

## Questions VBDO for AGM 2022

*Answers Randstad in blue italics*

### Strategic company performance

#### Question 1:

Randstad placed over 2 million candidates in 2021 and thereby helped 235.000 clients doing business (AR, p.39). Considering the global climate and biodiversity crisis, Randstad's strong financial performance and the tight labour market, VBDO would like to challenge Randstad to take on a larger responsibility for global challenges.

Randstad's ultimate goal is to "touch the work lives of 500 million people worldwide" (AR, p.9). The CEO of Randstad has expressed that the company wants to improve the world and be a sustainable, valuable part of society. Randstad's strategy is focused on 1) building on the strong company foundation 2) creating value through Randstad's portfolio and 3) further differentiate through tech and touch (AR, p.9).

What is unclear to VBDO, is how sustainability themes are included in this strategy, and what specific goals Randstad has set with regards to creating a more positive impact on society (mentioned in Randstad's response on question two in last year's engagement letter).

**a)** When will Randstad include sustainability themes such as human rights and diversity in its company strategy and set clear ambitions on these topics?

*Human rights are part of our sustainability fundamentals that shape the foundation of our sustainable strategy (AR, p34). Fostering inclusive employment is one of the drivers that lead to our ultimate goal (AR, p60). We're working on impact measurement and setting (new) KPIs that help us reach our ultimate goal and create a positive impact on society.*

**b)** As a suggestion to increase Randstad's positive impact on the planet and society, would Randstad be willing to include an ambition on the number of workers it places with environmental positive clients (i.e. in the energy transition), to contribute to providing truly meaningful jobs?

*We're currently exploring these opportunities to enhance our role to accelerate positive societal transitions, like the energy transition.*

### Remuneration

#### Question 2:

According to the annual report, 25-35% of the remuneration of the Executive Board is made up of commitments to non-financial KPIs (AR, p.138-142). Considering Randstad's goal to be a valuable part of society, and the progress of other companies on this topic the scope of sustainability related KPIs included by Randstad remains limited. Currently the non-financial KPIs primarily contribute to Randstad's own brand and functioning, rather than society at large.

**a)** Would Randstad be willing to look into expanding the scope of these KPIs by including themes such as education, labour rights or other sustainability related goals?

*In the course of 2022, the Remuneration Committee of the Supervisory Board will look at setting a more extensive of relevant strategic non-financial KPIs which can be included as part of the remuneration related target setting of the Executive Board. This will also relate to expanding the scope to more sustainability/ESG related topics.*

## Labour conditions in supply chains

### Question 3:

As Randstad has a considerable impact on the work lives of a large number of people, VBDO believes it is part of Randstad's responsibility to safeguard the rights of its seconded workforce. Last year, Randstad committed to report as much as possible on human rights risks for contractors in different sectors. However, despite Randstad's commitment VBDO could not identify any additional information on this issue in the 2021 Annual Report compared to the 2020 Report. VBDO recognizes that Randstad progresses in terms of policy and transparency in general, but still thinks insight into specific issues and risks in Randstad's supply chain is lacking. VBDO does not find it sufficient for a company with humans at the core of its business model to rely only on a company's Supplier Code and occasional audits, VBDO would rather see proactive identification of risks in high risk sectors in which Randstad's workers are active and a comprehensive strategy aimed at improving labour rights.

a) What are the concrete steps that Randstad will take in the coming years to increase its grip on human rights issues and risks for its seconded workforce in different sectors and when can Randstad's stakeholders expect more meaningful progress on this important topic?

*Randstad is putting additional focus on third party due diligence for its supplier database, in addition to getting suppliers signing our supplier code. However, more relevant are human rights in relation to our contingent workers placed at our clients. The salient issues for them are clearly addressed in our [Human Rights policy](#). Randstad is reassessing our current due diligence process on human rights in order to be able to also report on this in a more transparent manner. In the meantime we are - of course - continuing to focus on the salient issues (see also annual report - value for society p. 60-61, sustainability fundamentals p. 71- 78).*

## Diversity

### Question 4:

At last year's AGM, Randstad noted that it was in the process of creating measurable targets for its diversity and inclusion policy. Since then a new ED&I Council, tasked with addressing this topic, has been established. In the 2021 Annual Report however, no additional targets have been set on this theme compared to the 2020 Report. Without measurable targets, it is not possible for stakeholders to assess whether Randstad is making progress on its diversity and inclusion strategy. As Randstad is a major player in the Labour Services Sector, VBDO would like to stress the importance of this particular theme in the company's operations.

a) Could Randstad elaborate on what concrete diversity targets it is planning to set, and how these targets will be measured?

*In order to achieve our goals and enable an environment where all candidates can thrive, we first need to create the right conditions for our own employees. We are on a journey and we want to be held accountable to listen, learn and make progress. That's why we have created the Randstad In Touch survey. In 2021, we added equity, diversity and inclusion questions for the first time. The overall satisfaction with Randstad's efforts to support diversity and inclusion has a score of 8.4 and is based on responses from nearly 36,000 employees worldwide who completed the survey.*

*At the moment we are able to measure gender (m/f) and age globally. 68% of our entire workforce consists of women, 50% of our senior leadership positions worldwide consists of women and more than 1 in 3 of our executive positions are held by women. Striving for gender equality would mean to improve our numbers to also have a 50/50 balance in our executive positions. We are looking into workplace planning on a local scale to set realistic timelines to achieve this. The same goes for our strive for equal pay.*

*Also, we are currently exploring the possibility to measure more diversity representation data worldwide via our Randstad In Touch survey so we can report on other categories too and improve our progress continuously. We are looking into possible categories such as gender identity, ethnicity, sexual orientation, (dis)ability and caregiver status.*

**b)** 762.000 out of the 2 million candidates placed by Randstad are below age 25 (AR, p.67), meaning that more than 1/3rd of Randstad's seconded workforce is from Generation Z. Nevertheless, nobody from this generation, nor Generation Y, is included in the Randstad Board. The youngest board member is from 1967. VBDO believes this is a missed opportunity for Randstad. When will Randstad be adding a younger talent to the board?

*As you can see in our global diversity report (to be launched on March 30th) our current workforce of employees consists of 11% Gen Z and 56% Millennials. To learn from people of different generations, we have a successful reverse mentoring program. Our executive board member Chris Heutink has been mentored by a Millennial for many years now.*

*We are looking into the opportunity to have the majority of our executive leadership being part of the reverse mentoring program.*

*Also, we are looking into the possibility of exploring a Young Randstad Board to challenge our Executive Board. This Young Board will be a diverse representation, besides generational diversity, of our worldwide organization and will serve as an advisory organ.*

Note: VBDO is happy to see that the future CEO of Randstad, Sander van 't Noordende, has expressed his support in public for more (LGBTQIA+) diversity in businesses. VBDO hopes that with this appointment the theme of diversity and inclusion will gain more priority in Randstad's strategy and looks forward to more ambitions to be expressed on this topic.

## **Feedback Systems and Complaint mechanisms**

### **Question 5:**

Business ethics is identified as one of the most material topics in Randstad's materiality matrix (AR, p.23). One specific topic related to business ethics is that of (sexual) intimidation and harassment on the work floor. This issue has gained considerable attention and scrutiny internationally, and more recently again in Dutch society. It is becoming apparent that companies should not only ensure that adequate reporting systems are in place, but should also have insight into the effectiveness and willingness of employees to use the system. Especially Randstad's seconded workforce is at risk, as they work in environments where reporting mechanisms might be lacking or ineffective.

**a)** Does Randstad have insight into the effectiveness and accessibility of their own misconduct procedure and integrity line for direct and seconded workers? If not, when can VBDO expect Randstad to further look into this issue to ensure any concerns can be addressed?

*Since 2006 our integrity line has been open to all stakeholders, including our talent. In addition there are multiple other routes that talent can use to address any concerns, also when they are related to situations at the client. This is communicated on our local websites as well as randstad.com, and to the placed workers when they are onboarded, next to the other ways in which to address their concerns; ideally concerns are addressed before they become integrity issues. In 2021, out of a total of 401 reports, 258 were made by current or former candidates/placed workers. When a report relates to a situation at the client, the relevant Randstad responsible will support the placed worker in following up, including addressing any issue with the client.*

*In its most recent report on effective whistleblowing, Transparency International Nederland studied the whistleblowing frameworks of 68 companies situated in the Netherlands, partly publicly listed and partly non-listed. Randstad's reporting framework ranked second in this report.*

**b)** Does Randstad actively check whether clients have effective and accessible reporting mechanisms in place, to ensure the safety of its seconded workforce?

*Randstad does not actively check this as a standard procedure, other than where it is part of the required health and safety checks. With the ongoing implementation of the EU whistleblowing directive, the options for our seconded workforce to report any client related matters with the client directly will certainly increase, at least for our business in the EU member states.*