

Corporate social responsibility

The very nature of our business – matching supply and demand of labor – means Randstad plays an important role in society. Some 13,430 Randstad employees around the world put close to 254,400 flexworkers and interim professionals to work every day. Randstad represents a means for the jobless to enter the labor market. In many of our markets, we also recruit actively from groups that do not traditionally participate in the work force. These groups include the long-term unemployed, immigrants, refugees and asylum-seekers. Through Randstad, many of those marginalized are given employment opportunities free from exploitation.

2005 marked a year of formalizing already existing networks and processes to carry out corporate social responsibility (CSR) activities at Randstad. This section of the annual report first outlines the philosophy behind pursuing a CSR agenda, and furthermore shows concrete examples of what Randstad does internally to be a social responsible corporate employer. We also outline the steps we take to engage stakeholders in our sector. Finally, we offer a detailed account of our activities aimed at bettering society, most notably through our partnership with Voluntary Service Overseas (VSO). While on many fronts, Randstad is a leader in socially-responsible behavior, we recognize that the efforts outlined in this section are only steps that mark our progress in becoming even better corporate citizens.

Our philosophy

One of Randstad's core values, a guiding principle since the 1960s, is the simultaneous promotion of all interests. It was a very conscious decision to embed this statement in our core values and the reasoning is quite straightforward. In our business, we are at the heart of a network of stakeholders with varying interests – clients, flexworkers, interim professionals and candidates, our own employees and suppliers, employers' and employees' organizations, governments, labor unions, and the staffing sector as a whole. Our founder understood that by helping everyone – for example, by helping companies and institutions develop



'My personal goal is to grow, to learn and seek new opportunities – I'm encouraged every step of the way...'

Tiffany Daniel, IT programmer,
Randstad North America.

Some global and local CSR milestones at Randstad in 2005:

- Company-wide code of conduct and formal structure to report misconduct;
- As in Randstad Belgium, Randstad Italy is now SA8000 certified as well; SA8000 is the first auditable international standard on corporate social responsibility;
- Like Spain, a German Foundation was established to help disadvantaged gain employment;
- Over 50 activities with Voluntary Service Overseas, including formal internal 'ambassador' network and Randstad employee volunteers in Namibia and Uganda;
- 4,000 desktops and 450 laptops to Africa, through 'Close the Gap';
- Signatory to the United Nations Global Compact;
- Randstad is included in the Dow Jones World Sustainability Index for the second year in a row;
- In the Netherlands, Randstad, Tempo-Team, Capac and Yacht were each awarded 'Great Place to Work', as was Randstad Belgium for the third time.

networks, and negotiating collective labor agreements with the Unions – Randstad benefited as well.

Based on this premise, Randstad was the first company to work closely with the government to set out rules and guidelines for the fledgling staffing industry. In the 1970s, Randstad was the first flexible staffing agency to negotiate a collective labor agreement (CLA) with labor unions for its flexworkers. This CLA is now an industry standard. Where before the industry was viewed with suspicion, Randstad's pioneering and proactive efforts helped the staffing industry gain acceptance as an important player in creating a sound, inclusive economy.

This philosophy does not apply to one geographical area, but holds true throughout Randstad. For example, with our help, CLAs for flexworkers in many countries have been established. In those countries where such agreements do not exist, Randstad aims to create the same working conditions for all its flexworkers across the company. As Randstad grows internationally, we bring with us our ability to engage stakeholders to raise working standards and increase opportunities for people to find work everywhere we operate.

The simultaneous promotion of all interests is a global imperative to the way we do business. It is not exercised only when it is convenient to do so, but at all times.

Social dialogue

Employee participation in social and market issues is encouraged through national works councils and through the Randstad European Platform for Social Dialogue. Despite its name, the European Platform comprises representatives of both senior management and employees from all countries where Randstad operates, including North America. Representatives of Union Network International and associated labor unions are also invited to attend these meetings. In 2005, the platform met twice. Discussion points included: Randstad business results and

human resources trends, as well as human resources and management development standards for the whole Randstad Group.

The Group-wide integrity code, as well as the internal cultural survey, were also discussed. What is discussed at the Platform is communicated throughout the group and highlights of the minutes of the meetings are available to all Randstad employees upon request.

Diversity

Diversity is essential to our continued success. We seek talent from all corners of the world, and the equal and respectful treatment of all employees, flexworkers, interim professionals and candidates are recognized in our HR standards. All the HR procedures we develop must promote equal opportunity and treatment.

Discrimination on the grounds of race, skin color, sex, sexual orientation, creed, age, political conviction, country of origin, disability, or social background is prohibited. The Randstad Group's population aims to reflect the diversity of society.

Since Randstad is committed to the equal treatment of employees, flexworkers, interim professionals and candidates across all our geographical markets, our HR standards must be applicable throughout the Randstad organization.

In concrete terms, a number of operating companies are proactively addressing the issue of diversity in the hiring of Randstad consultants, flexworkers and interim professionals by introducing more training and seeking to remove barriers to employment. For example, Randstad France has joined forces with other major companies by signing a diversity charter committing to take steps to promote diversity in the work force. Another example is Randstad Belgium's signing of the 'Charter for Diversity' with the Brussels government, as well as the diversity charter from the Federation of Belgian Enterprises in Belgium. In 2005, Randstad Belgium also set up a department called Randstad Diversity. This department works closely with over 70 NGO-partner organizations. In 2005, Randstad Belgium helped 1,100 people re-integrate into the labor market after long-term unemployment, illness or disability. Similarly, in the Netherlands, HR solutions – in partnership with local governments and social security authorities (UWV) – helped some 5,500 people find work again. To aid in re-integration, Randstad not only provides job searching and matching, but also coaching and other support to help the long-term unemployed successfully re-enter the job market.

Group-wide code of conduct and provision for reporting misconduct

Randstad has a code of conduct that calls for the highest level of professionalism when we do business. Besides ethics, this code of conduct addresses a wide range of topics, including how to handle confidential information and to what level one can accept gifts. We ask all our employees to take the code of conduct into account when interacting with clients, colleagues, and the community.

In our company, if one is witness to an illegal act, has a complaint, or see someone misbehaving, they would normally report it to their supervisor. Sometimes however, this might be an impossible option because they fear retaliation, for



Astrid Mandl, marketing specialist, Randstad Germany and VSO volunteer at United Disabled Persons of Kenya in 2005:

'I have always wanted to volunteer overseas. That's why I was thrilled with the VSO partnership. The process of selecting volunteers is long, thorough and very careful. Only then can you apply to an organization in the field. The final decision is up to that organization. I was only able to take on this great opportunity because Randstad and my colleagues were behind me all the way and enabled me to take time out. Besides, Randstad provided an allowance so I could meet my financial responsibilities at home, since volunteers receive the same salary as local people. Furthermore, my job was guaranteed upon return. What I learned in Kenya? Patience, flexibility and I think I'm now more inventive in finding solutions.'

example. Randstad would like to think that every activity is being conducted 100% properly, but in a company that puts 254,400 people to work every day, this might not always be the case. For that reason, Randstad would like to be able to address it. This is why, alongside the code of conduct, Randstad has included a provision for reporting misconduct. Called the integrity code, it outlines steps one can take to report a concern. This means that someone acting in good faith can report misconduct without fear of retaliation. The misconduct can relate to violations of legal obligations, potential improper management practices, or lack of compliance with internal policies.

With the Randstad Group integrity code comes an integrity phone line and website where cases can be submitted, anonymously, if desired. An integrity officer reviews the case and reports back to the reportee. Complaints and concerns are a fixed item on the agenda of the audit committee,

which reports directly to the supervisory board of Randstad Holding nv.

Social partnerships

Randstad actively seeks social partnerships that reflect our core values and core competences. Our most active group-wide partnership is with the international non-governmental organization Voluntary Service Overseas (VSO). Besides this initiative however, local initiatives by our operating companies also take place. We offer both human and financial/resource support based on a strong match with our social and business goals. Usually, we commit to (long-term) projects related to either labor market issues or the development of individual talent. Besides stimulating employees to participate in our initiatives, we also try to involve clients. These initiatives include:

The Randstad/VSO partnership

In June 2004, the Randstad Group announced a far-reaching partnership with VSO. This partnership is fully in line with Randstad's long-standing commitment to CSR and our desire to apply knowledge and skills on a global level to help alleviate poverty. VSO's core activity is matching volunteers' skills with the needs of communities in the developing world. By borrowing from Randstad's core competencies and leveraging its network, VSO can stimulate even more positive change. Set up in 1958, VSO has placed more than 30,000 volunteers in Africa, Asia, the Caribbean, the Pacific Rim and Eastern Europe. VSO recruits volunteers who bring expertise in such areas as education, health care, HIV and AIDS, and business management. Through the partnership, and alongside approximately € 1 million in financial support over three years, Randstad helps VSO expand its recruitment and fund-raising efforts in Europe and North America. In addition, Randstad employees and flexworkers can also volunteer. Partnership activities involve the whole organization and the response from Randstad Group employees around the world has been enthusiastic. Commitment to the partnership is Group-wide, and many countries have taken the initiative to host events and start activities that have helped raise the awareness of VSO. Currently, there are over 50 initiatives



'I was looking for flexwork but Randstad offered me a job. They saw potential...'

Ombretta Ferrara, consultant,
Randstad Italy.

taking place throughout Randstad to support the partnership. Besides the recruitment of volunteers, we have in the past year supported VSO by providing office space, offering legal advice, identifying and filling grant applications, networking and fundraising. In recruitment, we have primarily helped by finding HR and health volunteers and in terms of fund-raising many of our activities enabled VSO to help in tsunami-affected countries. The first Randstad employee left for Namibia in the spring of 2005. Another five were deployed to other projects throughout the year.

Randstad's partnership with VSO is a case example at the MBA school INSEAD. Randstad also circulates an internal magazine every quarter, specifically for the purpose of communicating and promoting the VSO activities that take place at Randstad. 2006 shows promise to build on our partnership. Already nine new Randstad employees have been selected to go overseas in early 2006, and this number will most likely be followed by many more. Also in this new year, Randstad/VSO will release a short film of their work in Namibia. It is our hope that our clients will be inspired by VSO's efforts and join us in helping non-government organizations address social and environmental issues through lending their core competencies.

Other social partnerships

In Spain, the Randstad Foundation gives youth, elderly women and the disabled an opportunity to integrate into the labor market. Randstad Germany has also established a Foundation to help the disadvantaged gain work experience. Randstad US is active in supporting a number of organizations, including the March of Dimes (which promotes children's health) and the YMCA/YWCA.

Randstad sponsors labor market research at the University of Amsterdam (SEO, Stichting voor Economisch Onderzoek). The institute regularly produces 'The Randstad Jobreport', which brings together employment trends in the countries where Randstad operates. Randstad is also funding a Chair at the University of Amsterdam that in 2006 and 2007 will focus on demographic trends and migration as possible solutions for a future lack of workers in Europe. Besides conducting its own research on the labor market, Randstad participates in many labor related research initiatives at other universities as well.

In 2005, the IT department of the Dutch operating companies (I-bridge) donated approximately 4,000 desktops and 450 laptops that were more than three years old to the Non-Governmental Organization (NGO) 'Close the Gap' project for use in Africa. Many of the laptops went to educational projects.

Students in Free Enterprise (SIFE) is supported by Randstad. This global organization runs ethically based business competitions in 1,800 university campuses in more than 40 countries. In Germany, Randstad manages the personnel administration for SIFE's European liaison.

Randstad Netherlands offers NGO affiliates of Charitas a reduced rate on their flexible staffing and HR needs.

The United Nations Global Compact

The UN Global Compact invites companies to commit to a number of key principles on human rights, labor standards, the environment and anti-corruption. Below is a summary of how Randstad will strive to meet and uphold these principles.

Human rights

Randstad promotes respect for the protection of human rights and rejects abuses through our company. Randstad is an active member of CSR Europe and three of our operating companies, Belgium, the Netherlands and Switzerland, are National Partner Organizations. This involves supporting the promotion of the human rights agenda through participation in working groups and benchmark sessions.

Labor standards

Those principles that address labor standards in the UN Global Compact lie close to Randstad's core competences. We have always believed that the highest labor standards are a right. This simply makes good business sense. We adhere to all regulations relating to labor standards in our markets, and in markets where there are little or no regulations, we lobby for their introduction to be applied across the whole sector. Until formal ones are in place, we will continue to apply high standards. We were the first staffing organization ever to negotiate Collective Labor Agreements (CLAs) for our flexworkers, now an industry practice. We continue to strive for well-regulated working conditions wherever we are active, engaging in dialogue with stakeholders to ensure standards are put in place. Randstad rejects all forms of child labor.

Environment

By the nature of our business, Randstad is not a resource intensive company, and, being a people company we place our focus on human rights and the social welfare of people. Nonetheless, where there is a significant environmental impact, efforts are made to ensure our activities are not hazardous to health and the environment. This includes active recycling programs for printer cartridges, and energy efficiency initiatives such as the use of low energy lighting. In terms of energy efficiency, our head office in Diemen uses climate control windows and uses the hot waste water from the city's central electricity power station as a heating source. The use of low energy lighting is also used to keep energy consumption down.

Anti-corruption

Randstad rejects all forms of corruption in the firm belief that the sector, and Randstad itself, benefits from a level competitive playing field. Normal reporting processes, backed up by the integrity code, will ensure that if corruption is discovered, it will not go unaddressed, or unpunished.

Randstad is well-known for the construction of the Clipper *Stad Amsterdam* – the work was carried out by unemployed (young) people, giving them an opportunity to learn new trade skills. Now a training and conference vessel, the Clipper continues its social role. Of the conferences hosted in 2005, two focused on governance and CSR. The INSEAD business school held a meeting on Governance, and the Clipper was loaned to the United Nations Global Compact as a venue to discuss ways of incorporating the Global Compact's 10 Principles of human rights and labor standards into the curricula of educational institutions.

Memberships

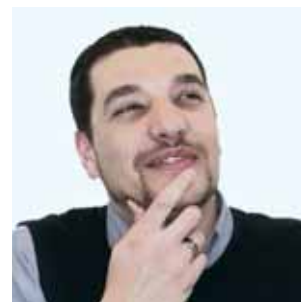
To advance the CSR agenda on many levels, Randstad is an active member of a number of organizations. These include:

- CIETT (international confederation of private employment agencies) – through our membership we strive for well-regulated working conditions for our corporate employees, flexworkers and interim professionals;
- INSEAD Business in Society Executive Roundtable – Randstad is a member of the Steering board of the Roundtable to promote CSR at the management level;
- Corporate Social Responsibility Europe (CSR Europe) – our active participation means we can help stimulate socially-responsible business practices;
- The UN Global Compact; and
- Samenleving & Bedrijf (Community & Company) – an organization that works for corporate social responsibility goals, including diversity.

Diemen, February 14, 2006

The executive board,

B.J. Noteboom
J.W. van den Broek
R.J. van de Kraats
L.J.M.V. Lindelauf



'Clients and flexworkers come to Randstad because we listen...'
Oliver Roth, consultant, Randstad Luxembourg.