

Corporate social responsibility

Does finding jobs for over 300,000 people every day mean that you are socially responsible? Or does it mean that you are running a good business? To us, it means both. At Randstad, we pride ourselves on being a socially engaged organization. We care about and are genuinely interested in our clients and all the people who come to us for work. For many, we are the door through which they enter the labor market. European branch organization CIETT (international confederation of private employment agencies) indicates that 41% of flexworkers are in longer-term employment within one year of their agency work assignment. The same study shows that 17% of work done through agencies would not have been carried out had the option to hire flexible staff not been available. Additionally, 38% of work would have been carried out using other flexibility solutions, such as overtime, which does not contribute to employment creation. If we can provide jobs with growth potential, in safe environments, and with fair pay, then we are doing our job. Helping people find jobs, in turn, benefits us. Therefore, doing business well and being socially engaged go hand in hand.

Our commitment does not stop at helping flexworkers find jobs and our clients the ideal candidate. We take our central role in society seriously. In this section, we outline the internal and external CSR measures – and provide some quantifiable data – we take to meet our social obligation of being a company with integrity.

In any company, advancing the CSR agenda is a step-by-step process. Each year, a company builds upon what was achieved the previous year. For Randstad, the foundation was laid in the 1960s, when our founder outlined the company's core values: to know, to serve, to trust, striving for perfection and the simultaneous promotion of all interests. Since then, even as we grow into new regions and expand our service offerings, we have stayed true to these values. Our long-standing commitment to the 'simultaneous promotion of all interests' proves that advancing and improving the CSR agenda is at the heart of our way of doing business.

The rationale for including the simultaneous promotion of all interests in our core values is straightforward. Randstad is part of a network of stakeholders with varying interests. These include 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. By working to promote all interests – for example, by helping companies and institutions develop networks, and by negotiating collective labor agreements (CLAs) with labor unions – Randstad benefits as well. Based on this premise, Randstad was the first staffing organization to work closely with governments to set out labor guidelines for the fledgling staffing industry. In the 1970's, as one of the pioneering members of the Dutch federation of staffing agencies, Randstad played a pivotal role in the negotiations of CLAs for its flexworkers. This CLA is now an industry standard. Randstad's proactive efforts helped the staffing industry gain acceptance as an important player in creating a sound, inclusive economy.

Global and local CSR milestones in 2006

- Supervisory board agrees to relevant indicators to HR sector for reporting;
- Integrity code anonymous call-in line activated across company;
- Group-wide security policy IRIS established for safety of flexworkers and employees;
- VSO: employees from throughout company on volunteer missions in developing countries. Financial and contribution in kind over € 1.25 million for 2006.

The Global Reporting Initiative (GRI) proposes CSR reporting indicators for organizations to follow. We identified those indicators that are HR- and labor market-related and relevant to our company. We aim to gradually increase the reporting on the various indicators described below over the coming years and to work towards a coherent, holistic and verifiable management of the CSR aspects in our company.

The indicators are:

- labor market relations: the regulatory environment and stakeholder dialogue;
- diversity and (re-)integration;
- health & safety;
- career development & training, including gender diversity;
- satisfaction measures & receiving and addressing complaints;
- volunteerism;
- environmental measures.

Labor market relations and stakeholder dialogue

In our day-to-day business operations, Randstad is in constant dialogue with all its stakeholders. Stakeholder involvement – be it through employee participation, government dialogue, client events – provides management with a good means of assessing the social impact of entrepreneurial decisions.

Internally, employee participation is encouraged through a network of Works' Councils that regularly brings together managers and employees across the organization to discuss work- and HR-related issues. We have Works' Councils in many of the countries where we operate. Dialogues take place at a national level, and the results are fed into an international platform. This platform meets twice a year to discuss social policy issues and general business information relevant to Randstad Group companies. Externally, Randstad very actively engages in social dialogue with labor unions, at both the national and European levels. Additionally, labor unions, specifically UNI-Europa, the representative labor union for services in Europe, are also invited to attend the international platform meetings as observers.

Regulatory environments

In many countries (such as the Netherlands, Germany, France, Belgium and Spain), Randstad has been instrumental in positively transforming perceptions of the staffing sector. From a business perspective, we work hard for the creation



of CLAs because they give us room and flexibility to operate, especially if they are legally binding and universally applied. A system whereby flexworkers' assignments with user companies are negotiated via CLAs means protection for the flexworkers and gives us the opportunity to make use of the changing dynamics in national economies. While this varies from country to country, we generally renegotiate CLAs – also with labor unions – every year.

The so-called Social Dialogue (with governments, labor unions, employers' federations, etc.) has resulted in Randstad's free negotiation of CLAs in most of our markets.

At European level, Randstad is actively engaged in dialogue between UNI-Europa and Euro-CIETT, the bodies representing labor unions on temporary work and our industry. These two European associations have organized round tables to promote social dialogue in the member states where this is not yet standard practice. The EU Commission (General Directorate of Employment Social Affairs & Equal Opportunities) moderates these discussions.

In 2006, there were three social dialogue meetings at the European level: in February, July, and October. Minutes and agendas to these meetings are published on the EU Commission website. Four meetings, three working group meetings and a plenary meeting are scheduled for 2007. Topics for discussion include the organizations ongoing progress on issues such as 'flex-security', health & safety and HR trends.

Diversity and (re-)integration

Randstad believes that in order to serve the communities in which it operates, it must reflect the diversity of that community. A diverse workforce, in line with the demographics of Randstad's many different markets, also provides a competitive advantage and helps acquire new business.

In terms of internal hiring, one of Randstad's strategic building blocks is 'best people'. Randstad seeks out talent regardless of a person's race, skin color, gender, sexual preference, creed, age, political conviction, country of origin, disability or social background. This is outlined in Randstad's HR standards that state: 'diversity is recognized as an added value'.

Measuring the diversity of our employees and flexworkers is a complex task. In some countries where we operate – France, for example – registering one's ethnicity is prohibited; it is not considered relevant job-specific information. However, this should not prevent companies from taking proactive steps to ensure the proper integration of groups most marginalized in society. The opportunities to engage in, or join activities on, this issue differ from country to country. In France, we have signed 'la Charte de la Diversité', and are members of IMS, the association responsible for promoting diversity. Additionally, we are active members of the Diversity commission of the PRISME, the French Confederation of Private Employment Agencies. We participate in the Diversity Commission of the HR Directors Association (ANDCP) and work with the HALDE (High Authority of the Fight against Discrimination) to determine unbiased quality measurement tools. Also in France, our informational materials are

translated into Arabic. While it is a proactive step to include immigrants in the workforce through our efforts to hire flexworkers from this pool, it is also commercially in our best interests.

Randstad Belgium has introduced a service to clients called Randstad Diversity, which provides equal opportunity and competency management advice. With local partners (NGOs, non-profit training and coaching organizations, government and other parties), Randstad helps both businesses and jobseekers alike. For example, Randstad Diversity (Belgium) is official 'coaching partner' of Forem – the employment agency for the French-speaking government branch – for disadvantaged people.

Other re-entry and integration projects within Randstad include the creation of foundations for disabled people, youth and immigrants in both Spain and Germany.

CIETT data indicates that 40% of the workers employed through temp agencies belong to the category defined by the OECD as 'outside the labor market' (i.e. long-term unemployed, first-time entrants to the labor market, women accessing the labor market, older people, etc.). We take pride in the fact that for many, Randstad is the entryway for people's first introduction to the labor market. This is important for all of society, but nowhere is it more important than for those who are marginalized. Randstad offers a means to build experience (and skills training if required), which translates into better integration, giving people the sense of self worth that results from being employed.

The European Commission has designated 2007 as the European 'Year of Equal Opportunities'. Leveraging the diversity knowledge and activities that already take place in the operating companies, and our leadership role in society, Randstad will do more to make diversity a key business issue in the years to come.

Health & safety

At Randstad, we believe that the highest labor standards are a right. We adhere to all labor standards, and where there are few or none, we lobby for their introduction, while continuing to apply our own high standards until sector-wide measures are in place.

The Randstad Group strives for an overall lower absenteeism rate (illness) per operating company than the country average. The Group companies whose rate is above their country's average must submit a plan to the corporate HR department and deliver a program to improve their rates.

At Randstad, we recognize that a number of work-related accidents can be prevented. This is why it is important to educate both employees and flexworkers on health & safety issues. Additionally, accidents and absenteeism involve costs, so it simply makes good business sense to ensure workers are healthy and productive. There is also a correlation between employee motivation and the sick leave frequency. Hence, it is in our best interest to keep employees motivated and work-related sick days and accidents to a minimum.



Different reporting structures on accidents exist in each country where we operate. For this reason, each operating company has a health & safety officer who records this information, usually each quarter, according to local regulations.

On a proactive level, Randstad addresses occupational health & safety in a number of ways. For example, every year Randstad Netherlands carries out a week-long Health at Work program, to raise awareness and educate employees and flexworkers. Activities in this week include first aid demonstrations and healthy lifestyle tips. Randstad Germany follows a health & safety program outlined in their policy paper: 'a dynamic strategy for the prevention of occupational accidents'. Health & safety is also a component of the introduction programs for new employees.

Targets for reducing workplace accidents, and hence employee absence, depend on the frequency of accidents and the duration of absence of workers in each operating company. In the US, the target for 2007 is to achieve a 10% improvement over the US Occupational Health and Safety Administration rate. In Spain, the target is to reduce workplace accidents by 10% in 2007. Through various measures, the frequency of work-related accidents at Randstad in Belgium has decreased 40% in the last five years.

Average percentage of absent employees in 2006

	% Total number of employees	In days
Netherlands	6.3%	44,714
Germany	2.9%	12,987
Belgium/Luxembourg	5.5%	17,926
Spain	5.9%	15,351
France	4.4%	8,035
Italy	6.2%	7,705
Group-wide	3.9%	141,243

Absenteeism is mostly due to sickness. Absenteeism due to occupational accidents is less than 1%. For example, at Randstad the Netherlands, 5 out of some 3,000 employees had an accident (0.16%), and 423 of some 60,000 flexworkers had work-related accidents (0.73%).

Randstad in the US tracks injuries and illnesses as required by the Occupational Health and Safety Administration (OHSA). The tracking system requires that injuries/illnesses of internal employees and flexworkers be combined on the reporting system. They are not tracked separately. The current OHSA frequency rate for Randstad in the US is 9.65 injuries/illnesses per 100 employee/flexworkers. The US management team meets regularly to review accident frequency and cost. A risk assessment tool, which will help branch personnel properly assess a prospective clients work site will be implemented in the first quarter of 2007.

Group-wide security policy

In recent years, we have experienced security risks, ranging

from fires to violence and threats made to employees. A standard approach was required to respond to these events in a timely manner.

To help manage security, and as part of the activities to continuously improve Randstad's risk management, Randstad developed a uniform Group-wide security policy, the Initiative for Randstad's Improved Security (IRIS). A standard, company-wide security policy is in our collective best interest, so that we always follow the same steps in a calamity, regardless of where the calamity takes place.

Career development & training

Total out-of-pocket training costs of employees and flexworkers in millions of €

	2006	2005
Corporate employees	12.4	11.0
Flexworkers	26.7	13.2

Whether it is to ensure our flexworkers are highly qualified, or our consultants are the best in the business, human capital development is integral to the success of Randstad. Training and career advancement opportunities to help candidates fulfill their ambitions are central to this belief and help Randstad meet global strategic growth ambitions. We have projected how many new managers need to be appointed over the coming years. Of the new recruits at branch level, the assumption is that 15 to 20% will one day become Randstad managers. Randstad's aim is to fill 80% of all promotions from within the Group, and in 2006 that figure reached 81% (81% 2005).

Training ranges from the introduction of consultants to top management training programs.

Ongoing assessments along the career path enable consultants to define and refine their ambitions. At the Randstad Institute, six programs have been developed – including the senior executive and the development and coaching of people programs – where more than 200 international managers, managing directors and directors are trained every year. Subsequent coaching and in-depth management training helps them further develop their skills in a direction that is both aligned with their goals and beneficial to Randstad's needs.

Besides introduction training, on average more than 80% of our employees across the organization received training of some sort in 2006. Examples include sales training, team management, account and treasury management and labor law.

While career development is a motivating factor in keeping employees committed to Randstad, internal promotion also ensures that knowledge is retained and our corporate culture remains strong.

Randstad operating companies set aside a specific budget for training flexworkers. Training is dependent upon the needs



report from the executive board

of the client and the labor market. This can include callcenter training, sales training, IT training, driving training, restaurant kitchen hygiene, forklift operation, etc.

Gender diversity

While this varies per operating company, up to 80% of Randstad employees are women. Because of our flexible work environment, our training and career advancement opportunities, we are an attractive employer for women. A look at the table of women in management indicates that Randstad is advanced, offering women many opportunities and career growth potential. At the same time, we recognize that society can do more and that we can play a role in breaking the so-called glass ceiling.

We will contribute by:

- treating women equally to men, with equal training opportunities and salary grades;
- maintaining flexible work solutions to keep women employees engaged in the company;
- raising awareness, and encouraging clients to hire more women, and governments to remove barriers and introduce more flexible work legislation that is conducive to the hiring and career development of women;
- continuously striving for an 80% internal promotion rate, so that women in the workforce have the opportunity to grow within the company, and apply their learning wherever they take their career.

Women in management

Netherlands	37%
USA	55%
Canada	67%
Germany	38%
Belgium/Luxembourg	65%
Spain	43%
France	42%
United Kingdom	39%
Italy	41%
Poland	73%
Group-wide	44%

Percentages reflect women in district management or higher positions. The percentages would be higher if branch management level was included (for example Germany: 55%).

Satisfaction measures & receiving and addressing complaints

In line with Randstad Group HR Standards, all operating companies are required to conduct an employee survey at least every two years, and from 2007 every year. The survey is designed to evaluate employee satisfaction on motivation, work conditions, development, training, organization, compensation and benefits.

Besides the employee survey, most operating companies conduct both client and flexworker satisfaction surveys. While the client satisfaction surveys will differ per operating company and often by specialty, the questions concern relationship management, guidance and job match. Equally,

the flexworker satisfaction survey will ask questions regarding job benefits, career guidance and development and job match. These surveys are often conducted anonymously, and various departments, such as communications and HR, use the results to guide their strategic activities and processes.

Randstad Holding conducted a cultural survey across the whole group in early 2006. More than 13,000 employees across the organization were asked to complete an anonymous survey. Given the complexity and detail of the survey – it was translated into 8 languages, and conducted electronically – the participation rate was high (over 55%). The results showed a high level of labor market knowledge, as well as a strong feeling of company pride. In those areas where issues needed to be addressed, the required improvements were made.

The code of conduct and subsequent integrity code

In the 2005 annual report, we communicated about the Group-wide code of conduct and provision for reporting misconduct – the integrity code. Both of these documents can be found on our website, and each new employee gets a copy in their company introduction package. At the same time, we communicated to our employees the dial-in number and website of the tip line hosted by a third party where people could call in to report misconduct, anonymously if desired. While misconduct is usually reported through the supervisor, the intent is that there be a reporting avenue open to employees if this route is not possible.

In a recent evaluation of the status of the whistleblower regulation, we registered a number of complaints. Group-wide, the results were:

	2006	2005
New complaints	16	5
Of which legitimate	8	5
Reported closed	7	5

According to our independent third-party provider, these numbers are lower than sector average. This is attributed to a possible combination of factors:

- we work in a company that does business with the utmost integrity, where the regular complaint procedures work well;
- since the integrity line is a method of last resort, employees are using the more regular channels set up by the operating companies through which to report their concerns or complaints;
- communication around the integrity code may not have sufficiently reached all levels of the organization yet.

In 2007, we will continue to communicate the purpose and existence of the Group-wide code of conduct and integrity code. Additionally, we will implement the code in the new geographies where we have opened, and introduce it to the new companies that have joined Randstad.

Volunteerism

In the same way that Randstad matches people with jobs,



NGO Voluntary Service Overseas (VSO) sends volunteers to apply their skills in a developing country. Now two years old, Randstad's partnership with VSO to help them alleviate poverty continues to grow. Because there are always a number of ongoing projects with VSO, from helping them with HR and IT issues to lending them office space, the measurement of our impact has been standardized. Our contribution and targets are measured in equal volunteer units (EVU). It costs € 19,000 to train and send a volunteer to a developing country for one year. An EVU is, therefore, measured in batches of € 19,000, whether it is money raised from our VSO fundraising activities, the hours a Randstad employee makes applying for grants on behalf of VSO, legal advice we provide or the value of the office space we give to VSO 'in kind'. In 2006, Randstad contributed over 50 EVUs to VSO, which is three times more than in our first year of the partnership (15 EVUs in 2005). This is in addition to the annual financial commitment of € 300,000 to maintain the partnership.

In terms of actual Randstad employee volunteers around the world, a total of sixteen volunteers were sent on assignment in 2006. They come from all over the Randstad Group, and their roles vary from HR and management professionals to financial advisors and IT specialists.

In addition to all other ongoing activities, VSO started two key projects with Randstad in October 2006. Based on the successful placement of Randstad's first volunteer to help a number of smaller NGOs with HR issues, Randstad and VSO started a project called HR Solutions Namibia. This project enables VSO to help smaller organizations that would not otherwise have the support and resources to bring in someone full time. Through HR Solutions Namibia, they can bundle their HR challenges and seek advice from a Randstad volunteer. If the pilot is successful, this HR solutions-inspired concept can be rolled out across other countries where VSO operates.

With Randstad's knowledge and 'in kind' support, VSO is starting a project in Indonesia aimed at helping the handicapped re-integrate into the job market. The first phase has already begun, whereby four volunteers are conducting a feasibility study of the project as well as developing an action plan. Implementation is planned for spring 2007.

Highlights for 2006 also include the production of a documentary video, highlighting the work of VSO, which has been aired by various TV stations, including the Discovery Channel.

Our target for 2007 is to increase our efforts again. The goal is to send more volunteers, raise more funds for VSO, help them streamline their HR and volunteer application processes and engage other partners.

Environmental measures

As a service-based company, Randstad is not a heavy resource user. Nonetheless, initial measurements of Randstad's ecological footprint have been taken at headquarters and a number of operating companies, with the aim of operating more efficiently. Our plan is to do a better job of tracking,

and subsequently reducing (or maintaining, given the growth of our company), our ecological impact.

Monitoring is specifically aimed at the usage of electricity, water and other resources by our large operations, for example the Randstad headquarters.

Resource use at Randstad headquarters in 2006

Water	9,000 m ³
Central heating ¹	5,000 gJ
Natural gas (fallback energy source)	16,000 m ³ /hour in 2006
Electricity ²	4.0 million kWh
Paper recycled	71,000 kg of paper 15,000 kg of cardboard

¹ Waste hot water central generating station is used to warm HQ.

² Steps to improve energy efficiency have led to the reduction of 800,000 kWh over the last 5 years.

Also recycled and re-used are printer cartridges, computers, printers and lighting. If they cannot be re-used, they are disposed of properly.

Environmental impacts are given strong consideration during purchasing. The Randstad general purchase conditions state: 'The goods will meet all the relevant legal requirements, such as but not limited to, requirements concerning import and export, both for the country of import, and the country of export, and the legal requirements concerning safety, quality, health, working conditions and the environment.'

Our fleet management indicates that Randstad uses 4,100 cars in the Netherlands. Total CO₂ emissions per year translates into approximately 30,000 tons.

Memberships and the lending of our core competencies

To share our knowledge and build on the experiences of others, Randstad is an active member of a number of organizations and played a role in a number of initiatives:

- CIETT – through our membership, we strive for well-regulated working conditions for our corporate employees, flexworkers and interim professionals.
- Randstad is a participant in the European Alliance on Skills for Employability, with a group of IT companies, such as Microsoft. The purpose of the Alliance is to increase IT literacy and professional training on employability prospects of the young, the disabled, older workers and other unemployed or under-employed people throughout the European Union. Randstad's role is to identify IT needs of clients, and help place people after they have received training. Randstad is the only employment link in this project.
- INSEAD Business School: Randstad is on the steering board of the Business and Society Roundtable, where managers share experiences on advancing the CSR agenda. Randstad also supported a diversity forum in 2006.
- Randstad provided flexworkers to the Global Reporting Initiative to prepare for their G3 launch.
- Randstad has a chair at the University of Amsterdam that focuses on the effect of demographic trends and migration



on the labor market. Randstad participates in many labor-related research initiatives at other universities as well.

- Signatory to the United Nations Global Compact.
- CSR Europe – our active participation means we can help stimulate socially responsible business practices.
- Samenleving & Bedrijf (Community & Company) – an organization that works for corporate social responsibility goals, including diversity.
- New Venture – Randstad provides advice and coaching to budding entrepreneurs.
- Bid Challenge – For the international Business Plan competition for poverty reduction and profit, Randstad employees contributed their knowledge, time, networks and energy to the initiative.
- Like Belgium, Randstad Italy has a SA8000 (Social Accountability 8000) certificate by the American NGO SAI (Social Accountability International), which guarantees that the company acts ethically with respect to eight ethical parameters.

Diemen, February 13, 2007

The executive board,

Ben Noteboom
Robert-Jan van de Kraats
Jacques van den Broek
Leo Lindelauf

List of Randstad awards and nominations 2006

February – Randstad Belgium joins list of Belgian companies signed on to the Diversity Charter of the Federation of Belgian Enterprises.

March – Randstad Foundation Spain awards several organizations for their CSR efforts and equal opportunity employment initiatives. The award of honor goes to Madrid's local government for efforts to promote equal work opportunities, and for integrating disabled job-seekers into the labor market.

March – Randstad secures 49th place at the prestigious The Sunday Times top 100 'Best Companies to Work For' awards, held in London.

April – Great Place to Work institute recognizes both Randstad the Netherlands and Tempo-Team as well as Belgium, Spain and Germany as 'Best Companies to Work For'.

June – Tempo-Team wins 'P&O Proffie', an industry award for the company with the most distinctive and progressive HR policy.

July – Tempo-Team voted 'Best Temping Agency 2006' in a study conducted by Dutch trade journals.

July – Randstad Spain selected as one of top 50 'Best Companies to Work For' by economic magazine Actualidad Economica.

October – Randstad Belgium is selected as one of the members of the steering committee of the Diversity Platform of the Flanders Federation of Belgian SMEs.

October – Randstad Belgium selected as one of the pilot companies for the Belgian Federal Diversity Label.

November – Randstad included in the Dow Jones Sustainability Indices for the third consecutive year. Attention given to human capital development, talent attraction and retention, labor practice methods and proactive approach to occupational health & safety.

November – Randstad Belgium's own CSR report is placed in the top 5 of Belgium's CSR reports according to 'Belgische Instituut der Bedrijfsrevisoren' with support from Business & Society Belgium.

December – Randstad Holding listed among world's 200 most respected companies based on study conducted by Reputation Institute in New York.

