

Questions VBDO received before the AGM 2023

Answers in blue

Meaningful Jobs

In November 2022, representatives of VBDO and of Randstad discussed possible KPIs Randstad could introduce in order to ensure “meaningful jobs” for society. In addition, Randstad's Workmonitor 2023 shows that 42% of jobseekers would not accept a job at a company that does not align with the jobseeker's social and environmental values (p. 47). We are, therefore, pleased that Randstad recognises finding meaningful work as one of the most important activities in people's lives (AR, p. 30). However, we would like to challenge Randstad to clearly define “meaningful jobs” and to translate its commitment to fostering such jobs into targets and KPIs. On the basis of this information, we have the following questions:

1. Is Randstad planning to define and operationalise the concept of “meaningful jobs”? If so, when can we expect this definition and operationalisation? If not, why not?

A: Yes, one of the commitments we are working on is how Randstad can propose the most personalized opportunities to our talent. It means making sure that we understand what talents are looking for not only today but also in the future, that we make recommendations and offer learning opportunities, and that we supply them with all relevant opportunities available across the whole Randstad network and not just from the branch / line of business that they solicited.

However, at this point we are not at a stage of granularity in working out equity narrative yet to define and communicate the exact definition.

2. The energy transition requires a large-scale reskilling for a low-carbon economy. McKinsey estimated this to affect 18 million people in the European Union (EU), or 9.2% of the EU workforce. VBDO specifically sees an opportunity for Randstad here, given its experience in upskilling & reskilling for talent, a topic that the company recognises as material (AR, p. 48). Is Randstad willing to prioritise high-impact sectors, such as the energy transition, in its job placement operations?

A: We have identified three global societal challenges that Randstad wants to accelerate in a positive way. One of them is up- and reskilling for the green economy. The other two are ensuring livelihoods with living wage, and equity for vulnerable groups.

3. When could VBDO expect meaningful jobs-related KPIs, such as the number of people placed in positions that help foster the energy transition?

A: We are currently looking into this opportunity and are planning to set up a program that would further describe how to manage and monitor going forward.

Labour conditions in the value chain

For a couple of years, VBDO has engaged with Randstad on labour conditions in the value chain. Throughout the engagement process, Randstad has pointed out the challenges of assessing, measuring, and improving labour conditions, especially those of talent that are seconded to client companies. Although VBDO understands these challenges, we expect proactive efforts to improve labour conditions in the value chain. In addition, during last year's pre-AGM call, Randstad indicated that it already excludes certain countries (e.g. Russia) and sectors (e.g. the meat industry in the Netherlands) from its operations on the basis of concerns about labour conditions and/or human rights.

VBDO appreciates that Randstad considers labour conditions in its value chain, but would like to see more structural and sustained efforts in this area. On the basis of this information, we have the following questions:

4. Which countries and sectors does Randstad currently exclude on the basis of labour conditions concerns?

A: There are some countries where the government prohibits temporary agency work services in sectors that are so called dangerous: e.g. construction, transportation, sea shipping, etc.

However, Randstad does not exclude sectors based on its labor conditions. If anything we believe in the power of strong social dialogue to balance labor conditions for our talent.

We have been in our countries of operation for many years and recognise the importance of appropriate regulated labor conditions and human rights in our operations and which we would always consider carefully if we were to expand to new countries. This includes adequately protecting workers' rights in terms of remuneration, social security, and opportunities for growth and development, and striving to improve global employment participation.

5. Although Randstad has identified a number of negative impacts on labour conditions in its value chain (Randstad Human Rights Policy 2021, pp. 4-6), VBDO was not able to find a systematic analysis of the company's value chain and the possible negative impacts on labour conditions within it. Is Randstad willing to formulate a policy to systematically assess and improve labour conditions in the value chain, and to engage with its clients on this issue?

A: Currently, risk based internal audits are performed at clients in for example high-risk sectors and countries. In various countries we perform client site visits to assess labor conditions for our talent prior to them commencing work. We are in the process of evaluating our human rights due-diligence process, and our ambition is to work more closely with clients on human rights topics, such as labor conditions in the value chain on which we currently do consult our clients upon request.

6. In its Human Rights Policy, Randstad identifies several vulnerable groups, such as migrant workers, and commits to protecting these groups (Human Rights Policy, p. 3). However, we were not able to find a policy of Randstad that aims to assess and improve the labour conditions of these groups. Therefore, VBDO wonders whether Randstad is taking any steps to protect these groups, what these steps look like and what targets Randstad envisions in this area?

A: In addition to our human rights policy, our health & safety policy strives to create a healthy and safe working environment and wellbeing at work for all talent, including vulnerable groups. In case stakeholders perceive violations of the human rights policy and/or health & safety policy, they are encouraged to report these via our misconduct reporting line. All reports are investigated and followed-up with the relevant stakeholders. In this way we aim to work together with clients to improve working conditions.

In most countries our consultants perform client site visits in which they assess the labor conditions and related health & safety situation prior to the talent starting to work. In the case of for example migrant workers, our involved consultants have particular expertise to work with these groups, given the applicable laws and regulations, but also given the additional needs that come with starting to work and live in a foreign country.

Human rights and health & safety and related labor conditions are part of our business review meetings throughout our chain of command, from consultant to branch to regional level in countries. For example, in most countries health & safety incidents are tracked on a talent and client base and

developments are discussed in the performance review in our organization. Our consultants, health & safety experts and management discuss the health & safety conditions with clients. And talents get health & safety instructions, either via our consultants, specific training or via the client's own experts and management.

As an example, where the health & safety situation at clients' sites is assessed as inadequate, the relevant clients are asked to improve the situation and progress is tracked. If clients do not ensure an appropriate health & safety situation, Randstad does not or will stop to provide services to such client sites.

Our internal audit team performs risk based audits taking into consideration these groups of for example migrant workers and clients and locations that are known for usage of migrant workers. In these audits both the client and talent governance (who is taking ownership of client and talent services provided) is considered as well as the actual situation on the ground, the working schedules and the wage (tax & social security) calculations, etc., are part of the audits. Results of the audits are discussed with the management of these types of units for further improvement when needed and also shared with the our worldwide community of Health & Safety officers to ensure global learning. Also the results are extrapolated within the risk assessment to make sure we focus on the things that matter for next audits to be planned. The results of these audits are communicated internally and remain confidential.

VBDO observes positively that Randstad has a misconduct reporting procedure in place, and that the company reports on the number of complaints and how they were handled (AR, pp. 72-73). However, we did not readily understand the meaning of the numbers and outcomes reported by the company. We were, for instance, surprised by the number of complaints that were referred to other channels or deemed as not legitimate (AR, p. 151). In 2022, the number of complaints in these categories added up to 354, or 77% of the total number of complaints. Also, we were not able to find information on the final outcomes reached in these cases. In addition, out of the 97 investigated complaints, 60 were not fully or even partially proven.

This leads us to the following questions:

7. Could Randstad please report on the number of complaints labelled as not legitimate, and the number of complaints referred to other channels?

A:

- referred to other channels (see below under b.): 226
- not legitimate (which may means insufficient detail to follow up or not relevant): 128

8. Could Randstad provide insight into the causes for the high number of referred, illegitimate and unproven complaints?

A: The Randstad misconduct reporting procedure is open to all stakeholders (already since 2006) and therefore also all candidates and flex workers (662,600 on a daily basis in 2022) as well. The link is published on the websites, so available to anyone.

Although we try to also communicate the details of the regular complaints mechanisms (via website, handbooks etc.) we still receive a large number of "regular" complaints via the integrity line, e.g. related to payment disputes, employment termination, not being selected for an assignment, reporting ill, not being able to access their account, requesting tax statements, etc.

Also cases like employment grievances or specific questions will be forwarded to the relevant team. These reports are qualified as "referred".

Next to that we receive anonymous reports with too little information to follow-up, people sharing their cv via the integrity line, unclear messages (voice messages), etc. In those cases, if the messenger does

not make the effort to check for a response message (which is always provided within 7 days) we cannot take it any further. These are the reports qualified as "not legitimate".

The messages that seem to relate to actual misconduct as further described in our [Misconduct Reporting Procedure](#) will be investigated. Approximately one third of these are valid and proven (or partly proven), and two thirds appear - after investigation - not proven, e.g. an alleged discrimination or health and safety issues appears after investigation to be, for example, a misunderstanding, miscommunication, a way to address general dissatisfaction, or a bad faith complaint.

9. Is Randstad, in its annual report 2023, willing to outline more specifically how referred complaints are handled and what the (specific) outcomes are?

A: Referred complaints are forwarded to the relevant team for follow up; this can either be the complaints line, the HR function, branch manager or other management functions. The messenger is always informed hereof via the Integrity Line under their dedicated case number, or - when available - other contact details. These are not matters we report on globally as they are not relevant as Integrity Issues.

Lobbying

In the company's annual report, Randstad extensively reports on its memberships and involvement with industry associations, as well as on the costs associated with these memberships (AR, pp. 148-150). VBDO applauds Randstad for providing this transparency, which is crucial to ensure responsible lobbying. However, we were not able to find much information on the direct lobbying activities of Randstad, lobbying carried out by the company itself without the involvement of an industry association. ESRG G2 (which specifies the reporting requirements of CSRD) expects companies to provide information on their lobbying or advocacy activities (ESRS G2.9.46). This leads us to the following question:

10. When could we expect Randstad to report on the objectives, nature, and costs of the company's direct lobbying activities?

A: The extensive reports on our memberships and industry associations involvement is the result of believing in investing in strong federations and memberships. It is for that reason that Randstad for years has held the Presidencies of the global staffing federation 'World Employment Confederation' as we hold it at present the Presidency for its European arm. This means that many of our lobbying activities take place in lockstep with the World Employment Confederation and through Central Employers Organizations on global, European and national level. Since 01/12/2014 we are registered in the European Transparency Register to ensure transparency regarding our lobbying activities at the European institutions. Of course, increasing transparency is something we take seriously and we strive to be as transparent as we can be at all times.

11. Randstad closely monitors the regulatory environment in the markets in which it is active (AR, pp. 27-29). Does the company have a lobbying and advocacy strategy in relation to these regulations? If so, could Randstad provide transparency on the objectives of these lobby strategies?

A: Our lobbying and advocacy strategy is aimed at driving growth and shaping the world of work by influencing legislation and regulation leading to well-functioning, inclusive and dynamic labor markets for our industry and for Randstad. We do this on international, regional and national level with our global Public Affairs community, seeing to it that Fundamental to this regulatory environment is establishing a level-playing field for the industry jointly with stakeholders like e.g. Trade Unions,

policymakers, Central Employers Organizations, in order for our industry and for Randstad to be able to provide our services in a legal manner. This explanation can also be found on page 27 of our Annual Report 2022.

In addition, VBDO was not able to find whether Randstad aims to lobby in line with its sustainability objectives, such as the Paris Agreement. If Randstad has no clear lobbying policy, it could result in (unintentionally) undermining the company's own (sustainability) objectives. For example, Randstad set an emissions reduction target of over 50% by 2030 (AR, p. 79). At the same time, Randstad is a member of and pays BusinessEurope €30.000 (AR, p. 148). BusinessEurope, however, lobbies against raising the EU's climate target to 55% by 2030 because they believe this is too early to roll out nascent technologies. This leads us to the following questions:

12. Is Randstad aware of this misalignment between its own sustainability goals and the activities of BusinessEurope?

A: As an Advisory & Support Group member of BusinessEurope we proactively provide our input with regards to BusinessEurope positions climate targets. However, this is a topic that is jointly discussed with BusinessEurope, as well as with their individual employer federations and other Advisory & Support Group Members. BusinessEurope agrees on the climate targets proposed by the European Commission, but several members have vehement worries about *how* companies and societies will get there by 2030. As such, this is an opportunity for Randstad to position itself within BusinessEurope to continue the climate transition discussion.

13. Would Randstad be willing to develop a policy that monitors and evaluates the lobby activities of aligned industry associations on material topics?

A: As a longstanding member of the World Employment Confederation, we adhere to their Code of Conduct and proactively participate to ensure alignment between Randstad and the WEC strategic agenda on all topics. This Code of Conduct is referred to within Randstad's Business Principles and Business and Human Rights Policy. The monitoring and evaluation part takes place on a frequent basis and outcomes are discussed with all involved parties as such implementing a specific Policy will not add any value in our view.

14. Can we expect Randstad to develop a policy (e.g. engaging with industry associations) that aims to align the sustainability objectives of Randstad to the lobby objectives of its aligned industry associations?

A: Through the dedicated ESG and Sustainability policy working groups of our industry associations we proactively provide input on sustainability related topics linked to Randstad' sustainability objectives. It is for that reason that implementing a specific Policy will not add any value in our view.

Diversity

Currently, all members of Randstad's Supervisory Board were born between 1956 and 1962 (AR, p. 173). Two out of three nominees for the Supervisory Board to be appointed at the upcoming AGM are part of this generation, as well. At the same time, only 13% of the company's own workforce is age 50 or older (AR, p. 146). This means young and middle-aged employees are heavily underrepresented in Randstad's Supervisory Board. Moreover, research by PwC indicates that age diversity in boardrooms improves corporate resilience and creates value for companies. This leads us to the following questions:

15. Is Randstad aware of the current underrepresentation of younger age groups in the company's Supervisory Board? Does Randstad agree with VBDO that this situation is suboptimal?

16. Does Randstad have any action plan in place to increase age diversity in its Supervisory Board? If not, is Randstad willing to draw up such an action plan?

A: We are aware of this underrepresentation but have no concrete plans to change this. We look at diversity in a broad sense and availability of candidates for this role is an important consideration too.
