

randstad group principles

# global tax principles



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## principles.

### 1. purpose

#### 1.1. our values and business principles

Randstad is the global leader in HR services. Our core values were established in the company's early days. They continue to serve as a compass for everyone at Randstad, to guide our behaviour and to shape our culture.

One of these core values is 'the simultaneous promotion of all interests': our stakeholders are at the heart of our strategy, we serve their interests and create lasting value for all of them – our clients, our candidates, our employees and other stakeholders including governments, while our business must benefit society as a whole.

Randstad sees taxes not only as a cost factor but also as its contribution to society as a whole. Our aim with tax management worldwide is to be fully compliant with tax rules and regulations in the jurisdictions we operate. Correct tax compliance is the basis for our contributions. Consequently, Randstad pays the proper amounts of taxes in those jurisdictions where value is created.

During 2022 Randstad has committed to the so-called Dutch Tax Governance Code. This Code is aimed at creating more tax transparency, demonstrating the commitment to comply with tax legislation and explaining a company's approach to tax.

The principles laid down in the code are considered to be an integral part of these Randstad Tax Principles

## 1.2. our risk management

We operate in many markets around the globe; our global risk & control structure is customised to local circumstances. Our risk appetite is aligned with our strategic priorities. Its elements include:

- taking a zero tolerance approach to breaches of our core values and business principles, and
- protecting and maintaining our reputation and the image of our brands.

Our main risks are those that threaten the in-control position of the Group. The current risks have been categorised into four areas: strategic, operational, financial & reporting, and compliance. Reputation is considered a strategic risk, financial & reporting risks include the valuation of deferred tax assets and goodwill, while tax compliance is listed as a compliance risk.

## 1.3. tax control framework

Our key risks are governed by our Key Control Framework of which the Tax Control Framework forms part. In internal audits the effectiveness of these controls is tested. The Tax Control Framework therefore forms the basis for all our tax risk management actions globally and covers all tax functions that are performed within the group.

The purpose of the Tax control framework is to ensure that the Randstad group is in control of all of its tax compliance obligations and does not incur any unexpected material tax charges. Our transparency and tax control framework help to recognize potential tax disputes and controversies at an early stage. Discussing and, ideally, solving them contributes to minimising our contingent tax position.

## 1.4. relationship with tax authorities

Due to the nature of our business we operate in societies that provide for legal frameworks, a minimum level of education, and infrastructure. We pursue a strong relationship with governments.

Transparency and trust are embedded in our business principles and corporate culture, thus playing an important role in the way we engage with fiscal authorities throughout the world. As part of that engagement, Randstad actively seeks a dialogue with fiscal authorities. As an outcome of such dialogue, e.g. Randstad forms part of the so-called "Individual Monitoring Program" of the Dutch fiscal authorities. Prerequisites for such an agreement are mutual trust and transparency. It requires the existence of an effective Tax Control Framework.

## 1.5. purpose of this document

This paper describes the position that the Executive Board of Randstad N.V. and the Randstad Group takes in the area of Taxation.

## 2. applicability

This policy applies to all controlled entities and subsidiaries of the Randstad Group globally.

## 3. status

Discussed and endorsed by the Executive Board.

## 4. policy and related documents

### 4.1. general /premise

In line with our values & principles and in order to safeguard our good reputation, Randstad demonstrates ethical tax behaviour.

### 4.2. total tax contribution

We are a sizable tax payer and therefore, also from that financial perspective, an important contributor to society. Our fiscal footprint comprises e.g. of payroll taxes, social security premiums, value added taxes and profit taxes.

On balance, our long term average applicable corporate income tax rate varies between 25% and 30%. This is somewhat higher than the statutory tax rate in Randstad's base country, the Netherlands. Randstad considers this a balanced and proper average tax rate given its global spread, its complexity, and with a view to the global competitive environment it is in.

Randstad is committed to publish a so-called Country by Country report for tax purposes in its tax transparency report detailing its global fiscal footprint per jurisdiction.

### 4.3. tax compliance

Randstad acts at all times in accordance with all applicable laws and regulations. A large part of them are guided by international standards such as OECD guidelines. We aim to comply with the spirit as well as the letter of the law.

### 4.4. tax planning

Any action related to planning our tax position must be consistent with the normal course of business and in line with our overall group strategy.

As a consequence, business profits are generated there where Randstad has legal and economical ownership of assets and where the relevant people manage such assets. We ensure that an appropriate portion of taxable income is reported in those Randstad entities where value is created within the normal course of business commensurate with the functions performed, assets deployed and risks assumed. All our intercompany transfer pricing and policies are based

on the “arm's-length principle”, which means at such terms & conditions that would apply as if they were agreed between unrelated parties.

4.5. grievance mechanism

Randstad has a misconduct reporting procedure in place, which enables our stakeholders to report any suspicion of wrongdoing explicitly also in the area of taxation via a secure phone line or website.

version control.

global tax policy document ownership

supersedes All previous versions of the global tax policy

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note

The standards in this policy document are mandatory and non-compliance may result in disciplinary action

