring our own progress on D&I. Our achievements as of December 31, 2020:

- Maintaining our own commitment to diversity, 37.5% of our Board of Directors is female and 25% are people of color, including 2 women, 1 Black man and 1 Asian man.
- Our Management Committee, a global body, is 24% gender diverse and 8% racially/ethnically diverse, including 6 women and 2 Black men.
- 50% of the CEO's direct reports are diverse, including 4 women and 2 Black men.
- Our Chief Human Resources Officer is a woman; our Chief Legal Officer and Chief Inclusion Officer is a Black man.
- Women lead our Search Go-To-Market team, our corporate officers practice, our Europe & Africa region, and nine of our offices.

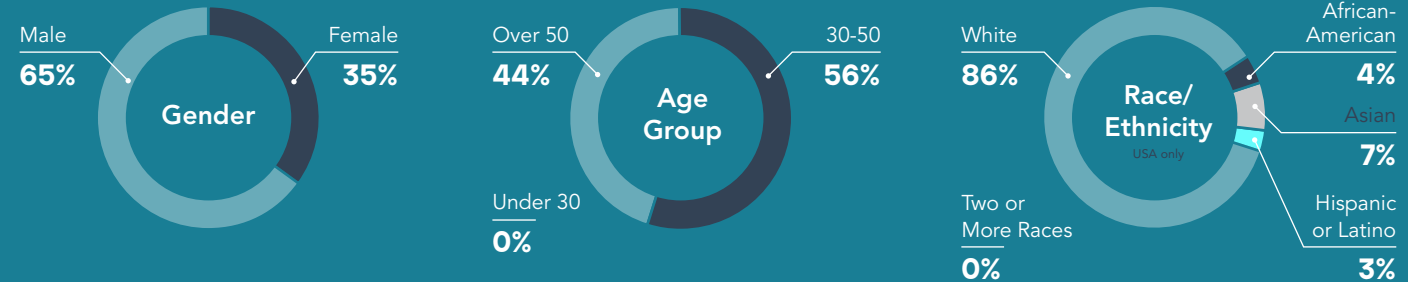
## Diversity Statistics in our Governance Bodies

Board of Directors, Management Committee, and Named Executive Officers, as of December 31, 2020



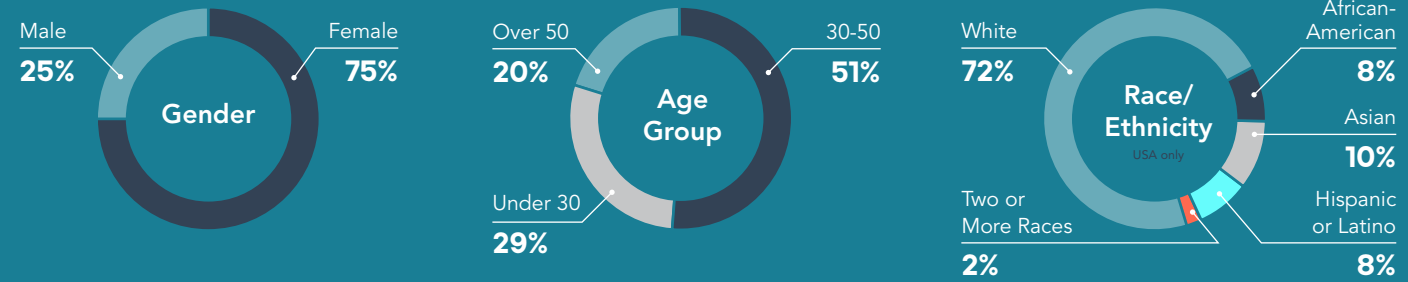
## Diversity Statistics in our Employee Population

VPs and above, as of December 31, 2020



## Diversity Statistics in our Employee Population

Below VPs, as of December 31, 2020



## Employee Resource Groups

**Employee Resource Groups (ERGs)** are our affinity groups for women, Professionals of Color, people with disabilities, and LGBTQ employees that give our employees a chance to share experiences, mentor, advocate, and engage internally and with external networks.

Our 2020 ERGs:

| Affinity Group            | Americas  | Europe & Africa                                     | APAC & ME   |
|---------------------------|---|---|---|
| <b>Women</b>              | Women’s Inclusion Network – Americas (WIN)          | Women’s Inclusion Network – Europe (WIN)            | Women’s Inclusion Network – APAC (WIN)              |
| <b>Ethnically Diverse</b> | Professionals of Color (POC)                        | Ethnic Diversity Engagement Network (EDEN)          | Ethnic Diversity Engagement Network (EDEN)          |
| <b>LGBTQ</b>              | Pride@Heidrick                                      | Pride@Heidrick                                      | Pride@Heidrick                                      |
| <b>Disability</b>         | #HEID (Honor Equality and Inclusion for Disability) | #HEID (Honor Equality and Inclusion for Disability) | #HEID (Honor Equality and Inclusion for Disability) |

In 2020, our ERGs were particularly active despite being virtual.

- Our **Professionals of Color (POC)** led “Courageous Conversations” on race and equity in America with internal stakeholders, as well as hosting a panel discussion of business and thought leaders for a frank discussion.
- **Pride@Heidrick** hosted a call with Kate Williams, associate director of the workplace team at Stonewall UK, a lesbian, gay, bisexual, and transgender rights charity in the United Kingdom. The event was attended by several hundred employees. The ERG also published [The Evolution of LGBTQ Inclusion: Building Cultures of Greater Acceptance and Stronger Communities](#), a report on key practices to make workplaces more inclusive for LGBTQ people.
- Our **Women’s Inclusion Networks (WIN)** were very active within both the firm and in the market, hosting Maxine Brenner in a discussion about resilience and confidence; sponsoring Chief Executive Women; and partnering with Google on #IamRemarkable workshops, Luminary, and Girls with Impact.
- Our **Honor Equality and Inclusion for Disability** ERG hosted an event inviting several clients who are responsible for disability inclusion or D&I overall. Several of these were individuals with visible disabilities. We also celebrated our commitment to individuals with disabilities on International Persons With Disabilities Day. The London office #HEID group created a video in support of the ERG and disability inclusion.



In 2018, Pride@Heidrick launched an annual Pride@Heidrick Summit across the New York and London offices. Due to the pandemic, the 2020 summit was postponed, but the ERG pivoted to offer virtual gatherings, including hosting a Q&A with business executive David Lazzarato about his experience parenting a transgender child.

## Advancing Black Leaders Action Group

In June 2020, we launched our **Advancing Black Leaders Group** with a mission to increase our empathy, understanding, and cultural competency on the issues of race, diversity, and inclusion. The action group is charged with creating a roadmap for helping to solve the unique set of challenges facing our Black employees.

We have paired all of our non-consultant POC employees with mentors in the company and launched several listening sessions with the group to hear and understand their experiences as diverse talent at the firm. We also plan to launch targeted training and education sessions for this group in 2021.



## Analyst Development Program

Associates at Heidrick & Struggles assist consultants in the executive search process, build strong relationships with senior executives, and assess prospective candidates. Launched in 2015, our **Analyst Development Program (ADP)** aims to elevate early career and diverse candidates into the Associate role. The program has successfully fueled the growth of diversity throughout our firm since its inception.

One hundred forty-six people from our North America offices and 21 from our Europe, Africa, and Asia Pacific offices have completed the ADP program. Sixty-two percent of current and graduated ADP participants are female and 31% are People of Color, aided by our partnership with Historically Black Colleges and Universities.

## Accelerating Women's Excellence

In 2017, we joined the [Paradigm for Parity](#), a coalition of business leaders and academics committed to narrowing the corporate leadership gender gap. In support of this agenda and given our own commitment to expanding female leadership within our firm, we created and launched **Accelerating Women's Excellence (AWE)** to prepare high-potential women for promotion into leadership positions. The year-long program provides development opportunities for our top female talent. AWE has the following objectives:

- Promote gender parity through a culture of sponsorship among both women and men.
- Advance the skills and capabilities of current leaders and high-potential women, enabling them to contribute to their highest level.
- Create a pipeline of female candidates who can be promoted to broader roles.
- Create a cohort of women who will mentor the next generation of female and male leaders within Heidrick & Struggles.

Read more about AWE on [page 20](#).

## Supplier Diversity and Minority-Owned Business

As a company with 50 offices globally, we make a significant outlay when it comes to purchasing supplies and services. We maximize our scale for good by relying on ethical, diverse suppliers. In May 2020 we instituted a new [Supplier Code of Conduct](#) that outlines the following expectations of our suppliers:

- They will work with diverse suppliers while performing work on our behalf.
- They will meet the same standards for supplier diversity as set by relevant government entities.
- They will take reasonable efforts to engage minority-owned businesses, women-owned businesses, LGBTQ-owned businesses, and small businesses.
- They will regularly report the amount they spend with qualified diverse companies on our behalf.

## Awards and Recognition



**Cheryl Stokes** was honored as one of the [“25 Influential Black Women in Business for 2020”](#) by The Network Journal, an award-winning business magazine for African-American professionals, corporate executives, and business owners.

She is a partner in Heidrick & Struggles’ New York office, a member of Heidrick Consulting, and a co-lead of the Professionals of Color (POC) ERG. She was also recognized as a [“Woman on the Rise”](#) by Paradigm for Parity.



**Kamau Coar** was named to [Savoy Magazine’s Most Influential Black Executives in Corporate America in 2020](#). In 2021, Kamau, our Chief Legal Officer and member of the Management Committee, assumed additional responsibilities to accelerate our internal D&I journey as our new Chief Inclusion Officer.

He will work closely with HR, the Management Committee, and other key stakeholder teams across the firm to create and deliver concrete, sustainable, and measurable actions that will increase diverse representation, foster a sense of belonging, and provide meaningful opportunities for all of our employees to grow and succeed at the firm.



**Lyndon A. Taylor** was honored by the AESC as one of the inaugural recipients of its new [IDEA Award for outstanding contributions to inclusion, diversity, equity, and access \(or IDEA\)](#). He was recognized for his work with organizations to help them achieve their D&I goals, no matter where they are in their journey.

He is the partner in charge of Heidrick & Struggles’ Chicago office and co-leads the global Diversity & Inclusion Practice across Executive Search and Heidrick Consulting. He is also a member of the Financial Services Practice and will lead the CEO & Board of Directors Practice in North America in 2021.

“While more companies than ever have made commitments in the area of diversity and inclusion, many still haven’t made the progress that they would have hoped by now. Our D&I Practice is uniquely positioned to help drive meaningful change in D&I through the powerful combination of our consulting expertise to build strategies and inclusive cultures, and our executive search expertise to execute on the vision.”

**Lyndon A. Taylor**  
Co-leader, Diversity & Inclusion Practice,  
Heidrick & Struggles



# Our People

Winning teams come from  
an extraordinary culture

## 2020 Highlights

Created a new Flexible  
Workspace Philosophy

- 
- Converted all learning  
to a virtual platform,  
creating and delivering  
more than 700 learning  
experiences (e-learning and  
virtual programs)
- 

- 
- Our people completed  
over 2,800 learning courses,  
totaling over 10,000  
training hours globally



As leaders in helping clients attract, develop, and retain great talent, we are constantly learning and promoting management best practices, which we also seek to incorporate into our own firm.

We therefore strive to create an open, inclusive, and committed culture where our employees find fulfillment through their jobs and can deliver their best because they feel safe bringing their whole selves to work. This work begins by implementing policies and programs that support our employees' success by creating a welcoming environment that is free from harassment, providing growth opportunities, and providing care through health and wellness benefits.

As of December 31, 2020, Heidrick & Struggles employed 1,563 people, consisting of 426 consultants (361 in Executive Search and 65 related to Heidrick Consulting), 480 associates and 657 other search, support, and global

operations support staff. Some 856 of our employees are in the Americas, 442 in Europe, and 265 in Asia-Pacific.

In Executive Search, we employed 190 consultants in our Americas offices, 102 in our European offices, and 69 in our Asia-Pacific offices. The largest offices in each region, by revenue were located, respectively, in New York, Chicago, and Boston in the Americas; the United Kingdom, France, and Germany in Europe; and China (including Hong Kong), Australia, and Dubai in the Asia-Pacific region.

In Heidrick Consulting, we employed 65 consultants. The largest countries in this segment, as defined by net revenue, are the United States, the United Kingdom, and the U.A.E.



### Total employees by employment contract, by gender

as of December 31, 2020

|           | Male | Female |
|-----------|------|--------|
| Permanent | 577  | 961    |
| Temporary | 8    | 17     |

### Total employees by employment contract, by region

as of December 31, 2020

|           | America | Asia | Europe |
|-----------|---------|------|--------|
| Permanent | 850     | 256  | 432    |
| Temporary | 6       | 9    | 10     |

### Total employees by employment type, by gender

as of December 31, 2020

|           | Male | Female |
|-----------|------|--------|
| Permanent | 571  | 946    |
| Temporary | 14   | 32     |



“As a global executive search and leadership advisory firm, we know that our most valuable asset is our people. We have a deep commitment to our employees and to creating an inclusive workplace where every individual has the opportunity to develop, thrive and bring their authentic self to the workplace each day.”

**Sarah Payne**  
Chief Human Resources Officer, Heidrick & Struggles

## Our Policies

Our employees are highly sought after. We offer work opportunities, a culture, environment, benefits, and learning opportunities that create an unparalleled work experience to recruit the best. Through our Code of Ethics and additional policies, we outline both standards of professionalism that employees can expect in our offices and benefits made available to them.

### A Respectful Environment

We recognize that to bring their best selves to work each of our employees needs to feel respected and valued. This requires creating a supportive, professional work environment, free from conduct that could be considered harassing, coercive, or

disruptive. We work to create such an environment through strict policies against harassment and sexual harassment. All U.S. employees are regularly trained on these policies. Employees can lodge harassment complaints anonymously 24/7 to our independent, third-party resource, EthicsLine; or through their manager, Human Resources, or the Human Resources and Compensation Committee of the Board of Directors. Allegations of harassment are handled by our legal and HR teams and appropriate action is taken when deemed necessary. Furthermore, we do not tolerate any form of retaliation against anyone who reports misconduct in good faith or who participates in an investigation. We make every reasonable effort to prevent potential instances

of retaliation, stop retaliation if it occurs, provide remedies to victims, and appropriately discipline perpetrators of retaliation.

### Flexible Workspace Philosophy

In December 2020, we announced a new policy, effective January 2021, to implement a Flexible Workspace philosophy in the Americas and European regions. Due to the COVID-19 pandemic, the vast majority of our teams across these regions have worked remotely since mid-March 2020.

We have continued to operate relatively seamlessly, building on our foundation of trust, flexibility, and accountability,



“An inclusive culture necessarily relies on opportunity. Our culture also relies on representation to make advancement seem achievable. We have thoughtfully added intentionality to our development programs, making investments in groups and people where those investments have not always been equal in our society. Getting inclusion right in these ways allows us to grow from within and deliver on our promises to our clients.”

#### Kamau Coar

Chief Legal Officer and  
Chief Inclusion Officer,  
Heidrick & Struggles



*We aspire...*

**To create a culture that allows all of our employees the space to be themselves and to thrive; and to grow our next generation of talent from within, investing in their successes and their future as our successes and our own.**

## Our Policies | continued

and were impressed by high levels of productivity by our teams, especially in light of the uncertainty in the world around us. As a result of the success of this unintended pilot, we have enacted a new policy to allow all employees, unless deemed office-essential, to work wherever they feel most productive, comfortable, and safe—whether that is at home, in the office, or somewhere else.

Our offices will continue to remain a hub for employees, clients, candidates, and participants to work from as needed but flexible working has allowed us to reconfigure or redesign our offices to both meet the future needs of the business and reduce our real estate footprint by downsizing both the number and size of our offices.

## Benefits

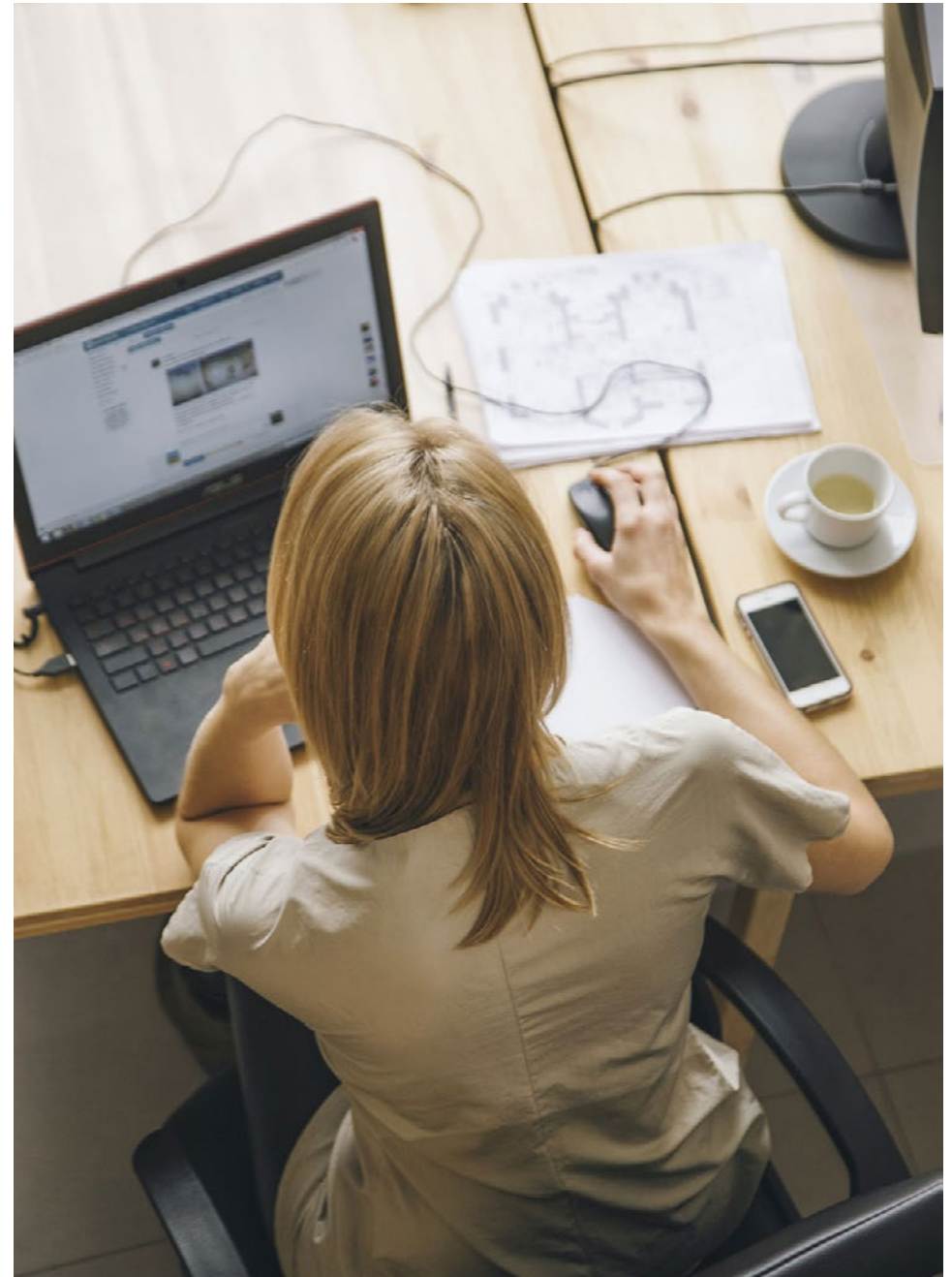
Our full-time employees in the U.S. are eligible to participate in medical, prescription, dental, and vision benefits, including options with telemedicine. We offer Flexible Spending Accounts to help our employees reduce their taxable income while paying for expenses such as co-pays, deductibles, orthodontia, over-the-counter medicines, and more.

We provide employees with basic life and accidental death and dismemberment insurance, and supplemental life, short-term, and long-term disability coverage. Critical illness, long-term care, and hospital indemnity insurance are also available voluntarily.

Our 401(k) Profit Sharing and Retirement Plan provides a generous dollar-for-dollar company match up to the greater of \$6,000 or 6% of eligible compensation.

As part of our benefits offering, employees also have the ability to opt into a legal plan, commuter benefits, and pet insurance. All employees have access to an employee discount program and to membership in Care@Work, which includes subsidized adult, child, and pet backup care as well as access to the Care@Work platform.

We offer generous paid time off and wellness programs like Gympass and EAP, which focus on physical and emotional, social, and financial well-being. Some of these benefits are also provided globally and we provide competitive, equivalent benefits in each of the markets where we operate.



## Talent Development

Our learning and development programs have been created with the goal of building leadership, business development, account management, client service, and change leadership skills among our employees. We are committed to growing our consultant base from within through the professional development of our employees and promoting a culture of continuous learning within our firm. Over 1,200 of our employees participated in almost 11,000 hours of virtual learning during 2020.

Our growth demands that we attract exceptional people. Managing talent isn't just our business, it's our passion. We provide career opportunities at all levels from student internships and entry-level positions to advanced and partner-level positions. Our comprehensive ongoing learning and development opportunities are one part of our unique offering to our employees.



### LinkedIn Learning

We have partnered with LinkedIn Learning to provide their entire catalog of online courses to all employees. LinkedIn Learning is an award-winning industry leader in online training, with a digital library of over 6,000 courses covering a wide range of technical, business, software, and creative topics, all taught by industry experts.

### Peer Learning

Peer learning is the informal sharing of knowledge among colleagues that happens every day at work. Our employees are encouraged to create and share video lessons with each other through our peer learning portal. Past video topics include Leadership Development, Communicating With Purpose, Strategic Account Management Training, and a mini-MBA program, to name a few.

## Case Study

### Accelerating Women's Paths to Promotion

**Accelerating Women's Excellence (AWE)** prepares high-potential women for promotion into leadership positions through a year-long training and development program (read more on [page 14](#)). Since launching AWE in 2018, the number of women promoted to Partner stands at 50%:

|      |   |   |
|------|---|---|
| 2020 | <b>50%</b> of Partner promotions were women | <b>55%</b> of Principal promotions were women |
| 2019 | <b>54%</b> of Partner promotions were women | <b>52%</b> of Principal promotions were women |
| 2018 | <b>40%</b> of Partner promotions were women | <b>59%</b> of Principal promotions were women |
| 2017 | <b>38%</b> of Partner promotions were women |   |

**Jenni Hibbert** and **Claire Skinner**, both part of AWE's 2018 cohort, were promoted to Global Practice Managing Partner, Financial Services (2019), and Regional Managing Partner, Europe & Africa (2020), respectively. In 2021, Jenni Hibbert was promoted again to a newly created role, Head of Search Go-To-Market.

We have several other women who have assumed leadership roles across the firm following the AWE program, including:

- **Lisa Baird**, Global Practice Managing Partner, CHRO Practice
- **Alyse Bodine**, Global Practice Managing Partner, Financial Officers Practice
- **Rose Gailey**, Global Lead, Organization Acceleration & Culture Shaping
- **Susie Clements**, Regional Managing Partner, Europe & Africa Corporate Officers Practice
- **Dominique Fortier**, Americas Regional Managing Partner, Financial Services Practice
- **Amanda Worthington**, Americas Regional Managing Partner, Consumer Markets Practice
- **Liz Simpson**, Partner-in-Charge, New York and Stamford offices
- **Alice Breeden**, Global Lead, CEO and Board Practice, Heidrick Consulting
- **Muriel Moreau**, Partner in Charge, France
- **Sharon Sands**, Global Lead, Leadership Assessment & Development



# Community

Lending a hand to our neighbors

## 2020 Highlights

Donated over  
\$57,000 to COVID-19  
relief efforts

- Donated roughly  
\$340,000 to charities  
worldwide

- Completed  
over 1,000 hours of  
pro-bono work

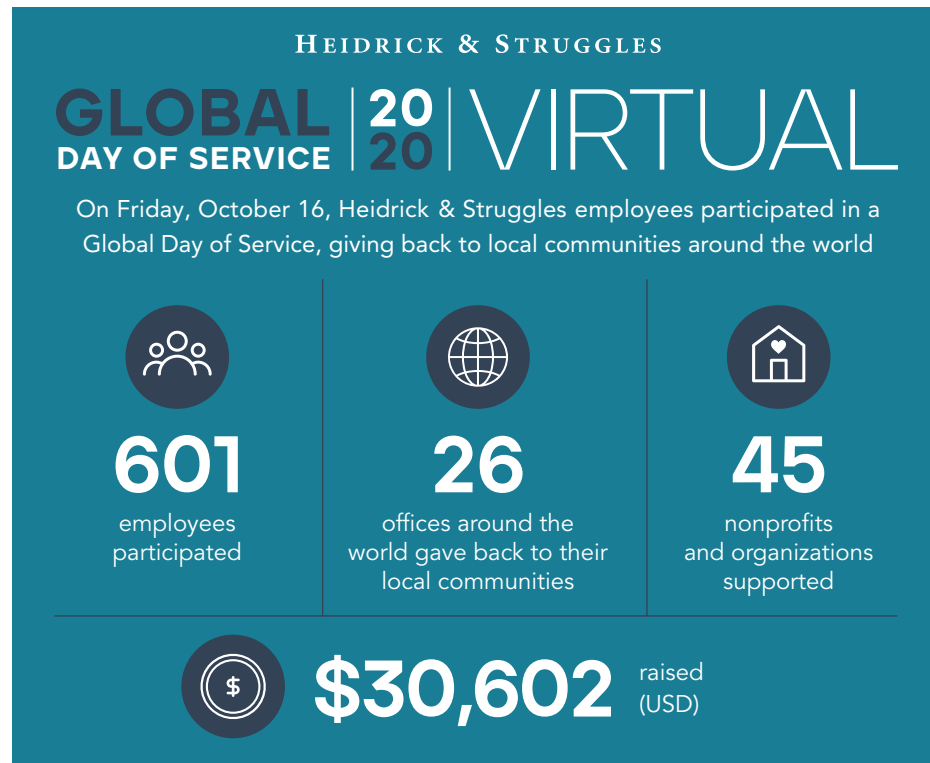
We strongly believe that the benefits of our success and scale should enrich all of our stakeholders, especially the communities in which we operate. We are committed to being responsible global and corporate citizens by positively contributing to the communities in which we work and live.

In 2019, we formed a Philanthropic Committee to establish a coordinated, global approach to support the charitable causes and philanthropic endeavors that matter to our employees, clients, and communities. We give back to our communities through volunteer service, charitable giving, and pro bono work.

## Volunteer Work

In 2019, we hosted our first-ever Global Day of Service where we, as a firm, gave back to our communities. We raised awareness and funds and volunteered for nonprofits and organizations focused on education, training, development, and other local causes.

2020 was a year that challenged already stressed community groups and families. We doubled our Global Day of Giving efforts by providing additional support to organizations focused on COVID-19 relief.



## COVID-19 Relief Efforts

To support COVID-19 relief efforts, we organized a global, virtual talent competition, where employees raised and donated more than \$57,000 for organizations worldwide.

We also donated \$1,000 each to the LGBTQ Freedom Fund in the U.S. and UK Black Pride in support of LGBTQ people.



“Philanthropy is not just something we do; it is a part of defining who we are. We started the Philanthropic Committee to give back, but we ended up accomplishing so much more—we formed a global community of our own. It has created a pride in our firm and greater purpose that lasts far beyond each individual event.”

**Elizabeth Langel**  
Partner,  
Heidrick & Struggles

## Charitable Giving

### Our Total Charitable Giving

In 2020, we donated over \$200,000 to local and global charities in support of poverty reduction, access to healthcare, reduction of food insecurity, and more.

| Category         | Amount    |
|------------------|-----------|
| Healthcare       | \$13,500  |
| Food Insecurity  | \$10,308  |
| Homelessness     | \$5,247   |
| Disabilities     | \$13,452  |
| Humanitarian Aid | \$1,116   |
| Public Policy    | \$5,000   |
| Other            | \$172,100 |

## Pro Bono Work

We offer a variety of professional services pro bono to nonprofits, and select for-profits, that meet our criteria to receive assistance. This year's recipients included nonprofits providing humanitarian aid to children, nonprofit industry associations, and groups supporting education. Services rendered include searching for board members and senior executives, conducting a culture diagnostic, carrying out a board review, and more.

In 2020, we completed pro-bono work for several organizations around the world.

### New Pro Bono Assignment Program

In 2021, we are launching a formal, global Heidrick & Struggles Pro Bono Assignment Program. The program

will provide an opportunity to support the execution of a set number of searches a year, free of charge to the client, for select organizations and roles that support our firm's values and commitment to our communities.

This approach to pro bono work allows us to:

- Engage our employees at all levels in identifying and nominating deserving work.
- Ensure pro bono clients receive a full team approach with quality time and attention.
- Provide team members with proper recognition for their work and success.
- Streamline oversight to ensure pro bono work does not impact existing client relationships.



### Case Study

## Placing leaders who grow with our clients

A market-leading cloud software company that helps companies connect employees with charities around the world needed help placing several C-level leaders. Through our Executive Search support, we helped them find a female CFO—who later became their CEO—and a CTO.



*We aspire...*

To be a more fully integrated member of our communities by donating our time, money, and skills in deep alignment with our values and core competencies.

# Environmental Sustainability

Shrinking our carbon footprint

## 2020 Highlights

Significantly shrank  
our carbon footprint  
from air travel

Decreased our  
global office square  
footage by 8.4%

Reduced paper  
usage by launching use  
of DocuSign



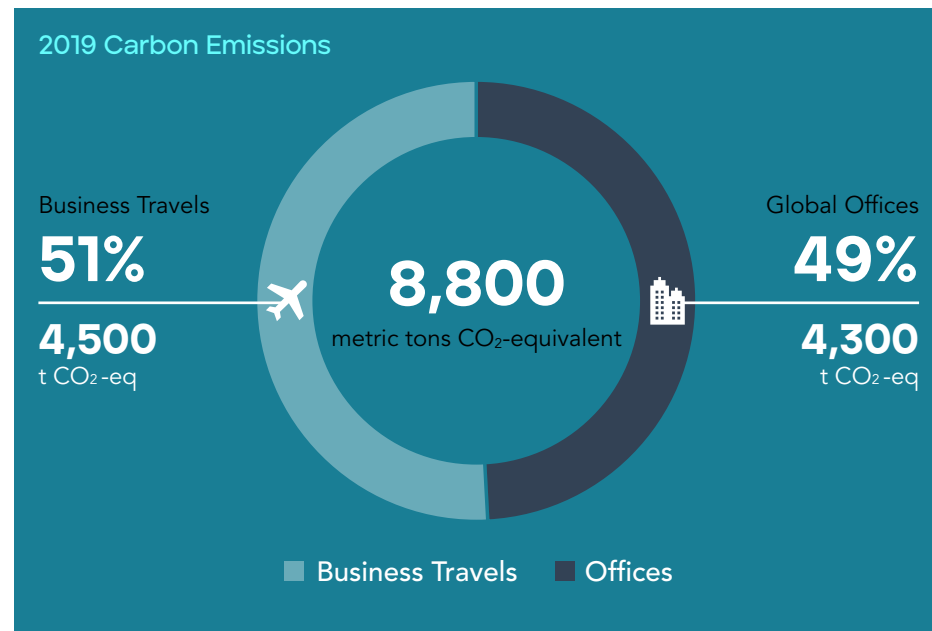
As one of the world’s largest executive recruiting and leadership advisory firms, we recognize the impact our offices and operations have on the planet, and we acknowledge our responsibility to reduce our environmental impact where possible and pursue environmental sustainability initiatives. We care about our communities—local and global—and we are committed to measuring our impact on the world and creating transparency around our activities.

Our approach to environmental sustainability starts with quantification of our carbon impact so we can understand the choices we make. Quantification then informs which activities we want to continue, modify, or eliminate. In addition to taking steps to reduce our environmental footprint, we have also begun considering ways to offset the carbon impact of our activities.

In 2019, we began studying our carbon footprint with the goal of measuring, reducing, and developing plans to neutralize our carbon footprint. In our business, much of our carbon relates to air travel and real estate, both of which were significantly affected by circumstances surrounding COVID-19. Our use of air travel dropped precipitously, while our use of virtual meetings and interviews increased

significantly, something we are likely to retain to some degree going forward. In the same vein, most of our employees began working strictly from home, inspiring us to reassess our total real estate footprint.

The carbon footprint data presented in this report reflects our operations and activities in 2019. Measurement of our 2020 carbon footprint is currently underway and will be released in the coming months.



“Heidrick & Struggles is serious about measuring and improving our firm’s environmental and social impact. The heart of our business is in helping clients recruit leaders and build teams and cultures that improve and preserve life on the planet.”

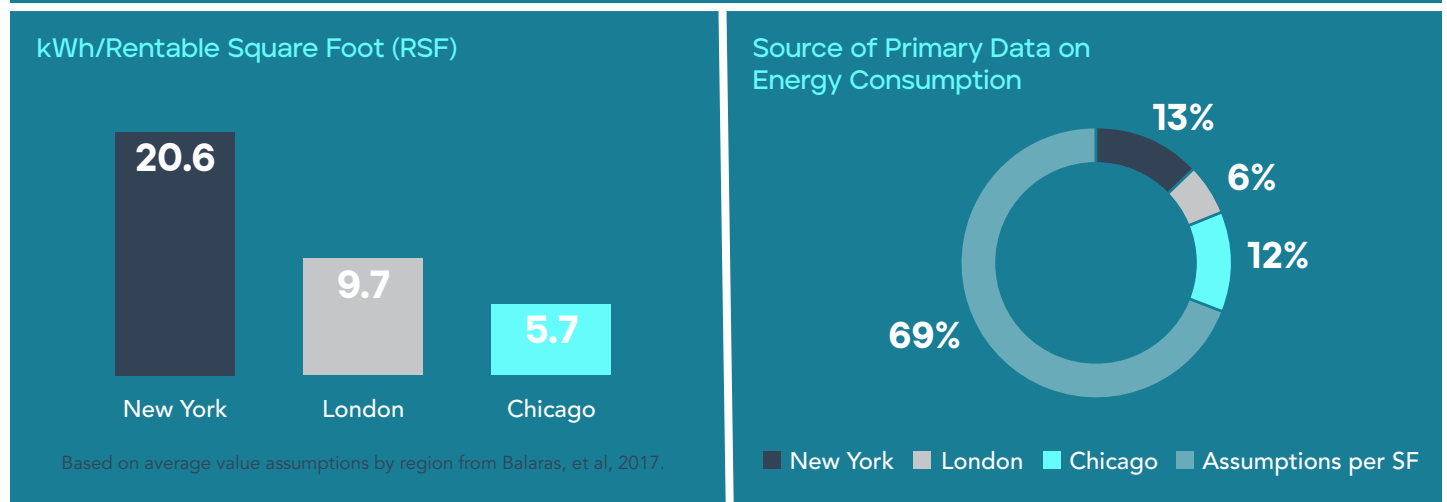
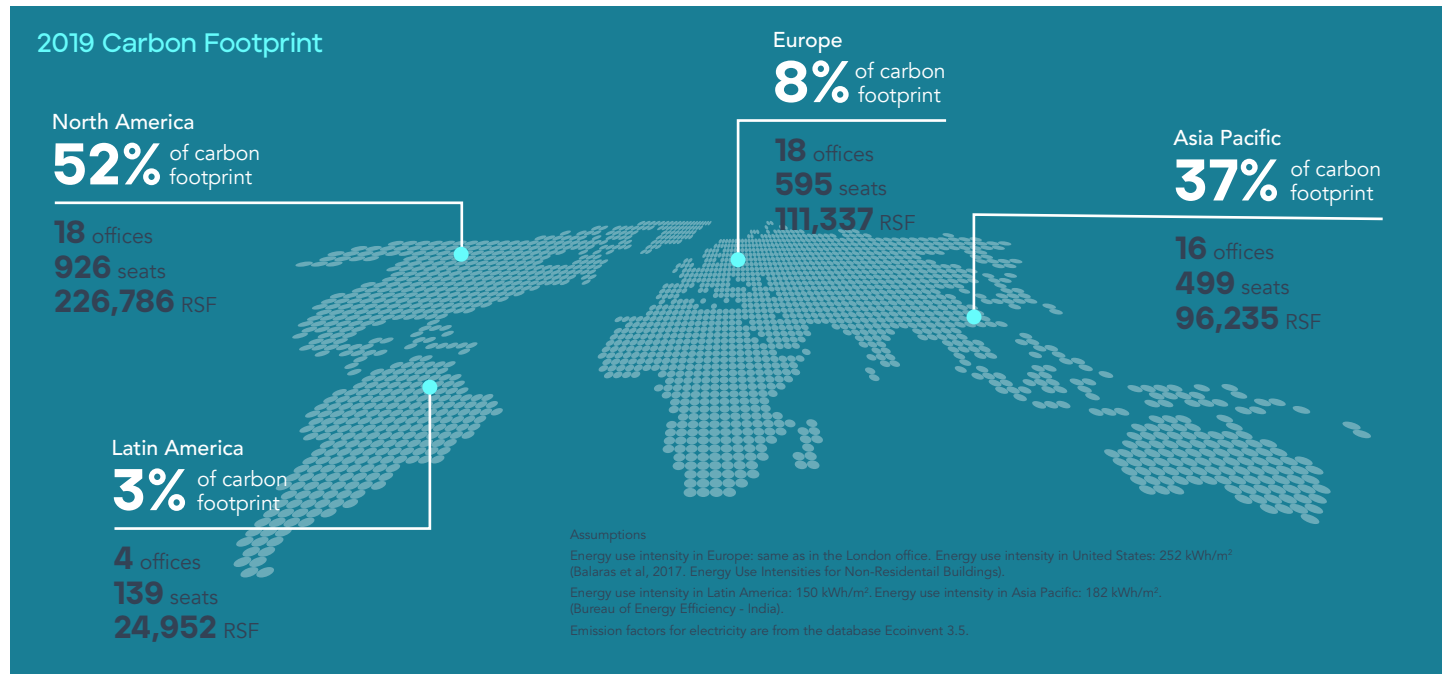
**Jeremy Hanson**  
Partner and Co-Director,  
Global Sustainability Office,  
Heidrick & Struggles

## Real Estate

In 2020, Heidrick & Struggles served clients through a network of 50 offices in 25 countries. We pursue environmental sustainability initiatives when building and maintaining our offices globally. We lease space in over 20 green buildings across the globe, including many LEED buildings in the U.S. We do not own any real estate. We are committed to hiring designers and contractors that pursue environmentally responsible choices, including eliminating waste, reducing pollution, promoting recycling, utilizing repurposed materials, and increasing energy efficiency to reduce our carbon footprint.

## Electricity Use

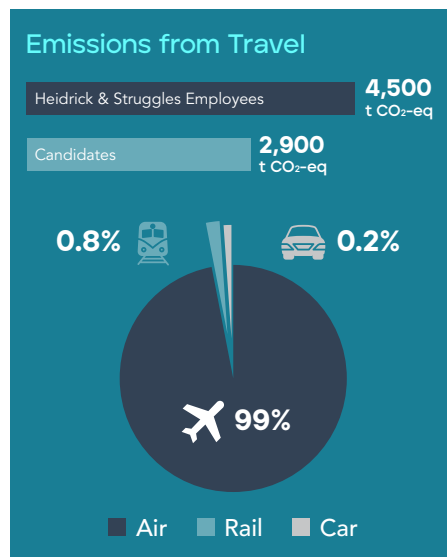
In 2019, our electricity consumption varied based on the local climate and building efficiency. We collected primary electricity data from 31% of our offices. Our office in New York City had the highest electricity use per square foot.



## Business Travel

In 2019, the majority of our carbon emissions stemmed from energy consumption in our offices and business travel, totaling 8,800 metric tons (t) of CO<sub>2</sub>-equivalent. Fifty-one percent of this impact was due to business travel; the remaining 49% was due to energy consumption in our global offices. Almost all of our carbon footprint from business travel (99%) is from air travel. In 2019, 98% of travel by Heidrick & Struggles' employees—more than 16 million miles—was completed by plane.

We are in the process of implementing tools to measure the carbon footprint associated with our travel, to create a standard by which we can measure our efforts to reduce our environmental impact.



## Carbon Reductions

In 2020, we reduced our office space by 8.4%, including closing our offices in Bangkok, Bangalore, Florham Park, Stockholm, and Minneapolis, and downsizing our offices in Chicago, Los Angeles, and Atlanta by at least half. We ended the year with a total of 421,734 square feet of leased office space. We also committed to moving our New York City offices in 2021, which will reduce its carbon footprint.

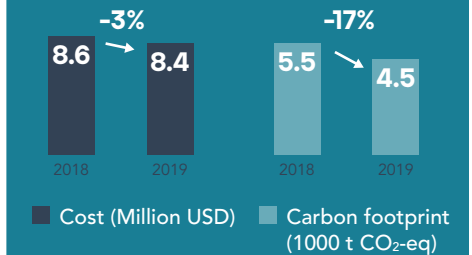
The new space will be in One Vanderbilt, a building chosen specifically for its superior sustainability features. The new construction has invested \$17 million in sustainable features, including a 1.2 MW energy cogeneration system and 90,000-gallon rainwater collection unit. Its footprint is one of the lowest per square foot in New York City.

In 2020 we also launched a partnership with DocuSign, an electronic signature software company. The use of DocuSign has increased efficiency by precluding the use of printing and mailing or faxing documents.

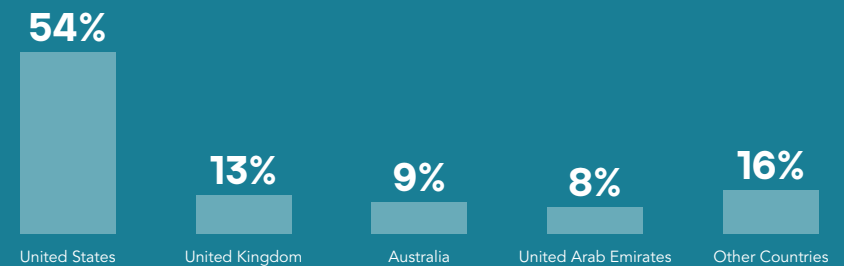
### Office Space by Geographic Segment

| Geographic Segment | Square Footage |
|--------------------|----------------|
| America            | 214,821        |
| Europe             | 131,586        |
| Asia Pacific       | 75,327         |
| <b>Total</b>       | <b>421,734</b> |

### Reduction in Business Travel



### Business Travel by Office Location



### Environmental Impact Reductions from using DocuSign in place of paper documents

January 1 – December 20, 2020



2,935 lb  
of wood



8,642 gal  
of water



6,889 lb  
of carbon



477 lb  
of waste

## New Supplier Code of Conduct

Our efforts to reduce our carbon impact include selecting our suppliers responsibly. In May 2020, we developed a Supplier Code of Conduct that addresses protecting the environment.

Suppliers must comply with all environmental laws and regulations where our business is conducted. Suppliers are also expected to conserve resources and protect the communities and environment that surround them.

Suppliers are encouraged to minimize the use of non-renewable resources, reduce and recycle waste, and minimize the environmental impact of their operations where possible.

Suppliers sourcing products should present environmentally preferable options and ensure that materials are disposed of in an environmentally responsible manner.

Suppliers are expected to establish targets and be transparent in their progress toward those environmental goals. Efforts should include measuring, reporting and reducing their emissions, transport footprints, the use of materials and resources, water use, and waste.

## Carbon Offsets

We have committed to offsetting our carbon through the purchase of carbon offset credits through Indigo Ag. These credits support farmers using regenerative agricultural practices that reduce and sequester carbon. Indigo Ag's model is unique among carbon credit vendors—it offers technical and other support to growers and verifies carbon sequestered through a third-party audit for buyers.

| Year | Number of Credits | Offset (Against 2019 Baseline)* |
|------|-------------------|---------------------------------|
| 2021 | 2000              | 22.7%                           |
| 2022 | 3000              | 34.1%                           |
| 2023 | 4000              | 45.5%                           |

\*Percentages in this column are based on 2019 emissions. Exact percent offset will depend on the relevant year's emissions.

## Global Sustainability Office

One of our growing areas of interest is the search for executives focused on sustainability and corporate social responsibility. In 2019, we established a new Sustainability Office to serve as a centralized hub for gathering best practices and providing our clients with search services for chief sustainability officers. In 2020, we provided a host of clients with assistance filling sustainability officer roles or with consulting, including sustainable product or service businesses, businesses working to embed sustainability into their strategies, sustainable asset managers and private equity funds, and others. We hope to grow this area of our business in the future.

### Case Study

## Diversifying leadership for sustainable businesses

One of our clients is a rapidly growing energy storage company focused on solving challenges around storage of wind and solar power. Enhancing diversity and inclusion is among their top personnel priorities.

We helped diversify their senior leadership team by identifying and placing a capable female senior executive to run their product development and management division.

We not only supported a mission-driven business, but also moved the needle on diversity in a male-dominated job function.



*We aspire...*

**To enhance and channel the passion of our employees into tangible actions toward a carbon neutral future.**

# Our Management

A progressive culture starts at the top

## 2020 Highlights

Updated our  
Code of Ethics

•  
Introduced ongoing  
training on privacy  
notifications

•  
Expanded Data  
Subject Rights  
globally

Our organization is governed according to our values and ethics by our Board of Directors and Management Team. Through its committee meetings and regular interactions with senior leadership, the Board provides strategic direction to our Executive Search and Consulting operations while encouraging the development of new initiatives to ensure we continuously meet stakeholder needs and set industry standards.

## Our Board of Directors

Our firm's success is due in part to our vast network of global colleagues, including our experienced and trusted leadership team. Our Board of Directors is composed of seven independent members and our President and CEO.



**Adam Warby\***  
Chairman of the Board



**Krishnan Rajagopalan**  
President and Chief Executive Officer, and Member of the Board of Directors



**Elizabeth L. Axelrod\***  
Nominating & Board Governance Chair, and Member of the Human Resources & Compensation Committee



**Laszlo Bock\***  
Member of the Human Resources & Compensation Committee



**Clare Chapman\***  
Human Resources & Compensation Committee Chair and Member of the Nominating & Board Governance Committee



**Lyle Logan\***  
Member of the Audit & Finance Committee and Nominating & Board Governance Committee



**T. Willem Mesdag\***  
Audit & Finance Committee Chair, and Member of the Human Resources & Compensation Committee



**Stacey Rauch\***  
Member of the Audit & Finance Committee

\*Independent Director

## Skills & Experience

| Experience                        | Axelrod | Bock | Chapman | Logan | Mesdag | Rajagopalan | Rauch | Warby |
|-----------------------------------|---------|------|---------|-------|--------|-------------|-------|-------|
| Senior Leadership                 | •       | •    | •       | •     | •      | •           | •     | •     |
| Industry Experience               | •       | •    | •       | •     | •      | •           | •     | •     |
| Ethics and Integrity              | •       | •    | •       | •     | •      | •           | •     | •     |
| Financial Literacy                |         |      |         | •     | •      |             | •     | •     |
| Independence                      | •       | •    | •       | •     | •      |             | •     | •     |
| Operations                        | •       | •    | •       | •     | •      | •           | •     | •     |
| International Business Experience | •       | •    | •       | •     | •      | •           | •     | •     |
| Technology                        | •       | •    |         |       |        | •           |       | •     |
| Risk Management                   | •       |      |         | •     | •      | •           | •     | •     |
| Business Development and M&A      | •       | •    |         | •     | •      | •           | •     | •     |
| Government, Legal, and Regulatory |         |      | •       |       | •      |             |       |       |
| Public Company Board              |         |      |         | •     | •      | •           | •     | •     |
| Information Security Expertise    |         | •    |         |       | •      |             |       | •     |

## Background

| Tender/Age/Gender            |    |    |    |    |    |    |    |    |
|------------------------------|----|----|----|----|----|----|----|----|
| Years on the Board           | 5  | 1  | 5  | 5  | 5  | 4  | 2  | 3  |
| Age                          | 58 | 48 | 61 | 61 | 67 | 61 | 63 | 60 |
| Gender                       | F  | M  | F  | M  | M  | M  | F  | M  |
| Race/Ethnicity/Nationality   |    |    |    |    |    |    |    |    |
| African-American/Black       |    |    |    | •  |    |    |    |    |
| Asian/South Asian            |    |    |    |    |    | •  |    |    |
| White/Caucasian              | •  | •  | •  |    | •  |    | •  | •  |
| Born Outside of the U.S.     |    | •  | •  |    |    |    |    | •  |
| Resident Outside of the U.S. |    |    | •  |    |    |    |    | •  |

## Board Committees

The Board conducts its business through meetings of the Board and its three committees: the Audit & Finance Committee, the Human Resources & Compensation Committee, and the Nominating & Board Governance Committee. Each committee has an approved written charter that is reviewed and revised annually, as needed.

### Audit & Finance Committee

The **Audit & Finance Committee** appoints and oversees our independent auditors and monitors the integrity of our financial reporting and audited financial statements. It is also responsible for establishing procedures around whistleblower complaints, ensuring compliance with our Code of Ethics, and reviewing any regulatory matters related to our financial statements with the Chief Legal Officer.

### Human Resources and Compensation Committee

The **Human Resources & Compensation Committee** discharges the Board's responsibilities relating to compensation of executives and firm-wide compensation plans. Additionally, it annually reviews our diversity and inclusion practices, key metrics, and talent pipeline.

### Nominating & Board Governance Committee

The **Nominating & Board Governance Committee** is responsible for CEO succession planning and identifies and recommends Director nominees, considering how they bring diversity and complementary skills to the Board, and oversees corporate governance matters. It also recommends amendments to our Code of Ethics. In 2020, the Nominating & Board Governance Committee amended its charter to include responsibility for making recommendations to the Board regarding our sustainability programs and disclosures.

## Senior Leadership

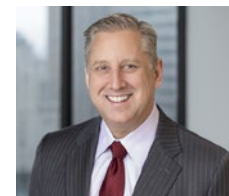
In addition to our Board of Directors, we have a Management Team composed of Named Executive Officers and a Management Committee composed of the firm's internal leaders.



**Krishnan Rajagopalan**  
President and  
Chief Executive Officer



**Michael M. Cullen**  
Chief Operating Officer



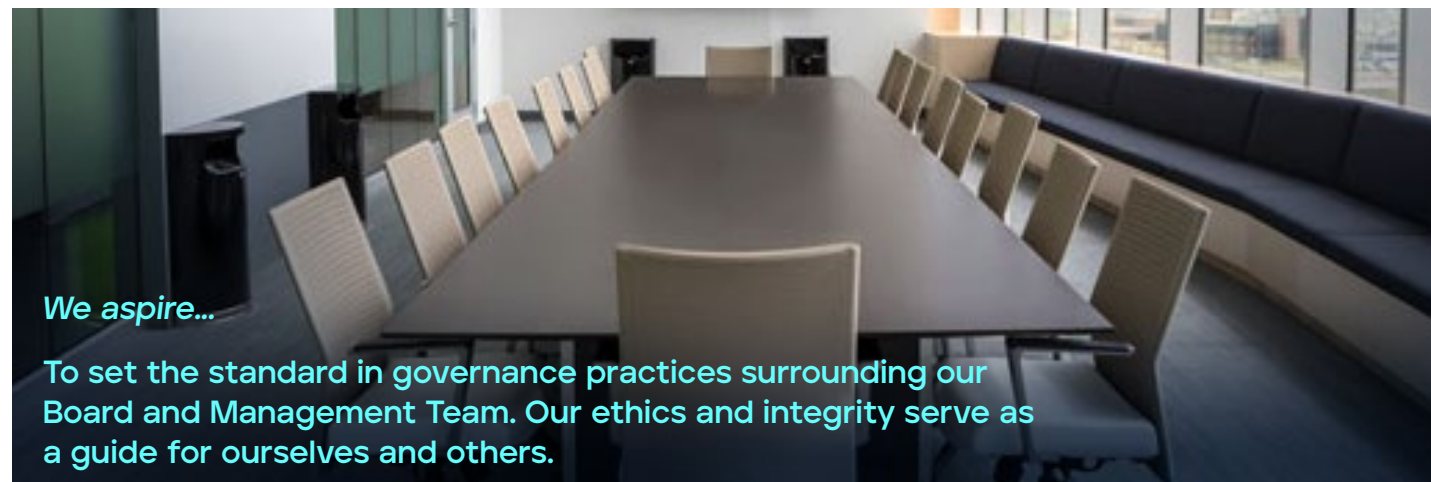
**Mark Harris**  
Chief Financial Officer



**Sarah Payne**  
Chief Human  
Resources Officer



**Kamau Coar**  
Chief Legal Officer and  
Chief Inclusion Officer



*We aspire...*

**To set the standard in governance practices surrounding our Board and Management Team. Our ethics and integrity serve as a guide for ourselves and others.**



# Ethics

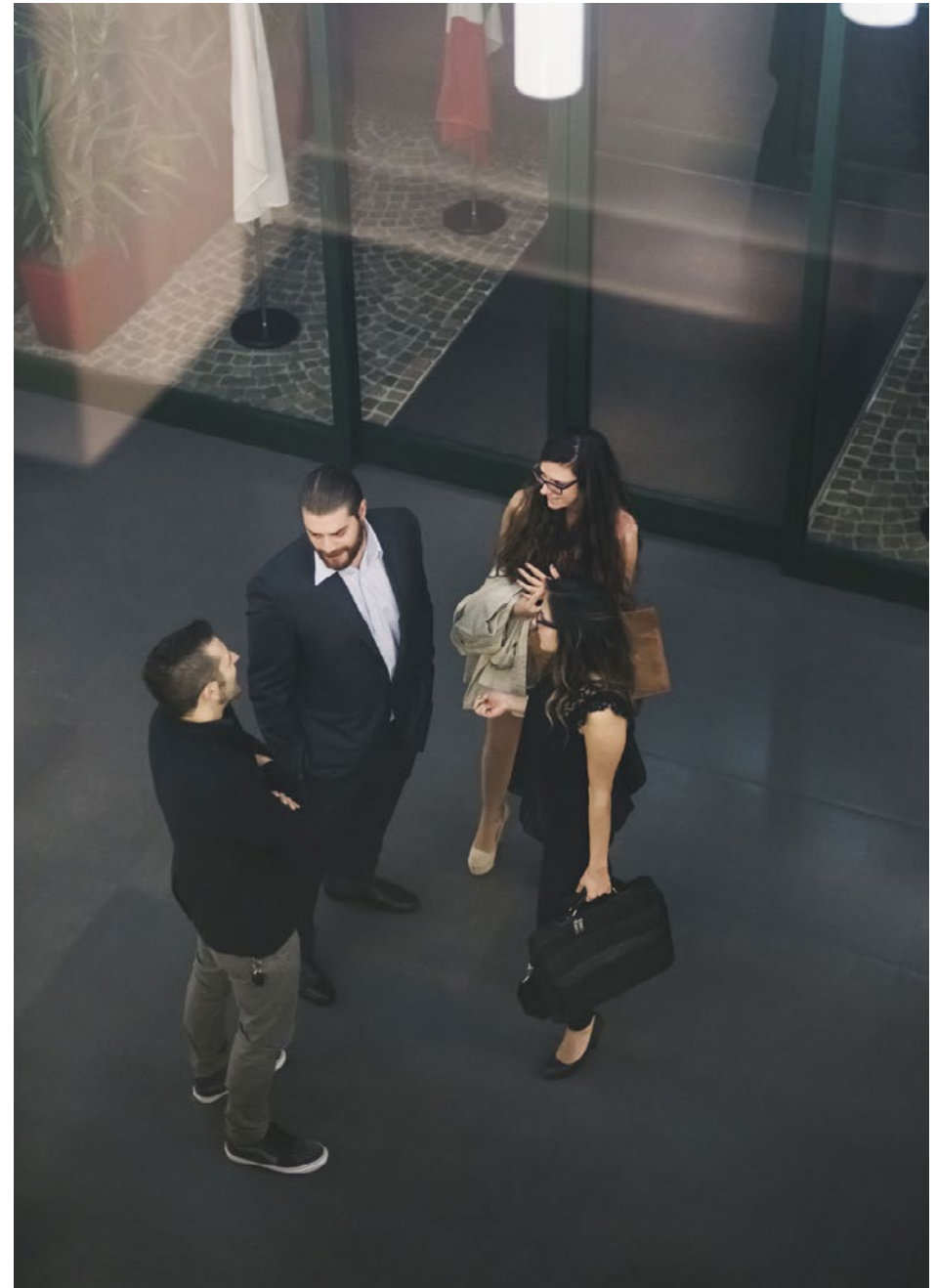
Our [Code of Ethics](#) applies to all of our employees, officers, directors, and independent contractors. It establishes clear ethical and professional guidelines, ensuring we hold ourselves to the highest professional ethical standards. The Code is a reflection of our values and our commitment to acting with integrity and high standards in all business practices. Guidelines presented in the Code include:

- Fostering a respectful workplace free of harassment.
- Embracing diversity and inclusion.
- Dealing fairly and honestly, respecting private information and rejecting corruption.
- Using social media responsibly, and more.

The Code is enforced through several mechanisms including the Audit & Finance Committee of the Board and our independent, third-party reporting resource, EthicsLine.

## Ethics Line

[EthicsLine](#) is an outlet for reporting alleged breaches of legal or regulatory obligations, financial fraud, or violations of the Code or other corporate policies. Available 24/7 via the internet or a toll-free hotline, the EthicsLine is available to all company employees, contractors, vendors, stockholders, clients, or other interested parties. It is administered by an independent third party that specializes in running whistleblower hotline programs for companies throughout the U.S. Calls are not recorded and callers may remain anonymous. For access, dial 800-735-0589 toll-free in the U.S. or 704-731-7242 outside the U.S. or visit [www.heidrick.ethicspoint.com](http://www.heidrick.ethicspoint.com).



# Privacy and Data Security

Our business runs on sensitive personal data. In order to maintain the trust of those who share their data and those with whom it's shared, we employ a suite of tools and approaches to manage data securely. This requires keeping abreast of rapidly evolving global regulations and laws around privacy and security. These laws and our corporate values, to always act with integrity and respect each individual, drive our proactive approach to data security.

We believe data exposes our clients to new candidates, allowing them to make more informed choices and have a greater impact through their hiring decisions. We are careful to ensure that the way we use data and related tools attempts to reduce bias and other influences that could improperly influence decisions. [Learn more about how we approach privacy.](#)

## Updates to Privacy in 2020

We continuously update how we manage data to remain current with the latest trends. In 2020, we focused on updating our legitimate interest analyses on candidates within Executive Search and expanded our automated privacy notifications service globally.

Now, candidates involved in a search, regardless of geographic location, receive a privacy notification by email, confirming that we have certain personal information about them and detailing how and why we process their information and how they can opt out of the process. Additional updates to our privacy practices in 2020 included:

- We introduced a Do Not Sell notice and reporting mechanism on our website in response to the California Consumer Privacy Act.
- We introduced ongoing training and awareness programs at all levels of the business, including a mandatory training on the use of privacy notifications.
- We assessed our data processing records and standard operating procedure for handling Data Subject Access Requests for areas of improvement.

In 2021, we will continue to focus on data ethics and privacy by expanding understanding among our staff of risks and safe practices related to data use and developing our governance systems and policies related to data use.

## Data Subject Rights Hotline

In our candidate searches, we collect personal data on potential placements. Certain jurisdictions such as the E.U. assign rights to such individuals (called "data subjects"), or anyone whose personal data is being used, processed, or transferred. To ensure transparency around this process, we maintain a

data subject rights phone hotline and dedicated email address through which our data subjects can easily request information on their personal data. Regardless of location, we seek to honor all data requests from individuals. [Learn more about our Data Subject Rights Hotline.](#)

## Some additional key safeguards we undertook in 2020:

- Robust infosec policies based on ISO 27001
- Well documented processes to provide and remove access, security incident response, IT change control, and software development lifecycle
- Regular patch and vulnerability management and penetration testing
- Access provided on a "need to know" basis applied with "least privilege" principle
- Remote access using multi-factor authentication for employees
- Use of world-class data centers protected by robust physical and environmental controls
- Encrypted data transmission
- Key SaaS providers underwent regular, independent SOC1/SOC2 audits
- Third-party information risk management processes
- Regular security awareness training
- 24/7/365 security monitoring
- Uniform global standard privacy notices

# Stakeholder Engagement

Reaching beyond our four walls

## 2020 Highlights

Hosted virtual Board Network forum

Instituted a new Supplier Code of Conduct

Launched partnership with Catalyst

We have relationships with a broad array of respected global organizations that guide us in our journey, including: the Economist Intelligence Unit, Fortune Magazine, the Executive Leadership Council, the National Association of Corporate Directors, the Hispanic Association on Corporate Responsibility, the World Economic Forum, Stanford University, the Latino Corporate Directors Association, the World Bank, INSEAD, the New World Alliance, the University of Oxford, Paradigm for Parity, ION, and Catalyst.

We engage with the following stakeholders:

- clients and potential clients
- candidates and potential candidates
- participants in our consulting services
- stockholders and potential stockholders
- employees and potential employees
- ISS and Glass Lewis
- NASDAQ
- vendors/suppliers

### The Board Network

We launched the **Board Network** in 2014 to create networking opportunities for female board directors from a diverse range of commercial businesses and social enterprises with a shared interest in board effectiveness, dynamic board leadership, and governance. Each year, the Board Network hosts a global forum with a focus on the development of boards at an international level.



*We aspire...*

**To create deeper partnerships with organizations to drive and advance our purpose and our values throughout the world.**

### The Leadership Network

Heidrick & Struggles recognizes the importance of creating and supporting a sustainable talent pipeline for women leaders in business. We launched the **Leadership Network** in 2016 to support female senior executives who aspire to hold public board roles. It provides an environment for assessment, professional development, and peer-to-peer exchange on business and board topics.



“Sustainability is both a global challenge and an opportunity; it attracts talent across borders to deliver positive change. Heidrick & Struggles has a unique opportunity to engage leaders who are as passionate as we are about leadership for a better world.”

**Claire Skinner**

Regional Managing Partner,  
Europe & Africa Region,  
Heidrick & Struggles



# Appendix

## GRI and SASB Disclosures

## GRI 102: General Disclosures

### Organizational Profile

| Disclosure | Description  | Cross-Reference or Answer   |
|------------|--|---|
| 102-1      | Name of the organization                                     | Heidrick and Struggles International, Inc.  |
| 102-2      | Activities, brands, products, and services                   | <a href="#">Serving Clients</a>   |
| 102-3      | Location of headquarters                                     | Chicago, Illinois, US   |
| 102-4      | Location of operations                                       | Heidrick and Struggles operates in 25 countries. See <a href="#">Real Estate</a> for more information.  |
| 102-5      | Ownership and legal form                                     | Heidrick and Struggles is a publicly traded company under the symbol "HSII" on the NASDAQ Stock Market. |
| 102-6      | Markets served   | <a href="#">Serving Clients</a>   |
| 102-7      | Scale of the organization                                    | <a href="#">Serving Clients</a><br><a href="#">Our People</a>   |
| 102-8      | Information on employees and other workers                   | <a href="#">Our People</a>  |
| 102-10     | Significant changes to the organization and its supply chain | <a href="#">Real Estate</a>   |
| 102-12     | External initiatives   | <a href="#">Stakeholder Engagement</a><br><a href="#">Community</a>                                     |
| 102-13     | Membership of associations                                   | <a href="#">Stakeholder Engagement</a>  |

### Strategy

| Disclosure | Description                          | Cross-Reference or Answer                              |
|------------|--------------------------------------|--|
| 102-14     | Statement from senior decision-maker | <a href="#">A Message From Our President &amp; CEO</a> |

### Ethics and Integrity

| Disclosure | Description  | Cross-Reference or Answer   |
|------------|--|-----------------------------|
| 102-16     | Values, principles, standards, and norms of behavior | <a href="#">Our Values</a>  |
| 102-17     | Mechanisms for advice and concerns about ethics      | <a href="#">Ethics Line</a> |

## Governance

| Disclosure | Description   | Cross-Reference or Answer   |
|------------|---|---|
| 102-18     | Governance structure  | <a href="#">Board of Directors</a><br><a href="#">Board Committees</a><br><a href="#">Senior Leadership</a> |
| 102-19     | Delegating authority  | <a href="#">Board of Directors</a><br><a href="#">Board Committees</a><br><a href="#">Senior Leadership</a> |
| 102-20     | Executive-level responsibility for economic, environmental, and social topics | <a href="#">Board of Directors</a><br><a href="#">Board Committees</a><br><a href="#">Senior Leadership</a> |
| 102-21     | Consulting stakeholders on economic, environmental, and social topics         | <a href="#">Stakeholder Engagement</a>  |
| 102-22     | Composition of the highest governance body and its committees                 | <a href="#">Board of Directors</a>  |
| 102-23     | Chair of the highest governance body  | <a href="#">Board of Directors</a>  |
| 102-26     | Role of highest governance body in setting purpose, values, and strategy      | <a href="#">Board of Directors</a><br><a href="#">Board Committees</a><br><a href="#">Senior Leadership</a> |
| 102-27     | Collective knowledge of highest governance body                               | <a href="#">Director Institute</a>  |
| 102-36     | Process for determining remuneration  | <a href="#">Pay Equity</a>  |

## Stakeholder Engagement

| Disclosure | Description                            | Cross-Reference or Answer              |
|------------|--|--|
| 102-40     | List of stakeholder groups             | <a href="#">Stakeholder Engagement</a> |
| 102-42     | Identifying and selecting stakeholders | <a href="#">Stakeholder Engagement</a> |
| 102-43     | Approach to stakeholder engagement     | <a href="#">Stakeholder Engagement</a> |

## Reporting Practice

| Disclosure | Description  | Cross-Reference or Answer   |
|------------|--|---|
| 102-45     | Entities included in the consolidated financial statements | See <a href="#">Heidrick &amp; Struggles 2020 Annual Report</a>   |
| 102-46     | Defining report content and topic Boundaries               | <a href="#">Executive Summary</a>   |
| 102-47     | List of material topics                                    | Governance and Ethics<br>Employee Engagement and Culture<br>Diversity and Inclusion<br>Talent Development<br>Environmental Sustainability<br>Stakeholder Engagement |
| 102-48     | Restatements of information                                | This is Heidrick & Struggles's first ESG report.  |
| 102-50     | Reporting period   | January 1 - December 31, 2020   |
| 102-51     | Date of most recent report                                 | This is Heidrick & Struggles's first ESG report.  |
| 102-52     | Reporting cycle  | January 1 - December 31, 2020   |
| 102-54     | Claims of reporting in accordance with the GRI Standards   | <a href="#">Appendix</a>  |
| 102-55     | GRI content index  | <a href="#">Appendix</a>  |



## GRI 200-400: Topic-Specific Disclosures

### Economic Topics

| GRI Topic            | Disclosure/Source | Required sub-element(s)                                     | Cross-Reference or Answer                                       |
|----------------------|-------------------|---|---|
| Economic performance | 103-1 - 103-3     | Management Approach   | See <a href="#">Heidrick &amp; Struggles 2020 Annual Report</a> |
|                      | 201-1             | Direct economic value generated and distributed             | See <a href="#">Heidrick &amp; Struggles 2020 Annual Report</a> |
|                      | 201-3             | Defined benefit plan obligations and other retirement plans | See <a href="#">Heidrick &amp; Struggles 2020 Annual Report</a> |
| Anti-corruption      | 103-1 - 103-3     | Management Approach   | <a href="#">Ethics</a>  |
| Taxes                | 103-1 - 103-3     | Management Approach   | See <a href="#">Heidrick &amp; Struggles 2020 Annual Report</a> |
|                      | 207-1             | Approach to tax   | See <a href="#">Heidrick &amp; Struggles 2020 Annual Report</a> |
|                      | 207-2             | Tax governance, control, and risk management                | See <a href="#">Heidrick &amp; Struggles 2020 Annual Report</a> |

### Environmental Topics

| GRI Topic                         | Disclosure/Source | Required sub-element(s)                    | Cross-Reference or Answer                    |
|-----------------------------------|-------------------|--|--|
| Materials                         | 103-1 - 103-3     | Management Approach                        | <a href="#">Environmental Sustainability</a> |
| Energy                            | 103-1 - 103-3     | Management Approach                        | <a href="#">Environmental Sustainability</a> |
|                                   | 302-1             | Energy consumption within the organization | <a href="#">Environmental Sustainability</a> |
|                                   | 302-3             | Energy intensity                           | <a href="#">Environmental Sustainability</a> |
|                                   | 302-4             | Reduction of energy consumption            | <a href="#">Environmental Sustainability</a> |
| Emissions                         | 103-1 - 103-3     | Management Approach                        | <a href="#">Environmental Sustainability</a> |
|                                   | 305-2             | Energy indirect (Scope 2) GHG emissions    | <a href="#">Environmental Sustainability</a> |
|                                   | 305-3             | Other indirect (Scope 3) GHG emissions     | <a href="#">Environmental Sustainability</a> |
|                                   | 305-5             | Reduction of GHG emissions                 | <a href="#">Environmental Sustainability</a> |
| Supplier Environmental Assessment | 103-1 - 103-3     | Management Approach                        | <a href="#">Environmental Sustainability</a> |

## Social Topics

| GRI Topic                       | Disclosure/Source | Required sub-element(s)  | Cross-Reference or Answer  |
|---------------------------------|-------------------|--|--|
| Employment                      | 103-1 - 103-3     | Management Approach  | <a href="#">Our People</a>   |
|                                 | 401-1             | New employee hires and employee turnover   | <a href="#">Our People</a>   |
| Training and Education          | 103-1 - 103-3     | Management Approach  | <a href="#">Our People</a>   |
|                                 | 404-1             | Average hours of training per year per employee  | <a href="#">Peer Learning</a>  |
|                                 | 404-2             | Programs for upgrading employee skills and transition assistance programs                | <a href="#">Our People</a>   |
| Diversity and Equal Opportunity | 103-1 - 103-3     | Management Approach  | <a href="#">Diversity Begins at Home</a><br><a href="#">Diversity &amp; Inclusion principles</a><br><a href="#">Supporting our Clients on Their D&amp;I Journeys</a> |
|                                 | 405-1             | Diversity of governance bodies and employees   | <a href="#">Diversity Begins at Home</a>   |
| Non-discrimination              | 103-1 - 103-3     | Management Approach  | <a href="#">Diversity &amp; Inclusion principles</a><br><a href="#">Supporting our Clients on Their D&amp;I Journeys</a>   |
| Security Practices              | 103-1 - 103-3     | Management Approach  | <a href="#">Privacy and Data Security</a>  |
| Local Communities               | 103-1 - 103-3     | Management Approach  | <a href="#">Community</a>  |
|                                 | 413-1             | Operations with local community engagement, impact assessments, and development programs | <a href="#">Community</a>  |
| Supplier Social Assessment      | 103-1 - 103-3     | Management Approach  | <a href="#">Supplier Code of Conduct</a>   |
| Customer Privacy                | 103-1 - 103-3     | Management Approach  | <a href="#">Privacy and Data Security</a>  |

## SASB: Sustainability Accounting Standard

| SASB Topic                       | Metric  | Category                | Unit of Measure        | Code         | Cross-reference or Answer  |
|----------------------------------|---|-------------------------|------------------------|--------------|--|
| Data Security                    | Description of approach to identifying and addressing data security risks   | Discussion and analysis | n/a                    | SV-PS-230a.1 | <a href="#">Privacy and Data Security</a>  |
|                                  | Description of policies and practices relating to collection, usage, and retention of customer information  | Discussion and analysis | n/a                    | SV-PS-230a.2 | <a href="#">Privacy and Data Security</a>  |
|                                  | (1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected | Quantitative            | Number, percentage (%) | SV-PS-230a.3 | Heidrick experienced no material security breaches.  |
| Workforce Diveristy & Engagement | Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees  | Quantitative            | Percentage (%)         | SV-PS-330a.1 | <a href="#">Diversity and Inclusion</a>  |
|                                  | (1) Voluntary and (2) involuntary turnover rate for employees   | Quantitative            | Rate                   | SV-PS-330a.2 | Turnover (using 01/01/2020 to 12/31/2020 period)<br>Employee headcount on 1/1/20: 1735<br>Voluntary terms: 8%<br>Involuntary terms: 12%<br>Figures include regular workers and contractors |
|                                  | Employee engagement as a percentage   | Quantitative            | Percentage (%)         | SV-PS-330a.3 | Heidrick employees receive our Organization Accelerator Questionnaire on an annual basis.  |
| Professional Integrity           | Description of approach to ensuring professional integrity  | Discussion and analysis | n/a                    | SV-PS-510a.1 | <a href="#">Our Policies</a>   |
|                                  | Total amount of monetary losses as a result of legal proceedings associated with professional integrity   | Quantitative            | Reporting currency     | SV-PS-510a.2 | We do not disclose this information publicly.  |
| Employee hours worked            | Employee hours worked, percentage billable  | Quantitative            | Hours, percentage (%)  | SV-PS-000.B  | Some Heidrick employees do not work on a billable hours basis.   |
|                                  | Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract  | Quantitative            | Number                 | SV-PS-000.A  | <a href="#">Our People</a>   |

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