

UNITED NATIONS GLOBAL COMPACT
HUDSON GLOBAL, INC.
COMMUNICATION ON PROGRESS 2013

February 1, 2013



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STATEMENT OF SUPPORT

As a current Global Compact business participant, I reaffirm Hudson's continuing support of the 10 principles of the Global Compact with respect to human rights, labor, environment and anti-corruption. With this Communication on Progress, we underscore our commitment to advancing these principles within our sphere of influence and integrating them into the global culture, strategy and management of our company.

As a leader in talent solutions, we are committed to responsible corporate citizenship, both in the services we provide to clients and in our own operations and business practices. We understand the powerful impact that people can have on business performance and on their local and world communities. We instill in our own people – as well as the consultants we place with client organizations – the importance of integrity, quality and, most importantly, humanity in the workplace.

Hudson Global, Inc. has been a member of the UN Global Compact since 2010. We are pleased to submit this update on our progress in 2012 and our on-going initiatives to further the Global Compact's principles.



Manolo Marquez
Chairman & CEO
Hudson Global, Inc.

ABOUT HUDSON

Hudson is a global talent solutions company with expertise in leadership and specialized recruitment, contracting solutions, recruitment process outsourcing, talent management, outplacement and Ediscovery. We help our clients and candidates succeed by leveraging our expertise, deep industry and market knowledge, and proprietary assessment tools and techniques.

With more than 2,000 people in 20 countries, and relationships with millions of specialized professionals, we bring an unparalleled ability to match talent with opportunities by assessing, recruiting, developing and engaging the best and brightest people for our clients. We combine broad geographic presence, world-class talent solutions and a tailored, consultative approach to help businesses and professionals achieve higher performance and outstanding results. More information is available at hudson.com.



SUPPORT OF THE UN GLOBAL COMPACT'S 10 PRINCIPLES

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Hudson's values and its Code of Conduct are at the core of its policies and practices to promote respect for human rights.

Hudson's Values

Our values represent the high standards we expect our people to uphold in every interaction with clients, candidates, colleagues and community partners. Living our values ensures that we deliver consistently high quality service and can be counted on to act with integrity and respect in all aspects of our business.

Hudson's Core Values

- Integrity
- Respect
- Collaboration
- Empowerment
- Responsibility

Following are some of the ways we celebrate, measure and reinforce our core values:

- Each year, the prestigious One Hudson Awards program honors employees who best exemplify the values and further our global strategy. Approximately 40 people globally (less than two percent of the company's employee population) are selected for this exclusive recognition through a combination of peer nominations and regional awards programs.
- Hudson's annual engagement survey measures areas aligned with our values to track progress and identify opportunities for improvement.
- The company's global leadership training program promotes discussion about the values with top leaders around the world.
- All members of Hudson's global leadership team must re-confirm annually their adherence to the company's core operating values. In addition, for succession planning purposes, the company's Board of Directors uses Hudson's core values as key criteria in considering leaders for advancement.
- As part of the Personal Performance Agreement, a formal process for managing performance, each employee is required to identify at least one objective related to furthering Hudson's global values.

Our Code of Conduct and Business Ethics

As a provider of talent and human resources solutions in 20 countries worldwide, Hudson is committed to the protection of human rights among employees and consultants based on our Code of Business Conduct and Ethics. This comprehensive document describes conduct that is based on our core values, reinforces our policies and practices, and enforces legal and regulatory compliance. It outlines the company's expectations of employees, officers and directors to ensure lawful and ethical behaviour.

Every new employee must complete a mandatory Code of Conduct training program and provide signed confirmation that they have read the Code of Conduct, understand the content, and agree to comply with its principles.



Integrity Line

Any violations of the Code of Conduct or concerns about human rights or other issues can be reported via the Integrity Line, a 24-hour, third-party help line where employees can confidentially share information about potential misconduct without fear of retaliation or reprisal.

Corporate Social Responsibility

Hudson is an active supporter of community involvement at both the global and local level, which is another way we show our commitment to human rights and respect for others. Hudson and its employees support their communities and causes that are important to them in a variety of ways. Through employee volunteerism, corporate giving and responsible business practices, Hudson is committed to making a difference in the world.

To encourage employee volunteerism, Hudson's Helping Hands program allows participating employees a paid day off to participate in a charitable program of their choosing. As a global corporate citizen, Hudson also is quick to support relief efforts when disaster strikes. The company has made corporate and employee match donations to the Red Cross in response to catastrophes such as bushfires in Victoria, Australia and earthquakes in New Zealand and Japan. Most recently, Hudson donated to the Red Cross to support relief efforts related to Superstorm Sandy.

Following are a few of the local/regional initiatives supported by Hudson employees in 2012:

- **Americas:** Employees in our Toronto office spent the day at Scott Mission, a local shelter, preparing food and serving lunch. In Chicago, the Jeans for Greens program allows employees to wear jeans each Friday in exchange for a small donation, which goes to the Boys and Girls Club at the end of the year. Our Pittsburgh and New York offices collected holiday gifts for area disadvantaged children.
- **Europe:** Through staff events such as bake sales, Hudson Scotland has donated over 5,000 pound sterling to Macmillan Cancer Support over the past two years. Hudson Ireland supports the Irish Cancer Society as its sponsored charity, running paid casual days once a month to raise funds, as well as local events each year with clients and candidates.
- **Asia-Pacific:** In Australia and New Zealand, Pink Ribbon day raised 2,000 Australian dollars for cancer research. Employees also raised funds for the Fiji Flood Appeal, Guide Dogs Australia, and the Movember charity. 2012 marks the 11-year anniversary of Hudson's Corporate sponsorship of the Telstra Business Women's Awards, an initiative that recognizes, rewards and celebrates the achievements of inspirational business women.



SUPPORT OF THE UN GLOBAL COMPACT'S 10 PRINCIPLES

LABOR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

As a talent solutions company, we demonstrate our commitment to supporting the UNGC labor principles by helping our 6,000 clients worldwide make fair and informed decisions about their people strategies and also adhere to all applicable laws governing labor and employment. These principles also apply to our own efforts to attract, develop and retain the right people.

Diversity & Equal Opportunity

As a global company, our employees, contractors, clients and suppliers come from diverse backgrounds and cultures. By valuing diversity and equal opportunity, we connect with the richest spectrum of experiences, skills, expertise and perspectives for all of the markets we serve. This philosophy is also reflected in our own recruiting process – we recognize that a diverse workforce fosters creativity, innovation and better business practices.

Our commitment to diversity is reflected in our Diversity Mission Statement:

Valuing the differences among our employees allows us to better serve the needs of clients worldwide. We actively recruit candidates from many different perspectives and backgrounds, and promote a culture that allows all employees to contribute to their fullest potential.

Hudson's policies, procedures and corporate values ensure compliance with all legislation and regulations relating to recruitment and employment, these include Equal Employment Opportunity (EEO), Anti-Discrimination, Occupational Health and Safety and Privacy.

Hudson is committed to maintaining EEO recruitment practices that are fair and equitable and has strategies in place to integrate employees from all backgrounds and assist clients in accessing the maximum number of candidates. All of our business activities are required to be conducted without discrimination based on race, color, genetics, religion, gender, sexual orientation, national origin, disability or age.

Commitment to a Harassment-free Work Environment

Hudson has zero tolerance for harassment, including sexual harassment, by any employee or consultant. We are committed to a professional work environment that is free from all forms of conduct that could be considered harassing. We have strong policies in place, including our Code of Conduct and Anti-harassment policy.

- Every new employee is expected to complete our anti-harassment training program and sign a printed copy of the policy to acknowledge they have received and reviewed the policy.



- The Integrity Line, which is promoted in every Hudson office and has online and global toll-free dialing capabilities, provides employees with a confidential outlet to report any harassment or concerns without fear of retaliation.

Employee Development and Feedback

Developing and listening to our people is part of our emphasis on making Hudson a fair and engaging place to work. In 2012:

- Hudson introduced a new global Personal Performance Agreement, a formal employee process for setting goals, planning development and managing performance. This year more than 80% of employees globally participated in creating a PPA with their manager.
- 87% of employees globally participated in our annual employee engagement survey, administered by Aon-Hewitt, to share their feedback about Hudson as a place to work.
- More than 70 leaders from around the globe participated in newly created leadership workshops to create more consistent processes, quality standards and knowledge sharing among the top leaders.
- The company introduced a new, global training program to build employees' professional skills in social media critical to our industry, such as LinkedIn.

Additionally, each region supports an online Learning Management System that allows employees to participate in self-paced learning opportunities. Hudson is expanding the use of online learning and plans to launch a global LMS in 2013 to promote greater consistency and even more participation in online learning.



SUPPORT OF THE UN GLOBAL COMPACT'S 10 PRINCIPLES

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Hudson focuses on initiatives for ensuring any office waste is reduced as much as possible. Recycling efforts are encouraged at all times to help reduce the company's carbon footprint. Following are some of the initiatives to reduce waste and promote energy efficiency that are consistent across locations and practices:

- IT disposal for redundant electrical equipment is conducted by a WEEE/EPA regulated company to ensure that the highest percentage of our corporate IT waste is re-used or re-cycled.
- All hardware, including PCs and laptops, have automated sleep mode when not in use.
- We partner with building management, local service contractors and our own staff to promote recycling, reuse or reduction of office materials and install energy-efficient lighting and heating/cooling systems.
- In 2012, we installed videoconferencing capabilities in most of our larger offices to reduce business travel.

Local/Regional Environmental Efforts

Most of Hudson's environmental efforts are driven at the regional or individual office level, spearheaded by committed local teams.

Hudson's UK & Ireland operation has a task force with a goal of reducing carbon emissions in all Hudson UK offices. The team produces a quarterly report on progress and tracks carbon emissions for Hudson's head office in London, which is also the company's largest office in Europe. In the second half of 2012, the office had reduced its carbon emissions by approximately 30% over the same period the previous year. Initiatives in the UK&I include adopting more energy-efficient hardware, choosing more environmentally-friendly office products and encouraging public transportation and videoconferencing among employees to reduce travel. However, the biggest and most impactful initiative has been the introduction, internal awareness, promotion and support by employees of the company-wide recycling facilities. This, coupled with employees' commitment to working in a paperless environment through initiatives such as double sided printing, has had a positive contribution to reducing the company's footprint.

In the Americas, we expanded use of our online timesheets for contractors and also deliver most pay checks and pay receipts electronically, dramatically reducing paper usage. In 2012 Americas IT also consolidated the servers and technologies housed in our central data center, reducing energy consumption in our data center by nearly 70%.

Hudson's Sydney business relocated to a 5-star NABERS Energy rating building in 2012 – this building rating is the highest currently attainable - and allows our largest office in Asia-Pacific to achieve maximum sustainability ratings for their office space.



SUPPORT OF THE UN GLOBAL COMPACT'S 10 PRINCIPLES

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Our value system emphasizes integrity and trust at all levels of the organization. To ensure our company is managed with integrity and in our stakeholders best interests, we have put in place policies and practices that maintain high ethical standards of conduct and comply fully with applicable laws and governmental regulations.

Hudson's Corporate Governance practices, framework and safeguards are posted to its Web site and include:

- Charters of the Board Committees
- Code of Ethics for CEO and Senior Officers
- Code of Business Conduct and Ethics
- Corporate Governance Guidelines

Our Global Code of Business Conduct and Ethics gives clear guidelines for the company's expectations of employees, officers and directors to ensure lawful and ethical behavior. Our Code of Conduct covers such areas as:

- Reporting violations and ensuring compliance
- Corporate opportunities and conflicts of interest
- Compliance with securities laws
- Antitrust and competition law compliance
- Financial and accounting practices
- Political contributions
- Lobbying and legislative contacts
- Business with governments and officials
- Governmental investigations
- Gratuities and gifts

Any violations or concerns about the Code of Conduct can be reported confidentially, 24 hours a day via our Integrity Line, a third-party help line. Posters with information on how to contact the Integrity Line are displayed in all offices and on the company's intranet site.

To ensure transparency and adherence to quality standards, Hudson's consolidated financial statements and the effective operation of internal control over financial reporting are subject to external quarterly reviews and an annual audit.

Hudson's Internal Audit Department provides global oversight over the company's Sarbanes-Oxley Program. This work is supplemented with a comprehensive global program of internal audits with regular visits to company operating locations to assess internal control design and operating effectiveness. Review of controls over anticorruption and bribery are included in these internal audits. Based on the results of audit work performed in 2012, no evidence of corrupt practices was identified or reported to us for investigation.