

Annual Report 2022

Join the next world of work



Join the next world of work

We believe that change is the only constant in the job market for professionals.

As a rapidly expanding ecosystem, with a passion for people and tech, we are shaping these changes.

The next world of work we believe in is increasingly tech-enabled, without bias and regardless of contract form.

Together with our network, we strive for one common goal: a transparent, balanced and inclusive job market, where organisations and mission-critical talent are perfectly connected.

“
Work is
changing,
are you?
”



Watch our
company movie



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The results in this annual report are based on the audited annual accounts of HFBG Holding B.V. for 2022 and 2021 and do not include the results for ProUnity, StarApple and Sterksen unless stated otherwise.

Ambition by the CEO

Our organisation is transforming into a digital platform with the perfect balance between smart tech and human touch. Last year, we made impactful improvements on that again. In 2023, the goal is to accelerate even more. We take the lead in the journey to the next world of work, which is increasingly tech-enabled, without bias and regardless of contract form. Are you ready to lead with us?

2022: 26% growth in gross invoice value

2022 was the year in which labour market scarcity ruled the media. And this scarcity seems to be here to stay for the next few years. You can see this as both a threat and an opportunity for our organisation, but we very much see it as an opportunity. As we said in our report last year: creativity will be required. And let's just say we have a lot of creativity in our group.

Last year, we added even more creativity and solutions to the group through several targeted acquisitions: Belgian HR tech company ProUnity, IT talent sourcers StarApple and StackOps, online recruitment platform OpenTalent, and professionals services platform ZZP365. All these acquisitions have their own rationale, linked to our five bold steps strategy. To enable HeadFirst Group's expansion in Europe - a key part of our strategy - IceLake Capital has joined as a new investor. With IceLake's commitment, there is solid financing in place to realise our ambitions.

One of the main points of that strategy is 'Next level services'. As an important step towards becoming the lifelong flexible career partner of choice for independent professionals, we have made it possible for them to purchase our Professionals services on our

platform even when they are not working through a HeadFirst Group brand. For clients, the main innovation last year was our new tech solution which enables 'direct clients' to hire professionals themselves on our user-friendly platform. This promises to boom in 2023.

Over the year, we saw a rise in demand for our services. All our business lines contributed to the acceleration of our gross invoice value growth of 26% to 1,953 billion. Especially our MSP and Professionals & Partners propositions showed strong performance and organic growth. This growth came from both new customers (such as Alliander) as well as increased volumes with existing customers. Our gross profit rose by 11% to € 46 million (2021: € 41 million). Operational EBITDA increased by 5% to € 25 million. This provides the perfect foundation from which to continue our investments in the digital transformation of our organisation.

To top off the year 2022, we were certified as Great Place to Work. This matches perfectly with the role we want to fulfil as an employer for our fantastic staff.



“
**We take the lead
in the journey
to the next world
of work.**

”

2023: find the perfect balance between tech and touch

We are convinced that the perfect balance between tech and touch really exists. Through smart use of automation and AI, we believe it is possible to fully digitalise the end-to-end process of sourcing, matching, contracting and paying professionals, so that our staff can add a personal touch at those moments when it really adds value for our customers. From early 2023, we will be accelerating our digital transformation programme to achieve that perfect balance.

All the services within our group are easily plotted on the axes of tech and touch. By combining our services as building blocks, we can always find the best solution for each client's issue – ranging from access to talent to compliance. And for our professionals and delivery partners, we aim to focus on a warm relationship, with tech offering convenience.

We are well on track to achieve our main objective: to become the leading international platform on the labour market by 2025. It's all about daring: daring to be innovative, and daring to lead.

Hoofddorp, 31 March 2023

Marion van Happen
CEO HeadFirst Group

“
The perfect balance
between tech and
touch really exists.
”



At a glance

HeadFirst Group is a leading international HR tech solutions provider and the largest platform for professionals in the Benelux.



1,953

Gross invoice value
(underlying revenue)
x € million



46

Gross profit
(underlying)
x € million



25

EBITDA
(underlying)
x € million



401

Number of employees
(at year-end)



>500

Clients
served in 2022



>60,000

Independent professionals
in our network



>15,000

Suppliers of professionals
in our network



>27,500

Professionals working for our clients
(in 2022)



- Countries with a HeadFirst Group office
- Countries without a HeadFirst Group office

Countries where professionals work via HeadFirst Group

- Netherlands
- Belgium
- Luxembourg
- Germany
- France
- Denmark
- Sweden
- Finland
- Estonia
- Poland
- Switzerland
- Italy
- United Kingdom
- Ireland

About us

We are HeadFirst Group, a leading and innovative international HR tech solutions provider. We connect and contract more than twenty thousand people every day. Together, these highly skilled talents work more than 25 million hours a year for the most appealing organisations, helping them to achieve their important business goals.

“
The next world of work we believe in is increasingly tech-enabled, without bias and regardless of contract form.
”

We primarily place mission-critical white-collar professionals in IT, marketing, finance, HR, legal, and business roles in our wide network of clients across a variety of sectors, including energy, technology, chemicals, banking, system integrators, government and semi-government.

Vision

Our belief is that change is the only constant:

- Technological changes, such as the rise of AI and robotics, may seem frightening to some. We find it stimulating. They offer an opportunity to find the perfect balance between tech and that unique human touch.
- Our society is becoming more flexible. These days, it is not about the type of contract, it is about the ideal work-life balance. As a total talent solutions provider and a great place to work, we cherish this balance.
- The job market is highly dynamic and labour legislation is making it even more complex to recruit and hire staff. This is where we excel.

Our role

All these changes have a major impact on the way work is organised. We shape these changes. As a rapidly expanding ecosystem with a passion for people and tech, we solve the challenges for our clients. We support the most appealing organisations who are looking for mission-critical talent, as well as professionals (flex and permanent) who are looking for their next challenge. And we also help delivery partners find the best assignments for their employees. In short, we orchestrate the chain.

We are eager and continually challenging ourselves to improve the job market for professionals. At times we bump our head, but that's what happens when you dare to lead. We learn every day.

Mission

We strive, together with our rapidly growing network, for one common goal: a transparent and balanced job market, without bias, in which organisations and talent are perfectly connected.

Our core values



Customer first

Customer first may sound obvious. For us, however, it means so much more. First of all, we strive for the perfect balance between tech and touch, aiming for the ultimate experience for our external customers (clients, suppliers and independent professionals). At the same time, we also see our employees as customers. And we want our colleagues to treat each other the way they would like to be treated as customers themselves – by listening, keeping appointments, and giving honest feedback.

We are progressive in terms of reliable solutions, constantly setting the standard. How we do this, however, is continuously developing. We are always looking to create added value for our customers. We listen, develop, and create value.

We do not treat any customer as a number, but rather as a partner to whom we give personal attention. Our professional maturity is evident in our perception of the market and proactive advice. Moreover, our relationship approaches that of business friends. This relationship allows us to be honest with each other, which is better for each party. If we develop, our customers develop with us – and vice versa. That is what we mean by ‘customer first’.



Connecting people

We provide clients, independent professionals, and suppliers with both digital and physical access to one another. Connecting is our core business. We connect people to careers, with the aim of helping them to achieve success. We connect clients with the best talent, helping them to move their organisation forward. We are always looking for unique new connections that will take us further in these times where good entrepreneurship is rewarded. The thought of ‘joining forces’ is always top of our mind.

Although we may be large within our market, we remain a flat organisation and do not place any one person above another. We have become large by staying small. We listen to our employees and think in terms of opportunities. We aim to offer these opportunities both to young talent and to experienced professionals with a young mindset who want to set the tone. We do not achieve success alone. Working together on the ‘we factor’ is key. That is how we continue to build connections, always.



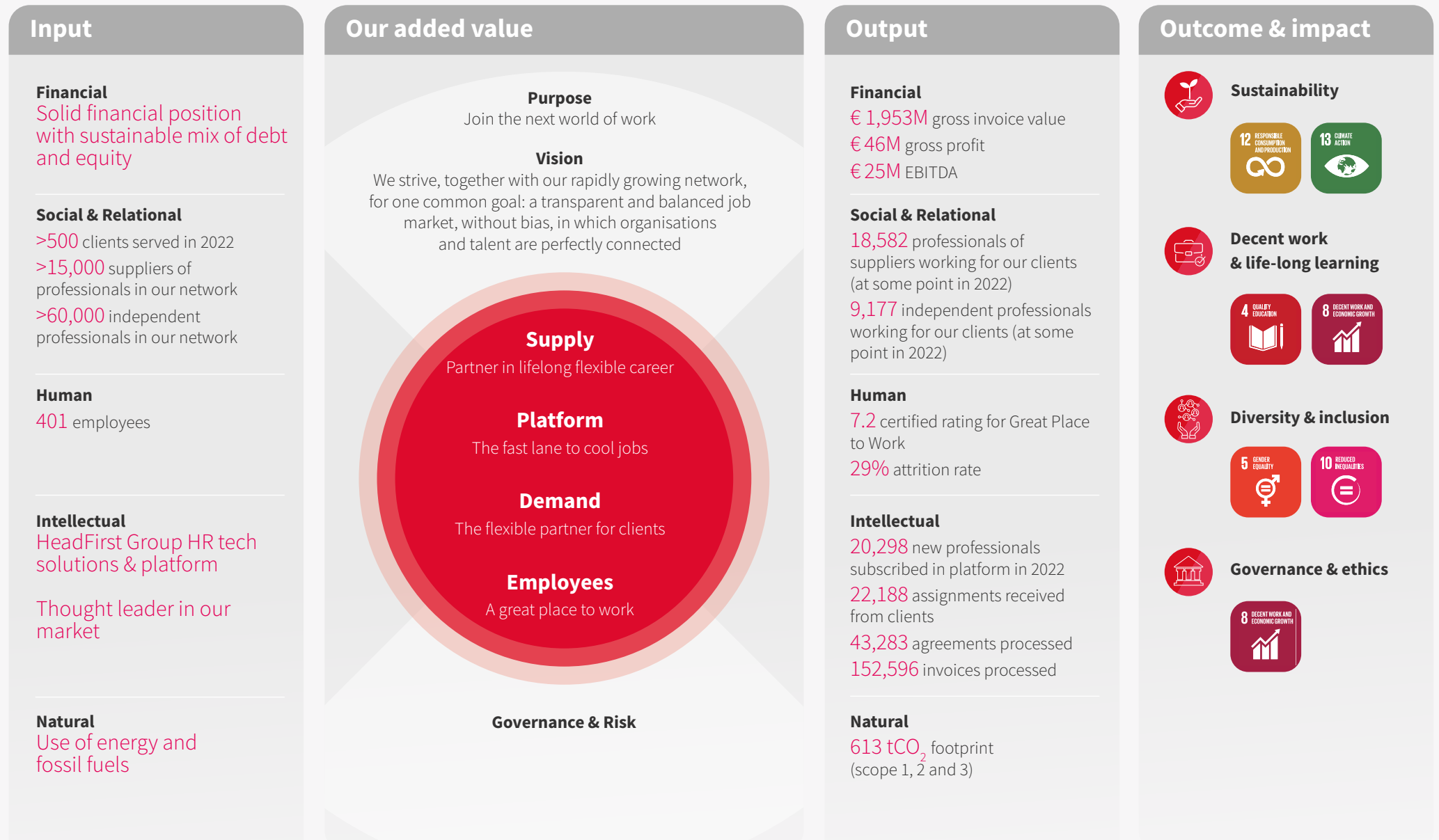
Learn every day

We want to be a little bit better every day. We regard continuing development as a necessity, not an option. We look for employees who match our sense of entrepreneurship. We expect ownership and give freedom and responsibility in return. Mistakes can happen, from which we learn. Success never goes unnoticed, and outstanding achievements are rewarded. We want our employees to be critical, but in a positive way. In this way, step by step, we can create an even more professional organisation every day – together.

We also encourage development among our customers. We help professionals to learn from one another through training, knowledge events, and communities. We take on tasks for entrepreneurs, including clients, suppliers, and independent professionals, leaving them free to concentrate on what they do best. We feel encouraged to develop with all our customers, day by day.

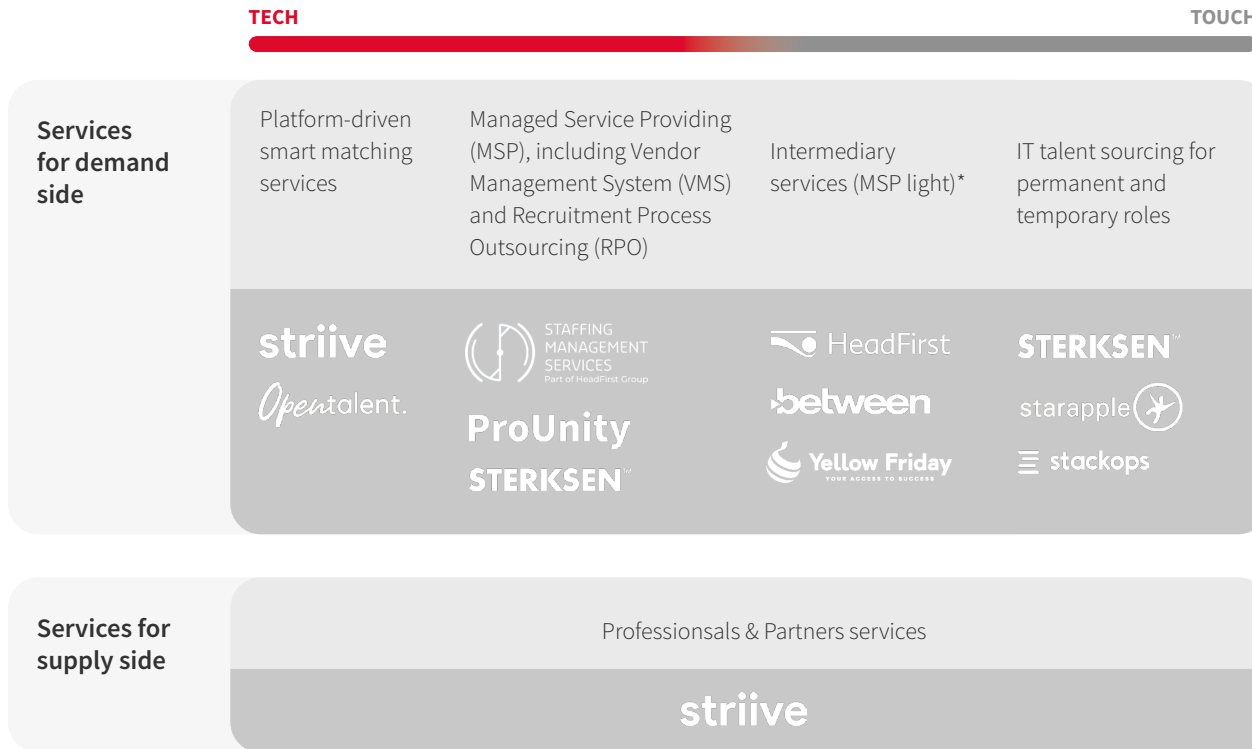
Value creation at HeadFirst Group

The value creation model shows how we create value for our stakeholders. It shows how the resources at our disposal are used as inputs and what results, or outputs, this leads to. The model also shows what value we create or retain for stakeholders and society, the outcome. Its significance, the impact, is expressed in the link to the relevant Sustainable Development Goals (SDG's).



Our services

HeadFirst Group has a wide range of solutions to labour market issues for permanent and flex. These are most easily explained on the axis of high tech and high touch, indicating which services are strongly tech-driven and which are strongly human-driven. By combining these services as building blocks, we offer solution to every challenge. We serve our two other customer groups – independent professionals and delivery partners – with our Professionals & Partners services.



Platform-driven smart matching services

By using smart automation and Artificial Intelligence (AI) it is possible to digitalise the end-to-end process of sourcing, matching, contracting and payroll staff for 100%. By doing so, we can add personal touch points in our journey where they really add value. This offers speed, convenience and cost efficiency to our customers.

MSP & RPO

With MSP and RPO, the client outsources (a part of) the process to find, select, hire and manage required staff (both temporary and permanent) to us. We fully support organisations, ranging from identifying labour needs to reporting. We usually implement a Vendor Management System (VMS) or Applicant Tracking System (ATS) to properly facilitate the processes.

Intermediary services (MSP light)*

We fill assignments with suitable professionals by recruiting or sourcing (international) talent based on hiring needs. We also take over practicalities (e.g. contracting, invoicing, payrolling, tax compliance), mitigating risks for both employers and professionals regarding aspects of (external) employment.

IT talent sourcing

The demand for IT specialists - or more broadly called STEM (Science, Technology, Engineering, and Mathematics) profiles - is and will remain high in the coming years, as the visual on page 14 shows. It requires a community-driven personal approach with perseverance to connect the best professionals to our clients. That is what we do with IT talent sourcing.

Professionals & Partners services

Our professionals and partners can make use of a variety of services, brought together in service packages, including personalised matching and tailored offers of assignments, coverage under liability insurance, guaranteed payment within 14 or 10 days, and opportunities for training and development.

* The Myler, Source and Fast Flex brands, which became part of HeadFirst Group in previous years through acquisitions, are also active in this area. However, the HeadFirst, Between and Yellow Friday (serves IT system integrators) brands are the main suppliers of this service.

Our digital HR services platform is at the centre of our end-to-end solutions



HR services platform Supply side



Talent pools of mission-critical professionals

HeadFirst is the ideal partner for highly educated professionals striving for a lifelong flexible career, by focusing on unburdening and supporting them with smart tech-driven services coupled with personal attention when it adds value. We focus on building high-quality talent pools for every organisation to tap into.

HeadFirst Group is continuously developing its value-add services to be a true career partner (e.g. personalised matching, career coaching, training and development, advance payment and insurance). This premiumisation service is generating loyalty and recurring revenue.



Partners ecosystem

Our extensive partner network consists of small and large secondment companies, IT system integrators, recruitment agencies and temporary employment agencies. We provide these delivery partners access to the largest pool of assignments in the Benelux. HeadFirst Group supports its partners' professionals in moving from assignment to assignment and also offers them access to the premium services independent professionals can receive directly.

With this rich partner network, we are the one-stop shop for our clients, mainly when MSP services are being delivered.



Digital services platform Demand side



Contingent workforce

To provide clients with access to high-quality talent and help them manage their contingent workforce, HeadFirst Group delivers a suite of HR services tailored to the needs of different types of clients, ranging from large enterprises to small companies.

Depending on the amount of available talent in the market, we deploy tech-and-touch-driven recruitment methodologies. Compliant hiring is important. HeadFirst Group is specialised in this, so clients can outsource all their administrative tasks for temporary staff – from contract compliance to payment. We also act as our clients' hiring partner to relieve HR departments, reduce costs and gain efficiencies in processes.



Permanent workforce

To give clients access to talent, HeadFirst Group delivers RPO and IT search services, providing end-to-end support in hiring permanent employees.

By also providing perm solutions, HeadFirst Group delivers a one-stop shop for total talent management to its customers, ensuring access to mission-critical talent independent of the contract form used.

Digital HR services platform

Linking the supply side
to the demand side

Our journey of continued growth

- Gross invoice value (x € billion)
- Gross profit (x € million)

Organic (launch – 2016)



1995

HeadFirst is established, with ING as its first client.



2011

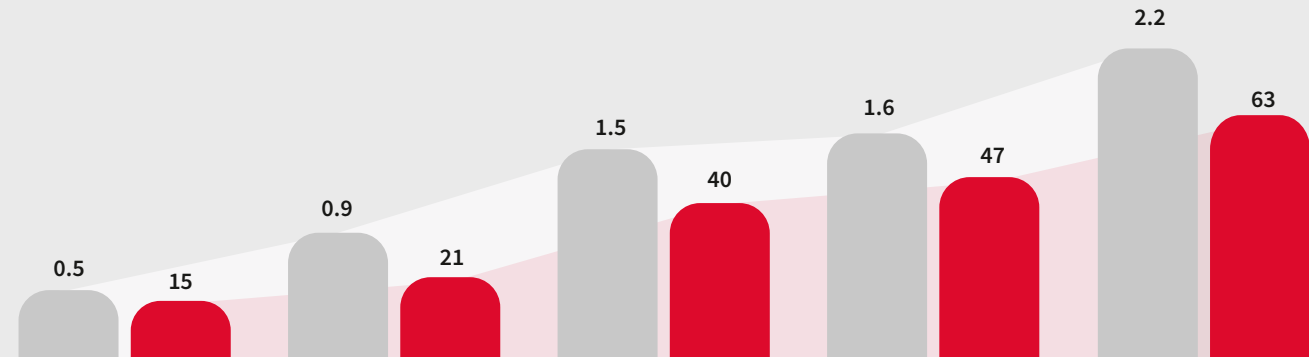
HeadFirst launches its online platform Select.

2012

Introduction of Professionals & Partners services.

Accelerate (2017 – today)²

Total growth € 1.7 billion, of which organic growth € 0.7 billion



2017

HeadFirst merges with sector partner Source, becoming part of the listed HeadFirst Source Group N.V.



2018

HeadFirst acquires intermediary Myler and managed service provider Staffing Management Services. The organisation is taken private.



2020

Between Staffing Group and HeadFirst Group join forces. This makes us an HR services provider with over 14,000 professionals working for more than 450 clients, primarily located in the Benelux, on a daily basis.



Financial investor

Minority investment of Kartesia to further support growth.



2021

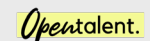
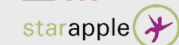
With the acquisition of recruitment specialist Sterksen, we become a Total Talent Service Provider, with a focus on both external hiring and permanent employment.



2022

We broke through the barrier of 20,000 mission critical professionals working through our brands at the most appealing organisations, not yet including the 2022 acquisitions.

ProUnity



Financial investor

Majority investment of IceLake to further support growth.



1 Financials on a pro forma basis

2 These numbers include Pro Unity and StarApple / StackOps

Management Report

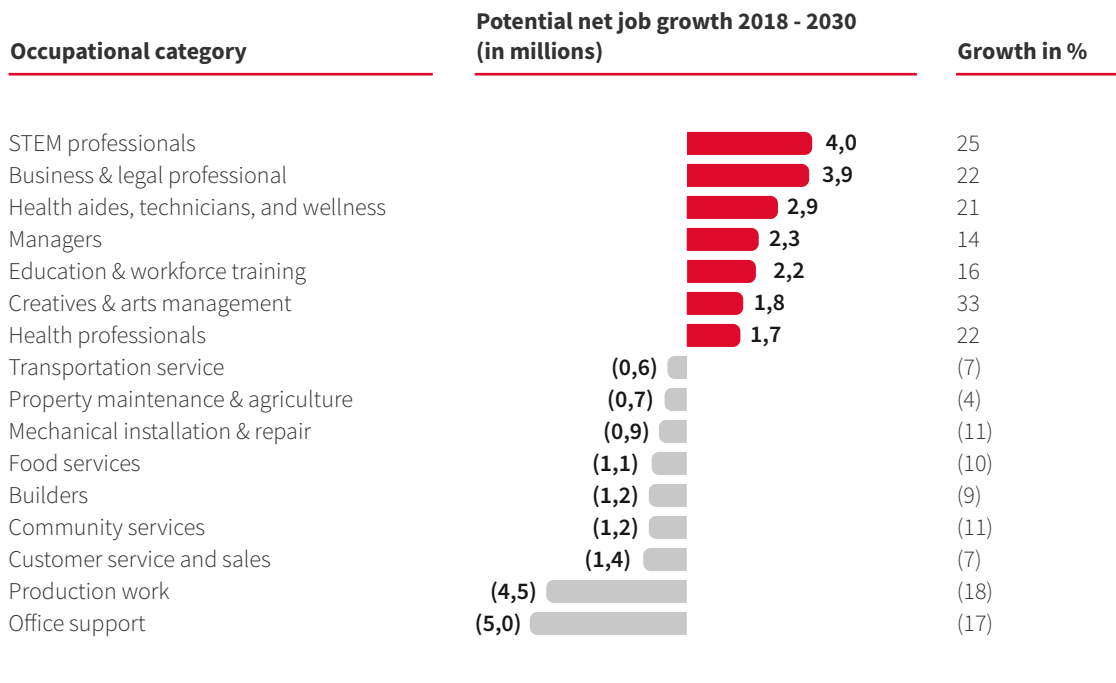


Market developments and trends

2022 was the year in which labour market scarcity ruled the media. For the first time, it caused major disruption to daily life. Among many other things, we saw fewer trains running, long queues at Schiphol Airport, and difficulties in supplying petrol stations. Will this scarcity continue?

STEM professionals show considerable growth potential

(STEM: Science, Technology, Engineering, and Mathematics)



“

With highly skilled professionals we target high value, high growth and highly resilient parts of the HR services market.

”

Shortage of professionals is here to stay

Economists are seeing signs of a minor recession, but it is not expected to be so severe as to bring relief to the labour market. Statistics Netherlands (CBS) publishes quarterly figures on shortages in the Dutch labour market, which was still unprecedentedly high in the fourth quarter of 2022, with 123 vacancies for every 100 unemployed.¹ In September 2022, the Dutch Employees Insurance Agency (UWV) published its Tension Monitor, which bore the revealing title ‘Staff shortages now in all profession’.²

Specialists predict that labour market scarcity will remain a major concern in the near future. This is largely due to the rapid ageing of populations around the world, which is expected to accelerate further.

1 <https://www.cbs.nl/nl-nl/visualisaties/dashboard-arbeidsmarkt/spanning-op-de-arbeidsmarkt>

2 <https://www.uwv.nl/nl/persberichten/in-alle-beroepsgroepen-sprake-van-krapte>

In 2022, the ‘grey pressure’ was 34.8 percent: for every person over 65, there were three people of working age (20 to 65). In the coming years, this pressure will increase to over 40 percent.³ We will therefore be faced with a period of scarcity in the labour market for many years to come. As shown in the illustration on page 14, STEM profiles, in which HeadFirst Group operates to a large extent, continue to grow in demand. Creativity will therefore be required to meet this demand.

Increasing flexibility and globalisation

The labour market is becoming more flexible, in line with the needs of both organisations (demand side) and professionals (supply side). People increasingly want to decide for themselves where, when, and how they work. Recent figures from Statistics Netherlands show that there are now 1.2 million independent professionals in our country.⁴ The growth in recent years is mainly due to growth in the number of self-employed people offering their own knowledge and services. Currently, around 17% of all workers in the Netherlands are freelance.⁵ The majority of these independent professionals have consciously chosen this type of work in search of freedom and autonomy.⁶

For larger organisations, the temporary hiring of expertise, innovative capacity, and brainpower is an integral part of their strategic HR policy. They need to be flexible in terms of costs of staff and activity level in order to move with the market and the economy.

Based on the above facts and findings, we predict that increasing flexibility on both the demand and supply side of the labour market will continue to reinforce each other in the near future.

Flexibility has also increased in terms of where work is carried out. In the wake of the Covid-19 pandemic, remote working has become more normal than ever, reviving an old trend: the globalisation of work.

Sustainability

Just like scarcity and globalisation, the desire for sustainability is another trend that has been prevalent for many years. However, this trend is currently being accelerated by a number of developments. First of all, the war in Ukraine makes the world want to dispose of its dependence on Russian gas, with green solutions being the obvious way to kill two birds with one stone. Second, young people are taking an emphatic and publicly visible stand on this issue, which pushes companies into action, even if only to remain an attractive employer for this target group. And third, from 2024/2025 onwards, a large group of companies will be obliged to report on their sustainability policy and performance due to the introduction of the Corporate Sustainability Reporting Directive (CSRD).

HeadFirst Group has been developing its CSR activities for several years. In this report, we are making the step to integrated reporting on [ESG \(Environment, Social, Governance\) topics](#) for the first time.

Technological developments

Technological developments have a major impact on our society, including the labour market. Developments such as robotics and artificial intelligence cause significant job losses, but they also create new jobs.

We distinguish three movements:

1. Repetitive tasks are disappearing

Robotisation and machine learning are on the rise. Digital systems will soon be able to process much larger amounts of data, recognise patterns, and learn from data. Work that is repetitive by nature is expected to be taken over by artificial intelligence within five to ten years.

2. Complementary jobs are changing

The amount of work in which people and technology work together is growing. There are currently almost no jobs that are not technically supported, and this development promises to take a big flight with the arrival of digital assistants, chat bots and the like.

3. New jobs are emerging

It is difficult to predict exactly what kinds of new jobs will arise, but trend watchers and futurologists agree that we are already seeing the first signs. Without a doubt, digital skills and learning agility will become indispensable in the labour market of the future.

³ <https://www.cbs.nl/nl-nl/visualisaties/dashboard-bevolking/leeftijd/ouderen>

⁴ <https://www.cbs.nl/nl-nl/nieuws/2022/50/aantal-zzp-ers-gegroeid-naar-1-2-miljoen-in-derde-kwartaal-van-2022>

⁵ <https://data.oecd.org/emp/self-employment-rate.htm>

⁶ Statistics Netherlands, *Dynamiek op de Nederlandse arbeidsmarkt* [Dynamics in the Dutch Labor Market], February 2020.jd

Digitalisation also influences HR processes within organisations and the services of labour market service providers like HeadFirst Group. We signal and foresee long-term growth in the adoption of tech-driven services such as MSP, RPO, VMS and our platform solutions.

“
In this report, we are making the step to integrated reporting on ESG (Environment, Social, Governance) topics for the first time.
”

Labour market legislation

Labour market legislation in the Netherlands is constantly changing. Existing legislation is adjusted, and new legislation arises. Previously, legislation was introduced to combat the negative effects of flexible labour, such as exploitation by labour intermediaries in the Placement of Personnel by Intermediaries Act (WAADI), unfair competition on employment terms in the Balanced Labour Market Act (*Wet Arbeidsmarkt in Balans, WAB*) and pseudo self-employment in the Assessment of Employment Relationships (Deregulation) Act (*Wet deregulerend beoordeling arbeidsrelaties, Wet DBA*).

Over the past year, we have again seen new legislation in several areas that affect clients, self-employed workers, and labour market service providers. This included the Equal Opportunities in Recruitment Act, European rules for platform work, a mandatory certification scheme for parties providing labour, and a new approach with regard to the Assessment of Employment Relationships (Deregulation) Act. Regarding the latter, the current Minister of Social Affairs and Employment mainly focuses on the criterion of ‘being embedded in the client’s organisation’, which has as its premise that a hired professional should not be allowed to do the same work as someone in permanent employment. The implementation (and misinterpretation) of this criterion could have major consequences for the flexible labour market.

We continue to campaign for a good solution that combats pseudo self-employment at the lower end of the labour market, while allowing conscious self-employed workers at the top of the market to conduct their business without restrictions.



Retaining talent in times of scarcity

Despite the scarcity in the labour market, SAP service provider McCoy & Partners, in partnership with Sterksen, is managing remarkably well to retain their consultants. How do they do it?

“To win over talent to come and work for us, we show sincere and ongoing interest in them,” explains Joost Hinderdael, Recruitment Consultant at Sterksen. Interestingly, he talks about ‘we’ and ‘us’. Although on the payroll at Sterksen, Joost feels just as much a part of McCoy. Through Joost, Sterksen linked up with the McCoy team seven years ago to help recruit IT staff. Joost was then asked to also help professionalise the recruitment process as such.

Sterksen as an extension of McCoy

“Over the years, Joost has become an extension of McCoy,” says Frank van Dooremolen, partner at McCoy. “He has a thorough understanding of the organisation and therefore knows the type of DNA that fits well with our organisation. That’s extremely important, because we’re constantly looking for new talent.” The results are impressive. When the partnership first started, McCoy had a team of about forty. Now, it employs more than 220 professionals.

Growth also brings about new issues, says Franks. “The biggest challenge is to maintain our ‘own’ culture. This includes placing talent above structure, giving people room to be successful, avoiding hierarchy, always putting the customer first, and valuing success more highly than profit. Our team is close-knit, and we’re constantly challenging and learning from each other. Each talent is unique. Of course, you have peers, but you’re developing your own path. We value initiative, even if it’s unconventional. And we love celebrating success.”

“
Our team is close-knit,
and we’re constantly
challenging and learning
from each other.

”

Frank van Dooremolen
McCoy





“
It’s about finding
the right balance
between giving space
and staying
connected.”

”
Joost Hinderdael
Sterksen

Staying ahead with employer branding

So why is taking a sincere and ongoing interest in people so important? “That’s because we’re looking for the real cream of the crop,” says Joost. “You don’t win them over in a week. It’s about finding the right balance between giving space and staying connected. I really appreciate how McCoy trusts me as a recruiter to take time to build relationships.”

“McCoy has long been able to reap the benefits of its innovative employer branding strategy,” adds Frank. “But now we’re no longer unique. So we need to be vigilant that our concept remains strong.” That’s why Sterksen is now also using recruitment marketing to give even more substance to McCoy’s employer brand. The ultimate aim is to further lower the threshold for a first interview.

As McCoy continues to reflect on its HR policy, Joost looks to the future with confidence. “I have the peace of mind to focus on the market and put candidates first. Recruitment is very much about networking. By being able to tap into my own talent pool, I can offer direct added value to McCoy: finding the best talent for this ‘Great Place to Work.’”

Public affairs agenda

The constantly changing labour market legislation affects our organisation, but above all our customers: clients, suppliers and independent professionals alike. That is why we make significant investments to ensure elected representatives and policymakers in The Hague and Brussels have the know-how to make the right choices necessary for a balanced, fair labour market with sufficient room for entrepreneurs who want to be free to choose the way they add value to the European economy. To make a positive constructive contribution to this, we have a public affairs agenda with these clear messages:

Flexibilisation trend

The trend of scarcity and entrepreneurship in the labour market is a global, ongoing trend.

Basic social system

In the Netherlands, we need to create a basic social system for all workers, regardless of contract form or legal form. Social security should be provided at the level of the individual.

Customisation

Laws and regulations to solve problems with freelancers at the lower end of the market should not have a negative impact on the top segment of the market: provide tailor-made legislation and keep in mind the diversity of the freelance population.

Proper regulation

Intermediaries and MSPs play a crucial role in connecting supply and demand and organising flexible labour in a well-regulated way.

Sustainable employability

The knowledge and content of work is changing rapidly. Investing in education and training is important to guide workers – especially flexible workers – from job to job or from assignment to assignment.



Developments in our organisation

We are moving towards a new world of work, where change is the only constant. As a company, we shape these changes. In December 2022, we asked our colleagues to join us in this exciting journey towards the next world of work. This is our new group purpose. With this purpose in mind, we entered 2023. But first of all, we look back at the successful year 2022. The developments in our organisation are best described by means of our ‘5 bold steps’, which still form our strategy for the coming years.

Clear tech roadmap

Our organisation is transforming into a digital platform with the perfect balance between tech and touch. A clear tech roadmap is essential in this. In 2022, we have taken important steps forward again. Our core online platform Select plays an important role here: it will be the place where all assignments and all professionals and suppliers of the various brands within our group can be found. In early 2022, we completed the migration of contracts from MySolution (the system that manages the brands of the Between Staffing Group acquired in late 2020) to Select. And in the course of the year, the hiring contracts of our Sterksen brand were also migrated to Select. In addition, we established a link between Nétive (the third-party Vendor Management System (VMS) primarily used by our MSP brand Staffing MS) and Select, so that the assignments of the first MSP clients can also be found in Select. And by linking Select to our website CMS, all our clients’ assignments are now publicly available on all our websites, whereas previously they were only available after login. This fulfilled a wish of independent professionals and suppliers, and has improved the funnel to Select. Finally, in 2022, our developers worked hard on the new front-end of our platform, which we will proudly present with a renewed user interface and a new name (Strive) in 2023.

Meanwhile, we have also renewed part of our website landscape, including a new website for HeadFirst Group. We also made visible steps forward in the areas of Artificial Intelligence (AI) and Robotic Process Automation (RPA). We introduced two new digital colleagues last year: Benthe and Sam. Benthe is robotising labour-intensive processes with many repetitive tasks. For instance, she now automatically enters requests from mailboxes into our platform. And Sam is the digital assistant who both staffs our service desk and makes outbound calls to independent professionals, for example, asking if they are available for an assignment. The number of applications for Benthe and Sam will increase rapidly in 2023.

Data-driven organisation

The subtitle of this bold step reads ‘Get the organisation ready’. That was the No. 1 mission when, in early 2022, Marion van Happen took over the role of CEO from Han Kolff, who went on to focus full-time on the role of Chairman of the Board. We made great strides in 2022, using the well-known Lean methodology. In our Home Run programme – with a nod to HeadFirst’s baseball origins – we focused on eliminating waste in our core processes of recruitment, contracting and invoicing. We have achieved immediate concrete results in this regard: (1) the average number of bids on assignments has increased significantly, (2) the average turnaround time to a complete file for a contract has been reduced, and (3) we

successfully guided clients from timesheet invoicing to self-billing, which unifies our billing procedures. We also took great care to streamline the large volume of e-mails and call traffic to improve our organisation’s accessibility, which we realise was not always optimal during the year. We can say that the basic processes of our organisation are now solid, which we will continue to improve and innovate in 2023.

Our business intelligence (BI) team has taken big steps towards creating a data lake, in which we collect all data from the group. This data lake will allow us to gain rich insights. We professionalised the group’s performance management. And also created visual dashboards to give employees more insight into their workload, progress towards targets and movement in our funnels.

Next-level services

The demand from our customers – clients, suppliers and independent professionals – for full-service providers has been increasing for years. We responded to this early on by uniting a wide range of services for clients within our group through targeted acquisitions. For our independent professionals and suppliers, we have the Professionals & Partners services, which we are constantly developing.

We have recently focused on guiding professionals more proactively from assignment to assignment. In 2022, we presented a unique new solution for independent professionals to make low-threshold provisions for disability insurance: Select iCommunity Crowdsurance. As an important step in our strategy to be the lifelong flexible career partner for the self-employed, we have also made it possible for professionals to purchase our Professionals services even when they are not working through a HeadFirst Group brand. And in the last quarter of 2022, we added the services platform ZP365 to the group. We are currently rebranding that to Striive and linking it to our platform with a renewed look and feel.

We welcomed even more companies to the group, with sister companies StarApple and StackOps joining forces with us. They offer recruitment solutions for permanent and flexible staff, which makes us even stronger in our journey towards becoming a total talent service provider. In addition, the transforming labour market requires creative solutions, where making combinations of high-tech and high-touch solutions – which StarApple and StackOps excel at – will, in our view, be the key to success. In this time of scarcity, IT and digital professionals move easily from assignment to assignment. A proactive approach in talent pooling, as StarApple does, is necessary and distinctive. We are therefore very pleased with this collaboration.

Developments in services for our clients were most visible with our introduction of interactive recruitment, which allows clients to decide at each step in the hiring process whether they want to undertake this action themselves or outsource it to us. We also launched a redesigned client reporting system. But the icing on the cake was surely the introduction of our Striive solution for ‘direct clients’, which we will describe in more detail in the next bold step.

Leading platform in the Netherlands

To become the leading platform in the Netherlands, we have to digitalise our processes to the max and scale up our business. These two things combined make this bold step possible. Digitalising the full end-to-end process is one of the main goals of our new platform brand Striive. We believe that through the smart use of automation and AI, it will be possible to fully digitalise the end-to-end process of sourcing, matching, contracting and paying professionals. In 2022, we already introduced the Minimum Viable Product (MVP) of our Striive solution for ‘direct clients’. This solution is particularly geared to SMEs with a lower volume of hiring who are looking for speed, convenience and cost efficiency. In 2023, we will bring Striive to the market with a major campaign.

In terms of upscaling our business, the welcoming of Alliander as one of our largest clients is highly noteworthy. This led to significant organic growth in our results. We were also proud to welcome among others Klaverblad Insurances, National Road Traffic Data Portal (NDW) and Signify as new clients. At the same time, we were pleased to continue our relationships with valuable existing clients, including the Ministry of Defence, Rabobank, the Dutch Social Insurance Bank (SVB) and Smals, the IT services organisation of Belgian public institutions.

“
**We have to digitalise
our processes to the max
and scale up our business.**
”

Expansion into European markets

Our international expansion strategy in recent years mainly focused on growing our services at existing, satisfied customers in countries outside the Netherlands. In 2022, we made two targeted acquisitions to drive our international strategy (and our tech landscape) forward: ProUnity and OpenTalent. ProUnity is a leading Belgian, award-winning HR-tech company that operates as a Managed Service Provider (MSP) with its marketplace and Vendor Management System (VMS). The VMS solution has great international potential.

OpenTalent is an online recruitment platform that connects companies with its community of tens of thousands of professionals in 29 European countries. In addition to the connecting power of the platform, OpenTalent has a recruiter community of thousands of independent recruiters throughout Europe, who supply candidates on a ‘no cure, no pay’ basis. With the arrival of OpenTalent, we have secured a party with which we can scale up our candidate network and local sourcing power across Europe.

In the last month of 2022, we were pleased to share the news that we have reached an agreement with IceLake Capital to join as a new investor to enable expansion of HeadFirst Group in Europe. In IceLake Capital, HeadFirst Group has found a pragmatic and very ambitious investor that suits the company and its entrepreneurial culture. Han Kolff, Chairman of the Board of HeadFirst Group, said at the time: “We are very pleased to welcome IceLake as a strong financial investor, alongside our existing financing partner Kartesia and our founders. It is testament to the great achievements of our employees in professionalising our organisation and realising solid growth in the past years. Having IceLake on board, we will be able to realise our strategic goals across Europe.”

Great place to work

We also developed tremendously as an employer in 2022. We opened our new, state-of-the-art and energy-neutral headquarters in Hoofddorp, and also upgraded our Rotterdam location. We focused on making it a place that can easily compete with home. And it worked. We did not experience issues with staff struggling to find their way back to the office after Covid-19. This does not alter the fact that we still facilitate hybrid working and encourage an optimal work-life balance.

Entirely in line with our core value of 'connecting people', in 2022, we invested a lot in connecting our own people. For example, we organised parties in our own HeadFirst Group Theatre, various teambuilding activities, and an end-of-year roaring 20's dinner. To optimally support our employees in circumstances when things unexpectedly go less well mentally, we entered into a partnership with OpenUp. This gives our colleagues low-threshold access to a qualified psychologist, with whom they can discuss all sorts of issues, small or big, private or work-related.

In December 2022, we were awarded the Great Place to Work certificate. This is a wonderful recognition that our employees appreciate our efforts and very fitting with regard to the role of attractive employer we aspire to. To give further direction and meaning to what we are working towards together, together with a large group of colleagues, we redefined our group's purpose: join the next world of work!



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In December 2022,
we were awarded
the Great Place
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Closer and closer to the best solution

Joris de Vreede is product owner of the Select platform, which will get a new user interface and a new name (Striive) later this year. After many years' freelancing, he's now on a permanent contract with HeadFirst Group. "When I worked for HeadFirst as an independent professional, I took on a variety of assignments with different clients. It was a great way to get to know the company. But my affinity with the business is not why I joined. The main reason was the great team and the fact that I can really make a difference here, together with my colleagues."

"As the BizDevOps team, we're calling the shots. In consultation with our stakeholders, we decide what we make, why and for whom. This enables a lot of growth, which is just as well, because I don't like sitting still."

From vision and strategy to software delivery

In the four years since Joris joined HeadFirst Group, the organisation has grown ten times as big in terms of turnover, number of users and transaction volume. This has also meant an exponential increase in customer requirements. "Even if our platform is down for just a few minutes, professionals will be getting on the phone to ask what's wrong, and our colleagues answering these calls will be looking at us!"

“
We're closely aligned
with the organisation's
strategy, because
our platform is at
the heart of the
organisation.
”

Joris de Vreede
HeadFirst Group





“
We won't stop until
all our customers'
challenges have
been solved.”
”

When Joris started, the team consisted of just three engineers, but now there are three fully fledged teams that create and manage the entire platform end-to-end. “That’s exactly what I like about our team. We’re closely aligned with the organisation’s strategy, because our platform is at the heart of the organisation. We’re responsible for the product vision and strategy as well as software delivery. And we do it all ourselves: discovery, finding a solution, and building, deploying and managing it.”

Customer first

The BizDevOps team focuses on solving the problems our customers are facing. “Together with stakeholders, we examine the bottlenecks experienced by our independent professionals, suppliers, clients and colleagues. We then think of possible solutions, create new software or integrate existing software. That’s how we keep making our customers’ lives a little easier again.”

This year, the team specifically focuses on four value chains: search & match, contracting & invoicing, Professionals & Partners services, and our new platform solution for direct clients. “For these chains, our teams will become increasingly organised around solving specific problems, which adds a lot of value,” says Joris. “Based on customer feedback and data, we define a question or challenge. Then, after interviewing our customers, we make prototypes, validate them, and build and deploy them. This is how we get closer and closer to the best solution. We won’t stop until all our customers’ challenges have been solved.”

Structural growth drivers of our business



Flexibility

As described earlier, the labour market is becoming more flexible, in line with the needs of both organisations (demand side) and professionals (supply side). People increasingly want to decide for themselves where, when, and how they work. For large organisations, the temporary hiring of expertise, innovative capacity, and brainpower is an integral part of their strategic HR policy. This aligns with our services focused on flexible work.



Tech & data

We are still in the middle of the digitalisation era. Organisations have a world to gain if they are able to phase out labour scarcity through smart tech. The Covid-19 crisis has further fuelled awareness of the need to digitalise, albeit painfully, as location-based work has proved to be a risk factor. The demand for online and IT specialists will continue to grow in the coming years. HeadFirst Group has been strong in this field since its inception.



Scarcity

The trend of an ongoing shortage of knowledge workers means that organisations have a continuing need for support in recruiting both temporary and permanent personnel. By combining tech- and human-driven services, HeadFirst Group has all the building blocks in place to offer tailored solutions to scarcity-driven challenges.



Platformisation

Platforms have emerged as disruptors, mainly in consumer markets where an online solution quickly proved capable of displacing the established order. In the labour market, this is happening more slowly, as it has been a human-driven market for decades. HeadFirst Group believes that it is possible to fully digitalise the end-to-end process of sourcing, matching, contracting and paying staff, which is why we are making significant investments in platformisation.



Regulation

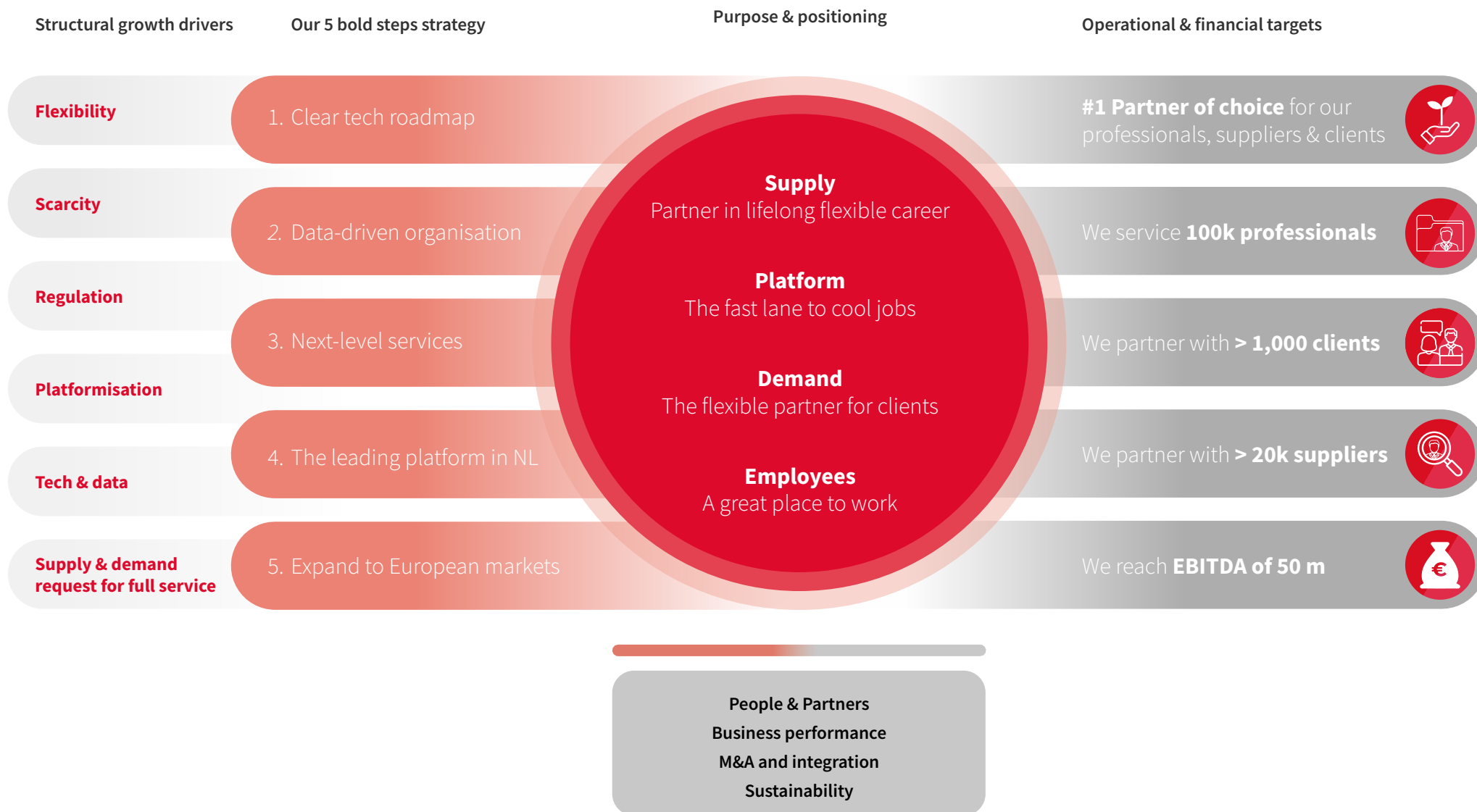
As described earlier, there is a lack of clarity around labour market legislation in the Netherlands. Various laws have made the hiring of external staff increasingly complex over the past few years. The wide array of regulations has prompted organisations to seek outside assistance in this area. This trend is likely to continue in the coming years. Through its contracting service, HeadFirst Group is well-positioned to provide this assistance.



Supply and demand request for full service

You see it in several markets: specialist service providers are joining forces to become a full-service provider together. Why? Because customers demand it. Clients are looking for the one-stop shop for their labour market issues. And suppliers and independent professionals need one place where all available jobs can be found. If they can also get additional services there in the area of learning & development, insurance, payment, mobility, and more, it makes professional life even easier.

Strategy: join the next world of work



The #1 digital first platform in Total Talent Management with human touch as differentiator

To go full speed ahead with a clear goal, we formulated three visions for innovation: a vision for the supply side, one for the demand side, and an overarching vision to become a leading platform company. By adding a concrete '5 Bold Steps' plan, we are mapping out the strategic steps towards realising these visions.

The core of our vision is as follows: by 2025, HeadFirst Group will be leading the way and offer a fast lane for matching supply and demand of work through our platform. On the supply side, we aim to be the preferred partner for professionals who strive for a lifelong flexible career by focusing on unburdening and supporting them in the most personalised way. On the demand side, the way we support our clients will be driven by an optimal balance between technology and human touch. Digitalising the process where this is possible will allow for more time for personal contact when it matters.

“
By 2025, HeadFirst Group will be leading the way and offer a fast lane for matching supply and demand of work through our platform.
”

Our '5 Bold Steps' plan:

- 1 Clear tech roadmap**
We will innovate our platform for seamless matchmaking, contracting and service flows.
- 2 Data-driven organisation**
We will focus on fully data-driven continuous improvement.
- 3 Next-level services**
We will be a trusted advisor to clients and offer value-added services to professionals and suppliers.
- 4 Leading platform in the Netherlands**
We will scale up as a data-driven, automated, open platform, while targeting new segments.
- 5 Expansion into European markets**
We will offer specific services tailored to local conditions.



Lifelong flexible career



Our vision on the supply side

Our view on the world in 2025

It is 2025, and the majority of the European labour market is now flexible. As a result, the economy is very much driven by independent professionals. These professionals, young and old, expect a career that is always in development and that gives them room to be entrepreneurial. However, this flexibility often leads to a lack of personal development and interaction with peers, which used to be available to employees in large companies. For this reason, there has been a shift towards communities of independent professionals and suppliers. As part of these communities and networks, people with decades of experience openly share their knowledge with the group of younger professionals.

HeadFirst Group's value for our customers

With its Strive platform, HeadFirst Group has become the standard partner for independent professionals and suppliers who focus on a lifelong flexible career. We unburden and support workers with perfectly balanced tech and personal services. HeadFirst Group has managed to claim this spot by offering 'career partner' solutions to these professionals. These solutions include assignment-to-assignment mediation, upskilling and training, personal mentoring and career planning, cross-company traineeships, and permanent advice; all designed to propel people forward to their next dream role. In this way, HeadFirst Group provides the support environment that corporates used to provide before.

HeadFirst Group is serving a growing base of younger workers. We have been able to onboard young talent by working with universities and offering flexible traineeships. The tailored career guidance program helps workers take the necessary steps to get the jobs they dream of; after all, a career is a series of steppingstones. For people who want to be part of a community, online or face-to-face, there are guilds where specialists share their experiences. For people who want to focus on themselves, there are services for career security, such as insurance and pension. This move towards being a full HR service provider has propelled HeadFirst Group to servicing over fifty different communities covering a professional base of over 250,000 professionals in the Netherlands.

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HeadFirst Group will be the standard partner for independent professionals and suppliers who focus on a lifelong flexible career.

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The flexible partner



Our vision on the demand side

Our view on the world in 2025

It is 2025, and the HR/recruiting industry in Europe has become more and more digitalised. Dedicated HR platforms have automated most of the matchmaking process and are now advising companies on best practices. In this way, players like HeadFirst Group have transitioned from an administrative role to a full HR tech solutions provider, shaping the landscape further and further. Large technology-driven companies were early adopters of using players like HeadFirst Group for HR value added services and consulting such as RPO, strategic workforce planning, legal and compliance services, and data-driven process optimisation. Following in their footsteps, all companies that use temporary workforce are now making use of these services.

HeadFirst Group's value for our customers

HeadFirst Group is leading in Europe when it comes to best practices. We proactively and strategically advise Europe's largest corporations in the field of work. HeadFirst Group supports companies with the management of their total workforce. Advisory services are driven by an optimal balance between technology (tech) and human touch (touch). Digitalising the process allows for more time for personal contact when it matters.

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It is 2025, and HeadFirst Group have transitioned from an administrative role to a full HR tech solutions provider.

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In the Netherlands and abroad, HeadFirst Group has developed a scalable way of using soft skills to find the best talent. An example of this is a strong referral proposition, where the network of HeadFirst Group and the professionals within it refer the best talent based on personal experiences. The approach is twofold. Firstly, on the technology front, the company has designed best-in-class tech solutions for every step of strategic workforce planning. Secondly, the company has manifested itself as the clear No. 1 thought leader in Europe for HR services. This knowledge has allowed HeadFirst Group to complement a standardised approach with company-tailored advisory services.



The fast lane to cool jobs

Our vision on HR tech and the role of our platform

Our view on the world in 2025

It is 2025, and the European labour market has become increasingly flexible. On the one hand, a technology revolution with advancements in artificial intelligence and interconnectivity has led to a further push towards a European platform economy. Matchmaking has been completely automated, and by opening systems via APIs, network effects are created throughout the European labour market. This has enabled one main flexible employment platform to spread across Europe.

On the other hand, the autonomous behaviour of (young) professionals, combined with their wish to have a very flexible career, pushes the scarcity trend. Progressive large companies are trying to continuously tap into a fresh stream of talented knowledge professionals by using the new international flex platform. Professionals are finding their perfect jobs in both their own countries and abroad. Data-driven services increase the security and advancement of their careers.

HeadFirst Group's value for our customers

HeadFirst Group is the leading player in the market and is a data-driven organisation focused on continuous improvement, with an optimal balance of technology and human touch. HeadFirst Group has created a fast lane for matching the supply and demand of flex work. We have achieved this by creating a platform that has become top of the market by interconnecting it with other relevant systems and by creating top notch features for professionals, suppliers and companies. The platform is enriched by communities, partnerships with suppliers, and a strong referral machine. One million European freelance professionals and suppliers are using the platform. They love it because it provides quality, ease of use, and a trusted way of quickly finding the next cool job at a fair rate.

Companies, on the other hand, are given access to the most qualified knowledge professionals in the market and are making use of flex work more than ever. Talent pool suppliers are placing professionals in exciting projects at an unprecedented rate, facilitated by HeadFirst Group. By continuously updating the market on the latest industry developments, the platform is busier than ever and HeadFirst Group is seen as the true thought leader in the field. The flex market is here to stay, and by providing a new way of working, HeadFirst Group has managed to create a winning proposition for supply and demand.

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It is 2025, and
the European labour
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We invest in joint development

As an IT service provider, InnSpire supports its clients in digital transformation projects. “Together with HeadFirst Group, we provide IT professionals for projects at leading organisations such as NS, UWV, DICTU and Enexis,” explains owner Marcel Oostveen. “What I find crucial is that our people truly enjoy their work and get a lot of freedom in carrying out an assignment.

Within our SocialFlex model, our employees choose their own contract, including the number of hours per week and how much they want to invest in their further development. And because we often work on location with clients, we also invest in joint development – with each other and with our clients – including through regular InnSpiration sessions. In this way, we have built a close-knit team of currently sixty professionals that is characterised by a special combination of freedom and togetherness.”

Optimal combination of job satisfaction and customer value

“We are real ‘Agilists,’” says Marcel enthusiastically when describing his team. “We can fill all positions in agile projects, from software engineers and test specialists to business analysts and product owners. We have a team of experienced Agile Coaches and Scrum Masters to guide teams, while we also share our expertise with clients in the form of professional training courses. In line with the agile spirit, our central focus is on value creation. Of course, given the current shortages in IT, it’s easy to ‘put people on projects’, but my goal is to offer solutions that really solve a client’s problem. I always try to find the best combination of job satisfaction and customer value.”

This is also where Marcel sees a good match with HeadFirst. “HeadFirst Group has a huge network and is very reliable in its delivery to clients,” he says. “InnSpire’s strength lies in its expertise to really understand client questions and match them adequately with specific profiles. We’re now trying to leverage even more synergy from our collaboration. For HeadFirst recruiters, it can sometimes be difficult to properly translate a specific request into the right professional need. That’s why we now get together more often to better understand each other’s work and ‘language’. Our ultimate goal is to fulfil assignments better as partners, adding more value for clients.”

“
Our goal is to fulfil assignments better as partners, adding more value for clients.
”

Marcel Oostveen
InnSpire



Our stakeholders

We value open dialogue with all our stakeholders. By listening carefully to each other, we can learn a lot from each other and can better respond to various developments around us. The illustration below shows our main stakeholders.



Materiality matrix

In 2022, we conducted our first materiality analysis to identify which of our activities have the most impact on people, the environment and society.

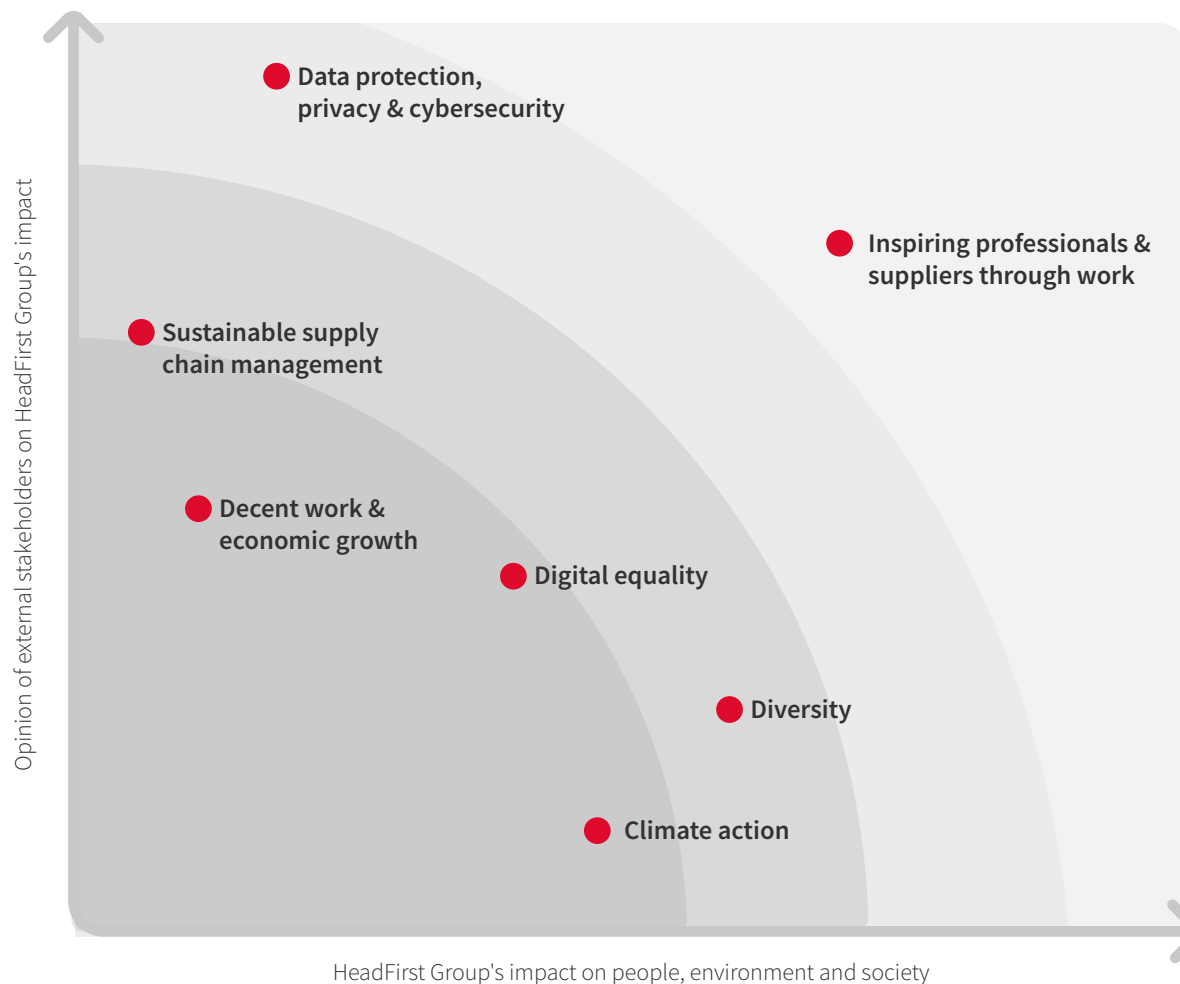
We started by identifying a broad range of potential material Environmental, Social and Governance (ESG) issues which resulted in a longlist. We then ranked these topics on the longlist for the degree of impact that the company has on people, the environment and society. This resulted in the elimination of several topics and a shortlist consisting of 24 topics.

Stakeholder groups were then asked to prioritise the items on the shortlist based on the degree of impact that HeadFirst Group has on people, the environment and society. This resulted in a final list of the seven most material topics linked to ESG.

These topics are:

- Climate action (environmental);
- Supply chain management (environmental);
- Decent work & economic growth (social);
- Digital equality (social);
- Inspiring professionals & suppliers through work (social);
- Diversity (social);
- Data protection, privacy and cyber security (governance).

We are currently still in the process of setting all KPIs or qualitative and/or quantitative disclosures relating to the material topics. This is an ongoing process; new KPIs and qualitative and/or quantitative disclosures will be reported in the future. Our annual report for the financial year 2023 will also contain an outside-in analysis.



Corporate Social Responsibility












Introduction to the ESG framework

In 2022, we further implemented our Corporate Social Responsibility (CSR) policy as we can and want to play an active role in the transition to a sustainable society. Together with our clients, suppliers, professionals and partners, we support the UN Sustainable Development Goals (SDGs) and we actively contribute to these goals.

We also aim to increase our social impact and reduce our CO₂ footprint in our value chain. We do this by establishing policies with strong targets on four CSR axes.

For each axis, we have determined the activities through which we can make the greatest impact on people, the environment and society (see also our materiality analysis). To determine the content of our policy, we looked at a number of leading frameworks, such as GRI (Global Reporting Initiative).

We also followed the recommendations of EcoVadis, a well-known universal scorecard for CSR. In 2022 we were awarded with a silver medal for our CSR policy and actions. This was a good result, but by making our policy more concrete, we want to improve our score on all subjects.

	CSR Axes	Material topics	Relevant SDGs	Ecovadis
Environmental	 Sustainability	Climate action Supply chain management	 	Environmental Sustainable procurement
	 Decent work & lifelong learning	Inspiring professionals & suppliers through work Decent work & economic growth Digital equality	 	Labour & human rights
Social	 Diversity & inclusion	Diversity	 	Labour & human rights
	 Governance & ethics	Data protection, privacy and cybersecurity		Ethics
Governance				



Sustainability



As an HR tech solutions provider, we have a relatively limited impact on the environment, but where we can make an impact we will do so. Our two sustainability-related material topics are climate action and supply chain management.

Climate action

Despite our relatively small carbon footprint, we are determined to do what we can to reduce it. Most of our impact relates to minimising our energy consumption, electrifying our fleet, reducing the use of fossil fuels, reducing GHG emissions, using green energy sources, separating waste, and a climate-neutral building.

We also contribute to the Paris Agreement goals to limit global warming to well below 2°C above pre-industrial levels and make efforts to limit warming to 1.5°C. This is why we have committed ourselves as a group to the Science-Based Target initiative (SBTi) and set a science-based 'near-term target' in 2022 to contribute to limiting global warming to well below 2°C.

CO₂ footprint

We report on our CO₂ footprint in accordance with the Greenhouse Gas Protocol. We will continue to improve the completeness and accuracy of our environmental data. In 2022, for example, we did not yet have insight into the full set of data of our scope 3.

By 2023, insight into scope 3 will be completed. As our organisation is constantly subject to growth and change due to our ambitious buy & build strategy, we have chosen to measure our footprint against our turnover as of 2023. In doing so, we will adjust the data for inflation.

	2022			2021 (Base year)		
	Amount	Unit	Emissions in tCO ₂	Amount	Unit	Emissions in tCO ₂
Scope 1 (direct emissions)						
Gas consumption	5,814	m ³	12.2	91,795	m ³	172.9
Fuel consumption vehicles - diesel	4,119	litres	13.4	9,498	litres	31
Fuel consumption vehicles - petrol	140,109	litres	395.2	72,582	litres	202
Declared kilometers (Business)	198,931	km	38.4	N/A		N/A
Total scope 1			459			406
Scope 2 (indirect emissions)						
Electricity consumption - grey	39,183	kWh	17.3	492,861	kWh	274
Electricity consumption - green	488,714	kWh	0	19,883	kWh	0
Electricity consumption - vehicles	35,284	kWh	16.1	14,805	kWh	8.2
Total scope 2			33	282	282	282
Scope 3 (remaining emissions)						
Public transport (Commuting)	279,788	km	5.6	66,622	km	1
Declared kilometers (Commuting)	290,385	km	56.0	283,915	km	55.4
Industrial waste	60,803	kg	58.7	N/A		N/A
Total scope 3			120			56
Total emissions in tCO₂			612			744

2030

We commit to reducing absolute scope 1 and scope 2 GHG emissions by 23% by 2030 from a 2021 base year, and to measuring and reducing our scope 3 emissions. This is an absolute reduction of 2.6% per year.

In order to achieve this, we have taken reduction measures concerning energy sources, our sites and our mobility policy. To further develop and professionalise our CSR policy and complete our data collection, we have set targets for 2023-2025. This will also prepare us for the Corporate Sustainability Reporting Directive (CSRD).

Reduction matters

To illustrate what we have done to reduce our impact, here are some examples:

- We have installed LED lighting with motion sensors at all sites.
- Our headquarters are located in a carbon-neutral park and have a sustainable cradle-to-cradle design with A-Label and BREEAM-NL Excellent sustainability certificate.
- The carpet in our headquarters is made from bio-based raw materials by Interface, whose products carry the Environmental Product Declaration (EPD) label issued by an external party. Thanks to this carpet, we avoided over 17,000 kg of CO₂ emissions, which is equivalent to the emissions of a car driving a distance of 68,742 kilometres.
- As a result of the pandemic, people have been working from home more often and meetings with customers are also more frequently held online. We will continue to encourage and facilitate working from home. As of January 2023, a professional recording studio has become available at our headquarters to make major corporate presentations and webinars look more professional and enable everyone to follow them.

Main targets 2023-2025

In the coming years, we will:

- Complete scope 3 insights collection and implement our reduction strategy. We will also add waste at all sites to scope 3 by looking at averages based on historical consumption data per employee. In addition, we will establish and implement a policy on waste.
- Tighten our mobility policy and establish KPIs for the ratio of cars vs employees as well as for the ratio of electric cars vs conventional cars.
- Make the emissions relating to the pool of flexible professionals working through HeadFirst transparent for every client. We will share this information with our clients so that they in turn have insight into their own scope 3 emissions.

Supply chain management

We aim to ensure that the procurement of goods and services takes place in a socially and environmentally responsible manner and in conformity with the organisation's business principles.

A good example is the choice of a new caterer starting as of February 2023. Their vision is shaped by 'Code Green'. They are committed to reducing their environmental impact, pursuing this by choosing sustainable products and materials (and also not wasting them where possible) in accordance with the 'eat sustainably' plan for a sustainable planet. Through a climate monitor, they measure the environmental impact (CO₂ emissions) of their products based on the greenhouse gases released while growing, processing and transporting them.

The next step will be to formalise this process by including objectives, KPIs and assessment procedures.

Main targets 2023-2025

In the coming years, we will:

- Examine which requirements we will need to impose on our suppliers and draw up a checklist.
- Draw up a supplier sustainability Code of Conduct.
- Determine which suppliers should perform a sustainability assessment and what this assessment should entail.
- Develop and roll out a supplier assessment procedure.
- Include social and environmental clauses in agreements.





Decent work & lifelong learning



For us, decent work and lifelong learning mean that we continue to develop our employees while also providing development opportunities to professionals. In this way, we are increasing sustainable employability. In addition, it means making sure that our working conditions are good and that we will go the extra mile to achieve this. Our efforts are clearly appreciated, as we are now also a certified 'Great Place to Work'!

Inspiring professionals & suppliers through work

We consider the mental health and well-being of our people, suppliers and candidates as a basic necessity in life and a prerequisite to enjoy a healthy work-life balance. That is why we take good care of everyone's health and safety.

To demonstrate compliance with health and safety legislation, we follow our health and safety policy plan and carry out an annual RI&E (Risk Inventory & Evaluation). Any risks are immediately addressed by our Facility team.

We strive to inspire, support and retain people by offering access to sport activities, training and courses, as well as free webinars and lectures.

Initiatives

- 'Learn every day', one of our core values, inspires people to remain employable in the rapidly changing labour market by continuously developing themselves. This applies both to our own employees and professionals working through HeadFirst Group.
- The learning and development platform MyCademy provides employees and professionals (Select Academy) with premium access to courses, e-books, training and knowledge-sharing sessions in various learning paths. In addition, employees can follow training or courses outside the MyCademy curriculum in the interest of their current or future position.
- There is a gym at the head office, which is free for everyone to use. At set hours, an instructor is present to help with exercises. Employees can also participate in bootcamp training every week.

This topic is strongly linked to the material topic 'Decent work & economic growth'. In the future, we aim to make a clearer distinction between the two topics and determine different policies and goals.

Decent work & economic growth

We contribute to a developing and skilled workforce by offering personal development services and career partner solutions to our (flex) workers. These solutions include income stability, personal mentoring, training and career planning. We use new digital HR solutions and tools in order to attract the right people.

We want to take good care of our employees and are very concerned with their mental health. Especially in the period during and after the pandemic, it became evident that there is a big role for the organisation to care for both the physical and mental health of our people. In that context, many initiatives have been rolled out.

Initiatives

One such initiative is our partnership with OpenUp, a mental health scale-up based in Amsterdam and Berlin. Together we introduced a platform (app) that engages the entire organisation in mental health. Its motto is 'always a psychologist at hand – everywhere and on every subject'. Through the app, employees can consult a psychologist after checking in, for a big or small issue, whether private or work-related. It is available to all HeadFirst employees free of charge and without restriction.

We promote the physical health of our employees by offering healthy breakfast and lunch options. Our carefully selected caterer encourages choosing healthy food by providing information about the benefits and displaying it prominently on the buffet line. HeadFirst Group reimburses 35% of the cost of breakfast and lunch.

Our employees clearly appreciate this and other initiatives, as evidenced by the 'Great Place to Work' certificate we obtained in 2022. To achieve it, we went through an extensive process with the Great Place to Work organisation, in which we demonstrated that (1) all employees enjoy working for us, (2) there is trust in the organisation, and (3) employees exude pride for being part of it.

Targets 2023 – 2025

Our employees are our top priority. This is evident from the many great initiatives launched in recent years. Drafting or expanding policies is still a work in progress.

In the coming years, we will:

1. Draft policies on child labour, forced labour and human trafficking;
2. Expand our whistleblowing procedure, including reporting on corruption and/or bribery and information security issues and seeking certification for our labour & human rights system;
3. Develop reports on the average number of training hours per employee;
4. Prepare documentation on health & safety indicators for temporary employees.

Digital equality

To prevent a 'digital gap', we believe that everyone in the community, regardless of demographics, socioeconomic background, and digital and information technology experience and competencies, deserves access to digital technologies and the skills to use them.

This topic was assessed as one of the most material topics in our materiality analysis. It also aligns closely with our vision and policy of not excluding anyone and giving everyone a chance. As a matter of fact, we feel that a focus on digital equality as such is actually too limited. Instead, we would prefer to consider it as part of our social return policy.

To create more employment opportunities for people at a labour market disadvantage, in September 2022, we launched our 'Social Return Action Plan'. In this plan, we brought together all social return initiatives within the HeadFirst Group so that we can ensure a more inclusive labour market by working together. Through our Social Return Action Plan, we create an efficient, sustainable and valuable partnership with our clients and social partners, focusing on the strength of our organisation: connecting professionals and clients.



Diversity & inclusion



As an HR tech solutions provider, we consider it our social responsibility to create an inclusive, equal and safe environment. We accept this responsibility not only with respect to our own employees, but also our clients, professionals and suppliers. An inclusive culture is paramount in this, providing room for diversity while also fostering a sense of unity.

Diversity

The workforce of HeadFirst Group is diverse in terms of gender, age, origin, motivation and life experience. Every person is equal but also unique. We take these differences into account. You can see that in the data points shown on page 44. The male/female balance in the organisation is equal. Our management team is also diverse in gender: 46% are women. The diversity in terms of age remain almost the same as last year: the number of employees in the under-40 category is almost equal (53%) to the 40-and-over category (47%). We are satisfied with these data points and are taking actions to further strengthen diversity and inclusion in our organisation.

Diversity is the cornerstone of all our corporate value statements. We aim to fulfil the following objectives:

- Talent: we provide equitable opportunities to recruit, retain and develop talent that sparks our innovation.
- Workplace: we celebrate individual uniqueness and are inclusive in the way we work.
- Marketplace: we represent diversity when we go to the market and foster inclusion across our stakeholders. We reduce inequalities by not discriminating on grounds of gender, age, ethnicity, religious beliefs, parental status, education, physical and mental ability, and sexual orientation.

To further develop our internal and external services in the area of diversity and inclusion, in 2021, we established the 'Diversity & Inclusion Taskforce' within the HeadFirst Group. Members of this Taskforce come from different levels and departments in the organisation and act as drivers and confidential advisors on topics such as LGBTQIA+, cultural diversity, religion, gender equality, age and disabilities.

For the next two years (2023-2025), the Taskforce has identified a number of themes to further flesh out our diversity policy both internally and externally. One of the themes concerns our digital platform. For example, with the system we have and based on AI, we are looking into how we can prevent prejudice (e.g., based on a foreign-looking name). We also want to use our external communication and knowledge sessions to involve clients and suppliers in our diversity policy.

We monitor the inclusiveness of our working atmosphere by conducting an inclusion survey twice a year. We want to improve our current rating of inclusive corporate culture (7.8) to 8 this year. We have also set several targets for internal diversity figures (see KPIs).

Initiative: 'Diversity in Business' charter

Through our affiliation to the Socio-Economic Council's 'Diversity in Business' charter in 2022, the Diversity & Inclusion Taskforce is obliged to report every year on internal satisfaction in terms of inclusive corporate culture and internal diversity figures. This ensures our attention, focus and commitment to diversity and inclusion objectives.

D&I in Recruitment & Selection

Our external diversity and inclusion strategy focuses in particular on the recruitment and selection process. Continued attention to unconscious biases and preferences from recruiters and hiring managers is therefore needed to remain open to diverse perspectives.

Targets 2023-2025 and KPIs in 2023

In the coming years, we will:

- Develop a plan of action for the Diversity in Business charter;
- Extend our reporting structure;
- Provide D&I training;
- Provide training for D&I members;
- Organise knowledge sessions for clients and suppliers.

In 2023, we will expand the KPIs to include:

1. The rate of individuals on the organisation's board of directors in several diversity categories;
2. The rate of employees per employee category in several diversity categories;
3. The ratio of base salary and remuneration of women compared to men for each employee category;
4. The total number of discrimination incidents during the reporting period.

**Governance & ethics**

We have a clear governance structure in which the organisational chart, business strategy and its translation into objectives, goals, strategies and measures (OGSMs) for each department are the starting point. Based on set KPIs for each department, it monitors whether the organisation is on track to achieve its business objectives. The governance model further contains policies on business continuity, privacy, and quality and information security.

Data protection, privacy and cyber security

We are responsible for the integrity and protection of all personal data we store within business processes and IT systems. We continuously invest in cyber security-related processes and systems.

With investments in compliance resources, business processes and technology, the group complies with relevant statutory GDPR principles. Ownership of GDPR lies with the legal department. The group also has a privacy officer, who owns the retention policy, personal data processing policy and security incident and data breach policy and procedure.

For all ISO certifications, policies have been communicated both internally and externally. They can be found on our intranet. The 27001, 9001 and 14001 management systems ensure that we continuously work on quality, information security and environmental objectives.

In 2022, we redeveloped the onboarding procedure of in-house employees. This is a generic scheme for all employees in which a set programme is followed for 10 weeks in addition to the induction programme in the department itself. During these 10 weeks, employees are trained on different matters, such as our code of conduct and information security.

As Governance & ethics is a relatively new theme within our CSR policy, the targets for this theme are mainly related to developing and establishing policies.

Targets 2023-2025

In the coming years, we will:

- Develop, build and implement policies on corruption, bribery and business ethics:
 - Measures and procedures in place to prevent corruption and or bribery;
 - Conduct periodic risk assessments on corruption & bribery.
- Draft policies on fraud, conflict of interest, verification procedure of sensitive transactions.
- Maintain ISO (9001, 27001, 14001), NEN, Bovib and EcoVadis certifications.
- Implement GRC tool or use teams to structure Governance & Risk management.
- Create a programme for third-party anti-corruption and information security due diligence.
- Implement awareness or training programmes on anti-corruption and bribery issues for employees.

Focus on the things that really matter

As an experienced project manager, Maarten Weijers is responsible for construction and maintenance projects in the field of Dynamic Traffic Management (DTM). As an independent entrepreneur, he has full control over his professional development and the assignments he takes on. And because HeadFirst takes care of the contractual and administrative side of things, Maarten can focus on his business.

Combining mission-critical IT and tangible infrastructure

“With a background in electrical engineering, I started my career at Fokker Aircraft. My work quickly shifted from purely technical to more coordinating roles, and my love for project management was born. I moved on to various other companies, gradually expanding my project management skills, specialising mainly in mobility projects and DTM for organisations such as Rijkswaterstaat and Croon TBI Techniek. After several successful projects, in 2012, I felt the time was right to start my own business, Prodius Managementbureau.”

“
HeadFirst Group
acts as my ‘back
office’. For me,
this collaboration
is perfect.

”

Maarten Weijers
Independent professional



“DTM uses automated real-time roadside management systems to monitor and improve traffic flow on the road,” explains Maarten enthusiastically. “I use this technology to control camera systems and roadside dynamic route information panels, for example. I’m currently the technical manager within the Rijkswaterstaat programme responsible for the management and maintenance of such DTM systems. My work is a great combination of mission-critical information technology and tangible infrastructure. And I literally see the results of my work when I’m on the road.”

My relationship manager is always there for me

“In my daily work, HeadFirst acts as my ‘back office’. For me, this collaboration is perfect. It allows me to focus on my assignments and business, maintaining my network and actively following developments. HeadFirst takes care of invoicing, business insurance and other administrative issues. It has all been running very smoothly for years, and if I have any questions, I just call my personal relationship manager, who is always there for me.”

“As a specialist with a large network, I can do my own acquisition. But in general, I see a growing role for HeadFirst in actively finding scarce professionals and experts. For example, in my field, we work with highly specialised systems. It’s important that candidates fully understand their impact on traffic flow and safety. But such subject matter specialists are currently extremely difficult to find. If HeadFirst, with its huge network and available data and matching tools, can help such high-flyers land in the right place, everyone will benefit.”

“
I can focus on my
business, maintaining
my network and
actively following
developments.
”



2022 results

HeadFirst Group is proud to present its gross invoice value of € 1,953 billion (2021: € 1,547 billion), which reflects the organic growth of our business both from new customers as well as increased volumes with existing customers. We would not have been able to achieve this great result without our amazing and passionate employees, loyal clients, committed partners, suppliers and mission-critical professionals.

We saw strong growth in the demand of our solutions throughout the year, despite a slower start in early 2022. We accomplished double-digit growth rates for our net revenue in Q4 following increasing growth trends during the year.

All our business lines contributed to the acceleration of our net revenue growth in 2022, with very strong performance of our MPS and P&P service offerings.

The resilience of our business model from our portfolio mix and our strong presence in the niche of highly skilled professionals, including many IT professionals, led to a growth acceleration post the pandemic of 2020 and 2021. Revenue growth was 26%, compared to 3% in 2021, following growth in our MSP proposition and volume growth in our Intermediary proposition. Gross-profit growth accelerated to 10% from 7% in 2021. We managed to realise a strong underlying EBITDA performance, with EBITDA increasing by 5%.

We continued to invest in our organisation to further improve our service levels for customers. In addition, we continued to optimise our processes and implemented innovative solutions such as RPA, enabling more efficient ways of working and anticipating on an increased performance in 2023, which will be necessary to fully focus on our personal touch to further enhance customer and employee satisfaction.

We are proud to have a solid financial position with a strong equity of € 141 million and a solvency of 25%. This qualifies as solid for our type of business, which has a large amount of current assets and liabilities going through the books.

We continued to retain business by renewals and win further tenders in 2022, demonstrating our clients' appreciation of our services and providing us with a solid outlook at the start of 2023.



1,953 ↑ 26%

Gross invoice value
2021: 1,547
2020: 1,520



46 ↑ 10%

Gross profit
2021: 41
2020: 40



25 ↑ 5%

EBITDA
2021: 24
2020: 22

Human Resources

HeadFirst Group: Great Place to Work

As an employer, HeadFirst Group has undergone rapid development in recent years, guided by our three core values: customer first, learn every day, and connecting people. Involvement, fun and ownership are central to our organisation.

We encourage our employees to be entrepreneurial through personal development and by giving them responsibility. And our internal Lean programme, which is based on the principle that improvement initiatives come from the entire organisation instead of just from the top, places our employees at the wheel of continuous improvement.

To encourage our staff continue to learn and develop, we launched the HeadFirst Group Academy in 2021. This provides an online learning environment, which was widely used during the pandemic. In 2022, usage decreased slightly (by 5.4%), due to significantly more in-class training (302 training sessions). HeadFirst Group invested € 250,000 in the personal development of its employees in 2022, an increase of 108% compared to the previous year.

The mental health of our employees is also essential to us. That is why we have joined forces with OpenUp, an organisation whose mission is to make mental well-being accessible to everyone. OpenUp offers tools that make you more resilient and help you in your personal development, such as a health check-in, 1-on-1 consultations with certified psychologists, master classes and group sessions, mindfulness consultations and online programmes, articles and manuals.

Since we moved into our new headquarters in Hoofddorp in early 2022, we have had our own HeadFirst Group Theatre at our disposal. We have used this for our employees for company parties, knowledge events and inspiration sessions. For these inspiration sessions, we have partnered with Leqtur, who arranged several motivational speakers on topics such as storytelling, reframing, unconscious bias, high performance, and how to perform tricks to make your brain work even better.

All this has been greatly appreciated: in 2022, we were officially certified as a Great Place to Work (GPTW). This was a tremendous recognition of who we want to be as an employer. In the GPTW survey, our employees rated us highly on the themes of fair treatment, diversity & inclusion, responsibility and independence within the job. We will enthusiastically work on the areas for improvement that emerged from the GPTW survey.

In 2023, we expect our employee base to develop in line with the growth of our business volumes.

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We encourage our employees to be entrepreneurial through personal development and by giving them responsibility.

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General

401 ↑ 32.8%

Number of employees (at year end)

2021: 302

2020: 201

34

Colleagues transferred to other internal positions

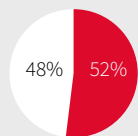
2021: 14



Diversity

Male/female balance in general

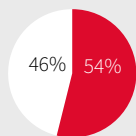
- Female
- Male



2021: ● 49%, ● 51%

Male/female balance within management

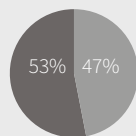
- Female
- Male



2021: ● 43%, ● 57%

Age range

- under-40
- 40-and-over



2021: ● 52%, ● 48%



Learning and development

€ 250,000 ↑ 108%

Company investment in personal development

2021: € 120,000

347

Online training courses attended by our employees

2021: 367

302

In-class training courses attended by our employees



Others

3,47%

Absenteeism due to sickness

2021: 3.26%
2020: 1.95%

9.5

GPtW survey: fair treatment regardless of gender, religion or nature

9.0

GPtW survey: physically safe and pleasant environment to work in

8.6

GPtW survey: management gives trust and responsibility to employees

Our headquarters

In January 2022, we moved into our new head office in Hoofddorp. It is an inspiring place, where connecting people is key. The office reflects our leading position as an HR tech solutions provider and it helps us to underline our sustainability ambitions.

General

- Situated in a premium location, at Park 20|20 in Hoofddorp (1,000 metres from the A4 motorway and 400 metres from Hoofddorp railway station).
- 3,700 m² surface area.
- 1,500 m² theatre, bar, restaurant and sports area (ground floor + 1st floor).
- 2,200 m² office space (2nd to 4th floors).
- 132 (flex) workstations with adjustable desks.

Facilities

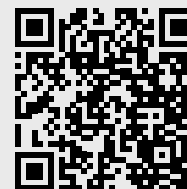
- Theatre with space for three hundred guests.
- Bar for connecting and celebrating.
- Restaurant (including barista).
- 15 technogym machines in sports area.
- 624 hours of sports instructor guidance per year (for workouts and boot camps).
- 17 meeting rooms with modern facilities for hybrid conferencing.
- 3 coffee corners.

Sustainability

- Cradle-to-cradle company building with energy label A and BREEAM-NL Excellent sustainability certificate.
- Rainwater harvesting with smart blue-green roofs (e.g., used to flush toilets).
- Recycling water with greywater system.
- Green electricity from Greenchoice.
- CO₂-neutral floor covering from Interface.
- Caterer Leo Love Good Food: 100% sustainable products.
- Cleaning of premises with cold water and ecological cleaning agents.



Look for a drone view in our office!



Have a look in our theater!

Risk management

Approach to risk management

Our approach to risk (and opportunity) management aims to mitigate the chance and impact of certain risks, while maximising opportunities. As part of our long-term value creation, this risk (and opportunity) management is embedded in our strategy and essential for achieving our goals. HeadFirst Group periodically reviews and re-evaluates its risk profile to manage the most important risks, creating a healthy balance between risks and potential opportunities. HeadFirst Group identifies four risk categories: strategic, operational, financial and compliance and also considers other elements such as prevention of fraud. The consideration of a healthy balance differs for each risk category.

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Compliance by design is one of HeadFirst Group's key services to its clients.
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Risk profile

The next paragraph comprises a categorised overview of the risks that we believe are currently the most relevant considering our strategy. This risk overview should not be considered exhaustive.

There may be risks not yet known to HeadFirst Group or risks that are currently not deemed to be material, but which could later turn out to have a material adverse effect on HeadFirst Group's business, operating results and/or financial situation. The sequence of the risks does not reflect an order of importance, vulnerability or materiality.

Strategic risks

Sensitivity to cyclical movements

HeadFirst Group operates in a dynamic, highly competitive industry. Macroeconomic volatility has an almost immediate impact on the market in which we operate. By having a solid core and a flexible shell, HeadFirst Group is able to constantly adapt to an ever-changing environment. Cyclical movements also provide an opportunity, as our clients will require their workforce to be flexible. This will result in demand for our services.

Reputation

HeadFirst Group deals with confidential information of both customers and suppliers. In providing our services, trust and stability are of vital importance. Poor service or, even worse, a data breach could have a material impact on HeadFirst Group's reputation, business, and financial position. HeadFirst Group protects its strong reputation by ensuring all employees adhere to our core values and business principles, and comply with all internal policies. Periodic customer and supplier surveys help us to monitor the strength of our brand. Timely action is taken to investigate and address any negative trends.

As a risk management measure and to demonstrate our integrity and solid trustworthy policies and procedures, we have obtained several renowned certifications. HeadFirst Group's certifications include the standards outlined below.

NEN 4400-1

NEN 4400-1 is the certification of the Labour Standards Foundation for organisations that act as an intermediary for temporary personnel. The quality mark imposes requirements on the payment of taxes and social security contributions. The NEN 4400-1 quality mark also offers peace of mind that an organisation only provides personnel who are allowed to work in the Netherlands.

ISO 9001

ISO 9001 is the international standard for quality management. This quality mark assesses whether we are able to meet the requirements that our clients impose, including in relation to laws and regulations. The requirements also provide a basis for our quality management system.

ISO 14001

ISO 14001 is a standard for environmental management. An environmental management system according to the ISO 14001 standard can be used to control and, where possible, reduce the environmental risks associated with a company's business operations. The ISO 14001 and ISO 9001 standards have an identical set-up thanks to a High Level Structure (HLS).

ISO 27001

ISO 27001 is a standard for information security. HeadFirst Group operates in a data-driven world, and as an intermediary, HeadFirst Group needs to ensure that its clients, professionals and suppliers can entrust HeadFirst Group with their data in good faith. In addition, the importance of the availability, integrity and confidentiality of this data is becoming increasingly important. To demonstrate HeadFirst Group's organisation professionalism in this regard, HeadFirst Group believes it is of added value to be certified under ISO 27001.

Changing laws and regulations

One of the major strategic risks is politically and socially oriented. Changes in the political, legislative and/or regulatory framework governing the activities of HeadFirst Group could have a material impact on HeadFirst Group's business, the markets in which we operate, and our financial condition.

Our highly skilled in-house experts, who work closely with a range of reputable external experts, monitor the process of changes in legislation, anticipate the effects of potential changes, provide training to employees, clients as well as suppliers, and ensure proper processes and controls are embedded in our organisation. Furthermore, we anticipate on all potential outcomes by adjusting our service portfolio.

Changes in legislation also provide opportunities. New legislation contributes to an administrative burden and risk to our clients, which requires extensive knowledge to stay compliant and efficient. We can share our knowledge of new legislation (especially on employment laws, data, and privacy protection regulation) with our clients, strengthening our relationship with them. Furthermore, the sheer multitude of regulations has prompted organisations to seek outside assistance in this area. This trend is likely to continue in the coming years. HeadFirst Group meets this need through its contracting service.

Operational risks

Information security

HeadFirst Group deals with confidential information of both customers and suppliers. In providing our services, trust and stability are of vital importance. A data breach could have a material impact on HeadFirst Group's reputation, business, and financial position.

HeadFirst Group continuously strengthens its IT controls and compliance by improving IT security and IT controls. In addition, our employees are thoroughly screened before hiring, and awareness activities are rolled out to increase employees' awareness of IT security risks. Those parts of the IT environment, including software, that are outsourced are only outsourced with trustworthy parties who are ISO 27001 accredited.

HeadFirst Group hires independent qualified agencies for periodic audits on our policies and procedures based on the latest rules and regulations, to ensure compliance. This has resulted in, amongst other things, our accreditation for quality control (ISO 9001). The ISO 9001 certificate enables us to demonstrate our trustworthiness, thus strengthening our brand image of a reliable and stable party.

Talent attraction and retention

People are our most important asset. The success of HeadFirst Group's business depends not only on attracting and developing the best talent, but also on retaining our highly skilled employees. We aim to achieve this by creating a positive and open working atmosphere, where employees are encouraged to pitch initiatives and where development is stimulated. Regular employee surveys help HeadFirst Group to monitor the engagement of its employees and investigate employees' needs in a structured manner. These surveys are anonymous, which increases the quality of the responses. Timely action is taken by the HR department to investigate and address any negative trends.

Just like our own organisation, our clients are seeking to attract and retain talent. The trend set out in the market developments section of an ongoing shortage of knowledge workers means that organisations have a continuing need for help in recruiting external personnel.

HeadFirst Group can offer a solution to this problem through its triple sourcing model of (1) an open market approach, (2) close ties with a closed community, and (3) global sourcing.

Contract liability

Requirements from clients may result in unique contract clauses. Accepting inappropriately high contractual liabilities could result in a client making a claim that would materially affect the results of HeadFirst Group. Whenever possible, we work with standard contracts. In the event of non-standard terms, a cost-benefit analysis is carried out in advance to determine whether projected profit levels are high enough to absorb the costs associated with the additional risks. HeadFirst Group believes that the risk and liability associated with the service performed should lie with the party that can exert influence on that particular element of the service. If HeadFirst Group can exert no influence on a specific part, the liability is either kept with the customer or transferred to the supplier if it is under their influence. To ensure proper service delivery, HeadFirst Group focuses on further improvement of its contract delivery model and contract management. Our expertise in contract management improves our quality and the added value we deliver to our clients.

Financial risks

We maintain a prudent financing strategy. Only minimum risk is accepted in relation to errors in our reporting.

Credit risk

HeadFirst Group's exposure to trade receivables is managed through continuous credit risk assessments of each individual customer. For the remainder of the credit risk, we have taken out an insurance policy for bad debt.

Interest rate risk and cash flow risk

In 2020, we entered into a financing arrangement with Coface. In 2022, this agreement was extended until 2027. For the timing difference in receipt of the funds, a variable interest rate based on 3-month EURIBOR is charged to HeadFirst Group. HeadFirst Group policy prescribes that derivative financial instruments should only be considered if current and future interest rate risks are not within the acceptable risk levels of management. The 3-month EURIBOR has been monitored on a monthly basis. The recent increase in the 3-month EURIBOR resulted in a re-evaluation of HeadFirst Group's financing and hedging strategy. It was deemed to be favourable to buy a derivative (interest rate cap with a term of 3 years) to mitigate the interest rate risk. Hedge accounting will be applied when necessary.

Cash flow risk

Cash flow analyses are performed by HeadFirst Group as a whole. HeadFirst Group monitors the liquidity need in order to hold sufficient liquidity for operational activities or to attract liquidity in time through financing without exceeding set limits (externally). HeadFirst Group conducts adequate liquidity risk management by maintaining sufficient cash and by ensuring sufficient availability of financing by means of committed credit facilities, the pledging of trade receivables, and the ability to close out market positions. Management controls the rolling forecast of the organisation's liquidity position on the basis of expected cash flows. In general, this is done at a central level, within the frameworks and limits set by management. When setting limits, we take into account the liquidity of the market in which the company concerned is active. Furthermore, HeadFirst Group's liquidity management includes forecasting of cash flows and the maintenance of related sufficient liquidity. Importantly, this includes monitoring the development of the debtor position, the amount of the receivables purchase facility, and credit management.

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Compliance is at the core of the services provided by HeadFirst Group. HeadFirst Group applies a zero-tolerance policy to all compliance risks.

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Compliance risks

Compliance is at the core of the services provided by HeadFirst Group. HeadFirst Group applies a zero-tolerance policy to all compliance risks. Our business is subject to increasingly complex compliance requirements (see also the strategic risks section). Non-compliance could have a material adverse impact on HeadFirst Group's reputation, business, and financial position. HeadFirst Group therefore invests in the continuous development of its highly skilled and educated in-house specialists, who share their knowledge within the group and embed all new legislation in the core of our business. HeadFirst Group has close relationships with specialised reputable companies. These companies provide HeadFirst Group with professional advice on all topics relevant for HeadFirst Group.

Changes in legislation also provide opportunities. New legislation contributes to an administrative burden and risk to our clients, which requires extensive knowledge to stay compliant and efficient. We can share our knowledge of new legislation (especially with regard to employment law, data, and privacy protection regulation) with our clients, strengthening our relationship with them. New regulations require an ongoing critical review of existing training, policies, and procedures to stay compliant.

Automating repetitive tasks

Marijn van de Poel is Managing Director of Ciphix. This innovative company's mission is to 'take the robot out of the human'. "With some 60 specialists, we automate as many routine tasks and cognitive decisions for our clients as possible," explains Marijn. "Using Hyperautomation technologies such as Robotic Process Automation (RPA), Artificial Intelligence (AI), Process Mining and Low-Code, we develop 'digital assistants', so that our clients' employees can focus on more important and more interesting aspects of their work."

"The latter is crucial. Everyone is struggling with staff shortages nowadays, so it's a real waste if you let well-qualified employees spend time on repetitive work. People are much happier if they can work on new challenges and customer requests. It's what stimulates and inspires them. If people spend less time on routine jobs, the work will be more fun and interesting, and they will enjoy working for you. That's what we aim for at Ciphix."

Balance between tech and touch

Marijn explains how this works in practice, describing the first digital assistants Ciphix introduced at HeadFirst Group. "HeadFirst Group handles tens of thousands of hiring transactions every year. These are complex processes, involving an application, publication, matching, and finally a contract. In 2022, with the help of digital assistant Benthe, we fully automated the uploading of assignments. This has made the whole process flawless and much faster, and recruiters now have more time left for the matching process itself. It really creates a better balance between tech and touch, as they call it at HeadFirst Group."

“

The process is flawless and much faster, and recruiters now have more time left for the matching process itself.

”

Marijn van de Poel
Ciphix





“

Our tech solutions enable you to accelerate and achieve the perfect balance between tech and touch.

”

Onboarding digital colleagues

“Together with HeadFirst Group, we’re already looking ahead. For example, we’re considering ways in which AI could make faster and smarter analyses of the data in applications and CVs, supporting recruiters in terms of content. It’s just one of the possibilities, and the great thing is that HeadFirst Group is completely in the lead. Our technical solutions can help you achieve your goals, but as an organisation you do need the right mindset to want to work differently.”

“So why do we use personal names for digital assistants? That’s a very deliberate choice, because it helps us to make our solutions more recognisable and bring a bit of the ‘human into the robot’. New software with a techy name doesn’t mean much to most people. No one likes SAP or Office, but everyone loves Bente!”

Leadership

HeadFirst Group is managed by the Board of Directors, consisting of Marion van Happen and Jan-Pieter van Vreeswijk. They form a full board with Chairman of the Board Han Kolff and the non-executives.

Marion van Happen: CEO

Marion is CEO of HeadFirst Group. She has over twenty years' experience in HR services, recruitment and staffing in various commercial and senior management positions in the Netherlands and abroad. Before joining HeadFirst Group, Marion was Chief Operating Officer at RGF Staffing the Netherlands (formerly USG People) and Managing Director of Unique. In the role of CEO, she directs the strategic, operational and commercial activities of the organisation.

Jan-Pieter van Vreeswijk: CFO

Jan-Pieter (JP) van Vreeswijk is CFO of HeadFirst Group. He joined the group in July 2020 as Group Finance & Integration Director. JP has a long track record in HR services and previously held several senior finance roles at Randstad, where he was also involved in the digital transformation and the integration and professionalisation of operations. Within HeadFirst Group, his portfolio comprises contracting, finance & control, quality, and legal.



Governance structure

Business lines

MSP services (Staffing MS & ProUnity)	RPO & IT talent sourcing (Sterksen)	Intermediary services / MSP light (HeadFirst, Between & Yellow Friday)
IT talent sourcing (StarApple & StackOps)	P&P services (Striive)	Smart matching (Striive)

Supporting staff

Operational excellence

Operations	Finance	Legal
Business control	Control, reporting & treasury	Quality & compliance

Strategy support

Digital & IT	Marketing & communication	HR
Sales	Bids & tenders	Facility



Outlook for 2023

In 2023, we will move forward to the next world of work. The world we believe in is increasingly tech-enabled, without bias and regardless of contract form. To get there, we have used the OGSM methodology to translate our multi-year strategy into a 1-page annual plan for 2023. To give the right themes the attention they deserve, we have defined a number of strategic topics that will receive the most attention internally: digital transformation, performance management, Lean improvement, corporate social responsibility (CSR) and strategic sales. Finally, mergers and acquisitions (M&A), with clear rationales, also form part of our strategy.

Perfect balance between tech and touch

The perfect balance between tech and touch exists. We believe that through the smart use of automation and AI, it will be possible to fully digitalise the end-to-end process of sourcing, matching, contracting and paying professionals, so that we can add personal touches at the moments where they really add value. We bring this together in our new brand Strive. This calls for a digital transformation of our organisation, which we will enforce in 2023. We are creating a Digital Core Team, within which we will set up a customer experience management department, from which our entire organisation will learn to think and act more from the customer's perspective to meet their needs. Our digital delivery team will take responsibility for building a perfect tech ecosystem. And to ensure a good go-to-market of our products, we will strengthen our online marketing team.

Permanent scarcity calls for creativity

As we outlined in the trends section, we are going to have many more years of scarcity in the labour market, especially under the pressure of an ageing population. Economists are seeing signs of a minor recession, but it is not expected to be so severe as to bring relief to the labour market. Talent scarcity will force organisations to be as creative as possible. This requires new alternatives, such as recruiting talent (both permanent and flex) from abroad or from underrepresented talent pools, or hiring fully remote workers. The trend of Total Talent Acquisition will take off in 2023, as organisations can no longer afford the 'luxury' of excluding scarce talent by type of contract.

HR tech solutions providers, like HeadFirst Group, will need to be creative too. With all the different solutions to labour market issues available in our group, we will be able to show such creativity. Our solutions are most easily explained on the axes of tech and (human) touch, indicating which services are strongly tech-driven and which are strongly human-driven. By combining these services as building blocks, we can offer a solution for every client's demand.

“

The world we believe in is increasingly tech-enabled, without bias and regardless of type of contract.

”

Corporate social responsibility

As a leading HR services provider and growing platform, HeadFirst Group takes its role in the labour market and society seriously. In 2022, we brought together the corporate social responsibility (CSR) initiatives within our various brands at group level. This resulted in an EcoVadis silver medal, which places us among the top 25% of companies in terms of CSR assessed by EcoVadis. This is a great result, which we hope to surpass with a gold medal in the near future. We aim to achieve this by finalising a complete CSR policy, drawn up along four axes: (1) sustainability, (2) decent work & lifelong learning, (3) diversity & inclusion, and (4) governance & ethics. In each of these areas, we are developing new initiatives and making choices about how we – with our employees, clients, suppliers and independent professionals – will contribute to a more beautiful world.

Dutch labour market legislation challenges

Over the past years, the Dutch labour market has consistently shifted to a more flexible labour market. There are now 1.2 million independent professionals in our country. The Assessment of Employment Relationships (Deregulation) Act (Wet deregulerend beoordeling arbeidsrelaties, DBA) originally attempted to tackle pseudo self-employment under these freelancers. The current Minister of Social Affairs and Employment wants to put an end to the ambiguity, opting for an approach using the criterion of 'embedding in the client's organisation', which is based on the premise that a hired professional should not do the same work as someone in permanent employment. The implementation (and misinterpretation) of that criterion could have major consequences for the flexible labour market.

In line with our public affairs agenda, we continue to campaign for a good solution that combats pseudo self-employment at the lower end of the labour market, while allowing conscious self-employed workers at the top of the market to conduct their business without restrictions.

Next steps towards the leading platform in 2025

We described how our strategy is made up of five bold steps towards becoming the leading platform in 2025 in the Netherlands and abroad. In order to implement this strategy, we used the OGSM methodology to identify the following key points for 2022 for the five steps.

1. Clear tech roadmap

Make the transition from Select to Striive, with its new front end, develop the best matching tools in the market, digitalise our customer journeys and, based on the principle of customer experience management, constantly improve the customer journey.

2. Data-driven organisation

Enrich insight into workload and performance through deeper field steering, continuous lean improvement, and end-to-end measurement funnels and conversion.

3. Next-level services

Improve client and supply services enhancing customer success journeys, boost the Professionals services for professionals who do not work through one of our brands, set up automated matchmaking and sourcing strategy using smart tooling, create most valuable vetted talent pools, and expand our role as a substantive advisory partner for clients.

4. Leading platform in the Netherlands

Target 'direct clients' with end-to-end digital service model (Striive), create the most valuable talent pool in the market, and implement our contracting 3.0 vision.

5. Expansion into European markets

Achieve organic growth through current clients with international potential combined with targeted acquisitions.

Financial objectives 2023

HeadFirst Group is an ambitious company with great potential. The outlook for 2023 is positive, but also depends on our ability to attract candidates in a scarce labour market. We have set ambitious targets for 2023, expecting to increase our business results in terms of revenue, gross profit and EBITDA.

We continue to invest in our digital strategy to develop our organisation from HR service provider to a platform company. In addition, we expect to incur costs related to the further optimisation of our internal organisation, as well as costs related to our M&A strategy.

About this report

Reporting standards

With this report, we provide insight into the activities, sustainability strategy and financial performance of HFBG Holding B.V. The report covers the calendar year 2022 and was published on 31 March 2023. For the non-financial information included in this report, we used the GRI Standard 2021 as our starting point. As a group, we have committed ourselves to the Science-Based Target initiative (SBTi) and set a science-based 'near-term target' in 2022 to contribute to limiting global warming to well below 2°C.

Scope of the report

This report covers the HeadFirst Group, including all our consolidated entities. Our financial and non-financial results are presented in this report and relate to all consolidated entities for the period of 1 January up to and including 31 December 2022, unless stated otherwise.

Materiality analysis

In 2022, we conducted our first materiality analysis to identify which of our activities have the most impact on people, the environment and society: this is the inside-out perspective or impact materiality. As this was our first analysis, we decided to conduct the analysis with regard to our financial materiality at a later stage (2023).

To determine the material topics, we started by identifying a broad range of potential material Environmental, Social and Governance (ESG) issues. This resulted in a longlist that was presented to the members of 'the core team'.

This team consists of representatives of several departments within HeadFirst Group. The main 8 categories were discussed as well as the topics and the definitions within these categories:

1. Environmental;
2. Training and education;
3. Diversity and equal opportunities;
4. Occupational health & safety;
5. Digitalisation;
6. Supply chain (upstream and downstream);
7. Human rights in the supply chain;
8. Governance.

Using 'Mentimeter', each member ranked the topics based on the longlist for the degree of impact that the company has on people, the environment and society. This resulted in the elimination of several topics and a shortlist consisting of 24 topics, which was approved by a board member.

Internal stakeholders, being members of the core team, were then asked to prioritise the items on the shortlist based on the degree of impact that HeadFirst has on people, the environment and society. Colleagues from several departments were asked to do the same based on their engagement with external stakeholders. This resulted in a list of 7 most material topics linked to ESG.

The topics are:

1. Climate action (environmental)
2. Supply chain management (environmental)
3. Inspiring professionals & suppliers through work (social)
4. Decent work & economic growth (social)
5. Diversity (social)
6. Digital equality (social)
7. Data protection, privacy and cyber security (governance)

These topics were also approved by a board member.

We are currently still in the process of setting all KPIs or qualitative and/or quantitative disclosures relating to the material topics. This is an ongoing process; new KPIs and qualitative and/or quantitative disclosures will be reported in the future. Our annual report for the financial year 2023 will also show our outside-in analysis. Going forward, we will continue to perform (minor) updates of our double materiality analysis.

Value creation

A value creation model is presented showing input capitals, the way HeadFirst adds value with its business model, resulting in the output and outcome/value we create for our people, the environment and society.

Assurance

The financial statements are covered by our auditor's opinion.

Consolidated pro forma financial statements

General information

HFBG Holding B.V. ('HFBG') was incorporated on 17 September 2020 with its first financial year ending on 31 December 2021. Due to the fact that the first financial year was an extended year, we prepared a pro forma set of the HFBG 2022 and 2021 consolidated results in order to provide a like-for-like basis between 2022 and 2021. This pro forma set would have been presented under IFRS if the first financial year had not been an extended year. The pro forma set is based on the audited annual accounts of HFBG Holding B.V. for 2022 and 2021.

Statement of comprehensive income	2022	2021
Amounts x 1,000 €		
Gross invoice value	1,952,840	1,546,859
Gross margin	45,901	41,423
Employee benefits	17,619	15,316
Other operation costs	3,578	2,572
Total operating expenses	21,197	17,888
Normalised EBITDA	24,704	23,535
Depreciation and amortisation	10,662	10,182
Normalisations	5,679	2,056
Operating result	8,363	11,297
Financial income and (expenses)	(7,679)	(7,259)
Result before income tax	684	4,038
Income tax	(557)	(752)
Result after income tax	127	3,286
Total comprehensive income	127	3,286

Balance sheet Amounts x 1,000 €	31/12/2022	31/12/2021
Intangible assets	202,871	209,431
Property, plant and equipment	12,327	10,966
Financial assets	619	682
Derivative financial instrument	2,407	-
Deferred tax assets	631	486
Non-current assets	218,855	221,565
Current part of financial assets	40,876	40,626
Trade receivables	28,701	22,077
Receivables from participations	69,694	45,300
Other receivables	158,273	100,185
Cash and cash equivalents	48,325	60,979
Current assets	345,869	269,167
Total assets	564,724	490,732

Balance sheet Amounts x 1,000 €	31/12/2022	31/12/2021
Share capital	2	2
Loans qualified as equity	36,283	36,283
Reserves	104,061	104,061
Other comprehensive income	37	-
Result for the year	127	-
Equity	140,510	140,346
Lease liabilities	8,674	8,108
Deferred tax liabilities	14,655	16,495
Other liabilities	11,697	14,996
Non-current liabilities	35,026	39,599
Current part of long-term loans	3,540	9,823
Liabilities to finance institutions	7,238	25,112
Trade payables	194,851	136,033
Taxes and social securities	5,413	9,043
Other current liabilities	178,146	130,776
Current liabilities	389,188	310,787
Total equity and liabilities	564,724	490,732

