



annual report 2021

seeing
the possible

in people.



human forward.

contents.

randstad at a glance

- 4 key figures 2021
- 6 message from the CEO
- 8 about randstad
- 10 our strong foundation
- 16 our global presence
- 17 geographic spread
- 18 seeing the possible in people

management report

- 21 how we create value
- 24 integrated reporting framework
- 26 the world around us
- 32 our strategy and progress
- 42 our value for clients and talent
- 48 our value for employees
- 54 our value for investors
- 59 our value for society
- 66 sustainable development goals
- 71 sustainability fundamentals
- 87 performance
- 106 risk & opportunity management

governance

- 122 executive board
- 124 supervisory board
- 126 report of the supervisory board
- 136 remuneration report
- 152 corporate governance

financial statements

- 159 contents financial statements
- 160 consolidated financial statements
- 164 main notes to the consolidated financial statements
- 192 notes to the consolidated income statement
- 196 notes to the consolidated statement of financial position
- 210 notes to the consolidated statement of cash flows
- 214 other notes to the consolidated financial statements
- 221 company financial statements
- 223 notes to the company financial statements
- 227 other information

supplementary information

- 242 about this report (including note ESEF filing)
- 244 ten years of randstad
- 246 tax disclosures
- 254 GRI content index
- 258 global compact index
- 259 memberships and partnerships
- 260 certifications, rankings, and awards
- 263 highest randstad positions in industry associations
- 264 glossary
- 270 financial calendar
- 271 history timeline

randstad at a glance.



- 4 key figures 2021
- 6 message from the CEO
- 8 about randstad
- 10 our strong foundation
- 16 our global presence
- 17 geographic spread
- 18 seeing the possible in people

key figures 2021.



free cash flow in millions

€ 590

↗ 96

number of permanent placements

276,100

↗ 88

women in senior leadership positions

50%

↗ 48

global HR services leader

#1

↗ 26

proposed total cash dividend per share

€ 5.00

↗ 57

number of candidates trained

406,400

↗ 59

revenue in millions

€ 24,635

↗ 89

underlying EBITA margin

4.4%

↗ 92

adjusted net income in millions

€ 806

↗ 93

number of candidates working (on a daily basis)

653,300

↗ 87

employee engagement score

8.1

↗ 53

number of employees trained

45,600

↗ 52

key financials.

in millions of €, unless otherwise indicated	2021	2020	Δ
Underlying¹			
Revenue	24,635	20,718	19%
Gross profit	4,873	3,970	23%
EBITA ²	1,095	692	58%
Actual			
Revenue	24,635	20,718	19%
Gross profit	4,896	3,948	24%
EBITA ²	1,086	579	88%
Net income	768	304	153%
Free cash flow ³	590	1,132	(48%)
Net debt, excluding lease liabilities ⁴	(179)	(333)	(46%)
Net debt, including lease liabilities	415	255	
Leverage ratio (net debt/12-month EBITDA)	0.3	0.3	
Total equity	4,902	4,669	5%
Ratios (in % of revenue)			
Underlying¹			
Gross margin	19.8%	19.2%	
EBITA margin	4.4%	3.3%	
Actual			
Gross margin	19.9%	19.1%	
EBITA margin	4.4%	2.8%	
Net income margin	3.1%	1.5%	
Share data			
Basic earnings per ordinary share (in €)	4.13	1.62	155%
Basic earnings per ordinary share, underlying (in €) ⁵	4.39	2.57	71%
Diluted earnings per ordinary share, underlying (in €) ⁵	4.35	2.55	71%
Dividend per ordinary share (in €)	5.00	3.24	54%
Payout ratio (in %) ⁶	114	126	(10%)
Closing price, year-end (in €)	60.04	53.24	13%
Market capitalization, year-end	11,047	9,759	13%
Enterprise value, year-end ⁷	10,868	9,426	15%
Employees/outlets			
Average number of candidates working	653,300	568,800	15%
Average number of corporate employees	39,530	34,680	14%
Number of branches, year-end	2,764	2,752	0%
Number of Inhouse locations, year-end	2,163	1,963	10%

1 Underlying: actual gross profit and EBITA adjusted for one-offs, such as restructuring costs, integration costs, and acquisition-related expenses.

2 EBITA: operating profit before amortization and impairment of acquisition-related intangible assets and goodwill.

3 Free cash flow: sum of net cash from operating and investing activities, excluding the acquisition and disposal of subsidiaries and associates and equity investments, and dividends from associates; including repayment of lease liabilities.

4 Net debt, excluding lease liabilities: cash and cash equivalents minus borrowings.

5 Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, acquisition-related expenses, and one-offs.

6 Dividend per ordinary share based on net income adjusted for the net effect of amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, acquisition-related costs, and one-offs.

7 Enterprise value: the total of market capitalization and net debt (net debt excluding lease liabilities).



'We have demonstrated that our industry, and Randstad in particular, is resilient and more relevant than ever.'

Dear Stakeholder,

We can look back on the year and be proud of what we have accomplished. With the COVID-19 pandemic far from over, but certainly more manageable, we have demonstrated that our industry, and Randstad in particular, is resilient and more relevant than ever. Adapting quickly, we created our #newways program, enabling our consultants to work digitally and effectively support clients, especially in sectors showing the greatest demand. At the end of 2020, thanks to the hard work and dedication of our colleagues around the world, we were already seeing significant improvements. Ever since, we have continued with positive momentum.

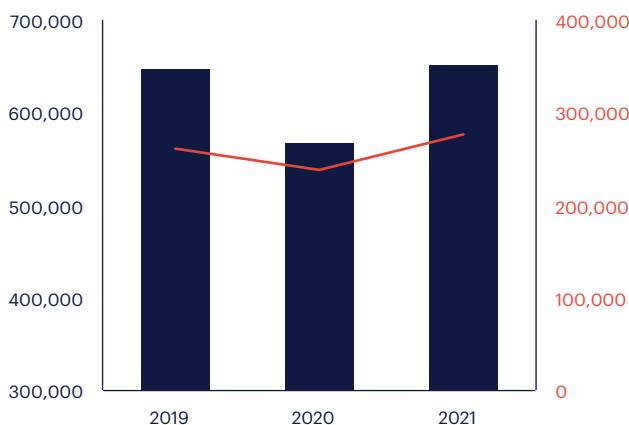
Using our data, we knew where to invest, and we saw increased outperformance compared to our major peers, and at unprecedented levels. We also quickly regained the lost revenue of 2020, arriving at a historically high top line level for the company in 2021. One of the main reasons for our success has been our ability to track the changes in the labor market, including

talent scarcity and mismatches. We see that the traditional recruitment process is changing structurally. As a result, it is getting increasingly difficult for employers to find the talent they need. And that is exactly where Randstad can help.

Throughout the year, we continued to build and invest in the biggest talent engine in the world, as well as in ever more advanced and smarter digital tooling and solutions. Only if we stay at the forefront of technology will we be able to continue to meet demand and find the right people for our clients. We are now well positioned in an attractive market with structural growth opportunities. In 2021, some 188 million people got in contact with Randstad, visiting our websites and branches, looking for jobs and looking for guidance. This was a great milestone, but only the start of what we aim to achieve in the coming years, when we will further mature our investments to make a positive impact on the work lives of 500 million people by 2030. We will continue to focus on seeing the possible in people, empowering them to realize their full potential.

message from the CEO

candidates placed in jobs



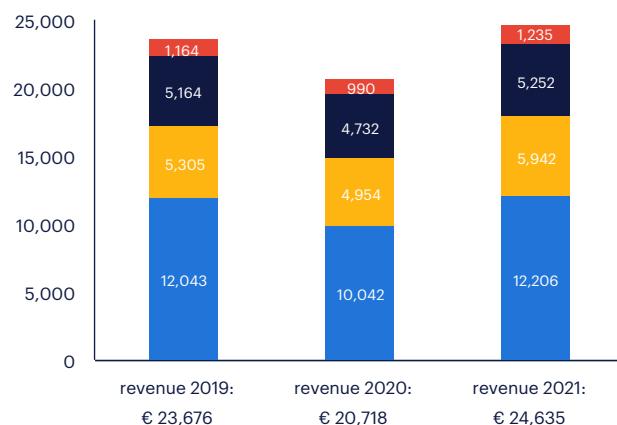
● temporary placements (average per day) ● permanent placements (annually)

As we do so, we are confident that we will remain the leading HR services provider in the world.

We have come out of 2021 in a strong position, with demonstrable ongoing momentum across our portfolio. Financially, we finished the year with record revenue of € 24.6 billion, up 20% year-on-year and 5% ahead of 2019. Trading conditions showed continued positive momentum throughout the year, amidst pandemic-related instabilities and macro-economic challenges. Our diversified portfolio and continued investment have enabled us to perform strongly across all geographies, with significant growth in permanent placements (+50% year-on-year) and RPO (+82% year-on-year) in particular. As a result, we achieved an EBITA margin of 4.4%, driven by a sound incremental conversion ratio of 44%, and we delivered a strong return on invested capital of 16.8%.

We have carefully reviewed the options, to achieve a balance within the existing capital allocation policy and provide an attractive return for all shareholders, whilst allowing for flexibility for the future. Supported by our strong balance sheet position, we propose to our shareholders a total cash dividend of € 5.00 per ordinary share for 2021, totaling around € 920 million in dividend payments. This proposal consists of a regular dividend of € 2.19 per ordinary share, and a special cash dividend of € 2.81 per ordinary share.

revenue in millions of €



● staffing ● inhouse ● professionals ● global businesses

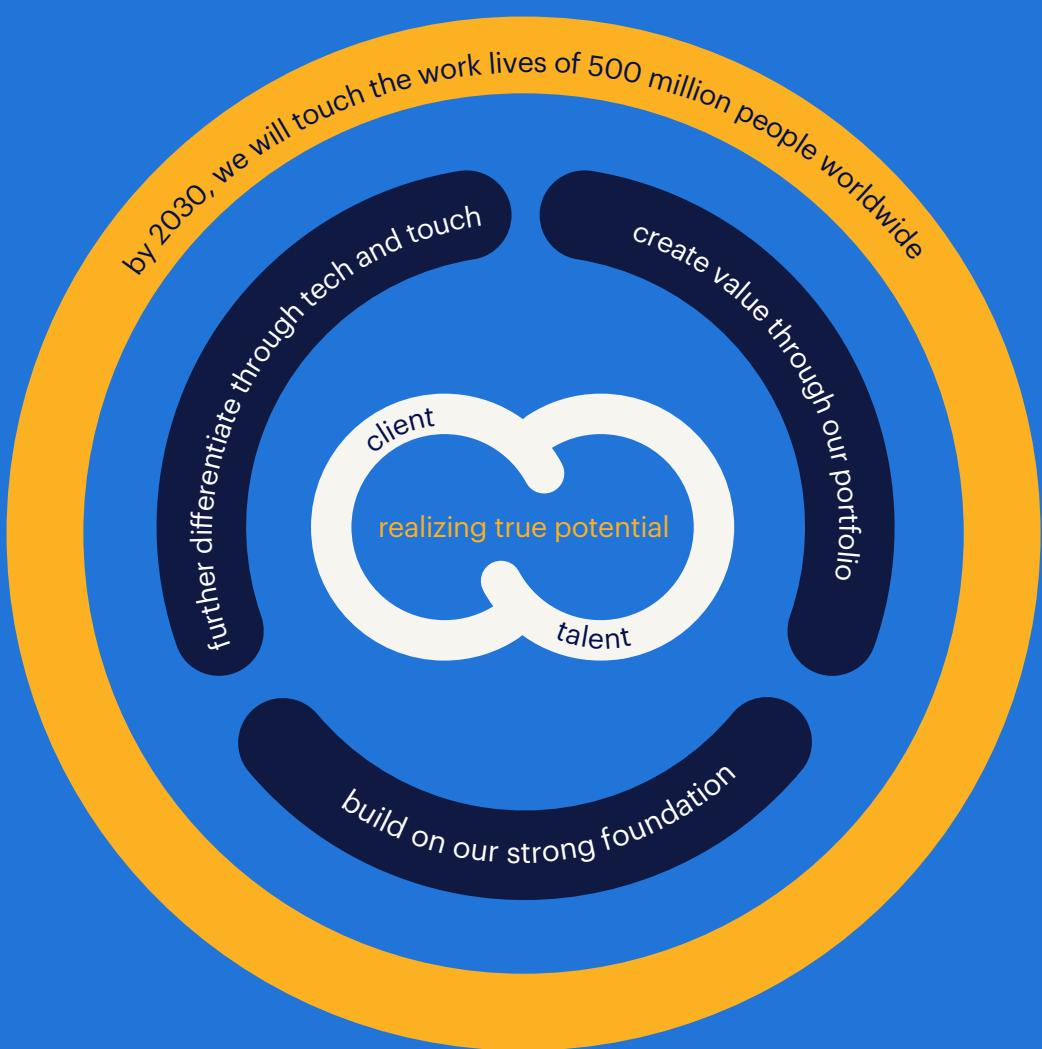
As was announced a few months ago, I will be leaving the company after 34 years. I am pleased to leave it in such an excellent state, not only in terms of business performance, but also with a very high employee satisfaction. Clearly, the values of the company are more alive than ever. I am also confident that the executive team and my successor Sander van 't Noordende will take the legacy forward. With his extensive experience at a global technology-based solutions provider, Sander certainly brings the right background to continue our company's outperformance and take it to the next level.

Finally, on behalf of the Executive Board, I would like to take this opportunity to thank all our stakeholders for their continued support and trust in our company. And, of course, heartfelt thanks go to all Randstad colleagues around the world for their enthusiasm, commitment and dedication. I wish you all the very best.

Best regards,
Jacques van den Broek

about randstad.

why
how
what



profile

Randstad is the global leader in the HR services industry. By serving as a trusted human partner in today's technology-driven world of talent, we help people secure rewarding jobs and stay relevant in the ever changing world of work. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands.

38	4,927
markets	outlets
39,530	€ 24.6
corporate employees	billion revenue

why

our purpose

At the center of our business model, we connect clients with talent to support as many people as possible in realizing their true potential throughout their working life.

our ultimate goal

By 2030, we will touch the work lives of 500 million people worldwide.

how

build on our strong foundation

Our strong foundation (core values, human forward promises, best people, strong concepts, excellent execution, and superior brands) enables us to go from strength to strength.

further differentiate through tech and touch
Tech and touch is what makes us unique. By combining advanced technology with the distinctive human touch of our HR professionals, we aim to create lifelong relationships. By leveraging global collaboration and best practices, we set global standards as one connected Randstad. By unlocking the power of our data, we optimize and tailor our services. And by prioritizing the talent experience, we set ourselves truly apart, adding real value for all our stakeholders.

create value through our portfolio

We create value through our portfolio by expanding our presence in relevant concepts and geographies, leading in winning sectors, growing enterprise clients, and seeking new partnerships.

what

staffing

Focus on recruiting candidates for manufacturing, logistics and administrative jobs. Staffing covers temporary staffing, digital staffing, permanent placements, and specialties focusing on specific market segments.

professionals

Focus on recruiting experienced professionals and managers with an academic or equivalent qualification from a wide range of industry backgrounds. Professionals covers contingent and permanent placements, and tech. solutions covered under a statement of work.

inhouse

A unique on-site solution for managing a client's workforce with specific skill sets and a fluctuating level of demand, aiming to improve clients' labor flexibility, retention, productivity and efficiency.

global businesses

A range of HR services, such as managed services programs, recruitment process outsourcing, career mobility and outplacement, workforce consultancy, and online talent acquisition.

our strong foundation.

Our strong foundation consists of our core values, human forward promises, and four building blocks of 'best people', 'strong concepts', 'excellent execution', and 'superior brands'. Building on this strong foundation is a key element of our [strategy](#). Alongside these elements, our [sustainability fundamentals](#) ensure that, as a business, we safeguard health and safety, labor and human rights, a responsible supply chain, environmental care, corporate citizenship, and tax transparency and compliance.

core values

Our core values, established in the company's early days, represent the foundation of our culture. We use them as a guide in every decision we make and every action we take.

to know

We know our talent, our clients, their companies, and our business. In our business it is often the details that count the most.

The more we know people, the better we can understand what they need. When we know what makes them tick, we can empathize with their situation and find solutions that truly help them.

to serve

We succeed through a spirit of excellent service, exceeding the core requirements of our industry.

We act in service to talent and clients. Not for our success, but for theirs. We make sure that they are seen and heard at every step of the experience. We go beyond what is expected of us and do everything in our power to make their success our priority.

to trust

We are respectful. We value our relationships and treat people well.

We build life-long relationships with our expertise and empathy. We deliver on our promises and offer clients and talent our extensive knowledge of the world of work. We listen to them, try to understand their challenges, and keep them informed at every stage of the process. This is how we create life-long relationships based on trust that adds real value.

striving for perfection

We always seek to improve and innovate. We are here to delight our clients and talent in everything we do. This gives us our edge.

To stay at the forefront of conversations about the future of work, and offer more ways to exceed expectations in the client and talent experience, we must continuously innovate. We strive for excellence in our people, our processes, and our perspective. We use the best that tech and touch has to offer to ensure that we continue to grow and improve. We operate at the intersection of real conversation and technology, and get the best out of both.

simultaneous promotion of all interests

We see the bigger picture, and take our social responsibility seriously. Our business must always benefit society as a whole.

Finding the right fit starts with serving talent and our clients. But our solutions go a significant step further. Our efforts contribute to sustainable economies, economic growth, and business prosperity. Our contribution to conversations about workplace diversity, inclusion, fair pay, and effective benefit schemes open up new opportunities for those who are often overlooked. And our commitment to social responsibility sets a standard for others to follow.

our strong foundation.

human forward promises

Our Human Forward promises always guide our behavior, no matter whether it is about our human interactions or about how we apply our HR technology.

transparency

Clients get insight into how their HR needs are being met and candidates know where they stand in their job search.

guidance

Clients have an HR partner throughout the business lifecycle and the talent we serve can count on a partner in every step of their career.

proactivity

Clients stay steps ahead in the competitive world of talent and we help people find jobs even before they start looking.

best people

The true value of our business lies in our people. Randstad aims to attract agile people who are capable of effectively dealing with and responding to rapidly changing circumstances and whose values and beliefs match our own. Randstad is also strongly committed to equity, diversity and inclusion. We believe this helps us build a more productive and innovative workforce. We take pride in working with the best talent in the industry. We challenge them to perform to the best of their ability and seize opportunities to develop their (international) career within Randstad. It is our passion to ensure our people enjoy the best work environment, excellent training, exciting and diverse career opportunities, and all the support they need to realize their full potential.

strong concepts

In a business concept, we capture the overall value proposition that consistently serves specific customers' needs, whether a client or talent. Our concepts are unique, high-quality winning formulas that are delivered to customers through a specific service or group of services. Our services range from permanent to temporary filling of roles at all levels, as well as solutions tailored to a customer's individual needs. We have global platforms in place to share best practices, ensuring that new services can be rapidly replicated and leveraged in other markets, while it is relatively easy to adapt them to meet specific local or client needs. Our services fall into four concept categories: Staffing, Inhouse, Professionals, and Global Businesses.

staffing

Staffing is our most traditional concept and covers both temporary staffing, where we charge our clients based on the hours worked, and permanent placements, where we charge our clients a recruitment fee based on the individual's salary. Our Staffing teams place workers in light industrial, office & administrative, manufacturing & logistics, and other specialty areas. As part of our Staffing business, we also guide talent in suggesting training that could support a next step in their career. In addition, we offer payrolling services, taking over the administrative payroll burden of our clients, so that they can focus on their core business.

inhouse

Randstad's Inhouse concept provides solutions for companies requiring large-volume workforces in a limited number of profiles. Our dedicated consultants work on-site, using processes tailored to our clients' needs. By providing flexible work solutions designed exclusively for each client and often complemented by workforce scheduling tooling, we help our clients improve labor flexibility and productivity, as well as achieve cost savings, increased employee retention, and stronger employee engagement. Segments served in this way include fast-moving consumer goods (FMCG), automotive, life sciences, contact centers, manufacturing and logistics, as well as the administrative and professionals segments. As part of this service, we offer planning of the client's workforce, both their temporary and permanent employees. Inhouse services are usually billed based on the number of hours worked.

our strong foundation.

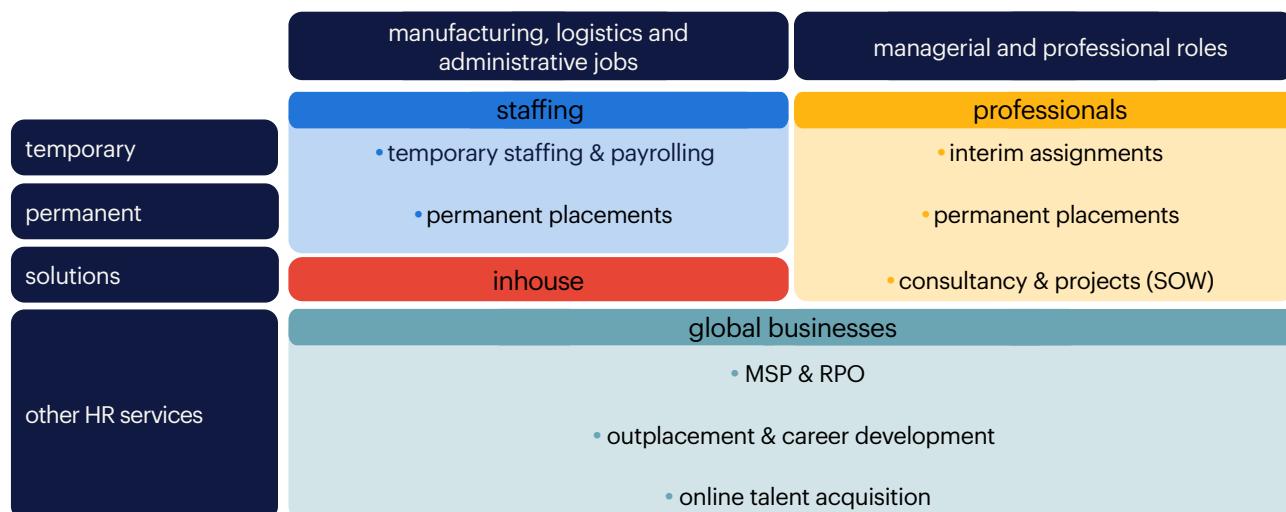
professionals

As part of our Professionals offering, we source experienced staff for managerial and professional roles across a wide range of sectors and disciplines, including IT and engineering, sales and marketing, healthcare, HR and education. Our consultants are experts in their specific fields, and have strong social networks. They place people on a contingent (temporary, independent contracting, or secondment) basis, as well as in permanent positions. Clients using these services range from blue-chip multinationals and consulting firms to governments and SMEs. During the pandemic, cross-border arrangements where talent work remotely from another country for our clients has gained momentum for Professionals, as well as the demand for international brokerage and contingent services. Similar to Staffing, we charge clients based on hours worked. For permanent placements, we charge a recruitment fee based on their salary.

Under the Professionals concept, Randstad also offers outcome-based solutions delivered by high-level IT professionals and expert managers under the supervision of Randstad. We offer these under a statement of work (SOW) arrangement based on agreed deliverables, where we take on responsibility for achieving project milestones and deadlines. These solutions are billed based on hours worked or on specific milestones in a project.

our strong concepts

Randstad supports talent and clients at all levels by providing a wide variety of services



our strong foundation.

recruitment process outsourcing

Our Recruitment Process Outsourcing services take full or partial control of our clients' internal recruitment and talent acquisition process to strengthen their permanent workforce and reduce their administrative burden and costs. We provide tailor-made, own-branded, and on-site HR services to manage vacancies, screening and assessment. Although we mostly recruit a client's permanent personnel, in some cases contingent workers may also be included, as part of an integrated model. Typically a fee is charged per position successfully fulfilled.

outplacement and career development

We partner with companies across the globe as they flex, adapt, and transform their businesses. Our approach to talent mobility helps organizations adjust their workforce to changing circumstances. We advise and support organizations in situations in which employment contracts need to be terminated for strategic or other reasons. We help employees to find suitable new employment, facilitate training and provide career development guidance where necessary, and try to make the transition as smooth as possible. These services are commonly charged on the basis of a transactional fee.

online talent acquisition

We offer easy-to-use job boards and digital hiring solutions through our Monster platform. Employers can post jobs to find employees for their vacancies. Monster then distributes job opportunities through a broad online network to find suitable talent, delivering a quick and easy way to fill vacancies. For talent, Monster provides online job searches, résumé assessments, and job-fit scoring to show them which jobs are most relevant to their skills and interests. In addition, Monster provides talent with online career advice, giving information to help them identify the right fit, get ready for a search, and find a job that meets their needs.

excellent execution

The true value of our strong concepts and services relies on excellent execution. To support our employees in their daily work, we have implemented several best practices and digital tools that help them be as effective as possible in meeting and exceeding the needs and wishes of clients and talent. As excellent execution

depends on the excellence of our people, we also attach great value to the training and development of our employees.

Our activity-based field steering/end-to-end (ABFS/E2E) model is a fundamental way in which we deliver operational excellence. This data-driven model, designed to optimize growth and adaptability, enables us to adjust to changing market circumstances quickly. We use our ABFS/E2E model to manage and direct performance across our business on the basis of real-time, bottom-up figures. Consultants and managers have real-time insight into a range of key performance indicators and can manage and monitor performance through transparent weekly, monthly and quarterly reports. The model and easy-to-use local dashboards help managers to take quick decisions and translate them into immediate action, such as advising talent about new work opportunities and reaching out to clients with the best candidates for their vacancies at just the right time.

superior brands

Randstad is our corporate brand and the primary commercial brand that we do business as in most markets. We only take other brands to market in cases where there is a strong commercial reason to do so. This master brand strategy drives a shared connection around our Human Forward brand promise, makes it easier for clients to do business with us across capabilities, and allows us to maximize our marketing return on investment.

An overview of the services we offer under our key brands is given on the next page.

In order to measure and track the strength of our superior brands around the globe, each year Randstad undertakes a Brand Guidance Survey in 21 countries, covering more than 80% of the global economy. In 2021, the survey continued to demonstrate a strong global alignment with our chosen positioning, with a majority of talent and employers in all markets recognizing Randstad as a category leader. The Randstad brand also demonstrated relative outperformance in key markets across a number of brand funnel metrics, including preference and NPS recommendation, when compared to our traditional competitors.

our key brands

randstad

Staffing, Professionals, and Inhouse Services

Geography: Global

randstad sourceright

Managed Services Programs (MSP) and Recruitment Process Outsourcing (RPO), collaboration with local Randstad partners for all other service offerings

Geography: Global

randstad risesmart

Outplacement, talent mobility and career coaching

Geography: Global

MONSTER

Online talent acquisition, talent management and analytics solutions

Geography: Europe, North America

ausy by randstad.

IT and engineering consultancy, projects, outsourcing (SOW), and Professionals

Geography: Europe

expectra by randstad.

Professionals

Geography: France

appel medical by randstad.

Professionals recruitment, focus on healthcare

Geography: France

tempo team

Staffing and Inhouse Services

Geography: Netherlands, Belgium, Germany

YACHT

a Randstad company

Professionals, Inhouse Services, payrolling, and trainee programs

Geography: Netherlands

GULP

experts united

Professionals, focus on IT, engineering, finance & life science solutions

Geography: Germany

twago

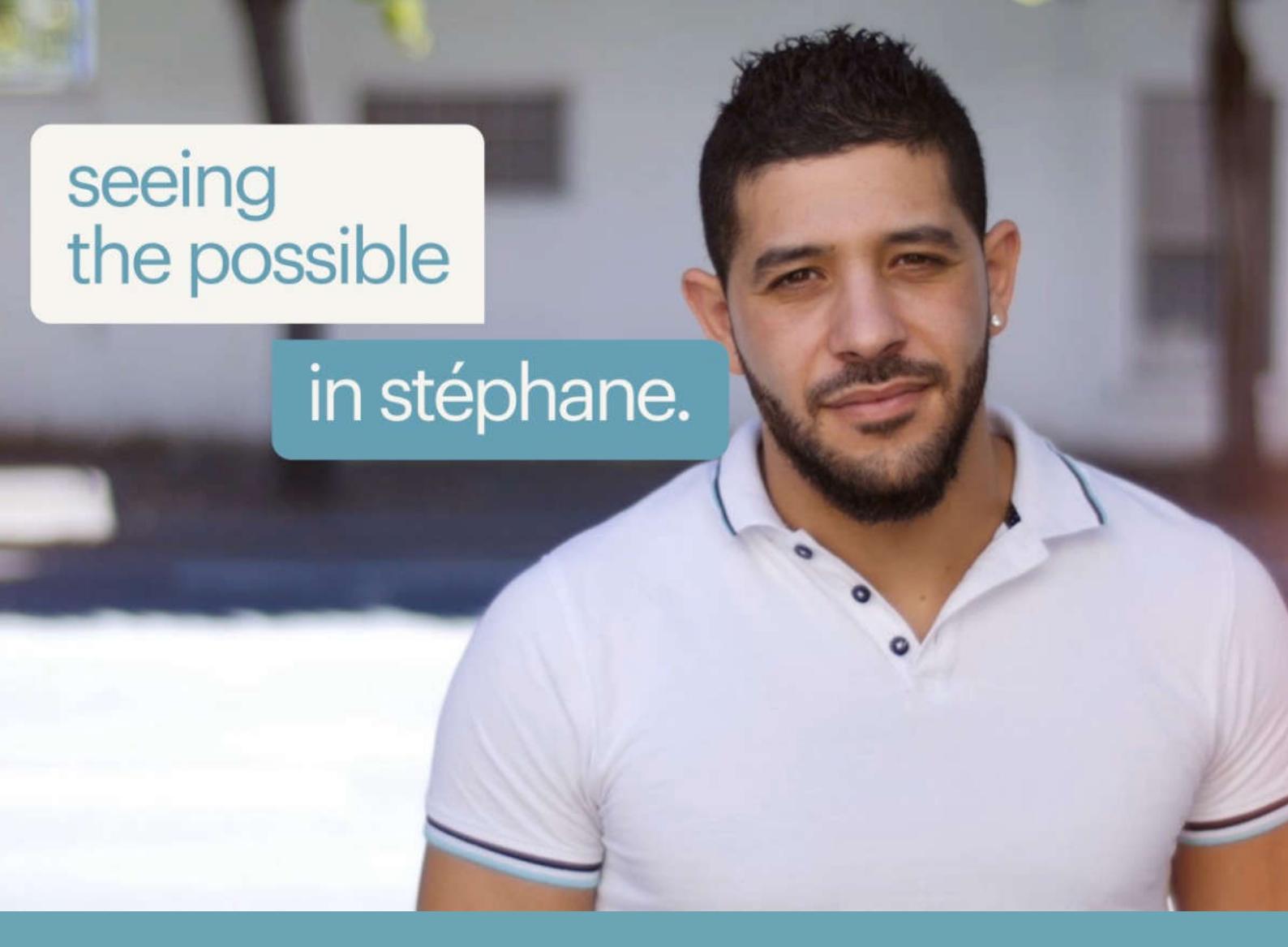
MSP connected to freelance marketplace

Geography: Europe, North America

SPHERION STAFFING & RECRUITING

Staffing and Inhouse Services (franchise)

Geography: United States



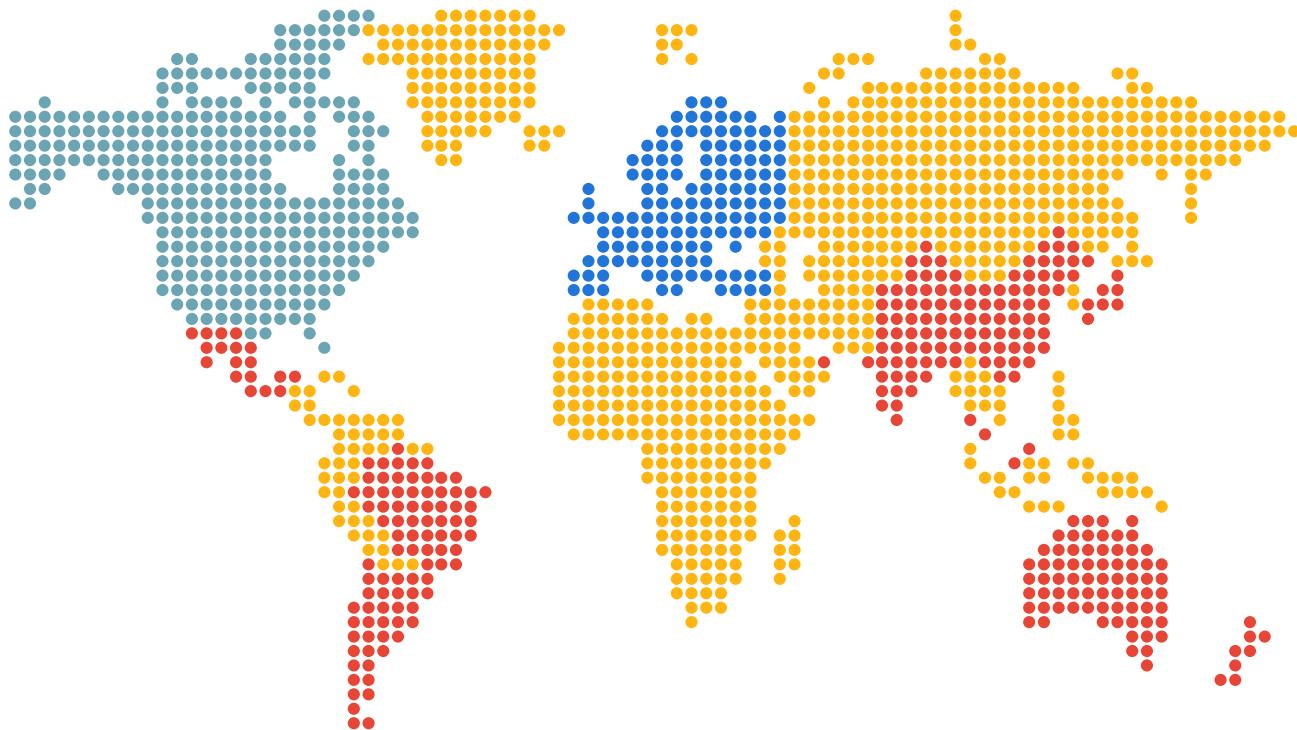
seeing
the possible

in stéphane.

"Thanks to Randstad's various temporary assignments, I have managed to retrain from accounting assistant to bricklayer, so I'm literally building my own career."

Watch Stéphane's story 

our global presence.



north america

- revenue € 4,558 million
- 6,530 corporate staff
- 92,900 candidates (avg. weekly)
- 1,208 outlets, incl. 524 inhouse

europe

france

- revenue € 3,625 million
- 4,460 corporate staff
- 84,200 candidates (avg. weekly)
- 645 outlets, incl. 281 inhouse

netherlands

- revenue € 3,413 million
- 3,890 corporate staff
- 72,000 candidates (avg. weekly)
- 618 outlets, incl. 341 inhouse

germany

- revenue € 1,895 million
- 2,860 corporate staff
- 38,300 candidates (avg. weekly)
- 563 outlets, incl. 284 inhouse

italy

- revenue € 1,978 million
- 2,490 corporate staff
- 53,800 candidates (avg. weekly)
- 274 outlets, incl. 39 inhouse

belgium & luxembourg

- revenue € 1,600 million
- 2,080 corporate staff
- 44,200 candidates (avg. weekly)
- 333 outlets, incl. 186 inhouse

iberia

- revenue € 1,502 million
- 2,160 corporate staff
- 60,400 candidates (avg. weekly)
- 380 outlets, incl. 166 inhouse

other european countries

- revenue € 2,325 million
- 3,670 corporate staff
- 63,400 candidates (avg. weekly)
- 520 outlets, incl. 268 inhouse

rest of the world

- revenue € 2,504 million
- 5,530 corporate staff
- 134,600 candidates (avg. weekly)
- 251 outlets, incl. 74 inhouse

global businesses

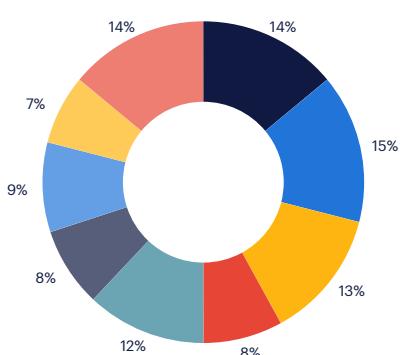
- revenue € 1,235 million
- 5,540 corporate staff
- 9,500 candidates (avg. weekly)
- 135 outlets

We also have a number of strategic alliances to expand our global reach.

geographic spread.

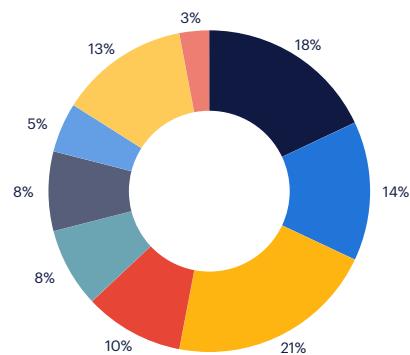
geographic spread of staffing revenue

staffing revenue € 12,206 million



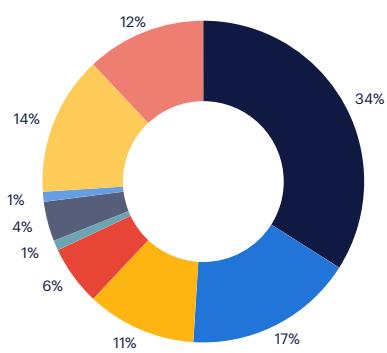
geographic spread of inhouse revenue

inhouse revenue € 5,942 million



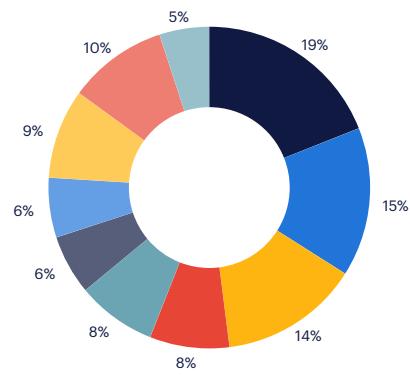
geographic spread of professionals revenue

professionals revenue € 5,252 million



geographic spread of total revenue

total revenue € 24,635 million



● north america

● france

● netherlands

● germany

● italy

● belgium & luxembourg

● iberia

● other european countries

● rest of the world

● global businesses



seeing
the possible

in people.

Over the past year, the world of work has seen transformative change. As the world's largest HR services provider, we have experienced this change first hand. While we continue to help people get rewarding jobs, the goalposts have shifted. Many people have taken a step back to re-evaluate what is important to them, what they want out of their work life, and what might be possible. At the same time, with talent scarcity being a major concern, companies are increasingly relying on us to help them build the high-quality, diverse, and agile workforces they need to run successful and dynamic businesses.

That's why at Randstad we focus on seeing the possible in people. We look beyond a person's résumé to see what their possible is, so that we can help them realize their full potential throughout their working life. We want to understand what individuals want from the world of work, and help them achieve it. We want to know what gives them a sense of purpose, what makes them tick, and what inspires and motivates them. Through this focus on talent, we are in a better position to help our clients build engaged workforces. After all, business success is driven by talent. When people are proud of their work, happy with their employer, and feel like they're in the right place, they will be more energized and more effective.

Watch our brand video 'seeing the possible in people'





the right connections

We help talent make the right connections using smart technology and insightful data. And since we automate key parts of the process, we can devote more time to what matters most: getting to know people and their possible. Similarly, we get to know our clients, understanding where they want to go. Knowing their industry, their strategy, their culture, and their ambitions is a prerequisite to be able to make the best connections with talent. We help our clients find the right people at the right time, and can also help them unlock the potential they already have in their organization. This will allow our clients to build successful teams, making their companies more resilient to change in a world of work where employers are competing for quality talent.

making flexibility work

While companies are reshaping their workforces to make them more agile and efficient, for talent, too much flexibility can feel short-term and insecure. In this new world of work, our role as an intermediary is therefore essential. We can give people confidence and help them see and believe in their futures, while also providing the support and security they need today. By seeing the possible in people, we can make flexibility work, enabling our clients to hire the best talent when they need them, and enabling talent to seize new opportunities, learn new skills, and take on various roles that suit their needs over time.

long-term relationships

This approach means that our staff gets – and stays – closer to talent and clients than ever before. Our technology supports us in this, providing new insights, highlighting new opportunities, and enabling fast and efficient connections with people. Together with our clients, we help talent realize their true potential throughout their working lives, providing opportunities for reskilling, upskilling, and redeployment. At the same time, we help clients navigate the complex issues that go with building and maintaining a workforce in a rapidly changing world. In this way, all our services will foster long-term relationships, enabling people and companies to move forward – human forward.

making an impact

As a trusted and knowledgeable partner to the talent and clients we serve, we want to be the ally that people come back to because we listen, take a genuine interest in the journeys they're on, and do our best to help them fulfill their ambitions. We want to be a partner that's just as good at staying in touch as at proactively finding opportunities to fit every stage of a person's career. In doing so, we are touching more and more people's work lives. And if we can make a positive impact on the work lives of 500 million people by 2030, we will make an impact on the way the world works.

management report.



- 21 how we create value
- 24 integrated reporting framework
- 26 the world around us
- 32 our strategy and progress
- 42 our value for clients and talent
- 48 our value for employees
- 54 our value for investors
- 59 our value for society
- 66 sustainable development goals
- 71 sustainability fundamentals
- 87 performance
- 106 risk & opportunity management

how we create value.

input: our key assets

human

We pride ourselves in developing the best HR professionals in the world.

intellectual

Our knowledge, experience and strong brands ensure the highest quality service and concepts.

technological

Ability to scale up proven innovations quickly around the world.

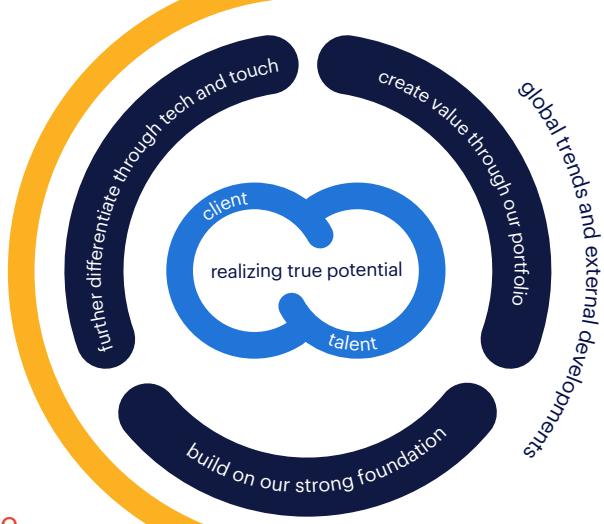
financial

A sustainable mix of debt and equity investments and a sound financial position.

societal

Proactive interaction with governments and policy makers, industry and employer organizations, NGOs, and other bodies.

our business model



output: the value we create

€ 24,635 mln
revenue

2,082,000
candidates placed

8.1
employee engagement score

+19.5%
organic revenue growth

36%
of workers < 25 years

235,000
client relationships

276,100
permanent
placements

50%
women in senior
leadership positions

€ 1,095 million
EBITA

14%
of workers > 50 years

406,400
candidates trained

45,600
employees trained

€ 590 million
free cash flow

included in
Dow Jones
Sustainability Index

outcome: simultaneous promotion of all interests

talent, clients and society at large benefit greatly from the human and financial capital impact created by Randstad

talent

We help talent find rewarding jobs and develop their skills.

employees

We offer continuous development and meaningful career opportunities.

society

Through our core activities and active dialogue, we help shape the world of work.

clients

We help our clients to find the best talent.

investors

Through our strategy and ambitions, we ensure long-term economic value for our investors.

impact

our ultimate goal: touch the work lives of 500 million people worldwide by 2030

our contribution to SDGs

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

13 CLIMATE ACTION

key material topics

To identify key material topics in the dynamic world of work, we take input from both inside and outside of Randstad. We performed our most recent materiality assessment in 2021. This assessment was conducted by independent consultants in order to validate our current material topics and identify new topics.

approach of the assessment

We defined and prioritized the ESG (Environmental, Social and Governance) issues that matter most to our stakeholders. A materiality matrix was constructed by considering the interests and expectations of key stakeholders and the evaluation of our company's environmental, societal and governance impacts through desk research, interviews and workshops with Randstad's clients, employees, talent, investors, public organizations, and suppliers. Senior management and members of the Executive Board participated in the interviews, workshops and final approval of the updated materiality matrix.

double materiality

We conducted a double materiality approach, which takes into account both the outside-in perspective (assessing a topic's impact on Randstad's business), and the inside-out perspective (assessing the impact of Randstad's business on a topic). An initial longlist was drawn up by selecting topics that meet our materiality design principles, based on standards set by GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board). This means that the topics cover both internal and external factors, have (potential) impact on our company's bottom line, and lie within our sphere of control and influence. Purely financial and operational issues, as well as hygiene factors, are excluded. A selection of topics from the longlist was subsequently promoted to the list of material topics, depending on the related risks and opportunities and the extent of the outside-in impact on Randstad for each topic. These topics were then validated and prioritized by our stakeholders and taking in account the inside-out business impact and actionability. Based on input provided by our stakeholders, the topic 'policy & industry involvement' was added to the list. The validation and prioritizing process resulted in stakeholder interest and business impact scores per topic.

We identified 14 topics, compared to 23 in our previous assessment. Eleven topics were taken out, while two new topics ('upskilling & reskilling for talent' and 'digital equality') were added. These changes show a shift in the perception of Randstad's business impact, as well as in the interests of our stakeholders, moving increasingly toward our value for society. More information about the changes can be found in the section '[about this report](#)'.

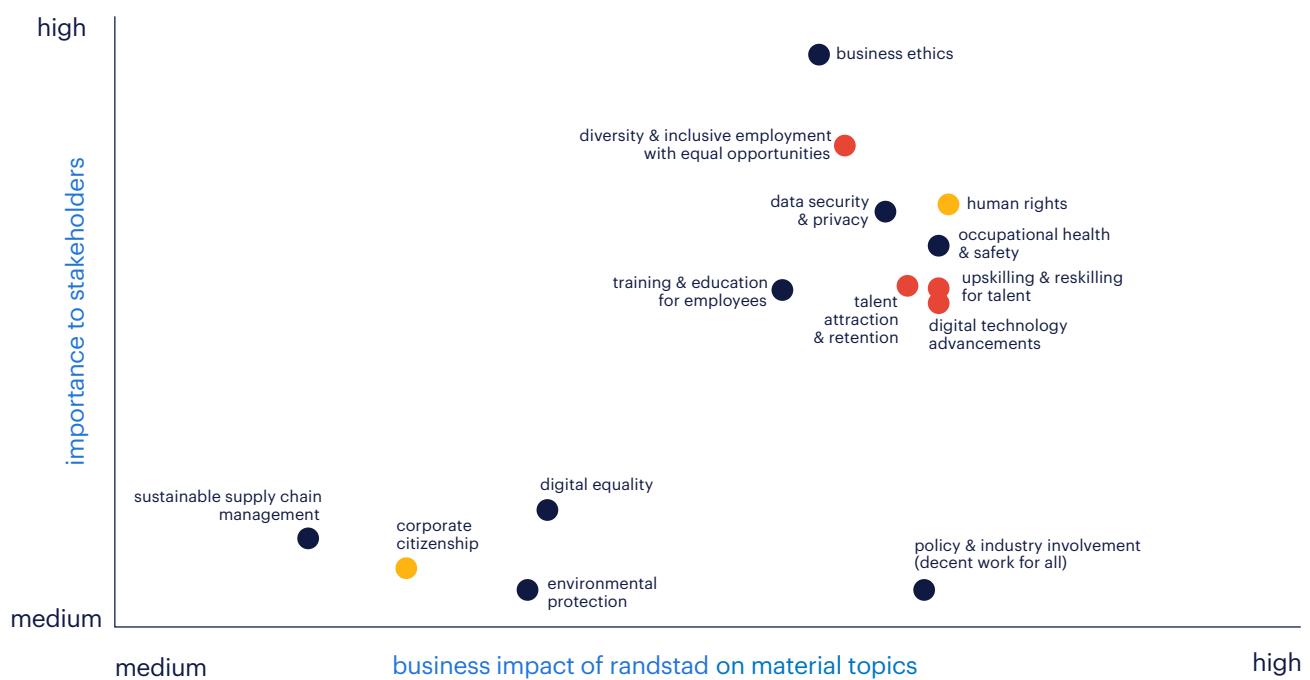
outcome

We report on our key material topics at least annually in our Annual Report. To do so, the 14 material topics are captured in a materiality matrix, where the importance for stakeholders is plotted on the y-axis and the business impact is plotted on the x-axis. The materiality matrix does not reflect regional or cultural differences. The focus areas for acceleration (red dots) have a substantial business impact, are important to stakeholders, and are closely related to Randstad's must-win battles. The sustainability enablers (blue dots) are important enablers that put Randstad in the right position to address the four acceleration topics as well as the other materialities. For the more locally oriented operational management topics (yellow dots), Randstad sets the standard at a global level, but success is largely dependent on local execution. In 2021, we updated our materiality matrix, and we are currently still in the process of setting all KPIs or qualitative disclosures relating to the material topics. As this is an ongoing process, new KPIs or qualitative disclosures will be reported in the future.

consistent material topics

Besides the two new topics, twelve topics were again found to be material to Randstad's business. Compared to the previous assessment, our stakeholders showed an increased interest in 'business ethics', 'corporate citizenship', and 'environmental protection'. On the other hand, our stakeholders were less concerned by 'data security & privacy', although it was still perceived to be of high importance. We saw an increased business impact with regard to 'human rights', 'occupational health & safety', 'training & education for employees', 'policy & industry involvement', and 'sustainable supply chain management'.

materiality matrix



focus areas for acceleration	group-level policy	management at local level
Digital technology advancements (see page 37)	Occupational health & safety (see page 77)	Human rights (see page 73)
Upskilling & reskilling for talent (see page 59)	Data security & privacy (see page 73)	Corporate citizenship (see page 81)
Talent attraction & retention (see page 51)	Business ethics (see page 71)	
Diversity & inclusive employment with equal opportunities (see page 60)	Training & education for employees (see page 52)	
	Policy & industry involvement (see page 64)	
	Digital equality (see page 59)	
	Environmental protection (see page 78)	
	Sustainable supply chain management (see page 76)	

integrated reporting framework.

strategy	values	material topics	risks
 <p>touch the work lives of 500 million people worldwide by 2030</p> <p>further differentiate through tech and touch</p> <p>create value through our portfolio</p> <p>build on our strong foundation</p> <p>value drivers</p> <p>contributing to economic growth</p> <p>shaping the world of work</p> <p>fostering inclusive employment</p> <p>connecting with people</p>	<p>value for clients optimal workforces</p> <p>value for talent the best jobs</p> <p>value for employees employer of choice</p> <p>value for investors creating EVA</p> <p>value for society shaping the world of work</p> <p>sustainability fundamentals</p>	<ul style="list-style-type: none"> Business ethics Data security & privacy Diversity & inclusive employment with equal opportunities Human rights Digital technology advancements Occupational health & safety Training & education for employees Talent attraction & retention Corporate citizenship Upskilling & reskilling for talent <ul style="list-style-type: none"> Business ethics Occupational health & safety Upskilling & reskilling for talent Diversity & inclusive employment with equal opportunities Training & education for employees Data security & privacy Talent attraction & retention Digital technology advancements Human rights Digital equality <ul style="list-style-type: none"> Business ethics Diversity & inclusive employment with equal opportunities Human rights Digital technology advancements Upskilling & reskilling for talent Talent attraction & retention Data security & privacy Occupational health & safety Training & education for employees Corporate citizenship <ul style="list-style-type: none"> Business ethics Data security & privacy Human rights Talent attraction & retention Sustainable supply chain management Environmental protection Digital technology advancements Occupational health & safety Diversity & inclusive employment with equal opportunities Training and education for employees <ul style="list-style-type: none"> Upskilling & reskilling for talent Diversity & inclusive employment with equal opportunities Training & education for employees Talent attraction & retention Business ethics Occupational health & safety Human rights Digital technology advancements Policy & industry involvement Data security & privacy <ul style="list-style-type: none"> Business ethics Environmental protection Occupational health & safety Sustainable supply chain management Corporate citizenship Human rights 	<ul style="list-style-type: none"> Changing macroeconomic and regulatory conditions Contract liability and delivery Workplace health and safety regulations <ul style="list-style-type: none"> Technological disruption Information technology and cyber security Workplace health & safety regulations <ul style="list-style-type: none"> Talent attraction & retention Technological disruption Information technology and cyber security <ul style="list-style-type: none"> Credit risk Changing macroeconomic and regulatory environment <ul style="list-style-type: none"> Competition regulations Tax and labor regulations <ul style="list-style-type: none"> Data protection regulations

¹ Progress on KPIs per pillar is reported both in the value chapters and in the performance section.

KPIs¹

- # of client relationships
- Customer delight
- Market share
- Investments in innovation
- # of hires by clients (temp to perm)
- Digital initiatives
- # of active platform visitors
- Level of data protection testing

- Talent satisfaction
- # of candidates trained; training hours
- # of candidates placed
- # of permanent placements
- Average length of employment
- # of hires by clients (temp to perm)
- # candidates placed younger than 25 or older than 50
- # candidates redeployed
- Level of data protection testing

- Proportion of males and females in senior leadership positions
- # of employees trained; training hours
- Employee retention rate
- Engagement score
- Average length of employment and type of contract
- Employees by age group
- # of interns

- EBITA
- Incremental conversion ratio
- Recovery ratio
- Free cash flow

- Staffing penetration rates in our markets
- Thought leadership events
- Research and publications

- # of hours and employees involved in VSO
- # of employees trained in business principles
- # of business principles incidents (misconduct)
- Brand ranking
- Injuries and fatalities during work
- Sickness absence
- Sustainable procurement
- Measures to decrease environmental footprint

measurable targets

- Implementation of customer delight in top 8 markets and significant improvement of scores
- Increased market share in our main markets

- Increased # of initiatives to place talent with disabilities
- Increased # of initiatives to guide people from unemployment to employment
- Increased utilization of candidate databases
- Increased talent satisfaction (customer delight)

- 50% women in senior leadership positions
- Engagement score higher than benchmark (participation rate of 80% or higher in Randstad in Touch)

- EBITA margin of 5% to 6% over time
- Incremental conversion ratio towards 50%
- Recovery ratio ≥ 50%
- Dividend payout ratio of 40% to 50% of adjusted net income
- Increase of market share
- Optimization of economic value added (EVA)

- Increased staffing penetration rates in top 8 markets, where measurable

SDGs

8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



5 GENDER EQUALITY



4 QUALITY EDUCATION



13 CLIMATE ACTION

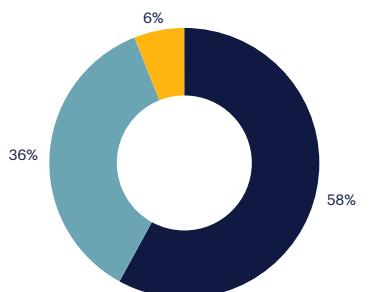
the world around us.

global HR market

According to estimates by Staffing Industry Analysts (SIA), in 2021, the HR services industry had a global market size of about € 476 billion, implying a 17% increase compared to 2020. As the global leader in HR services, we see it as our responsibility to play an active role in developing the industry in the long term.

global HR services market 2021

as % of total € 476 billion



- staffing: € 275 billion
- professionals: € 173 billion

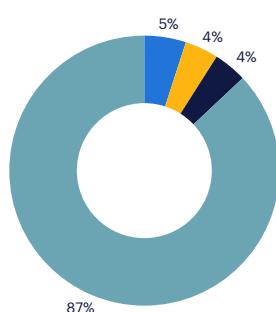
- executive search: € 27 billion

Source: Randstad estimates and 2021 SIA reports (SIA changed market definition in 2021)

The highly fragmented HR services industry is divided roughly into three main segments: staffing, professionals, and executive search. Randstad is primarily active in the first two. The global staffing market is worth an estimated € 275 billion, comprising Randstad's services portfolio of Staffing (including

global market share 2021

total HR services market: € 476 billion



- Randstad
- Adecco

- Manpower
- Rest of the market

Source: Randstad estimates, 2021 Bloomberg consensus and 2021 SIA reports (SIA changed market definition in 2021)

permanent placements), Inhouse, Recruitment Process Outsourcing (RPO), Managed Services Programs (MSP), Payrolling, Outsourcing, and Outplacement, accounting for around 80% of our revenue. The global professionals market is worth around € 173 billion, and accounts for around 20% of our revenue. Randstad's Professionals segment includes permanent and temporary placement of qualified professionals and talent from a wide range of industry backgrounds, as well as statement of work (SOW).

global trends

Geographically, Randstad is active in countries representing over 90% of the global HR services market, and [our strategy](#) has been designed to capitalize on the trends in these markets.

In recent years, the world of work has been experiencing transformative change, driven by technological innovation, demographic shifts, globalization, and climate change. In addition, the COVID pandemic has accelerated the shift to new ways of working. Randstad believes that we should expect continued change. People and businesses will need to be able to constantly adapt and be flexible. As global leader in the HR services sector, Randstad is well-positioned to help shape this new future of work.

Randstad identifies four general global trends that affect our business and which provide opportunities for future growth: (1) change is the new norm; (2) a job for life is no longer a given; (3) technology has changed people's customer service expectations; and (4) the role of work in people's lives is a constant.

change is the new norm

Technological progress is quickly and fundamentally changing the way we live, work, and relate to each other. New innovations and startups, as well as big data, have disrupted the HR services market. In addition, artificial intelligence and robotics are increasingly taking over tasks that used to be performed by people. While some jobs will disappear, many new ones will be created. OECD estimates in 2019 projected that around 15% of current jobs would disappear due to automation, and another 32% would require substantially different tasks and skills over the next few decades.

the world around us.

Both employers and talent have to adapt to a constantly shifting picture and a global economy that is characterized by growing internationalization across industries. At the same time, there is a growing mismatch between the qualifications, skills and preferences of workers and the rapidly evolving demands of the labor market. In addition, an aging and declining population in the developed world is leading to a shortage of people with vital skills and capabilities.

On the other hand, in emerging and developing countries, changing population dynamics have led to a bulge in the proportion of the young population entering the labor market, fueling urbanization and contributing to an ongoing interest in international migration. Around the world, hundreds of millions of people are living (and in large part working) in a country other than that of their birth. Geographic mismatches between employers and employees, as well as local talent shortages, such as in STEM (science, technology, engineering and mathematics) disciplines, are likely to continue to be influential in the years to come. Inevitably, labor migration issues raise complex and sensitive political, human rights, economic, and social concerns, as well as an array of legal and regulatory challenges.

Randstad supports talent and clients in dealing with this continuously changing world of work by providing career advice, access to reskilling and upskilling, talent mobility services, and client workforce planning. We also carry out regular research, such as our quarterly [Talent Trends reports](#), into the prospects and preferences of talent around the world. Our global brands, from Randstad Sourceright to Randstad RiseSmart, provide our multinational clients with support for their cross-border needs, ensuring aligned and optimized services irrespective of geographical location. In addition, Randstad aims to serve and influence society at a global level by conducting research and participating in global forums, such as the Organisation for Economic Co-operation and Development (OECD), the World Economic Forum (WEF), and the B20, as well as through our membership of international and central employers' organizations.

a job for life is no longer a given

For both employers and talent, flexibility is the new standard. Today's younger generations expect to have multiple job and career changes, spells of freelancing, gig work, or temporary contracts. For them, it will no longer be about finding a specific job or employer for the long term, but rather about having relevant work throughout their working lives. They will need to adapt to a continuously changing economy.

The fast growing imbalance between in-demand jobs and available talent will require companies to be more fluid in running their workforces and work harder to find, attract, and retain the right people. Organizations can no longer expect to find ready-made talent for all their vacancies. They should therefore be prepared to play a part in training, reskilling, and upskilling their employees on a regular basis. Research carried out by the World Economic Forum suggests that about 50% of all employees will need reskilling by 2025. At the same time, individual people will increasingly need to move away from traditional career paths and think more in terms of their competencies and strengths in regularly changing roles.

Over the years, Randstad has made significant investments in data analytics, providing predictive insights into labor market trends and in-demand skills requirements. We leverage these insights to prepare organizations and their workers for the future. We provide guidance to clients on what is required to develop crucial capabilities within their workforce and attract quality talent. In addition, we help talent make data-driven decisions about the best next step in their career, based on the market outlook for specific jobs as well as their personal skills fit. We also help organizations manage changes and transitions in their workforce through redeployment and outplacement support.

technology has changed people's customer service expectations

As technology advances, stakeholder expectations on experience and service continue to rise. Current technological realities, such as hyperconnectivity, the always-on 24/7 economy, personalization, and instant gratification, drive ever higher customer expectations. People expect processes to be quick, easy, and accessible, trustful and transparent, relevant and personal. They find it normal to give feedback and share their experiences on social media. And ultimately, they

the world around us.

want to feel supported in achieving their life goals and receive exactly the right services at the right time.

As a result, technology has made the world more transactional, and those transactions are more seamless than ever. However, there are areas of life where technology must be an enabler of the human connection, not a replacement for it. People often want to start the service process online, but they also expect personalized interactions. They want help fast, and they want to be heard. And they expect companies to be proactive. That's why the human connection remains more important than ever.

At Randstad, we anticipated early on that technology was going to disrupt the HR services landscape. Our investments through the Randstad Innovation Fund have helped us become a frontrunner in HR tech. Going forward, we aim to continue to leverage the best HR technologies available in an ethical way, combining these with our traditional added value of genuine human interaction with clients and talent. In addition, we carry out relevant research into the specific effects of digitalization on the labor market, contributing to the discussion and influencing policy-making in this regard.

the role of work in people's lives is a constant
Work in all its forms plays a pivotal role in many aspects of people's lives, economically, socially, and in the broader sense of well-being. Work can and should provide purpose, dignity and security. In a world characterized by flexibility and change, current social and governance policies do not always provide enough protection. Specifically, the increase in gig work has sparked concern around employment rights. The Black Lives Matter protests in the US have shone a spotlight on the need for equity for ethnic minority groups. At the same time, society is still struggling with the underrepresentation of women and the LGBTIQA+ community. This scrutiny is increasingly being applied to the workplace, and employers are expected to show they are rising to the challenge.

As workers increasingly want to choose for themselves where, when, and how they work, employers need to facilitate work forms that cater for dynamic work experiences and flexible job opportunities, enabling people to combine and mix work with their personal life and development – in a balance of their own choosing.

And in an increasingly complex and at times unpredictable environment, companies need to be agile and adaptable to stay competitive. This is inevitably leading to a wide variety of work forms, ranging from full-time, permanent forms to part-time, temporary and contract work, agency work, remote working and self-employment.

Randstad continues to be an advocate of enabling a flexible, agile, and diverse workforce while promoting well-regulated work. 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. We refer to this as our social innovation agenda, in which we combine the elements of work, social protection, and learning and development to enable everyone to thrive in a sustainable and inclusive labor market.

regulatory environment in our markets

The increasing variety of work forms needs to be appropriately regulated. This requires a level playing field for all stakeholders and includes providing for decent work and income, equal opportunities, and adequate social security on the part of workers. There are major differences in the levels of legislation around the globe. In mature staffing markets, temporary agency work is regulated, with the nature of that regulation varying from light to heavy. Nationally, staffing is regulated by general labor law, supplemented by specific staffing regulations regarding employment conditions and/or service provision. This is complemented by collective labor agreements (CLAs) and industry self-regulation, such as codes of conduct.

Many countries still maintain unjustified restrictions on flexible work arrangements. As a result, these forms of work often lack appropriate and fair regulation and social protection, which may also lead to an unnecessarily large informal labor market. According to the International Labour Organization's World Employment and Social Outlook, which analyzes key labor market issues, 61% of the global workforce are employed informally, without access to any form of security in their career.

the world around us.

New annual estimates in the eighth edition of the ILO Monitor: COVID-19 and the world of work confirm the massive impact that labor markets suffered in 2020. The ILO is now projecting that global hours worked in 2021 will be 4.3 percent below pre-pandemic levels (the fourth quarter of 2019), the equivalent of 125 million full-time jobs. Especially women, youth, and the medium- and low-skilled still faced the biggest deficit relative to the pre-crisis situation in 2019.

This underscores the need for a global drive to get the social innovation agenda implemented. It requires the smart combination of measures that appropriately regulate a diversity of work forms (valued by both workers and businesses) and provide unrestricted access to social security and skilling.

Randstad aims to play a leading role in achieving the necessary social innovation worldwide by voicing its views in influential settings and by taking part in the dialogue with institutional stakeholders, such as governments, policymakers, trade unions, and employers' organizations, both at the local and international level.

Randstad is also in favor of a strong social dialogue (i.e., negotiations and consultation between trade unions, employers and government representatives) and collective labor agreements in countries where this is relevant and institutionalized in order to fine-tune and customize arrangements.

ILO convention 181

The global HR services industry is regulated by the International Labour Organization (ILO) Convention 181 and Recommendation 188 on Private Employment Agencies. This Convention defines minimum standards for agency work and recruitment, especially recognizing the importance of flexibility in the functioning of labor markets. Since the Convention was adopted in 1997, it has so far been ratified by 34 countries worldwide. The World Employment Confederation and ILO are continuously promoting further ratifications. In 2018, an ILO expert group reached an agreement on the definition of recruitment fees and related costs. The aim of this clear, global definition is to eliminate unfair charges made to workers and job seekers, and to support countries in creating better regulation for the employment industry.

agency work directive

A major step forward in the regulation of the European staffing market was taken in 2008, when the European Parliament adopted the Agency Work Directive (AWD). The AWD was subsequently implemented in national legislation by the European Member States. It defines and recognizes the role of agency work and aims to identify and lift unjustified and/or disproportionate restrictions on temporary agency work, while safeguarding social rights, equal treatment, and equal pay of workers.

update on regulatory developments

In 2021, the most relevant developments with regard to regulation in our markets took place in Australia, Austria, Italy, Mexico, Spain, and Sweden.

australia

The Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Act 2021 came into effect on September 27, 2021 after a transitional period that started in March 2021. The Act introduces a requirement for employers (with more than 15 employees) to make an offer to casual employees (after 12 months of employment) to convert to full-time or part-time employment, as well as a right for casual employees to request to convert to permanent employment, based on certain conditions.

austria

In October 2021, the notice period for temporary workers was extended from two weeks to four to six weeks. As a result, it is no longer attractive for companies to hire temporary workers for more than 18 months due to the extremely long notice period that has to be taken into account.

italy

In Italy, the 24-month duration limit for staffing contracts was removed in October 2021 thanks to a social sector agreement negotiated with the trade unions. This change guarantees the continuity of income for flex workers and made more workers immediately available when the economy re-started its growth phase. The change also helped avoid the requirement of a 'reason for use' through agreements between the user company and the respective trade unions.

netherlands

ABU and NBBU, the two Dutch industry federations for temporary agency work, used to have separate Collective Labor Agreements (CLAs) for temporary agency workers. In 2018, jointly with the relevant trade unions, they started working on uniform employment conditions to create a level playing field and clear regulations for the staffing industry in the Netherlands. This was finalized in 2019. The sectoral social dialogue is also one of the main platforms in the overall debate on flexible work regulations. However, 2021 saw a breakup between the social partners in the staffing industry, resulting in a temporary CLA with only one trade union. At the end of 2021, a new CLA with all relevant trade unions was presented for 2022, which forms a solid basis for future improvements in the regulation of staffing.

mexico

Mexico's new ban on outsourcing and statement of work does not allow traditional staffing, but companies can still provide specialized services that are not part of a client company's core business activity. According to AMECH, the Mexican industry association, the regulatory change had a short-term negative impact on the formal staffing market.

spain

A labor market reform agreed by the government, unions and employers, tied to the Next Generation EU recovery fund, came into force on December 31, 2021. Changes related to temporary employment will not come into force until March 31, 2022. Although the reform limits the number of temporary contracts, the reasons for signing them, and their duration, it also includes positive elements for the agency work industry. For example, it allows open-ended agency contracts, and private employment agencies may conclude 'discontinuous permanent contracts' with agency workers to cover companies' temporary needs. The additional social contribution rates for temporary contracts with a duration of less than 30 days do not apply. Agencies are also allowed to enter into a training contract with an agency worker to cover temporary needs in different user companies. The increased penalties for the improper use of temporary contracts will also have a positive effect on the labor market in general, as it will reduce informal employment.

state of play in staffing regulations and trends, 2021

main market	regulation	regulatory trend
Argentina	restrictive	unchanged
Australia	appropriate/liberal	changed
Austria	workable/to be improved	changed
Belgium	workable/to be improved	unchanged
Brazil	restrictive	unchanged
Canada	appropriate/liberal	unchanged
Chile	restrictive	unchanged
China	workable/to be improved	unchanged
Czech Republic	restrictive	unchanged
Denmark	appropriate/liberal	unchanged
France	workable/to be improved	unchanged
Germany	workable/to be improved	unchanged
Greece	workable/to be improved	unchanged
Hong Kong SAR	restrictive	unchanged
Hungary	workable/to be improved	unchanged
India	restrictive	unchanged
Italy	restrictive	changed
Japan	workable/to be improved	unchanged
Luxembourg	restrictive	unchanged
Malaysia	appropriate/liberal	unchanged
Mexico	forbidden	changed
Netherlands	appropriate/liberal	changed
New Zealand	appropriate/liberal	unchanged
Norway	restrictive	unchanged
Poland	workable/to be improved	unchanged
Portugal	workable/to be improved	unchanged
Romania	restrictive	unchanged
Singapore	appropriate/liberal	unchanged
Spain	workable	changed
Sweden	workable/to be improved	changed
Switzerland	appropriate/liberal	unchanged
Turkey	workable/to be improved	unchanged
UK	appropriate/liberal	unchanged
US	appropriate/liberal	unchanged
Uruguay	workable/to be improved	unchanged

sweden

As part of the Staffing Act (2021: 854), a new law will come into force in Sweden in 2022, which sees to it that flex workers will be offered a permanent employment contract at the user company during a 24-month assignment within 36 months. Alternatively, they will receive a payment corresponding to 2 months' salary (white-collar) or 3 months' salary (blue-collar). The objective is to increase competence development and strengthen outplacement support.



"We strive to set an example in our industry by providing couriers with good working conditions. We employ and insure tens of thousands of couriers across Europe, and Randstad gives us the scale to make this happen. We share our company values with Randstad."

Watch the story of Jitse Groen, CEO and founder of Just Eat Takeaway.com



our strategy.

As the global no. 1 HR services provider, Randstad is driven to become the world's most valued 'working life partner', supporting as many people as possible in realizing their true potential throughout their working life. By being at the forefront of every conversation about work, we aim to become a true source of relevance and continuity for talent and a true agent of agility and effectiveness for clients, creating sustainable long-term value for all our stakeholders.

Our strategy is ambitious and aims to make a significant impact on society. Building on our strong foundation, we aim to create value through our portfolio and further differentiate through tech and touch, with the ultimate goal of touching the work lives of 500 million people by 2030.

touch the work lives
of 500 million
people worldwide
by 2030



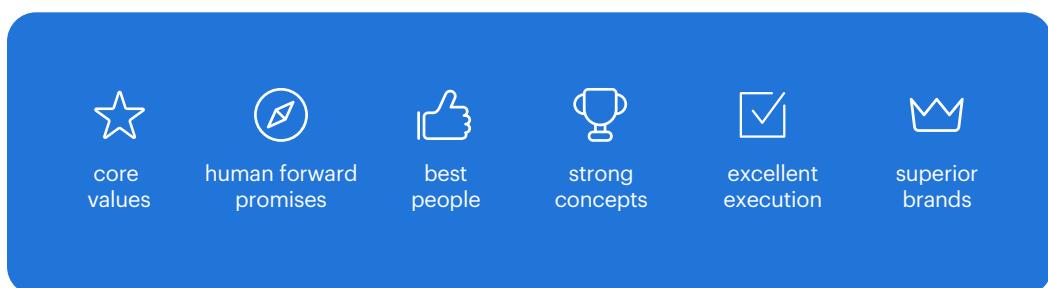
further differentiate
through tech and touch



create value
through
our portfolio



build on
our strong
foundation



touch the work lives of 500 million people worldwide by 2030

Ultimately, we aim to support as many people as possible in realizing their true potential throughout their working lives. To underpin our commitment to driving lifetime employability and contributing to economic growth for society as a whole, we have defined our ultimate goal: by

2030, we will touch the work lives of 500 million people worldwide. Our ultimate goal gives words to what we feel and what unites us as a company. It is what we believe in and where we want to go. It motivates us to move forward.

further differentiate through tech and touch

Tech and touch is what makes us unique. By combining advanced technology with the distinctive human touch of our HR professionals, we will create lifelong relationships with people. Our digital strategy focuses on building a solid technological and data-driven foundation that enables us to 'see the possible in people'. We are committed to supporting talent with both tech and touch, whether they want the convenience of a fully digital experience or need more in-depth personal guidance,

every day of their working lives. We also use data and insights to help identify new opportunities for talent they may not have anticipated themselves. And that is how we help our clients build diverse, high-quality, and agile workforces to drive successful and dynamic businesses. Our data, insights, and hands-on support make running successful HR operations easier, more efficient, and more future proof.

create value through our portfolio

In a world of work that is constantly changing and with new work forms emerging, we are always looking for ways to improve existing processes and models in order to deliver even more value to talent, clients, employees, and shareholders. We therefore commit significant resources to continuously strengthening and innovating our

concepts and ways of working that span the entire employer and employee journey and lifecycle. Specifically, we aim to create value through our portfolio by focusing on expanding our presence in concepts and geographies, leading in winning sectors, growing enterprise clients, and seeking new partnerships.

build on our strong foundation

Our strong foundation consists of our core values, human forward promises, and building blocks. Our core values – to know, to serve, to trust, striving for perfection, and simultaneous promotion of all interests – represent the foundation of our culture. Our three Human Forward promises – transparency, guidance and proactivity – will always guide our behavior, no matter whether it is about our human interactions or about how we apply our HR

technology. Our four building blocks – best people, strong concepts, excellent execution, and superior brands – work in unison. Strong concepts are of little value without the right people to make them work. Excellent execution is impossible without the right concepts and the best people, and together they guarantee superior brands.



our strategy.

Over the past six decades, we have successfully grown and expanded our business internationally, identifying new and specific needs for our clients and adapting to changing demand. This has led to the global leadership position we find ourselves in today. Current [global trends](#) accelerate the demand for our services. In a society in transition, talent is top of mind for any company. Agility and flexibility are key in an ever-changing world of work. A dynamic talent market presents great opportunities for Randstad. Talent increasingly wants support in navigating a complex and changing labor market. And clients increasingly rely on us to help them build and manage diverse and high-quality workforces to drive successful and dynamic businesses – whether they need to unlock the potential already present in their organization, strengthen their teams permanently, or find flexible solutions.

build on our strong foundation

In recent years, our strong foundation of [core values](#), [Human Forward promises](#), and [building blocks](#) has enabled us to win in the marketplace. Through our strong concepts and focus on excellent execution, we have been able to positively touch the work lives of millions of people. Underpinning this success has been our passion and the sense of purpose among our almost 40,000 employees, which has in turn allowed us to attract the best HR professionals in the world for our company. In a people service industry, the ability to attract, develop, and engage the best will enable us to go from strength to strength. For more details about our strong foundation, see the '[Randstad at a glance](#)' section.

sustainability fundamentals

With sustainability at the core of everything we do, we aim to simultaneously promote the interests of all our stakeholders, including society at large. Our [sustainability fundamentals](#) cover all Environmental, Social and Governance (ESG) matters that serve as a foundation for achieving our ultimate goal. These fundamentals ensure that, as a business, we safeguard labor and human rights, sustainable supply chain management, the health and safety of everyone we work with, taking environmental care, and good corporate citizenship, including tax transparency. By having the

right management tools, business principles, policies, and governance structure in place, we aim to comply with and where possible exceed the standards set for our industry.

create value through our portfolio

expand our presence in concepts and geographies

To accelerate further growth, we will continue to expand our presence in both concepts and geographies. Leveraging current and future market trends, we will continue to build a resilient portfolio. This protects our core, safeguards our position in the most attractive markets, and positions us well for the opportunities of the future. We see a world of opportunity in all markets. We will continue to focus on expanding our proven strong business concepts, particularly Inhouse, Professionals (permanent recruitment and global tech. solutions), recruitment process outsourcing (RPO), and managed services programs (MSP). In addition, we are accelerating the growth of our offerings in workforce solutions such as SOW management, career coaching, and talent mobility at an international scale. As the world of work evolves, new forms of work will arise, for which new services and concepts will be developed. These can progressively be delivered in a wide spectrum of models, ranging from our traditional branch network models to Inhouse on-site solutions and completely digital staffing offerings.

lead in winning sectors

With a world in transition, accelerating digitalization, and supply chains in a state of disruption, we are seeing big shifts in the economy. Thanks to our strong foundation, combined with our geographical and concept breadth, and with our unparalleled in-depth knowledge of the labor market, we support winning sectors as and when they arise. For example, the logistics sector is going through a rapid transformation and has seen tremendous growth over the past few years, accelerated by the pandemic. In response to this development, we have adapted several of our concepts specifically to this sector, including retail, e-commerce, and the gig/platform economy. Our ability to identify trends and quickly translate these into talent solutions

our strategy.

enables us to support winning sectors and help them grow further.

grow enterprise clients

At the same time, for Randstad as market leader, our **enterprise clients** form an important part of our growth strategy. We are accelerating market share in the enterprise segment across our diverse portfolio. Our enterprise clients are critical to driving growth, where we move beyond traditional talent silos, building more holistic talent models across workforce attraction, engagement, development, and retention. We access the C-suite of the world's largest enterprise organizations, elevating conversations and demonstrating our thought leadership. In this way, we drive market share and create deep partnerships. Over the past year, we have seen accelerating globalization of enterprise clients seeking integrated workforce solutions to access talent across all worker types and geographic borders. By combining our global reach, our leading position in RPO and MSP, our breadth of services, and our tech and touch strategy, we are able to serve the world's largest companies in an unparalleled way and set new standards for client and talent experiences.

seek new partnerships

In addition to our own investments, we are increasingly searching for relevant partnerships to help us deliver our client and talent solutions in the best possible way. In an open, more digitalized world, we seek to create value for our clients and talent in every way possible. We therefore combine the best of our own concepts and capabilities with the best partners and technologies available in the market, providing ever more personal and relevant support at all levels. Together with our partners, we will be able to create better solutions at speed and at scale, while playing a leading role in the larger 'ecosystem' of people's working lives.

further differentiate through tech & touch

leverage global collaboration

As we operate at a global scale, we interact with millions of people every day, connecting insights both internally and externally. We are in a unique position to learn from these interactions and to globalize and standardize our best practices. Transcending internal boundaries and geographical borders, we therefore aim to leverage our global presence by sharing data responsibly and further rolling out best practices and standards as a more connected Randstad. This means the Randstad experience across all our concepts will be the best possible experience everywhere around the globe. It also means we can optimize the way we serve our enterprise clients, offering a single, global solution in different geographies. Such global standards are a great asset in an industry that is inherently fragmented, creating significant added value for both clients and talent. At the same time, we will always encourage and facilitate local entrepreneurship and application, because value is typically created at the intersection of concepts and markets.

unlock the power of our data

With due regard to the applicable data protection regulations, our countries and brands collect huge amounts of significant and meaningful data every day. Bringing the data from our markets together creates tremendous value, enabling us to learn from it and provide more relevant and personalized experiences at speed and scale. Each and every connection leads to new data and insights, which helps us to improve and tailor our services further. If we understand the individual needs and ambitions of talent and clients, we can go much further than just matching a job description to résumés. For example, we will be able to advise talent on skills that can be beneficial for them in the next step of their career, and we can help clients to redeploy their workforce when their business strategy is changing. In addition, our data provides us with a constant view of the world of work at large. It helps us recognize trends, opportunities, and possible challenges for both our clients and talent, and for Randstad itself.

our strategy.

prioritize talent experience

Operating in an industry that serves people, we are putting talent and talent needs at the core of everything we do. Change is happening at an unprecedented pace. Talent expectations change accordingly, and a true partner must provide talent with a relevant, multi-channel, and personalized experience throughout their career, so they can learn and grow to stay relevant and be ready for the next challenge at the right time. With very clear talent journeys, promises, and propositions, we will be able to further differentiate and set ourselves truly apart. Our digitally improved processes play a key part in this, as they will enable us to deliver the best possible user experience, irrespective of how talent chooses to interact with us – through traditional forms, fully digital, and everything in between. By putting talent first, we are confident we will also be better able to serve our clients, representing their employer brands in the best possible way, and offering innovative, timely, and distinctive propositions as a true partner.

our impact

At Randstad, we see it as our purpose to help as many people as possible realize their true potential throughout their working life. It is why so many people join us and stay with us, knowing that every day we help people around the world get rewarding jobs and stay relevant in the ever changing world of work. Over 60 years, we have helped millions and millions of people find meaningful work, all while nurturing the best HR professionals in the world, and through our influence, truly shaping the world of work.

In order to sustain our purpose, we are driven to become the world's most valued working life partner. Building on our strong foundation, accelerated by geographic and concept expansion, and further strengthened by our differentiating tech and touch approach, we will support many more people in realizing their true potential. Ultimately, Randstad is driven to become the world's most valued working life partner, and is committed to measuring its impact on society as we pursue our goal of touching 500 million work lives by 2030. In order to make our ultimate goal measurable, we are currently exploring the opportunities of impact measurement. This will make our social and financial impact on people's working lives more explicit.

our ultimate goal

To lead the way towards our ultimate goal, we commit ourselves to four drivers: (1) contributing to economic growth, (2) connecting with people, (3) fostering inclusive employment, and (4) shaping the world of work. The drivers of our ultimate goal are closely linked to our commitment to the United Nations Sustainable Development Goals (SDGs), which governments worldwide have adopted with the aim of ending poverty, protecting the planet, and ensuring prosperity for all by 2030. As the leading global HR services provider, Randstad specifically contributes to four SDGs: decent work and economic growth (SDG 8), reduced inequalities (SDG 10), gender equality (SDG 5), and quality education (SDG 4). In addition, with regard to climate action (SDG 13), we have committed to the Science-Based Targets initiative (SBTi) Business Ambition for the 1.5°C pledge, and to setting science-based targets with the ambition of Net Zero by 2050.

Clearly, our purpose puts sustainability at the core of our strategy, and indeed of everything we do. We are confident that through this strategy, we will be able to accelerate to a level of impact that would have been unthinkable a few years ago.

our digital journey.

With tech and touch as a key differentiator, digital is an integral part of Randstad's strategy. We consistently invest in digital capabilities, continuously adding new solutions to our strong heritage. Our digital transformation, which involved digitalizing and harmonizing all our processes across our 38 markets, has been a three-step process: (1) we built a solid foundation, (2) we improved our existing processes, and (3) we are now unlocking future value we see in the world of work.

solid foundation

Thanks to our solid digital foundation, we can launch our digital solutions fast across all our markets. Our microservices-based digital architecture enables us to build global capabilities in a way that allows features and functionality to be combined differently per market, allowing us to implement new capabilities with scale, speed, and agility. Our global infrastructure has been fully cloud-based since 2019, which has given us great agility across our footprint. And finally, we are further scaling up our global data ocean, a strongly governed global data platform that gives us the best insights to help us steer our business and deliver more relevant guidance to talent and clients.



improving our existing processes

Digitally improved processes deliver a better experience to clients, consultants, and especially talent. Smart, simple, and efficient processes help free up our consultants to focus on the personal connection. We started building a front office suite that helps our consultants work in a harmonized way. Randstad Relevate, our integrated talent technology suite, helps bring people closer to the work they want and employers closer to the talent they need. For example, we developed Relevate Chat, a pre-screening and scheduling AI-chatbot, and Relevate Schedule, a workforce scheduling platform for clients to easily manage a pool of available talent. The mobile app helps talent find and log shifts. Every day, thousands of clients actively use this digital service, resulting in more than half a million shifts fulfilled each week.



unlocking future value

To unlock future value, we actively invest in HR tech start-ups through our Randstad Innovation Fund. At the same time, Randstad's Digital Factory continues to build innovative global digital capabilities and scale best practices. One of our latest innovations is Randstad Market Insights, which pulls aggregated data from our global data ocean, processing it into valuable insights for our clients. For talent, we have built a 'GPS for careers' that helps them make better, actionable career decisions. Unlocking future value also means creating a more transparent, equal, and fair world of work. We invest in our ability to rule out bias and apply artificial intelligence in an ethical manner to help ensure diversity, equity, and inclusion in the workplace.



see our tech in action

- Monster
- Randstad Market Insights
- AI conversation engine
- Talent sourcing strategy
- Gig economy

progress on our strategy.

build on our strong foundation



core
values

- Included in Dow Jones Sustainability Index for 7th year running
- Joined the UN race to net zero, commitment to halve global emissions by 2030
- ED&I InTouch survey implemented, with a score of 8.4, above benchmark (8.0)
- #3 in VBDO tax transparency benchmark 2021



core
values

- Rolled out customer delight in 35 operating companies
- Increased customer satisfaction measurement score in DJSI from 28/100 to 90/100



best
people

- Engagement rose to 8.1, above benchmark (7.8)
- Attracted more than 7,000 new colleagues
- 45,600 employees trained



strong
concepts

- Global concept governance created to accelerate rollout of best practices and standards globally
- Market share gains in multiple concepts and geographies
- Accelerated digital staffing delivery models across EU (DE, FR, PL)



excellent
execution

- Revenue above pre-pandemic levels, broke through 2019 peaks
- Q4 profitability above 2019 pre-pandemic levels
- Drove profitable growth with incremental conversion ratio of 44%
- Return on invested capital 16.8%



superior
brands

- Top-ranked human resources brand by Brand Finance
- Recognized as Great Place to Work or Top Employer in several countries
- Migrated AUSY into endorsed brand model (by Randstad), Transitioned Careo brand in Japan to Randstad Technologies
- Human Forward stories social media campaign across 16 markets

create value through our portfolio



expand
presence in
concepts and
geographies

- Significant market outperformance in core markets, strengthening our position as global no. 1 HR services provider
- Expanded proven strong service concepts
- Complemented our activities in IT solutions with Cella and in HR consulting with Hudson Benelux through acquisitions
- A more resilient portfolio: strong growth outside Europe and NAM



lead in
winning sectors

- Development of gig/platform economy and winning solutions
- Accelerated the growth of our offerings in logistics, retail, e-commerce and health



grow enterprise
clients

- Market share gains in the enterprise segment across our diverse portfolio
- Cross-border brokerage and contingent services where talent work remote from another country for international clients
- MSP share of wallet increasing since 2018
- Leading the way in the market via client centric strategies



seek new
partnerships

- 3 additional partnerships via Randstad Innovation Fund to continue improving our client and talent solutions
- Partner of the WEF elevating our conversations and showing our thought leadership as global leader in HR services
- Local and global long-term partnerships with Massive Open Online Courses (MOOCs) and skilling and reskilling platforms

further differentiate through tech and touch



leverage global collaboration

- Continuation of #newways program
- Connect global intranet platform with 97% engagement rate
- Investments into new global front office systems



unlock the power of our data

- 21 countries connected to our global data ocean
- Randstad Relocate positioning for our talent technology suite across 26 operating companies
- Development of our omnichannel platform app: web, app, conversation engine and interview schedule
- Continued progress on Monster Transformation Program
- Workforce scheduling tool used by more than 2,000 clients
- Randstad Market Insights live in ten countries



prioritize talent experience

- Exploration phase to support talent with a fully digital experience
- Defined talent journeys, promises and propositions
- Relocate Experience Platform now live across 26 operating companies, improving sessions, conversions and applications
- Scaling chatbot around the world after talent satisfaction raised in the US since its implementation

touch the work lives of 500 million people worldwide by 2030



support as many people as possible in realizing their true potential throughout their working life

- Record high # employees working, > 2 million people worked via Randstad
- 276,100 permanent placements
- 188 million people visited our Monster and Randstad websites
- Over 100 social innovation programs
- Partnership with WEF – thought leadership as global leader in HR services

our strategy.

financial objectives and capital allocation policy

Our financial objectives and capital allocation policy enable us to create sustainable long-term value for all our stakeholders.

financial objectives for the longer term

We strive to deliver market leading growth through continuous and profitable market share gains. Our ambition is to win organically, complemented by opportunities to accelerate our portfolio development through bolt-on acquisitions. We strive to achieve an EBITA margin between 5% to 6% over time. We have a strong focus on return on invested capital, optimizing our Economic Value Add (EVA) by applying a disciplined investment approach. We strive to maintain a sound financial position by applying a disciplined risk management at all times.

capital allocation policy

Simultaneously promoting the interests of all stakeholders is deeply embedded in our values, and we aim to safeguard this while also delivering attractive returns to our shareholders.

Our capital allocation principles are in service of our strategy. These principles reiterate the use of discipline and EVA principles in investment decisions and the clear line of sight towards EVA accretion when it comes to M&A.

our capital allocation principles



our capital allocation policy

organic growth investments

cash dividend policy with payout 40 - 50% of earnings;
floor cash dividend of € 1.62 per share¹

bolt-on M&A opportunities

when leverage ratio < 1.0
optional additional cash returns to shareholders

special cash dividend

share buybacks

1. Barring (i) seriously adverse economic conditions, (ii) material strategic changes to the sector, and (iii) a material deterioration in our solvency and liquidity ratios.

Our capital allocation policy lays out how we approach capital allocation in service of long-term value creation for all stakeholders involved.

Randstad's dividend policy is part of our overall capital allocation policy and consists of two elements. First, there is the ordinary cash dividend. We aim for a flexible payout ratio of 40% to 50% of net profit adjusted for amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs.

In addition, we have set a conditional ordinary cash floor dividend of € 1.62 per share. This baseline dividend level will be maintained even when the 40-50% payout ratio is temporarily exceeded, barring (i) seriously adverse economic conditions, (ii) material strategic changes to the sector, and (iii) a material deterioration in our solvency and liquidity ratios.

Secondly, we have set discretionary additional returns to shareholders in the event of a leverage ratio below 1.0 (excluding lease liabilities) through either (i) a special cash dividend or (ii) share buybacks.

our strategy.

financial objectives and progress in 2021

objective	progress
Continuous profitable market share gains	In 2021, we continued our track record of profitable market share gains in core markets such as the US and France. Overall, we continued to pursue a disciplined pricing policy.
EBITA margin of 5%-6% over time	In 2021, our EBITA margin improved to 4.4%, compared to 3.3% last year as markets began to recover from the adverse effects of COVID-19. In the long term, Randstad remains focused on growing profitable market share, while aiming for an EBITA margin of 5-6% over time depending on (1) organic revenue trends, (2) pricing climate and mix effects, and (3) productivity gains, including the effect of digitalization on our traditional business models.
Optimize EVA	Randstad has a long-term track record of creating economic value, disrupted only by the severe macroeconomic crisis in 2009/2010 and the COVID-19 pandemic in 2020/2021. Our ROIC improved to 16.8% in 2021, compared to 10.4% in 2020 as a result of an improvement in our 12-month rolling EBITA and working capital management. Our focus going forward remains on further improving our economic returns, also driven by active portfolio management. Being an important driver for optimizing EVA, capital discipline remains a strategic priority.
Sound balance sheet	Our leverage ratio remained low at -0.1 in 2021 (2020: -0.4) excluding lease liabilities primarily driven by an improvement in our 12-month rolling EBITDA. The moving average of Days Sales Outstanding (DSO) came down year-on-year to 51.6 (2020: 52.9). Supported by our strategy, we believe our balance sheet will remain robust going forward.
Focus on shareholder returns	We believe the strength in our balance sheet and cash generative business model has created space for additional cash returns. We have carefully reviewed the options, to achieve a balance within the existing capital allocation policy and provide an attractive return for all shareholders, whilst allowing for flexibility for the future. Supported by our strong balance sheet position, we propose to our shareholders a total cash dividend of € 5.00 per ordinary share for 2021, which consists of a regular dividend of € 2.19 per ordinary share, representing 50% of adjusted net income and in line with current policy of 40-50% payout ratio, and a special cash dividend of € 2.81 per ordinary share.

our value for clients and talent.

We help clients create the high-quality, diverse and agile workforces they need by helping talent find secure, rewarding jobs and stay relevant in the ever-changing world of work.

At Randstad, we see it as our role and responsibility to support both people and organizations in realizing their true potential. We do this by seeing the possible in people, unearthing their inner qualities and helping them determine each next great work opportunity. We support talent with both tech and touch. Whether they want the convenience of a fully digital experience or need more in-depth personal guidance, we will be there for them every day of their working lives. And by focusing on our relationship with talent in this way, we will be able to help our clients build high-quality, diverse, and agile workforces to drive successful and dynamic businesses, whether they need to unlock the potential already present in their organization, strengthen their teams permanently, or find flexible solutions.

contributing to economic growth

One of the drivers that will help us achieve our ultimate goal of touching the work lives of 500 million people by 2030 is contributing to economic growth. It is the most obvious way to create more jobs, which will allow us to touch the work lives of more people. By combining our human touch with technological expertise and data-driven insights, we will empower our clients and talent to grow, develop, and improve, so they can add value to the economy, both now and in the future.

customer delight

With the ambition of becoming a more customer- and human-centric organization, our Customer Delight program takes a data-driven approach to helping us understand the latent drivers of client and talent satisfaction. Our ongoing measurement provides valuable insights and allows us to continually adjust our services to improve the experience we deliver. The program, now live across 35 of our operating companies in 19 countries, has gathered more than 300,000 insights from clients and talent, allowing us to ensure

that our Human Forward promises are effectively delivered every day.

In 2021, we saw an increase in both customer satisfaction (C-SAT) and net promoter score (NPS) of talent working in the majority of the operating companies where we track yearly data when compared with 2019 and 2020 scores. Over 70% of operating companies that report annual data achieved a C-SAT of 8 or higher (on a 1-10 scale) for talent working, which is considered a solid indicator of recommendation, trust, and loyalty.

our promise to clients

At Randstad, we play a key role in managing our clients' most critical asset: their talent. Every day, we promise our clients transparent insight into how we meet their HR needs, and they will find in us an HR partner to guide them throughout their business cycle. In today's fast-changing business environment, our primary goal is to help them organize their workforce in the most effective and cost-efficient way. And thanks to our proactive approach, we ensure that our clients stay ahead of the game in the competitive world of talent.

We partner with clients around the world, ranging from small local companies to large global enterprises, always offering a customized approach to meet their needs. Through proactive advisory based on our in-depth expertise and data-driven insights into our clients' businesses and the labor market, we are increasingly able to contact clients about their talent needs even before they are aware of these needs themselves, creating the best possible Human Forward experience and maximizing the chances of successful matches with our talent pool.



seeing
the possible

in people.

"Proactivity is one of the strategic assets of our collaboration and cooperation, and the human touch is one of the aspects why we selected Randstad as a partner."

Watch the story of Roberto Zecchino - VP at Bosch Italy and South Europe





randstad enterprise group

Randstad Enterprise Group provides world-class talent advisory and strategic account management for Randstad's top 130 global clients. The group leverages Randstad's breadth of services to build total talent models that generate maximum business value for enterprise clients. By bringing the power of one Randstad together, Randstad Enterprise Group helps clients organize work to create a distinctive and lasting workforce advantage and position their organizations as stand-out leaders in the global talent market.

total talent model

Randstad Sourceright's total talent solutions integrate talent acquisition across the permanent and contingent workforce and address all work arrangements. Randstad Sourceright provides solutions that enable our clients' HR, talent acquisition and procurement functions to operationalize a vision for total talent and achieve enhanced business agility and flexibility while mitigating talent scarcity.

Operationalizing this integrated talent model is led by deep market and talent insight on how to get work done, optimizes talent access across all worker types through data-driven decision trees and recommendations, and deploys a robust and connected technology platform to enable a seamless total talent experience.

integrated talent solutions

Having the right people resources at the right time and at the right cost is the ambition of every human capital leader, and that is why adopting an integrated talent approach is increasingly a priority with our clients. We support all worker arrangements when resource planning, including permanent placements, temporary staffing, independent contractors, consultancy and projects, payrollees and seasonal workers. Depending on the client's requirements, we manage some or all of these workers by integrating our supply models through RPO, MSP, direct sourcing, internal placement, and payrolling services.

To support the goal for a more holistic approach, Randstad leverages a state-of-the-art talent analytics platform to provide not only a clear and comprehensive view of clients' human capital needs and utilization, but also recommendations on how to acquire talent in the most cost-effective and timely manner. Every program is customized to individual needs, culture, and structure. We continuously assess, adjust, and solicit feedback to ensure clients are delivering the highest talent value to their organization.

client propositions.

randstad employer brand research

What attracts talent to an organization? What makes them want to stay, and what drives them away? Taking a deep dive into workers' drivers and motivators, the annual Randstad Employer Brand Research (REBR) is the world's most comprehensive independent study into what attracts employees and job seekers to an organization.

Offering insights into more than 6,000 companies from 190,000 respondents in 35 markets, the REBR program demonstrates our commitment to helping clients understand the value of superior brands in local markets, and provides them with a better understanding of how their own brand performs in terms of attracting talent. With access to a state-of-the-art, custom-built research platform, Randstad's clients benefit from proprietary insights that help them shape their employer branding strategy, employee value proposition, and talent attraction efforts.

Following the global rollout of results in May of each year, participating countries organize local Randstad Employer Brand events and/or online webinars, engaging key players in the local HR industry and celebrating winners of the research as being the most attractive employers in the minds of potential job seekers.

randstad elevate

Randstad Elevate is Randstad's talent technology suite, which combines all our digital solutions for staffing, workforce planning, and talent management in one intuitive and efficient platform. Leveraging AI and best-in-class digital resources, it is our clients' single-source solution for a digitalized world of work that requires speed, agility, and flexibility. Not all companies will need every service, but there are services for every company. Capabilities include workforce scheduling, advanced matching technology, digital interviewing, talent assessment, and more.

our promise to talent

Prioritizing the talent experience is a key aspect of how we plan to differentiate ourselves as a company and fuel future growth. As a human-focused company, we take pride in our ability to see the possible in people, helping individuals determine the best next step on their work life journey. By challenging and championing people, we believe we can make a positive impact on individual work lives, helping people stay relevant and find rewarding jobs in the ever-changing world of work. At the same time, our deep understanding of the quickly evolving labor market enables us to connect talent and organizations in a purposeful and meaningful way that fosters sustainable employment.

At Randstad, we see each person as an individual with unique skills, talents and ambitions, not just another résumé. We understand the importance of a job and a meaningful career in a person's life. To support talent, we aim to use our technology, expertise, and personal approach to provide transparent feedback and proactive, tailored advice, while facilitating training and reskilling where necessary.

connecting with people

One of the drivers of our ultimate goal is connecting with people. We aim to connect with people at all stages of their career. In today's fast changing world, new technologies, tools, and solutions are redefining the way we interact with people. At Randstad, we combine this with the most important asset we have to offer: our human touch.

global talent approach

To strengthen the talent experience we deliver, we have been actively digitalizing our processes and globalizing our platforms so that we can better provide all talent who interact with us with a seamless, consistent, and engaging end-to-end multi-channel experience. We are also reshaping the experience talent receive when they engage with us. That means moving away from transactional experiences and fostering a more human experience, focused on lifelong guidance and support. Our global talent approach consists of five key goals:

focus on current and future needs

We make it a priority to gain in-depth knowledge of the talent we connect with – their skills, their experience, their needs for today, and their mid- and long-term

career aspirations for tomorrow. We aim to offer support and guidance as they navigate each stage of their career journey, from writing a résumé, helping with interviews, and searching for jobs to navigating conversations about career development.

provide development opportunities

We tap into all of our channels and networks to recommend jobs that are relevant now, as well as courses that will enhance workers' prospects in the future. Through partnerships with career development experts and bespoke upskilling strategies, we aim to help talent gain new, marketable skills that will enhance their earning potential and career opportunities.

offer full transparency

We aim to provide talent with full transparency about exactly where they are in our hiring process and what they should expect. By using a combination of digital touchpoints, we will keep job seekers up to date about their application status and ensure they know exactly which next step they need to take or what they can expect.

use data to enhance experiences

By using the power of our robust systems and the vast amount of data at our fingertips, we aim to ensure we are always ready to match up talent with their ideal job opportunities.

offer guidance, not just jobs

To be a long-term career partner for talent, we must look beyond just matching candidates with job opportunities. We therefore wish to foster a deeper connection with talent, positioning Randstad as a go-to resource for everything work-related. With the additional help of our suite of HR tools, we will guide people towards career paths that they may not have anticipated themselves.

To realize these ambitious goals, we will combine the power of technology with a rich human experience. The combination of tech and touch enables us to drive business performance and build unique and personalized relationships with both talent and employers. Subsequently, by unlocking people's full potential, we contribute to a rich and sustainable world of work.

A photograph of a woman with dark hair, smiling, holding a large orange heart-shaped cutout. She is outdoors in a park-like setting with grass and trees in the background.

seeing
the possible

in lakshmi.

"After I had moved to Canada,
Randstad helped me to get a foot in the
door and found me a job that matched
my education."

Watch Lakshmi's story 

our value for employees.

We are an attractive employer for our employees by offering continuous development and career opportunities, enabling them to realize their true potential. Data-driven insights help our employees to enhance the human connection and serve clients and talent even better.

The true value of our business lies in connecting people, with our own people at the core. We take pride in working with the best talent in the industry and offering them meaningful work. We want our people to enjoy the best work environment, excellent training, fulfilling and diverse career opportunities, both nationally and internationally, and all the support they need to develop to their full potential.

The Human Resources (HR) function at Randstad focuses on enabling our business performance. This includes equipping our employees with relevant digital and consulting skills and competencies, and embedding these in our people's way of working, empowering them to continuously adapt to the changing demand from clients and talent. Through digital tools and solutions, we enable our people to be transparent and proactive in the way they connect with clients and talent, and to provide customized guidance.

As a people-focused company, we see the possible in all talent, including our own employees. In 2021, we introduced the concept of hybrid working, as a logical consequence of remote working introduced during the pandemic. This means we give our people a lot of freedom and autonomy, empowering them to determine how, when and where they wish to work, without compromising effective teamwork and collaboration. In this way, we enable them to be their best self, wherever they are working from. Of course, this also requires a new way of working for our managers, who have had to make the shift from physically managing their team to managing hybrid and

remote teams. To make this happen, in 2021, the HR function trained all managers on hybrid working through hands-on online training sessions.

equity, diversity and inclusion

Randstad is strongly committed to equity, diversity and inclusion (ED&I). We believe this helps us build a more agile, productive, and innovative workforce that reflects our talent and client base, as well as the society in which we work. We are committed to advancing social justice and equity in our organization, our communities, and society in general. We are working toward a world where everyone, regardless of ethnicity, gender, age, religion, sexual orientation, ability or any other personal trait, has equal access to opportunities and feels valued, included and respected.

Our diverse workforce and inclusive way of working pushes us forward as a company and as a team. Diverse ideas, experiences, and perspectives break down subconscious barriers and help build a team of more well-rounded employees. Our global diversity and inclusion policy and our human rights policy underline Randstad's commitment and strategy to foster inclusive employment. Equity, diversity and inclusion are also part of our mandatory business principles training for all our employees. Our HR standards guide our organization in its core HR processes, such as recruitment, to make sure

our value for employees.

they are done in an inclusive way and to prevent discrimination against any demographic group.

In 2021, we set up a Global ED&I Council to globally drive the ED&I agenda. The Council is strongly connected to the Executive Board, and serves as an advisory organ. Together with the ED&I Council, a global roadmap with several initiatives that focus on various ED&I pillars was created. Each initiative has its own workgroup with global and diverse representation and is sponsored by a business leader who guides the workgroup and drives the changes we are committed to. Ultimately, our global mission is to empower people to be their true self, which we aim to enable by fostering a global, inclusive culture that embraces diverse views, equal opportunities for everyone, and a sense of belonging.

We actively support women in climbing the career ladder at all levels of our organization. Randstad has signed the CEO Statement of Support for the UN Women's Empowerment Principles (WEPs), and we are committed to making a difference for women in the workplace, marketplace and community. In 2021, we again achieved our target of having 50% women in senior leadership positions. For the seventh time in a row, Staffing Industry Analysts (SIA) published their Global Power 150 - Women in Staffing list, which includes six Randstad executives from around the globe, demonstrating our commitment to empowering women in the workplace. SIA recognizes influential female leaders in the industry worldwide and provides a platform to celebrate many of the talented women shaping the world of work. We also partner with

proportion of women in senior leadership positions^{1,2}

	2021	2020	2019
North America	52%	51%	62%
France	62%	57%	41%
Netherlands	56%	51%	42%
Germany	40%	53%	39%
Italy	44%	53%	50%
Belgium & Luxembourg	60%	63%	59%
Iberia	54%	45%	37%
Other European countries	49%	48%	54%
Rest of the world	32%	33%	43%
Global Businesses	47%	58%	43%
Corporate	38%	41%	46%
Total	50%	51%	47%

1 Senior leadership refers to all levels equal to or above district/regional management, including account management or commercial management reporting to a regional director or higher.

2 During 2021, we implemented a new and consistent measuring method. Furthermore, more entities were integrated in our global HR reporting framework. Both improved the quality of the reported figures. Previous years have not been adjusted.

Source: Global HR system Crunchr.

WeConnect International, a global network that connects women-owned businesses to qualified buyers around the world.

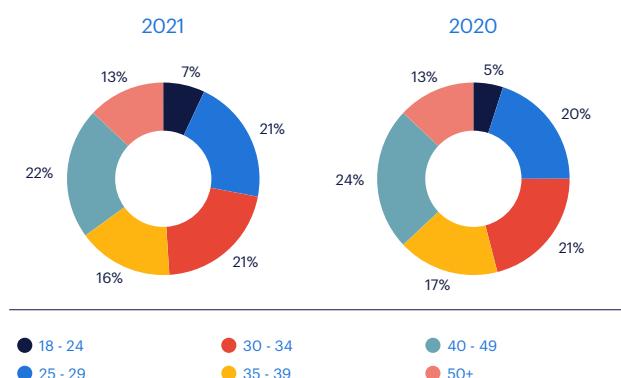
In many countries, we have signed a diversity charter, such as 'Talent naar de Top' in the Netherlands and 'Charta der Vielfalt' in Germany. We are also signatories of the SDG manifesto on LGBT inclusion, and we have a partnership with Workplace Pride, a non-profit foundation that strives for greater acceptance of the

composition of our workforce by gender and contract type in 2021

	number of employees	of which female	% permanent contract		% temporary contract		% full-time contract		% part-time contract	
			male	female	male	female	male	female	male	female
North America	6,530	63%	100%	100%	0%	0%	100%	99%	0%	1%
France	4,460	77%	90%	89%	10%	11%	98%	93%	2%	7%
Netherlands	3,890	69%	73%	77%	28%	23%	79%	42%	21%	58%
Germany	2,860	60%	93%	94%	7%	6%	92%	67%	8%	33%
Italy	2,490	79%	86%	88%	14%	12%	99%	91%	1%	9%
Belgium & Luxembourg	2,080	82%	100%	100%	0%	0%	93%	63%	7%	37%
Iberia	2,160	76%	93%	92%	7%	8%	99%	86%	1%	14%
Other European countries	3,670	68%	92%	86%	8%	14%	96%	89%	4%	11%
Rest of the world	5,530	57%	93%	85%	7%	15%	98%	95%	2%	5%
Global Businesses	5,540	61%	95%	89%	5%	11%	99%	94%	1%	6%
Corporate	320	46%	82%	81%	18%	19%	95%	78%	5%	22%
Group	39,530	67%	92%	90%	8%	10%	96%	84%	4%	16%

our value for employees.

composition of our workforce by age group



Source: Global HR system Crunchr.

LGBTIQA+ community in the workplace and in society. Randstad Japan's diversity efforts led to the highest Gold level in the PRIDE Index 2021. On our [corporate website](#), an overview can be found of our many local initiatives to promote equal opportunities for, among others, women, people who live with disabilities, the LGBTIQA+ community, and people from diverse ethnic backgrounds.

One such initiative is More Color At the Top (MCAT), a Ph.D. research project in collaboration with the Free University of Amsterdam (VU) and Randstad Group Netherlands (RGN). Currently more than half of the inhabitants of large cities in the Netherlands have a migration background. While more and more talent with a migration background is graduating from colleges and universities, Dutch organizations are only slowly succeeding in letting this talent flow into and through the workplace. Through the MCAT initiative, a leadership program has been developed to help Randstad Group Netherlands increase cultural diversity at the top of its organization.

social justice

As we strive for equal opportunities within our organization, we highly value social justice and aim to respect and protect the human rights of all Randstad employees. Every employee should be able to achieve the life and career they want and should not be held back by things out of their control, such as systemic obstacles or discrimination. This requires ongoing efforts at different levels and within different communities. Within Randstad, several initiatives are in place that promote social justice.

equal pay

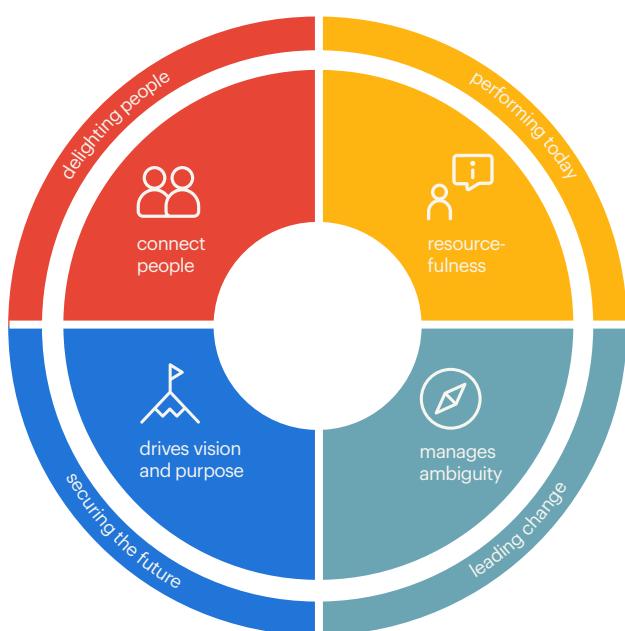
A global team of HR professionals has been working on collecting and sharing best practices and approaches to embed the notion of equal pay in key HR processes. We aim to have balanced hiring, promotion and salary review processes. We have also made equal pay dashboards available for all parts of our organization to create insights and highlight actionable trends. Under the guidance of the Global ED&I Council, a task force continues to work on this topic, and several operating companies have chosen to apply for local equal pay certification as further evidence to our commitment to equal pay.

leadership framework

Through our Human Forward Leadership Framework, we are developing the collective leadership we need to achieve our long-term global ambitions and realize our true potential as a business.

The framework provides Randstad's leaders with a clear set of standards and expectations about how to lead and manage a consistent delivery of the Human Forward experience. It has been developed collectively and in strong collaboration with all of our stakeholder groups to ensure its roots in our culture and powerful core

human forward leadership framework



our value for employees.

values. Fully in line with our strategy and Human Forward promises, the framework aims to ensure future-proof leadership supported and strengthened by our development programs and performance management.

The framework is based on four pillars: (1) delighting people, (2) performing today, (3) leading change, and (4) securing the future. All four of these pillars are linked to a core leadership competency that is expected of all leaders throughout our company, while eight complementary competencies are adaptable to the unique needs of individual operating companies and functions. In this way, we aim to develop and maintain a transformational leadership structure that promotes new ways of thinking, responsible risk-taking and experiments, cross-border collaboration, and agile innovation.

HR cycle

The way we attract, develop and engage employees at Randstad is best visualized through the HR cycle.

selection

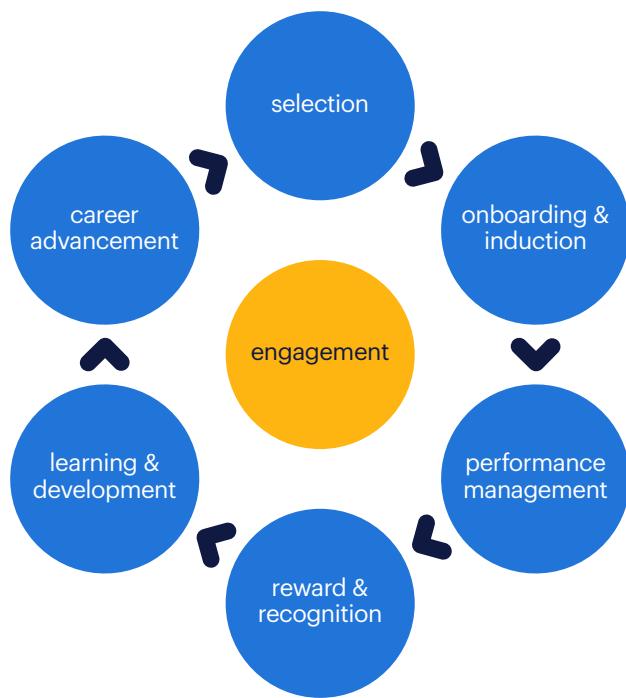
At Randstad, we do not hire people to fill a vacancy, rather we hire people for a career. Randstad employees have the unique opportunity to make work meaningful and impact people's lives, helping them move forward. This is at the core of our Employee Value Proposition (EVP). Randstad aims to attract agile and adaptable people who are capable of effectively dealing with and responding to rapidly changing circumstances and whose values and beliefs match our own. We have a policy of hiring and promoting the best person for the job, based on proven performance and potential assessment. Although we regularly attract new leaders from outside Randstad to bring in new expertise and experience when required, we continue to focus on developing our own employees to fill our leadership roles internally.

In 2021, 91% of our employees had a permanent contract, and 88% worked on a full-time basis.

onboarding & induction

All new employees follow a formal induction program in the first few months, which helps them to become successful in their new role as quickly as possible. The program can also be followed online. It covers our

HR cycle



ambitions, strategy, values, culture, history, and corporate policies, as well as targeted job-related information. Randstad tracks the effectiveness of its induction programs by measuring awareness of our values and policies, time to productivity, and other success metrics. Immediately after the induction period, an individual development plan is drawn up.

performance management

At Randstad, we see the development of our people as a shared responsibility. To facilitate our people's continuous development and unlock their full potential, our performance management process is based on what we call our Great Conversations program. Besides regular business and performance reviews, employees get together with their managers on a regular basis (at least once a quarter) for a constructive, future-focused conversation in which they receive feedback and coaching. The dialogues and goals set in these Great Conversations are meaningful, aspirational and progress-based. They do not just focus on numbers and output, but also on people's development areas and ambitions, and are meant to empower employees rather than 'rate' them. Randstad HR supports people in developing and practicing techniques and skills to ask for, receive and apply ongoing feedback and coaching.

our value for employees.

Our Great Conversations also provide the input for reward & recognition, learning & development, and career advancement.

reward & recognition

At Randstad, we aim to provide our employees with meaningful rewards and fair remuneration in order to strengthen their ties with the company, while encouraging outperformance. Remuneration is based on real outcomes, which are assessed regularly. This includes behavior and personal development. In addition, our annual remuneration process also takes external market developments into account. To encourage our employees' affiliation with Randstad and to enable them to participate in Randstad's success, an employee share purchase plan is in place, with currently more than 17,000 active participants. This plan, which keeps growing in popularity, enables our employees to benefit from Randstad's growth and stimulates entrepreneurship. For our senior leadership, a long-term incentive plan is in place, including a performance share plan. The purpose of this plan is to retain our best people and to drive and reward sustained performance of our company by sharing in success.

learning & development

As one of our material topics, the training and education of our employees is considered essential to the success of our company. In our training programs, we combine different forms of learning, including e-learning and gamification. In addition, managers play a crucial and important part in reinforcing their employees' learning journeys. Our training programs are always competency-based and focus on leadership, digital fluency, sales, job-related skills, and soft skills. They are offered at all levels within the organization. For field positions, we have dedicated training programs focusing on operational skills and specific knowledge required for the job. Our e-learning platforms offer world-class programs, covering a wide range of topics. They make use of advanced tools and technology to enhance the learner experience and ensure the sustainable business impact of our learning programs.

Randstad offers programs on a local, regional and global level. Locally, programs are developed by the operating companies, sometimes in collaboration with business schools. Regionally and globally, the Frits Goldschmeding Academy offers state-of-the-art leadership programs, increasingly online. These

programs are created in cooperation with leading global business schools and partners, such as London Business School, TIAS, INSEAD, IMD, SMU, Vlerick Business School, Nova Business School, The Thrive, and Stand & Deliver Group. Our Executive Board and senior leaders are closely involved in the development and delivery of the programs. In 2021, the Frits Goldschmeding Academy trained 1,229 senior leaders in 32 global development programs with an average rated learning experience of 8.8. Most training activities took place online. All local and global programs combined, 45,600 employees were trained, with a total of 883,000 training hours in 2021.

The Frits Goldschmeding Academy particularly focuses on strategic transformational leadership programs, encouraging efficient exchanges of best practices at a global level. Through clear design principles, an integrated approach, and alignment within and across programs, we aim to achieve a high return on investment, as well as ensuring that all operating companies have access to top leadership programs.

Randstad's World League Programs are designed to develop our functional communities (Finance, Legal, HR, Marketing & Communications, and IT). These global programs focus on specific skills, knowledge and behaviors within each function, enabling the functional communities to deal with performance and development in an aligned and constructive way.

Experiential learning on the job is one of the most effective learning strategies. Randstad maximizes this learning style by giving people stretch assignments, while providing sufficient coaching and mentoring at all levels. Stretch assignments, such as temporary projects in a different business, encourage growth and development by placing people out of their comfort zone. In addition, we use a 360-degree feedback process to continuously monitor the organizational climate, leadership styles, and competencies.

career advancement

Randstad recognizes the importance of talent management as one of the key factors underpinning company growth and ensuring the continuity of our business. Talent management enables us to attract and retain high-caliber people, identify and develop our employees, and continuously anticipate needs for future positions on a local and global level. Our dynamic

our value for employees.

People Review Process, which includes an extensive annual assessment followed by periodic reviews throughout the year, is the basis of our leadership and talent management approach. It addresses the performance and potential of all employees on an individual level. Randstad's senior leadership takes a keen interest in the company's strategic workforce planning, focusing on development needs, succession plans, pipeline development, and future leadership talent.

As a company with a global footprint, we require our local leaders to operate effectively and comfortably in a global environment. Randstad provides ample opportunities for employees to further develop their leadership skills, to acquire and build a global mindset, and to effectively manage and leverage cultural differences. For employees working in an international environment, our Intercultural Management Program provides special training in personal effectiveness in such an international setting.

engagement

By continuously engaging our people, we encourage innovation, accountability, retention, and business outperformance. To measure and monitor engagement, we make use of the global online Randstad in Touch platform. The Randstad in Touch platform consists of an engagement-related questionnaire, which people complete at least four times a year. Results are shown in a real-time dashboard. Individual operating companies can add open questions related to the local situation, and employees can share comments or have conversations with their manager anonymously. A planning tool enables us to identify areas where there is room for improvement, so we can take appropriate action and champion positive change.

The Randstad in Touch tool is used to measure our overall engagement score in comparison with that of other companies in the professional services industry. This is the 'industry benchmark'. Internally, the engagement score of different geographical areas is benchmarked against Randstad's overall engagement score. In 2021, Randstad's engagement score was 8.1, which is above the benchmark of 7.8. The participation rate was 75% (2020: 82%).

randstad engagement scores by geography¹

as % of total number of respondents

	engagement score			benchmark		
	2021	2020	2019	2021	2020	2019
North America	8.5	8.5	8.3	8.3	8.0	7.7
France	7.7	7.6	7.6	7.8	7.8	7.5
Netherlands	8.1	7.9	7.7	8.0	7.9	7.6
Germany	7.9	7.7	7.3	8.0	7.8	7.5
Italy	7.9	7.6	7.5	8.0	7.8	7.5
Belgium & Luxembourg	8.0	8.1	8.1	8.0	7.8	7.5
Iberia	8.2	7.8	7.8	8.0	7.8	7.5
Other European countries	8.2	8.1	7.9	8.0	7.8	7.6
Rest of the world	7.9	7.6	7.1	8.0	7.9	7.6
Global Businesses	8.0	7.8	-	8.1	7.9	-
Corporate	8.2	8.2	8.0	7.9	7.9	7.6
Group	8.1	7.9	7.6	7.8	7.6	7.6

¹ Since 2020, data for Monster, Randstad Sourceright North America, Randstad RiseSmart and twago have also been included.

Source: Randstad in Touch engagement survey.

employee participation

Randstad actively promotes employee participation through a network of national works councils and dialogue with trade union representatives. Managers and employees across Randstad discuss work- and HR-related issues in accordance with national law and practices. In Europe, the results of these dialogues are also fed into Randstad's European Works Council, which meets on a regular basis to discuss the company's results and strategy, HR issues, and any other information relevant to our employees and operating companies. UNI-Europa, the representative trade union federation for services in Europe, is invited to attend the European Works Council meetings as an observer. In 2021, 45% of our employees were covered by collective bargaining agreements (2020: 43%).

employee retention rate

as % of total number of employees

	2021	2020	2019
Employees staying with their operating company	75.0%	76.6%	73.7%
Employees transferred within the Group	0.9%	0.5%	0.5%
	75.9%	77.1%	74.2%

Source: Quarterly non-financial reporting by operating companies.

our value for investors.

Our strategy and ambitions ensure long-term economic value creation for our investors.

Our [financial objectives and capital allocation policy](#) enable us to create sustainable long-term value for all our stakeholders. Simultaneously promoting the interests of all stakeholders is deeply embedded in our values, and we aim to safeguard this while also delivering attractive returns to our shareholders.

investor relations

Randstad Investor Relations' main goal is to safeguard our 'financial brand'. Whereas clients and talent recognize the Randstad brand for its reliability and service quality, investors and analysts should recognize our brand for its open and transparent communication. Our aim is to be best in class in terms of disclosure and to provide insight into the strategic direction of the business. These efforts should enable an accurate valuation of the Randstad share over time.

investor relations policy

We maintain an active, open, and transparent dialogue with existing and potential shareholders, as well as with analysts and banks. We organize roadshows, attend investor conferences, and accommodate meeting requests wherever feasible, as well as adhering to all legal obligations relating to confidentiality.

We are committed to providing high-quality and timely information to all stakeholders, while at the same time ensuring that the entire market has access to such information (including price-sensitive data). Our policy is that, whenever possible, we make a member of the Executive Board and/or a representative of the Investor Relations department available to meet with investors.

Bilateral meetings and conference calls with analysts and actual or potential shareholders will not be held during 'closed periods', which normally run from the end of a quarter until publication date. Our policy of holding bilateral meetings with shareholders is set out in the corporate governance section on our [website](#).

dialogue with investors, analysts, and other stakeholders

We maintain an active dialogue with investors, analysts, and other stakeholders. Each quarter, Randstad organizes a conference call to discuss the latest results. These events are broadcast online. In addition, we hold events to inform the markets on our business. In 2021, we organized a Capital Markets Day, where we explained that we are uniquely positioned to take advantage of unparalleled growth opportunities for the HR services industry. Our global scale and access to extensive data and insights, coupled with our online recruitment platform Monster and our strong concepts that are trusted by our clients, enable us to fully take advantage of these opportunities and continue to outperform.

In 2021, we spent in total around 34 days on investor communications, the majority via video conferencing and other virtual means. The hosting of online events strengthened our global reach and enabled us to connect with investors across the globe. We had virtual meetings with investors in Belgium, Canada, France, Germany, Italy, Hong Kong, Ireland, Japan, the Nordics, Spain, Switzerland, the Netherlands, Singapore, the UK and the US.

On March 23, 2021, we held our Annual General Meeting of Shareholders, and on December 16, 2021, we held an Extraordinary General Meeting of Shareholders. More information on these meetings, including key decisions and attendance, can be found in the section '[report of the supervisory board](#)'.

our value for investors.

capital structure

Invested capital amounted to € 5.3 billion, and we achieved return on invested capital of 16.8%, up from 10.4% last year. More information on and an analysis of invested capital can be found in the section '[financial performance](#)'.

invested capital

	2021	2020
Net debt, excluding lease liabilities	(179)	(333)
Lease liabilities	594	588
Net debt (including lease liabilities)	415	255
Total equity	4,902	4,669
Total invested capital	5,317	4,924
Return on invested capital¹	16.8%	10.4%

¹ Underlying EBITA (last 12 months) less income tax paid (last 12 months) as percentage of invested capital.

debt

Our financing policy aims to secure financing that matches the mid- to long-term financing requirements of the Group. Our leverage ratio (net debt/12-month EBITDA) remained at 0.3. Our net debt position is supported by a solid free cash flow of € 590 million. We maintained our policy of using floating interest rates. We believe this adds value for shareholders in the long term, as over time, floating interest rates are on average significantly lower than fixed interest rates. In addition, our policy of using floating interest rates provides a natural hedge against the development of operational results, which continued to pay off during 2021.

The Group recently secured two committed bilateral revolving credit facilities of € 200 million each, with a three-year tenor, maturing in December 2024 and a committed bilateral term loan of USD 300 million, with a three-year tenor, maturing in December 2024. This clarifies the year-on-year increase in total debt facilities.

Leverage ratio excluding IFRS 16 'Leases' ended at -0.1, compared to -0.4 in 2020.

debt

	2021	2020
Total debt facility	2,500	1,850
Net debt, excluding lease liabilities	(179)	(333)
Leverage ratio (pre-IFRS16 'Leases')	(0.1)	(0.4)

total equity

In 2021, the number of issued and outstanding ordinary shares increased to 184 million (2020: 183 million). On October 22, Randstad initiated a share purchase program to offset the dilutive effect of our annual performance share plans for senior managers.

total equity

	numbers year-end (in millions)		nominal value per share
	2021	2020	
Ordinary shares	184.0	183.3	€ 0.10
Preference shares B	25.2	25.2	€ 0.10
Preference shares C	50.1	50.1	€ 0.10
Total number of shares	259.3	258.6	€ 0.10

On December 31, 2021, there were 50.1 million preference shares C in issue. The dividend yield on these shares, which is set for a 7-year period as from November 2019, is 3.5%. For preference shares B, there were 25.2 million shares in issue. The dividend yield for these shares is also set for a 7-year period and is 2.0%. We consider preference shares to be an attractive part of equity. It provides fully committed long-term capital at relatively low cost.

voting rights on shares

The ordinary shares have equal voting rights (one share, one vote). The voting rights on the preference shares B and C are aligned with the historical capital contribution, which also implies equal voting rights. There are 3.6 million voting rights on preference shares B, and 5.6 million voting rights on preference shares C.

our value for investors.

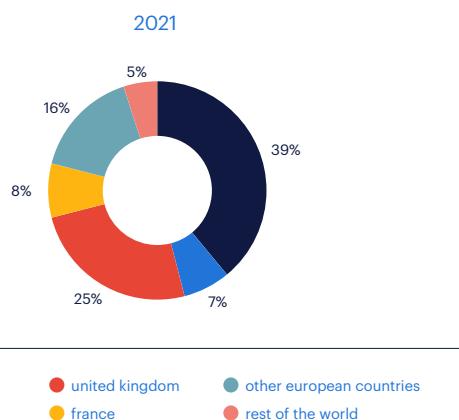
listing and indices

Randstad N.V. is publicly listed on Euronext Amsterdam (ticker symbol RAND.AS), where Randstad shares and options can be traded. Randstad shares are also included in a number of other indices, such as DJSI World, MSCI ESG, FTSE4 Good, Dutch Transparency Benchmark, VBDO's tax transparency benchmark, the Carbon Disclosure Project, Ecovadis, Sustainalytics and Sedex. Inclusion in major indices is important, because it improves visibility and liquidity.

indicative free float

Randstad's free float amounts to approximately 60%, based on, among others, holdings of F.J.D. Goldschmeding and Stichting Administratiekantoor Randstad Optiefonds, which jointly own 40% of Randstad's ordinary shares. The majority of the free float of ordinary shares is held outside the Netherlands. We actively pursue an international spread, reflected by 64% of shares held by Anglo-Saxon investors (2020: 65%). We estimate that approximately 84% of our free float are held by institutional investors, while retail investors hold around 9%.

indicative geographic spread of ordinary shares (free float)



major shareholders¹

Shareholders are obliged to give notice of interests exceeding certain thresholds to the Netherlands Authority for the Financial Markets (AFM). Almost all the holdings listed here are a combination of (depositary receipts of) ordinary shares and (depositary receipts of) preference shares.

major shareholders¹

	nominal stake		voting rights	
	2021	2020	2021	2020
F.J.D. Goldschmeding	32%	32%	32%	32%
Stichting Administratiekantoor Preferente Aandelen Randstad Holding ²	29%	29%	11%	11%
NN Group ²	11%	11%	3%	3%
Richmond ²	6%	6%	1%	1%
ASR ²	5%	5%	1%	1%
Stichting Randstad Optiefonds	4%	4%	5%	5%
Stichting Administratiekantoor Randstad Optiefonds	3%	3%	3%	3%
Silchester	3%	4%	4%	5%

1 As last reported to the Dutch Authority for the Financial Markets.

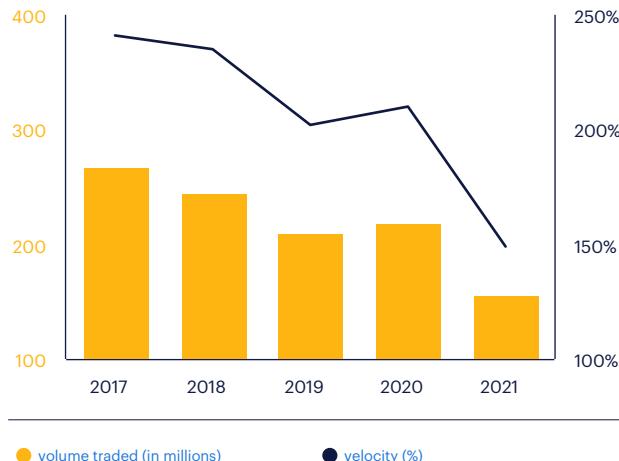
2 Mainly based on preference shares (Stichting Administratiekantoor Preferente Aandelen Randstad Holding) or depositary receipts of such shares (NN Group, ASR, Richmond), which explains the difference in nominal stake and voting rights.

Value investors were the largest shareholder category of Randstad shares, comprising 37% of the free float. Index investors now hold 21% of the ordinary shares, and growth-focused investors 17%. The remainder is held by alternative and yield investors.

liquidity

The number of shares traded amounted to 156 million in 2021 on various trading platforms, but mainly on Euronext. Velocity (measured as the total number of shares traded divided by the average number of shares outstanding) was lower compared to 2020.

share volume traded and velocity



our value for investors.

dividend

Our dividend policy is explained in the section [financial objectives and capital allocation policy](#). We believe the strength in our balance sheet and cash generative business model has created space for additional cash returns. We have carefully reviewed the options, to achieve a balance within the existing capital allocation policy and provide an attractive return for all shareholders, whilst allowing for flexibility for the future.

Based on our strong balance sheet at the year-end of 2021 with a net cash position of € 179 million (excluding lease liabilities), we will propose to pay a regular dividend per ordinary share of € 2.19. This equates to 50% of adjusted net income and in line with current policy of 40-50% payout ratio. We also propose to pay a special cash dividend of € 2.81 per ordinary share.

The ex-dividend date for the regular dividend will be March 31, 2022. The number of shares entitled to the regular dividend will be determined on April 1, 2022 (record date). The payment of the regular cash dividend will take place on April 5, 2022.

The ex-dividend date for the special dividend will be September 29, 2022. The number of shares entitled to the special dividend will be determined on September 30, 2022 (record date). The payment of the special cash dividend will take place on October 4, 2022.

The dividend payment on the preference B and C shares amounts to € 8.2 million in total and the payment will also take place on April 5, 2022.

per share data

	2021	2020	2019	2018 ¹	2017
Dividend (€)	5.00	3.24	-	3.38	2.76
Dividend yield (%)	8.3	6.1	-	8.4	5.4
Payout (%)	114	126	-	74	67
Basic EPS (€) ²	4.39	2.57	4.18	4.55	4.13
Diluted EPS (€) ²	4.35	2.55	4.17	4.54	4.11
EBITA (€) ³	5.96	3.78	5.95	6.17	5.82
Free cash flow (€)	3.21	6.18	4.99	3.42	3.20
Total equity (€)	26.67	25.49	24.40	24.26	23.22

¹ 2018 is the only year restated for comparison purposes after implementation of IFRS 16 in 2019; 2017 was not restated.

² Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs.

³ Underlying.

share performance

share price development

The share price ended the year 2021 at € 60.04, above the closing price of € 53.24 in 2020. The total shareholder return (TSR) for 2021 was 19%.

share price development

in millions of €, unless otherwise indicated

	2021	2020	2019	2018 ¹	2017
Closing price (€)	60.04	53.24	54.44	40.09	51.24
TSR (%)	19	(2)	59	(18)	3
High (€)	66.60	55.90	55.30	59.34	57.51
Low (€)	51.46	28.58	36.41	38.46	48.38
P/E ratio	13.7	20.7	13.0	8.8	12.4
EV/Sales	0.45	0.45	0.45	0.35	0.45
Market capitalization	11,047	9,759	9,979	7,349	9,390
Enterprise value	10,868	9,426	10,735	8,334	10,416

¹ 2018 is the only year restated for comparison purposes after implementation of IFRS 16 in 2019; 2017 was not restated.

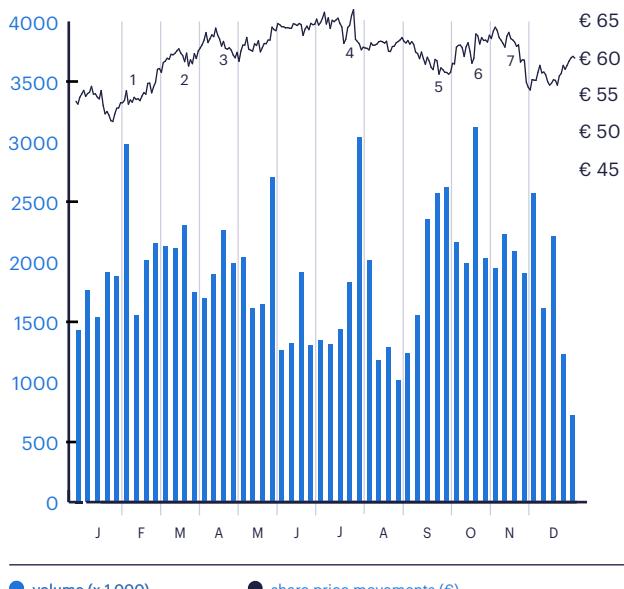
total shareholder return development 2021 of randstad compared to euronext AEX index and peers



● AEX ● randstad ● adecco ● manpower

our value for investors.

share price development 2021 of randstad ordinary shares



● volume (x 1,000)

● share price movements (€)

- 1 February 9, 2021 - Q4 and full year 2020
- 2 March 25, 2021 - Ex-dividend
- 3 April 21, 2021 - Q1 results
- 4 July 27, 2021 - Q2 results
- 5 September 24, 2021 - Ex-special dividend
- 6 October 21, 2021 - Q3 results
- 7 November 17, 2021 - Capital Markets Day 2021

analyst recommendations

Approximately 18 financial analysts regularly publish reports on Randstad. At the end of 2021, 6 analysts had a 'buy' rating, while 9 analysts recommended holding on to our shares; 3 analysts had a 'sell' rating. On December 31, 2021, the average target share price – according to analyst consensus – was around € 64. The highest target price was € 71, and the lowest was € 49.

earnings per share reporting

Randstad reports earnings per share on a fully diluted basis. We focus on earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs. In our view, this gives the best reflection of underlying business performance.

diluted earnings per share¹

	2021	2020	2019	2018 ²	2017
Q1	€ 0.76	€ 0.58	€ 0.86	€ 0.86	€ 0.81
Q2	€ 1.03	€ 0.34	€ 1.04	€ 1.21	€ 0.98
Q3	€ 1.17	€ 0.73	€ 1.12	€ 1.20	€ 1.10
Q4	€ 1.39	€ 0.90	€ 1.14	€ 1.27	€ 1.22
Full year	€ 4.35	€ 2.55	€ 4.17	€ 4.54	€ 4.11

1 Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs.

2 2018 is the only year restated for comparison purposes after implementation of IFRS 16 in 2019; 2017 was not restated.

our value for society.

Having a meaningful job positively impacts people's lives. Through our core business, sustainability activities, and our dialogue with governmental authorities and other relevant bodies, we help shape the world of work, maximizing future employment and sustainable economic growth.

Randstad aims to make a positive contribution to society by focusing on its social responsibilities as well as through thought leadership and industry involvement, including research, surveys and publications, memberships, sponsorships, and events.

shaping the world of work

One of the drivers of our ultimate goal is 'shaping the world of work'. As a global player in the labor market, Randstad has in-depth knowledge of the world of work. Through our daily interaction with clients and talent, and our continuous dialogue with governments and labor organizations, we take the lead in shaping the world of work. By promoting equal opportunities and contributing to better functioning labor markets in this way, we create the opportunity to touch the work lives of more and more people.

improving employability and skilling

Ongoing skills development is essential for employability and sustainability in any workforce, now more than ever. After many jobs were lost in 2020, we made comprehensive efforts with regard to the reskilling and redeployment of workers. In contrast, in 2021, we saw spiraling demand in a very tight labor market, with skills shortages a major concern. As the global leader in HR services, we take our responsibility with regard to developing talent and helping people get rewarding jobs and stay relevant in the ever-changing

world of work. To fulfill this responsibility, we encourage our clients to foster all talent, including those who need extra support to access the labor market. In addition, we help talent to invest in reskilling and upskilling, empowering them to navigate the rapidly changing labor market.

upskilling and reskilling

Upskilling and reskilling are critical to ensure that workers continue to contribute to an effective workforce and remain employable in the future. The training programs we facilitate are tailored to meet the needs of clients and talent in individual employment markets. Such programs include courses specific to healthcare, IT, sales, contact centers, hospitality, and technical skills. Specialized programs leading to additional professional qualifications are also part of training and development. A good example of such a program is Transcend by Randstad US. Transcend addresses systemic racism and discrimination in education and employment. The program offers reskilling, mentorship, and job placement services to individuals in diverse and untapped communities. The program's primary goal is to improve economic equity and offer training to ensure employability in the future of work.

In 2021, more than 406,000 candidates were trained, with a total of 5,800,000 training hours. More information about our local initiatives in employability advancement can be found on our [website](#).

our value for society.

digital equality

We believe that everyone deserves to have access to digital technologies and have the skills to use them. Many people are still left behind in this regard, which is why Randstad has developed multiple local programs that aim to increase digital equality. For example, Randstad Spain has launched Randstad Impulsa, a digitalization training program with tools and content to help people improve their employability. Randstad Spain also works on specific projects to promote the digital literacy of women at risk of exclusion. Similarly, Randstad Italy runs multiple programs and partnerships with the aim of reducing youth unemployment by providing young people with training in technological and digital skills.

youth employment

Recognizing skills and striving for an inclusive labor market are key in helping youth navigate their way to sustained employment. Improving youth labor participation requires an in-depth understanding of employment and labor market issues at a local country level. Effective cooperation between the private employment industry and various public partners will be the recipe for success in combating youth unemployment. Our operating companies offer an array of initiatives to assist young people in finding the right job. In 2021, over 741,000 of the candidates working in our main markets were younger than 25, and we placed 21,000 of these young people in a permanent job.

More information about our initiatives on improving employability & skilling and youth employment can be found on our [website](#).

promoting equity, diversity and inclusion

In line with our core values and Human Forward strategy, Randstad believes that everyone is entitled to be treated with dignity and respect. We value diversity. We do not discriminate on the grounds of age, gender, ethnicity, sexual orientation, disability, nationality, religion, marital status, or any other characteristic. As we navigate these extraordinarily challenging times, it is more important than ever that we remain vigilant and mindful of diversity and inclusion. While the COVID pandemic has revealed some stark disparities in our

society and the world of work, it also risks sparking new ones for several disadvantaged groups.

our policies

Our global diversity and inclusion policy and our human rights policy underline Randstad's commitment and strategy to foster inclusive employment, one of the drivers of our ultimate goal. We commit to supporting the inclusion of people with a vulnerable position on the labor market, for instance because of age, gender, ethnicity, sexual orientation, or disability. We strongly promote equal opportunities, and respect and safeguard human and labor rights in order to maximize future employment for as many people as possible.

fostering inclusive employment

One of the drivers of our ultimate goal is fostering inclusive employment. We strongly promote equal opportunities for all and support the inclusion of people with a vulnerable position on the labor market in order to maximize future employment for as many people as possible.

Many of our operating companies have long-standing diversity, inclusion and integration programs to serve their clients and talent. We provide consultancy services to clients on equal opportunity and on competency management for workers at risk of exclusion. By forging links with local community stakeholders, including public, private, NGO, and institutional partnerships, we stimulate equity, diversity and inclusion in the workplace.

Our Randstad Institute in France and our foundations in Germany, Spain and Canada provide access to employment for disadvantaged groups, such as immigrant workers, women at risk, victims of domestic violence, single parents, and the long-term unemployed. Randstad Canada's team of Strategic Diversity Consultants has now expanded its services to clients, supporting their efforts to create diverse and inclusive workplaces.

Addressing the challenges that the growing number of older workers face in entering, re-entering, or staying active in the workforce is also part of our approach to furthering employment market sustainability. In 2021, around 286,000 of the candidates working in our main markets were older than 50. In addition, in several of our main (mostly European) markets, we placed around

our value for society.

39,000 people who had been unemployed for more than one year, and almost 62,000 with no educational degree.

In line with our aim to promote diversity in our workforce, we also welcome talent with a disability. For example, Randstad France's Kliff program offers job opportunities for workers with a disability, enabling them to develop themselves professionally. A similar program is offered by Randstad Australia. We have found that registration of disabled talent varies in the different markets in which we operate. This may be related to local legislation, but also to the personal wishes of the people concerned. That makes reporting difficult and we therefore focus on our main (mostly European) markets. In 2021, we placed over 10,000 people with a disability.

Randstad India supported one of its global clients in setting up its LGBTIQA+ affirmative hiring agenda. The learnings and good practices from this experience are being used to advise additional clients and offer an inclusive onboarding and work experience with Randstad for historically excluded groups.

social innovation programs

Our social innovation programs aim to improve employability and promote equal opportunities for people at risk of exclusion. Besides the programs mentioned above, Randstad runs many other local initiatives to promote equal opportunities for, among others, women, youth, people with disabilities, the LGBTIQA+ community, older workers, and people from diverse ethnic backgrounds. In 2021, we saw a total of over 100 social innovation programs around the world.

thought leadership

As the global leader in HR services, we see it as our responsibility to take an active role in developing our industry. Our [international reports on the world of work](#) continue their rapid rise in visibility and popularity. In addition, many research projects and events take place on a local level, supporting us and our clients in making sound business decisions.

With the aim of further strengthening our reputation as a thought leader, Randstad proactively interacts with strategic stakeholders, such as governments, experts,

educational institutions, and civil society. We are also actively involved with influential organizations such as the International Labour Organization, the World Employment Confederation, the Organisation for Economic Co-operation and Development, the Global Apprenticeship Network, Voluntary Service Overseas, the International Organization of Employers, and BusinessEurope.

research, surveys and publications

To enhance our labor market knowledge and expertise, Randstad carries out regular research and surveys, both independently and in collaboration with academic partners and other institutes. In addition, we give presentations around the world, and our multiple publications are well received by our stakeholders and the industry in general. In this way, we aim to contribute to shaping solutions that create value for people, companies, and the global economy.

randstad workmonitor

The Randstad Workmonitor is one of our key surveys, providing a comprehensive understanding of mobility, job market sentiments and talent trends. Launched in 2003, the study now covers 34 markets across Europe, Asia Pacific and the Americas. The survey is conducted online among workers aged 18 to 65, working a minimum of 24 hours a week in a paid job (not self-employed), with a minimum sample size of 800 interviews per market. As of 2021, the survey is conducted semi-annually, and the results are published on our [corporate website](#) and shared with clients, media and other stakeholders. The two 2021 surveys gauged how the global workforce has coped in their personal and professional life during the pandemic, including their views on work-life balance, career and life goals, skilling needs, and what they seek in an ideal job.

flexibility@work

Since 2013, Randstad has published Flexibility@Work, a yearly report on flexible labor and employment, consisting of a database and an academic research topic. The 2021 report 'Flexibility@Work: Embracing Change' presents a comprehensive examination of the big trends shaping the labor market. We took a close look at how forces such as workplace flexibility and automation have evolved in recent times, and how they will redefine our definition of work in the future. The research revealed that we need to help create more decent and sustainable jobs, as providing people with

our value for society.

good employment and wages is the bedrock of a fair and inclusive society. Reskilling talent and connecting employers with the right talent will be essential to achieve this goal. In addition, we should focus on a more inclusive workplace to encourage participation for all. Finally, we need to view technology as an enabler and not a threat, as there is plenty of evidence to show that innovation leads to a net gain in jobs.

sustainability@work

In 2021, the second edition of a new annual series called *Sustainability@Work* was launched, titled 'Toward 2030 together'. For this year's report, a deep-dive impact measurement was carried out for our Dutch social innovation program Baanbrekend, a public private partnership. Now ten years along the way, Baanbrekend has led to a four times higher chance of finding a job and retaining it – a true example of our Human Forward promise. In addition, the report provides a comprehensive overview of Randstad's local social innovation programs run by our operating companies across the world. These may focus on employability and skills, youth employment, diversity and inclusion, or mobility and migration. Through these initiatives, we give people confidence and empower them to navigate the labor market today, tomorrow, and in the future.

local industry insights

Through our operating companies around the world, Randstad also conducts a variety of labor market research initiatives that enable organizations and talent to enhance their professional endeavors. This work yields a valuable source of information for stakeholders in a particular locale. To this end, Randstad Spain, Italy and Belgium have set up their own Research Institute. Publications issued include the World of Work research (Asia Pacific), the Workpocket (the Netherlands, Belgium, and other markets), various salary surveys tailored to specific target groups (e.g., the professionals segment), white papers, and online polls. In addition, Randstad Sourceright publishes a quarterly Talent Trends Report, which focuses on specific sectors and industries.

randstad research institute

Initiated by Randstad Spain in 2015, the Randstad Research Institute is a specialized, independent institution that provides in-depth analysis of labor market and HR trends through regular analysis of public labor market figures, reports on labor market and HR

trends, and employment forecasts. It has proven to be a successful content generator and knowledge platform, enhancing thought leadership and Randstad's image as a trustworthy labor market expert. As part of an effort to transform this Spanish best practice into a global approach, Randstad Research institutes have also been established in Italy and Belgium.

spain

In 2021, the Randstad Research Institute in Spain issued quarterly reports on the state of the labor market and absenteeism. It also produced reports on HR-related topics and trends, including remote working and annual salary trends, as well as a report on the employment situation in the food industry. The Institute held 35 webinars and participated in 120 interviews on radio and television. It also increased its influence in the written press, both online and offline. Its redesigned website now includes labor market indicators updated in real time through dynamic dashboards.

belgium

The Randstad Research Institute in Belgium was again very active in 2021. A majority of Randstad Belgium's external press output comes directly from Randstad Research. It published important studies on internal and external promotion, the sharp increase of the share of disabled and sick people, and the challenge of finding work. The second report ('Belgium is ill') was presented during a parliamentary hearing on the topic, as well as in a high-level seminar attended by major Belgian employers. The third report ('Finding work') was presented at the World Employment Conference in Madrid, receiving due attention from the International Labour Organisation.

italy

In 2021, Randstad Research Italy published influential reports on the mismatch between supply and demand on the labor market, the circular economy, and the issue of inactive youth and women. During the year, Randstad Research Italy also strengthened several partnerships with associations and institutions for joint research or public presentations on HR-related issues. These included collaborations with the steel industry, agri-food cooperatives, and retail companies.

talent trends research and intelligence

Randstad Sourceright's annual Talent Trends research and corresponding report provide a global assessment

our value for society.

of how C-suite and human capital leaders view the labor market and the opportunities and challenges facing their organizations. The 2022 edition reflects the views of 900 corporate leaders in 18 markets around the world about their workforce and skilling strategies and practices, the impact of talent scarcity and hybrid working models on their business, corporate initiatives around diversity, equity and inclusion, and their outlook for the year ahead.

In addition to the annual global trends survey, Randstad Sourceright's talent intelligence group conducts in-depth research into specific areas of interest and enables customers to respond in swift and informed ways to talent challenges. This includes detailed global location strategy advisory on where and how to best employ talent to drive workforce agility and attract in-demand skills by using data-driven market insights.

partnerships and events

WEF

The World Economic Forum (WEF) is an international NGO 'committed to improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional, and industry agendas'. In 2021, Randstad began participating as a New Economy and Society Platform Partner, which allows us to learn from, engage in, and influence the most pressing conversations in society, including the world of work.

OECD forum

Randstad has been a partner of the OECD Forum since 2014. One of the most influential annual global public policy events, the OECD Forum brings together high-level government representatives, CEOs, civil society leaders, trade unions, leading academics, and the media. Due to the pandemic, the OECD organized a virtual Forum in December 2021, as well as high-level seminars during the year. In July 2021, Randstad was represented at the launch of the Employment Outlook by our CEO in a panel on the impact of COVID-19 on employment and jobs. Other senior executives took part in several virtual panels on skilling and the future of work.

G20-B20-L20

The Business 20 (B20) is the official Government 20 (G20) dialogue with the global business community. Its mission is to support the G20 through consolidated representation of interests, expertise and concrete policy proposals, combined with promoting dialogue among policymakers, civil society, and business at an international level. Randstad has been part of the B20 process since the summit in Cannes in 2011.

The G20 is an international forum for the governments of the 19 largest economies and the EU. It seeks to address issues that go beyond the responsibilities of one organization, including finance, sustainability, and employment. International organizations such as the ILO, OECD and IMF are closely connected to the G20 processes. In 2021, Italy, in the rotating annual chair, organized several virtual seminars around the central theme of People, Planet, Prosperity. Randstad again played an influential role in the B20 deliberations regarding employment and education issues, with a focus on building confidence, dynamism, and resilience in future labor markets, and designing future-ready human capital.

The B20 made statements regarding the need to promote and enable diverse forms of work, to stimulate job creation and growth and female employment, and bringing labor migration policies in line with labor market needs.

HR transformation forum

As the founding partner, Randstad has sponsored the HR Transformation Forum since 2013. The Forum is a high-level think-tank consisting of chief human resources officers from global blue-chip companies based across Europe. It provides HR leaders with a safe platform to candidly discuss the challenges they face within their companies' transformations, spur cross-industry fertilization of ideas, and exchange views on the global HR themes of the future. Since its inception, the Forum has closely examined many (digital) transformation dilemmas. The discussions currently focus on the future of work and new ways of working, which will require next-generation leadership. With regard to this theme, HR leaders are sharing thoughts and insights on digitalization, technology, and ecosystems, the driving forces for creating value that will remain topical in the coming years.

our value for society.

tent partnership for refugees

The Tent Partnership for Refugees works with businesses to develop and implement concrete commitments to support refugees, especially by hiring refugees, integrating them into supply chains, supporting refugee entrepreneurs, and delivering services to them. In 2022, a new commitment will be set.

living, learning and earning longer

As people live longer, healthier lives, many will want or need to work longer. Longevity thus presents an opportunity and responsibility for governments, employers, and people of all ages to reimagine what it means to earn and learn over a lifetime. Randstad is one of the 50 employers engaged in this learning collaborative to identify and share multigenerational, inclusive workforce practices.

industry involvement

We strongly believe that social dialogue and active participation in industry bodies will help produce clear, fair, and workable regulations in the markets in which we operate. By investing in strong industry associations – on a national, regional, and global level – we believe we can contribute to the future development of the HR services industry. The overview '[highest randstad positions in industry associations](#)' shows Randstad's participation in staffing industry institutions in countries where we are active and where such associations exist.

sectoral social dialogue

Randstad actively engages in the national and international dialogue with labor unions. At EU level, UNI-Europa and the World Employment Confederation Europe (in which Randstad is represented) meet regularly in the Sectoral Social Dialogue Committee on Temporary Agency Work to discuss issues of mutual importance, and to further professionalize and gain more societal acceptance for the industry. Moderated by the European Commission's Directorate-General for Employment, Social Affairs and Equal Opportunities, the committee met three times in 2021, focusing on topics such as the Action Plan on the European Pillar of Social Rights and the EASE Recommendation, the Report on intra-EU Mobility of Seasonal Workers: Trends and Challenges, and WEC Europe's Manifesto 'Recovery, Reform and Resilience'. All meetings were organized virtually due to COVID restrictions.

The EU Sectoral Social Partners for temporary agency work, the World Employment Confederation-Europe and UNI-Europa, agreed on the theme of PARTNERS for their Work Programme 2021 – 2023 with a focus on diverse forms of work (especially temporary agency work), skilling, improving collaboration to ensure the enforcement of and compliance with European laws on temporary agency work and health and safety at work, the new normal post COVID-19, and social innovation. In addition, an update was prepared for the set of joint recommendations presented in May 2020, covering the safe and healthy return of agency workers during the pandemic. This update will be presented in 2022.

contributing to labor markets

In accordance with our reporting framework, we also report on our contribution to employment markets. In this respect, two relevant KPIs are staffing penetration rates and our contribution to the [regulation of labor markets](#). The former shows the development of the number of temporary workers as a percentage of the total labor market, while the latter provides insight into the status of regulation in the main markets in which Randstad operates, as well as the expected trends. A third relevant KPI is our involvement in national and international employment institutions.

memberships

Randstad N.V. has long been an advocate of enabling a flexible workforce while adequately protecting workers' rights in terms of remuneration, social security, and opportunities for growth and development. Many countries still maintain unjustified restrictions on flexible work arrangements. As a result, these forms often lack appropriate and fair regulation, which may also lead to an unnecessarily large informal labor market. In order to help shape the world of work, we invest in the membership of several influential employers' organizations.

WEC

Through our membership in the World Employment Confederation (WEC) and its European arm, we strive for recognition of the economic and social role played by the employment industry in enabling work, job security, and prosperity in our societies, and in acting as facilitators of change. Randstad is adequately represented at WEC on a global level in both the Board as well the Executive Committee. Through our membership of the WEC Europe, we strive for well-

our value for society.

regulated working conditions for our employees and talent, and for the promotion of the social innovation agenda for the future of work. Since March 2021, Randstad's CEO Groupe Belgium & Luxembourg and Randstad Nordics has held the Presidency of WEC's European arm.

BusinessEurope

BusinessEurope is the leading advocate for growth and competitiveness at a European level, standing up for companies across Europe and campaigning on the issues that most affect their performance. Through our BusinessEurope membership, Randstad contributes to the world of work on a European level.

IOE

With more than 150 business and employer organization members, the International Organization of Employers (IOE) is the largest network of the private sector in the world. Through our membership in the IOE, our contributions and perspectives are reflected in matters of international standards, business and human rights, sustainability, occupational health and safety, and international industry relations.

overview of membership costs

in €

	2021	2020	2019
WEC	85,000	85,000	82,000
BusinessEurope	30,000	30,000	30,000
IOE	16,000	16,000	14,000

A full overview of our sustainability and industry memberships is presented under '[supplementary information](#)'.

our contribution to SDGs.

Randstad aims to contribute to a sustainable future, both socially and economically, through our commitment to the following United Nations Sustainable Development Goals (SDGs).

SDGs

SDG 4:
We help to ensure inclusive and equitable quality education and promote lifelong learning for all



SDG 5:
We help to achieve gender equality and empower all women and girls



SDG 8:
We promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all



subgoals

4.4 - Increasing the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship

Among other things, Randstad contributes to this subgoal through our many local social innovation programs that aim to improve employability and skilling.

5.1 – End all forms of discrimination against all women and girls everywhere

5.5 – Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life

Among other things, Randstad contributes to these subgoals through actively supporting women in climbing the career ladder at all levels in our organization, through our local initiatives that support gender equality, as well as through thought leadership and industry involvement.

8.2 – Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labor-intensive sectors

8.5 – By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value

8.6 – Reducing the proportion of youth not in employment, education or training

8.8 – Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

Among others, we contribute to these subgoals through our many local social innovation programs that aim to improve employability and skilling, and promote equal opportunities and diversity, as well as through thought leadership and industry involvement.

our contributing key drivers

Connecting with people

Foster inclusive employment

Shaping the world of work

Foster inclusive employment

Shaping the world of work

Contributing to economic growth

Connecting with people

Connecting with people

Foster inclusive employment

Foster inclusive employment

Shaping the world of work

randstad kpi

- # of candidates placed younger than 25 or older than 50
- Employees by age group
- # of interns
- # of candidates placed with no educational degree
- # of candidates/employees trained
- Training hours (candidates/employees)
- # of candidates redeployed

- Thought leadership events
- Research and publications

- % of males and females in senior leadership positions
- Thought leadership events

- # of digital initiatives
- Investments in innovation

- # of candidates placed
- # candidates redeployed
- # of permanent placements
- # of candidates placed younger than 25 or older than 50
- # of initiatives to guide people from unemployment to employment
- # of candidates placed with disabilities
- # of candidates placed who were unemployed > 1 year
- Employee engagement
- Talent satisfaction
- Future proofing long-term employability

- # of candidates placed younger than 25 or older than 50
- Employees by age group
- Future proofing long-term employability
- # candidates redeployed

- Thought leadership events
- Research and publications

progress

- 762,000 candidates placed younger than 25 and 286,000 older than 50 in 2021
- Employees by age group (page 47)
- 2,600 interns in 2021
- 62,000 candidates placed with no educational degree in 2021
- 406,000 candidates trained in 2021
- 45,600 employees trained in 2021
- 5,800,000 training hours for candidates in 2021
- 883,000 training hours for employees in 2021
- Future proofing long-term employability: improving employability & skilling (pages 57 - 58)

- Thought leadership (pages 59 - 61)

- 50% women in senior leadership positions
- Thought leadership (pages 59 - 61)

- Digital (pages 34 - 35)
- Global trends (page 30)
- Our digital journey - unlocking future value (page 42)

- 2,082,000 candidates placed
- 276,100 permanent placements
- 762,000 candidates placed younger than 25 and 286,000 older than 50 in 2021
- Initiatives to guide people from unemployment to employment: improving employability & skilling (pages 57 - 58)
- 10,000 candidates placed with disabilities in 2021
- 39,000 candidates placed who were unemployed > 1 year:
- employee engagement (page 50)
- Talent satisfaction: customer delight (page 13)
- Future proofing long-term employability: improving employability & skilling (pages 57 - 58)

- 762,000 candidates placed younger than 25 and 286,000 older than 50 in 2021
- Employees by age group (page 47)

- Thought leadership (pages 59 - 61)
- Industry involvement (pages 61 - 62)
- Safeguarding labor and human rights (pages 65 - 67)

SDGs

SDG 10:
We aim to reduce inequality within
and among countries



SDG 13:
Take urgent action to combat
climate change and its impacts



subgoals

10.2 – Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

10.3 – Ensure equal opportunities and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

10.4 – Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

Among others, we contribute to these subgoals through our many local social innovation programs that aim to improve employability and skilling, and promote equal opportunities and diversity, as well as through thought leadership and industry involvement.

13.2 Integrate climate change measures into national policies, strategies and planning

our contributing key drivers

Foster inclusive employment

Shaping the world of work

Shaping the world of work

Shaping the world of work

randstad kpi

- % of males and females in senior leadership positions
- # of candidates placed with disabilities
- Thought leadership events
- Research and publications

- Thought leadership events
- Research and publications

- Thought leadership events
- Research and publications

progress

- 50 % women in senior leadership positions (page 4)
- 10,000 candidates placed with disabilities in 2021
- Thought leadership (pages 59 - 61)

- Thought leadership (pages 59 - 61)
- Industry involvement (pages 61 - 62)
- Safeguarding labor and human rights (pages 65 - 67)

- Thought leadership (pages 59 - 61)
- Industry involvement (pages 61 - 62)
- Safeguarding labor and human rights (pages 65 - 67)

- Measures to decrease environmental footprint (sustainable mobility policy, energy efficiency in buildings, renewable electricity, sustainable business travel, supplier engagement strategy)
- GHG emissions (scopes 1, 2, 3)
- CO₂ per km driven
- Achieve 50% absolute reduction of Randstad's CO₂ emissions for scopes 1 and 2 by 2030, compared to 2019
- Achieve 30% absolute reduction of our CO₂ emissions in scope 3 by 2030, compared to 2019

- Scope 1 emissions 2021: 47,100 metric tons CO₂
- Scope 2 emissions 2021: 11,300 metric tons CO₂
- Scope 3 emissions 2021: 3,000 metric tons CO₂
- 0.00019 CO₂ per km driven



seeing
the possible

in people.

"Thanks to Randstad's human touch in the selection process, I found a sales representative that fit my family business and culture."

Watch Katrin's story



sustainability fundamentals.

We can only create real value for society if sustainability is embedded in everything we do. Our sustainability fundamentals, which cover all Environmental, Social and Governance (ESG) matters, therefore safeguard accountability with regard to labor and human rights, sustainable supply chain management, taking environmental care, corporate citizenship, and tax transparency and compliance. They serve as a foundation for achieving our ultimate goal of touching the work lives of 500 million people by 2030. We aim to have management tools, business principles, policies, and a governance structure in place that are in line with, or exceed, the standards set for our industry.

safeguarding labor and human rights

Safeguarding labor rights and human rights are material topics for our organization, which was reconfirmed during our most recent materiality assessment in 2021. As these topics matter greatly to our organization and our key stakeholders, we take them very seriously. Our business ethics, reflected in our business principles, are essential enablers that put us in the right position to accelerate our business impact. For human rights, Randstad sets the standard on a global level, but success is largely dependent on local execution.

business principles

Randstad's business principles, our code of conduct, are based on – and support – our core values. They project a positive message, help us live up to our values, and ensure that the needs of the world in which we work, as well as our business and personal behavior, are well aligned and reinforce one another. The business principles are our minimum standards, applicable to all Randstad employees (including officers and directors); no one is authorized to violate them. They can be found in the 'corporate governance' section on our [website](#).

Our business principles – coupled with our key corporate policies referred to below – are an integral and mandatory part of our global induction program and refresher training for all employees. Training in business principles has been part of our key control framework for ensuring global execution since 2014.

In 2021, 22,000 employees (both new and existing) received business principles training, mostly online, either by webinar and/or by means of our dedicated e-learning program. This means that all of our employees have been trained at least once. Our business principles training also covers grievance reporting, competition law, anti-bribery, data protection, information security, and human rights. In relation to human rights we focus on our salient issues, such as non-discrimination and equal opportunities, and protection against harassment and intimidation. To set a minimum standard, we developed a compliance induction and refresher e-learning program: Randstad Rules! In addition, we developed a set of seven animated videos that support training and communication on our business principles and corporate policies. These videos are available in 16 languages. Our dedicated compliance training ensures capacity building for our employees and increases their awareness of relevant topics in relation to their work.

Understanding of our business principles is measured through our Randstad in Touch engagement survey (monthly). The results of this part of the survey can be found in the table 'Understanding of business principles'.

To further enhance awareness of the business principles, they are included in our HR Standards and communicated through various internal communication channels across the Group.

understanding of business principles

	2021	2020	2019
North America	8.9	9.0	8.9
France	8.3	8.3	8.3
Netherlands	8.0	8.1	7.4
Germany	8.2	8.0	8.0
Italy	8.3	8.3	8.1
Belgium & Luxembourg	8.3	8.3	8.2
Iberia	8.6	8.4	8.3
Other European countries	8.5	8.5	8.4
Rest of the world	8.3	8.2	7.9
Global Businesses ¹	8.5	8.4	8.2
Corporate	8.3	8.6	8.4
Group	8.4	8.4	8.3

¹ Global Businesses includes the data of Randstad Sourceright only. The following entities are not yet covered: Monster, Randstad RiseSmart, and twago.

Source: Randstad in Touch engagement survey.

corporate policies

In order to further clarify some of the areas addressed in our business principles, we have specific corporate policies. They provide our employees around the world with specific guidance and instructions on their business behavior.

Our business principles and some of the key corporate policies related to compliance with business principles (fair competition, gifts & hospitality, and anti-bribery) were last reviewed in 2019. In 2021 we reviewed our data protection policy, our human rights policy, and our environmental policy. Other relevant policies are those on insider dealing, contract approval, and e-communications. In addition, we have a health & safety policy, a global corporate citizenship & philanthropy policy, a diversity & inclusion policy, and an information security policy. All policies are included as controls in our key control framework.

Randstad's corporate policies are published on our intranet sites and on our website (in whole or in summary). All our global policies are approved by our executive board. Through our internal in-control statement process, our operating companies certify, semiannually, their compliance with many of the policies, or explain any deviations.

compliance

Promoting best practices and raising awareness of relevant laws and policies is an ongoing process worldwide. Our compliance induction and refresher e-learning program, Randstad Rules!, can be easily adapted to other languages and local rules. In 2021, Randstad Rules! was used for compliance induction and/or refresher training by the vast majority of our operating companies worldwide, which was also very effective for delivering continued compliance training during the pandemic, when many employees were working from home. It also helped new employees to familiarize themselves with the Randstad core values, business principles, and related policies.

tax policy

Our position with regard to tax control, tax contribution, tax compliance, and tax planning is elaborated on in our tax policy. In line with our core value 'simultaneous promotion of all interests', and in order to safeguard our good reputation, Randstad demonstrates ethical tax

behavior by paying the proper amounts of taxes in the countries where value is created.

environmental policy

Randstad also has an environmental policy. Realizing that the world's natural resources are limited and fragile, we believe environmental protection is consistent with our overall goals and core values, and should therefore be an important consideration in our activities. This commitment to environmental protection is reflected in our [integrated reporting framework](#). It is validated through a materiality analysis, and included in all our programs and practices that encourage the conduct of operations in a manner that is both environmentally and economically responsible. Our environmental policy is also an integral part of our supplier code.

global supplier code

Randstad's Global Supplier Code must be acknowledged by each supplier and requires them to comply with human rights, the ILO principles regarding labor and anti-bribery and corruption legislation and international treaties, and to ensure safe working conditions in accordance with our health & safety policy.

AI principles

Our Artificial Intelligence (AI) principles, first issued in 2019, define our commitment to the responsible use of AI, and supplement our values and business principles. The AI principles are a common foundation for our company and all our stakeholders as we navigate the rapidly developing world of AI. The AI principles are a work in progress, and we will continue to refine them as AI-related technologies, laws, and regulations evolve over time.

HR standards

Our HR Standards are not only based on our core values and business principles, but also on our sustainability ambitions. These standards are designed to guide our company and to safeguard the recruitment, development, and retention of our employees – our most important asset. They are essential in helping us achieve our strategic goals, which is why our policies and integrated reporting framework are not only included in our HR Standards, but also form a mandatory part of our induction training.

data protection and information security

One of our material topics is data security and privacy. We are committed to ensuring the integrity and security of all personal data stored within our business processes and IT systems. Our data protection policy, which was reviewed in 2021, sets the standard with regard to the protection of personal data. We support our employees in taking measures to process personal data in compliance with this policy and applicable laws. In addition, our information security policy sets out Randstad's information security objectives and the conditions that must be satisfied in relation to them. Please refer to the sections on [operational risks](#) and [compliance risks](#) to learn more about the specific actions we take to ensure compliance with our policies.

human rights

Randstad recognizes its impact on labor markets, which is often closely related to human rights. We therefore consider this topic very relevant, and operate in accordance with several global agreements and conventions. We are committed to preventing or mitigating adverse human rights impacts that are caused by or linked to our operations and services, and addressing such impacts if they occur. All our employees are trained in human rights through our induction and refresher training programs. Randstad adheres to the human rights chapter of the OECD Guidelines as a benchmark for its international activities.

UN global compact

We are signatories to, and participants in, the United Nations Global Compact, and we support its Ten Principles regarding human rights, labor rights, the protection of the environment, and anti-corruption. We have embedded the Ten Principles into our corporate policies and developed a tool for human rights risk mapping. More details are available on the [website of the UN Global Compact](#). While always complying with national laws and practices, we are also committed to making the Global Compact's principles part of Randstad's strategy, culture, and day-to-day operations. In 2020, as part of the 75th anniversary of the United Nations, our CEO signed the Statement for Renewed Global Cooperation with the UN Global Compact.

labor rights

The principles regarding labor are those outlined in the ILO Declaration on Fundamental Principles and Rights at Work. These are freedom of association and the right to

collective bargaining, elimination of forced or compulsory labor, the abolition of child labor, and the elimination of discrimination in respect of employment and occupation.

With no international generally agreed definition of 'living wage' available, we focus on what is available in the formal legal framework in order to be compliant with international standards and national labor legislation and regulation, including national minimum wages where they exist and/or minimum wages as set up in collective agreements, or a general legal compliance approach. Randstad invests in social dialogue and concluding Collective Labor Agreements (CLA) with trade unions where possible and relevant. 45% of our employees are covered by a CLA. This closely links to our core value of 'simultaneous promotion of all interests'. Either on our own account and/or through recognized industry bodies, we actively call for decent, clear, fair, and workable rules and regulations in the markets in which we operate. More information on this is available in the '[industry involvement](#)' section of our annual report.

anti-corruption

Randstad's CEO and CFO signed the UN's Call to Action to Governments to promote anti-corruption measures and to implement policies to establish systems of good governance. Signing this Call to Action underlines our commitment to opposing corruption in all its forms, including extortion and bribery. We believe that corruption is one of the greatest obstacles to economic and social development around the world. For this reason, and to keep aligned with developments and best practices in this area, Randstad N.V. is a member of Transparency International.

human rights risks

In 2020, we reviewed our global key control framework and expanded it to cover a number of relevant risks and controls related to business and human rights, notably bribery, workers' rights, health and safety, and discrimination. Other ways in which we mitigate human rights risks at all our operating companies include continuous training of our employees and management locally, and promoting organizational sensitivity to human rights issues in general. As we recognize our role in public labor market debates, we aim to increase our efforts in safeguarding human rights. In 2018, we performed a human rights exercise to reassess the

human rights risks that are most relevant to our company. This exercise included discussions with teams from Argentina, Australia, China, India, Japan, Poland, the UK, the US, and a global team. The outcome of this exercise served as input for Randstad's human rights policy, which was issued in 2019, and revised in 2021. Randstad's CEO Jacques van den Broek and several other CEOs co-signed the WBCSD's¹ CEO Guide to Human Rights.

human rights policy

In 2021, we updated our [human rights policy](#), where we set out the leading human rights principles for Randstad, its employees and placed workers, as well as our expectations towards our external stakeholders. These principles reflect salient human rights issues, such as non-discrimination and equal opportunities, protection against intimidation and harassment, health and safety, and modern slavery. We are especially committed to protecting those groups of people that are more vulnerable in the labor market. Vulnerable groups may vary per country and/or region, and may include women, children, disabled people, migrant workers, the LGBTQIA+ community, indigenous people, racial and ethnic minorities, and the long-term unemployed. We aim to avoid human rights breaches by capacity building, such as through our global equity, diversity & inclusion council and awareness raising and training initiatives.

reporting violations

Any employee, placed worker, or other stakeholder who reasonably suspects or has witnessed a violation of human rights is expected to raise their concern in accordance with the Randstad Group Misconduct Reporting Procedure, preferably directly to local management and through established operational channels. However, if for any reason this is likely to be ineffective or inappropriate, or if a complainant fears retaliation, use can be made of the Randstad Group Integrity Line.

integrity and grievance mechanism

The Randstad misconduct reporting procedure encourages the reporting of concerns, preferably directly to local management and through established operational local channels. For serious misconduct, or if for any reason the local reporting lines are considered

inappropriate or are likely to be ineffective, or if a reporter fears retaliation, there is also the option to speak up directly to the dedicated local integrity officer, or to make use of our Integrity Line. Examples of serious misconduct that may be reported include breaches of human rights, bribery or competition issues, discrimination, (sexual) harassment, or misconduct related to financial reporting and tax related issues. The Integrity Line is a special reporting facility, which consists of a telephone hotline (accessible 24 hours a day via free local access numbers) and a secure web page. The Integrity Line is open to all of Randstad's stakeholders: employees, candidates, placed workers, and third parties.

Reports are received by local integrity officers, who are responsible for handling the reports made, supported, where appropriate, by other functions, either locally or within Randstad N.V. Actions resulting from this procedure vary from apologizing to the complainant and correcting mistakes to warning letters or termination of employment, be it of a placed worker or an employee, including in senior positions. These actions must make clear to all involved or impacted that breaches are not tolerated by Randstad.

Taking into consideration the implications of the UN's 'Protect, Respect and Remedy' framework, we continue to work on raising and maintaining awareness of our grievance mechanism, including among our employees and placed workers. In 2021, raising awareness within our operating companies resulted in an overall awareness score of 8.5 (2020: 8.4), as measured through our Randstad in Touch engagement survey (see table 'awareness of misconduct reporting procedure' below). Our e-learning tool Randstad Rules! has proven to be effective here.

confidentiality and protecting whistleblowers

Although reports can be submitted anonymously, Randstad encourages individuals to reveal their identity when they submit a report. This greatly facilitates the investigation of the issue. Reports can always be made in the local language. The Integrity Line is operated by an independent external provider and allows communication between the parties, even if the misconduct was reported anonymously. This way of

¹ World Business Council for Sustainable Development

sustainability fundamentals.

communicating with an anonymous reporter has proven to be successful in several instances.

Protecting the rights of those who speak up on potential misconduct is essential. Our procedure therefore ensures confidentiality for the person speaking up, respecting privacy and data protection rights, and protection against retaliation, including for those assisting the person speaking up.

The right of non-retaliation is guaranteed under the Business Principles. Violation of this right will not be tolerated. Any form of threat or retaliation aimed at speaking up may lead to disciplinary measures.

reports made

The number of reports (complaints and concerns) made in 2021 (401) was back to the level of 2019 (386). The decrease observed in 2020 (down 16%), most likely as a result of the first waves of the pandemic, did not continue. Again, this total included a substantial number of reports made via the integrity line that qualified as service issues and bypassed the normal appropriate local reporting channels, such as the branch manager or local complaint or help desks. Where possible, these were referred to the relevant local function for follow-up, or dismissed if there was insufficient detail (especially when also anonymous). Through local communication efforts, we aim to maintain and increase awareness of the correct routing.

Of the 401 reports made in 2021, 102 were accepted as admissible. After thorough investigation of these 102 reports, 61 were found not proven, and 41 were, at least partially, proven. A total of 7 were still under investigation at year end. The proven complaints (41) were related to harassment and intimidation (12), health & safety (6), non-compliance with internal policies and procedures (6), improper management practices/unprofessional behavior/breach of business principles (5), sexual harassment (4), discrimination (3), fraud/misuse of Randstad property for personal purposes (3), hostile work environment (1), and conflict of interest (1). We saw 10 reports that were directly related to the COVID-19 situation, mainly related to safe working situations, either at Randstad offices or at the client locations.

The vast majority of the reports (258) were made by current or former candidates/placed workers; most of

misconduct reporting

	2021	2020	2019
New complaints	401	323	386
Of which anonymous	139	123	116
Concerns referred to other channels/not legitimate	292	199	233
Proven or partially proven	41	53	61
Not proven	61	71	92
Under investigation ¹	7	0	0
Total	401	323	386

¹ The 1 complaint reported as 'under investigation' for 2019 was not proven. Of the 7 complaints reported as 'under investigation' for 2020, 6 were not proven and 1 was proven.

these were referred to local management or the local complaint or help desks. A total of 22 reports were made by clients, suppliers, or other external parties, and in 74 cases (due to insufficient information being provided by anonymous reporters), it was not clear who made the report. The remaining 47 reports came from employees or former employees.

All valid reports were followed up internally, usually by local teams with the support of the local integrity officer and/or the risk manager. If the report related to local management, it was followed up by the central integrity officer and Global Business Risk & Audit. Again in 2021,

awareness of misconduct reporting procedure

	2021	2020	2019
North America	9.0	9.0	8.9
France	8.1	8.0	7.9
Netherlands	8.1	8.1	7.7
Germany	8.3	8.2	8.3
Italy	8.3	8.3	8.2
Belgium & Luxembourg	8.3	8.2	8.1
Iberia	8.5	8.2	8.1
Other European countries	8.6	8.5	8.4
Rest of the world	8.3	8.2	8.0
Global Businesses ¹	8.6	8.5	8.4
Corporate	8.2	8.5	8.4
Group	8.5	8.4	8.3

¹ Global Businesses includes the data of Randstad Sourceright only. The following entities are not yet covered: Monster, Ausy, Randstad RiseSmart, and twago.

Source: Randstad in Touch engagement survey.

sustainability fundamentals.

due to the ongoing COVID restrictions, certain investigations had to be performed remotely, and not all could be followed up as efficiently or quickly as usual. All proven reports were followed up by corrective actions, which varied depending on the facts. Corrective action included additional training, coaching and/or monitoring for the people involved, as well as enhanced communication and improved controls on relevant policies and procedures; this was especially relevant in cases of non-compliance with internal policies and procedures and improper management practices. In intimidation and harassment cases, the corrective action varied from a written warning and further coaching to other disciplinary action, including termination of employment. Of the 4 proven sexual harassment cases, 3 related to Randstad itself and 1 to a situation at a client. All Randstad-related cases resulted in termination of the offender's employment.

Understanding of our misconduct reporting procedure is measured through our Randstad in Touch engagement survey (monthly). The results of this part of the survey can be found in the table 'awareness of misconduct reporting procedure'.

sustainable supply chain management

Our suppliers make an important contribution to the quality of our services. We therefore ask them to embrace our standards and to comply with our Supplier Code. This code is an integral part of our international terms and conditions. It aims to ensure that the procurement of goods and services takes place in a socially responsible manner and in conformity with our business principles.

In this code, we explicitly request that our suppliers respect our regulatory, social, and ecological principles, and adopt practices consistent with those [principles](#). Suppliers must ensure that their own suppliers and subcontractors also respect the principles set out in the code. This requires them to comply with human rights, the ILO principles regarding labor and anti-bribery and corruption legislation and international treaties, and to ensure safe working conditions in accordance with our health & safety policy. We consult with suppliers periodically in order to verify compliance with the code.

If deemed necessary, Randstad may have an audit conducted at the supplier's premises. The Supplier Code was revised in 2021, and is published on our [website](#). In 2021, we have reassessed our definition of procured goods and services which has led to a change in the reported 2020 numbers. Around 29% of our procurement expenditure worldwide was covered by our Supplier Code (2020: 27%, changed for comparison purposes).

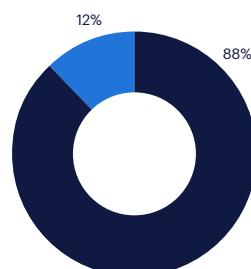
A good example of our supply chain management is the procedure followed by Randstad Argentina. This works as follows: the first mandatory step for suppliers in formalizing the relationship is to register on Randstad's website and explicitly subscribe to the Supplier Code. Once they are in the system, they are automatically notified when changes are made to the Supplier Code or to other conditions.

On a global scale, around 12% of our cost base consists of supplier spending. The graph 'Composition of the supply chain' shows the proportions of the various supplier categories across the globe.

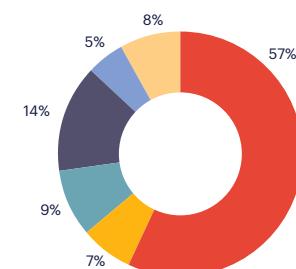
composition of the supply chain in 2021

as % of total supplier costs (x 1,000)

total costs: € 23,574¹



supplier costs: € 2,719



● other costs

● supplier costs

● cost of services

● advertisement & marketing

● accommodation

● IT

● general costs

● personnel expenses

¹ Actual reported operating expenses and cost of services excluding amortization and impairment of acquisition-related intangible assets, and goodwill.

sustainability fundamentals.

In 2021, we appointed a Chief Procurement Officer, with the ambition to build a world-class procurement function to make a positive, organization-wide impact through innovation, supply risk management, and environmental responsibility, as well as ensuring cost efficiency and contributing to growth. This can only be achieved with a strong, professional, committed and trustful supply chain. The CPO reports directly to the CFO and will drive the Executive Board's agenda related to supplier engagement. In line with our commitment to the SBTi's net-zero standard, our ambition is to engage with our suppliers on reducing emissions as well.

health and safety

a healthy and safe work environment for talent

The pandemic has shown the importance of staying (mentally) healthy and working in a safe workplace, at home or somewhere else. Returning to the workplace and reshaping a new future of work is key to ensuring the health and well-being of workers. Reopening workplaces requires new health and safety protocols that take COVID-19 into consideration. Throughout 2021, Randstad continued to help talent get back to work safely, supporting both employers and candidates through efforts related to sharing best practices on (mental) health and well-being, providing personal protective equipment, and health and safety protocols.

Caring for people is embedded in our core values and forms a mandatory part of our induction programs. It is in this context that our consultants work with clients and talent to support workplace safety. Several of our operating companies have specialized health and safety managers to provide guidance. We advise our clients on matters of occupational health and safety, for example, by pointing out how to prevent workplace risks and by providing 'security at work' training. Formal audits at client locations are conducted in some business areas, such as construction, where taking extra health and safety precautions is best practice. More information about our local initiatives for a healthy and safe work environment can be found on our [website](#).

We have a global health & safety policy, which states that Randstad is committed to providing and maintaining a healthy and safe work environment, and promotes well-being at work, doing all that is reasonably practical to

prevent personal injury and illness and to protect talent, employees, clients, and visitors from foreseeable work hazards. Health & safety is also explicitly mentioned in our human rights policy, as we see this as one of the salient risks related to our industry which requires specific focus.

All workers across the labor market have a right to a healthy and safe work environment. Our health and safety management, which is organized locally at operating company level, is designed to safeguard business continuity and deal with risks. Our operating companies adhere to all applicable local standards and regulations, and are expected to have a sophisticated health and safety structure in place. We track sickness rates, work-related accidents or incidents resulting in injuries and work-related fatalities, both for employees and candidates. Fatal incidents are immediately reported to the Executive Board.

In 2021, we provided work to more than two million people. Our first duty as a company is to make sure we do not send anyone into a work environment that may be harmful to them. Unfortunately, despite our best efforts, accidents occurred that resulted in injuries. The aggregated number of work-related injuries among our placed workers globally amounted to 26,000 (2020: 19,000), while the number of working days lost due to these injuries added up to 368,000 (2020: 304,000). Based on these data, our 'injury rate' increased from 0.21% to 0.22% of overall days worked.

Much to our regret, in 2021, we were also confronted with 8 (2020: 6) fatal incidents among placed workers:

number of fatal incidents among placed workers

	2021	2020	2019
Argentina	1	0	0
Australia	1	0	0
Belgium & Luxembourg	0	0	1
France	2	0	2
Germany	0	0	1
India	1	4	5
Italy	1	0	1
Netherlands	1	0	2
Spain	1	1	1
Uruguay	0	1	0
USA	0	0	1
Group	8	6	14

We treat prevention, training, and safety awareness in general as very important subjects. We realize that while a zero score may prove impossible to achieve at the scale we operate, this is nevertheless the only acceptable target.

a healthy and safe work environment for our employees

In 2021, we developed global health & well-being guidelines for our organization. They outline our provisions on how to prevent physical and mental health issues as much as possible, and how to promote and address health and well-being among our employees. Our operating companies use a variety of measures designed to advance employee well-being. These include procedures to promote safety at work, training programs, health checks, and services and products to enhance overall employee wellness. In our markets, we have formal agreements with trade unions on health and safety topics. Local initiatives to stimulate a healthy and safe work environment include online platforms for a healthy lifestyle, driver safety programs, and more.

With most of our employees still (or again) working from home in 2021, we paid specific attention to both their physical and mental health and well-being, as well as providing practical support to help people set up their home office. Employees could listen to mental health podcasts, make an anonymous call to a special help line, and get access to e-learnings, webinars, and online tools covering topics such as mindfulness, yoga, meditation, vitality, and mental balance.

In 2021, the overall sickness absenteeism rate was 2.2% of overall days worked (2020: 2.6%). The total number of working days lost due to sickness was 217,000 (2020: 231,000).

Despite our high safety standards, we unfortunately faced several incidents in 2021, causing 72 injuries among our employees (2020: 68). The number of working days lost due to these injuries amounted to 500 (2020: 900). This results in an overall injury rate of 0.01% of overall days worked, which is the same as last year.

taking environmental care

Because Randstad is a 'people' business, our impact on the environment is much less than that of some other sectors, such as manufacturing. Almost all of our business is conducted in local markets, and we have many locations close to both clients and talent, greatly reducing travel and the resulting CO₂ emissions. Despite this inherently minimal impact, we do what we can to limit our ecological footprint by conserving energy, using sustainable energy sources, and reducing water and paper usage, while re-using or recycling wherever possible.

Our commitment to environmental protection is reflected in our global environmental policy and our integrated reporting framework, validated through a materiality analysis, as well as in our programs and practices for conducting operations in an environmentally, as well as economically, responsible manner. The policy can be found on our [website](#).

net zero ambition

While reducing CO₂ emissions, we are working to better understand our impact on the environment and how we can develop more ambitious goals. We realize that more ambition is needed to combat the ever more visible and concrete danger of climate change. We therefore made a commitment in which we promise to accelerate our decarbonization efforts.

During the Dutch National Sustainability Congress 2021, Randstad announced that we will join the UN Race to Zero. This is the UN-backed global campaign rallying non-state actors across the global economy to take rigorous and immediate action to halve global emissions by 2030 and deliver a healthier and fairer zero carbon world in time. Together with business leaders of other multinationals, our CFO signed the statement.

Randstad committed to the [Science-Based Targets initiative](#) (SBTi) Business Ambition for the 1.5°C pledge, and to setting science-based targets with the ambition of Net Zero by 2050. In line with our commitment, we revised our greenhouse gas (GHG) reduction targets. We have set the target to achieve 50% absolute reduction of Randstad's CO₂ emissions for scope 1 and 2 by 2030, compared to 2019. In addition, we have set the target to achieve 30% absolute reduction of our CO₂ emissions in scope 3 by 2030, compared to 2019.

sustainability fundamentals.

In 2017, we set a target on emissions related to business travel by car. We aim to decrease the weighted average CO₂ emission per km driven by 10% by the end of 2022, for example by using cars running on sustainable sources.

In 2022, we will submit our proposal for our future pathways for reducing emissions to the SBTi. In its validation process, SBTi will assess whether our GHG reduction targets meet the set criteria. Our business will minimize our carbon footprint through sustainable mobility, energy efficiency in buildings, using 100% renewable energy, sustainable business travel, and a supplier engagement policy.

CO₂ footprint

We report our CO₂ footprint according to the Greenhouse Gas Protocol. As part of our framework, we continue to improve the completeness and accuracy of our Group environmental data. Over the years, we gained better insight into the challenges related to collecting and reporting environmental data, which led to improvements and more extensive coverage. We were able to enhance the reporting scope and include

more than 99% of our operating companies in our CO₂ footprint. Due to the pandemic, our business travel and energy usage has declined significantly, which led to a decrease in 2021 of more than 40% of our global CO₂ footprint compared to 2019.

Most of our branches are located in collective tenant buildings, where there is collective water usage and the collection of waste is centralized, which means we cannot collect our own data and we therefore make use of estimates based on historical consumption data per employee. As in most countries many of our employees are still mainly working from home due to the pandemic, water consumption and waste generation are again expected to be significantly lower than our regular estimations. The estimated water usage in 2021 was 192,000 m³ (2020: 165,000 m³) and our waste 1,050 metric tons (2020: 900 metric tons).

In 2021, we committed to setting long-term science-based climate targets with baseline year 2019. We are currently in the validation process and reviewing our GHG emissions. This will result in a revised baseline in our next annual report.

our CO₂ footprint

	2021		2020		2019	
	usage	CO ₂ emission	usage	CO ₂ emission	usage	CO ₂ emission
Scope 1 (direct emissions)						
Gas for heating (x 1,000 m ³)	2,948	6.1	2,413	4.6	3,372	6.4
Business cars petrol (x 1,000 ltr)	6,741	19.4	6,716	18.4	8,341	22.9
Business cars diesel and gas (x 1,000 ltr)	6,516	21.6	7,793	25.1	12,297	39.7
CO ₂ metric ton (x 1,000) scope 1		47.1		48.1		69.0
Scope 2 (indirect emissions)						
Electricity (x 1,000 GJ)	97	10.8	121	15.5	188	24.1
Sustainable electricity (x 1,000 GJ)	64	0.0	44	0.0	54	0.0
Total electricity		10.8	165	15.5	242	24.1
District heating (x 1,000 GJ)	18	0.5	13	0.3	26	0.7
CO ₂ metric ton (x 1,000) scope 2		11.3		15.8		24.8
CO ₂ metric ton (x 1,000) scope 1+2		58.4		63.9		93.8
Scope 3 (remaining emissions)						
Airplane (x 1,000,000 km)	14.6	3.0	17.2	3.3	72.2	13.2
CO ₂ metric ton (x 1,000) scope 3		3.0		3.3		13.2
Total CO ₂ metric ton (x 1,000)		61.4		67.2		107.0

sustainability fundamentals.

energy resources

To limit the use of fossil fuels, we constantly seek to increase the use of alternative, efficient, and natural energy resources (e.g., by replacing traditional lighting with LED lighting in our buildings). Almost all of our computing capacity is delivered via cloud infrastructure and related operations are on a global level. Together with our infrastructure partners, Randstad is daily managing the number of servers running, the total energy required to power each server and the carbon intensity of energy sources used to power these servers. These drivers are the main contributors to reduce carbon emissions. The Randstad corporate head office is the only major building we actually own; almost all other buildings worldwide are rented. Our head office uses 100% certified green electricity and the Randstad Belgium head office is certified for BREEAM (Building Research Establishment Environmental Assessment Method).

Increasing our people's awareness of simple ways to reduce the use of energy in our offices is the least we can do. At the same time, its impact is difficult to measure, given the fact that our offices are often leased all-in, and we share buildings with other tenants. We continue to try convincing our landlords to provide us with specifications of energy use, separate from lease costs, or to install smart meters. Our European operating companies have taken the necessary steps to comply with the European Commission's Energy Efficiency

Directive and will increasingly have better insight into their energy consumption and possible improvements.

Our ability to impact electricity procurement is limited, especially for branches where we do not rent the entire building, but share it with other tenants. Our share of electricity from sustainable sources increased from 27% in 2020 to 40% in 2021. In line with our commitment to SBTi, and our corresponding revised GHG reduction targets, we will strive to achieve energy efficiency in buildings, using 100% renewable energy by 2030.

travel and company cars

Due to the ongoing pandemic, our business travel was again limited during 2021. Even before the pandemic, we had already been limiting our business travel impact on the environment by increasing the use of video and phone conferencing and VoIP, which led to a significant decrease in the number of business flights. But the decrease since the pandemic has been exceptional. Video interviewing for job interviews is now the norm, which also contributes to a decrease in travel.

Sustainable mobility and sustainable business travel are two pillars identified to contribute to the achievement of our revised GHG reduction targets. In 2017, we set a target on emissions related to business travel by car. We aim to decrease the weighted average CO₂ emission per km driven by 10% by the end of 2022, for example by using cars running on sustainable sources. Several

travel and company cars

	number of company cars			kilometers driven (x 1,000)			business flights (total distance traveled x 1,000 km)		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
North America	-	-	-	-	-	-	4,500	6,900	26,100
France	2,330	2,180	2,140	43,300	46,000	49,800	1,800	1,300	2,400
Netherlands	3,350	3,500	3,790	60,200	80,200	130,400	200	100	700
Germany	1,640	1,790	1,670	32,900	37,100	46,200	100	300	1,300
Italy	610	490	560	8,600	8,600	8,900	700	200	1,500
Belgium & Luxembourg	2,280	2,350	2,510	43,000	35,300 ¹	39,000	100	100	200
Iberia	590	660	760	12,600	12,200	18,400	1,900	1,300	5,700
Other European countries	770	900	820	10,200	10,600	19,700	1,600	1,200	3,300
Rest of the world	550	480	460	6,400	7,000	8,700	2,400	2,500	12,500
Global Businesses	140	180	260	2,600	3,000	7,200	500	2,100	11,800
Corporate	100	90	80	1,600	500	2,400	800	1,200	6,700
Group	12,360	12,620	13,050	221,400	240,500	330,700	14,600	17,200	72,200

¹ Adjusted.

operating companies have already switched to hybrid or fuel-efficient cars, or cars with capped CO₂ emissions. Since 2018, we have been able to keep track of the number of sustainable company cars as part of our total car fleet, currently accounting for approximately 3.5% of all cars. We aim to increase the share of electric vehicles in the future, also in order to reduce our overall footprint, on which fuel consumption has a relevant impact. In 2021, Randstad Group Netherlands implemented its new fleet policy, as a result of which only electric vehicles will be added to the fleet. Within four years, this will result in a 100% electric fleet. In addition, various operating companies run bike schemes, commuting projects, gas-saving contests, and other initiatives to reduce conventional energy usage. If traveling cannot be avoided, we prefer train travel over plane or car travel, which in several operating companies is supported by strict policies. In line with our commitment to the SBTi's net-zero standard, our ambition is to develop a sustainable mobility policy and a new flight policy.

More information about our local initiatives on the environment can be found on our [website](#).

corporate citizenship

Corporate citizenship at Randstad means harnessing the passion and commitment of our employees to contribute to our ultimate goal of touching the work lives of 500 million people by 2030. Randstad employees are intrinsically motivated and highly engaged in activities, beyond our core and social business, that build the potential and make a difference to the wider community. As part of our corporate citizenship framework, we have a broad portfolio of programs. In addition, we have a global policy for corporate citizenship and philanthropy. The purpose of this policy is to define commonly shared rules within Randstad for identifying corporate citizenship and philanthropy initiatives that, in line with our mission, core values, business principles, and internal policies, are aimed at meeting the needs of the communities and societies in which Randstad operates.

corporate volunteering

Many of our employees help people in the broader global community to gain access to skills and work, enabling them to fulfil their potential. Corporate volunteering provides our employees with an opportunity to live the Randstad core values and enhance their own development as people, professionals, and citizens. Randstad supports volunteering activities through globally led partnerships, locally driven corporate volunteering programs, management resources, and one working day per year for all employees to spend on a charity of choice.

randstad corporate volunteers hours

	2021	2020	2019
VSO partnership			
VSO volunteer hours	4,000	5,100	21,400
- of which international	2,900	2,800 ¹	20,900
- of which distance support	1,100	2,300	500
VSO volunteers	119	165	69
- of which international	6	11	32
- of which distance support	113	154	37
Randstad with heart and other volunteering			
volunteer hours	17,700	11,700	25,100
volunteers	2,800	2,100	3,900

1 11 volunteers already started their placement in 2019 and are not counted as volunteer in 2020 but still contributed to the volunteer hours.

voluntary services overseas

As part of our commitment to sharing expertise for a better society, we have a longstanding global partnership with Voluntary Service Overseas (VSO), the world's leading development NGO that strives for a fair world for everyone through the knowledge and skills of volunteers. Randstad is VSO's global employability partner, and our joint mission is to empower marginalized people to attain decent and sustainable work. To achieve this, our employees can volunteer in VSO's international projects. We also use our knowledge and infrastructure, pro bono secondments, and joint marketing efforts to help VSO become bigger and better at recruiting volunteers across the world.

Our partnership focuses on specific projects that are in line with our employees' core skills and competencies, as well as with Randstad's own strategic focus on employability. Our employees mainly support various projects in Tanzania, Uganda, Kenya, and Cambodia, focusing on youth empowerment, employability and entrepreneurship. These projects help young people develop market-relevant skills, which will prepare them for the labor market.

After a long period without any in-person assignments, we were able to send Randstad volunteers on VSO assignments again as of September 2021. New projects started in Tanzania, Uganda, and Cambodia.

remote volunteering

Given the travel restrictions, a new Randstad/VSO remote mentoring program was launched in 2020 and continued throughout 2021. The program supports youth from East Africa during their career development. Randstad employees can become their mentors to support this journey. In 2021, a total of 102 colleagues participated in the program. Some other remote assignments focused on capacity building of VSO staff and the selection of future VSO volunteers through assessments.

randstad with heart and other volunteering

Randstad With Heart is a global program that enables our employees worldwide to do eight hours of voluntary activities annually during working hours for a charity of their choice. The purpose of Randstad With Heart is to give all our employees the opportunity to give back to society – by volunteering, donating or fundraising – and to raise awareness of causes that are close to their hearts.

In 2021, operating companies continued to offer and develop remote volunteering programs and giving opportunities. More information about these initiatives and other examples of local volunteer initiatives can be found on our [website](#).

not-for-profit technical support

Randstad employees can use their skills and professional knowledge to support an organization or NGO on a not-for-profit basis during working hours. This may include capacity building or strategic support.

challenge fund for youth employment

Randstad, Palladium (an international advisory and management company), and VSO have become fund managers of the Challenge Fund for Youth Employment (CFYE), set up by the Dutch Ministry of Foreign Affairs. The purpose of the Fund is to create future prospects for 200,000 young people by investing in decent work and income, paying special attention to equal opportunities for young women in the labor market. The focus regions of CFYE are West Africa/Sahel, Horn of Africa, North Africa, and the Middle East. We are also expecting future volunteering opportunities through CFYE.

In 2021, 37 projects were selected or launched in six countries (Uganda, Nigeria, Egypt, Kenya, Jordan, and Sudan). These projects are expected to lead to 88,090 jobs (64,8% for women). Randstad employees are involved in the selection of suitable projects and are providing direct technical assistance to the implementing partners. In 2021, Randstad employees supported the Fund through 730 hours of technical assistance and 309 hours of fund management.

corporate giving and grants

Randstad also runs various philanthropic initiatives to financially support charities, foundations, and NGOs in order to advocate certain causes. Always in line with our ultimate goal, these corporate giving initiatives aim to deliver social and beneficial impact as well as boosting Randstad's reputation. The total amount spent on corporate philanthropy (excluding VSO) in 2021 was € 2,900,000 (2020: € 1,900,000).

world bicycle relief

Randstad has a partnership with World Bicycle Relief (WBR), an organization that supports people in rural regions of developing countries by giving them a bicycle. The bicycle is important for people's mobility and can make access to work easier. Randstad has a special connection with the bicycle, as in 1960, our founder Frits Goldschmeding took his very first temp worker to her first job on the back of his bike. To make Randstad employees aware of our partnership with WBR, they receive a small bicycle as a symbolic end-of-year gift, which also stands for a donation to WBR. In 2021, we donated a gift worth 2,021 bicycles (€ 270,000). Over the next three years, we aim to mobilize an estimated 33,000 people in Hwange, Zimbabwe. Our gift will contribute directly to the economic development of this community.

vso sports day

Every year, Randstad organizes a global sports day to engage our employees worldwide. The sport activity is linked to a donation made by Randstad to support one of VSO's livelihood projects. In July 2021, 27 Randstad countries joined our third sports event in support of VSO: the 100,000 challenge. The goal was to do 100,000 sit ups, 100,000 push ups, and 100,000 seconds of planking. The challenge led to a donation of € 15,897, which will be used to help 35 vulnerable young people to open their own business and generate a better income for them and their families.

employee-led initiatives

Employee-led initiatives are all kinds of volunteering or fundraising initiatives that are independently initiated by Randstad employees to support a cause that is close to their heart. These initiatives are driven by the employees themselves, and mostly performed in their own time or after alignment with the management with support from Randstad.

benchmarks

In 2021, for the seventh consecutive year, Randstad was included in the annual Dow Jones Sustainability Index (DJSI) review. The DJSI recognizes the leading companies in each industry sector for responsible economic, environmental and social performance. Randstad is the only HR services provider to be admitted to membership of the Professional Services industry section of the DJSI World index.

Randstad was assessed best in class on the materiality criterion. We are also an active participant in other international benchmarks and platforms, such as Sustainalytics, CDP, MSCI ESG, FTSE4 Good, Dutch Transparency Benchmark, VBDO's tax transparency benchmark, Ecovadis, and Sedex.

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.

EU taxonomy regulation

In order to meet the EU's climate and energy targets for 2030 and reach the objectives of the European green deal, the European Commission initiated the creation of a common classification system for sustainable economic activities, or an 'EU taxonomy'. The Taxonomy Regulation was published in the Official Journal of the European Union on June 22, 2020 and entered into force on July 12, 2020.

The Taxonomy sets performance thresholds for economic activities that contribute to one of six environmental objectives (i.e., climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems). The EU Taxonomy currently requires companies to disclose the proportion of their turnover, capital expenditure, and operational expenditure meet the criteria of the EU Taxonomy. As of the 2022 reporting period, companies will be required to disclose alignment to the six environmental objectives.

As a listed company, Randstad is in scope of the EU taxonomy regulation (Directive 2014/95/EU) and therefore has to report the share of activities 'eligible' to the EU Taxonomy for the parts (annexes) of the Taxonomy which have been finalized in 2021: Climate Change Mitigation (CCM) (Annex 1) and Climate Change Adaptation (CCA) (Annex 2).

Based on these two annexes, Randstad had no business activities in 2021 that are EU Taxonomy-eligible, as all of our economic activities consist of HR services. Once the other four annexes are adopted and published by the EU, Randstad will reassess eligibility and alignment of activities. We expect that, over time, more insights will be gained on how to best apply the legislation and make it comparable with peers.

EU taxonomy disclosure

	eligibility
Turnover	€ 24,635
Operating expenses	€ 3,778
Capex	€ 281

tax transparency and compliance

In line with our core values and principles and in order to safeguard our good reputation, Randstad demonstrates ethical tax behavior. Consequently, Randstad pays the proper amounts of taxes in all countries where value is created. We highly value the interests of our stakeholders and seek to align our tax strategy with these interests. With transparency being one of Randstad's core business principles, we communicate openly about our tax strategy and policy to our stakeholders.

Our fiscal footprint mainly comprises payroll taxes, social security premiums, value added taxes, and profit taxes. On balance, our long-term underlying effective tax rate is between 25% and 30%. This is approximately 5% higher than the statutory tax rate in Randstad's base country, the Netherlands. Given our global spread and the complex global competitive environment we operate in, Randstad considers this to be a balanced and proper average tax rate.

our tax strategy

Any action related to planning our tax position is embedded in our sustainability and overall strategy and, as such, is never an isolated matter. As a consequence, business profits are generated where Randstad has legal and economic 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, the assets deployed, and the risks assumed. All our intercompany transfer pricing is conducted on the same basis as between unrelated parties. Tax havens in the sense of secrecy jurisdictions are not used for tax avoidance purposes.

In the regular risk appetite discussions with both the Executive Board and the Audit Committee, global tax risk exposure and mitigating actions are also discussed, in conjunction with the reported compliance risks as included in the [risk & opportunity management](#) section. Our tax strategy, which is described in Randstad's global tax policy, has been discussed and approved by the Executive Board and reviewed by the Audit Committee of Randstad N.V.

dialogue with tax authorities

Transparency and trust are embedded in our business principles and corporate culture, and therefore play an important role in the way we engage with tax authorities around the world. We strive for strong relationships with governments. As part of that commitment, Randstad actively seeks to engage in dialogue with tax authorities. For example, Randstad participates in the 'enhanced relationship program' of the Dutch tax authorities. Prerequisites for such agreements are mutual trust and transparency. They also require an effective tax control framework. Randstad and a tax authority may enter into consultation with each other on tax-related issues and subsequently conclude tax agreements. Such agreements create advanced certainty for Randstad and tax transparency towards the relevant tax authorities, in line with our tax policy, which requires us to act in line with the letter and spirit of the law.

our tax contribution

Throughout the world, Randstad companies pay various taxes levied by tax authorities. The main categories of taxes are corporate income tax, value-added tax (VAT), and wage tax and social security. The breakdown is as follows:

corporate income taxes paid

in millions of €

	2021	2020	2019
North America	10	3	2
France	34	66	51
Netherlands/Corporate	55	18	67
Germany	13	18	13
Italy	14	21	26
Belgium & Luxembourg	42	39	27
Iberia	10	8	12
Other European countries	13	4	11
Rest of the world	13	1	(8)
Global Businesses	-	3	3
Total	204	181	204

Randstad N.V. and its Dutch subsidiaries form a fiscal unity for corporate income tax.

other taxes paid in 2021

in millions of €

	VAT ¹	wage tax and social security	total 2021	total 2020
North America	43	1,059	1,102	1,004
France	652	1,256	1,908	1,619
Netherlands	595	867	1,462	1,303
Germany	318	872	1,190	795
Italy	52	611	663	518
Belgium & Luxembourg	260	508	768	644
Iberia	295	450	745	634
Other European countries	363	668	1,031	804
Rest of the world	238	650	888	690
Corporate	(28)	17	(11)	4
Total	2,788	6,958	9,746	8,015

1 Value added tax/sales tax.

country-by-country tax reporting

The Group operates in various tax jurisdictions around the world. Details in line with GRI 207-4, issued by the Global Sustainability Standards Board (GSSB) are disclosed in a [country-by-country report \(see page 246\)](#) under supplementary information, where we provide an overview of our total tax contribution per tax jurisdiction.

Randstad considers paying taxes as one of its contributions to society. As the largest HR services provider in the world, we play an important role in generating and enabling jobs and job opportunities. As such, our total fiscal footprint obviously comprises taxes borne and taxes collected by Randstad.

We provide this overview based on an actual cash-paid basis annually. Randstad is of the opinion that this is the clearest and most transparent data we can provide when assessing Randstad's role in paying taxes and by doing so adding value to society.

In the financial year 2021, Randstad N.V., together with its legal entities around the world, paid € 204 million in corporate taxes to governments. In addition, Randstad collects substantial tax amounts on behalf of governments, such as payroll taxes, social security premiums, Pay As You Earn (PAYE) income tax, employees' national insurance contributions, sales and consumption taxes, and VAT. In 2021, Randstad's

contribution related to such taxes amounted to € 9,746 million. Our cumulative total tax contribution to society therefore amounted to close to € 10 billion.

In line with the recommendations by the Global Reporting Initiative, as of the current annual report 2021, Randstad is following recommendation GRI 207-4 (2.3.2 and 2.3.3). Our public country-by-country reporting has therefore been extended to taxes collected from customers on behalf of a tax authority, taxes withheld and paid on behalf of employees, and (employers') taxes and social security levied on wages and salaries. This better reflects our total tax contribution and therefore also our fiscal footprint.

In the tables as included in the [supplementary information \(see page 250\)](#), we provide an overview of our activities in each jurisdiction in which we operate.

Our working capital requirements of our local operations fluctuate considerably. Consequently, in order to make use of financing in an efficient and effective way, solid working capital management and financing is very important. Randstad manages this through centers of expertise in various jurisdictions and time zones. These treasury centers of expertise are based in countries that, among other things, provide for a stable legal environment, access to financial institutions, and the availability of treasury professionals.

In some jurisdictions, Randstad has holding entities that manage legal entities/subsidiaries in various locations. The main source of income of these holdings are dividends paid by these subsidiaries. Those dividend distributions are paid out of after-tax profits, i.e., from profits that have been subject to tax in the country in which the payor operates. These holding entities are based in jurisdictions that provide for a stable legal environment and accommodate the efficient and effective flow of funds.



seeing
the possible

in giota.

"Randstad found me an inspirational accounting job at a company I believe in. I'm now very happy to be in a place where I belong."

Watch Giota's story



performance.

performance management

Randstad has an extensive performance management system in place. Performance management at Randstad starts at the lowest level in our organization in the context of what we call 'activity-based field steering' (ABFS). Our [ABFS/E2E model](#) requires our units and teams to translate commercial goals (active clients, candidates working) into actual activities on a daily basis. As our planning and control cycle is operationally driven, the data acquired through ABFS drives action right up to the Executive Board level. As a result, Executive Board members are closely involved with the operating companies under their responsibility.

Each month, the Executive Board discusses performance with the management team of each operating company. The agenda includes financial and operational performance, forecasts, risk management,

and the progress made in achieving strategic goals. Internal and external benchmarks are used to challenge performance and to identify points for improvement. In addition to the monthly control cycle, a yearly strategic planning cycle takes place in the second quarter, and an operational planning cycle takes place in the fourth quarter. The planning and control cycle is embedded in our Risk & Control framework.

key performance indicators

Our day-to-day performance overview includes key performance indicators (KPIs) showing our growth, productivity, profitability, working capital, and cash flow. We use a variety of tools within our planning and control cycle to assess our performance and align future strategic and investment decisions to best capitalize on commercial and organizational opportunities. KPIs are

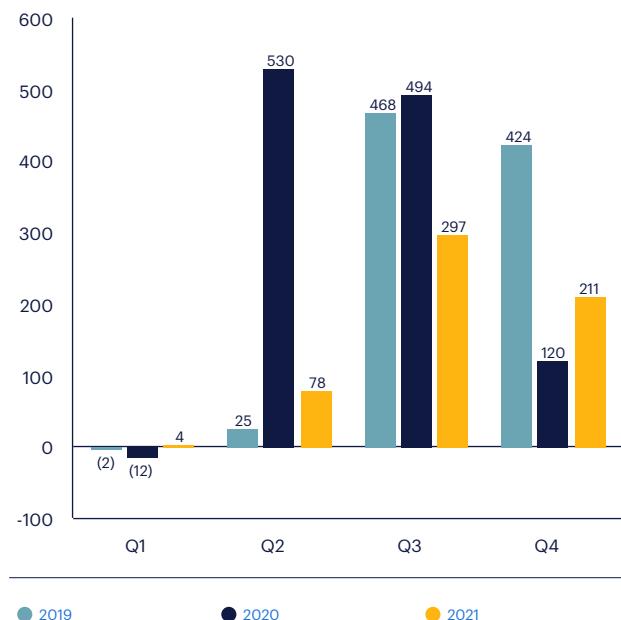
weekly indicators	Weekly volumes of placements, both temporary and permanent, are an important indicator within our field steering model and measure the success of the units and teams.
market share	Gaining profitable market share is an important financial objective. Where possible, we aim to measure market share at the lowest possible level (units and teams).
profitability	Profitability indicates the quality of our top line and operational efficiency, maintaining our overall financial goal to achieve an EBITA margin of 5% to 6% over time.
productivity	Productivity improvements are important in helping us to achieve our profitability targets. We measure productivity in three ways: gross profit per staff member (GP/FTE), gross profit in relation to personnel expenses (GP/PE), and the number of placed workers per staff member (Temps/FTE).
working capital	There is a strong focus within Randstad on Days Sales Outstanding (DSO), the amount of overdues, and working capital. This focus is also reflected in the bonus targets set for our senior management. Within working capital, the 'trade receivables' component is the most important for us to influence. Our liabilities comprise mainly wage tax and social security charges to tax authorities.
financial position	To maintain a solid financial position, we monitor our leverage ratio (net debt divided by 12-month EBITDA). Strategically, we maintain a sound balance sheet, while our bank covenants allow for 3.5. In certain cases, we are allowed to report to a maximum leverage ratio of 4.25x EBITDA for a limited amount of time.
cash flow generation	Free cash flow includes operating profit and movements in working capital plus capital expenditure. In a normal year, our free cash flow moves in line with the seasonal pattern in our business. In the first half of the year, the free cash flow is normally lower, as working capital requirements increase in line with higher revenue and the payment of holiday allowances in Belgium and the Netherlands. In the second half of the year, free cash flow is normally higher, based on higher revenue and profit, while in a downturn, we typically see significant unwinding of working capital.
# of temporary placements	In order to determine our success across the various markets in which we operate, we monitor the number of people we place with our clients on a temporary basis. See the graph 'temporary placements split by geography' for more details.
# of permanent placements	Permanent placements have become a significant part of our daily work. The table 'number of permanent placements' reflects these numbers, broken down by geography.

performance.

used to measure and monitor performance against budgets, forecasts, the previous year, and our strategic targets. These indicators are described in the table on the previous page.

free cash flow development

in millions of €



● 2019

● 2020

● 2021

number of permanent placements¹

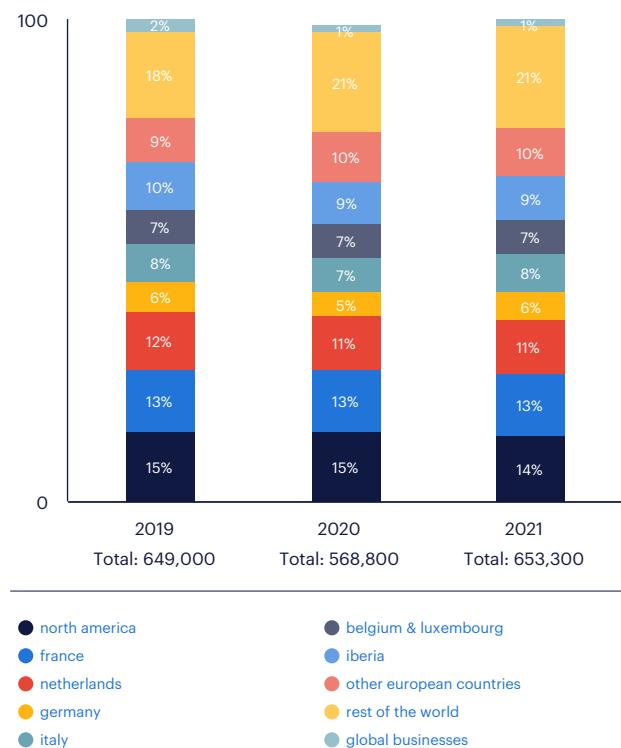
	2021	2020
North America	32,900	21,800
France	73,500	69,200
Netherlands	3,800	3,200
Germany	3,900	3,100
Italy	22,800	13,400
Belgium & Luxembourg	4,300	3,800
Iberia	15,300	15,200
Other European countries	18,400	13,200
Rest of the world	41,700	22,000
Global Businesses ²	59,500	37,900
Group	276,100	202,800

1 Numbers include RPO.

2 Numbers also include permanent placements in RPO.

temporary placements split by geography

as a % of total number of candidates working per day



● north america

● france

● netherlands

● germany

● italy

● belgium & luxembourg

● iberia

● other european countries

● rest of the world

● global businesses

performance.

financial performance

income statement

For a meaningful analysis of our results, we need to look at the underlying results, which excludes the impact of foreign exchange movements, mergers and acquisitions, and one-off items such as restructuring costs and integration costs.

income statement, underlying

	2021	2020	organic Δ
Revenue	24,635	20,718	20%
Cost of services	19,762	16,748	
Gross profit	4,873	3,970	24%
Personnel expenses	2,819	2,337	
Other expenses	959	941	
Operating expenses	3,778	3,278	16%
EBITA, underlying	1,095	692	60%
Gross margin	19.8%	19.2%	
Operating expenses margin	15.3%	15.8%	
EBITA margin	4.4%	3.3%	

year-on-year organic growth

in %



revenue

At Group level, we finished the year 2021 with record revenue of € 24,635 million, reflecting organic revenue growth of 19.5% in 2021 (2020: down 12.2%). Currency effects had a negative impact of 0.6%, and working days had a negative impact of 0.2%. M&A positively contributed to 0.2%. Overall reported revenue for the year increased 18.9% year-on-year. Trading conditions showed continued positive momentum throughout the year, amidst pandemic-related instabilities and macroeconomic challenges. Our European operations were up 21% in 2021 (2020: down 15%), North America was up 15% (2020: down 8%), and Asia was up 11% (2020: down 1%), while Latin America grew 23% (2020: up 12%). More detailed information is included in the section 'market performance'. More information about our four main revenue categories (Staffing, Inhouse, Professionals, and Global Businesses) can be found in this section under 'performance by revenue category'.

Revenue from permanent placements was up 50% (2020: down 28%), making up 2.2% of revenue (2020: 1.7%). Revenue from temporary billing increased by 19% organically (2020: down 11%).

gross profit

Gross profit reflects our effectiveness in pricing, cost of employee benefits, and idle-time management. In 2021, gross profit amounted to € 4,873 million, an organic increase of 24% compared to the previous year (2020: down 16%). Gross margin increased 60bp to 19.8%, primarily due to significant growth in permanent placements. Note 10 to the financial statements includes

change in gross margin



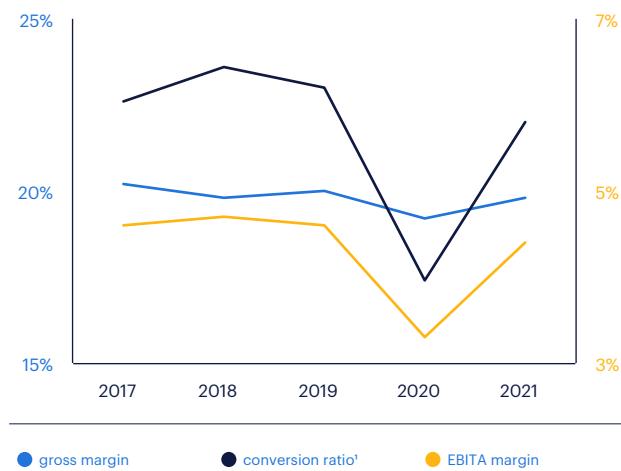
performance.

an overview of the actual reported gross profit per geography.

Temp margin had a positive impact of 10bp compared to last year with a stable underlying pricing climate. Permanent placements had a positive impact of 40bp, while HR Solutions had a positive impact of 10bp, driven by strong growth in our RPO business. At Group level, the contribution from permanent placements ('perm fees') made up 11.0% (2020: 9.0%) of gross profit.

In order to realize our EBITA margin targets, we aim to maximize conversion of gross profit into EBITA. In 2021, we converted 22% of gross profit into EBITA (2020: 17%).

gross margin, conversion ratio and EBITA margin



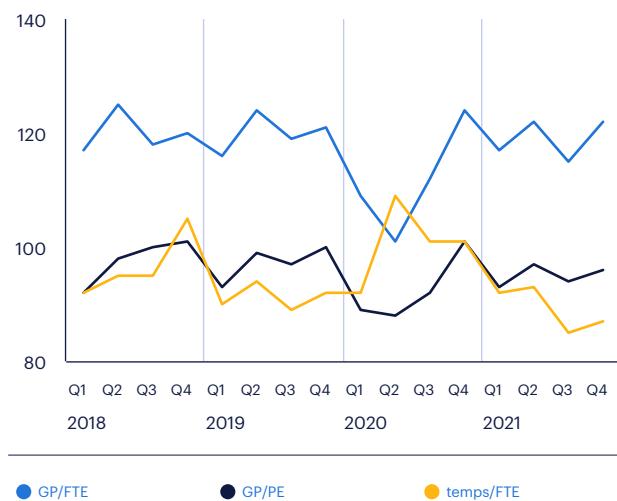
productivity

As explained in the section '[performance management](#)', productivity improvements are key to achieving our profitability targets. We measure productivity in three ways:

- Gross profit per staff member (GP/FTE);
- Gross profit in relation to personnel expenses (GP/PE);
- Number of temporary workers placed per staff member (Temps/FTE).

productivity, indexed

2007 = 100



Productivity (GP/FTE) was organically up 8% in 2021 (2020: down 6%), reflecting our continued investments and strong growth of our gross profit. To achieve greater efficiencies across the organization, we focus mainly on better execution based on field steering and the implementation of the right delivery models for our continued investments.

operating expenses

A breakdown of operating expenses is shown in the table '[operating expenses](#)'. These expenses reflect the costs related to our sales and delivery organization, as well as our head offices.

operating expenses

	2021	2020
Personnel expenses	2,819	2,337
Advertising and marketing	183	142
Accommodation costs	55	59
Other operating expenses	450	470
Depreciation and amortization of PPE, right-of-use assets, and software	271	270
Operating expenses, underlying	3,778	3,278
Average number of corporate employees	39,530	34,680
Number of branches, year-end	2,764	2,752
Number of inhouse locations, year-end	2,163	1,963

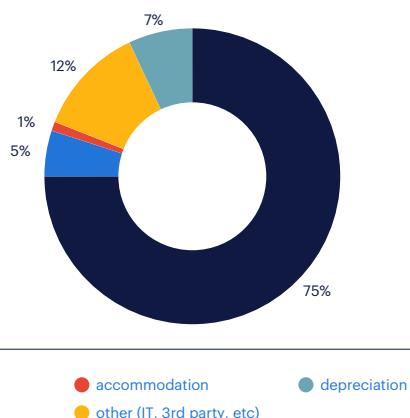
performance.

In 2021, underlying operating expenses amounted to € 3,778 million, up 16% organically. This reflects selective investments in growth and digital initiatives. Foreign exchange effects decreased our cost base by € 25 million. Actual operating expenses in 2021 included € 9 million related to restructuring, integration and acquisition-related expenses (2020: € 113 million).

Personnel expenses increased by 21% organically, while personnel expenses per FTE were up 6% compared to 2020. An overview of corporate staff by region is given in the section '[performance](#)'. Further details on actual personnel expenses can be found in [note 14](#) to the financial statements.

operating expenses

operating expenses: € 3,778



Marketing costs were 0.7% of revenue (2020: 0.7%). Further information about our marketing strategy is included in the section '[our value for clients and talent](#)'.

branches and inhouse locations, year-end

	2021		2020	
	inhouse branches	locations	inhouse branches	locations
North America	684	524	653	505
France	364	281	357	285
Netherlands	277	341	277	306
Germany	279	284	284	209
Italy	235	39	225	38
Belgium & Luxembourg	147	186	151	170
Iberia	214	166	230	149
Other European countries	252	268	245	243
Rest of the world	177	74	194	58
Global Businesses	135	0	136	0
	2,764	2,163	2,752	1,963

Accommodation costs were down 6% compared to 2020. At the end of 2021, we were operating a network of 2,764 branches (up year-on-year) and 2,163 Inhouse locations (up 10%). Branches are outlets from which various clients are served with a variety of services, located in residential/commercial areas. Inhouse locations are outlets from which one client is served with a limited number of job profiles, located on the site of the client.

Other operating expenses – mainly IT and general costs – were stable year-on-year. This is primarily related to our digital investments.

Depreciation and amortization charges were stable compared to 2020. On average, we depreciate assets over three to five years. Following the implementation of IFRS 16 'Leases', depreciation of right-of-use assets is presented under 'Depreciation and amortization of PPE, right-of-use assets, and software' and excluded from accommodation costs.

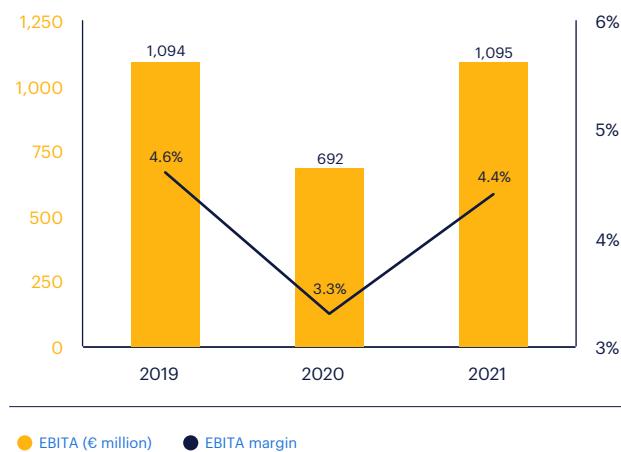
performance.

EBITA

Underlying EBITA increased to € 1,095 million, compared to € 692 million in 2020. EBITA margin increased 110bp to 4.4% for the Group. Currency effects had a negative impact on EBITA of € 8 million.

EBITA development, underlying

in millions of €



● EBITA (€ million) ● EBITA margin

EBITA

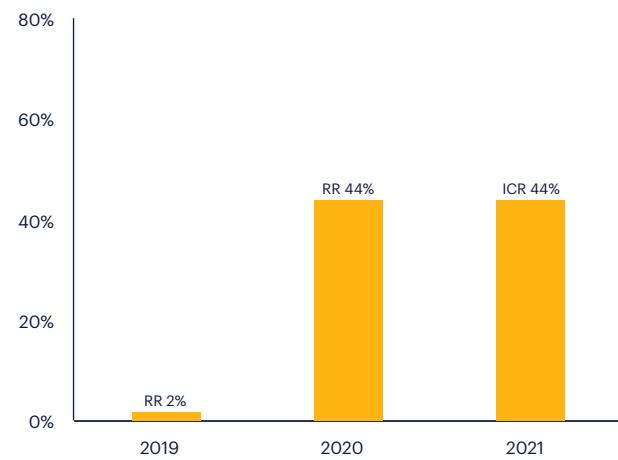
in millions of €

	2021	2020	Δ%
EBITA, underlying	1,095	692	58%
Integration costs and one-offs	(9)	(113)	
EBITA, actual	1,086	579	88%
Amortization and impairment of acquisition-related intangible assets and goodwill	(53)	(195)	
Operating profit	1,033	384	169%
Net finance costs	(16)	(24)	
Share in profit/(loss) of associates	1	4	
Income before taxes	1,018	364	
Taxes on income	(250)	(60)	
Net income	768	304	153%

As explained in the section '[performance management](#)', we measure the conversion of gross profit into EBITA. If we grow, our target is to convert 40%-50% of incremental gross profit into EBITA (incremental conversion ratio). If our gross profit declines, our target is to achieve cost savings of at least 50% of lost gross profit (recovery ratio). For the Group as a whole, the

incremental conversion ratio was ICR 44% for full-year 2021 (2020: RR 44%).

incremental conversion ratio/recovery ratio



Target:

- incremental conversion ratio: 40% - 50%
- recovery ratio: 50%

amortization and impairment of acquisition-related intangible assets, and impairment of goodwill

Acquisition-related intangible assets are capitalized in the balance sheet upon acquisition of companies and reflect the value that is allocated to assets, such as brand names, client relationships, and talent profiles. These intangibles are amortized over a period of one to ten years. The amortization charge in 2021 of € 53 million was lower than the charge of € 195 million in 2020; the year 2021 was affected by an impairment of € 2 million on goodwill, mainly resulting from the change in legislation in Mexico, which prohibits the outsourcing of labor to a third party. In 2020, the impairment of goodwill was € 86 million, resulting from an impairment test after the outbreak of the COVID-19 pandemic.

The remaining amount of € 51 million relates to acquisition-related intangible assets. For more information, see [note 5.2](#) and [note 20](#) to the financial statements.

performance.

operating profit

Operating profit is EBITA minus the non-cash amortization and impairment charges of acquisition-related intangible assets and goodwill. Operating profit was € 1,033 million, compared to € 384 million in 2020. Adjusted for the impairment on goodwill of € 2 million, which negatively impacted operating profit, operating profit was € 1,035 million in 2021.

net finance costs

Net finance costs amounted to € 16 million, compared to € 24 million in 2020. Net finance costs include net interest expenses on our net debt position, interest expenses of lease liabilities, as well as foreign currency effects and adjustments in the valuation of certain assets and liabilities. Interest expenses on our net debt position amounted to € 6 million (2020: € 9 million). The decrease can mainly be explained by a lower average net debt position during the year in combination with the development of the interest rates. Interest expenses of lease liabilities amounted to € 11 million, € 4 million lower compared to 2020 (€ 15 million). Foreign currency effects and other effects had a positive effect of € 1 million in 2021 (2020: € 0 million). For more information, see [note 15](#) to the financial statements.

taxes on income

The effective tax rate before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs was 24.6% in 2021 (2020: 17.6%). The actual effective tax rate in 2021 was 24.6% (2020: 16.5%). In 2020, both effective tax rates were mainly influenced by an exceptional tax benefit in Q4 (€ 76 million), as well as tax effects on the impairment. More information on the actual effective tax rate is given in [note 7.2](#) to the financial statements.

net income, earnings per share and dividend

Adjusted net income for holders of ordinary shares amounted to € 806 million (2020: € 470 million).

Underlying basic EPS increased by 71% to € 4.39 (2020: € 2.57). The average number of outstanding ordinary shares increased to 183.8 million (2020: 183.2 million).

We will propose to our shareholders a total cash dividend of € 5.00 per ordinary share for 2021. This proposal consists of a regular dividend of € 2.19 per ordinary share, representing a payout of 50% of the adjusted net income, and a special cash dividend of € 2.81 per ordinary share. Our dividend proposal is further elaborated on in the section '[our value for investors](#)'.

net income, earnings per share and dividend

	2021	2020
Net income	768	304
Net income for non-controlling interests	-	-
Net income for holders of preference shares	8	8
Net income for holders of ordinary shares	760	296
Amortization of acquisition-related intangible assets and impairment of goodwill	53	195
Integration costs and one-offs	9	113
Tax effect on amortization, integration costs, one-offs, and tax benefit	(16)	(134)
Net income for holders of ordinary shares, adjusted	806	470
 Basic EPS (€)	 4.13	 1.62
Underlying basic EPS (€)	4.39	2.57
Underlying diluted EPS (€)	4.35	2.55
(Proposed) dividend (€)	5.00	3.24
Payout ratio (%)	114	126

performance.

invested capital

As at December 31, 2021, our invested capital amounted to € 5.3 billion (2020: € 4.9 billion). The primary components of our invested capital, as shown in the overview below, are goodwill and acquisition-related intangible assets and operating working capital. The remaining parts are 'net tax assets' and 'all other assets/(liabilities)'. Return on invested capital (ROIC) amounted to 16.8%, showing an increase of 640bp year-on-year. This is a reflection of an improvement of our 12-month rolling EBITA and working capital management.

invested capital

	2021	2020
Goodwill and acquisition-related intangible assets	3,088	2,960
Operating working capital assets ¹	5,411	4,348
Operating working capital liabilities ²	4,414	3,690
Operating working capital	997	658
Net tax assets ³	615	676
All other assets/(liabilities) ⁴	617	630
Invested capital	5,317	4,924
Financed by		
Total equity	4,902	4,669
Net debt, excluding lease liabilities	(179)	(333)
Lease liabilities (current and non-current)	594	588
Net debt (including lease liabilities)	415	255
Invested capital	5,317	4,924
Ratios		
DSO (Days Sales Outstanding, moving average)	51.6	52.9
Operating working capital as % of revenue	4.0%	3.2%
Leverage ratio (net debt/EBITDA)	0.3	0.3
Return on invested capital ⁵	16.8%	10.4%

1 Trade and other receivables minus the current part of financial fixed assets (including net investments in subleases), deferred receipts from disposed Group companies, and interest receivable.

2 Trade and other payables minus interest payable.

3 Net tax assets: deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.

4 All other assets/(liabilities) mainly containing property, plant and equipment, right-of-use assets, and software, plus financial assets (including net investments in subleases) and associates, less provisions and employee benefit obligations and other liabilities.

5 Return on invested capital: underlying EBITA less income tax paid as a percentage of invested capital.

operating working capital

During the year, we continued our focus on working capital management, paying special attention to the collection of trade receivables and the reduction of overdues. As a percentage of revenue, working capital was 4.0% (2020: 3.2%). Within working capital, the component we are able to influence the most are trade receivables. Our DSO decreased to 51.6 days (2020: 52.9), reflecting tight DSO management.

Our exposure to credit losses remained limited, amounting to only 0.2% of revenue (2020: 0.3%). Our trade receivables portfolio is very diversified geographically, in terms of both segmentation and client base, which mitigates credit risk. Current liabilities mainly comprise liabilities such as wage tax, social security charges, and pensions, for which payment terms are determined by law and therefore difficult to change.

all other assets and liabilities

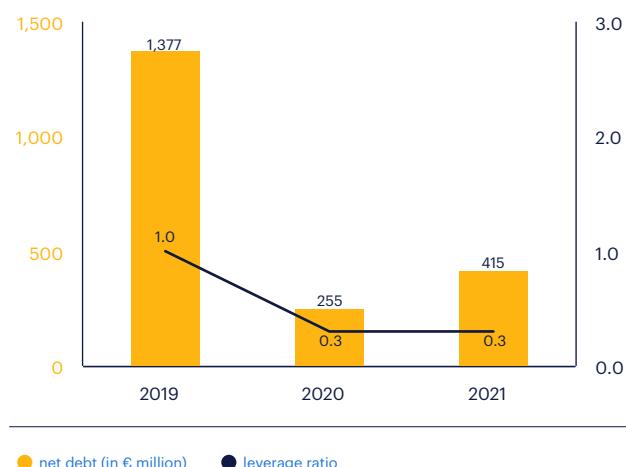
For purposes of analyzing our invested capital, we have grouped various other assets and liabilities. See footnote 4 of the invested capital table for a description of the composing elements. The decrease in this group of invested capital year-on-year (€ 617 million, compared to € 630 million in 2020) includes a decrease of the CICE receivable for an amount of € 8 million.

net debt

Our net debt position (including lease liabilities) increased by € 160 million to € 415 million. The leverage ratio (net debt divided by 12-month EBITDA) was 0.3 at year-end. Our net debt position is supported by a strong free cash flow of € 590 million, offset by dividend payments in 2021 (€ 604 million) and the net cash flow from M&A activities. The section '[performance management](#)' contains an overview of the development of net debt and the leverage ratio.

performance.

net debt and leverage ratio development



net debt

	2021	2020
Cash and cash equivalents	859	474
Less: Non-current borrowings	664	-
Less: Current borrowings	16	141
Less: Short-term part of non-current borrowings	-	-
Net debt (excluding lease liabilities)	(179)	(333)
Lease liabilities (current and non-current)	594	588
Net debt (including lease liabilities)	415	255
Leverage ratio	0.3	0.3

As at December 31, 2021, the Group had a € 1,850 million (2020: € 1,850 million) committed multi-currency syndicated revolving credit facility at its disposal, which matures in July 2024 (2020: July 2024). As of July 2023, the amount at the disposal of the Group will change from € 1,850 million to € 1,778 million. The facility agreement contains a covenant with respect to the net debt to EBITDA ratio (leverage ratio), as well as a paragraph on material adverse changes; the net debt to EBITDA ratio has a limit of 3.5, and is calculated based on the results of the Group on a 12-month basis. In certain cases, Randstad is allowed to report a leverage ratio of 4.25x EBITDA for a limited period of time. This credit facility has an interest rate that is based each time on the term of the drawings, increased by a margin above the applicable Euribor or LIBOR rates. The margin is variable and depends on the 'net debt to EBITDA' ratio.

The facility agreement stipulates that the calculation of this ratio is based on the accounting policies as included in the annual report 2011, being the initial starting date of the current facility.

The Group recently secured two committed bilateral revolving credit facilities of € 200 million each, with a three-year tenor, maturing in December 2024, and a committed bilateral term loan of USD 300 million, with a three-year tenor, maturing in December 2024. The revolving credit facilities have an interest rate that is each time based on the term of the drawing, increased by a fixed margin above the applicable Euribor rate. Covenants are fully aligned with the committed multi-currency syndicated revolving credit facility. The term loan has an interest rate that is each time based on the term of the drawing, increased by a margin above the applicable Libor rate. The margin is variable and depends on the 'net debt to EBITDA' ratio. Covenants are fully aligned with the committed multi-currency syndicated revolving credit.

performance.

cash flow analysis

free cash flow

Over the full year, we delivered a strong free cash flow of € 590 million, down € 542 million (down 48%) compared to 2020. The year-on-year growth in EBITA was more than offset by the countercyclical movement of working capital and the CICE receivable sold to third parties in 2020. Finally, income taxes paid over the full year 2021 amounted to € 204 million (FY 2020: € 181 million).

For more details on this topic, see the '[consolidated statement of cash flows](#)' in the financial statements.

consolidated cash flow statement

in millions of €

	2021	2020
EBITA, actual	1,086	579
Depreciation, amortization and impairment of property, plant and equipment, right-of-use assets, and software	326	319
EBITDA	1,412	898
Working capital	(290)	315
Provisions and all other items	(4)	430
Income taxes paid	(204)	(181)
Net cash flow from operating activities	914	1,462
Net capital expenditures ¹	(128)	(106)
Loans and receivables	-	(4)
Repayment of lease liabilities	(196)	(220)
Free cash flow	590	1,132
Net acquisitions and disposals ²	(79)	(6)
Issue of ordinary shares	-	-
Dividend from associates	-	4
Purchase of own shares	(54)	(11)
Dividend paid on ordinary and preference shares	(604)	(12)
Net finance costs paid	(7)	(20)
Translation and other effects	(6)	35
(Net increase)/net decrease of net debt (including lease liabilities)	(160)	1,122

¹ Net additions in property, plant and equipment and software.

² Net acquisitions and disposals of subsidiaries/activities, associates and equity investments.

performance by revenue category

In this section, we provide an overview of the underlying performance per revenue category in 2021. More detailed information on our service concepts can be found in the section '[our value for clients and talent](#)'. In our financial reporting, we have merged these service concepts into four revenue categories: Staffing, Inhouse, Professionals, and Global Businesses.

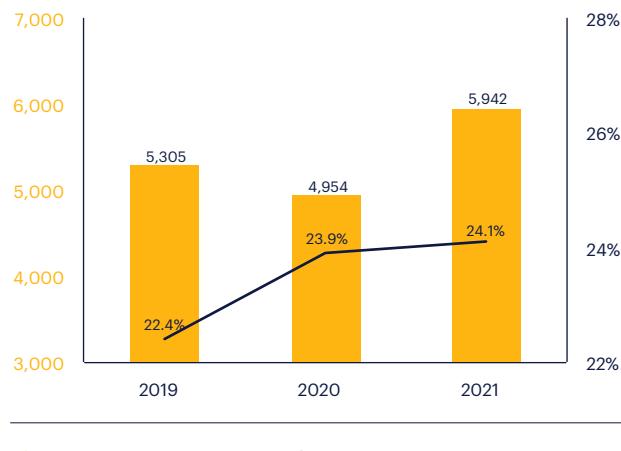
staffing

Within Staffing, we serve clients in the industrial segment and the administrative segment. In our revenue mix, this is about 50:50. Organic revenue in Staffing increased by 21% for 2021 as a whole, driven by demand for temporary employees.

inhouse

Inhouse revenue grew 20% to € 5.9 billion in 2021. We saw ongoing strong demand for essential services such as healthcare, logistics, food retail, and e-commerce.

revenue from inhouse



performance.

professionals

Revenue in Professionals was up 14% organically. Key Professionals labels, such as US Technologies, Yacht, and Randstad Japan, delivered a strong performance in 2021, mainly driven by our exposure to IT.

global businesses

Global Businesses consists of Monster, Randstad Sourceright (RSR), Randstad RiseSmart, and twago. Revenue was up by 28% year-on-year, mainly driven by Randstad Sourceright. Overall EBITA margin was 1.2%, compared to -0.6% last year.

split by revenue category

in millions of €	2021	2020	organic Δ%
Staffing	12,206	10,042	21%
Inhouse	5,942	4,954	20%
Professionals	5,252	4,732	14%
Global Businesses	1,235	990	28%
Total	24,635	20,718	20%

Total revenue of permanent placements in the revenue categories Staffing, Inhouse, and Professionals amounted to € 542 million in FY 2021 (FY 2020: € 361 million). Revenue of recruitment process outsourcing within Global Businesses amounted to € 253 million in FY 2021 (FY 2020: € 142 million).

performance.

market performance

Randstad operates in 38 markets, representing more than 90% of the global HR services market. This is not likely to change much, as we believe our current network covers the most attractive geographies. In this section, we provide an overview of our underlying performance in our largest markets in 2021.

main market positions, 2021¹

markets	market growth	market share	market position
United States	16%	3%	2
France	20%	16%	3
Netherlands	18%	17%	1
Germany	12%	7%	1
Italy	27%	14%	2
Belgium & Luxembourg	15%	26%	1
Spain	16%	19%	1

¹ Based on 2021 SIA and Randstad estimates.

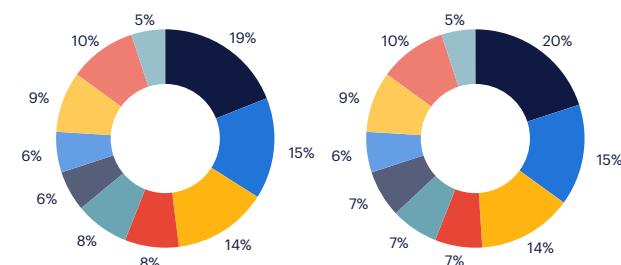
development in the main geographic markets

in millions of €, unless otherwise indicated

	revenue		organic growth	average candidates		average corporate staff	
	2021	2020		2021	2020	2021	2020
North America	4,558	4,123	15%	92,900	86,100	6,530	5,770
France	3,625	3,052	19%	84,200	71,400	4,460	4,110
Netherlands	3,413	2,813	21%	72,000	63,000	3,890	3,730
Germany	1,895	1,562	22%	38,300	31,200	2,860	2,350
Italy	1,978	1,451	36%	53,800	41,800	2,490	2,010
Belgium & Luxembourg	1,600	1,401	13%	44,200	39,000	2,080	1,790
Iberia	1,502	1,270	18%	60,400	53,300	2,160	1,810
Other European countries	2,325	1,968	17%	63,400	54,500	3,670	3,380
Rest of the world	2,504	2,088	18%	134,600	121,200	5,530	5,070
Global Businesses	1,235	990	28%	9,500	7,300	5,540	4,390
Corporate	n.a.	n.a.	n.a.	n.a.	n.a.	320	270
Group	24,635	20,718	20%	653,300	568,800	39,530	34,680

revenue split by geography

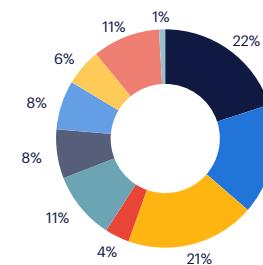
2021: revenue € 24,635 million 2020: revenue € 20,718 million



- north america
- france
- netherlands
- germany
- italy
- belgium & luxembourg
- iberia
- other european countries
- rest of the world
- global businesses

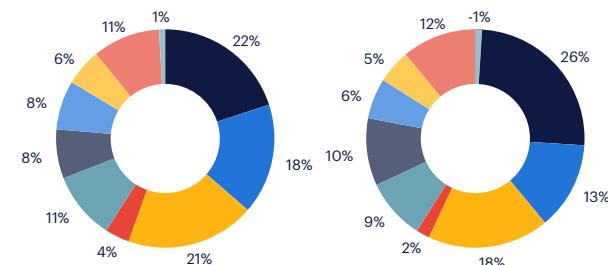
EBITA split by geography

2021: EBITA € 1,095 million



- north america
- france
- netherlands
- germany
- italy
- belgium & luxembourg
- iberia
- other european countries
- rest of the world
- global businesses

2020: EBITA € 692 million

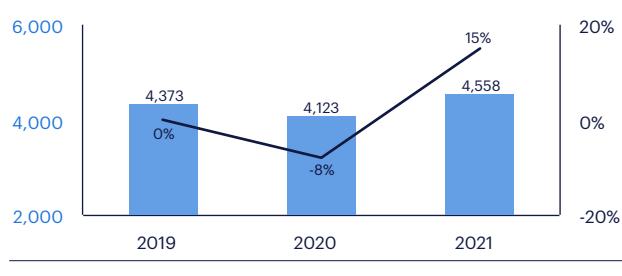


- north america
- france
- netherlands
- germany
- italy
- belgium & luxembourg
- iberia
- other european countries
- rest of the world
- global businesses

performance.

north america

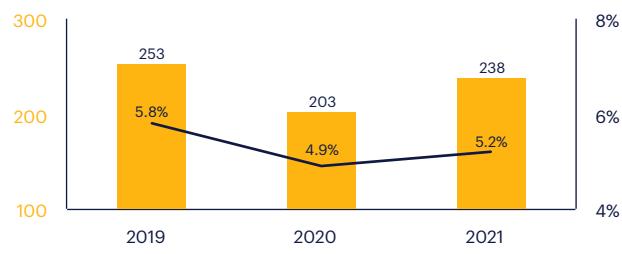
revenue



● revenue (€ m)

● organic growth (%)

EBITA



● EBITA (€ m)

● EBITA margin (%)

In 2021, sales in North America grew 15% YoY. EBITA margin was up 30bp at 5.2%. Growth was enhanced due to targeted field investments ramping up during the year.

united states

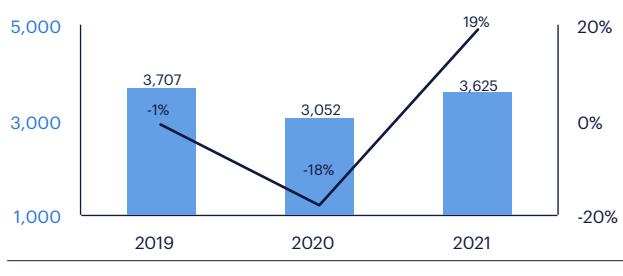
US revenue increased 13% YoY, more than compensating for the decline in 2020. US Staffing and Inhouse Services revenue increased by 18% YoY, while permanent placements within our Staffing and Inhouse Services businesses grew 74% YoY. Revenue in US Professionals was up 7% YoY, while permanent placements within US Professionals increased 46% YoY. We were pleased to welcome Cella to the US portfolio at the start of Q4.

canada

Randstad Canada revenue increased 27% YoY, while permanent placements also grew by 83% YoY, leading to an increase in profitability.

france

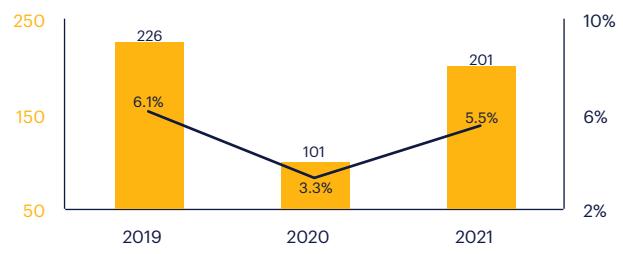
revenue



● revenue (€ m)

● organic growth (%)

EBITA



● EBITA (€ m)

● EBITA margin (%)

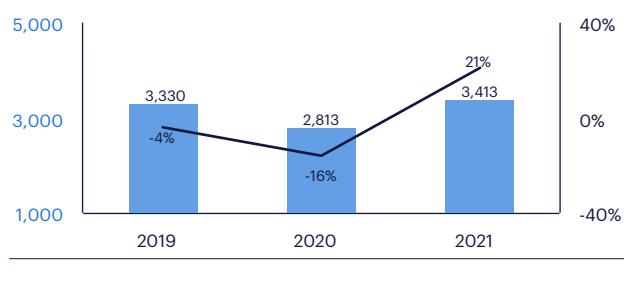
In France, our revenue grew 19% YoY. Inhouse continued to outperform, driven by a strong logistics activity. While overall activity gradually recovered in the early months of the year, we saw a strong recovery in the second half, with revenue coming back to pre-pandemic levels in Q4 2021. Our combined Staffing and Inhouse Services revenues increased 20% YoY. Our revenue growth in Professionals was up 14% YoY, driven by a strong performance in our healthcare business.

Our EBITA margin increased by 220bp to 5.5%, as pricing discipline and strong cost management remained in place.

performance.

the netherlands

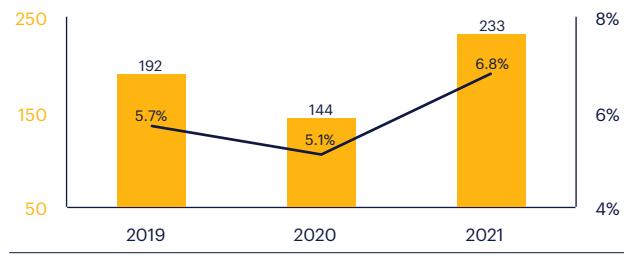
revenue



● revenue (€ m)

● organic growth (%)

EBITA



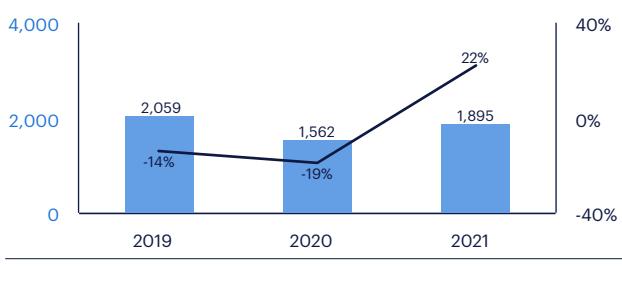
● EBITA (€ m)

● EBITA margin (%)

In the Netherlands, where Randstad is market leader, revenue grew 21% YoY. Our combined Staffing and Inhouse Services revenues (represented by the Randstad and Tempo-Team brands) increased 22% YoY. This growth was broad-based and was mainly fueled by clients in the logistics, e-commerce and online retail sectors. Our Professionals business (primarily Yacht) grew 17% YoY, being more resilient. Permanent placements were up 28% YoY. Our EBITA margin was up 170bp to 6.8%.

germany

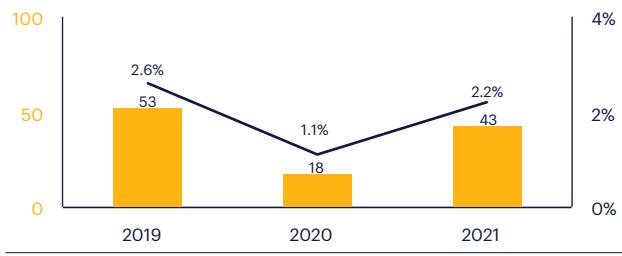
revenue



● revenue (€ m)

● organic growth (%)

EBITA



● EBITA (€ m)

● EBITA margin (%)

In Germany, our overall revenue increased 22% YoY, driven by less impact from the pandemic and clear focus on clients and talent. In Staffing and Inhouse Services (where we operate as Randstad and Tempo-Team), revenue increased by 30% YoY, while Inhouse Services grew 49% YoY. Revenue of the combined Professionals businesses decreased by 6% YoY. EBITA margin reached 2.2%, up 110bp. Focused investments in combination with strict cost management led to a strong margin improvement.

performance.

italy

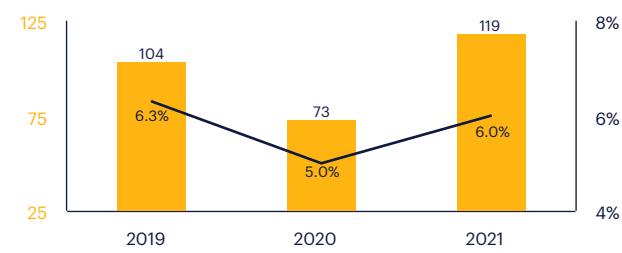
revenue



● revenue (€ m)

● organic growth (%)

EBITA



● EBITA (€ m)

● EBITA margin (%)

Randstad Italy posted an all-time record in terms of revenue and EBITA and strengthened its market position. Revenue was up 36% YoY in 2021, and EBITA margin increased 100 bp to 6.0%. The growth was across all business lines. Randstad Italy also showed a strong recovery in profitability on the back of tight cost control while making significant investments to seize growth opportunities.

belgium & luxembourg

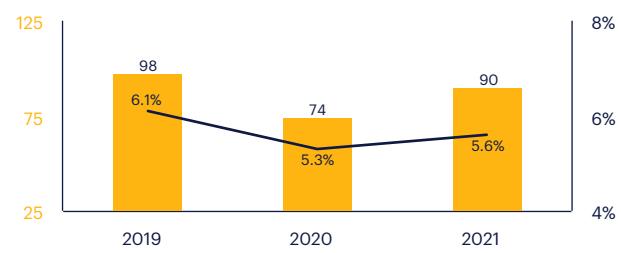
revenue



● revenue (€ m)

● organic growth (%)

EBITA



● EBITA (€ m)

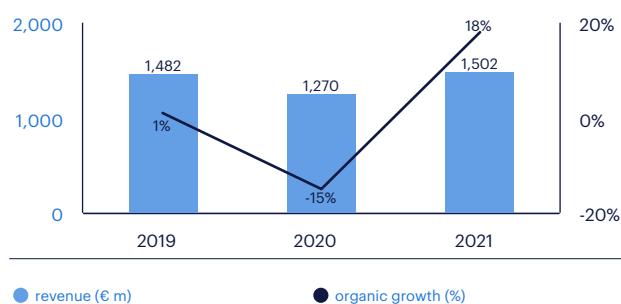
● EBITA margin (%)

In Belgium & Luxembourg, our revenue increased by 13%, further strengthened by our diversified portfolio. We saw a very strong performance throughout the year, most notably in our Inhouse (automotive, pharma, logistics) and Staffing businesses. Our EBITA margin increased to 5.6%, up 30bp YoY, thanks to tight cost management while we continued to invest in growth initiatives. In addition, on 9 December 2021, Randstad announced that it acquired Hudson Benelux. This acquisition enables Randstad to strengthen its market position by increasing its market share in the growing professionals perm, executive search and HR services markets as well as adding higher-value management consulting capabilities.

performance.

iberia

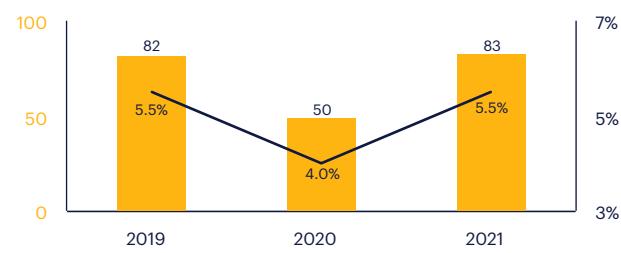
revenue



● revenue (€ m)

● organic growth (%)

EBITA



● EBITA (€ m)

● EBITA margin (%)

Spain and Portugal showed similar underlying recovery patterns from the pandemic, showing strong growth from the third quarter. Revenue growth in our Iberian business was up 18% YoY, with EBITA margin up 150bp to 5.5%.

spain

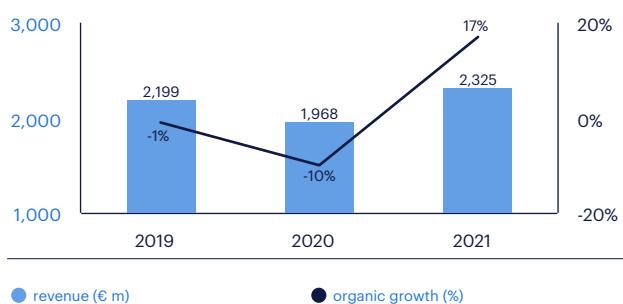
Spain showed strong recovery from the third quarter onwards, across all business lines. Revenue was up 25% YoY. Our Staffing business increased by 27% YoY, and Inhouse Services by 18% YoY. Our Professionals business increased by 35% YoY, driven by higher demand, especially in permanent placements. Throughout the year, strong pricing discipline and cost control were maintained, which helped to increase our profitability.

portugal

Overall, revenue was stable compared to 2020. Targeted investments in high value propositions and good cost control had a positive impact on profitability.

other european countries

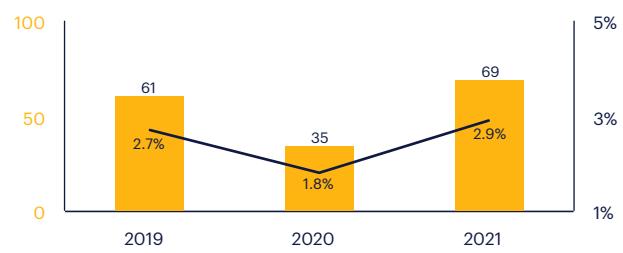
revenue



● revenue (€ m)

● organic growth (%)

EBITA



● EBITA (€ m)

● EBITA margin (%)

Revenue increase for 'other European countries' was 17% YoY in 2021, while EBITA margin increased 110bp to 2.9%, driven by strong improvement in our top line on the back of strict cost control.

united kingdom

UK revenue grew 40% YoY and our permanent placements were up 80% YoY on the backs of economic recovery and notable client wins. As a consequence, our overall profitability increased year-on-year.

poland

Poland had a solid year in 2021, with revenue up 18% YoY. This was driven by our successful Inhouse concept.

nordics

In the Nordics, we saw a 13% YoY revenue increase in our combined businesses. In Sweden and Norway, revenue increased by 5% and 32% YoY respectively, while in Denmark we were able to grow our revenue by 44% YoY.

performance.

switzerland

Overall revenues decreased slightly YoY in Switzerland, though our profitability increased year-on-year.

austria

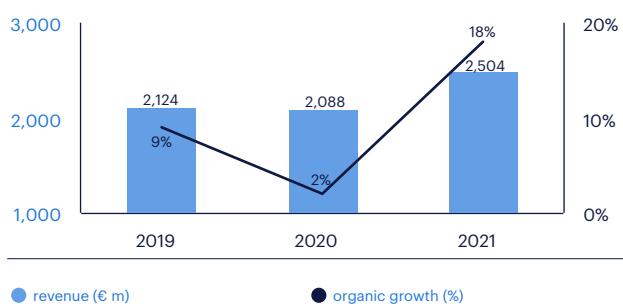
In Austria, revenue increased 6% YoY.

hungary, turkey, czech republic, greece, and romania

In Hungary, our revenue increased 22% YoY. In the Czech Republic, revenue grew by 12% YoY. In Turkey, revenue increased 34% YoY, while profitability was further improved. Revenue in Greece decreased by 6% YoY, while Romania grew 49% YoY.

rest of the world

revenue



EBITA



Revenue in the 'rest of the world' region grew by 18% YoY. EBITA margin improved 50bp to 5.0% in 2021. Our 'rest of the world' business continues to strengthen its portfolio, remaining largely resilient throughout the pandemic.

japan

Overall, Randstad Japan achieved a record year in revenue and profitability. Revenue increased 8% YoY. Growth was broad-based, with significant growth in Staffing, Professionals and Engineering, while short-term assignments rebounded sharply. As a result, our profitability was higher year-on-year, despite continued investments in technology and growth initiatives.

australia and new zealand

Revenue for the region was up 30% YoY, despite the severity of lockdowns in several areas. Permanent placements were up 68% YoY, attributed to strong demand in the Professionals sectors, particularly in Tech/HR and the business support sectors.

india

Revenues in India grew by 13%. A strong focus on productivity improvements through business concepts, pricing discipline, and agile cost management contributed to Randstad India delivering solid profitability.

china and other asian markets

China showed a strong recovery despite COVID headwinds. Revenue grew 27%, and permanent placements were up 57%. Hong Kong's growth bounced back in 2021 and accelerated throughout the year. Revenue was up 35% and permanent placements grew 66%.

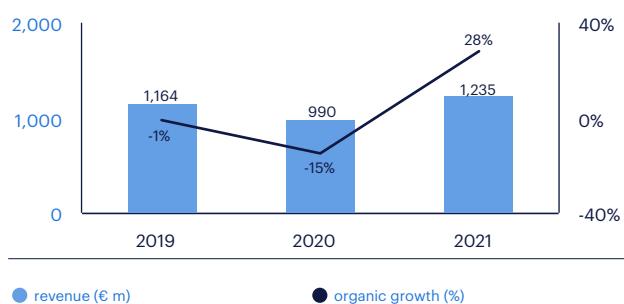
Despite challenging market conditions, Malaysia almost doubled in revenue. Similarly, the performance of our operations in Singapore accelerated further, with low-single-digit growth and increased profitability at a very attractive level.

latin america

In Latin America, all our businesses continued to deliver significant profitable growth, while strengthening new concepts and focusing on improved business processes. Revenue in Brazil was up 26% YoY. Argentina achieved another solid year, consolidating the market leader position in Staffing & Inhouse, while also reaching a leading position in Professionals, despite an environment of hyperinflation. Chile generated sound revenue growth, while revenue in Mexico decreased, reflecting changes in legislation.

global businesses

revenue



EBITA



Randstad Sourceright revenue, comprising mostly of our global MSP and RPO business, increased organically by 38% YoY, with profitability above group average. Monster, our online talent recruitment platform, experienced low single-digit revenue decline for the year, with growth in the second half of the year. We have invested in transforming Monster with new technologies, developing new business models and optimizing the talent journey. RiseSmart, our reskilling and talent mobility platform, experienced double-digit revenue decline for the year, with demand for outplacement services impacted by the positive economic momentum.

A photograph of a woman with long brown hair and round glasses, smiling at the camera. She is wearing a purple tank top and holding two large, solid orange heart shapes in front of her chest. The background is a bright, outdoor setting with a building and some greenery.

seeing
the possible

in melanie.

"Randstad's ad on Facebook felt really as an opportunity. So you can find it, I found it, I'm happy in my work, and I love what I do."

Watch Melanie's story 

risk & opportunity management.

Risk and opportunity management is essential to help us achieve our strategy. While entrepreneurship and innovation are stimulated throughout the organization, there are measures in place to define the risk boundaries and opportunities in steering our business in the right direction, especially in this extended pandemic period. This section provides an overview of our Risk & Control framework and its effectiveness in order to substantiate our Risk & Control statement.

risk profile

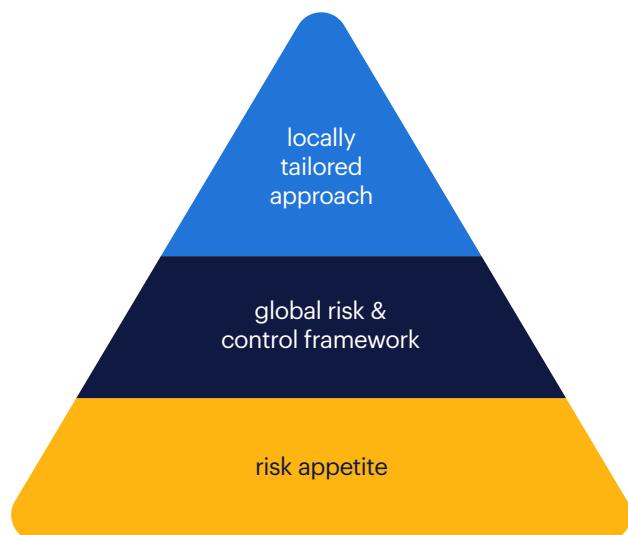
We have a wide geographical coverage in both mature and emerging markets with varying degrees of economic and regulatory developments, market needs, and competition. The constant changes in these markets, combined with the ongoing pandemic, continually impact our risk exposure. It remains a challenge to successfully predict future developments. For example, the effect of an extended lockdown due to the pandemic may pose a risk to our Professionals business while creating opportunities for other business lines, such as Staffing and RiseSmart. We therefore focus on responding to actual performance in all our local markets and businesses.

In addition, we are continuing initiatives to achieve seamless business processes, as well as robust IT systems and security capabilities that support our digital strategy. These efforts are changing our business models and impact our risk profile. Initiatives are concentrated in areas where success is most likely.

risk & control management approach

We manage our risks and opportunities through the boundaries defined by our risk appetite. Global policies and frameworks are then developed to support local management in determining the best approach in light of local circumstances.

risk & control management approach



risk & opportunity management.

risk appetite

Our risk appetite is derived from our strategy and priorities, and is broken down into four risk areas:

risk areas	averse	prudent	balanced	open	hungry
strategic E.g., new markets/services, new technology/innovation, culture, M&A					
operational E.g., service concepts, contract & delivery, IT & security, talent management, sustainability					
finance & reporting E.g., tax accounting, credit management, treasury, statutory reporting					
compliance E.g., data protection, labor law, workplace health & safety, competition law, tax					

The table 'Sensitivity analysis' illustrates the impact of the various changes and trends on our revenue, gross margin, operating expenses, and currency and interest rates on our EBITA. Typically, a trend will include a number of these elements.

sensitivity analysis

	change	impact	on	assumption FY 2021
Revenue	+/-1%	+/- € 49 million	EBITA	Flat gross margin and no change to cost base
Revenue	+1%	+ € 24 million	EBITA	Flat gross margin and target 40%-50% conversion (ICR)
Revenue	-1%	- € 24 million	EBITA	Flat gross margin and target 50% recovery (RR)
Gross margin	+/-0.1%	+/- € 25 million	EBITA	Flat revenue and no change to cost base
Gross margin	+0.1%	+ € 12 million	EBITA	Flat revenue and target 40%-50% conversion (ICR)
Gross margin	-0.1%	- € 12 million	EBITA	Flat revenue and target 50% recovery (RR)
Operating expenses	+/-1%	+/- € 38 million	EBITA	
USD	+/-10%	+/- € 20 million	EBITA	Stable revenue and margin in US
GBP	+/-10%	+/- € 1 million	EBITA	Stable revenue and margin in UK
JPY	+/-10%	+/- € 6 million	EBITA	Stable revenue and margin in Japan
Interest rate	+100 bp	- € 0 million	Financial charges	Average net debt 2021
Net debt	+/- € 200 million	+/- € 0 million	Financial charges	Stable interest rates

risk & control framework

Our global Risk & Control framework is designed to secure the Group's in-control position. The components provide Group-wide comfort in terms of key controls, while facilitating the agility to adapt to local circumstances, enabling entrepreneurship and innovation. The components of the framework are shown in the Risk & Control framework diagram, which is aligned with the internal control framework and enterprise risk management framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and elements from various other management control models. Factors that we consider in our Risk & Control framework include the size, service offering, and local regulatory and market environment of each operating company.

Operating companies and global departments assess the components of the Risk & Control framework at least once every six months. The results of these assessments, including improvement plans, are discussed by local management, the Business Risk & Audit function, and the Executive Board member responsible for that country or business line. Internal audits are executed to evaluate these self-assessments. Every six months, the Business Risk & Audit function reports to the Executive Board and the Audit Committee

on the state of the Group's in-control situation. The Executive Board and Audit Committee set priorities and provide guidance to further enhance control throughout the Group.

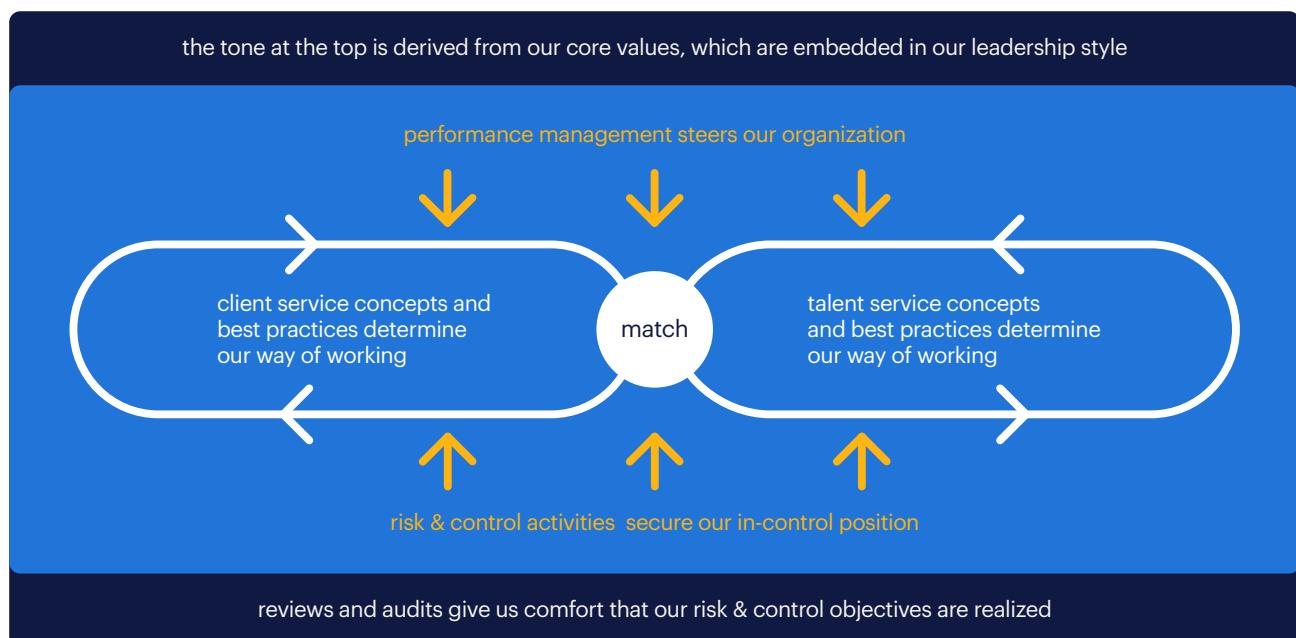
tone at the top and culture

The tone at the top is derived from our core values, which are embedded in our leadership style and determine our culture. Randstad benefits from strong leadership, built up over 60 years. We have been able to extensively develop management by example, based on our core values and business principles.

Upon joining our company, our employees receive a copy of the business principles and acknowledge that they will comply with them. In addition, mandatory induction and periodic refresher training programs are in place on core values, business principles, and relevant compliance policies, including our misconduct reporting procedure. These training programs also form a crucial part of our strategy with regard to integrating acquired companies.

Our misconduct reporting procedure enables our employees and all other stakeholders to report any suspicions they have of wrongdoing via our Integrity

risk & control framework



Line (a secure phone line and web access). All complaints are assessed and investigated where necessary by the local integrity officers and/or the central integrity officer, together with the Business Risk & Audit function. An Ethics Committee monitors worldwide case handling and the development of our company's culture. When deemed necessary, disciplinary actions and mitigating controls are put in place. For more details, please see the paragraph on misconduct reporting under [sustainability fundamentals](#).

The Randstad In Touch employee survey is conducted at least every quarter. This allows us to monitor employee engagement on a department level and provides indicators of the tone at the top in each operating company and at our head office. The survey results are reviewed by Global HR, the Executive Board, and various management layers, and they are discussed within the departments. Based on these periodic reviews, action plans are initiated at departmental level. These analyses prove to be a good indicator of our company culture and facilitate open dialogue within the company, especially now that most employees are working remotely.

Randstad ensures that professionals in the legal, tax, treasury, accounting, and audit functions have and maintain an appropriate level of professional knowledge by providing access to training and other development possibilities. Knowledge of the organization and its businesses is derived from regular meeting with and review of the operating companies worldwide. For example, our tax function works closely with HR to attract and develop its tax professionals, using a focused recruitment strategy to obtain the most qualified talent. Our training equips our tax professionals to deal with potential tax dilemmas in line with the Group's [tax policy](#).

performance management

Performance management is at the heart of our organization. Scenario planning and forecasts of our operating companies are set in accordance with strategic priorities and market trends. Operating companies also describe their main risks and opportunities in their quarterly risk registers and half-yearly control situation summary reports.

Our operating companies report on various performance indicators relating to financial and non-financial results, underlying process activities, and people. By setting reporting dates, performance indicators, and formats, as well as including risks and opportunities in our quarterly management reporting pack, we provide clarity that enables us to plan ahead, without disrupting our focus on day-to-day activities. By combining this planning and control cycle with our focus on activity-based field steering, our monitoring systems are continuously improving and giving more depth to discussions in the business review meetings and great conversations. See the section '[performance management](#)' for more details.

Our Global Corporate Sustainability Reporting guidelines prescribe detailed non-financial performance indicators. For further details, please refer to the non-financial KPIs in the [integrated reporting framework](#).

service concepts and best practices

Our service concepts and best practices determine our way of working. Our service concepts, which are described in the section '[our strong concepts](#)', provide best practices for our core commercial operations and are tailored to local practices and market conditions.

Blueprints describe our operational best practices for key processes and govern how these processes are operated at the local level. Blueprints covering key processes such as the financial close process, contract-to-cash, payroll, project management, and procurement-to-payment are regularly updated to achieve alignment with the latest risk developments and in view of sharing good practices.

We have a framework of global policies that cover compliance in multiple areas. These include our Approval & Information Requirements Policy, Finance Manual, Fair Competition Policy, Human Rights Policy, Gifts, Hospitality & Anti-Bribery Policy, Environmental Policy, Corporate Citizenship & Philanthropy Policy, Data Protection Policy, Information Security Policy, IT General Control Framework, Health & Safety Policy, and Travel Policy.

risk & control activities

Risk & Control activities secure our in-control position. Our operating companies compile risk registers

quarterly to identify the local business risks and opportunities, together with action plans and deadlines for addressing them. The aggregated data enables us to get insight into the most important risks impacting the Group, and their correlation. The overall consolidated risk profile is discussed twice a year by the Executive Board and with the Audit Committee. In 2021, a risk appetite assessment dialogue was initiated for the Supervisory Board to harness, refresh, and reaffirm the Board members' understanding and positioning with regard to our risk appetite.

Our key control framework contains key operational, compliance and financial risks, and the practical controls to guide all operating companies. The structure of the key control framework is organized around Randstad's core process: the matching of clients and talent. Every six months, operating companies perform self-assessments for the relevant controls in accordance with the size of their business. The results are subsequently challenged by the Business Risk & Audit function and evaluated during the audit of the related process. The key control framework is updated annually.

Key tax risks are also governed by our key control framework, in which the tax controls are embedded. The tax control framework forms the basis of all our tax risk management actions globally and covers all the tax functions as performed within the Group. The purpose of the tax controls is to ensure that the Randstad Group is in control of all its tax compliance obligations and does not incur any unexpected material tax charges. Our tax control framework and transparent way of working help to recognize potential tax disputes and controversies at an early stage. Discussing and solving such issues contributes to minimizing our contingent tax position.

Our insurance risk program follows the same principles as our global Risk & Control framework. Insurable risks are periodically assessed, and Group-wide risks are either retained or transferred to the insurance market under our global or local insurance programs. We regularly review insurable risks and our insurance policy coverage, as well as the credit ratings of our insurers.

reviews and audits

Reviews and audits provide assurance that our Risk & Control objectives are being realized.

The semi-annual control framework assessments on operating company level lead to a Group-wide in-control benchmark discussion in meetings of both the Executive Board and the Audit Committee. In these discussions, Risk & Control priorities are set, and the annual Global Business Risk & Audit plan is updated and agreed. The annual Global Business Risk & Audit plan is risk-based. In 2021, the Executive Board identified several focus areas, such as IT access management, cyber security, business concepts, third-party assurance, workplace health and safety, payroll processes, client delivery and KPI/bonus management.

Through our global tax control framework, the tax controls in our key control framework, the use of advanced technology, tax control, data management, and reporting of tax-related issues and risks, Randstad has full insight into its tax risks, and balances these against its tax risk appetite. Tax risk management is subject to frequent (external) audit review and reporting to the Executive Board and Audit Committee. The global tax compliance and control function makes extensive use of data from financial systems. Randstad applies selected available finance and tax technology to ensure proper tax compliance and tax control. The finance function of each and every operating company ensures that tax data elements within the financial systems are in accordance with local requirements.

The Business Risk & Audit function leads the internal audits and collaborates closely with other global departments (most commonly Accounting, Legal, and Tax). Findings, root causes and action plans from the audits are discussed with the operating companies. The internal audit reports are submitted to the Executive Board member responsible for that operating company and to our global CFO. The progress of action plans is monitored by local management, the Business Risk & Audit function, and the Executive Board.

risk & opportunity management.

putting the framework into practice

framework component		practical applications to our business		
tone at the top	Core values and business principles	Induction and refresher training	Employee surveys	Misconduct reporting procedure
performance management	Strategic plan and forecasts	Scenarios and conversion ratio monitoring	Planning, reporting and review cycles and activity-based field steering (ABFS)	Business review meetings
service concepts and best practices	Global concepts and commercial best practices	Corporate policies and procedures	Blueprints (operational best practices)	Authorization levels
risk & control activities	Risk register	Key control framework	Risk & Control network activities	Global insurance program
reviews and audits	Semi-annual Risk & Control framework assessments	In-control benchmarks	Internal audits	In-control statement for each operating company

We have an internal audit manual, which is aligned with global professional standards. In addition, standard audit programs are used for key processes such as client delivery, payroll, information security, and workplace health and safety.

The Group-wide Business Risk & Audit function provides a platform for sharing good practices, and is a sounding board for emerging opportunities, risks, and possible internal control gaps. The function consists of a cross-disciplinary team with Business Risk & Audit staff from the operating companies. Where needed, experts are involved in audits. For additional reassurance, BDO has been engaged to perform financial audits in multiple countries.

In 2021, we detected a few cases of fraud, involving, for example, the recording of non-existent permanent placements and the payment of fictitious temporary workers. These fraud cases were investigated and, in cooperation with local management, corrective actions were taken. These cases involved small amounts of money and had no material impact on the results of the Group. Cases have been communicated internally and were used to create awareness and improve fraud prevention. Every year, we conduct a global fraud risk assessment, and the results are discussed in the Executive Board and the Audit Committee.

tax risk management

Tax risk management is integrated in our risk & opportunity management. For transparency reasons, we have highlighted some of the integrated tax risk-related items in this section.

tax risk appetite

Our tax risk appetite in relation to tax compliance is 'averse', which means that we aim to be fully compliant with tax laws and regulations in all respects. In relation to tax planning, we take a balanced approach. This implicitly derives from the fact that doing business as a multinational company, engaging in cross-border services and related inter-company charges, always carries the risk that local fiscal authorities take a deviating unilateral position on the company's action. We ensure all withholding taxes are in accordance with applicable tax laws and treaties, and that Randstad's transfer pricing follows the OECD standards and are at arm's length.

tax risk management

In the highly regulated HR business, which may differ from country to country, Randstad's local and global IT systems form the fundamental enablers for tax and legal compliance. All tax-relevant data or changes in data required to be in compliance with applicable tax laws and regulations are identified on an ongoing basis. Depending on the (local) IT infrastructure, tax data

requirements are embedded in either front-, mid-, or back-office systems. Up-to-date technology systems are fundamental and are therefore in place to manage tax data that are relevant for tax compliance, tax accounting, tax monitoring, and tax risk management. The global pandemic has resulted in a higher frequency and complexity of changes in regulations related to (payroll) tax and government grants.

execution of our tax strategy

Randstad has aligned its tax strategy with its business strategy based on the principle that 'tax follows the business'. This alignment is considered to be important and is embedded in the governance of Randstad, whereby the Managing Director Global Tax reports to the Group CFO/EB member. In this reporting line, which results in frequent bilateral meetings, synchronization takes place at strategic level. Randstad's tax strategy is described in the Tax Policy. The effectiveness of this strategy depends on the quality of its implementation and execution, which is therefore closely monitored by means of various processes and reporting tools. By doing so, Randstad is able to keep the implementation of the tax strategy aligned with the implementation of the business strategy. This refers to all aspects of implementation, such as Tax Risk & Opportunity Management and Tax Compliance & Control.

Randstad has internal (reporting and steering) processes in place to anticipate in detail all tax positions based on forecasts in order to subsequently analyze and monitor actual financing, cash and tax positions in the P&L and balance sheets of all legal entities worldwide on a monthly and quarterly basis. The company also closely and continuously monitors the details of all worldwide tax loss carry forward positions, contingent liabilities, and ongoing and announced tax audits on the basis of various internal reporting processes. The preparation (and/or review) and subsequent filing of all relevant corporate income tax returns worldwide has been outsourced to a third-party tax firm. This tax firm also facilitates tooling to monitor both the compliance process and the tax data/positions that are relevant for the implementation and execution of Randstad's tax strategy in order to validate whether it is still aligned with the overall business strategy.

in-control statement

Operating companies submit their in-control statements semi-annually. This statement certifies that the corporate policies have been complied with and explain any exceptions or deviations that have occurred. Our cascaded internal in-control statement includes the acknowledgement by all our operating company leaders that their operating companies comply with all laws and regulations. In this way, each country explicitly reconfirms compliance with rules and regulations, on a semi-annual basis. Compliance with all applicable tax laws and regulations is an essential part of our operations and in-control statement. A large part of those applicable laws and regulations are guided by international standards, such as the OECD Guidelines. We aim to comply with the spirit as well as the letter of the law. The in-control statement explicitly confirms that all local tax declarations and returns have been prepared in accordance with the global Randstad policies and guidelines to assure global tax compliance. The internal in-control statement forms a cascaded certification, which assists the Executive Board in determining our in-control situation as required by the Dutch Financial Supervision Act.

In their audit plan, Deloitte, our external auditor, covers all financially significant operations. As such, these audits are an important supplement to our own monitoring and audit activities.

The Audit Committee is informed about the results of both external and internal audits. The role of the Audit Committee includes monitoring the risk management and control systems, the quality of the financial information, and the follow-up of recommendations made as a result of the audits. More information can be found in the [Report of the Supervisory Board](#) and in the section 'Corporate governance'.

our main risks

Our main risks are those that threaten the achievement of the Group's objectives as well as the in-control position of the Group over the next three years. The ongoing threat posed by COVID-19, including mutations, altered our risk profile in 2021. World trade and local business activities continued to be disrupted (e.g., supply chain, tourism) due to unpredictable pandemic safety measures implemented around the world. Legislative safety measures and extended remote working arrangements resulted in greater demand on our IT network and infrastructure capability, including higher cyber security risk. The drastic change in the macro environment together with the ongoing challenges for service delivery excellence have helped us to accelerate our digital initiatives. The main risks from the prior year continue in the current period with heightened intensity (such as increased talent scarcity), calling for greater urgency and more innovative measures, such as further differentiation through tech and touch (see [our strategy \(see page 32\)](#)). At the same time, the COVID-19 pandemic and the related safety measures have also led to a rise in demand for staff in particular sectors and regions.

Our increasing reliance on the use of technology is matched by an unprecedented rise in cyber crime, which is now a daily reality for all large enterprises. In 2021, Randstad experienced a number of cyber incidents, which were dealt with adequately. In Q4 2020, Randstad was also the victim of a sophisticated attack, through which data was exfiltrated from a limited number of servers in the US, France, Poland, and Italy. In response to the incident, we immediately launched an internal investigation by our 24/7 incident response team. We also engaged third-party cyber security and forensic experts to assist with the investigation and remediation of the incident. Prompt global action was taken to mitigate the incident, while further protecting Randstad's systems, operations, and data. Our systems continued running without interruption and without any disruption to our operations. Appropriate steps continue to be taken in order to investigate any incident occurring and implement necessary actions to strengthen our information security posture, in line with regulations and ongoing cyber security developments.

The overview on the next page depicts the main risks (categorized into four areas: Strategic, Operational, Financial & Reporting, and Compliance) that could prevent us from realizing our financial and non-financial strategic targets. The overview also shows how we address these risks through the six sections of our strategic roadmap.

The following pages provide a more detailed description of our main risks in 2021, including the actions taken to mitigate these risks and any related opportunities. This list should not be considered exhaustive.

risk & opportunity management.

our risks related to our strategic elements



¹ Strategy: further differentiate through tech and touch, create value through our portfolio.

² Main risks decreased slightly compared to 2020.

strategic

risks

changing macroeconomic and regulatory environment

The extended pandemic continues to disrupt world trade and local business activities through repeated lockdowns that affect the economic outlook, talent mobility and government labor policies (e.g. view on temporary employment). These could increase the business operational and compliance costs, as well as possibly reduce demand.

technological disruption

Continual technological disruption and the extended remote way of working brought about by the pandemic have changed the business dynamics including traditional recruitment and staffing business model. New delivery platforms, non-traditional competitors, and innovative remote engagement and delivery approaches are becoming a norm, and their presence is felt in the market. Inaction in these may result in reduced productivity or even affects the viability of the business.

current risk-mitigating actions

Through our strategy, we are embracing technology to achieve the next phase of growth. The current situation has accelerated this ambition.

In steering the local businesses, we adopt a balanced approach by managing adaptability and maintaining agility, as well as making Randstad's unique experience available to clients and talent worldwide. Global policies and key reporting ensure that risk boundaries and opportunities are defined at a local level and that performance is monitored continually on a timely basis. In addition, the Executive Board meets frequently to closely manage the challenges brought about by the pandemic.

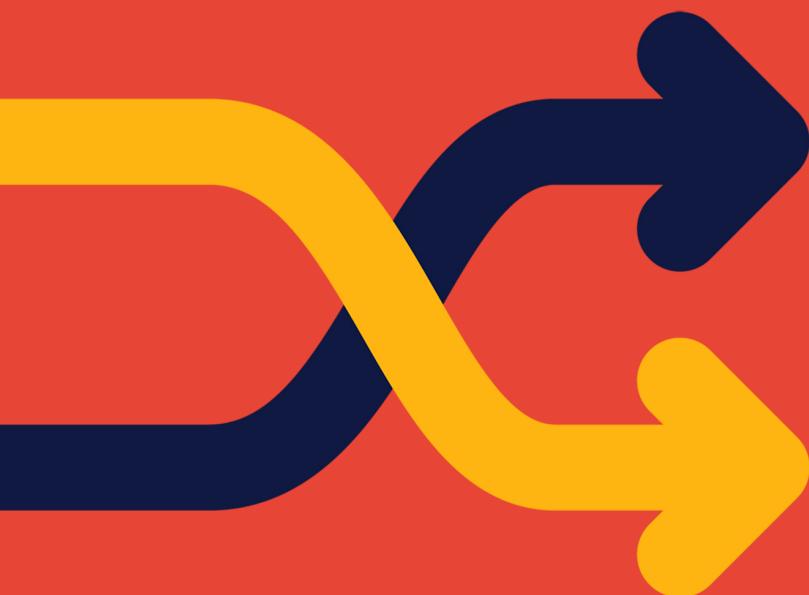
We continued our 2020 programs in 2021 addressing the health and well-being of workers and economic recovery.

opportunities

The accelerated digital transformation creates opportunities for innovative HR solutions as we seek to reinforce our leading role in the HR services industry for years to come.

Local businesses have the autonomy to respond to changing market conditions in order to seize opportunities, achieve greater customer satisfaction and revenue growth. The Gig Staffing market creates opportunities for us.

By leveraging our data-driven insights and combining Tech and Touch to create unique offerings, we are well positioned for further growth and creating sustainable value.



operational

risks

local market volatility and unpredictability

Local and sector-industry economic volatility, political uncertainties, and the extended pandemic have created a business environment that calls for agility and a high degree of preparedness. Key developments in the different market segments necessitate fast and decisive actions. Failure to quickly and accurately manage the changes will have an adverse impact on both tactical (e.g., market mix) and operational (e.g., delivery) aspects, consequently preventing us from achieving outperformance.

contract liability and delivery

For contract liability, especially in Anglo-Saxon countries, clients continue to request that we take a greater share of the liability for our temporary staff while on their premises and under their supervision. The pandemic has magnified this risk, with legislative measures restricting movement and more stringent workplace health and safety requirements. Accepting inappropriately high contractual liability whilst not having a robust delivery process could result in a client making a claim that would materially affect the Group's results.

information technology and cyber security

Technology is a core enabler of our business and its importance is unprecedented with our Tech and touch strategy, as well as the continued extensive remote working and delivery arrangements. IT security risks, including cyber attacks, could result in downtime or leaking of personal data and company-sensitive information. This poses significant financial and reputational risks.

talent attraction and retention

People are our most important asset, and talent is scarce in a competitive market. If we are unable to attract, develop, and retain the right people, we could fail in realizing our objectives.

current risk-mitigating actions

We have scenario planning in place to prepare for major developments in our markets. Our strong culture, core values, and global policies and frameworks, combined with a local-for-local approach, provide the framework and freedom to act promptly in response to local conditions. We follow the adage of 'fish where the fish are', which means we ensure that resources are allocated to growth markets and sectors.

We encourage the use of standard contracts. Non-standard contracts are always reviewed by the local legal department, with guidance provided by the global contract approval policy. Contract liability is addressed by means of delivery monitoring carried out by local businesses, while insurance is arranged at the global level. We continue to strengthen the contracting and delivery processes by introducing blueprints on contract-to-cash, as well as on the payroll process. Compliance reviews are also conducted on a regular basis, especially for contracts with significant liability exposure.

We have standardized and strengthened our IT governance. Information security related controls have been included in our IT control framework and self-assessment process to ensure their implementation. An initiative to accelerate the control enhancements on critical topics such as cyber threat monitoring, IT third parties, access, software development, incident management, business continuity, and disaster recovery was started in 2019. These will continue to be a key priority in 2022.

Talent management is a critical topic, and we perform monthly surveys and reviews on this. To optimize talent management, we conduct Great Conversations throughout the year. In these regular meetings with their manager, our employees discuss their ambitions as well as how they can best contribute to making Randstad an employer of choice.

Talent mobility is evident between global departments, as well as between countries. In addition, our employee share plans help to align employees' interests with the organization's long-term growth.

opportunities

Being prepared and able to quickly respond to market conditions will help us in meeting the market needs, thereby strengthening our reputation and profitability. Throughout 2021, we supported talent in moving from sectors that closed down to those experiencing an extended boom, such as e-commerce, healthcare, and distribution and delivery, providing training and reskilling services where necessary. By the end of the year, we managed to outperform 2020.

Optimizing contract liability arrangements and delivery will improve our bottom line as well as our reputation as a leader in HR services.

Enhanced security capabilities protect our information assets, including talent data, and ensure undisrupted service delivery to our clients. Consequently, this increases people's trust and confidence in us. Optimizing IT risk assessments and business risk assessments in relation to IT will help to further balance the value and cost of IT in supporting our business processes.

Successful talent management improves employee quality and increases employees' loyalty. This will ensure an adequate pipeline of talent, with the aim of delivering results for our clients, our candidates, and our shareholders.

finance & reporting

risks

credit risk

Delay in client payments or insolvency of major clients will lead to greater usage of operating working capital and increased interest costs, which ultimately affects the Group's results. The pandemic-induced economic uncertainties have intensified this risk in recent years.

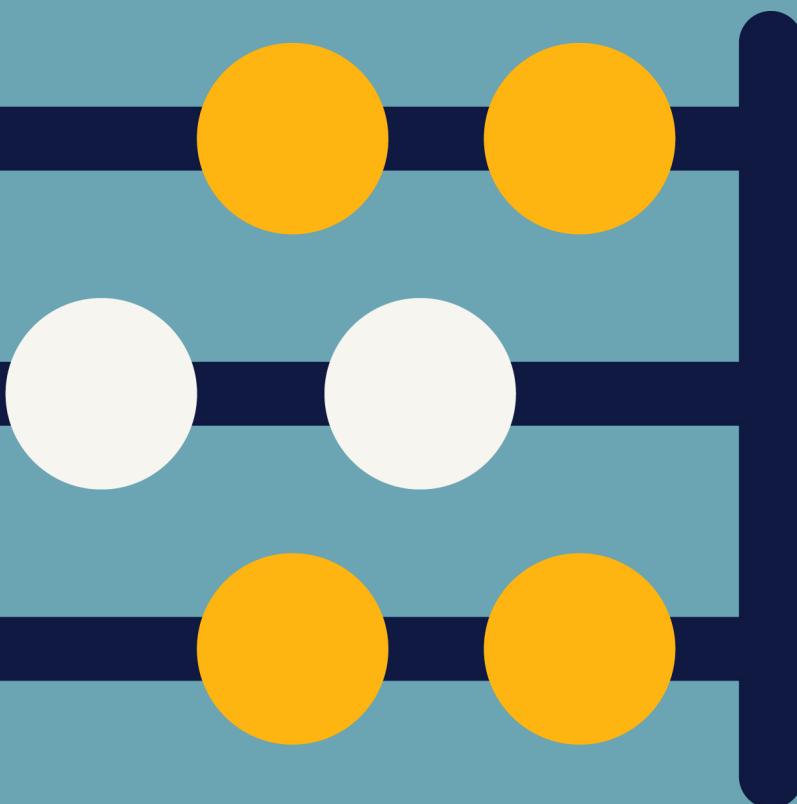
current risk-mitigating actions

A contract-to-cash blueprint was implemented in 2019 to promote best practices on invoicing and credit control. On a regular basis, the collection status is monitored and reported, with allowances made for expected credit losses. In addition, an international credit committee has been set up to exchange views on developments in various industries and to share best practices.

Further details on credit risk and other financial instruments risks are provided in note 3 to the financial statements: '[capital and financial risk management](#)'.

opportunities

With tighter credit and collection practices being rolled out globally, lower operating working capital is needed.



compliance

risks

data protection regulations

The EU General Data Protection Regulations came into effect in May 2018. For the rest of the world, legislation on personal data protection is also becoming more stringent. Without sufficient measures to protect personal data, we are at risk. New and complicated laws expose us to a higher risk of non-compliance, resulting in possible claims, fines, business suspension, and reputational damage. In addition, recent extensive remote working arrangements have increased the likelihood of this risk.

tax and labor regulations

Complex and changing tax (e.g., VAT, CIT and wage tax), labor and social security regulations could lead to a lack of clarity and errors in wages and a greater need for social security and payroll tax compliance, which could result in possible disputes, claims, and fines, as well as increased operational costs. At the same time, legislative changes that aim to align salaries between contracting and permanent roles are evident throughout the world. The pandemic has also resulted in a higher frequency and complexity of changes in regulations relating to (payroll) tax and government grants.

Tax risks of potential non-compliance with local tax laws and regulations include the risk that tax authorities take a different view on cross-border inter-company transfer pricing or tax treaty eligibility, which may potentially lead to double taxation.

workplace health and safety regulations

We have people working at clients' premises, where safety conditions may vary. The challenge is intensified by the varying pandemic-related measures/legislation globally. As we do not have control over these working conditions, people may be exposed to a hazardous work environment. This may result in increased medical claims, absenteeism, dissatisfaction, and worker strikes.

competition regulations

Competition authorities are increasingly active in the enforcement of competition and antitrust law. Infringements of such laws can occur by, for example, intentionally or accidentally sharing information with competitors. These could result in material fines or penalties, or litigation with clients, each of which could harm our brand.

current risk-mitigating actions

Our Global Data Protection Policy has been localized for all operating companies, and supporting tooling for drawing up a Data Protection Inventory and carrying out privacy and supplier risk assessments has been rolled out. Since 2018, ongoing quarterly local data protection self-assessments and reviews have helped our local businesses further prepare for the legislation on data protection that has come into effect in multiple regions and countries. Our US operating companies started an extensive program to ensure compliance with the Californian Consumer Privacy Act as of January 1, 2020. The impact of upcoming changes in legislation is being closely monitored.

In 2020, we increased the frequency and robustness of controls with regard to these areas, which included the sharing of good practices globally. This was in response to the increased complexity and frequency of changes to laws relating to payroll and government subsidies. We now monitor the legal requirements on equal wage taxes, social securities and minimum pay on a weekly basis, and have implemented controls to check compliance with these regulations where relevant. We perform periodic reviews of the payroll processes (including related policies and procedures) of selected countries, and involve subject matter specialists as needed. Labor compliance reviews were also conducted in 2021.

Randstad's global Health & Safety Policy promotes health and safety, aiming for a continuous decline in harm done to people. By adopting this policy, operating companies commit to assessing their local environment. Some operating companies have dedicated specialists who look after the health and safety aspects relating to their workers. With the pandemic and the 'Safely back to work' alliance in 2020, detailed protocols were developed to ensure safe work environments for both talent and internal staff. These protocols fit local situations and regulations and are shared across borders and with clients. This helps us to enrich them with new insights from different countries and different sectors. This continues to be part of the key topics for control and audit in 2022.

Training with regard to competition law compliance, our core values and our business principles forms an integral part of our onboarding and refresher programs. Management needs to ensure that written acknowledgement is obtained that such training has been understood and that compliance is observed. We encourage our employees to report any (suspected) breaches they find through the misconduct reporting procedure. When developing new business models or concepts, our Legal departments (and if necessary competition law experts) are consulted to ensure compliance. Consistent with Randstad's core values and business principles, we seek to conduct our business in accordance with all applicable laws, and have invested considerable time and resources in improving competition controls and awareness in our operations.

opportunities

Improved data protection compliance capability strengthens the confidence of talent and clients with regard to our service standard.

In our payroll audits, we also focus on identifying good practices to be shared among countries, thereby enhancing the overall robustness of the payroll process.

Heightened awareness and sharing of good practices among operating companies help to boost workplace satisfaction and our reputation as a trusted HR partner.

emerging risks

While we focus on managing existing key risks, we are also keenly aware of imminent emerging risks (and opportunities) that may significantly impact us. Given the extended pandemic, 2021 continued to be a memorable year. The pandemic serves as a stark reminder of how susceptible we are to threats from nature and the consequences of acting irresponsibly towards the environment.

Events related to climate change such as droughts, floods and extreme weather can have a significant impact on our service delivery for clients, the health and safety of our employees, and the well-being and availability of talent. Climate change is fast becoming a key risk to us as is evident from our latest [materiality matrix \(see page 22\)](#) as well as the results of risk assessments at the global level. Sustainability, including climate, is therefore covered in our risk management framework, and several initiatives are in place to reduce our ecological footprint and decrease our impact on climate change. In 2021, we decided to take this commitment to the next level by committing to the Science Based Targets initiative (SBTi) Business Ambition for the 1.5°C pledge, and to setting science-based targets with the ambition of Net Zero by 2050. For more details on how we aim to take environmental care and reduce our ecological footprint, including targets, initiatives, and actions to mitigate associated climate risks, please refer to the section [taking environmental care \(see page 78\)](#).

In order to sustain our purpose to help as many people as possible realize their true potential, we strive to contribute to society through adopting and committing to the United Nations' Sustainable Development Goals, specifically with regard to decent work and economic growth, reduced inequalities, gender equality, and quality education. For more details, please refer to [our value for society \(see page 59\)](#).

Society's views on our corporate actions (such as receiving financial support from the government and sustainability efforts) are magnified and accelerated through social media. Poor perception of good corporate citizenship may tarnish our good reputation, resulting in a reduced talent pool and fewer business opportunities with clients. Our strong culture, core values, and local-for-local approach allow for a timely response to society's views regarding such matters. We are in continuous conversations, both internally and with our external stakeholders, about ways in which we can contribute to society as a whole and strengthen our business models accordingly where this is necessary.

Finally, extended remote working arrangements have increased the risk of mental stress, as work-life boundaries are increasingly blurred. To reduce the likelihood of this risk materializing, we conducted Labor, Health & Safety audits in 2021, as well as monthly employee surveys.

conclusions

The Executive Board is responsible for Randstad's Risk & Control framework and for reviewing its effectiveness. The framework, as described earlier, is designed to manage the key risks that may prevent us from achieving our business objectives. However, the framework cannot provide full assurance that all control gaps, material misstatements, cases of fraud, or violations of laws and regulations will be prevented.

In 2021, our Risk & Control framework supported us in responding agilely to the pandemic. With our focus on continuous improvement, we further enhanced our control structures as described in the risk tables on the previous pages.

The Executive Board reviewed and analyzed the Strategic, Operational, Financial & Reporting, and Compliance risks to which the Group was exposed, and it regularly reviewed the design and operational effectiveness of Randstad's Risk & Control framework. The outcome of these reviews was shared with the Audit Committee and the Supervisory Board, and was discussed with our external auditor.

The Risk & Control framework should ensure consistent and reliable financial reporting, both internally and externally. Operating companies develop budgets and scenarios, which are subject to amendment and approval by the Executive Board. Subsequently, the actual performance of the operating companies is measured against these business plans and budgets, and the results are discussed in regular review meetings between the operating company's management and the responsible Executive Board member.

In accordance with the Dutch Corporate Governance Code, we have assessed the design and operational effectiveness of our Risk & Control framework. Based on the activities performed during 2021, and in accordance with provision 1.4.3, the Executive Board considers that:

- this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of this report.

In accordance with the Dutch Financial Supervision Act, section 5.25c, the Executive Board declares that, to the best of its knowledge:

- the financial statements for 2021 provide, in accordance with IFRS as endorsed by the EU, a true and fair view of the consolidated assets, liabilities and financial position as at December 31, 2021, and of the 2021 consolidated income statement of Randstad N.V.;
- the annual report provides a true and fair view of the situation as at December 31, 2021, and the state of affairs during the financial year 2021, together with a description of the principal risks faced by the Group.

Diemen, The Netherlands, February 14, 2022
The Executive Board,

Jacques van den Broek
Sander van 't Noordende
Henry Schirmer

Karen Fichuk
Rebecca Henderson
Chris Heutink
René Steenvoorden

governance.



- 122 executive board
- 124 supervisory board
- 126 report of the supervisory board
- 136 remuneration report
- 152 corporate governance

executive board.



jacques van den broek (1960, dutch)

CEO and Chair of the Executive Board until March 29, 2022

- Joined Randstad in 1988
- Appointed to the Executive Board in 2004
- Appointed as CEO and Chair of the Executive Board in 2014
- Current term of office 2018 - 2022
- Will step down as CEO and Chair of the Executive Board on March 29, 2022

background

After graduating in law, Jacques van den Broek held a management position with an international trading company until he joined Randstad as a branch manager. Appointments followed as Regional Director in the Netherlands and, subsequently, as Marketing Director Randstad Europe. In 2002, he moved to Capac Inhouse Services as Managing Director, also taking on responsibility for Randstad in Denmark and Switzerland.

responsibilities

Jacques van den Broek is responsible for France, Belgium, Luxemburg, Spain, Portugal as well as Latin America (Brazil, Argentina, Mexico, Chile and Uruguay). In addition, he is responsible for Ausy and Business Concept Development.



sander van 't noordende (1963, dutch)

CEO and Chair of the Executive Board as of March 29, 2022

- Joined Randstad in 2021
- Appointed to the Executive Board on January 10, 2022
- Current term of office 2022 - 2026
- Will take over as CEO and Chair of the Executive Board on March 29, 2022

background

Sander van 't Noordende holds a degree in Industrial Engineering, specializing in Finance and Marketing, from Eindhoven University of Technology. He spent 32 years at Accenture, where he was Global Chief Executive of the Products Operating Group between 2013 and 2019. He currently is a non-executive director at Micro Focus Ltd and AECOM, and serves on the board of Out & Equal, the world's largest premier LGBT workplace equality organization. Sander was a member of Randstad's Supervisory Board from March 2021 until 10 January 2022. He will assume his responsibilities as CEO and Chair of the Executive Board after the Annual General Meeting on March 29, 2022.



henry schirmer (1964, german)

CFO

- Joined Randstad in 2018
- Appointed to the Executive Board in 2018
- Current term of office 2018 - 2022; nominated for second term 2022 - 2026

background

Henry Schirmer obtained a Master's degree in industrial engineering and management. He joined Unilever in 1990 and gained extensive experience in several international finance roles, most recently as Executive Vice President Finance of Unilever Europe. He joined Randstad in 2018.

He is a member of the Board of Directors of General American Investors.

responsibilities

Henry Schirmer is responsible for Global Finance and Accounting, Business Control, M&A, Tax, Treasury, Business Risk & Audit, Investor Relations, Procurement and Legal.



karen fichuk (1965, american)

- Joined Randstad in 2019
- Appointed to the Executive Board in 2019
- Current term of office 2019 - 2023

background

Karen Fichuk holds a degree in Finance and Real Estate from the Colorado State University. She has 25 years of experience as a commercial and functional leader at The Nielsen Company. Before joining Randstad, she was President Developed Markets and Strategic Initiatives responsible for North America, Western Europe and Australia/New Zealand.

responsibilities

Karen Fichuk is responsible for the US and Canada.



rebecca henderson (1963, american)

- Joined Randstad in 2012
- Appointed to the Executive Board in 2019
- Current term of office 2019 - 2023

background

Rebecca Henderson brings over 25 years of strategic client experience in both technology and HR services. She has spent her time at Randstad developing market leading solutions in Recruitment Process Outsourcing and Managed Services Programs globally delivering added value to our enterprise clients.

responsibilities

Rebecca Henderson is responsible for Randstad Enterprise Group, the UK and Ireland. In addition, she is responsible for Global Businesses: Monster Worldwide, Randstad RiseSmart, Randstad Sourceright and twago.



chris heutink (1962, dutch)

- Joined Randstad in 1991
- Appointed to the Executive Board in 2014
- Current term of office 2018 - 2022; nominated for third term 2022 - 2026

background

Chris Heutink started his career at Randstad as a consultant in the Netherlands. Various management positions followed until 2009, he was appointed Managing Director of Randstad Netherlands.

responsibilities

Chris Heutink is responsible for the Netherlands, Germany, Italy, Denmark, Sweden, Norway, Austria, Switzerland, Poland, Czech Republic, Hungary, Romania, Greece and Turkey, as well as Japan, the Greater China region, India, Australia, New Zealand, Singapore & Malaysia. He is also responsible for Global HR.



rené steenvoorden (1967, dutch)

- Joined Randstad in 2016
- Appointed to the Executive Board in 2020
- Current term of office 2020 - 2024

background

René Steenvoorden, Randstad's Global Chief Digital Officer, studied International Business Administration at the Erasmus University in Rotterdam. Prior to joining Randstad in 2016, René was CIO at Rabobank responsible for IT, global innovation and large digital transformation programs since 2008. Previous employers include Essent, McKinsey & Company, and Procter & Gamble.

responsibilities

René Steenvoorden is responsible for Digital, Global IT, and Marketing, Communications and Public Affairs.

supervisory board.



wout dekker (1956, dutch)

Chair of the Supervisory Board

- Member of the Supervisory Board since 2012
- Current term of office 2020 - 2022
- Nominated for final term of office 2022 - 2024

background

Wout Dekker is the former Chairman of the Executive Board and CEO of Nutreco N.V. and the former Chairman of the Supervisory Board of Rabobank. He is a member of the Supervisory Board of SHV Holdings N.V. and Pon Holdings N.V.

responsibilities

Wout Dekker is Chair of the Governance & Nomination Committee and a member of the Remuneration Committee and the Audit Committee.



annet aris (1958, dutch)

- Member of the Supervisory Board since 2018
- Current term of office 2018 - 2022
- Nominated for second term of office 2022 - 2026

background

Annet Aris is Senior Affiliate Professor of Strategy at INSEAD, where she teaches courses on digital transformation and disruption. From 1994-2003, she was a partner at McKinsey & Company in Germany, and from 2003-2018, she was Adjunct Professor of strategy at INSEAD. She is a member of the Supervisory Board of ASML N.V., Rabobank Group NV, and Jungheinrich AG.

responsibilities

Annet Aris is Chair of the Remuneration Committee.



hélène auriol potier (1962, french)

- Member of the Supervisory Board since 2020
- Current term of office 2020 - 2024

background

Until December 2020, Hélène Auriol Potier was Executive Vice President International at Orange Business Services. Until 2018, she was General Manager of Artificial Intelligence for Microsoft Europe. In her 10 years' tenure at Microsoft, she held different executive positions in APAC and Europe. Earlier in her career, she worked for Dell Inc. and Nortel. Hélène Auriol Potier is a member of the Board of Directors of Safran SA, ODDO BHF and Mimecast.

responsibilities

Hélène Auriol Potier is a member of the Governance & Nomination Committee.

supervisory board.



frank dorjee (1960, dutch)

- Member of the Supervisory Board since 2014
- Current term of office 2018 - 2022
- Nominated for third term of office 2022 - 2024

background

Frank Dorjee was Chief Strategic Officer and member of the Board of Directors of Prysmian Spa from March 2011 until January 2014. Until its takeover by Prysmian Spa, he was CEO and Chairman of the Executive Board of Draka Holding NV from 2010 to 2011 and its CFO from 2004 until 2009. He is a member of the Supervisory Board of Koole BV and Beacon Rail Lux Holdings S.A.R.L. and a member of the Board of Directors of YOFC.

responsibilities

Frank Dorjee is Chair of the Audit Committee.



barbara borra (1960, italian)

- Member of the Supervisory Board since 2015
- Current term of office 2019 - 2023

background

Barbara Borra joined Franke in 2019 as President of the Kitchen Systems Solution and currently is President and CEO of the Home Solutions Division. Before joining Franke, she was CEO for EMEA of Fontana Group. Prior to that, she was with Whirlpool for 10 years, serving in different senior management positions, and more recently as Vice President of its Chinese operations. Before joining Whirlpool, she held a number of international roles in various countries at Rhodia and General Electric. She is a member of the Board of Directors of Fluidra SA.

responsibilities

Barbara Borra is a member of the Remuneration Committee.



rudy provoost (1959, belgian)

- Member of the Supervisory Board since 2015
- Current term of office 2019 – 2023

background

Rudy Provoost is the former CEO and Chairman of the Board of Directors of the Rexel Group. Before, he was a member of the Executive Board of Royal Philips and successively CEO of Philips Lighting and CEO of Philips Consumer Electronics. He also held various senior leadership and international management positions at Whirlpool, Canon, and Procter & Gamble. He is currently the Chairman of the Board of Directors of Jensen-Group, as well as a member of the Board of Directors of Elia Group, Pollet Water House, and Vlerick Business School.

responsibilities

Rudy Provoost is a member of the Governance & Nomination Committee.

report of the supervisory board.

introduction

"2021 was another special year for Randstad. Gradually coming out of the global COVID-19 pandemic, Randstad delivered excellent results, particularly in terms of strongly increasing its revenue and continuing to outgrow the market.

The Supervisory Board closely monitored the company's financial performance during these challenging times. The discussions about strategy and related priorities was much appreciated by the members of the Supervisory Board, especially during the two-day strategic sessions, which were held twice this year.

All members of both Boards were delighted to be able to meet in person again during the strategic sessions held in October. Meeting each other in person and having the opportunity to share views, including in more informal settings, simply cannot be replaced by virtual meetings.

For a number of years now, the Supervisory Board has worked with 'topic teams' on specific relevant focus areas. Each team consists of two members of the Supervisory Board, the responsible Executive Board member(s) and functional leaders. The dialogue during the meetings of these teams allows the members of the Supervisory Board to get more in-depth understanding of Randstad's progress on these focus areas, and enables them to give targeted advice based on the Supervisory Board members' individual expertise and know-how.

In 2021, much time was spent on the upcoming change of CEO, resulting in the announcement made in October that Sander van 't Noordende will succeed Jacques van den Broek as CEO and Chairman of the Executive Board on March 29, 2022. Although the Governance and Nomination Committee was in the lead of the selection process, all members of the Supervisory Board were closely involved in this extremely important decision-making process for Randstad. When Sander van 't Noordende became a candidate for the CEO vacancy, he no longer attended the related meetings of the Supervisory Board. During his very long tenure with Randstad, of which 18 years as member of the Executive Board and 8 years as its Chair and CEO, Jacques van den Broek has made an extraordinary contribution to the

company's growth, leadership position, and culture. All of us at Randstad owe him enormous gratitude."

Wout Dekker
Chair of the Supervisory Board

composition, diversity and independence

The Supervisory Board currently comprises six members: Wout Dekker (Chair), Annet Aris, Hélène Auriol Potier, Barbara Borra, Frank Dorjee, and Rudy Provoost (see the section [supervisory board](#) for their biographies). Sander van 't Noordende was a member of the Supervisory Board from his appointment on March 23, 2021 until his appointment to the Executive Board effective January 10, 2022. The members have a diverse mix of knowledge, skills, expertise and capabilities, in line with the required profile as included in Annex 2 of the Supervisory Board's by-laws. The Supervisory Board values and promotes diversity, not only within the Supervisory Board and the Executive Board, but also within the company. The Supervisory Board recognizes that differences in skills, experience, background, nationality, age, race, gender, and other personal characteristics are important, enabling the Boards and the company as a whole to look at issues, solve problems, and respond to challenges in new ways, and to take more robust decisions. All these different skills and backgrounds collectively represented on the Boards reflect the diverse nature of the environment in which Randstad and its stakeholders operate, and improve their effectiveness. In addition, diversity drives innovation and enables Randstad to attract and retain the best and most talented people. Randstad's policy regarding diversity is described in the [gender equality, inclusion and diversity section](#) of this annual report.

At the Annual General Meeting of Shareholders, held on March 23, 2021, Jaap Winter stepped down from the Supervisory Board as his third term expired. Jaap Winter was appointed to the Supervisory Board in 2011 upon nomination by Randstad Beheer (the private shareholding company of Frits Goldschmeding, Randstad's founder and leading shareholder). He has played a crucial role during his long tenure with Randstad, notably as Vice-Chair, member of the Audit Committee, member of the Strategy Committee (until

report of the supervisory board.

diversity profile of the supervisory board

name	year of birth	nationality	international experience	financial expertise	specific experience	gender
Wout Dekker	1956	Dutch	yes	(CEO)	Nutrition	male
Annet Aris	1958	Dutch	yes		Digital	female
Hélène Auriol Potier	1962	French	yes	(Executive)	Digital	female
Barbara Borra	1960	Italian	yes	(CEO)	Home-appliances/ automotive	female
Frank Dorjee	1960	Dutch	yes	CFO	Cables	male
Sander van 't Noordende ¹	1963	Dutch	yes	(Executive)	Services	male
Rudy Provoost	1959	Belgian	yes	(CEO)	Technology/ Distribution	male

¹ Until he stepped down from the Supervisory Board effective 10 January 2022

2017), and subsequently as member of the Governance & Nomination Committee. He also played an excellent role as liaison with Randstad Beheer. The Supervisory Board is profoundly grateful to Jaap Winter for his contribution.

Upon nomination by Randstad Beheer, Sander van 't Noordende was appointed as member of the Supervisory Board on March 23, 2021, succeeding Jaap Winter. With a strong track record in growing and leading global businesses, Sander van 't Noordende brought additional expertise to the Supervisory Board. In previous roles, he advised many large companies at governance, strategic, and operational levels, addressing fundamental shifts due to globalization, digitalization, and sustainability requirements. Following his appointment as member of the Executive Board effective January 10, 2022, Sander van 't Noordende stepped down from the Supervisory Board. He will assume his new responsibilities as CEO and Chair of the Executive Board, taking over from Jacques van den Broek, after the Annual General Meeting on March 29, 2022. Further information can be found in the section on [supervisory and advisory activities in 2021](#).

At the next Annual General Meeting of Shareholders, to be held on March 29, 2022, the third term of Wout Dekker, the second term of Frank Dorjee and the first term of Annet Aris will expire. Taking their significant contribution to the Supervisory Board into account, notably as Chair of the Supervisory Board, Chair of the Audit Committee and Chair of the Remuneration Committee respectively, the Supervisory Board proposes that they be reappointed for a fourth, third two-year term and a second four-year term respectively.

The Supervisory Board attaches great importance to the independence of its members. As a rule, all members, with the exception of no more than one, should be independent in the sense of Article 1.5 of the Supervisory Board's by-laws. With the exception of Jaap Winter and subsequently Sander van 't Noordende, all members are independent. In 2021, there was no actual or potential conflict of interest between Randstad and any Board member. In line with legislation and as part of the key control framework of the company, members of the Supervisory Board (as well as the Executive Board) are required to annually state their related parties and transactions, if any, between these related parties and the company. It was confirmed that no related-party transactions occurred in 2021, except for those cases in which members of the Supervisory Board use a management company to invoice their related directors' fees to Randstad.

report of the supervisory board.

retirement and reappointment schedule

name	year appointed	year of possible reappointment	final term expires	current number of SB positions including Randstad
Wout Dekker	2012	2022	2024	3 (1 Chair)
Annet Aris	2018	2022	2030	4
Hélène Auriol Potier	2020	2024	2032	4
Barbara Borra	2015	2023	2027	2
Frank Dorjee	2014	2022	2026	4
Sander van 't Noordende ¹	2021	N/A	2022	3
Rudy Provoost	2015	2023	2027	5 (1 Chair)

¹ Until he stepped down from the Supervisory Board effective 10 January 2022

induction, training and performance assessment

Ongoing education is an important part of good governance. New members of the Supervisory Board attend induction sessions at which they are informed on the financial, reporting, risk & audit, HR, marketing & communications, legal, and governance-related affairs of the company.

During the year, the Supervisory Board discussed at length its composition, its own performance, and that of its committees, particularly in light of the leadership changes within the Company. Because of these changes and the restrictions at year-end 2021 to meet physically, a more extensive performance assessment was postponed to the first quarter of 2022. This assessment will be facilitated by an external advisor.

supervisory and advisory activities in 2021

meetings of the supervisory board and attendance

The Supervisory Board met fourteen times during 2021 (2020: nineteen times). Because of the international travel and meeting restrictions related to the COVID-19 crisis, the majority of the meetings, mostly in the first half of the year, were held (partly) virtually.

Eight meetings were held jointly with the full Executive Board. The other six meetings were held without the Executive Board, but some of these were in part

attended by the CEO. Most of these meetings were held to discuss the leadership changes, particularly the change of CEO. When Sander van 't Noordende became a candidate for the CEO vacancy, he no longer attended these meetings.

Twice during 2021, the Supervisory Board and Executive Board met for two consecutive days to discuss Group strategy in more detail. The two-day meeting held in October was held in person, which was much appreciated by all Board members who had not been able to meet in person for some time.

Between meetings, the Chair of the Supervisory Board regularly maintained contact with the CEO and CFO. He also frequently met with Randstad's leading shareholder and his representatives. Individual Supervisory Board members set up meetings related to their membership of specific Committees, topic teams, or specific mandates.

In 2021, Rudy Provoost was absent during one meeting and Sander van 't Noordende was absent during two meetings. Their attendance rate was therefore 93% and 86% respectively. The attendance rate of the other members of the Supervisory Board was 100%.

topics discussed and agreed with the supervisory board

During several of the meetings held with the Executive Board, the Supervisory Board continued to focus on the impact of the global COVID-19 crisis on the health and safety of Randstad's employees and candidates, employee engagement, the ensuring of key processes, trading performance in the markets, financial developments, the related risk assessment, and the

report of the supervisory board.

initiatives of bringing people safely back to work as much as possible. The Executive Board also provided feedback from their regular virtual meetings with the top 100 and top 500 leadership of Randstad worldwide.

In addition, the Supervisory Board discussed the following topics with the Executive Board:

- the quarterly results, annual report and accounts;
- the assessment of strategic, operational, financial, and compliance risks, including Randstad's approach to risk and opportunity management, based on the quarterly report of the Business Risk & Audit function and the external auditor's quarterly report and management letter;
- the company's value creation, capital allocation strategy, and dividend policy;
- key developments and initiatives in the area of IT and digital;
- compliance with relevant rules and legislation, including in relation to GDPR;
- potential acquisitions;
- the preparation, evaluation, and follow-up of the Annual General Meeting of Shareholders held on March 23, 2021 and the Extraordinary General Meeting of Shareholders held on December 16, 2021;
- topics related to sustainability, notably the net-zero ambition and related strategy;
- the views of analysts and investors, the solid relationship with the leading shareholder, as well as changes in the shareholder structure and base;
- the preparations and agenda for Capital Markets Day, which was held on November 17, 2021;
- initiatives related to public affairs and thought leadership;
- senior leadership performance, including the results and key observations of the annual people review, organizational changes, and senior management appointments; and
- the operational plan for 2022.

topic teams

The 'topic teams', which had initially been formed in 2019 for digital/Monster, GDPR, talent/leadership, and marketing/branding, continued in 2021. Each team consists of two members of the Supervisory Board, the responsible member(s) of the Executive Board, and functional leaders. These specific combinations allow the members of the Supervisory Board to get more in-depth understanding of Randstad's progress on these topics and to give targeted advice. Based on the key

priorities for 2021, the topics for these teams changed to digital functions & core capabilities, new digital capabilities & innovation, portfolio & acquisitions strategy, and impact (talent strategy and sustainability).

strategy

Every year, the Supervisory Board meets with the Executive Board during a strategic two-day offsite meeting in October. As mentioned before, these strategic meetings were held twice in 2021, once virtually at the end of May and once in person in early October. The following topics were discussed during these meetings:

- the ambition, vision, building blocks, and strategic direction for the Group;
- the concept approach for Staffing, Professionals, Inhouse and Global Businesses;
- the global talent strategy;
- the portfolio strategy, including priorities for acquisitions;
- an update on digital and marketing initiatives; and
- the creation of a roadmap for impact measurement in order to make Randstad's social and financial impact more explicit and to make Randstad's ultimate goal measurable.

CEO change

In 2021, much time was spent by the Supervisory Board, and in the preparation phase by its Governance & Nomination Committee, on the changes to the Executive Board, in particular the change of CEO. A thorough candidate selection process was initiated in the course of the year, which was partly facilitated by an external advisor. In line with the usual recruitment process, a number of candidates were considered, both internally and externally. In October 2021, the Supervisory Board made a decision and announced that Sander van 't Noordende will succeed Jacques van den Broek as CEO and Chair of the Executive Board effective March 29, 2022. Jacques van den Broek will step down on that date, having been a member of the Executive Board since 2004 and its Chair and CEO since 2014. With his strong leadership, Jacques van den Broek has made an extraordinary contribution to Randstad's growth and its current global leadership position in the sector. He led Randstad through its transformation to become a more tech-enabled business with a clear digital strategy, underpinned by a passion for people. The strengthening of Randstad's culture and values over his tenure as CEO is a testament to his leadership. At the end of his term,

report of the supervisory board.

He excelled in guiding Randstad through challenging times due to the COVID-19 pandemic. His successor, Sander van 't Noordende, was appointed to the Executive Board effective January 10, 2022. Sander van 't Noordende spent the majority of his career at Accenture, a global professional services company with leading capabilities in digital, cloud, security and operations, where he held a number of senior management and executive roles during a successful three decades with the company. During his final years at Accenture, he served as the Group Chief Executive of the Products Operating Group. Under his leadership, this Group grew from USD 6 billion to USD 12 billion, thanks to a sharp focus on client and industry development as well as strong growth in digital services. Having been a member of Accenture's global management committee for over 13 years, Sander van 't Noordende brings extensive experience in leading global businesses, client relationships, technology, and talent development. He has worked with clients in many industries and is passionate about equality and inclusion in the workplace, especially the LGBTI agenda.

risk appetite workshop

Annually, the Executive Board conducts a workshop to determine the risk appetite for Randstad (for more information, see the [risk & control section](#)). In this workshop, Randstad's risk appetite is discussed for the most relevant risks and material topics included in the material topics and risks table. Independently, the full Supervisory Board discussed their own views on risk appetite for Randstad, including on the basis of the most relevant risks and material topics. The results of the Supervisory Board's dialogue were compared and discussed with the Executive Board in a joint meeting in June 2021. This extensive discussion was much appreciated by both Boards, leading to more specific insights and positioning.

business principles and misconduct reporting

To underline the importance of Randstad's business principles and the procedure for reporting misconduct, the Supervisory Board shares responsibility for these matters with the Executive Board. An assessment of the complaints reported under the misconduct reporting procedure is shared with the Audit Committee annually.

culture and brand positioning

The members of the Supervisory Board get a good sense of the culture within Randstad by country visits and

meetings with senior management. They also regularly challenge the Executive Board on culture-related topics. The tone at the top is derived from our core values and embedded within the company's leadership style. The most valued leadership behaviors include setting the right example, transparency, open and clear communication, integrity, and good governance.

The culture within the company, which is driven by Randstad's strong purpose, mission and core values, helps to attract and retain top talent. Employee engagement and cultural fit are measured as part of the Randstad in Touch survey, whose results are shared with the Supervisory Board.

developments in our markets

The Supervisory Board is frequently updated on specific developments in operating companies and markets by the members of the Executive Board responsible. In 2021, senior management of France (Randstad and Ausy) and the US (Spherion) joined a Supervisory Board meeting to give an update on their businesses.

meetings without the executive board

The meetings of the Supervisory Board without the Executive Board (but in part attended by the CEO) were held to discuss Executive Board remuneration and target setting, the composition and assessment of the Supervisory Board and its committees, the composition and functioning of the Executive Board (both as a team and its individual members, including preparation and feedback of the half-yearly review meetings with each member), as well as governance and leadership structure.

supervisory board committee activities in 2021

The Supervisory Board has three Committees: the Audit Committee, the Remuneration Committee, and the Governance & Nomination Committee. Their roles are described in more detail in the section [corporate governance](#). They generate detailed information and prepare recommendations relating to their specific areas, while the full Supervisory Board retains overall responsibility. In each case, the Committee Chair

report of the supervisory board.

reports the Committee's main considerations and findings to the full Supervisory Board, usually immediately after the relevant Committee meeting.

The composition of these Committees was as follows:

audit committee

Frank Dorjee (Chair), Wout Dekker, and Sander van 't Noordende. All members have relevant expertise in the field of financial management.

remuneration committee

Annet Aris (Chair), Wout Dekker, and Barbara Borra.

governance & nomination committee

Wout Dekker (Chair), Hélène Auriol Potier and Rudy Provoost.

All Supervisory Board members have a standing invitation to attend meetings of Committees of which they are not a member, which they do attend on a regular basis.

report of the audit committee

"The year 2021 was the year where Randstad returned to market leading growth after 2020 was impacted by the outbreak of COVID-19. The company has shown that it is agile, flexible and strong. Revenue and results reached record levels in 2021 on the back of market growth, but also allowing for investments in new growth opportunities. The company is well positioned for the future."

Frank Dorjee
Chair of the Audit Committee

The Audit Committee assists the Supervisory Board in its responsibility to oversee Randstad's financing, financial statements, financial reporting process, and system of internal control, risk management and audit.

Five meetings were held in 2021 (2020: six). Four of the Committee meetings took place prior to the publication of the quarterly results. In advance of the Committee meetings, the Chair of the Committee always has preparatory meetings with the CFO and the managing

directors for Global Control, Global Financial Reporting, and Business Risk & Audit. Besides the CEO, the CFO, and the external auditor, these managing directors attend each Committee meeting. If considered necessary, the Chair also meets with the external auditor in advance.

The Audit Committee focused on Randstad's financial performance in terms of revenue and result development, incidentals and one-offs, the development of working capital and cash flow, testing of potential scenarios going forward, potential impairments, risk management, financing and the capital allocation strategy, and dividend policy. Similar to prior year, much time was spent on the impact of COVID-19 on the Company's performance.

At each meeting, the Audit Committee also discusses the draft quarterly results' press release, the external auditor's report with quarterly observations, and the quarterly update from Business Risk & Audit, which contains management self-assessments of risks and controls, internal audit results, and progress and outcomes of fraud investigations.

In addition, the following topics were discussed during the year:

- an update on global treasury and financing activities from the managing director Global Treasury;
- an update on global tax issues from the managing director Global Tax, including an assessment of Randstad's tax mission, strategy, policy, organization, and transparency. The Audit Committee compliments management on the solid performance and external recognition on tax transparency;
- a report from the managing director Global Legal on operating companies' compliance with key policies (this year notably on contract regulation, risks, and liability);
- the annual legal letter, listing material litigation;
- the procedure for reporting **misconduct**, including the report of the central integrity officer summarizing the cases reported under this procedure and the awareness of this procedure within the Company, which is relatively high;
- changes of key people in the finance function in operating companies and at global level;
- the annual talent and performance review of the finance function and its key people, including the aim of further developing the finance function, finance

report of the supervisory board.

staff, and the finance organization throughout Randstad. Particular attention was given to diversity related aspects; and

- the operational plan for 2022.

Much time was again spent on the further implementation of regulations and improvement programs on data protection, as well as on information security and cyber security. As an HR services provider, Randstad relies on personal data. This makes data protection highly relevant. Data protection programs continued at all operating companies. Their implementation is closely monitored and reported to the Audit Committee. COVID-19 has positively highlighted the awareness and commitment of employees to work remotely securely.

Randstad aims to continuously improve internal control, both in the various country organizations and at a global level. Every quarter, local management draws up a risk register and semi-annually conducts a control self-assessment. The Business Risk & Audit function subsequently reviews and audits the quality of control in the various operating companies. Business Risk & Audit compares the internal audit outcomes with the management's control self-assessment. The results of this exercise are discussed with the Audit Committee every six months. Our key control framework contains the most relevant controls based on Randstad's risk profile and is built around the core business processes. It covers risks in the areas of finance and reporting, compliance, operations (including IT), and some strategic risks. Further digitalization of business models and business processes will be supported by a focus on IT and automated control in the coming years. Having implemented various programs, Randstad is continuously improving its data protection, information security, and general IT controls posture. The Business Risk & Audit department closely monitors the effectiveness and quality of internal controls. These control assessment and updates allow management to keep its focus on internal control and prioritize improvement plans. The transparent structure and open dialogue on the risks, together with the key control framework, and internal audit outcomes lead to a culture of accountability and responsibility at all levels of the organization. More information can be found in the section [risk & opportunity management](#).

As of March 2020, the Business Risk & Audit function fully focused on the COVID-19 impact worldwide and the actions needed to adapt and manage the required key controls. Local management was fully engaged and connected. Due to this impact, the Business Risk & Audit function limited its core audits to relevant key financial and operational processes and acted more as a sparring partner and adviser for other themes in the audit plan. During 2021, the Business Risk & Audit function gradually broadened its scope again to the full business risk profile for Randstad, in line with the external and internal developments. It executed its risk based audit program with audits planned in regard to various themes and quarterly replanned its activities in accordance with the ongoing developments.

The Business Risk & Audit department has been adequately embedded within the organization by way of the Business Risk & Audit network, consisting of local internal auditors at operating company level. This is formally arranged by the annually updated function charter. The department's managing director has direct access to the Chair of the Audit Committee, as such ensuring objectivity, authority, and responsibility setting.

With regard to the external audit, the Audit Committee reviewed Deloitte's proposed audit plan relating to the audit scope (83% of Group revenue), materiality, approach, focus areas, and fees (see note 28 to the financial statements). BDO again presented its audit of the local statutory accounts of a number of smaller countries not included in Deloitte's Group audit scope. No material issues were noted by BDO.

Next to the financial audit, the Audit Committee and Supervisory Board requested Deloitte to perform review procedures related to certain non-financial information 2021 as disclosed in the management report resulting in limited assurance on this information. The outcome of these procedures was discussed with the Audit Committee.

The Audit Committee assured itself of the independence of the external auditor and the non-audit services provided by the external auditor, in line with the relevant policy.

The Audit Committee discussed Deloitte's (interim) management letter in much detail during its meeting in December 2021, with the following main observations:

- overall maturity levels of key financial processes remain high;
- Randstad continues to focus on and improve general IT controls, and to solve deficiencies reported in the local IT environment, with specific attention to initiatives centralizing the IT landscape and to cyber security;
- management's tone at the top continues to be good;
- there were a limited number of small fraud incidents that were already identified and addressed by management.

Extensive time was also spent on discussing the rapid changes in the requirements with regard to reporting on ESG topics. Deloitte provided its observations based on their review of Randstad's materiality analysis and the requirements of upcoming regulations.

The Audit Committee assessed the performance of the external auditor, based on a satisfaction survey conducted among the CFOs of the largest operating companies and key corporate finance staff. As part of this annual evaluation process, the following items were taken into consideration: (1) the quality of the audit work, (2) the sufficiency and fulfillment of the audit engagement, (3) the quality of the auditor's reports, (4) the independence of the auditors, (5) the expertise and composition of the audit team, (6) the audit fee, and (7) quality control within the audit firm. Deloitte's performance is generally considered to be satisfactory, and their overall rating was stable compared to the prior year.

report of the remuneration committee

The Remuneration Committee primarily reviews and makes recommendations regarding the remuneration (and the remuneration policy) of the Executive Board and the Supervisory Board. On an ad-hoc basis, the Committee makes use of external advice.

The Committee met five times in the course of 2021 (2020: five times). The CEO and CFO participated in part of these meetings. The Committee discussed and made proposals regarding the remuneration of the Executive

Board, notably the setting and realization of the related performance targets. During the first half of the year, most time was spent, particularly by the Chair of the Committee, on reward-related target setting and a limited review of the remuneration policy for the Executive Board, which was approved by the Annual General Meeting of shareholders held on March 23, 2021. In the second half of the year, the Committee identified a number of topics for follow-up. Special attention was again given to reward-related target setting, particularly relating to non-financial, mostly strategic, key performance indicators. The Committee also commissioned and assessed remuneration benchmarks for the Executive and the Supervisory Board, both performed by Willis Towers Watson. More information can be found in the [remuneration report](#).

report of the governance & nomination committee

The Governance & Nomination Committee primarily reviews and makes recommendations regarding the Company's corporate governance, leadership structure, composition and functioning of the Executive Board and its individual members, succession planning, and (re)appointments to the Executive Board as well as the Supervisory Board.

The Committee met nine times during 2021. This relatively high frequency of meetings was necessary to extensively discuss and make proposals on the CEO succession reported above. At year-end, time was spent on discussing and preparing proposals with regard to the proposed (re)appointments to the Executive Board and Supervisory Board.

supervisory board remuneration

The responsibility of the Supervisory Board is to safeguard the long-term success of Randstad and the fulfillment of its purpose, taking into account the interests of all stakeholders. The related remuneration structure is partly based on joint responsibility, with a premium deemed appropriate for specific activities, such as Chair or committee roles.

report of the supervisory board.

A true and unbiased supervisory role, which takes account of the interests of all stakeholders, is best served by the absence of incentives. Therefore, the Supervisory Board receives no variable payments, neither directly (target-related) or indirectly (through share-based payments). Members of the Supervisory Board who hold shares in the company are only allowed to do so as long-term investments. They adhere to the company's insider dealing rules. Randstad does not grant loans or guarantees to Supervisory Board members.

As a global market leader, Randstad needs Supervisory Board members with a broad international background. Related remuneration levels therefore need to be competitive and attractive for candidates with a diverse mix of expertise and international backgrounds.

The General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board. Their remuneration is a fixed annual allowance paid in monthly installments. It is not linked to the financial results of the company. Members of the Supervisory Board do not receive any performance-related compensation or shares, and do not accrue any pension rights with the company. To determine competitive remuneration levels, Randstad compares its remuneration with that of other similar companies. As a Dutch listed company, the primary focus is on the AEX

allowances of supervisory board members

in €

	2021	2020	2022 proposal
Supervisory Board			
Chair	110,000	110,000	115,000
Vice-Chair	90,000	90,000	unchanged
Members	75,000	75,000	unchanged
Audit Committee			
Chair	12,000	12,000	23,000
Members	8,000	8,000	15,000
Remuneration Committee			
Chair	9,000	9,000	16,000
Members	7,000	7,000	12,000
Governance & Nomination Committee			
Chair	9,000	9,000	16,000
Members	7,000	7,000	12,000

index. The aim is to compensate around the median level of the AEX benchmark. As an extra check, a comparison is made with the same peer group that is applied for the Executive Board.

The annual allowances were last determined by the General Meeting of Shareholders in its annual meeting held in 2012, while the annual Committee fees were last determined by the General Meeting of Shareholders in its annual meeting held in 2011. The remuneration policy for the Supervisory Board was adopted by the General Meeting of Shareholders held in 2020, confirming these annual allowances, which are shown in the table.

In 2021, the Remuneration Committee requested that Willis Towers Watson provide insight into the competitiveness of the current fee levels. Based on their report, it was concluded that compared to the AEX reference group, Randstad is positioned around median market levels for the Chair, Vice-Chair and member annual allowances, but below the 25th percentile market levels for the Chair and member for all Committee allowances. Compared to the international labor market peer group applied for the Executive Board, Randstad is positioned below the 25th percentile market levels for the Chair annual allowance and between the 25th percentile and median market levels for the Vice-Chair and member allowance, as well as below the 25th percentile market levels for the Chair and member for all Committee allowances. On this basis and upon the proposal of the Remuneration Committee, the Supervisory Board will submit a proposal to the Annual General Meeting of Shareholders to be held on March 29, 2022 that the annual fees be increased to the levels as mentioned in the table above. An important consideration for this proposal is the strong increase in the number of annual meetings and the level of engagement required from the Committee Chairs and members since 2011.

In addition, Supervisory Board members receive a fixed annual expense allowance of € 2,000 net for members and € 3,000 net for the Chair. This allowance aims to cover business-related expenses that would otherwise create a disproportionate administrative burden.

Supervisory Board members receive an attendance fee of € 1,500 per meeting when cross-border travel is required in order to attend a Supervisory Board meeting. This allowance aims to recognize the differences

between Supervisory Board members in terms of travel time and to ensure the ability to attract and retain international Supervisory Board candidates.

report of the annual and extraordinary general meeting of shareholders

The Annual General Meeting of Shareholders was held on March 23, 2021. In accordance with Dutch regulations, shareholders could only attend the meeting and ask questions online, and they also had to vote virtually. Shareholders were able to give voting instructions and ask questions in advance. These questions and answers were posted on the corporate website.

During the meeting, the CEO and CFO gave an account of the general state of affairs at Randstad and its financial performance in 2020, as well as an update on the trading conditions and the COVID-19 impact. The meeting adopted the 2020 financial statements and approved the 2020 remuneration report. The members of the Executive Board were granted discharge of liability for their management, and the members of the Supervisory Board for their supervision thereof. The meeting adopted the limited amendment of the remuneration policy of the Executive Board. Sander van 't Noordende was appointed to the Supervisory Board. The meeting approved the proposal to extend the Executive Board's authorization to issue ordinary shares, limited to a maximum of 10% of the issued share capital for a period of 18 months, as well as to repurchase ordinary shares and cancel repurchased shares, limited to a maximum of 10% of the issued share capital for a period of 18 months. Deloitte Accountants B.V. in the Netherlands was appointed as external auditor for the financial year 2022.

An Extraordinary General Meeting of Shareholders was held on December 16, 2021. The related regulations as mentioned above were unchanged. During the meeting, Sander van 't Noordende was appointed to the Executive Board effective January 10, 2022.

2021 financial statements

The financial statements for 2021 have been audited and provided with an unqualified opinion by Deloitte Accountants B.V. (see the [auditor's report](#)) and were extensively discussed with the auditors by the Audit Committee in the presence of the CEO and the CFO in February 2022. The full Supervisory Board then discussed them with the full Executive Board in the presence of the auditors. The Supervisory Board is of the opinion that the financial statements 2021 meet all requirements for correctness and transparency. During the year, the Audit Committee extensively discussed the Risk & Control framework that supports this. As such, the Supervisory Board recommends that the General Meeting of Shareholders, in its annual meeting to be held on March 29, 2022, adopt the financial statements and the appropriation of net income proposed by the Executive Board.

The Supervisory Board endorses the Executive Board's proposal to the General Meeting of Shareholders to pay a regular cash dividend per ordinary share of € 2.19 for 2021 (€ 1.62 for 2020), a special cash dividend of € 2.81 per ordinary share (€ 1.62 for 2020), and a cash dividend on preference shares B and C of € 8.2 million (€ 8.2 million for 2020).

The Supervisory Board requests that the General Meeting of Shareholders grant discharge to the members of the Executive Board for their management and to the members of the Supervisory Board for their supervision in 2021.

The Supervisory Board would like to thank all Randstad employees, under the strong leadership of the Executive Board, for their outstanding contribution and continuing dedication to Randstad.

Diemen, the Netherlands, February 14, 2022

The Supervisory Board,

Wout Dekker, Chair
Annet Aris
Hélène Auriol Potier
Barbara Borra
Frank Dorjee
Rudy Provoost

remuneration report.

letter from the chair of the remuneration committee

On behalf of the Remuneration Committee, I am pleased to report on the Committee's activities in 2021. Below, I will reflect briefly on the past year and the key motivations behind our decisions with regard to rewards and targets.

Looking back, 2021 was a very successful year, both financially and with regard to the progress the company made in becoming more digital and more secure, as well as in creating a better experience for clients, talent and employees. And like last year, the company was included in the Dow Jones Sustainability Index.

The good results were, of course, partly due to good market circumstances. However, right from the start of the year, the Executive Board was determined to not only benefit from the favorable market conditions, but actually do better than the market. The targets for 2021 were therefore also set to specifically reward market outperformance. The company's management realized this by investing in organizational growth capacity early on, and by putting special emphasis on improving the productivity of its core product lines, such as Staffing, Professionals, and Inhouse Services. At the same time, significant attention was given to further accelerate the company's digital transformation.

All these efforts resulted in a clear outperformance of the market with regard to revenue growth, while at the same time keeping up a high level of profitability for the incremental growth (ICR). It also led to further improved employee engagement and a higher level of customer satisfaction. The outcome was a further consolidation of Randstad's global market leader position.

The results of this successful year are reflected in this year's target achievement: the short-term financial goals were all overachieved, and the Executive Board therefore received the maximum reward for these goals. Performance on the non-financial/strategic goals was also strong, but showed a more differentiated picture.

In 2021, the Remuneration Committee met five times. Besides the in-depth assessment of target setting and assessing target achievements, special attention was paid to three topics: (1) further refining of the non-financial/strategic KPI target setting process, (2) benchmark of the Executive Board and Supervisory Board remuneration levels, and (3) the remuneration package of the new CEO.

1. To further strengthen the quality of the non-financial/strategic KPIs, both in the short-term and long-term incentive plans, it was decided that these KPIs should cover the following important aspects: societal impact (ESG), talent satisfaction, employee engagement, progress in digital transformation, organizational capability building, and growth of strategically important parts of Randstad's portfolio. Much effort was put in defining meaningful KPIs for each of these areas, which need to be specific and measurable, but not too narrow. Although progress has been made, this topic will remain on the agenda of the Remuneration Committee in 2022.
2. With regard to the benchmark update, the Remuneration Committee selected an external consultant to benchmark the remuneration of the Executive Board and the Supervisory Board with their peer groups. In line with our policy, the international labor market peer group was used for the Executive Board, and the AEX peer group was used for the Supervisory Board. For the Executive Board, no need was identified to increase the remuneration levels, except for the CEO. At the request of the outgoing CEO, his base salary had not been increased over the past years, resulting in a decline in the relative position in the peer group. It was decided to take this into account for the remuneration of the incoming CEO. The Supervisory Board benchmark showed that its annual retainer is largely in line with the market except for the Chair. The fees for the committee membership were below market. It was therefore recommended that the annual fee of the committee fees be raised to the market median. Also a small adjustment is recommended to bring the annual retainer of the Chair in line with the market median.
3. Concerning the remuneration of the incoming CEO, the Committee recommended that the new CEO be offered the same package as the outgoing CEO, with the exception of the base salary, which was corrected for inflation over the past years, resulting in an increase of 15%.

With regard to rewards granted, the Remuneration Committee carefully looked at the target achievements for each of the goals and made the following decisions:

- The STI reward realized a target achievement of 93% of base salary (out of a maximum of 100%). The financial targets were fully achieved (75% out of 75%), while the strategic target achievement reached 18% (out of a maximum of 25%).
- The LTI achievement reward, which was conditionally granted in 2019 and vested in December 2021, realized a target achievement of 144% of fixed salary (out of a maximum of 217%). This reflects the strong competitive performance of the company share price and dividends (relative TSR) in the last three years and above-target performance on non-financial KPIs.
- The Executive Board received in full the shares resulting from the share matching plan introduced in 2017. This payout, being the match 1:1 of the part of the annual bonus 2018 that was paid in shares, is conditional on the sustainable performance of the company during a three-year period. Given overall performance over the past three years, and also in light of the total dividends paid during this period, it was decided to reward the shares in spite of the fact that no dividend was paid out for 2019 due to COVID.

As mentioned above, with regard to target setting, significant efforts were made together with management to even better reflect the company's strategic priorities and ensure alignment with the interests of shareholders and other stakeholders.

- Like last year, the STI financial targets will emphasize profitable growth while further strengthening Randstad's market position. Selected KPIs are relative revenue performance, the Incremental Conversion Ratio (ICR), and Days Sales Outstanding (DSO).
- For the STI non-financial targets, we will focus on further driving the digital transformation, achieving world-class digital security, and clearly defining Randstad's roadmap to net zero emissions.
- The LTI 2022-2024 financial target will, in line with the policy, be based on the company's relative TSR performance.
- The LTI 2022-2024 non-financial targets will, based on our strategy and stakeholder agenda, focus on further growing talent satisfaction and employee engagement, as well as on further strengthening those organizational capabilities that we see as the key drivers of growth for Randstad's product lines.

The Remuneration Committee will continue to regularly assess Randstad's remuneration policy, and further align the interests of management with those of shareholders and other stakeholders. We remain committed to relevant and clear remuneration in line with international practices. I look forward to discussing the policy and actual remuneration practices in the Annual General Meeting of Shareholders 2022, and will be happy to answer any questions you may have.

Annet Aris
Chair of the Remuneration Committee

remuneration policy

The current remuneration policy was approved by the General Meeting of Shareholders on June 18, 2020. Based on the feedback from shareholders as discussed during and prior to the General Meeting of Shareholders, three additional items have been added to the 2020 version of the remuneration policy, which relate to the notice period for agreements with the Executive Board, shareholding guidelines, and the number of non-financial KPIs for the long-term incentive plan. This updated version was approved by the General Meeting of Shareholders on March 23, 2021.

executive board remuneration in 2021

introduction

The remuneration paid to the members of the Executive Board in 2021 was based on Randstad's remuneration policy and its governance process.

The remuneration of the Executive Board consists of the following components:

1. base salary;
2. short-term incentive;
3. long-term incentive;
4. pension and other benefits.

The variable portion of the total remuneration package is performance-related. It consists of short- and long-term components. In the case of on-target performance, more than 60% of the total compensation of a member of the Executive Board is performance-related. The Supervisory Board, on the recommendation of its Remuneration Committee, sets the targets at the start of each performance period. Performance targets and conditions are derived from Randstad's strategy, annual budget plan, and market analysis.

base salary

In alignment with Randstad's size and profile, compared to the other companies included in the international labor market peer group, base salaries of the Executive Board members are set at between the median and 75% percentile level.

The international labor market peer group represents the market in which Randstad competes for senior management talent and is used to benchmark base salary levels. It is composed of international staffing and business services companies, reflecting Randstad's size, profile, and international scope. These are Accor, Adecco, Atos, Bureau Veritas, Capgemini, Capita, CGI, Compass Group, G4S, Equifax, Hays, Hilton Worldwide, Intertek Group, Manpower Group, Michael Page International, Kelly Services, Rentokil Initial, Recruit Holdings, Robert Half, Securitas, Sodexo Group, Thomas Cook (excluded as of 2019), TUI, and Tyco International. Based on an assessment of this peer group by Willis Towers Watson, the Supervisory Board decided to approve the proposal of the Remuneration Committee to remove G4S (recently acquired and delisted) and Capita (relatively too small).

In line with the company's remuneration policy, it was decided to increase the base salaries of the Executive Board members by 2.4% as of January 1, 2021, except for the salary of the CEO. 2.4% is the weighted group average salary increase of employees corrected for currency effects. At the CEO's own request, his salary was not increased but kept at the level agreed upon when he was appointed as CEO. The general pay differentials within the company, and specifically for senior management, were taken into account when taking this decision.

short-term incentive

The total annual bonus opportunity amounts to 70% of base salary for on-target performance, and the maximum bonus level is 100% of base salary. If performance is below a predefined minimum level, no bonus will be paid out. In calculating the bonus, a sliding scale between the minimum level and the maximum level is used. To strengthen teamwork and focus on overall company goals, the entire annual bonus is based on the joint performance of the Executive Board.

The largest part of the achievable annual bonus (75%) is related to financial targets. The choice and weight of these targets depend on the specific business objectives of each year, with the Supervisory Board selecting the appropriate annual targets from an agreed menu of financial targets (relative revenue performance versus the market, gross profit, EBITA, EPS, incremental conversion or recovery ratios, net debt, free cash flow, leverage ratio, and Days Sales Outstanding).

In order to enhance the Executive Board's long-term focus and share ownership in Randstad, 25% of the net annual bonus (based on realized performance) is paid out in Randstad shares. After three years, these shares will be matched 1:1 subject to the sustainable performance of the company during the previous three years and at the discretion of the Supervisory Board. In this context, sustainable performance means that during these three years, Randstad progressed to achieve its strategic and financial targets, made a profit, and paid dividends to shareholders. The assessment of the Supervisory Board as to whether this sustainable performance was realized will be disclosed in the Annual Report. After careful consideration of the achievements during the three-year performance period 2019–2021, the Supervisory Board decided to match the shares paid in February 2019 relating to the annual bonus 2018.

Members of the Executive Board are allowed to voluntarily convert up to 50% of their net annual bonus according to the same matching principles. Randstad shares need to be held for at least 5 years after the conditional award date, except for any share sales needed to settle related tax liabilities.

Since no annual bonus 2020 was paid, conditional awards for the share matching plan were not applicable in 2021.

If a variable remuneration component conditionally awarded in a previous year would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the performance period, the Supervisory Board has the power to adjust the value upward or downward. The Supervisory Board may also recover from the Executive Board any variable remuneration awarded on the basis of incorrect financial or other data. These provisions are included in the annual bonus letter. This power was not used in 2021, nor was any remuneration recovered from present or former Executive Board members.

For the annual bonus 2021, the financial targets and their relative weighting were set in early February 2021 as follows:

- Competitive revenue growth per working day, compared to prior year: the bonus opportunity ranges from 15% of base salary for minimum performance to 25% for on-target performance and 35% for maximum performance;

- Incremental Conversion Ratio (i.e., profitability adaptability): the bonus opportunity ranges from 15% of base salary for minimum performance to 20% for on-target performance and 25% for maximum performance;

- Days Sales Outstanding: the bonus opportunity ranges from 5% of base salary for minimum performance to 10% for on-target performance and 15% for maximum performance.

Detailed numerical targets cannot be disclosed, as these are share price and competition sensitive.

To further underline joint responsibility, at the start of each financial year, following a presentation by the Executive Board, the Supervisory Board sets annual non-financial strategic and operational targets. The maximum bonus opportunity will be 25% of base salary. These targets will only be disclosed if they are not share price or competition sensitive. For 2021, the targets focused on improving our service offering for talent, achieving world-class digital security, and progressing the digital transformation of our core activities. As these targets are commercially sensitive, they cannot be further specified. Based on the achievements for 2021, the bonus entitlement with regard to the performance in 2021 as a percentage of annual base salary is 93%. The financial targets were fully achieved (75% out of 75%), while the non-financial strategic target achievement reached 18% (out of a maximum of 25%).

annual bonus payout 2021

in % of annual base salary

	minimum %	maximum %	payout %
Financial targets			
Revenue growth	15%	35%	35%
EBITA margin	15%	25%	25%
Free cash flow	5%	15%	15%
Non-financial targets	0%	25%	18%

long-term incentive

To enhance alignment with the value creation objectives of shareholders, performance shares are granted to the members of the Executive Board on an annual basis.

The grant is dependent on the relative Total Shareholder Return (TSR) and strategic, mostly non-financial, Key Performance Indicators (KPIs). TSR reflects the return received by a shareholder and captures both the change in the company's share price and the value of dividend income, assuming dividends are reinvested in the company. Relative TSR is an appropriate measure, as it objectively measures the company's financial performance and assesses its long-term value creation as compared to other companies in the sector. TSR performance for the companies of the international performance peer group is calculated based on their 'home/primary listing'. The international performance peer group consists of Adecco SA, Capita Plc, Compass Group PLC, FedEx Corporation, G4S plc, Hays plc, ISS A/S, Kelly Services Inc, ManpowerGroup Inc, PageGroup Plc (previously referred to as Michael Page Int. Plc), Office Depot Inc, ASGN Inc. (previously called On Assignment Inc), Recruit Holdings Co., Ltd, Rextel Group SA, Robert Half Int. Inc, Securitas AB, Sodexo SA, and WW Grainger Inc. Based on an assessment of this peer group by Willis Towers Watson, the Supervisory Board decided to approve the proposal of the Remuneration Committee to replace G4S (recently acquired and delisted) by Intertek Group.

TSR data (see table below) are compiled and reported by external data provider Willis Towers Watson.

Given the relevance of certain strategic, mostly non-financial, KPIs for Randstad's business, ambition, and long-term viability, five (as of 2022: three to five) strategic targets have been added at the discretion of the Supervisory Board. These targets are also set at the start of the three-year vesting period. The weighting for the long-term incentive is split between 65% TSR and 35% non-financial KPIs.

At the end of the performance period, the Supervisory Board will have the discretion to determine the actual vesting based on progress made over the performance period as reported by the Executive Board in relation to each of these targets. Each strategic target accounts for a maximum of 50% vesting. The total minimum vesting equals 0%, and the maximum vesting equals 250%. All payout results and calculations will continue to be audited by our external auditor.

Performance shares are granted in the open period following the publication of the Group's fourth-quarter financial results in February. The number of shares will be calculated based on the fair value of the Randstad share as at the grant date in February. The fair value assuming on-target performance is equal to an amount of 100% of the base salary for all Executive Board members alike. Randstad uses fair value for this annual conditional allocation, but when benchmarking Randstad's plan with other long-term incentive plans, a correction is made for the difference in value between face- and fair-value plans to ensure that the relative ranking of Randstad will not be influenced by the calculation method.

If a member of the Executive Board resigns before the vesting date, conditional grants of performance shares will in principle lapse or, for example, in the case of retirement due to the member reaching pensionable age, will vest pro rata related to the performance period in service. The Supervisory Board has the discretion to decide to apply a pro rata temporis matching if the member of the Executive Board is no longer engaged by Randstad.

Performance shares need to be retained for at least two years after allocation, except to the extent necessary to settle any related tax liabilities.

Prior to the grant, and following the advice of the Remuneration Committee, the Supervisory Board analyzes the possible outcomes of the allocation by looking at a number of scenarios for the performance period.

payout per ranking position for the TSR performance incentive zone

Ranking	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
% until 2017	-	-	-	-	-	-	-	-	-	0	0	0	0	0	50	100	150	200	250
% as of 2017	0	0	0	0	0	0	0	0	0	50	75	100	100	125	150	150	175	200	200

If a variable remuneration component conditionally awarded would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the performance period, the Supervisory Board has the power to adjust the value upward or downward. The Supervisory Board may also recover from the Executive Board any variable remuneration awarded on the basis of incorrect financial or other data. These provisions are included in the annual grant letter. This power was not used in 2021, nor was any remuneration recovered from present or former Executive Board members.

On February 9, 2021 (the grant date under the relevant plan), a conditional grant of performance shares for on-target performance was made, based on 100% of the annual base salary per Executive Board member as at January 1, 2021, and on the fair value of the performance shares as at grant date of € 39.11 per share (TSR-dependent grant) and €37.64 per share (non-financial, strategy-related grant).

The conditional on-target awards for 2021 are as follows:

performance share plan awards, 2021

	number of shares
Jacques van den Broek	25,918
Henry Schirmer	20,156
Karen Fichuk	18,312
Rebecca Henderson	18,312
Chris Heutink	18,312
René Steenvoorden	18,312
	119,322

The non-financial targets for the 2021 grant are the following targets from Randstad's strategic business plans and reporting framework:

- Employee engagement: at least 80% participation and clear outperformance of the benchmark;
- Talent satisfaction: increase of talent satisfaction in the top 11 markets;
- Targets that focus on portfolio development, digital transformation, and the future employability of the workforce in society. We cannot disclose these three targets more specifically, as they are share price or competition sensitive.

At the beginning of 2021, the performance shares conditionally granted in February 2018 which vested on December 31, 2020 were allocated based on the relative TSR performance (65% of the grant) over the period January 1, 2018 to December 31, 2020. Randstad's TSR ranking for this period is position 6, resulting in 125% vesting. The performance on the non-financial, mostly strategic targets (35% of the grant) over this period resulted in a vesting and allocation of 201%, which can be specified as follows:

- Net Promoter Score: a top 3 position or position improvement in the top 12 countries, which was partly realized, resulting in 31% of the maximum 50% vesting;
- Diversity: at least 50% of females in senior management positions by the end of 2020, which was fully realized, with 51% of females in such positions, resulting in the maximum 50% vesting;
- Employee retention: a decrease of employee turnover measured on a yearly basis, which was realized in 2 of the 3 performance period years, resulting in 30% of the maximum 50% vesting;
- Employee engagement: at least 80% participation and outperformance of the benchmark annually, which was realized in all 3 years of the performance period, resulting in the maximum 50% vesting; and
- Randstad's partnership with Voluntary Services Overseas: 10,000 marginalized people made employable through the partnership; this resulted in 40% of the maximum 50% vesting.

The weighted vesting percentage on the total grant is 151% of the conditional grant.

At the beginning of 2022, the performance shares conditionally granted in February 2019 which vested on December 31, 2021 were allocated based on the relative TSR performance (65% of the grant) over the period January 1, 2019 to December 31, 2021. Randstad's TSR ranking for this period is position 6, resulting in 125% vesting. The performance on the non-financial, mostly strategic targets (35% of the grant) over this period resulted in a vesting and allocation of 179%, which can be specified as follows:

- Introduction of a methodology to measure the working lives touched by Randstad including quantifiable KPIs, which was partly realized, resulting in 25% of the maximum 50% vesting;
- Employee engagement: at least 80% participation and outperformance of the benchmark annually; this was in part not realized in one year of the 3-year

performance period, which resulted in 42% of the maximum 50% vesting;

- Customer Delight: implementation in the top 8 markets and significant improvement of scores; this was 84% realized, which resulted in 42% of the maximum 50% vesting;
- Improved productivity of the candidate application funnel: this goal was partially realized, resulting in 20% of the maximum 50% vesting;
- Strengthening of Randstad's brand: this was fully realized, resulting in a maximum 50% vesting.

The weighted vesting percentage on the total grant is 144% of the conditional grant.

pension, other benefits, and internal pay ratio

pension contribution

The pension arrangements for members of the Executive Board are based on defined contribution. Randstad provides an annual contribution of 27% of base salary to the schemes of Executive Board members. For Netherlands-based members, this contribution includes compensation for limitations of accrual of pension rights as of 2016. For the US-based members, this contribution includes compensation to cover health and long-term disability insurance, life insurance, and contributions to the 401(k) plan or any other pension scheme. The company has no specific early retirement arrangements in place for Executive Board members.

other benefits

Additional arrangements include expense and relocation allowances, a company car or car allowance, and health and accident insurance.

internal pay ratio 2021

The internal pay ratio between the average pay of Randstad employees vis-à-vis the average pay of the CEO and the Executive Board members is calculated based on the average 2021 remuneration (including variable pay and long-term incentives) of a reference group (our 14 largest markets and the corporate functions encompassing 93% of Group revenue and 83% of total headcount) vis-à-vis the 2021 remuneration of the Executive Board members. The pay ratio is 49:1 (2020: 38:1) for the CEO, and on average 37:1 (2020: 25:1) for the Executive Board members.

remuneration report.

overview of remuneration as included in the income statement in 2021

remuneration of executive board members

x € 1,000	year	fixed remuneration		variable remuneration		social charges and taxes	pension expenses	total remuneration
		base salary	fringe benefits	short-term bonus	share-based compensations			
J.W. van den Broek	2021	1,000	8	933	1,320	14	270	3,545
	2020	1,000	5	-	1,342	14	270	2,631
H.R. Schirmer	2021	778	8	726	1,090	14	210	2,826
	2020	759	6	-	1,101	14	205	2,085
F. Béharel	2021	-	-	-	-	-	-	-
	2020	172	7	-	(918)	269	47	(423)
K. Fichuk	2021	678	18	633	1,001	45	182	2,557
	2020	686	17	-	646	25	185	1,559
R. Henderson	2021	678	18	633	1,024	45	182	2,580
	2020	686	17	-	773	19	185	1,680
C. Heutink	2021	707	8	660	935	14	191	2,515
	2020	690	6	-	910	14	186	1,806
R. Steenvoorden	2021	707	8	660	647	14	191	2,227
	2020	374	3	-	242	7	101	727
Total	2021	4,548	68	4,245	6,017	146	1,226	16,250
		4,367	61	-	4,096	362	1,179	10,065

remuneration of former executive board members

x € 1,000	year	fixed remuneration		variable remuneration		social charges and taxes	pension expenses	total remuneration
		base salary	fees	fringe benefits	short-term bonus			
R.J. van de Kraats	2020	-	-	-	-	7	-	7
F. Béharel	2020	-	230	-	-	-	-	230

Sander van 't Noordende was appointed as a Board member on December 16, 2021. He did not receive any remuneration during 2021.

Henry Schirmer was appointed as a Board member on March 27, 2018. On April 24, 2018, he received 13,686 shares as part of his remuneration package. These shares will vest in four equal portions in four successive years. The expenses are included in the total share-based compensations.

René Steenvoorden was appointed as a Board member on June 18, 2020. Karen Fichuk and Rebecca Henderson were appointed on March 26, 2019. All remuneration expenses refer to the period thereafter. For Rebecca Henderson and René Steenvoorden, these include share-based compensation costs of senior management performance shares relating to plans they participated in before the date of their Board appointment.

Francois Béharel's contractual engagement with Randstad ceased on March 31, 2020. Upon leaving the Group, he was entitled to a non-compete fee of € 230,000. His entitlements related to share-based compensation lapsed. Francois Béharel challenged Randstad's position and initiated legal proceedings in France, of which the outcome was not yet known on the date of this report.

Robert Jan van de Kraats resigned as a Board member on March 27, 2018. The total costs of € 7,000 in 2020 relate to performance adjustments to the non-financial targets in share performance plans.

remuneration report.

overview of remuneration based on the shareholder rights directive

In 2019, the European Shareholder Rights Directive was implemented in Dutch Civil Law. The tables below include the required information on Executive Board remuneration. The long-term award relates to the various performance share plans that vested during the year. The main plan, being the performance share plan 2019, vested on December 31, 2021. The reward is calculated based on the numbers of shares that have vested and the stock price at the date of vesting. The award of René Steenvoorden relates to the vesting of senior management performance share plans.

remuneration of executive board members

x € 1,000	year	fixed remuneration		variable remuneration		social charges and taxes	pension expenses	total remuneration
		base salary	fringe benefits	short-term bonus	long-term award			
J.W. van den Broek	2021	1,000	8	933	2,616	14	270	4,841
	2020	1,000	5	-	1,857	14	270	3,146
H.R. Schirmer	2021	778	8	726	2,190	14	210	3,926
	2020	759	6	-	1,380	14	205	2,364
F. Béharel	2021	-	-	-	-	-	-	-
	2020	172	7	-	-	269	47	495
K. Fichuk	2021	678	18	633	1,718	45	182	3,274
	2020	686	17	-	-	25	185	913
R. Henderson	2021	678	18	633	1,718	45	182	3,274
	2020	686	17	-	360	19	185	1,267
C. Heutink	2021	707	8	660	1,797	14	191	3,377
	2020	690	6	-	1,221	14	186	2,117
R. Steenvoorden	2021	707	8	660	439	14	191	2,019
	2020	374	3	-	286	7	101	771
Total	2021	4,548	68	4,245	10,478	146	1,226	20,711
		4,367	61	-	5,104	362	1,179	11,073

remuneration of former executive board members

x € 1,000	year	fixed remuneration		variable remuneration			social charges and taxes	pension expenses	total remuneration
		base salary	fees	fringe benefits	short-term bonus	long-term award			
R.J. van de Kraats	2020	-	-	-	-	904	-	-	904
F. Béharel	2020	-	230	-	-	-	-	-	230

proportion of fixed and variable remuneration¹

x € 1,000		% of fixed remuneration		% of variable remuneration	
		2021	2020	2021	2020
J.W. van den Broek		26%	41%	74%	59%
H.R. Schirmer		25%	41%	75%	59%
F. Béharel		0%	100%	0%	0%
K. Fichuk		27%	100%	73%	0%
R. Henderson		27%	71%	73%	29%
C. Heutink		27%	42%	73%	58%
R. Steenvoorden		45%	63%	55%	37%
Total		28%	52%	72%	48%

¹ Excluding social charges and taxes.

remuneration report.

executive board remuneration comparatives

x € 1,000	2021	2020	2019	2018	2017	2016
Jacques van den Broek, CEO	4,841	3,146	3,494	1,927	3,630	3,892
Henry Schirmer, CFO as of April 2018	3,926	2,364	1,690	919	-	-
Karen Fichuk, member as of April 2019	3,274	913	1,075	-	-	-
Rebecca Henderson, member as of April 2019	3,274	1,267	1,384	-	-	-
Chris Heutink, member	3,377	2,117	2,329	1,266	2,376	2,655
René Steenvorden, member as of June 2020	2,019	771	-	-	-	-
Subtotal	20,711	10,578	9,972	4,112	6,006	6,547
<hr/>						
Remuneration of former Executive Board members						
Robert Jan van de Kraats, CFO and Vice-chairman until March 2018	-	-	-	378	2,708	3,026
François Béharel, member until March 2020	-	495	2,735	2,043	2,648	2,926
Linda Galipeau, member until March 2019	-	-	286	1,383	2,608	2,886
Subtotal	-	495	3,021	3,804	7,964	8,838
Total	20,711	11,073	12,993	7,916	13,970	15,385
<hr/>						
Company performance						
Organic revenue growth per working day	19.5%	-12.2%	-1.7%	3.7%	8.3%	4.7%
Underlying EBITA margin ¹	4.4%	3.3%	4.6%	4.7%	4.6%	4.6%
Revenue (in millions of €)	24,635	20,718	23,676	23,812	23,273	20,684
Net result (in millions of €) ¹	768	304	606	708	631	588
TSR vesting (%)	125%	125%	100%	0%	100%	150%
Non-financial KPIs vesting (%)	179%	201%	162%	165%	145%	130.0%
<hr/>						
Average remuneration of employees on an FTE basis in € 1,000						
Randstad N.V.	165	136	154	162	153	183
Randstad Group	72	68	69	67	69	69

¹ As of 2018, numbers include the effects of IFRS 16 'Lease accounting'.

In the above table, the remuneration of former Board members is only included for the period they were part of the Executive Board. The amounts per Board member for comparative years are based on the same principles as for 2021.

remuneration report.

main conditions and shares due and awarded to executive board members (part 1)

		main conditions of share award plans				
	specification of plan	vesting period	award date	vesting date	allocation date	end of holding period
Board members						
J.W. van den Broek, Chief Executive Officer	PSP EB Plan	2018 - 2020 2019 - 2021 2020 - 2022 2021 - 2023	February 2018 February 2019 February 2020 February 2021	December 2020 December 2021 December 2022 December 2023	February 2021 February 2022 February 2023 February 2024	February 2023 February 2024 February 2025 February 2026
	Share matching plan	2018 - 2020 2019 - 2021 2020 - 2022	February 2018 February 2019 February 2020	December 2020 December 2021 December 2022	February 2021 February 2022 February 2023	February 2023 February 2024 February 2025
H.R. Schirmer, Chief Financial Officer	PSP EB Plan	2018 - 2020 2019 - 2021 2020 - 2022 2021 - 2023	February 2018 February 2019 February 2020 February 2021	December 2020 December 2021 December 2022 December 2023	February 2021 February 2022 February 2023 February 2024	February 2023 February 2024 February 2025 February 2026
	Share matching plan	2019 - 2021 2020 - 2022	February 2019 February 2020	December 2021 December 2022	February 2022 February 2023	February 2024 February 2025
	Sign-on shares	2018 - 2021 2018 - 2022	April 2018 April 2018	April 2021 April 2022	April 2018 April 2018	April 2023 April 2023
K. Fichuk	PSP EB plan	2019 - 2021 2020 - 2022 2021 - 2023	February 2019 February 2020 February 2021	December 2021 December 2022 December 2023	February 2022 February 2023 February 2024	February 2024 February 2025 February 2026
	Share matching plan	2020 - 2022	February 2020	December 2022	February 2023	February 2025
R. Henderson	PSP senior management plan	2018 - 2020 2019 - 2021	February 2018 February 2019	December 2020 December 2021	February 2021 February 2022	n/a February 2024
	PSP EB plan	2020 - 2022 2021 - 2023	February 2020 February 2021	December 2022 December 2023	February 2023 February 2024	February 2025 February 2026
	Share matching plan	2020 - 2022	February 2020	December 2022	February 2023	February 2025
C. Heutink	PSP EB Plan	2018 - 2020 2019 - 2021 2020 - 2022 2021 - 2023	February 2018 February 2019 February 2020 February 2021	December 2020 December 2021 December 2022 December 2023	February 2021 February 2022 February 2023 February 2024	February 2023 February 2024 February 2025 February 2026
	Share matching plan	2018 - 2020 2019 - 2021 2020 - 2022	February 2018 February 2019 February 2020	December 2020 December 2021 December 2022	February 2021 February 2022 February 2023	February 2023 February 2024 February 2025
R. Steenvoorden	PSP senior management plan	2018 - 2020 2019 - 2021	February 2018 February 2019	December 2020 December 2021	February 2021 February 2022	n/a n/a
	PSP EB plan	2020 - 2022 2021 - 2023	February 2020 February 2021	December 2022 December 2023	February 2023 February 2024	February 2025 February 2026

remuneration report.

main conditions and shares due and awarded to executive board members (part 2)

	information regarding the reporting year 2021						
	shares awarded or to be allocated at January 1	shares awarded	performance adjustment/ (shares lapsed)	shares vested, to be allocated in 2022 ¹	shares allocated	shares awarded or to be allocated at year-end	shares subject to a holding period ²
Board members							
	32,621			(32,621)		-	20,808
J.W. van den Broek, Chief Executive Officer	29,271	12,900	(42,171)			42,171	
	26,107	(6,526)				19,581	
	25,918	(15,119)				10,799	
	2,263		(2,263)			-	
	1,407		(1,407)			1,407	
	3,457	(864)				2,593	
	23,651		(23,651)			-	13,043
H.R. Schirmer, Chief Financial Officer	21,858	9,633	(31,491)			31,491	
	19,827					19,827	
	20,156					20,156	
	1,445		(1,445)			1,445	
	3,341					3,341	
	3,422		(3,422)			3,422	3,422
	3,421					3,421	
	19,858	8,752	(28,610)			28,610	
K. Fichuk	18,013					18,013	
	18,312					18,312	
	1,325					1,325	
	6,766		(6,766)			-	
R. Henderson	19,858	8,752	(28,610)			28,610	
	18,013					18,013	
	18,312					18,312	
	3,291					3,291	
C. Heutink	21,487		(21,487)			-	13,630
	19,858	8,752	(28,610)			28,610	
	18,013					18,013	
	18,312					18,312	
	1,440		(1,440)			-	
R. Steenvoorden	1,324		(1,324)			1,324	
	2,345					2,345	
	5,371		(5,371)			-	
	5,078		(5,078)			5,078	
	18,013					18,013	
	18,312					18,312	
Total Board members	352,144	119,322	26,280	(172,168)	(93,599)	404,147	50,903

1 Performance shares to be allocated in February 2021.

2 All performance shares that have vested at year-end 2020 are subject to a holding period of 2 years, except for the number of shares that are allowed to be used to settle the wage tax on allocation.

remuneration report.

main conditions and shares due and awarded to former executive board members (part 1)

	main conditions of share award plans				
	specification of plan	vesting period	award date	vesting date	allocation date
Former Board members					
R.J. van de Kraats, Chief Financial Officer, until March 2018	PSP EB Plan	2018 - 2020	February 2018	December 2020	February 2021
	Share matching plan	2018 - 2020	February 2018	December 2020	February 2021

main conditions and shares due and awarded to former executive board members (part 2)

	information regarding the reporting year 2021					
	specification of plan	vesting period	shares awarded or to be allocated at January 1	performance adjustment/ (shares lapsed)	shares vested, to be allocated in 2021 ¹	shares awarded or to be allocated at year-end
Former Board members						
R.J. van de Kraats, Chief Financial Officer, until March 2018	PSP EB Plan	2018 - 2020	16,306			(16,306) -
	Share matching plan	2018 - 2020	683			(683) -
Total former Board members			16,989	-	-	(16,989) -

1 Performance shares to be allocated in February 2021.

shareholdings per executive board member

position as at 31 december 2021

	free shares	restricted shares						total shares
		february 2022	february 2023	april 2023	october 2023	february 2024	february 2025	
J.W. van de Broek	10,070	14,408	20,808	-	3,525	1,407	3,457	- 53,675
A.M. van 't Noordende ¹	29,800 ²	-	-	-	-	-	-	- 29,800
H.R. Schirmer	-	-	13,043	13,686	185	1,445	3,341	- 31,700
K. Fichuk	-	-	-	-	-	-	1,325	- 1,325
R. Henderson	10,250	-	-	-	-	-	3,291	- 13,541
C. Heutink	2,117	9,170	13,630	-	-	1,324	2,345	- 28,586
R. Steenvorden	8,507	-	-	-	-	-	-	- 8,507
Total	60,744	23,578	47,481	13,686	3,710	4,176	13,759	- 167,134

1 EB Member as of December 2021

2 Free shares includes 4,800 American Depositary Receipts

executive board remuneration in 2022

In line with the company's remuneration policy, it was decided to increase the base salaries of the Executive Board members by 4.5% as of January 1, 2022, except for the salary of the CEO. At his own request, his salary was not increased, but kept at the level agreed upon when he was appointed as CEO. The 4.5% increase is in line with the weighted group average recommended increase for top performers, reflecting the strong performance of the Executive Board in 2021.

At the end 2021, the Remuneration Committee commissioned Willis Towers Watson to benchmark the Executive Board remuneration levels vis-à-vis the international labor market peer group. This was partly done in relation to the negotiations with Sander van 't Noordende upon his appointment to the Executive Board as successor of Jacques van den Broek, the current CEO and Chair of the Executive Board. Based on this assessment, the Supervisory Board felt that it would be appropriate to correct the current CEO's base salary for inflation over the years since the previous benchmark. Sander van 't Noordende's base salary of € 1,150,000 is in line with the remuneration policy, which sets the base pay at between the median and 75% percentile of the international labor market peer group.

For the annual bonus 2022, the financial targets and their relative weighting have been set as follows:

- Competitive revenue growth: the bonus opportunity ranges from 15% of base salary for minimum performance to 20% for on-target performance and 25% for maximum performance;
- Incremental Conversion Ratio: the bonus opportunity ranges from 15% of base salary for minimum performance to 25% for on-target performance and 35% for maximum performance;
- Days Sales Outstanding: the bonus opportunity ranges from 5% of base salary for minimum performance to 10% for on-target performance and 15% for maximum performance;

Detailed numerical targets cannot be disclosed, as these are share price and competition sensitive.

To further underline joint responsibility, at the start of each financial year, following a presentation by the Executive Board, the Supervisory Board sets annual strategic and operational targets. The maximum bonus opportunity will be 25% of base salary. These targets will

only be disclosed if they are not share price or competition sensitive. For 2022, the targets will focus on further progress of Randstad's digital transformation, achieving world-class digital security, and developing the road to net zero emission. As these targets are for 2022, they cannot yet be further specified.

The conditional grant of performance shares 2022 is dependent on TSR (65%) and the following non-financial targets (35%) from Randstad's strategic business plans and reporting framework:

- Employee engagement: at least 80% participation and outperformance of the benchmark annually (8.75% of 35%);
- Candidate satisfaction: significant increase in candidate satisfaction scores in the top 28 markets (8.75% of 35%); and
- Capability building in Randstad's core concepts (Inhouse, Staffing, Professionals): strengthening key drivers for growth (15.5% of 35%).

supervisory board remuneration

The remuneration of the Supervisory Board members consists of a fixed amount, including a gross expense allowance.

To determine competitive remuneration levels, Randstad compares its Supervisory Board remuneration levels with that of other similar companies. As Randstad is a Dutch listed company, the primary focus is on the AEX index. The aim is to compensate around the median level of the AEX benchmark. As an extra check, a comparison is made with the international labor market peer group that is applied for the Executive Board.

As members of the Supervisory Board of the Dutch subholding Randstad Holding Nederland bv, Jan Hovers and Willem Vermeend, both former members of the Supervisory Board, received an annual allowance of € 12,000 in 2021 (2020: 12,000).

Henri Giscard d'Estaing resigned from the Supervisory Board at the General Meeting of Shareholders held on June 18, 2020. Hélène Auriol Potier was appointed to the Supervisory Board at the same meeting.

In 2021, the Remuneration Committee requested that Willis Towers Watson provide insight into the competitiveness of the current fee levels. Based on their report, it was concluded that compared to the AEX reference group, Randstad is positioned around median market levels for the annual allowances, but below the 25th percentile market levels for all Committee Chair and Committee member allowances. Compared to the international labor market peer group applied for the Executive Board, Randstad is positioned below the 25th percentile market levels for the Chair annual allowance and between the 25th percentile and median market levels for the Vice-Chair and member allowance, as well as below the 25th percentile market levels for all Committee allowances. On this basis, and upon the proposal of the Remuneration Committee, the Supervisory Board will submit a proposal to the Annual General Meeting of Shareholders to be held on March 29, 2022 that the annual fees for the Committees be increased to the AEX market median as mentioned in the table on page 134 and a proposal to slightly increase the annual allowance of the Chair to bring it in line with the market median. An important consideration for this proposal is the strong increase in the number of annual

Committee meetings and the level of engagement required from the Committee Chairs and its members since 2011, when the annual fees were last raised.

supervisory board remuneration 2021 and 2020

	2021	2020
Current board members		
W. Dekker, Chair	137,000	134,000
J. Winter, Vice-Chair	23,967	105,000
A. Aris	91,250	84,000
H. Auriol Potier	84,083	40,000
B. Borra	83,500	83,500
F. Dorjee	89,000	87,000
H.M.E.V. Giscard d'Estaing	-	42,500
A.M. van 't Noordende (until January 2022)	64,500	-
R. Provoost	83,500	83,500
Total	656,800	659,500

remuneration report.

comparative table supervisory board remuneration

x € 1,000	2021	2020	2019	2018	2017	2016
W. Dekker, Chair	137,000	134,000	135,500	132,000	128,500	128,500
A. Aris, as of April 2018	91,250	84,000	85,500	64,500	-	-
H. Auriol Potier, member as of June 2020	84,083	40,000	-	-	-	-
B. Borra, member as of April 2015	83,500	83,500	91,000	92,500	89,500	94,000
F. Dorjee, member as of April 2014	89,000	87,000	88,500	88,500	88,500	88,500
A.M. van 't Noordende, member as of March 2021	64,500	-	-	-	-	-
R. Provoost, member as of April 2015	83,500	83,500	88,000	92,000	90,000	88,500
Subtotal	632,833	512,000	488,500	469,500	396,500	399,500

Remuneration of former Supervisory Board members

H. Giscard d'Estaing, until June 2020	-	42,500	88,000	90,500	88,500	88,500
G. Kampouri Monnas, until March 2018	-	-	-	22,500	91,500	91,500
J. Winter, until March 2021	23,967	105,000	105,000	105,000	107,500	107,500
Subtotal	23,967	147,500	193,000	218,000	287,500	287,500
Total	656,800	659,500	681,500	687,500	684,000	687,000

corporate governance.

principles

Sound corporate governance is a key component of Randstad's culture and is consistent with its core values. Randstad's corporate governance is supported by a strong focus on integrity, transparency, and clear and timely communication. Good governance and proper supervision are important prerequisites for generating and maintaining trust in Randstad and its management.

Randstad is incorporated and based in the Netherlands. As a result, Randstad's governance structure is based on the requirements of Dutch legislation, the company's Articles of Association, complemented by internal policies and procedures. Given the worldwide exposure of its businesses, the company's international context is of vital importance, and international developments are therefore closely monitored.

Randstad has always sought to enhance its governance in line with the [Dutch Corporate Governance Code \('the Code'\)](#) and international best practices. Any substantial change in Randstad's corporate governance structure will be submitted to the Annual General Meeting of Shareholders.

Randstad has a two-tier board structure, requiring a well-managed relationship between the Executive Board and the Supervisory Board. The two Boards have specific responsibilities. The Supervisory Board oversees and advises the Executive Board in performing its management tasks and guides the company's general development, including its financial policies and corporate structure. The Supervisory Board has the role of employer for the members of the Executive Board. In performing their duties, the members of the Supervisory Board are guided by the interests of Randstad and all its stakeholders. The role of the Supervisory Board has grown in recent years, and now requires Board members to play a more prominent and active role, thinking along with and advising the Executive Board on key matters, such as strategic processes, important operational decisions, organizational structure, and senior management development.

corporate governance declaration

The Executive Board and the Supervisory Board, which are jointly responsible for the corporate governance structure of Randstad, are of the opinion that all of the principles and best-practice provisions of the Code are being applied. We strongly believe that these principles and provisions are consistent with our core values. This means that we do not merely take a 'box ticking' approach to compliance. This report also includes the information that needs to be disclosed in accordance with the corporate governance declaration as referred to in the relevant Dutch governmental decree.

executive board

Tasked with the overall management of Randstad, the Executive Board is accountable for developing and executing the company's strategy. The Executive Board is also responsible for the associated risk profile, financial controls, the development of results, and the resolution of corporate responsibility issues, while simultaneously respecting policies that have been set. The responsibility for the management of Randstad is vested collectively in the Executive Board. Each member has duties related to a specific area of responsibilities and expertise. The Company Secretary acts as secretary to the Executive Board.

The Supervisory Board is authorized to recommend to the General Meeting of Shareholders candidates to be appointed to the Executive Board. The Supervisory Board determines the remuneration of the members of the Executive Board, in accordance with the remuneration policy adopted by the General Meeting of Shareholders.

Board members are appointed for a maximum term of four years. The division of tasks between the members of the Executive Board requires the approval of the Supervisory Board. Members need the prior approval of the Supervisory Board before they can take up a board position at another company. A member of the Executive Board may not be a member of the Supervisory Board of more than two listed companies or serve as Chair of the Supervisory Board of another listed company.

supervisory board

The Supervisory Board supervises and advises the Executive Board in performing its management tasks, sets the direction of the Randstad business, and guides its general development, including the financial policies and corporate structure. It evaluates the company's strategy, development of results, operating model, and the reporting framework established under the Executive Board's management. Major management decisions require the approval of the Supervisory Board. The Supervisory Board further supervises the structure and management of systems of internal business controls and the financial reporting process.

The Supervisory Board is authorized to recommend to the General Meeting of Shareholders candidates to be appointed to the Supervisory Board. Such appointments are considered on the basis of a profile, taking into account the nature of Randstad's activities and the desired background and expertise of candidates. Diversity is an important criterion in order to establish a balance in nationality, gender, age, experience, and background of the individual members. The Supervisory Board aims for at least 30% of its membership to meet the diversity criteria. Members of the Supervisory Board should limit the number of Supervisory Board memberships and other positions they may hold at listed and non-listed companies in such a way as to guarantee the proper performance of their duties. They may not hold more than five Supervisory Board memberships in Dutch companies or other large organizations, whereby the role of Chair counts as two memberships. Supervisory Board remuneration is determined by the General Meeting of Shareholders and not linked to the company's results.

Randstad ensures that there are structured reporting lines to the Supervisory Board. The Supervisory Board meets regularly throughout the year, according to a pre-arranged schedule, both with and without the Executive Board and senior management. Through frequent informal consultation with and updates from the members of the Executive Board in between the meetings, the Supervisory Board remains well informed about the general state of affairs at Randstad. At the end of each year, the Supervisory Board extensively assesses the composition, performance, and functioning of the Executive Board and the Supervisory Board, as well as their individual members.

The Chair of the Supervisory Board ensures the proper functioning of the Board and its Committees, and acts as the main contact for the Executive Board. The Vice-Chair replaces the Chair when required, and acts as the contact for the other Board members on matters relating to the functioning of the Chair. The Company Secretary acts as secretary to the Supervisory Board.

supervisory board committees

While the Supervisory Board retains overall responsibility for its functions, it assigns some of its tasks to three Committees: the Audit Committee, the Remuneration Committee and the Governance & Nomination Committee. Their advice and recommendations assist the Supervisory Board in its decision-making. All Supervisory Board members are, in principle, also members of at least one but no more than two Committees.

The Audit Committee assists the Supervisory Board in fulfilling its supervisory responsibilities for the integrity of the financial reporting process, the system of internal business controls and risk management, and the external audit process. The Committee assesses the audit plan and the scope and approach of the external auditor, and monitors progress and performance. The relationship with the external auditor is evaluated annually. Together with the Executive Board, the Audit Committee reviews quarterly and full-year financial statements, auditor's reports and the management letter. The internal risk and control framework and tax- and treasury-related activities are recurring topics. The Audit Committee may opt to meet separately with the external auditor to discuss the quality of financial reporting and cooperation with the finance departments.

The Remuneration Committee reviews and makes recommendations regarding the remuneration policy for the Executive Board and the Supervisory Board, for adoption by the Annual General Meeting of Shareholders. The approved policy then forms the basis for the fixed and variable remuneration of the Executive Board. The Remuneration Committee also prepares the annual remuneration report on Executive Board and Supervisory Board remuneration. After approval by the Supervisory Board, the report is submitted for an advisory vote of the General Meeting of Shareholders.

The Governance & Nomination Committee reviews and makes recommendations regarding the Company's corporate governance and leadership structure. The Committee is also tasked with advising on candidates to fill vacancies in the Executive Board and Supervisory Board, evaluating the performance of both Boards and their members, reviewing the company's HR strategy and development of senior management, and ensuring long-term succession planning.

Please refer to the [Report of the Supervisory Board](#) for further details.

board compliance

Both Boards, including the Committees of the Supervisory Board, have their own by-laws or terms of reference, which set rules regarding objectives, composition, responsibilities, and working methods. These by-laws are available on our [website](#).

Any conflict of interest between Randstad and a Board member should be avoided. Any actual or potential conflict of interest must be reported immediately to the other Board members and/or the Chair of the Supervisory Board. Any shareholding in the company must be for the purpose of long-term investment. Board members must at all times comply with the provisions contained in the Randstad insider dealing rules. These rules include, among other items, a policy that stipulates that dealings in Randstad shares and options by Board members should normally be restricted to the four weeks following the publication of quarterly financial results, provided that the person involved is not in possession of any inside information at that time.

diversity policy

Randstad's general diversity and inclusion policy sets the global goals. Randstad aims to develop and sustain a culture of inclusion and fairness that enables talent and employees alike to feel valued for their ideas, background and perspective. Randstad values diversity and does not discriminate on the grounds of age, skin color, disability, gender, marital status, nationality, race, religion, sexual orientation, or any other irrelevant or illegal characteristics. This diversity and inclusion policy also applies to the Executive Board and the Supervisory Board.

Randstad aims to ensure that the members of the Executive Board and Supervisory Board represent a good balance in terms of diversity, which includes diversity of background, skills, working experience, age, nationality and gender, among other criteria. It is recognized that diversity enables the Boards to look at issues and solve problems in various ways and respond to challenges in different ways, thus taking more robust and effective decisions. All these different skills and backgrounds collectively represented in the Boards reflect the diverse nature of the environment in which Randstad and its stakeholders operate. Diversity also drives innovation and accelerates growth, enabling Randstad to attract and maintain the best and most talented people.

Collectively, the Executive Board and the Supervisory Board are considered to be diverse and balanced with regard to educational background, work experience, and nationality. The Boards consist of people with a good mix of sector knowledge, financial expertise, and management capabilities.

Annually, the Supervisory Board assesses the size and composition of both the Supervisory Board and the Executive Board, and agrees on measurable objectives that will lead to an even higher degree of diversity on the Boards.

general meeting of shareholders

Important matters that require the approval of the (Annual) General Meeting of Shareholders are:

- adoption of the annual accounts;
- adoption of profit appropriation and additions to reserves;
- dividends;
- significant changes to the company's corporate governance;
- remuneration policy of the Executive Board;
- remuneration of the Supervisory Board;
- discharge from liability of the members of the Executive Board for their management;
- discharge from liability of the members of the Supervisory Board for their supervision of the management;
- appointment of the external auditor;

- appointment, suspension, or dismissal of the members of the Executive Board and the Supervisory Board;
- authorization to issue or purchase shares in Randstad's capital;
- adoption of amendments to the articles of association.

Further details about the proposals that the Executive Board or the Supervisory Board can submit to the meeting and the procedure according to which shareholders themselves can submit matters for consideration by the meeting are specified in the company's articles of association.

The General Meeting of Shareholders, which is normally held at the end of March or in early April, is broadcast live by audio webcast via our [website](#). As specified in the notice for the meeting, voting instructions (anonymous if desired) can be given to an independent third party in advance of the meeting. Within three months of the meeting, the draft minutes of the meeting are made available for comments for a period of three months. The definitive minutes are published on our [website](#).

voting rights

The issued share capital of Randstad currently consists of 184 million ordinary shares, 25.2 million preference shares B, 14.6 million preference shares C1, and 35.6 million preference shares C2. The ordinary shares have equal voting rights ('one share, one vote'). The voting rights on the preference shares are aligned with the capital contribution upon issuance. Effective at a General Meeting of Shareholders, the voting rights on the preference shares B are 3.6 million, and the voting rights on the preference shares C are 5.6 million.

The foundation Stichting Administratiekantoor Preferente Aandelen Randstad Holding holds the preference shares B and C. The foundation's Board consists of Bas Kortmann (Chair) and Sjoerd van Keulen. A proposal is submitted to the next Annual General Meeting of Shareholders on March 29, 2022 to appoint Claartje Bulten and Annelies van der Pauw as members of the foundation's Board. The Board members are fully independent. The foundation's Articles of Association were compiled in accordance with Annex X, Euronext Amsterdam Rule Book, Book II. Depository receipts issued by the foundation are held by, among others, Nationale Nederlanden NV, ASR NV, Richmond, and Randstad Beheer BV. Although the voting rights attached to the preference shares are vested in the

foundation, each depositary receipt holder can ask for a proxy to exercise the voting rights underlying his or her depositary receipts during a General Meeting of Shareholders.

Randstad may issue preference shares A to a legal entity charged with safeguarding the company's interests and preventing influences that may threaten its continuity, independence, or identity. To date, no such shares have been issued. Resolutions for such an issue would require the approval of the General Meeting of Shareholders.

As at December 31, 2021, the holders of approximately 95.8% of ordinary shares were able to make unrestricted use of their voting rights. The other 4.2% of ordinary shares were converted into depository receipts. A foundation, Stichting Administratiekantoor Randstad Optiefonds, holds those shares, in which the attached voting rights are vested. The depository receipts issued by Stichting Administratiekantoor Randstad Optiefonds are fully exchangeable into ordinary shares, and are held by Stichting Randstad Optiefonds. Frits Goldschmeding, the company's founder, is the sole Board member of Stichting Administratiekantoor Randstad Optiefonds.

internal risk management and control systems

A detailed description of Randstad's Risk & Control framework, including a description of the most important risk management and control systems, is given in the section '[Risk & opportunity management](#)'.

legal transparency obligations

The information that needs to be disclosed under Article 10, Takeover Directive Decree, and section 391, subsection 5, book 2 of the Dutch Civil Code is available in various sections of this annual report. In this section, we provide additional information or indicate where the information can be found.

a. capital structure and attached rights and duties

An overview of the company's capital structure and voting rights is provided in the section '[our value for investors](#)' of this annual report. An overview of the company's dividend policy is provided in the section '[Financial objectives and capital allocation](#)' of this annual report.

b. statutory or contractual restrictions on share transfers

Approximately 32.0% of the total share capital (3.0% ordinary shares, 9.7% preference shares B, and 19.3% preference shares C) has been converted into depository receipts (see section [Voting rights](#)). The transfer of depository receipts of preference shares requires the approval of the Executive Board and the Supervisory Board.

c. major shareholders

Shareholders are obliged to give notice of interests exceeding certain thresholds to the Netherlands Authority for the Financial Markets (AFM). Almost all the holdings listed below are a combination of (depository receipts of) ordinary shares and (depository receipts of) preference shares. All transactions between Randstad and holders of at least 10% of the total number of shares are agreed on terms that are customary in the sector concerned. (See the section on [Related-party transactions](#) in the financial statements). This means that best-practice provision 2.7.5. of the Dutch Corporate Governance Code has been observed.

d. special rights of control

The company has not issued special rights of control to specific shares or shareholders. Preference shares A can be issued, but only with the approval of the General Meeting of Shareholders.

e. control mechanisms relating to option plans, share plans, and share purchase plans

The following share-based payment arrangements are in effect: a performance stock option plan for the Executive Board, two performance share plans (one for the Executive Board members and one for senior management), and a share purchase plan for all corporate employees. The relevant characteristics of these plans can be found in the [notes to share-based payments](#).

f. voting limitations

Holders of depository receipts of ordinary shares have no voting rights.

g. agreements with shareholders that can limit the transfer of shares or voting rights

Randstad signed a continuity agreement with its founder Frits Goldschmeding through his private holding company Randstad Beheer which created a future-proof structure, independent of the life and involvement of individuals. This means Randstad Beheer is committed to Randstad for the long term, safeguarding the heritage and spirit of Frits Goldschmeding and the values bestowed on the company, now and in the future.

According to its articles of association, the purpose of Randstad Beheer will be to safeguard the continuity of its shareholding for the longer term, its strategic position and to promote the sustainable success and development of Randstad. This is in line with the current modus operandi which has been followed over the past decades. The long-term involvement of Randstad Beheer is reflected by its right to one seat on Randstad's Supervisory Board, provided Randstad Beheer holds a stake in Randstad N.V. of at least 25%.

The agreement also includes an arrangement that ensures a careful consultation process if Randstad Beheer at some point considers to amend the purpose of its articles of association and if Randstad Beheer's voting rights in Randstad N.V. are at that point at least 25%. In the event that Randstad Beheer decides to amend its purpose at the end of that process, Randstad Beheer and Randstad N.V. will reasonably consult on the new situation and the potential reduction of Randstad Beheer's shareholding in Randstad, and Randstad N.V. will assist in such reduction if and when it occurs.

The agreement ensures that, if Randstad Beheer's voting rights fall below 25% or if it has the intention to reduce its voting rights to below 25%, Randstad N.V. and Randstad Beheer will discuss potential consequences for Randstad N.V.'s governance aimed at safeguarding Randstad's development, continuity and strategic position in the new share ownership structure.

[h. regulations concerning the appointment and dismissal of board members and changes to the articles of association](#)

Members of the Executive Board and the Supervisory Board are appointed by, and may at any time be suspended or dismissed by, the General Meeting of Shareholders. A Supervisory Board member is eligible for reappointment once for a period of four years, and subsequently for a period of two years, which may be extended by at most two years, provided that the reasons for this extension are provided in the report of the Supervisory Board. Resolutions with respect to appointment and dismissal are passed by an absolute majority of the votes cast. If an amendment to the Articles of Association is proposed to the Annual General Meeting of Shareholders, this is always stated in the convening notice for that meeting. A copy of the proposal, containing the verbatim text of the proposed amendment, is simultaneously deposited at the company's head office, for perusal by every shareholder, as well as by every holder of depository receipts, until the end of the meeting. Copies are made available free of charge. Amendments to the Articles of Association involving changes to the special rights accruing to the holders of preference shares require the approval of the holders of preference shares concerned at the meeting.

[i. authority of the executive board, especially to issue and repurchase shares in the company](#)

Subject to the approval of the Supervisory Board, the Executive Board is the designated body authorized to issue shares, grant rights to subscribe for shares, and restrict or exclude the preemptive right to any issue of shares and grant of rights to subscribe for shares. The number of shares to be issued shall be limited to a maximum of 10% of the issued share capital of the company. The Executive Board is also authorized, subject to the approval of the Supervisory Board, to repurchase shares up to a maximum of 10% of the issued share capital of the company.

[j. change of control arrangements](#)

Change of control provisions have been included in the company's revolving syndicated credit facility, as well as the company's performance share and option plans for the Executive Board and senior management, and the share purchase plan for corporate employees.

[k. agreements with board members or employees](#)

The severance payment for all members of the Executive Board has been set at a maximum of one annual base salary in addition to the notice period of 12 months (6 months for new appointments as from 2021).

financial statements.



contents

consolidated financial statements

- 160 consolidated statement of comprehensive income.
- 161 consolidated statement of financial position as at december 31.
- 162 consolidated statement of cash flows.
- 163 consolidated statement of changes in equity.

main notes to the consolidated financial statements

- 164 1 general information
- 164 2 summary of significant accounting policies
- 165 3 capital and financial risk management
- 173 4 critical accounting policies, judgments, estimates, and assumptions
- 173 5 impairments
- 177 6 provisions
- 178 7 corporate taxes
- 182 8 leases
- 184 9 revenue recognition
- 186 10 segment reporting
- 189 11 business combinations
- 191 12 earnings per ordinary share

notes to the consolidated income statement

- 192 13 cost of services and total operating expenses
- 194 14 total wages and salaries, social security, pension charges and other
- 195 15 net finance costs
- 195 16 net income
- 195 17 total other comprehensive income

notes to the consolidated statement of financial position

- 196 18 property, plant and equipment
- 197 19 software
- 199 20 acquisition-related intangible assets
- 200 21 financial assets
- 202 22 associates
- 202 23 total equity and dividends per share
- 205 24 employee benefit obligations
- 209 25 other liabilities
- 209 26 trade and other payables

notes to the consolidated statement of cash flows

- 210 27 statement of cash flows

other notes to the consolidated financial statements

- 214 28 subsidiaries
- 216 29 share-based compensations
- 218 30 related-party transactions
- 220 31 number of employees (average)
- 220 32 commitments
- 220 33 auditors' fees
- 220 34 events after balance sheet date

company financial statements

- 221 income statement
- 222 statement of financial position as at december 31

notes to the company financial statements

- 223 1 accounting policies for the company financial statements
- 223 2 revenue
- 223 3 software
- 224 4 subsidiaries
- 224 5 long-term loans receivable from subsidiaries
- 224 6 receivables
- 224 7 cash and cash equivalents
- 224 8 shareholders' equity
- 225 9 borrowings
- 225 10 trade and other payables
- 225 11 number of employees (average)
- 225 12 total wages and salaries, social security and pension charges
- 225 13 remuneration
- 226 14 related parties
- 226 15 guarantees and commitments
- 226 16 auditors' fees

other information

- 227 provisions in the Articles of Association concerning profit appropriation
- 230 independent auditor's report
- 238 assurance report of the independent auditor

[consolidated financial statements.](#)

consolidated statement of comprehensive income.

The notes on pages 164 to 220 are an integral part of these consolidated financial statements.

In millions of € unless otherwise indicated	note	page	2021	2020
Revenue	9	184	24,635	20,718
Cost of services	13.1	192	19,739	16,770
Gross profit	10.1	186	4,896	3,948
Selling expenses	13.2	192	2,556	2,190
Amortization and impairment of acquisition-related intangible assets and goodwill	13.4	194	53	195
Other income	22	202	(35)	-
Other general and administrative expenses	13.2	192	1,289	1,179
General and administrative expenses			1,307	1,374
Total operating expenses	13.2	192	3,863	3,564
Operating profit	10.1	186	1,033	384
Finance income	15	195	12	12
Finance expenses	15	195	(28)	(36)
Net finance costs	15	195	(16)	(24)
Share in profit of associates	22	202	1	4
Income before taxes			1,018	364
Taxes on income	7.2	181	(250)	(60)
Net income	16	195	768	304
Items that subsequently may be reclassified to the income statement	17	195	73	(121)
Items that will never be reclassified to the income statement	17	195	5	(1)
Total other comprehensive income, net of taxes	17	195	78	(122)
Total comprehensive income			846	182
Net income attributable to:				
Holders of ordinary shares of Randstad N.V.			760	296
Holders of preference shares of Randstad N.V.			8	8
Equity holders			768	304
Non-controlling interests			-	-
Net income			768	304
Earnings per share attributable to the holders of ordinary shares of Randstad N.V. (expressed in € per ordinary share)				
Basic earnings per ordinary share (€)	12	191	4.13	1.62
Diluted earnings per ordinary share (€)	12	191	4.10	1.61
Total comprehensive income attributable to:				
Holders of ordinary shares of Randstad N.V.			838	174
Holders of preference shares of Randstad N.V.			8	8
Equity holders			846	182
Non-controlling interests			-	-
Total comprehensive income			846	182

[consolidated financial statements.](#)

consolidated statement of financial position as at december 31.

The notes on pages 164 to 220 are an integral part of these consolidated financial statements.

In millions of €	note	page	2021	2020
assets				
Property, plant and equipment	18	196	151	139
Right-of-use assets	8.1	182	507	511
Software	19	197	112	122
Goodwill	5.2	174	3,047	2,907
Acquisition-related intangible assets	20	199	41	53
Intangible assets			3,200	3,082
Deferred income tax assets	7.1	179	619	674
Financial assets	21	200	193	177
Associates	22	202	2	25
Non-current assets			4,672	4,608
Trade and other receivables	3.2	166	5,432	4,407
Income tax receivables	7.1	179	77	98
Cash and cash equivalents	3.2	166	859	474
Current assets			6,368	4,979
Total assets	10.2	187	11,040	9,587
equity and liabilities				
Issued capital			26	26
Share premium			2,323	2,287
Reserves			1,784	2,051
Net income for the year			768	304
Shareholders' equity	23.1	202	4,901	4,668
Non-controlling interests	23.3	204	1	1
Total equity			4,902	4,669
Borrowings	3.2	166	664	-
Lease liabilities	8.1	182	407	397
Deferred income tax liabilities	7.1	179	18	31
Provisions	6	177	70	75
Employee benefit obligations	24	205	186	168
Other liabilities	25	209	-	2
Non-current liabilities			1,345	673
Borrowings	3.2	166	16	141
Lease liabilities	8.1	182	187	191
Trade and other payables	26	209	4,426	3,735
Income tax liabilities	7.1	179	63	65
Provisions	6	177	71	91
Employee benefit obligations	24	205	26	20
Other liabilities	25	209	4	2
Current liabilities			4,793	4,245
Total liabilities			6,138	4,918
Total equity and liabilities			11,040	9,587

[consolidated financial statements.](#)

consolidated statement of cash flows.

The notes on pages 164 to 220 are an integral part of these consolidated financial statements.

In millions of €	note	page	2021	2020
Operating profit			1,033	384
Amortization and impairment of acquisition-related intangible assets and goodwill	13.4	194	53	195
Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill (EBITA)	10.1	186	1,086	579
Depreciation/amortization and impairment of property, plant and equipment, right-of-use assets, and software	13.3	193	326	319
Operating profit before depreciation, amortization and impairment (EBITDA)	10.1	186	1,412	898
Provisions	6	177	(26)	13
Employee benefit obligations	24	205	7	(3)
Share-based compensations	29.4	218	44	37
Gain on disposal of subsidiaries and associates	11.2, 22	190, 202	(34)	-
CICE	27.4	212	8	381
Other items	27.4	212	(3)	2
Cash flow from operations before operating working capital and income taxes			1,408	1,328
Operating working capital assets	27.2	211	(906)	87
Operating working capital liabilities	27.3	211	616	228
Operating working capital			(290)	315
Corporate income taxes	27.5	212	(204)	(181)
Net cash flow from operating activities			914	1,462
Net additions to property, plant and equipment, and software	19	197	(128)	(106)
Acquisition of subsidiaries	11.1	189	(126)	(13)
Acquisition of equity investments	21.2	201	(7)	(2)
Loans and receivables	21.1	200	-	(4)
Disposal of subsidiaries/activities/associates	11.2, 22	190, 202	53	-
Disposal of equity investments	21.2	201	1	9
Dividends from associates	22	202	-	4
Net cash flow from investing activities			(207)	(112)
Net purchase of own ordinary shares	23.1	202	(54)	(11)
Net drawings on/(repayments of) non-current borrowings	3.2	166	664	(495)
Net decrease of current borrowings	3.2	166	(125)	(332)
Repayments of lease liabilities	8.1	182	(196)	(220)
Net financing			289	(1,058)
Net finance costs paid	15	195	(7)	(20)
Dividend on ordinary and preference shares	23.2	204	(604)	(12)
Net reimbursement to financiers			(611)	(32)
Net cash flow from financing activities			(322)	(1,090)
Net increase in cash and cash equivalents			385	260
Cash and cash equivalents as at January 1			474	225
Net movement in cash and cash equivalents			385	260
Translation and currency losses			-	(11)
Cash and cash equivalents as at December 31			859	474
Free cash flow	27.6	213	590	1,132

consolidated financial statements.

consolidated statement of changes in equity.

The notes on pages 164 to 220 are an integral part of these consolidated financial statements.

in millions of €	reserves ¹									shareholders' equity	non-controlling interests	total equity
	issued capital	share premium	treasury shares	translation and other	share-based payments	employee benefits	retained earnings	net income				
Balance as at January 1, 2021	26	2,287	-	-	63	(57)	2,045	304	4,668	1	4,669	
Net income								768	768	-	768	
Total other comprehensive income				80		(2)			78	-	78	
Total comprehensive income				80		(2)		768	846	-	846	
Transactions with owners:												
Dividend 2020 on ordinary and preference shares								(300)	(304)	(604)	-	(604)
Profit appropriation								-	-	-	-	-
Purchase of own ordinary shares				(54)					(54)			(54)
Share-based compensations:												
• fair value of vesting rights					44				44			44
• performance shares issued	-	36		(40)			4			-		-
• taxes on share-based compensations						1			1			1
Total transactions with owners	-	36	(54)	-	4	-	(295)	(304)	(613)	-	(613)	
Acquisition of non-controlling interests												
Balance as at December 31, 2021	26	2,323	(54)	80	67	(59)	1,750	768	4,901	1	4,902	
Balance as at January 1, 2020	26	2,287	(19)	119	63	(54)	1,444	606	4,472	1	4,473	
Net income								304	304	-	304	
Total other comprehensive income				(119)		(3)			(122)	-	(122)	
Total comprehensive income				(119)		(3)		304	182	-	182	
Transactions with owners:												
Dividend 2019 on ordinary and preference shares								(12)	(12)	-	(12)	
Profit appropriation							594	(594)	-	-	-	-
Purchase of own ordinary shares				(11)					(11)			(11)
Share-based compensations:												
• fair value of vesting rights					37				37			37
• performance shares issued		30		(37)			7		-			-
• taxes on share-based compensations							-		-			-
Total transactions with owners	-	-	19	-	-	-	-	601	(606)	14	-	14
Acquisition of non-controlling interests												
Balance as at December 31, 2020	26	2,287	-	-	63	(57)	2,045	304	4,668	1	4,669	

¹ The total of the various items included under 'reserves' within shareholders' equity as at December 31, 2021 is € 1,784 million (December 31, 2020: € 2,051 million). Additional information with respect to equity is given in note 23.

main notes to the consolidated financial statements.

1 general information

Randstad N.V. is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam. The registered office of the company is in Amsterdam. The address of the company is Diemermeren 25, 1112 TC Diemen, The Netherlands.

The consolidated financial statements of Randstad N.V. include the company and its subsidiaries (together called the 'Group').

See [note 28](#) for IFRS consolidation policies and an overview of selected subsidiaries.

1.1 activities

Randstad specializes in solutions in the field of work and human resources services. Our services comprise temporary and permanent placements. Furthermore, we offer recruitment process outsourcing services (RPO), managed services programs (MSP), payroll services, outplacement services, and job posting and résumé services on digital platforms.

1.2 date of authorization of issue

The financial statements were signed and authorized for issue by the Executive Board and Supervisory Board on February 14, 2022. The adoption of the financial statements and the adoption of the dividend are reserved for the shareholders in the Annual General Meeting of Shareholders (AGM) on March 29, 2022.

2 summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out separately below or explained in the respective notes to these financial statements. These policies have been consistently applied to the periods presented.

2.1 basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards and IFRS IC interpretations (IFRIC), as adopted by the European Union (hereinafter IFRS) and in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code.

New standards, amendments and/or interpretations to existing IFRS standards became effective in 2021. These new standards, amendments and interpretations, as far as they are relevant to the Group, have no impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows. For the amendment to IFRS 16, 'Covid-19-Related Rent Concessions beyond June 2021', which was issued in March 2021, see [note 3.3.3](#).

In April 2021 the IFRS Interpretations Committee (IFRIC) published an agenda decision clarifying how arrangements in respect of a specific part of cloud technology, Software-as-a-Service (SaaS), should be accounted for. The guidance clarified whether an identifiable controllable asset arises from a software as a service (SaaS) arrangement.

main notes to the consolidated financial statements.

The IFRIC guidance states that in most cloud computing arrangements configuration and customization costs should be expensed as incurred. This is on the basis that the customer does not create an asset as the customer does not control the software being configured and/or customized and this does not create a resource that is controlled by the customer that is separate from the software of the vendor.

However, in some circumstances the arrangement may result in, for example, additional code from which the customer has the power to obtain the future economic benefits and to restrict others access to those benefits. In that case the customer assesses whether the additional code results in an identifiable asset that meets the recognition criteria under IAS 38 (Intangible Assets).

A review of the Group's accounting for SaaS arrangements was undertaken in light of this guidance. This review did not result in any material adjustments to the Group's financial statements.

New standards, amendments and/or interpretations to existing IFRS standards have been published that only need to be applied to accounting periods beginning on or after January 1, 2022. As far as these standards, amendments and interpretations are applicable to the Group, these are expected to have no effect on the valuation and classification of assets and liabilities. The Group has decided not to opt for early adoption.

Unless otherwise stated, the financial statements are prepared under the historical cost convention and on a going concern basis. See [note 3.2.2](#) (liquidity risk) and [note 3.3](#) (impact of covid-19 pandemic) for further disclosures.

For both current assets and liabilities (expected to be recovered or settled within 1 year) and non-current assets and liabilities (expected to be recovered or settled after 1 year), the corresponding presentation is used on the face of the balance sheet.

The Group operates in countries with different currencies. All subsidiaries have as their functional currency the local currency of the country in which they operate. The Group and its parent company use the euro as their functional and presentation currency.

All amounts in tables are presented in millions of euros, unless explicitly stated otherwise.

2.2 fair value estimation

Fair value estimations are mainly used with respect to financial assets and financial liabilities.

As no financial assets and liabilities of the Group are traded in active markets, the fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows at current market interest rates that are available to the Group for similar financial assets and liabilities. The fair value is only calculated for disclosure purposes.

Because of this valuation method, which uses observable market data for the interest rates, the resulting fair value estimates reflect 'Level 2 Financial Instruments' for 2021 and 2020.

3 capital and financial risk management

3.1 capital management

Randstad N.V.'s policy is to maintain a sound financial position through a leverage ratio (net debt/EBITDA) of below 2. We believe this is important in order to maintain the confidence of clients, talent, creditors, and investors, and to sustain the future development of our business.

Our financing policy aims to secure financing that matches the Group's mid- to long-term financing requirements.

3.1.1 dividend policy

Randstad's dividend policy is part of our capital allocation policy, and consists of two elements.

Firstly, we pay out an ordinary cash dividend. We aim for a flexible payout ratio of 40% to 50% of net profit adjusted for amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs. In addition, we have set a conditional ordinary cash floor dividend of € 1.62 per share. This baseline dividend level will be maintained even when the 40-50% payout ratio is temporarily exceeded, barring (i) seriously adverse economic

main notes to the consolidated financial statements.

conditions, (ii) material strategic changes to the sector, and (iii) a material deterioration in our solvency and liquidity ratios.

Secondly, we have set discretionary additional returns to shareholders in the event of a leverage ratio below 1.0 (pre IFRS 16 'Leases') through either (i) a special cash dividend or (ii) share buybacks.

3.2 financial risk management

The Group is exposed to a variety of financial risks, including credit risk, liquidity risk, foreign currency exchange risk, and interest rate risk. One of the objectives of the Group's Risk & Control framework is to minimize potential adverse effects on the financial performance of the Group.

Our Risk & Control framework is in place to ensure that risks are detected, measured, and reported properly.

Risk management procedures are carried out under policies that have been approved by the Executive Board.

3.2.1 credit risk

Credit risk within the Group arises from the possibility that clients and other counterparties may not be able to settle their obligations towards the Group.

Credit control policies are included in a blueprint, which is a global document including prescribed work procedures and guidelines. To manage credit risk, credit checks are, in principle, performed upfront for new customers. For high-risk clients, credit limits are put in place based on internal and/or external ratings. Credit risk is monitored by the credit control departments of our operating companies on a daily basis.

In 2020, an international credit committee was established to share best practices and to share knowledge of developments in various industries.

The Group has no significant concentrations of credit risk, as the Group has many clients in a large number of industries and countries.

trade and other receivables

	2021	2020
Trade receivables	4,521	3,699
Less: allowance for expected credit losses	44	52
Trade receivables, net of allowance for expected credit losses	4,477	3,647
Other receivables	669	561
Prepayments	269	179
Net plan assets defined benefit pension plan	5	-
CICE receivable	-	8
Loans	7	7
Net investments in subleases	5	5
	5,432	4,407

The carrying amount of these receivables reflects the fair value.

The Group does not hold any collateral as security.

Trade and other receivables are initially stated at fair value. Subsequent measurement is at amortized cost, using the effective interest method less allowance for expected credit losses.

Trade and other receivables are held-to-collect contractual cash flows.

For net plan assets defined benefit pension plan, see note 24.2.

In 2021, the remaining CICE receivable as at December 31, 2020 (€ 8 million) was fully collected. See note 27.4.

accounting policy

The allowance for expected credit losses (ECL) of trade receivables is based on individual assessments of expected non-recoverable receivables as well as on expected credit losses estimated using a provision matrix by reference to past default experiences on the portfolio of trade receivables of subsidiaries in relation to revenue streams, and various other (external) sources of actual and forecast economic information.

main notes to the consolidated financial statements.

In our estimation, we have taken into account the impact due to changes in macroeconomic circumstances related to COVID-19, on the expected credit risk in our portfolio. Compared to 2020 this risk decreased, resulting in the expected credit losses as a percentage of our portfolio to decrease in 2021.

Significant financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy or financial reorganization, serious default or delinquency in payments, and significant overdues in payment are considered indicators that the trade receivable is in default and a credit loss is expected to occur. The amount of the allowance is equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows.

movements in the allowance for expected credit losses of trade receivables

	2021	2020
Balance as at January 1	52	50
Charged to selling expenses	(2)	16
Receivables written off as uncollectable	(7)	(12)
Translation differences	1	(2)
Balance as at December 31	44	52

In the allowance for expected credit losses of trade receivables, an allowance is included for individually impaired trade receivables of € 20 million (2020: € 21 million). The remainder is related to other expected

credit losses, which are measured at an amount equal to lifetime ECL, based on the approach described above.

The allowance for expected credit losses of trade receivables is excluding recoverable value-added taxes.

Net amounts charged to this allowance are generally written off when there is no expectation of recovering additional cash.

The table 'expected credit losses' shows the rate of expected credit losses for various appropriate past due categories.

aging of trade receivables, based on invoice date

	2021		2020	
	amount	%	amount	%
0-4 weeks	2,550	56.4	2,124	57.4
5-16 weeks	1,860	41.1	1,469	39.7
17-26 weeks	63	1.4	47	1.3
Not impaired	4,473	98.9	3,640	98.4
Impaired	48	1.1	59	1.6
	4,521	100.0	3,699	100.0

The information with regard to aging categories is based on the invoice date, as the risk of non-payment starts from this date.

For other financial assets, which for the main part comprise receivables on governmental or semi-governmental bodies, see [note 21](#).

expected credit losses

	trade receivables - days past due				
	not past due	0-4 weeks	5-16 weeks	17 weeks and over	doubtful debts
December 31, 2021					
ECL rate	0.1%	0.6%	2.1% - 9.8%	20% - 54%	100%
Estimated total gross carrying amount at default	3,455	333	140	30	20
Lifetime ECL	3	2	6	13	20
					44
December 31, 2020					
ECL rate	0.1%	0.9%	2.9% - 13.7%	25% - 75%	100%
Estimated total gross carrying amount at default	2,810	285	112	30	21
Lifetime ECL	3	3	6	19	21
					52

Excess cash positions are invested with preferred financial partners, which are mostly considered to be high-quality financial institutions with sound credit ratings, or in highly rated liquidity funds. Policies are in place that limit the amount of credit exposure to any one financial institution.

3.2.2 liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations. The Group's approach to liquidity risk is to ensure, as far as possible, that it will always have sufficient funds available to meet its liabilities when due, under both normal and stressed conditions. This risk is managed by having sufficient availability of cash, as well as committed and uncommitted credit lines, both at Group and subsidiary level.

credit facilities

As at December 31, 2021, the Group had a € 1,850 million (2020: € 1,850 million) committed multi-currency syndicated revolving credit facility at its disposal, which matures in July 2024 (2020: July 2024). As of July 2023, the amount at the disposal of the Group will change from € 1,850 million to € 1,778 million. The facility agreement contains a covenant with respect to the net debt to EBITDA ratio (leverage ratio), as well as a paragraph on material adverse changes; the net debt to EBITDA ratio has a limit of 3.5, and is calculated based on the results of the Group on a 12-month basis. In certain cases, Randstad is allowed to report a leverage ratio of 4.25x EBITDA for a limited period of time. This credit facility has an interest rate that is based each time on the term of the drawings, increased by a margin above the applicable Euribor or LIBOR rates. The margin is variable and depends on the 'net debt to EBITDA' ratio.

The facility agreement stipulates that the calculation of this ratio is based on the accounting policies as included in the annual report 2011, being the initial starting date of the current facility.

The Group recently secured two committed bilateral revolving credit facilities of € 200 million each, with a three-year tenor, maturing in December 2024 and a committed bilateral term loan of USD 300 million, with a three-year tenor, maturing in December 2024. The revolving credit facilities have an interest rate that is each time based on the term of the drawing, increased with a fixed margin above the applicable Euribor rate.

Covenants are fully aligned with the committed multi-currency syndicated revolving credit facility. The term loan has an interest rate that is each time based on the term of the drawing, increased by a margin above the applicable Libor rate. The margin is variable and depends on the 'net debt to EBITDA' ratio. Covenants are fully aligned with the committed multi-currency syndicated revolving credit.

Based upon these financial statements and as a result of the net cash position, the actual leverage ratio (pre IFRS 16 'Leases') as at December 31, 2021 is -0.1 (December 31, 2020: -0.4), which is well below the limit.

borrowings

Borrowings are initially recognized at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost.

Any difference between the proceeds and the amount to be repaid is recognized in net finance costs during the term of the borrowings, using the effective interest method.

total borrowings

	2021	2020
Non-current borrowings	664	-
Non-current borrowings	664	-
Current borrowings	16	141
Borrowings, under current liabilities	16	141
Total borrowings	680	141

Since the interest rates on the current borrowings and non-current borrowings fluctuate with the market, the effective interest rates are considered equal to the actual rates.

Negative pledges have been issued for purposes of bank overdraft facilities, and 'pari passu' clauses apply.

main notes to the consolidated financial statements.

Amounts of non-current borrowings which are denominated in US dollars were designated as hedges of the net investment in subsidiaries in the US (during 2021 and 2020). These net-investment hedges were all considered effective.

Bank overdrafts are denominated in various currencies. As at December 31, 2021, the major bank overdraft denominated in foreign currencies is for an amount of € 3 million in US dollars (December 31, 2020: € 4 million).

Money market drawings as at December 31, 2020 are denominated in euros and had an average interest percentage of 0.02%, with an average term to maturity of 7 days.

Maturities of financial liabilities are expected to be:

movements in non-current borrowings

	2021	2020
Balance as at January 1	-	507
Net drawings on/(net repayments of) non-current borrowings	664	(495)
Translation and currency differences	-	(12)
Balance as at December 31	664	-

current borrowings

	2021	2020
Balance as at January 1	141	474
Acquisition of subsidiary companies	23	-
Net decrease	(148)	(332)
Net decrease cash flow statement	(125)	(332)
Translation and currency differences	-	(1)
Balance as at December 31	16	141
Bank overdrafts	16	81
Money market drawings	-	60
Balance as at December 31	16	141

expected maturities of financial liabilities

including interest payments

	carrying amount	0 - 90 days	91 - 365 days	2 - 5 years	more than 5 years
December 31, 2021					
Non-current borrowings ¹	664	-	-	664	-
Lease liabilities (non-current and current) ²	594	50	138	355	83
Borrowings under current liabilities ³	16	16	-	-	-
Trade and other payables ⁴	4,351	3,883	468	-	-
Other liabilities ⁵	4	2	2	-	-
	5,629	3,951	608	1,019	83
December 31, 2020					
Non-current borrowings	-	-	-	-	-
Lease liabilities (non-current and current) ²	588	50	143	369	58
Borrowings under current liabilities ³	141	141	-	-	-
Trade and other payables ⁴	3,651	3,187	461	-	-
Other liabilities ⁵	4	-	2	2	-
	4,384	3,378	606	371	58

¹ Drawings on the revolving credit facilities and the term loan mature in 2024. All amounts are undiscounted.

² Lease liabilities: carrying amount is discounted, whereas lease repayments in the maturity buckets are undiscounted.

³ Bank overdrafts include no interest, as these are repayable upon demand; other drawings include interest. All amounts in the maturity buckets are undiscounted.

⁴ Excluding deferred income. All amounts are undiscounted.

⁵ Other liabilities are based on the expected contractual dates. Carrying amount is discounted, whereas amounts in the maturity buckets are undiscounted.

main notes to the consolidated financial statements.

cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank, as well as time deposits and other short-term highly liquid investments with original maturities of three months or less.

cash and cash equivalents

	2021	2020
Time deposits	130	9
Cash on hand and at bank	729	465
	859	474

Time deposits fall due, on average, within a month. The average interest rate for time deposits is 0.2 % (December 31, 2020: 2.5%).

An amount of € 827 million out of € 859 million (December 31, 2020: € 443 million out of € 474 million) is available upon demand.

net debt

The net debt includes the balance of cash, cash equivalents, and borrowings (both current and non-current), as well as lease liabilities (current and non-current).

net debt

	2021	2020
Non-current borrowings	(664)	-
Current borrowings	(16)	(141)
Total borrowings	(680)	(141)
Cash and cash equivalents	859	474
Net cash/(net debt), excluding lease liabilities	179	333
Lease liabilities	(594)	(588)
Net debt	(415)	(255)

3.2.3 foreign currency exchange risk

transactions and balances in currencies other than the functional currency

Transactions in currencies other than the functional currency of the related subsidiary are converted at the foreign exchange rate on the date of the transaction.

Monetary balance sheet items (such as cash and borrowings) in currencies other than the functional currency of the related subsidiary are converted at year-end exchange rates.

Exchange differences resulting from the settlement of transactions on cash, cash equivalents, and borrowings, as well as from the conversion of these monetary balance sheet items, are included in net finance costs. Exchange differences resulting from the settlement of other transactions and conversion of other monetary balance sheet items are included in operating expenses.

Non-monetary balance sheet items (such as property, plant and equipment) that are measured in terms of historical cost in currencies other than the functional currency of the related company are converted at the foreign exchange rates on the date of transaction.

exposures to foreign currency exchange risk

The Group uses the euro as its reporting currency. Currencies other than the euro that are of primary importance to the Group are the Australian dollar, the Canadian dollar, the Japanese yen, the Swiss franc, the UK pound sterling, and the US dollar.

main exchange rates to the euro

averages on annual basis

	2021		2020	
	average	at year-end	average	at year-end
Australian dollar	0.64	0.64	0.60	0.63
Canadian dollar	0.67	0.70	0.65	0.64
Japanese yen	0.0077	0.0076	0.0082	0.0079
Swiss franc	0.92	0.96	0.93	0.92
UK pound sterling	1.16	1.19	1.12	1.12
US dollar	0.85	0.88	0.88	0.82

The foreign currency exchange risk of the Group with respect to transactions is limited, because subsidiaries usually generate both revenues and expenses in the same local currency.

All other foreign exchange transactions, which mostly consist of intercompany financing (equity increases, dividends, intercompany loans, and interests), are accounted for, in principle, at the exchange rate at the transaction date. The Group has a policy to match, within certain preset boundaries, the currencies in the net debt positions with the currencies in the cash flow generation. The currency mix of the debt can easily be adjusted, as the € 1,850 million syndicated revolving credit facility is a multi-currency facility. In principle, the use of derivatives is therefore unnecessary.

At year-ends 2021 and 2020, the Group had no outstanding interest rate or currency derivatives.

Currency fluctuations can, however, affect the consolidated results, due to the translation of local results into the Group's reporting currency.

Translation effects from consolidation may also impact shareholders' equity. The Group has a number of net investments in foreign subsidiaries whose assets and liabilities are exposed to currency translation risk that is accounted for, through total other comprehensive income, in equity. Currency exposures arising from the net assets of the Group's foreign operations are monitored and, when considered necessary, hedged against borrowings in the relevant currencies through a net investment hedge; translation differences on borrowings classified as such are included, through comprehensive income, in equity.

In the Group, one subsidiary (Argentina) is accounted for in accordance with IAS 29 'Financial reporting in hyperinflationary economies'. The application of this standard has no material effect on the consolidated financial statements. The general price index published for Argentina is used in restating the results of Argentina. The CPI index as at 31 December 2021 was 582 (December 31, 2020: 386). The effect of the adjustment on the results of the Group designated as the result on net monetary position totaled € 0.9 million euro during the current year (2020: € 0.2 million) and is presented under net finance costs.

sensitivity

If the euro had weakened or strengthened 10% on average during 2021 against the currencies mentioned in the table 'main exchange rates to the euro', with all other variables held constant, EBITA for the year 2021 would have been higher or lower respectively in the range of € 1 million – € 20 million per currency (2020: range of € 2 million – € 15 million per currency). The effect on shareholders' equity would have been the same (before tax effects) (2020: range of € 2 million – € 15 million per currency).

3.2.4 interest rate risk

The general policy is to keep interest rates on net debt floating as much as possible. We believe this adds value for shareholders in the long term, as over time floating interest rates are on average significantly lower than fixed interest rates. We also believe that the staffing industry has a natural hedge to interest rate changes (EBITDA levels usually move up and down more or less in line with interest rate levels), and since the Group is cash-generating, we aim to maintain floating interest rates on net debt as much as possible.

sensitivity

If the interest rate had been 1 percentage point higher on average during 2021, with all other variables held constant, net interest expenses for the year would not have been affected (2020: € 4 million higher).

3.3 impact of covid-19 pandemic

The global outbreak of COVID-19 at the start of 2020 led to a significant disruption in our main markets, resulting in unprecedented declines in GDP in these markets, mainly in 2020 during Q2, but also to a lesser extent in Q3 and Q4. At the end of 2020, we saw significant improvements, which continued with a positive momentum in 2021.

We continue to monitor and address the impacts of the COVID-19 outbreak on our operations. However, we cannot predict with certainty what these impacts will be for the near future.

3.3.1 triggering event for asset impairment test

In 2021, the impact of COVID-19 on our business was fairly limited, and thus was not considered to be a triggering event to test the impairment of goodwill and other assets.

main notes to the consolidated financial statements.

In Q2 2020, we did consider the disruption in our markets due to the COVID-19 pandemic to be a triggering event to test the impairment of goodwill and other assets. The impairment test led to an impairment of goodwill of € 86 million in our UK segment. See [note 5.2](#) for further disclosures.

3.3.2 allowance for expected credit risk on accounts receivable

Compared to 2020, the credit risk in our portfolio decreased, resulting in a lower allowance for expected credit losses. See [note 3.2.1](#) (credit risk) for further disclosures.

3.3.3 rent concessions

In May 2020, the IASB issued the COVID-19-Related Rent Concessions (an amendment to IFRS 16 'Leases'), which were modified in the second half of the year (with an extension to June 30, 2021). In March 2021, the IASB issued COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16), which extends the practical expedient to June 30, 2022. This has allowed the Group to not assess whether a COVID-19-related rent concession is a lease modification.

The Group made use of this amendment for all rent concessions that met the conditions. It results in the lease liability to be extinguished and to be included as a gain in the income statement, with a corresponding reduction in the lease liability. The positive impact of these rent concessions on our income statement was nil in 2021 (2020: € 0.7 million).

3.3.4 governmental employment protection programs

In various countries, mainly in Europe, in the midst of the pandemic, governments have put in place a wide variety of employment protection programs in 2020. These employment protection programs continued in 2021 but reduced greatly in number.

We have accounted for these programs in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. The details are further disclosed below.

These employment protection programs reduced our operating expenses by € 3 million for the year (2020: € 63 million). This amount is a combination of grants received, temporary lowering of wage tax and social

security charges, and direct payment of (part of) salaries of corporate employees by government.

We also made use of government programs relating to our (external) staffing employees. The amount of these employment protection programs in our cost of services was € 45 million for the year (2020: € 270 million), consisting of a combination of grants received, temporary lowering of wage taxes and social security charges, and direct payment of (part of) salaries of (external) staffing employees by government. The net effect of these programs on our gross profit and cost of services was not material, as these programs were used to compensate wages/salaries of staffing employees. It allowed us, in the absence of client revenue, to maintain these (external) staffing employees on our payroll without charging these to clients, preventing early termination or naturally ending of their contracts, as well as allowing us to focus on redeployment and reskilling activities.

3.3.5 cash flows

In addition to government employment protection programs, in 2021, government measures also included the postponement of payments to government (such as value-added taxes and social security charges) to future periods.

The postponed payments related to COVID-19-related government measures of € 120 million at the end of 2020, resulting in a negative impact on our cash flows in 2021. These 2020 postponements were paid in 2021.

Capital preservation was one of our key priorities in 2020. At the start of the COVID-19 pandemic in early 2020, we removed the proposal for dividend payments related to 2019 as a precautionary measure. Prudence was warranted at that moment in time given the serious adverse conditions seen globally that had an immediate impact on our business and the lack of visibility in those unprecedented times.

During 2021, we returned to paying dividends related to 2020, in line with our capital allocation policy.

4 critical accounting policies, judgments, estimates, and assumptions

In preparing the financial statements, management has to make certain judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. The actual outcome may differ from these judgments, estimates, and assumptions, and therefore could have a material effect on the carrying amount of the asset or liability involved. The timing of outflow of resources to settle provisions is subject to the same uncertain factors. Judgments, estimates, and assumptions are reviewed on an ongoing basis, and are based on historical experience and various other factors, including expectations about future events that are believed to be reasonable under the circumstances and for the item involved. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The Group considers the following accounting policies, judgments, estimates, and assumptions as critical, which are described in the notes as indicated:

- Impairment of non-financial assets in general and impairment of goodwill specifically (estimates and assumptions in respect of recoverable amounts) ([note 5](#));
- Provisions (estimates for the likelihood as well as timing of (possible) cash outflows) ([note 6](#))
- Corporate taxes (judgments in determination of worldwide deferred tax assets) ([note 7](#));
- Leases (assumptions for options (such as renewal and early-termination) in lease contracts) ([note 8](#));
- Revenue recognition (judgments in determination of the timing of satisfaction of performance obligation and of acting as principal versus agent) ([note 9](#)).

5 impairments

5.1 impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, with the exception of deferred tax assets and the plan assets in relation to defined benefit pension plans, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For goodwill, testing for impairment is performed at least annually.

If there are such indications, the recoverable amount of the asset is estimated. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. For purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill is allocated to groups of cash-generating units, being operating segments, for purposes of impairment testing.

If the recoverable amount of an asset or a cash-generating unit (or operating segment) is estimated to be lower than its carrying amount, the related carrying amount is reduced to its recoverable amount.

The resulting impairment loss is immediately recognized in total operating expenses.

The recoverable amount is the higher of an asset's fair value less costs to dispose and its value in use.

The value in use is determined by using the present value of estimated cash flow projections. The discount rates are based on interest rates that align with the terms of the projections and the specific risks of the asset or business respectively.

In determining the fair value less costs to dispose, information such as recent market transactions is taken into account; if no such transactions (or comparable transactions) can be identified, an appropriate valuation model is used. This valuation model is supplemented by valuation multiples, quoted share prices, or other available fair-value indicators.

Impairment losses relating to a cash-generating unit (or operating segment) are first allocated to reduce the carrying amount of the goodwill of the related cash-generating unit (or operating segment) and then to

main notes to the consolidated financial statements.

reduce the carrying amount of the other assets of that cash-generating unit (or operating segment) on a pro rata basis.

An impairment loss with respect to goodwill is not reversed.

With respect to other assets, an impairment loss recognized in a prior period is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

For the impairment testing method of property, plant and equipment, software, and acquisition-related intangible assets, see notes 18, 19 and 20 respectively.

5.2 goodwill and impairment of goodwill

5.2.1 goodwill

	2021	2020
Cost	3,847	3,944
Accumulated impairment	940	887
Balance as at January 1	2,907	3,057
Acquisition of subsidiaries	91	(4)
Impairment	(2)	(86)
Translation differences	51	(60)
Balance as at December 31	3,047	2,907
Cost	4,024	3,847
Accumulated impairment	977	940
Balance as at December 31	3,047	2,907

In 2021, the Group acquired 100% of the shares of Cella, Inc. (USA), and of Hudson Benelux (Belgium). See note 11.1 for further information.

In 2020, the Group acquired 100% of the shares of Mühlenhoff + Partner Group (Germany). See note 11.1 for further information.

In 2021, the Group disposed of certain subsidiaries/activities in Germany and Switzerland. See note 11.2 for further information.

In 2020, the Group did not dispose of any subsidiaries or activities.

accounting policies

Goodwill on acquisitions of subsidiaries is included in intangible assets; goodwill on acquisitions of associates is included in investments in associates. For the measurement of goodwill at initial recognition, see note 11.1.

Goodwill on acquisitions represents payments made by the Group in anticipation of future economic benefits from assets that cannot be identified individually and cannot be recognized separately. These relate, for example, to synergies expected from integrating the acquired companies and the workforces of the acquired companies.

Goodwill is stated at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity that is sold. Where goodwill has been allocated to an operating segment and part of the operation within that operating segment is disposed of, the goodwill related to that part is included in the carrying amount of the disposed operation when determining the gain or loss on disposal. Goodwill disposed is calculated based on the relative value of the disposed operation of the total value of the operating segment to which the disposed operation belongs. If disposal of an entity results in a loss, the goodwill part in the loss is presented in the statement of comprehensive income as an impairment of goodwill, up to a maximum amount of the loss on disposal.

Goodwill is allocated to operating segments for the purpose of impairment testing. The allocation is made to those operating segments that are expected to benefit from the business combination in which the goodwill arose.

impairment testing

In the case of triggering events and at least annually, the Group tests whether intangible assets, being goodwill and acquisition-related intangible assets, have suffered any impairment. The recoverable amounts of cash-generating units have been determined using, among other instruments, value-in-use calculations. These calculations require the use of estimates. Based on these

main notes to the consolidated financial statements.

impairment tests, impairment losses, if any, are identified.

determination of recoverable amount

The recoverable amount for all operating segments is based on the higher of the value in use and the fair value less cost to dispose. The value in use is determined by means of cash flow projections based on the actual operating results adjusted for non-cash items (mainly depreciation and amortization) and the expected future performance, which in turn is based on historical performance, management's estimates and assumptions of revenue growth, and on developments of operating margins, assessed using external data, covering a period of, in principle, nine years (2020: nine years). Cash flow projections after this period are extrapolated by means of a growth percentage of 0.25% (2020: 0.25%) throughout the Group. The nine-year period of the projections reflects an estimated full business cycle of our industry.

triggering events during the year

During the third quarter of 2021, the change in legislation in Mexico was considered a triggering event. The change in law prohibits the outsourcing of labor to a third party. In our impairment testing we have taken into account the negative impact of this law on our business. The calculation of the recoverable amount in comparison with the carrying amount resulted in an impairment of €1 million.

During the second quarter of 2020, the disruption to our markets due to COVID-19 was considered a triggering event to test goodwill. This goodwill impairment test primarily focused on those operating segments that had proven to be most sensitive to goodwill impairments in the 2019 annual impairment test (i.e., France, the UK, Australia, Poland and Sourceright EMEA). We used several scenarios with regard to future profitability and related cash flows, attaching probabilities to each of these scenarios. Based on the weighted assumptions as indicated below, the calculation of the recoverable amount in comparison with the carrying amount resulted in an impairment of € 86 million of goodwill for the UK.

5.2.2 annual impairment test

We performed our annual goodwill impairment test as of October 1, 2021. Key assumptions in the cash flow projections are:

- Annual revenue growth of the Group: on average between 3.1% and 9.9% (2020: 2.9% and 11.4%) for the first three years and between 2.6% and 2.7% (2020: 2.2% and 2.6%) for the following six years (Netherlands: 0.6% to 1.5% and 1.5% respectively (2020: 0.5% to 8.8% and 0.5% respectively); USA: 2.5% to 15.2% and 2.5% respectively (2020: 3% to 8.4% and 2.5% respectively); France: 2.3% to 10.3% and 2.3% to 2.4% respectively (2020: 2.7% to 15.8% and 1.5% to 2% respectively));
- EBITA of the Group in the range of 4.2% to 4.6% (2020: 3.6% to 4.3%) of revenue (Netherlands: 4.9% to 5.4% (2020: 4.3% to 4.6%); USA: 4.6% to 5.1% (2020: 4.6%); France: 4.7% to 5.0% (2020: 3.6% to 4.8%));
- Growth rates in revenue and EBITA percentages vary between segments in relatively limited terms and are dependent on the mix in revenue.

The cash flow projections are prepared in local currencies, and discounted with pre-tax discount rates for each currency involved. The pre-tax discount rates vary from 9.1% to 27.7% (2020: 8.1% to 31.6%). The weighted average is 12.1% (2020: average 11.7%); Netherlands: 10.6% (2020: 10.0%); USA: 12.2% (2020: 11.5%); France: 12.7% (2020: 13.1%).

results of annual impairment test

The annual impairment test performed by the Group for 2021 resulted in no impairments (2020: no impairments).

main notes to the consolidated financial statements.

sensitivity relating to annual impairment test

For 2021, the operating segments Germany, UK, Australia, and Sourceright EMEA are most sensitive to variations in assumptions (2020: Germany, UK, Switzerland, Scandinavia, Eastern Europe, and Sourceright EMEA). The outcome of impairment testing is sensitive to variations in estimates and assumptions. Variations in estimates and assumptions have the following effect on the recoverable amount calculations:

- Revenue growth: a 1.0%-point lower growth rate would not result in an impairment charge (2020: no impairment charge);
- A 0.5%-point lower EBITA in percentage of revenue would result in an impairment charge of € 2 million for Sourceright EMEA (2020: no impairment charge); a 1.0%-point lower EBITA in percentage of revenue would result in an impairment charge of € 26 million for the operating segment UK and € 24 million for Sourceright EMEA (2020: € 16 million for Germany, € 40 million for UK, € 15 million for Switzerland, € 12 million for Scandinavia, € 3 million for Eastern Europe and € 1 million for Sourceright EMEA); a 1.5%-point lower EBITA in percentage of revenue would imply a € 130 million impairment charge; € 29 million for the operating segment Germany, € 42 million for UK, € 33 million for Australia and € 26 million for Sourceright EMEA (2020: € 135 million for the operating segment Germany, € 40 million for UK, € 38 million for Switzerland, € 42 million for Scandinavia, € 5 million for Eastern Europe, and € 25 million for Sourceright EMEA).
- Discount rate: a 1.0%-point higher discount rate would not result in an impairment charge (2020: no impairment charge).

The recoverable amount of these sensitive operating segments of € 1.241 million (2020: € 1.074 million) exceeds the carrying amount (including € 417 million (2020: € 515 million) of goodwill) by € 518 million (2020: € 411 million).

The operating segments France, the Netherlands, Belgium & Luxembourg, Spain, Portugal, Italy, Switzerland, Poland, Scandinavia, USA, Canada, Japan, Greater China, Singapore, Sourceright North America, Sourceright APAC, and Latin America have substantial headroom available.

For the carrying amount of goodwill by reporting segment, see [note 10.2](#).

main notes to the consolidated financial statements.

6 provisions

	restructuring	workers' compensation	other	total
Balance as at January 1, 2021	36	44	86	166
Movements in 2021				
Disposal of subsidiaries	(5)	-	-	(5)
Charged to income statement				
Released to income statement	(9)	-	(11)	(20)
Withdrawals	(31)	(27)	(17)	(75)
Total amount in statement of cash flows	(10)	-	(16)	(26)
Additions from right-of-use assets	-	-	-	-
Interest due to passage of time	-	1	-	1
Translation differences	1	4	-	5
Balance as at December 31, 2021	22	49	70	141
Non-current	6	29	35	70
Current	16	20	35	71
Balance as at December 31, 2021	22	49	70	141
Balance as at January 1, 2020				
Non-current	3	28	34	65
Current	43	20	28	91
	46	48	62	156
Movements in 2020				
Charged to income statement	60	29	47	136
Released to income statement	(3)	-	(12)	(15)
Withdrawals	(67)	(30)	(11)	(108)
Total amount in statement of cash flows	(10)	(1)	24	13
Additions from right-of-use assets	-	-	1	1
Interest due to passage of time	-	1	-	1
Translation differences	-	(4)	(1)	(5)
Balance as at December 31, 2020	36	44	86	166
Non-current	4	25	46	75
Current	32	19	40	91
Balance as at December 31, 2020	36	44	86	166

Provisions are recognized for legally enforceable or constructive obligations as a result of a past event for which the settlement is likely to require an outflow of resources and to the extent that these can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an interest rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Provisions for restructuring are recognized when a detailed and formal restructuring plan has been

approved, and the restructuring has either commenced or has been announced publicly. These restructuring provisions mainly comprise severance payments for personnel.

Provisions for workers' compensation are based on claims for compensation and medical expenses (of both employees and candidates working) in relation to accidents during working hours for which the Group is liable under applicable local laws. These provisions relate to our activities in North America and in parts of Australia, where we are responsible for payment of

workers' compensation claims up to a maximum amount per claim, beyond which the costs are insured.

Independent actuaries calculate the amount of the provision.

The effective interest rate used in the calculation of the provision for workers' compensation is 3% (2020: 3%).

Other provisions mainly relate to:

- Onerous contracts, where the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract; and
- Claims from third parties. In the ordinary course of business, the company is involved in various legal proceedings in which claims are asserted by clients, candidates placed and vendors, as well as in investigations by local tax and regulatory authorities that have led to or might lead to claims. These claims are provided for at the lowest amount at which the Group expects the claim to be reasonably settled. Due to the highly uncertain timing of the expected future cash outflow, amounts provided for claims from third parties are categorized to be settled within one year of the balance sheet date, unless these are explicitly expected to be settled later.

The majority of the non-current part of these provisions is expected to be settled within three years of the balance sheet date.

sensitivity

The provision for workers' compensation is sensitive to interest rate changes. Should the interest rate deviate by 1%- point, with all other variables held constant, the provision would deviate in the range of €1 million to €2 million (2020: range of € 3 million to € 5 million).

7 corporate taxes

The Group is subject to corporate income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide deferred tax assets on, among other items, tax losses carried forward. There are many uncertain factors that affect the recognition of deferred tax assets with respect to the amount of tax losses carried forward. The Group recognizes deferred tax assets on tax losses carried forward based on its best estimates. The recoverability of deferred income tax assets is reviewed and assessed frequently, using forecasts that are based on actual and future (taxable) results. External data are used for reference if considered necessary. When the actual (taxable) results are different from the amounts that were initially estimated, such differences will impact the income tax in the income statement (effective tax rate), as well as the deferred tax assets and/or deferred tax liabilities in the period in which these deviations occur.

The Group has also identified a number of uncertain tax positions. The Group determines whether to consider each uncertain tax position separately or together with one or more other uncertain tax positions, and applies the approach considered most suitable to predict the resolution of the uncertainty. The Group applies significant judgment in identifying uncertainties over income tax treatments. As the Group operates in a complex multinational environment, it takes any potential uncertain tax position into consideration, mostly relating to transfer pricing policies. The tax returns of the companies in the Group are filed in different tax jurisdictions and include deductions related to transfer pricing (mainly holding, royalty and interest charges passed on by the Company). Tax authorities may challenge those deductions for tax purposes. Based on the Group's tax compliance, transfer pricing studies, and assessments based on the judgments of tax professionals within the Group, supplemented by external tax advice from case to case, the Group determines the probable outcome of the uncertainties. Provisions are recognized for those matters for which the tax determination is uncertain, but for which it is considered probable that the tax authorities will not accept the uncertain treatment. The provisions are based on either the most likely amounts or the expected value of the payable amount.

main notes to the consolidated financial statements.

7.1 deferred and current income taxes

Using the balance sheet liability method, deferred tax assets and liabilities are recognized to provide for temporary differences between the value of the assets and liabilities for financial reporting purposes and for tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes relate to the same tax jurisdiction.

Deferred tax assets, including those resulting from tax losses carried forward, are recognized to the extent that it is probable that future taxable profits will be available as a consequence of which the temporary differences, including tax losses carried forward, can be realized.

Deferred tax assets and liabilities are valued at tax rates enacted or substantively enacted at year-end and which are expected to apply in the coming years when the assets and liabilities are expected to be realized or settled.

Deferred tax is recorded with respect to temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liabilities arising from undistributed profits from investments where the entity is able to control the timing of the distribution and it is probable that such distribution will not occur in the foreseeable future.

deferred income tax assets

composition of deferred income tax assets

	2021	2020
Tax losses carry-forward	335	425
Unused tax credits	180	150
<hr/>		
Temporary differences:		
Property, plant, equipment, intangible assets, and right-of-use assets/lease liabilities	97	89
Other receivables/other payables	100	104
Provisions	85	69
	282	262
Deferred income tax assets (before netting)	797	837
<hr/>		
Amount netted with deferred income tax liabilities	(178)	(163)
Deferred income tax assets (after netting)	619	674

movements in total position of corporate taxes

	2021	2020
Assets/(liabilities)		
Deferred income tax assets	674	579
Current income tax receivables	98	130
Deferred income tax liabilities	(31)	(38)
Current income tax liabilities	(65)	(96)
Balance as at January 1	676	575
Movements during the year		
Charged to income statement	(250)	(60)
Net payments	204	181
Acquisition of subsidiaries' deferred taxes	(11)	-
Recognized in other comprehensive income	(27)	13
Recognized in equity on share-based compensations	1	-
Translation differences	22	(33)
Total movements	(61)	101
Assets/(liabilities)		
Deferred income tax assets	619	674
Current income tax receivables	77	98
Deferred income tax liabilities	(18)	(31)
Current income tax liabilities	(63)	(65)
Balance as at December 31	615	676

Deferred income tax assets in relation to tax losses carried forward comprise an amount of € 10 million (2020: € 13 million), originating from subsidiaries that generated tax losses in the current or preceding year. These deferred tax assets relate to a number of subsidiaries in various countries.

Certain deferred income tax assets, whose recoverability is considered not probable, are valued at nil. These concern deferred tax assets in relation to tax losses carried forward of € 130 million (December 31, 2020: € 145 million), as well as deferred tax assets relating to other temporary differences of € 8 million (December 31, 2020: € 25 million). Such carried forward tax losses mainly relate to our subsidiaries in Luxembourg and Monster subsidiaries in Europe. These carried forward losses have expiry dates in the range of five years to indefinitely.

Unused tax credits mainly relate to tax credits in the US, which will be realized after all tax losses carried forward have been recovered. The expiry term of these US

main notes to the consolidated financial statements.

unused tax credits is 20 years. Of these unused tax credits, an amount of €9 million is not valued as at December 31, 2021 (December 31, 2020: € 9 million).

The part of deferred tax assets that is expected to be realized within one year is estimated at € 92 million (2020: € 72 million).

sensitivity

Deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits are available, as a consequence of which these deferred tax assets can be realized. The scenarios used are in agreement with the estimates and assumptions used in the goodwill impairment testing (see [note 5](#)). The various scenarios yield potential outcomes that do not materially deviate from the carrying amount.

deferred income tax liabilities

composition of deferred income tax liabilities

	2021	2020
Acquisition-related intangible assets	12	20
Temporary differences relating to subsidiaries	89	93
Other temporary differences	95	81
Deferred income tax liabilities (before netting)	196	194
Amount netted with deferred income tax assets	(178)	(163)
Deferred income tax liabilities (after netting)	18	31

movements in deferred income taxes

	Tax losses carry-forward	Unused tax credits	Temporary differences	total 2021	total 2020
Deferred income tax assets	425	150	262	837	742
Deferred income tax liabilities	-	-	(194)	(194)	(201)
Balance as at January 1	425	150	68	643	541
Movements during the year					
Acquisition of subsidiaries	-	-	(11)	(11)	-
Income statement	(23)	18	51	46	130
Other movements	(71)	-	(26)	(97)	1
Translation differences	4	12	4	20	(29)
Total movements	(90)	30	18	(42)	102
Deferred income tax assets	335	180	282	797	837
Deferred income tax liabilities	-	-	(196)	(196)	(194)
Balance as at December 31	335	180	86	601	643

[main notes to the consolidated financial statements.](#)

7.2 corporate taxes on income

Corporate taxes on income for the year comprise current taxes and deferred taxes. Income taxes are recognized in the income statement, except for taxes that relate to items recognized in other comprehensive income; these taxes are consequently also recognized in other comprehensive income.

Current taxes on income are the sum of taxes recorded on the results before taxes in the countries where those results were generated, based on local tax regulations and against tax rates of the applicable year. Income that is tax-exempt and expenses that are not tax-deductible are taken into account in calculating current taxes on income.

details of corporate taxes on income

	2021	2020
Current tax expense	296	190
Deferred tax income	(46)	(130)
Tax expense	250	60

In 2021, the effective tax rate on income before taxes was 24.6% (2020: 16.5%). The reconciliation between the applicable income tax rate of the company's country of domicile and the effective tax rate is as follows:

reconciliation from applicable to effective tax rate

	2021	2020
Income tax rate of the company's country of domicile	25.0%	25.0%
Effect of income tax rates in other (non-domestic) jurisdictions	(0.9%)	(0.6%)
Weighted average applicable tax rate	24.1%	24.4%
Tax-exempt income/non-tax-deductible items	1.1%	8.7%
Changes in statutory applicable tax rates and effect of prior years	(0.1%)	(0.9%)
Change in valuation of deferred tax assets and other	(0.5%)	(15.7%)
Effective tax rate	24.6%	16.5%

'Tax-exempt income/non-tax deductible items' had an effect of 1.1% in 2021 (2020: 8.7%). This is mainly caused by the effect of the French business tax (CVAE) of 1.8%-points in 2021, increasing the effective tax rate (2020: 7.5%-points CVAE effect and 4.5%-points caused by the non-tax deductible goodwill impairment). The other non-tax deductible expenses and tax-exempt income had a net decreasing effect of 0.7%-points (2020: 3.3%-points).

'Changes in statutory applicable tax rates and effects of prior years' had an effect of (0.1%)-points (2020: (0.9%)-points) on the effective tax rate.

'Change in valuation of deferred tax assets and other' had an effect of (0.5%)-points in 2021, compared to (15.7%)-points in 2020 and is the result of the re-assessment of the future recoverability of carried forward losses and of other deferred tax assets in various countries. The impact in 2020 is mainly caused by the re-assessment of the valuation of carried forward losses in Luxembourg as a consequence of an increase in expected future taxable profits.

main notes to the consolidated financial statements.

8 leases

8.1 right-of-use assets and lease liabilities

	right-of-use buildings	right-of-use cars	right-of-use IT and other equipment	right-of-use assets	lease liabilities
Balance as at January 1, 2021	416	90	5	511	588
Movements in 2021					
Acquisition of subsidiaries	2	2	-	4	7
Disposals of subsidiaries	-	-	-	-	(1)
Additions	113	36	-	149	149
Remeasurements	30	1	1	32	26
Depreciation/impairment	(144)	(45)	(3)	(192)	
Interest due to passage of time					11
Repayments					(196)
Translation differences	4	(1)	-	3	10
Balance as at December 31, 2021	421	83	3	507	594
Cost	1,062	183	10	1,255	
Accumulated depreciation and impairment	641	100	7	748	
Non-current part					407
Current part					187
Balance as at December 31, 2021	421	83	3	507	594
Balance as at January 1, 2020					
Cost	1,018	187	10	1,215	
Accumulated depreciation and impairment	586	94	4	684	
Non-current part					417
Current part					204
Balance as at January 1, 2020	432	93	6	531	621
Movements in 2020					
Additions	109	35	1	145	144
Remeasurements	35	10	(1)	44	40
Depreciation/impairment	(150)	(50)	(3)	(203)	
Interest due to passage of time					15
Repayments					(220)
Translation differences	(10)	2	2	(6)	(12)
Balance as at December 31, 2020	416	90	5	511	588
Cost	1,037	183	10	1,230	
Accumulated depreciation and impairment	621	93	5	719	
Non-current part					397
Current part					191
Balance as at December 31, 2020	416	90	5	511	588

main notes to the consolidated financial statements.

Lease liabilities are payable as follows and are set out in the table below, showing the undiscounted lease payments to be paid after the balance sheet date.

maturity of lease liabilities

	2021	2020
Year 1	188	193
Year 2-5	355	369
More than 5 years	83	58
Undiscounted lease amounts to be paid	626	620
Interest	(32)	(32)
Total lease liabilities	594	588

accounting policy for leases

The Group has various lease arrangements for buildings (such as local head offices and branches), cars, and IT and other equipment. Lease terms are negotiated on an individual basis locally and subject to domestic rules and regulations. This results in a wide range of different terms and conditions. At the inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period in exchange for a consideration, in which case it is identified as a lease. The Group then recognizes a right-of-use asset and a lease liability at the lease commencement date. Lease-related assets and liabilities are measured on a present value basis. Lease-related assets and liabilities are subject to remeasurement when terms are modified or when lease assumptions have changed. Such an event results in the lease liability being remeasured to reflect the measurement of the present value of the remaining lease payments, discounted using the discount rate at the moment of the change. The related right-of-use assets are adjusted to reflect the change in the remeasured liabilities. We have chosen not to apply any of the practical expedients as mentioned in IFRS 16 'Leases' (such as portfolio approach, exemption for low-value leases, and exemption for short-term leases), except for COVID-19-Related Rent Concessions, an amendment to IFRS 16 'Leases' issued in 2020 and the updated amendment to IFRS 16, 'Covid-19-Related Rent Concessions beyond June 2022' (see note [note 3.3.3](#)). See [note 21.1.2](#) for net investment in subleases.

right-of-use assets

Right-of-use assets are measured at cost and at the inception of the lease may include the following components:

- the initial measurement of the lease liability;
- lease payments made before the commencement date of the lease less any lease incentives received;
- initial direct costs;
- costs to restore.

The right-of-use assets are depreciated on a straight-line basis over the duration of the contract. Depreciation of right-of-use assets is charged to operating expenses and/or cost of services. At the end of a lease contract when the asset is fully depreciated, the value at cost is reversed against accumulated depreciation. In the event of lease abandonment, the carrying amount of the related right-of-use asset is impaired to the recoverable amounts.

lease liabilities

Lease liabilities include the net present value of the following components:

- fixed payments excluding lease incentive received;
- future contractually agreed fixed increases;
- payments related to renewals or early termination, in case options to renew or for early termination are reasonably certain to be exercised.

The lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The discount rate that is used to calculate the present value reflects the interest rate applicable to the lease at inception of the contract. Lease contracts entered into in a currency different than the local functional currency are subject to periodically foreign currency revaluations, which are recognized in the income statement in net finance costs.

The lease liabilities are subsequently increased by the interest costs on the lease liabilities and decreased by lease payments made.

main notes to the consolidated financial statements.

9 revenue recognition

Revenue comprises the expected consideration for services rendered during the year to third parties and is recognized when control of the promised service is transferred to the third party (e.g., the client). A performance obligation is a promise in a contract to transfer a distinct service to the client. When the outcome of the contract cannot be measured reliably, revenue is recognized only to the extent that expenses incurred are eligible to be recovered. No revenue is recognized if it does not satisfy the "highly probable criteria".

Revenue from temporary placements is recognized over time and includes the amounts received or receivable for the services delivered by candidates placed, including their salary and salary-related employment costs (gross basis). These revenues are generally based on the number of hours worked by these candidates. The salary and salary-related employment costs of these candidates are reported under cost of services. Revenue from services rendered is recognized in the income statement in proportion to the progress in execution of the contract as of the balance sheet date. Progress in execution of the contract is measured on the basis of costs (mainly hours) incurred to date as a percentage of total estimated costs for each contract.

Revenue from permanent placements includes the fee received or receivable for the services provided. This fee is generally a percentage of the remuneration package of the candidate placed (net basis). The revenue of these permanent placements is recognized at a point in time on completion of the service when the performance obligations are fulfilled, being, in principle, the start date of the candidate placed. For 'retained assignments', revenue is recognized upon the completion of certain pre-agreed stages of the service, for which the fee is non-refundable. Allowances are established to estimate losses due to candidates placed who do not remain employed during the agreed guarantee period.

For the job posting and résumé services of Monster Worldwide Inc., revenue is recognized over time based on (statistical) usage during the term of the contract, based on the specific underlying elements of the contract and service.

For outplacement services, revenue is recognized over time as we provide the outplacement service, and revenue is generally based on the progress in execution of the contract measured in terms of hours of service.

For our activities as managed services provider, revenue is recognized over time and mainly based on the underlying volume of the contingent workforce.

For our recruitment process outsourcing services, revenue is recognized either at a point in time if we have agreed a fee per placement or over time if we have agreed a fee for managing the recruitment process during a certain period.

In situations where the Group is the principal in a transaction and thus controls a promised service before transferring that service to the client, the transaction is recorded gross in the statement of comprehensive income (such as in the case of temporary placements). When the Group acts as an agent and thus only arranges for another party to provide a service to the client, revenue is reported on a net basis (such as in cases where the Group acts as a managed services provider). When it is initially not fully clear whether or not Randstad controls the service, we use the following indicators to determine whether we control the service:

- Randstad has the primary responsibility for the service meeting client expectations;
- Randstad is directly involved in the selection of candidates to perform the services to a client;
- Randstad is the employer and bears the associated risk (such as idle time, sickness, disability);
- Randstad has procurement risk;
- Randstad has pricing latitude, meaning Randstad has the discretion to establish the price for a service.

main notes to the consolidated financial statements.

9.1 revenue disaggregation

Our service concepts are grouped into revenue categories, being 'Staffing', 'Inhouse', and 'Professionals' (conducted under the responsibility of a country manager on a country-by-country basis), and Global Businesses (conducted on a worldwide basis with separate global leadership). Within all Randstad's revenue categories and in all parts of the world, both temporary and permanent placements are in principle undertaken and executed by the same team of employees. For a more detailed description of Randstad's services, see the section '[our value for clients and talent](#)'.

The disaggregation of revenues (excluding intersegment revenue) for the categories Staffing, Inhouse and Professionals is shown in the table below.

Revenue of permanent placements in the categories Staffing, Inhouse, and Professionals amounted to € 542 million (2020: € 361 million). Revenue of recruitment process outsourcing within Global businesses amounted to € 253 million (2020: € 142 million).

disaggregation of revenues by category

	staffing		inhouse		professionals		total	
	2021	2020	2021	2020	2021	2020	2021	2020
North America	1,677	1,348	1,072	988	1,809	1,787	4,558	4,123
France	1,886	1,509	818	739	921	804	3,625	3,052
Netherlands	1,633	1,350	1,215	980	565	483	3,413	2,813
Germany	969	807	606	406	320	349	1,895	1,562
Italy	1,480	1,080	467	350	31	21	1,978	1,451
Belgium & Luxembourg	939	817	472	424	189	160	1,600	1,401
Iberia	1,123	955	318	273	61	42	1,502	1,270
Other European countries	809	718	774	637	742	613	2,325	1,968
Rest of the world	1,690	1,458	200	157	614	473	2,504	2,088
	12,206	10,042	5,942	4,954	5,252	4,732	23,400	19,728
Global businesses	-	-	-	-	-	-	1,235	990
Third-party revenue	12,206	10,042	5,942	4,954	5,252	4,732	24,635	20,718

main notes to the consolidated financial statements.

10 segment reporting

Segments include 'geographical areas' and Global Businesses, and are reported in a manner consistent with internal management reporting provided to the Executive Board.

The Global Businesses segment consists of Monster, Randstad Sourceright, RiseSmart, and twago.

10.1 income statement

segmentation income statement

	revenue 2021			revenue 2020			gross profit		operating profit	
	total	intersegment	third party	total	intersegment	third party	2021	2020	2021	2020
North America	4,560	(2)	4,558	4,123	-	4,123	1,035	893	227	187
France	3,625	-	3,625	3,052	-	3,052	641	513	160	54
Netherlands	3,421	(8)	3,413	2,816	(3)	2,813	631	498	229	133
Germany	1,895	-	1,895	1,563	(1)	1,562	367	261	56	2
Italy	1,979	(1)	1,978	1,451	-	1,451	296	217	118	61
Belgium & Luxembourg	1,605	(5)	1,600	1,410	(9)	1,401	312	274	89	72
Iberia	1,504	(2)	1,502	1,271	(1)	1,270	214	165	83	50
Other European countries	2,345	(20)	2,325	1,986	(18)	1,968	381	296	67	(72)
Rest of the world	2,507	(3)	2,504	2,091	(3)	2,088	452	367	114	80
Global Businesses	1,248	(13)	1,235	997	(7)	990	575	469	17	(84)
Corporate	-	-	-	-	-	-	-	-	(127)	(99)
Elimination	(54)	54	-	(42)	42	-	(8)	(5)	-	-
Total	24,635	-	24,635	20,718	-	20,718	4,896	3,948	1,033	384

segmentation income statement

	amortization and impairment of acquisition-related intangibles and goodwill				depreciation/amortization and impairment of property, plant, equipment, and software		depreciation and impairment of right-of-use assets			EBITDA
	2021	2020	2021	2020	2021	2020	2021	2020	2021	
North America	3	3	230	190	20	18	23	26	273	234
France	36	34	196	88	14	17	34	34	244	139
Netherlands	4	5	233	138	9	9	24	27	266	174
Germany	1	2	57	4	11	5	21	21	89	30
Italy	1	1	119	62	8	8	9	9	136	79
Belgium & Luxembourg	-	-	89	72	3	3	17	19	109	94
Iberia	-	-	83	50	3	3	9	9	95	62
Other European countries	1	97	68	25	4	6	15	16	87	47
Rest of the world	5	8	119	88	14	8	23	24	156	120
Global Businesses	2	45	19	(39)	25	21	17	18	61	-
Corporate	-	-	(127)	(99)	23	18	-	-	(104)	(81)
Total	53	195	1,086	579	134	116	192	203	1,412	898

'Corporate' is also included in the disclosures on segments, and represents the unallocated part of assets and liabilities of holding activities, as well as the income and expenses of holding activities; the latter net after management and other charges to geographical areas and Global Businesses.

main notes to the consolidated financial statements.

10.2 statement of financial position

10.2.1 total assets

Assets by segment include total assets excluding deferred income tax assets, current income tax receivables, associates, equity investments, interest receivable, and cash and cash equivalents.

total assets

	2021	2020
Total assets	11,040	9,587
Less:		
Deferred income tax assets	619	674
Associates	2	25
Equity investments	51	37
Interest receivable	4	3
Plan assets defined benefit pension plan	5	-
Current income tax receivables	77	98
Cash and cash equivalents	859	474
Assets by segment	9,423	8,276

10.2.2 financial position

segmentation statement of financial position

	property, plant, equipment and software				right-of-use assets		goodwill	acquisition- related intangible assets		loans and receivables		operating working capital assets		total assets	
	2021	2020	2021	2020	2021	2020		2021	2020	2021	2020	2021	2020	2021	2020
North America	44	38	57	49	651	542	40	3	2	-	896	680	1,690	1,312	
France	33	35	111	119	515	516	-	35	138	143	718	707	1,515	1,555	
Netherlands	33	35	48	55	855	855	-	4	-	-	529	458	1,465	1,407	
Germany	10	13	71	48	290	290	1	2	-	1	409	325	781	679	
Italy	10	14	25	29	59	59	-	1	-	-	472	350	566	453	
Belgium & Luxembourg	8	8	70	65	181	156	-	-	-	-	334	300	593	529	
Iberia	6	7	20	24	1	1	-	-	-	-	349	317	376	349	
Other European countries	10	10	42	41	221	219	-	1	-	-	500	434	773	705	
Rest of the world	20	22	55	59	148	153	-	4	-	-	414	318	637	556	
Global Businesses	64	53	8	22	126	116	-	3	14	16	776	526	988	736	
Corporate	25	26	-	-	-	-	-	-	-	-	170	81	195	107	
Eliminations	-	-	-	-	-	-	-	-	-	-	(156)	(112)	(156)	(112)	
Total	263	261	507	511	3,047	2,907	41	53	154	160	5,411	4,384	9,423	8,276	

main notes to the consolidated financial statements.

10.3 segmentation of additions

segmentation of additions

	property, plant, equipment		software		right-of-use assets		acquisition-related intangible assets and goodwill		sum of additions	
	2021	2020	2021	2020	2021	2020	2021	2020 ¹	2021	2020
North America	21	10	3	3	22	20	105	-	151	33
France	7	5	5	6	14	8	-	-	26	19
Netherlands	6	6	-	-	10	11	-	-	16	17
Germany	7	2	1	1	42	21	-	-	50	24
Italy	3	-	1	2	5	4	-	-	9	6
Belgium & Luxembourg	2	4	-	-	15	22	25	-	42	26
Iberia	3	4	-	-	2	5	-	-	5	9
Other European countries	3	5	1	1	14	23	-	-	18	29
Rest of the world	8	4	5	7	21	25	-	(4)	34	32
Global Businesses	4	7	29	24	4	6	-	-	37	37
Corporate	1	1	22	19	-	-	-	-	23	20
Total	65	48	67	63	149	145	130	(4)	411	252

¹ The finalization of the purchase price allocation resulted in a correction in goodwill of € 4 million in 2020. See note 11.1 for more details.

main notes to the consolidated financial statements.

11 business combinations

11.1 information about acquisitions

During 2021 and 2020, the Group acquired 100% of the shares of the following companies:

business combinations

company	acquisition date
2021	
Cella, Inc. (USA)	September 30, 2021
Hudson Benelux (Belgium)	December 9, 2021
2020	
Mühlenhoff + Partner Group (Germany)	July 8, 2020

In 2021, the Group acquired 100% of the shares of Cella, Inc, a company based in the USA, with main activities in staffing, managed solutions and consulting, as well as 100% of the shares of Hudson Benelux, a group based in the Benelux countries, with main activities in the HR consulting. The total amount of goodwill recorded for these acquisitions is not expected to be deductible for corporate tax purposes.

In 2020, the Group acquired 100% of the shares of the companies in the Mühlenhoff + Partner Group, a group of companies located in Germany with activities in the outplacement sector.

The acquisitions made in 2021 and 2020 are in line with Randstad's mid- to long-term strategy to grow in specialist activities and to strengthen our market position in certain markets and/or countries.

The fair value of the assets and liabilities arising from the above-mentioned acquisitions, based on (provisional) purchase price allocations, can be summarized as follows:

summary of assets and liabilities from acquisitions and the reconciliation of cash flow from acquisitions

	2021
Property, plant, equipment and software	1
Right of use assets	4
Acquisition-related intangible assets	39
Deferred tax assets	1
Total non-current assets	45
Working capital	(1)
Lease liabilities	7
Provisions and employee benefit obligations	6
Deferred income tax liabilities	12
Total non-current liabilities	25
Net assets acquired	19
Goodwill	91
Total consideration	110
Net debt acquired included in working capital	16
Net debt/(cash) acquired	16
Consideration, adjusted for net debt/(cash) acquired	126
Deferred compensation on acquisitions	(2)
Consideration paid in respect of acquisitions in preceding years	2
Consideration paid	126
Acquisition of subsidiaries, statement of cash flows	126

In 2021, the Group finalized the purchase price allocation of the acquisition of the Mühlenhoff + Partner Group, with no adjustment to the provisional purchase price allocation performed in 2020. The amount involved in the acquisition of the Mühlenhoff + Partner Group in 2020 was neither considered material in relation to the total consideration nor in relation to the total goodwill, as it was acquired at a net cash outlay of zero, with net assets acquired amounting to € 2 million, which was based on the provisional purchase price allocation.

In 2020, the Group finalized the purchase price allocation of the acquisitions of the Aurec Group in Australia and of Optedis Sas in France. The adjustments in the finalization of the purchase price allocation mainly arose from recalculation of earn-out arrangements compared to the preliminary consideration, following

main notes to the consolidated financial statements.

developments in the particulars of the earn-out arrangements; this resulted in a downward adjustment of the (deferred) compensation of € 4 million, which is reflected in a downward adjustment to goodwill. In 2020, in the statement of cash flows, an amount of € 0 million relates to the consideration paid in respect of the aforementioned 2020 acquisition, and an amount of € 13 million relates to the consideration paid in respect of acquisitions made in preceding years.

The contribution of the acquired companies in 2021 to the Group's revenue was € 29 million and to the Group's EBITA € 2 million. If these companies had been acquired on January 1, 2021, the estimated additional contribution to revenue and EBITA would have been € 101 million and € 8 million respectively.

See [note 5](#) for further information.

accounting policy

The Group uses the acquisition method to account for the acquisition of subsidiaries.

Goodwill at acquisition date is measured as:

- the fair value of the consideration transferred, being the fair value of the assets given and liabilities incurred or assumed; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- the fair value of any previous equity interests in the acquiree (if the business combination is achieved in stages); less
- the fair value of the identifiable assets acquired and liabilities assumed (including contingent liabilities).

When this difference is negative ('negative goodwill' or badwill), this amount is recognized directly in total operating expenses.

All considerations transferred to acquire a business are recorded at fair value as at the acquisition date; subsequent changes to the fair value of the contingent considerations classified as debt are recognized as expenses or income.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

All acquisition-related costs are expensed and included in other general and administrative expenses.

11.2 information about disposals

In 2021, the Group disposed of subsidiaries/activities in Germany and Switzerland.

reconciliation of cash flow from disposals

2021

Property, plant and equipment, right-of-use assets and software	1
Goodwill and acquisition-related intangible assets	-
Total non-current assets	1
Working capital	7
Lease Liabilities	1
Provisions	5
Assets and liabilities in disposed subsidiaries/activities	2
Translation differences reclassified to income statement	-
Net assets disposed after reclassification of translation differences	2
Loss on disposal	(1)
Consideration	1
Net cash of disposed subsidiaries/activities, included in working capital	(6)
Disposal of subsidiaries/activities, statement of cash flows	(5)

See [note 22](#) for further information on the sale of an associate, resulting in a cash inflow of € 58 million.

In 2020, the Group did not dispose of any subsidiaries or activities.

accounting policy

Upon disposal of a subsidiary, the gain or loss upon disposal is included in other general and administrative expenses. See [note 5](#) for further information.

main notes to the consolidated financial statements.

12 earnings per ordinary share

	2021	2020
Net income	768	304
Net income attributable to holders of ordinary shares	760	296
<hr/>		
Numbers of ordinary shares (in millions)		
Weighted average number of ordinary shares outstanding	183.8	183.2
Dilutive effect of share-based compensation arrangements	1.4	1.0
Weighted average number of diluted ordinary shares outstanding	185.2	184.2
<hr/>		
Earnings per ordinary share (in €)		
Basic earnings per ordinary share	4.13	1.62
Diluted earnings per ordinary share	4.10	1.61

Basic earnings per ordinary share are calculated by dividing net income attributable to the holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. The issued number of ordinary shares is adjusted for ordinary shares purchased by Randstad N.V., which are held as treasury shares.

Diluted earnings per ordinary share are calculated by adjusting the weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares arise from various share-based compensation arrangements.

notes to the

consolidated income statement.

13 cost of services and total operating expenses

13.1 cost of services

Cost of services comprises expenses directly attributable to revenue. These costs mainly include expenses related to people placed by Randstad, such as wages, salaries, and social charges.

cost of services

	2021	2020
Wages and salaries	15,923	13,442
Social security charges	2,931	2,529
Pension charges - defined contribution plans	156	128
Pension charges - defined benefit plans	10	9
Other post-employment benefit plans charges	20	16
Other long-term employee benefits	3	-
Wages, salaries, social security and pension charges	19,043	16,124
Depreciation of property, plant and equipment	1	1
Depreciation of right-of-use assets	20	23
Other cost of services	675	622
	19,739	16,770

Other post-employment benefit plan charges include the impact of the new Dutch labor law and relate to the expenses in respect of transition fee payments made to temporary workers in the Netherlands.

13.2 operating expenses

Operating expenses are classified based on the functional model and are recognized in the year to which they relate. In the operating expenses, other income is recorded of € 35 million relating to a gain on the sale of an associate [see note 22](#).

13.2.1 selling expenses

Selling expenses comprise personnel and accommodation expenses in relation to operational activities at the outlets, advertising and marketing, and other selling expenses.

Selling expenses include an amount of € 0 million (2020: € 19 million) related to impairment losses on trade receivables, as well as debt collection costs.

13.2.2 general and administrative expenses

General and administrative expenses comprise personnel and accommodation expenses of head offices, IT expenses, other general and administrative expenses, as well as the amortization and impairment of acquisition-related intangible assets and goodwill.

Other general and administrative expenses include:

- foreign exchange losses of € 1 million (2020: effect of € 0 million);
- a loss on the sale of property, plant and equipment of € 1 million (2020: € 1 million);
- acquisition-related expenses for acquired companies/activities of € 2 million (2020: € 0 million);
- an impairment of € 0 million on leasehold improvements related to the impairment of right-of-use assets (2020: € 1 million on leasehold improvements);
- an impairment of € 26 million on software (2020: € 14 million).

notes to the consolidated income statement.

13.2.3 total operating expenses by nature

total operating expenses by nature

	2021	2020
Wages and salaries	2,186	1,820
Social security charges	388	338
Pension charges - defined contribution plans	43	37
Pension charges - defined benefit plans	9	10
Other post-employment benefit plans charges	1	1
Other long-term employee benefits	9	5
Share-based compensations	44	37
Wages, salaries, social security and pension charges	2,680	2,248
Other personnel expenses	155	122
Personnel expenses	2,835	2,370
Depreciation and impairment of property, plant and equipment	52	53
Amortization and impairment of software	81	62
Depreciation and impairment of right-of-use assets	172	180
Advertising and marketing	183	142
Accommodation	59	63
Other	463	499
Other income	(35)	-
Operating expenses	3,810	3,369
Amortization and impairment of acquisition-related intangible assets and goodwill	53	195
Total operating expenses	3,863	3,564

Other income relates to the gain on disposal of associates. See [note 22](#).

13.3 depreciation, amortization and impairment of property, plant, equipment, software and right-of-use assets

	2021	2020
Depreciation of buildings	1	1
Depreciation of computer hardware	20	19
Depreciation of leasehold improvements and furniture and fixtures	32	33
Impairment of leasehold improvements	-	1
Depreciation and impairment of property, plant and equipment	53	54
Amortization of software	55	48
Impairment of software	26	14
Amortization and impairment of software	81	62
Depreciation and impairment of property, plant, equipment and software	134	116
Depreciation of right-of-use buildings	133	139
Depreciation of right-of-use cars	45	50
Depreciation of right-of-use IT and other equipment	3	3
Impairment of right-of-use buildings	11	11
Depreciation and impairment of right-of-use assets	192	203
Depreciation and impairment of property, plant, equipment, software and right-of-use assets	326	319

depreciation and impairment of property, plant, equipment, and software

Included in:	2021	2020
Cost of services	1	1
Selling expenses	20	23
General and administrative expenses	113	92
	134	116

depreciation and impairment of right-of-use assets

Included in:	2021	2020
Cost of services	20	23
Selling expenses	136	146
General and administrative expenses	36	34
	192	203

[notes to the consolidated income statement.](#)

depreciation and impairment of property, plant, equipment, software and right-of-use assets

Included in:	2021	2020
Cost of services	21	24
Selling expenses	156	169
General and administrative expenses	149	126
	326	319

13.4 amortization and impairment of acquisition-related intangible assets and goodwill

amortization and impairment of acquisition-related intangible assets and goodwill

	2021	2020
Amortization of acquisition-related intangible assets	51	109
Impairment of goodwill and acquisition-related intangible assets	2	86
	53	195

For impairment of goodwill, see [note 5](#).

13.5 grants and government support

Grants are recognized when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them.

Grants that compensate for expenses incurred are credited to operating expenses and/or cost of services on a systematic basis in the same period in which the expenses are incurred.

In 2021 and 2020, the Group applied for several government employment protection programs, which are accounted for as 'government support'. See [note 3.3.4](#) for further disclosures.

Besides the government employment protection programs, we also accounted for other grants to the amount of € 38 million (2020: € 32 million), of which € 34 million (2020: € 27 million) is reported under cost of services. These grants mainly relate to the compensation (in whole or in part) of talent training costs and costs related to employing selected talent categories.

14 total wages and salaries, social security, pension charges and other

Wages, salaries, social security charges, pension charges and other are included in cost of services when they relate to candidates placed and in personnel expenses when they relate to corporate employees.

total amounts of wages and salaries, social security, pension charges and other

	2021	2020
Wages and salaries	18,109	15,262
Social security charges	3,319	2,867
Pension charges - defined contribution plans	199	165
Pension charges - defined benefit plans	19	19
Other post-employment benefit plans charges	21	17
Other long-term employee benefits	12	5
Share-based compensations	44	37
	21,723	18,372

notes to the consolidated income statement.

15 net finance costs

net finance costs

	2021	2020
Finance income		
Interest and similar income	6	3
Changes in value of other liabilities ¹	-	4
Interest due to passage of time ¹	4	4
Interest due to passage to time for net investments in subleases ¹	-	1
Foreign exchange gains, net ¹	2	-
	12	12
Finance expenses		
Interest and similar expenses	11	12
Interest and commitment fees on non-current borrowings	4	7
Result on net monetary position ¹	1	-
Interest due to passage of time ¹	1	2
Interest due to passage of time for lease liabilities ¹	11	15
Foreign exchange losses, net ¹	-	-
	28	36
Net finance costs	16	24

¹ Items considered non-cash.

Net finance costs comprise interest expenses and interest income, as well as items similar to interest and exchange differences on cash, cash equivalents, and borrowings. Interest expenses and income are recognized in the income statement on a time-proportion basis, using the effective interest method. Interest due to the passage of time of loans and receivables (including net investments in subleases), deferred considerations and lease liabilities, as well as interest due to passage of time in relation to the valuation of certain provisions and employee benefit obligations, is also included in net finance costs. Changes in the value of deferred considerations and differences upon settlement of these deferred considerations (see note 25), as well as dividend paid to non-controlling interests classified as other liabilities, are also reported under net finance costs.

net finance costs, statement of cash flows

	2021	2020
Finance income	12	12
Deduct: non-cash items	6	9
Cash items	6	3
Change in interest receivable	-	-
Finance income, cash	6	3
Finance expenses	28	36
Deduct: non-cash items	13	17
Cash items	15	19
Change in interest payable	(2)	4
Finance expenses, cash	13	23
Net finance costs paid, statement of cash flows	7	20

16 net income

Net income includes foreign exchange gains of € 1 million (2020: effect of € 0 million). For other items included in net income, see note 13.2.

17 total other comprehensive income

	2021	2020
Translation differences	100	(132)
Tax on translation differences	(27)	11
Translation differences, net of taxes	73	(121)
Items that subsequently may be reclassified to the income statement	73	(121)
Fair value adjustments of equity investments	8	2
Tax on fair value adjustment of equity investments	(1)	-
Remeasurements of post-employment benefits	(3)	(5)
Tax on remeasurements of post-employment benefits	1	2
Items that will never be reclassified to the income statement	5	(1)
Total other comprehensive income, net of taxes	78	(122)

notes to the

consolidated statement of financial position.

18 property, plant and equipment

	buildings and land	computer hardware	leasehold improvements, furniture and fixtures	total
Balance as at January 1, 2021	15	42	82	139
<hr/>				
Movements in 2021				
Acquisition of subsidiaries	-	-	1	1
Disposal of subsidiaries	-	-	(1)	(1)
Additions	-	23	42	65
Disposals	-	(2)	(2)	(4)
Depreciation/impairment	(1)	(20)	(32)	(53)
Translation differences	-	2	2	4
Balance as at December 31, 2021	14	45	92	151
Cost	42	218	419	679
Accumulated depreciation and impairment	28	173	327	528
Balance as at December 31, 2021	14	45	92	151
<hr/>				
Balance as at January 1, 2020				
Cost	42	253	441	736
Accumulated depreciation and impairment	26	208	345	579
	16	45	96	157
Movements in 2020				
Additions	-	21	27	48
Disposals	-	(2)	(3)	(5)
Depreciation/impairment	(1)	(19)	(34)	(54)
Translation differences	-	(3)	(4)	(7)
Balance as at December 31, 2020	15	42	82	139
Cost	42	225	417	684
Accumulated depreciation and impairment	27	183	335	545
Balance as at December 31, 2020	15	42	82	139

[notes to the consolidated statement of financial position.](#)

Based on appraisals made by independent and expert appraisers, the estimated fair value of buildings and land is approximately € 20 million higher than the carrying amount. The fair value represents the market value, taking into account that the property is in a rented status.

accounting policy

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the assets.

Land is not depreciated. Depreciation on other property, plant and equipment is charged to operating expenses and/or cost of services on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed as at each balance sheet date and adjusted, if appropriate.

Gains and losses arising on disposal are included in the income statement under other general and administrative expenses.

estimated useful lives of property, plant and equipment on average

	term
Buildings	33 years
Computer hardware	4 years
Leasehold improvements	5 years
Furniture and fixtures	4-5 years

Leasehold improvements are depreciated over the term of the initial lease, in the event that this term is shorter than five years.

Impairments, if any, are mainly caused by the discontinuation of outlets. The net book value of leasehold improvements and other furniture and fixtures is impaired to the recoverable amount, based on each individual case. The recoverable amount tends to be zero.

19 software

software

	2021	2020
Cost	496	474
Accumulated amortization and impairment	374	346
Balance as at January 1	122	128
Net additions	67	63
Amortization and impairment	(81)	(62)
Translation differences	4	(7)
Balance as at December 31	112	122
Cost	505	496
Accumulated amortization and impairment	393	374
Balance as at December 31	112	122

accounting policy

Acquired software (licenses) and developed software are stated at cost less accumulated amortization and impairment losses.

Expenditures in relation to the development of on premise, identifiable and unique software (or significant enhancements to existing on premise software) used by the group of which the intellectual property is owned by the group, for which it is probable that these will generate economic benefits exceeding costs beyond one year, are recognized as developed software and amortized over their estimated useful lives. Capitalized costs include employee costs of software development and third-party expenses.

Expenditures associated with small enhancements or maintenance of software are recognized as an expense when incurred.

Amortization of software applications is charged to operating expenses and/or cost of services on a straight-line basis over the estimated useful lives, from the date they are available for use.

In 2021, we impaired € 26 million (2020: € 14 million).

The residual values and useful lives are reviewed as at each balance sheet date and adjusted, if appropriate.

[notes to the consolidated statement of financial position.](#)

Internally developed software and purchased software are amortized on a straight-line basis over the useful lives of 3 to 5 years or, in the case of licenses, if the license period is shorter than 3 years, over this shorter period.

Impairments, if any, are mainly caused by the discontinuation of software applications. The net book value of software is impaired to its recoverable amount, which tends to be zero, based on each individual case.

[net additions to property, plant and equipment, and software, statement of cash flows](#)

	2021	2020
Additions		
Property, plant and equipment	(65)	(48)
Software	(67)	(63)
	(132)	(111)
Disposals		
Proceeds property, plant and equipment	3	4
Loss	1	1
	4	5
Statement of cash flows	(128)	(106)

notes to the consolidated statement of financial position.

20 acquisition-related intangible assets

	client relationships	brand names	talent profiles	technology	total
Balance as at January 1, 2021	47	3	1	2	53
Movements in 2021					
Acquisition of subsidiaries	25	10	4	-	39
Amortization and impairment	(45)	(3)	(1)	(2)	(51)
Translation differences	1	-	(1)	-	-
Balance as at December 31, 2021	28	10	3	-	41
Cost	37	10	4	-	51
Accumulated amortization and impairment	9	-	1	-	10
Balance as at December 31, 2021	28	10	3	-	41
 Balance as at January 1, 2020					
Cost	288	92	1	67	448
Accumulated amortization and impairment	181	57	-	48	286
	107	35	1	19	162
 Movements in 2020					
Amortization and impairment	(60)	(32)	-	(17)	(109)
Translation differences	-	-	-	-	-
Balance as at December 31, 2020	47	3	1	2	53
Cost	269	15	1	14	299
Accumulated amortization and impairment	222	12	-	12	246
Balance as at December 31, 2020	47	3	1	2	53

accounting policy

Acquisition-related intangible assets (client relationships (including franchise agreements), brand names, talent profiles, and developed technology) that are acquired by the Group are stated at cost less accumulated amortization and impairment losses.

When an intangible asset is acquired in a business combination, its cost is the fair value at the date of its acquisition. This cost is determined on a basis that reflects an amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. If the fair value cannot be measured reliably, the asset is not recognized as a separate intangible asset, but is included in goodwill.

Amortization of acquisition-related intangible assets is charged to total operating expenses on a straight-line

basis over their estimated useful lives, from the date they are available for use. If the asset is fully amortized, the at cost value is reversed against accumulated amortization.

The residual values and useful lives are reviewed as at each balance sheet date and adjusted, if appropriate.

The estimated useful life of client relationships is 4 to 8 years, of brand names 1 to 10 years, of talent profiles 2 to 3 years, and of technology 5 to 6 years.

Technology relates to the software platforms acquired in acquisitions and in use as an integral part of our business activities.

Impairments, if any, can be the result of either the evidence that the assumptions for determining the estimated useful lives are incorrect or the annual

notes to the consolidated statement of financial position.

impairment test of the cash-generating unit (or operating segment) to which the acquisition-related intangible assets are related.

21 financial assets

Investments in financial assets are divided into various categories. Classification of these investments depends on the purposes for which the investments have been acquired. Management determines the classification at the time of the purchase and re-evaluates such designation at each subsequent balance sheet date.

Purchase and sale of financial assets are recognized on the settlement date, which is the date an asset is delivered to or by the Group. The cost of financial assets includes transaction costs.

financial assets

	2021	2020
Loans and receivables	142	140
Equity investments	51	37
Financial assets	193	177

21.1 loans and receivables

	2021	2020
Loans	131	128
Net investments in subleases	11	12
Loans and receivables	142	140

Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method.

Loans and receivables are neither past due nor impaired.

Loans have counterparties such as governmental or semi-governmental bodies and relate to our French subsidiaries.

Net investments in subleases comprise receivables originating from sublease contracts in respect of right-of-use buildings in which the Group is an intermediate

lessor. These sublease contracts qualify as finance lease under IFRS 16.

The Group does not hold any collateral as security.

Loans and receivables are held-to-collect contractual cash flows. In determining expected credit losses (ECL) and in estimating the probability of default of these loans and receivables over a 12-month ECL period, the Group has taken into account factors such as historical default experiences, the counterparties involved, and various other (external) sources of actual and forecast economic information. The Group did not observe any major change in risk compared to the prior year. No allowance for expected credit losses has been included for these loans and receivables, as the default risk is estimated to be zero.

21.1.1 loans

loans

	2021	2020
Balance as at January 1	135	127
Additions at fair value	8	10
Redemptions	(9)	(6)
Interest due to passage of time	4	4
Balance as at December 31	138	135
Non-current part	131	128
Current part	7	7
Balance as at December 31	138	135

Loans represent loans that are granted by our subsidiaries in France each year to French public housing agencies in relation to legal arrangements for payment of certain social security charges. These annual loans are interest-free and have a repayment term of 20 years each. These investments have an average remaining term of 11 years (2020: 11 years) and an effective interest rate of 2,8% (2020: 3,1%). The nominal value of these loans amounts to €168 million (2020: € 169 million) and best represents the maximum exposure to credit risk. As at December 31, 2021, the fair value was approximately € 33 million higher than the carrying amount (December 31, 2020: € 37 million).

The difference between additions at nominal value (€ 9 million) and at fair value is recognized in cost of

[notes to the consolidated statement of financial position.](#)

services, and amounts to € 1 million (2020: € 10 million and € 0 million respectively).

21.1.2 net investments in subleases

	2021	2020
Balance as at January 1	17	25
Additions at fair value	3	2
Redemptions	(5)	(8)
Interest due to passage of time	-	1
Translation differences	1	(3)
Balance as at December 31	16	17
Non-current part	11	12
Current part	5	5
Balance as at December 31	16	17

accounting policy

The Group subleases some of its right-of-use assets. In these instances, the Group is an intermediate lessor. Most of the Group's sublease arrangements are classified as finance leases under IFRS 16. The classification of finance sublease is satisfied when substantially all the risk and rewards incidental to the underlying right-of-use assets arising from the head lease have been transferred. Sublease contracts with the classification of financial leases are recognized as a net investment in sublease, which is presented as a financial asset. The carrying amount of the underlying right-of-use asset is derecognized. The net investments in subleases are measured at the present value of the (future) lease receipts, discounted using our incremental borrowing rate at commencement date of the sublease. Sublease contracts with the classification of operating leases result in sublease income being recognized periodically during the sub-rental period. Operating subleases have no impact on the right-of-use asset measurement.

The maturity of net investments in subleases is set out in the table below, showing the undiscounted lease amounts to be received after the balance sheet date.

The nominal value of the net investments in subleases amounts to € 17 million (December 31, 2020: € 18 million), which best represents the maximum exposure to credit risk. As at December 31, 2021 and 2020, the carrying amount equaled the fair value.

maturity of net investments in subleases

	2021	2020
year 1	5	5
year 2 -5	12	13
Undiscounted lease amounts to be received	17	18
Unearned finance income	(1)	(1)
Present value of lease amounts to be received	16	17
Impairment loss allowance	-	-
Balance as at December 31	16	17

21.1.3 impairment of financial assets

The carrying amounts of loans and receivables are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is impaired. If objective evidence exists that a financial asset or group of financial assets is impaired, the amount of the impairment loss is calculated as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). The resulting impairment loss is immediately recognized in net finance costs.

An impairment loss on financial assets is reversed if, in a subsequent period, the amount of the impairment loss decreases and this decrease can be related objectively to an event occurring after the impairment loss was recognized. Such reversal is immediately recognized in net finance costs.

21.2 equity investments

equity investments

	2021	2020
Balance as at January 1	37	42
Fair value adjustments	8	2
Additions	7	2
Disposals	(1)	(9)
Balance as at December 31	51	37

Equity investments are minority participations in early-stage to expansion-stage companies that are considered strategically relevant to Randstad. The

notes to the consolidated statement of financial position.

typical investment amounts range between € 0.5 million and € 2 million. The Group has no significant influence over these investments. These investments are qualified as 'fair-value through other comprehensive income' investments, and if no reliable fair-value measurements are available, valued at cost. All investments are in principle considered non-current.

The fair value of the investments have increased by € 8 million (2020: € 2 million). This was based on share transactions and other market information. During the year 2021, the Group divested some of its minority participations. These divestments had a carrying amount of € 1 million (2020: € 9 million).

22 associates

In 2021, the Group disposed of its 16.66% shareholding in Alma Career OY, Finland at a consideration of € 58 million, resulting in a gain of € 35 million (the gain is reported under other income in the operating expenses), based on a net asset value of this associate at the moment of disposal to the amount of € 23 million.

As at December 31, 2021, the Group had investments in associates of € 2 million (2020: € 25 million). The total assets and liabilities of associates amounted to approximately €9 million and € 4 million respectively as at December 31, 2021 (2020: € 128 million and € 32 million respectively). Total revenue in 2021 amounted to € 44 million (2020: € 88 million).

Our share in profit was € 1 million (2020: € 4 million).

associates

	2021	2020
Balance as at January 1	25	24
Share in profit	1	4
Disposals	(23)	-
Dividend	-	(4)
Translation differences	(1)	1
Balance as at December 31	2	25

accounting policy

Associates are companies over which the Group has significant influence, but not control, generally

accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method and are initially recognized at cost. The Group's investment in associates includes goodwill on acquisition, net of any accumulated impairment losses.

The Group's share of the post-acquisition profits and losses of the associates is recognized as share in results of associates, and its share of post-acquisition movements in other comprehensive income of the associates is recognized in other comprehensive income, with a corresponding effect on the carrying amount of the associate.

23 total equity and dividends per share

23.1 shareholders' equity

23.1.1 authorized and issued capital

Authorized capital is € 106 million (2020: € 106 million) and consists of 350,000,000 (2020: 350,000,000) ordinary shares with a nominal value of € 0.10, a further 106,000 (2020: 106,000) type-A preference shares with a nominal value of € 500, 30,000,000 (2020: 30,000,000) type-B preference shares with a nominal value of € 0.10, and 150,000,000 (2020: 150,000,000) type-C preference shares with a nominal value of € 0.10.

At year-end, issued share capital consists of 183,959,312 ordinary shares (2020: 183,303,552), 25,200,000 type-B preference shares (2020: 25,200,000), and 50,130,352 (2020: 50,130,352) type-C preference shares.

For information regarding the rights, preferences and restrictions on each type of share, see '[Voting rights](#)', in the [corporate governance section](#).

The current conditions of the preference shares are such that the holders of these shares receive a dividend at the company's discretion, which dividend is preferred and cumulative, and that the voting rights are one vote per 7 type-B preference shares, and one vote for each

[notes to the consolidated statement of financial position.](#)

€ 25 capital payment for type-C preference shares, resulting in 0.1117 vote per share on average.

The dividend on preference shares type-B and type-C is reviewed every seven years. In November 2019, the dividend on type-B and type-C was reset. The dividend for preference shares type-B was set at 2% of the capital contribution. The dividend on type-C preference shares was set at 3.5% of the capital contribution. The next review of the dividend will take place in November 2026. Only the Executive Board can propose to the Annual General Meeting of Shareholders to decide that preference shares be repaid.

**number of outstanding ordinary and preference shares
(x,000)**

	2021		2020	
	ordinary shares	preference shares	ordinary shares	preference shares
January 1	183,304	75,330	183,304	75,330
From share-based compensation arrangements	655	-	-	-
December 31	183,959	75,330	183,304	75,330

Ordinary and preference shares are classified as equity. The distribution of the dividend on ordinary and preference shares is recognized as a liability in the period in which these dividends are adopted by the company's shareholders.

accounting policy

On the issue of new shares or on the extension of the term of preference shares outstanding, the proceeds less directly attributable costs are recognized in shareholders' equity within issued capital and, if applicable, within share premium.

On the purchase of ordinary shares that are included in shareholders' equity, the consideration paid, including directly attributable costs, is recorded as a change in shareholders' equity. Purchased ordinary shares are classified as treasury shares and presented as a deduction from shareholders' equity under reserves.

On the sale (or re-issue) of treasury shares, the proceeds less directly attributable costs are recognized under treasury shares for the original consideration paid; the

remainder is recognized as a change in retained earnings.

As at December 31, 2021, the company held 907,723 treasury shares (December 31, 2020: 5,120).

23.1.2 share premium

At year-end, share premium consists of € 2,025 million share premium on ordinary shares (2020: € 1,989 million) and € 298 million share premium on preference shares (2020: € 298 million).

23.1.3 translation reserve

The translation reserve comprises all translation differences arising from the translation of the net investment in activities in currencies other than the euro, as well as translation differences of financial liabilities designated as hedges of such investments, to the extent that the hedge is effective. Such translation differences are recognized initially in other comprehensive income and presented in this separate component of shareholders' equity. If the net investment is disposed of, these translation differences are recognized in the statement of comprehensive income. The translation reserve also includes the tax effect on translation differences.

23.1.4 share-based compensations reserve

The share-based compensations reserve comprises the value of vested rights in respect of share-based compensation arrangements as far as stock options have not been exercised or performance shares have not been allocated.

The company has various share-based compensation arrangements. Additional information about these arrangements is given in [note 29](#). The income statement includes an amount of € 44 million (2020: € 37 million) for share-based compensations.

At year-end 2021, 1.9 million performance shares (2020: 1.8 million performance shares) are outstanding. Upon exercise of stock options or allocation of performance shares, this will lead to the issuance of the same number of new ordinary shares or the re-issue of treasury shares.

23.1.5 employee benefits reserve

The employee benefits reserve comprises the cumulative remeasurements of post-employment

benefit obligations. The amounts are net of corporate taxes.

23.1.6 other information

See [note 8](#) to the company financial statements for the restrictions on the distribution of dividends and the repayment of capital.

Additional information about shareholders' equity is included in the consolidated statement of changes in equity.

23.2 dividends on ordinary and preference shares

dividends on ordinary and preference shares

	dividend related to		
	2021	2020	2019
Ordinary shares			
Dividend paid during 2020	-		
Dividend paid during 2021	596		
Dividend 2021 proposed	920		
Preference shares			
Dividend paid during 2020	12		
Dividend paid during 2021	8		
Dividend 2021 proposed	8		
Statement of cash flows	604	12	

23.2.1 proposed profit appropriation

At the Annual General Meeting of Shareholders, to be held on March 29, 2022, the Executive Board, with the approval of the Supervisory Board, will propose that a dividend of € 5.00 per ordinary share be paid for the year 2021; the dividend of € 5.00 per ordinary share consists of a regular floor dividend of € 2.19, representing a payout of 50 % of adjusted net income and an additional special cash dividend of € 2.81, in line with our dividend policy (see [note 3.1.1](#) for more information). For preference shares B and C, it will be proposed by the Executive Board, with the approval of the Supervisory Board, that a dividend of € 3.3 million and € 4.9 million be paid respectively. The difference to the amount of € 160 million between the total of dividends proposed (€ 928 million) and net income for the year (€ 768 million) will be deducted from retained earnings.

23.3 non-controlling interests

In 2021 and 2020, no transactions took place with non-controlling interests without a change of control.

accounting policy

Non-controlling interests represent the net assets not held by the Group and are presented within total equity in the consolidated balance sheet as a separate category. Profit or loss and each component of other comprehensive income are attributed to the equity holders and to the non-controlling interests.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For acquisitions of non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity as long as control of the subsidiary is maintained.

Additional information about non-controlling interests is included in the consolidated statement of changes in equity.

notes to the consolidated statement of financial position.

24 employee benefit obligations

Employee benefit obligations comprise obligations from defined benefit pension plans, other post-employment benefits, and other long-term employee benefits.

	defined benefit pension plans		other post-employment benefits	other long-term employee benefits		
	obligation	plan assets	net		total	
Balance as at January 1, 2021	445	(334)	111	22	55	188
Movements in 2021						
Acquisition of subsidiaries	-	-	-	-	6	6
Current service costs, total	29	-	29	21	12	62
Contributions, employees	-	(10)	(10)	-	-	(10)
Contributions, employers	-	(15)	(15)	-	-	(15)
Withdrawals/benefits paid	(21)	20	(1)	(20)	(9)	(30)
Total amount in statement of cash flows	8	(5)	3	1	3	7
Remeasurement results	10	(7)	3	-	-	3
Interest due to passage of time, net	2	(2)	-	-	-	-
Translation differences	5	(4)	1	1	1	3
Balance as at December 31, 2021	470	(352)	118	24	65	207
Reclassification of net pension plan assets	(130)	135	5	-	-	5
Balance as at December 31, 2021 after reclass	340	(217)	123	24	65	212
Non-current	340	(217)	123	14	49	186
Current	-	-	-	10	16	26
Balance as at December 31, 2021	340	(217)	123	24	65	212
Balance as at January 1, 2020						
Non-current	406	(300)	106	12	43	161
Current	-	-	-	11	17	28
	406	(300)	106	23	60	189
Movements in 2020						
Current service costs, total	29	-	29	17	5	51
Contributions, employees	-	(10)	(10)	-	-	(10)
Contributions, employers	-	(17)	(17)	-	-	(17)
Withdrawals/benefits paid	(25)	24	(1)	(17)	(9)	(27)
Total amount in statement of cash flows	4	(3)	1	-	(4)	(3)
Remeasurement results	32	(27)	5	-	-	5
Interest due to passage of time, net	3	(2)	1	-	-	1
Translation differences	-	(2)	(2)	(1)	(1)	(4)
Balance as at December 31, 2020	445	(334)	111	22	55	188
Non-current	445	(334)	111	13	44	168
Current	-	-	-	9	11	20
Balance as at December 31, 2020	445	(334)	111	22	55	188

notes to the consolidated statement of financial position.

24.1 employee benefit obligations

employee benefit obligations charged to comprehensive income

	2021	2020
Current service cost, total	62	51
Contributions, employees	(10)	(10)
Current service cost net, charged to operating profit	52	41
Interest expense due to passage of time	2	3
Interest income due to passage of time	(2)	(2)
Charged to net finance costs	-	1
Remeasurement losses, net	3	5
Charged to comprehensive income	55	47

The discount rates used to calculate employee benefit obligations are in the following ranges:

discount rates (employee benefit obligations)

	2021	2020
Defined benefit pension plans	0,3%-1,1%	0,0%-1%
Other post-employment benefits	0,5%-5,2%	0,2%-4,7%
Other long-term employee benefits	(0,3%)-2%	(0,5%)-2%

The obligations regarding other post-employment benefits and other long-term employee benefits are unfunded.

24.2 pensions

defined benefit pension plan schemes

	2021	2020
Defined benefit plan, corporate employees in Belgium	68	57
Defined benefit plan, corporate employees in France	38	37
Defined benefit plan, corporate employees in Germany	10	10
Defined benefit plan, staffing and corporate employees in Switzerland	3	7
Defined benefit plans, corporate employees in other countries	4	-
	123	111

The Group has various pension schemes, in accordance with local conditions and practices in the countries in which it operates. In some countries, such pension schemes are operated through a company pension fund. Most of the pension schemes are defined contribution plans, which are funded through payments to independent entities. For these schemes, the Group's obligation is limited to the payment of these annual contributions. The contributions constitute net periodic costs for the year in which they are due and are included in personnel expenses and/or cost of services.

A few pension schemes are defined benefit plans. The liability recognized in the balance sheet is the present value of the defined benefit obligation less the fair value of plan assets. Independent actuaries calculate the defined benefit obligations based on factors such as age, years of service, and compensation (based upon the projected unit credit method).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and with terms to maturity that approximate the term when the related pension liability is due.

Current service costs are recognized in personnel expenses and/or cost of services and reflect the increase in the defined benefit obligation resulting from employee service in the current year.

Past service costs are recognized immediately in personnel expenses and/or cost of services.

Withdrawals/benefits paid also include the net transfer of participants' vested benefits.

Remeasurement gains and losses of the net defined benefit obligation arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

The net interest expense on the net defined benefit liability is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the then net defined benefit liability. Net interest expense is recognized in net finance costs.

[notes to the consolidated statement of financial position.](#)

In the Netherlands and Belgium, two pension schemes are operated through separate and independent company pension funds.

For the Netherlands, this is 'Stichting Pensioenfonds Flexsecurity' for staffing employees employed by Dutch Group companies; the fund operates a defined contribution pension plan. In 2021, the transactions with 'Stichting Pensioenfonds Flexsecurity' amounted to €53 million (2020: € 53 million); the balance as at December 31, 2021 amounted to €4 million (December 31, 2020: € 5 million) payable.

For Belgium, the pension fund is 'Pensioenfonds Belgische werkmaatschappijen van Randstad OFP' for corporate employees employed by Belgian Group companies. The plan is organized through a fund that is legally separated from the company. The Board of this pension fund is required to act in the interest of the fund and of all relevant stakeholders in the scheme; the investment policy with regard to the assets of the fund is also the responsibility of the Board. The fund operates a defined benefit pension plan, which is a final-salary pension plan, providing benefits to (former) employees in the form of a guaranteed level of pension payable for life upon retirement. The pension entitlement of corporate employees is based on the average pensionable salary in the last three years before retirement. The employer's contribution is capped at a maximum of 5% of salaries. In 2021, transactions with this fund amounted to € 5 million (2020: € 8 million). The balances as at December 31, 2021 and 2020 were zero.

In The Netherlands, a second pension scheme is in origin a defined benefit pension plan. This pension plan is a closed plan (operated through an insurance company) and the net asset/liability is basically the difference between the expected future surplus interest sharing that will flow to the Group and a yearly guarantee payment based on the pension obligation towards employees. The net pension asset is fully recoverable and has been presented under (current) assets in the statement of financial position.

In France, the defined benefit pension plan is a final-salary pension plan, which provides benefits to (former) employees in the form of a guaranteed level of pension payable as a lump sum upon retirement. The plan is in addition to state plans. The company is legally required to pay lump sums to employees upon retirement. The

amounts are based on the number of years of service in the company and on the base salary according to the collective bargaining agreement in force. The scheme covers all corporate employees employed by French Group companies.

[breakdown of obligations for defined benefit pension plans](#)

	2021	2020
Present value of funded obligations	340	445
Present value of unfunded obligations	-	-
Total present value of obligations	340	445
Fair value of plan assets	(217)	(334)
Liability in the balance sheet	123	111

[major categories of plan assets](#)

as a % of fair value of total plan assets

	2021	2020
Cash	3%	3%
Bonds	26%	32%
Equity instruments	45%	43%
Real estate	6%	9%
Other	20%	13%
	100%	100%

The actual return on plan assets was €9 million positive (2020: € 29 million positive), due to favorable results on investments.

[principal actuarial assumptions used for defined benefit pension plans](#)

	2021	2020
Discount rate	0,3%-1,1%	0,0%-1%
Expected salary increases	0,0%-3,45%	0,0%-3,65%
Expected pension increases	0,0%-2%	0,0%-2%

notes to the consolidated statement of financial position.

average life expectancy¹

in years

	2021	2020
Male	20.5-22.5	19.7-22.5
Female	23.6-26.9	23.8-26.8

¹ Average life expectancy of an individual retiring at the age of 65 on the balance sheet date.

The assumptions regarding future mortality are based on published statistics and mortality tables in each territory.

The Group expects the 2022 contributions to be paid for defined benefit plans to be approximately €17 million, excluding the impact of acquisitions and disposals.

risks

The most significant risks related to defined benefit plans are related to:

- Asset volatility: if the plan assets underperform, the yield on (high-quality) corporate bonds, which is the base for setting the discount rate in calculating the plan liabilities, will create a deficit;
- Interest/yield volatility: a decrease will result in an increase in the net plan liabilities;
- Salary volatility: future (expected) salaries are being used in the calculation of the plan liabilities; higher than expected salary increases will result in higher liabilities;
- Life expectancy: in the calculation of the plan liabilities, mortality tables are being used, indicating the life expectancy of the participants. If life expectancy increases, the plan liabilities will also increase.

sensitivity

With respect to the provision for pensions, a change in the interest rate of 1%-point, with all other variables held constant, would result in a deviation in the range of €9 to €11 million (2020: € 8 to € 9 million).

24.3 other post-employment benefits

Other post-employment benefit plans are defined benefit plans and follow the same accounting treatment as defined benefit pension plans. Independent actuaries calculate the defined benefit obligations based on factors such as age, years of service, and compensation (based upon the projected unit credit method). These plans mainly consist of state-driven plans in Italy and India, post-employment health benefits in the US, and transition fee payments related to temporary workers in the Netherlands, based on the Dutch 'Wet Arbeidsmarkt in Balans' (WAB).

Remeasurements of the obligation – comprising gains and losses arising from experience adjustments and changes in actuarial assumptions – are recognized in other comprehensive income.

24.4 other long-term employee benefits

In accordance with applicable legal requirements, the Group recognizes liabilities for several other long-term employee benefit plans, such as schemes related to sickness and long-term disability and long-service leave plans. These liabilities are based on calculations made by independent actuaries based on factors such as age, years of service, expected sickness duration, and compensation (based on the 'projected unit credit method').

Remeasurement gains and losses related to these plans are recognized in personnel expenses and/or cost of services in the year in which they occur.

notes to the consolidated statement of financial position.

25 other liabilities

	2021	2020
Balance as at January 1	4	24
Changes in value	-	(4)
Deferred compensations from acquired subsidiaries/activities	2	(3)
Considerations paid in respect of acquisitions in preceding years	(2)	(13)
Interest due to passage of time	-	-
Translation differences	-	-
Balance as at December 31	4	4
Non-current part	-	2
Current part	4	2
Balance as at December 31	4	4

accounting policy

As at December 31, 2021 and December 31, 2020, other liabilities only comprise deferred payments (including earn-out arrangements) from business combinations in prior years. The initial amount of the earn-out liability is calculated based on the provisional purchase price allocation at the moment of acquisition. Any changes in the earn-out liability are included as adjustments to goodwill at the moment of the final purchase price allocation, performed at 1 year after acquisition. In case earn-out arrangements have a longer term than 1 year after the acquisition date , differences upon settlement between the actual cash outflow and the expected cash outflow, are accounted for in net finance costs .

26 trade and other payables

Trade and other payables are initially stated at fair value. Subsequent measurement is at amortized cost, using the effective interest method.

trade and other payables

	2021	2020
Trade payables	806	525
Other taxes and social insurance charges	1,210	1,212
Pension contributions	18	14
Wages, salaries and other personnel costs	1,697	1,325
Other accruals	620	575
Deferred income	75	84
	4,426	3,735

notes to the

consolidated statement of cash flows.

27 statement of cash flows

The statement of cash flows has been prepared applying the indirect method.

Cash flows in foreign currencies have been translated, in principle, at average exchange rates; certain material (mainly financing) transactions are translated at the exchange rate at the day of translation. Exchange differences concerning cash items are shown separately in the statement of cash flows. Income taxes paid/received are included in the cash flow from operating activities. Finance income received, finance expenses paid, and dividends paid are included in the cash flow from financing activities.

The purchase price of acquisitions paid, as well as the selling price of disposed subsidiaries received, is included in cash flow from investing activities. This purchase price paid, as well as the selling price received, is included in the statement of cash flows net of net cash acquired or disposed of respectively. Changes in assets and liabilities resulting from the acquisition and disposal of subsidiaries are taken into account in the calculation of the consolidated cash flows.

The majority of the items in the consolidated statement of cash flows are individually cross-referenced to the relevant notes to the consolidated statement of comprehensive income and the consolidated statement of financial position. For the remainder of the material items, the reconciliation between amounts as included in the consolidated statement of cash flows and related amounts in the statement of comprehensive income and the consolidated statement of financial position is shown in this note.

27.1 operating working capital

Operating working capital includes current assets, excluding cash and cash equivalents, current income tax receivables, current part of loans and receivables, and the net plan assets defined benefit pension plan, minus current liabilities, excluding current borrowings, current income tax liabilities, and the current part of provisions, of employee benefit obligations, of other liabilities and of lease liabilities. Deferred receipts from disposal of subsidiaries, as well as the net interest payable, are also excluded in order to align the presentation of the movements in these latter two items, which are presented under net cash flow from investing activities and financing activities respectively.

notes to the consolidated statement of cash flows.

operating working capital

	2021	2020
Current assets	6,368	4,979
Current liabilities	(4,793)	(4,245)
Working capital	1,575	734
Current assets	6,368	4,979
Adjusted for:		
Cash and cash equivalents	(859)	(474)
Current income tax receivables	(77)	(98)
Trade and other receivables	5,432	4,407
Adjusted for:		
Current CICE receivable	-	(8)
Current part of loans and receivables	(7)	(7)
Current part of net investments in sublease	(5)	(5)
Interest receivable	(4)	(3)
Net plan assets defined benefit pension plan	(5)	-
Operating working capital assets	5,411	4,384
Current liabilities	(4,793)	(4,245)
Adjusted for:		
Current borrowings	16	141
Current part of lease liabilities	187	191
Current income tax liabilities	63	65
Current part of provisions	71	91
Current part of employee benefit obligations	26	20
Current other liabilities	4	2
Trade and other payables	(4,426)	(3,735)
Adjusted for:		
Interest payable	12	9
Operating working capital liabilities	(4,414)	(3,726)
Operating working capital assets	5,411	4,384
Operating working capital liabilities	(4,414)	(3,726)
Operating working capital	997	658

27.2 operating working capital assets

operating working capital assets

	2021	2020
Trade and other receivables as at January 1	4,407	4,711
Adjusted for:		
Current part of loans and receivables	(20)	(126)
Interest receivable	(3)	(3)
Operating working capital assets as at January 1	4,384	4,582
Acquisition of subsidiaries	32	1
Disposal of subsidiaries	(3)	-
Translation gains/(losses)	92	(112)
Statement of cash flows	906	(87)
Operating working capital assets as at December 31	5,411	4,384

27.3 operating working capital liabilities

operating working capital liabilities

	2021	2020
Trade and other payables as at January 1	3,735	3,580
Adjusted for:		
Interest payable	(9)	(9)
Operating working capital liabilities as at January 1	3,726	3,571
Acquisition of subsidiaries	17	1
Disposal of subsidiaries	(2)	-
Translation losses/(gains)	57	(74)
Statement of cash flows	616	228
Operating working capital liabilities as at December 31	4,414	3,726

[notes to the consolidated statement of cash flows.](#)

27.4 CICE and other items

The CICE receivable as an asset arose from tax credits under the French Competitive Employment Act (CICE). This act was aimed at improving the competitiveness of the French economy and at reducing unemployment. It was discontinued as of January 1, 2019.

As at December 31, 2019, the CICE receivable was presented under non-current assets, since the amount was expected to have a maturity of longer than one year, due to the combined effect of the legal regulations of the CICE arrangements and the income tax situation of our French operations, except for the part that was due in the 12 months up to December 31, 2020, which was presented as current part of the CICE receivable under current receivables (€ 116 million). In the statement of cash flows, the yearly additions at fair value of the CICE receivable were presented in 'other items' under cash flow from operating activities, since the CICE arrangements are considered to be related to the operating activities. Collections on the CICE receivable are therefore presented in these 'other items' as well; in the statement of cash flows, the collections are presented separately.

In 2021, an amount of € 8 million was received on the remaining CICE receivable outstanding as at December 31, 2020. See [note 3.2.1](#).

In 2020, an amount of € 381 million was collected, of which € 265 million by way of a legal sale to third parties at a value almost equal to the nominal amount, resulting as at December 31, 2021 in a remaining CICE receivable to the amount of € 8 million, which was reclassified to current receivables.

other items (movements)

	2021	2020
Loans	1	-
Net result of net investments in subleases	(3)	(2)
Net result of remeasurements of right-of-use assets and lease liabilities	(6)	(4)
Non-cash	(8)	(6)
Collections of net investments in subleases	5	8
Cash	5	8
Statement of cash flows	(3)	2

27.5 corporate income taxes paid

corporate income taxes paid

	2021	2020
North America	10	3
France	34	66
Netherlands/Corporate	55	18
Germany	13	18
Belgium & Luxembourg	42	39
Italy	14	21
Iberia	10	8
Other European countries	13	4
Rest of the world	13	1
Global Businesses	-	3
Total	204	181

Corporate income taxes paid in North America are relatively low as a result of accumulated net operating losses that are offset against taxable income. The decrease in France was mainly caused by the impact of the French business tax (CVAE) being reduced by law by half in 2021 and € 17 million payment of taxes related to the prior year included in 2020. Germany's 2021 figures include a refund of taxes related to prior years.

Randstad N.V. and its Dutch subsidiaries form a fiscal unity for corporate income tax. The increase in payments was mainly caused by higher taxable profits in 2021 compared to 2020 and a refund in 2020 related to prior years. The increase in payments in the 'Rest of the world' region is mainly caused by higher taxable profits in Japan in 2021 compared to 2020.

notes to the consolidated statement of cash flows.

27.6 free cash flow

Free cash flow comprises net cash from operating and investing activities, excluding the cash flows from the acquisition and disposal of subsidiaries/activities, of equity investments, and of associates, as well as the dividends from associates. Repayment of lease liabilities is also deducted in order to arrive at free cash flow.

free cash flow

	2021	2020
Net cash flow from operating activities	914	1,462
Net cash flow from investing activities	(207)	(112)
	707	1,350
Acquisition of subsidiaries, equity investments and associates	133	15
Disposal of subsidiaries, equity investments and associates	(54)	(9)
Dividends from associates	-	(4)
	786	1,352
Repayment of lease liabilities	(196)	(220)
Free cash flow	590	1,132

other notes to the

consolidated financial statements.

28 subsidiaries

28.1 subsidiaries

Subsidiaries are companies controlled by Randstad N.V. Control exists when Randstad is exposed to or has rights to variable returns from its involvement with subsidiary companies and has the ability to influence those returns through its power over the subsidiary, generally accompanying a shareholding of more than 50% of the voting rights. Subsidiaries are consolidated from the date that such control commences until the date that it ceases.

Intragroup balances and intragroup transactions are eliminated, as well as any unrealized gains from these transactions. Unrealized losses from intragroup transactions are also eliminated, unless there is evidence of impairment of the assets transferred. Intragroup transactions take place on an arm's length basis.

28.2 financial statements of group companies

Upon translation of foreign activities, the assets and liabilities of operations in currencies other than the euro, including goodwill and fair-value adjustments arising on consolidation, are translated into euros at the foreign exchange rates at the balance sheet date. The income statements of these operations in currencies other than the euro are translated into euros at average exchange rates.

Upon the acquisition of a subsidiary that has a currency other than the euro, balance sheet items are translated into euros at the foreign exchange rates at the acquisition date.

28.3 net investment in subsidiaries that have a currency other than the euro

The net investment in subsidiaries that have a currency other than the euro includes the participation in the net assets of these subsidiaries, and, if applicable, loans to these subsidiaries, settlement of which is neither planned nor expected to occur in the foreseeable future.

Translation differences that occur upon consolidation, relating to the translation of the net investment in subsidiaries that have a currency other than the euro, are recognized in other comprehensive income and presented in the (foreign currency) translation reserve, a separate component within equity, as are translation differences of financial liabilities designated as hedges of such investments (net investment hedge), to the extent that the hedge is effective. The gain or loss relating to the ineffective part is recognized immediately in net finance costs.

If the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation differences is allocated to the non-controlling interests.

Whenever a foreign operation is disposed of, these translation differences are released or charged to the statement of comprehensive income as part of the gain or loss on disposal.

28.4 overview of selected subsidiaries, as at December 31, 2021

North America

- Randstad North America Inc, United States
- Randstad Professionals US LLC, United States
- RiseSmart Inc., United States
- Monster Worldwide Inc., United States
- Celerity IT LLC, United States
- Cella Inc, United States
- Randstad Intérim Inc., Canada

France

- Randstad SAS
- Randstad Sourceright SASU
- Ausy SAS
- Atoll SASU
- Monster Worldwide SAS

The Netherlands

- Randstad Nederland bv
- Tempo-Team Group bv
- Yacht Group Nederland bv
- Randstad Sourceright International bv
- Randstad Sourceright EMEA bv
- Monster Worldwide Netherlands bv

Germany

- Randstad Deutschland GmbH & Co. KG¹
- Randstad Automotive GmbH & Co. KG¹
- Tempo-Team Personaldienstleistungen GmbH
- Randstad Sourceright GmbH
- GULP Information Services GmbH
- GULP Solution Services GmbH & Co. KG¹
- Ausy Technologies Germany AG
- Ausy Consulting GmbH
- Monster Worldwide Deutschland GmbH

Belgium & Luxembourg

- Randstad Belgium nv, Belgium
- Randstad Sourceright nv, Belgium
- Tempo-Team nv, Belgium
- Randstad Professionals nv, Belgium
- Ausy Belgium nv, Belgium
- Randstad Interim sa, Luxembourg

Italy

- Randstad Italia SPA Società di fornitura di lavoro temporaneo
- Randstad HR Solutions srl società con unico socio

Iberia

- Randstad Empleo, Empresa De Trabajo Temporal S.A. Sociedad Unipersonal, Spain
- Randstad Recursos Humanos, Empresa de Trabalho Temporario S.A., Portugal

Other European Countries

- Randstad Austria GmbH, Austria
- Randstad HR Solutions s.r.o., Czech Republic
- Randstad A/S, Denmark
- Randstad AE, Greece
- Randstad Hungary Kft, Hungary
- Randstad Ireland Operations Limited, Ireland
- Qualitair Aviation Malta Limited, Malta
- Randstad Norway AS, Norway
- Randstad Polska Sp. z.o.o., Poland
- Randstad Romania Srl, Romania
- Randstad AB, Sweden
- Randstad Schweiz AG, Switzerland
- Randstad Work Solutions İstihdam ve İnsan Kaynakları Ltd. Şti., Turkey
- Randstad CPE Limited, United Kingdom
- Randstad Financial & Professional Limited, United Kingdom
- Randstad Sourceright Limited, United Kingdom

Rest of the World

- Randstad Argentina SA., Argentina
- Randstad Pty Ltd, Australia
- Aurec Pty Ltd, Australia
- Randstad Brasil Recursos Humanos Ltda, Brazil
- Randstad Chile S.A., Chile
- Talent Shanghai Co. Ltd, China
- Randstad Hong Kong Limited, Hong Kong SAR²
- Randstad India Private Ltd, India
- Randstad KK, Japan
- Randstad Sourceright Sdn. Bhd., Malaysia
- Randstad Mexico S. de R.L. de CV, Mexico
- Randstad Limited, New Zealand
- Randstad (PTE) Limited, Singapore
- Randstad Uruguay SA, Uruguay

Other Subsidiaries

- Randstad Holding Nederland bv, the Netherlands
- Randstad Holding Luxembourg Sarl, Luxembourg
- Randstad Finance GmbH, Switzerland
- Randstad FTC Pte Limited, Singapore

¹ The fully consolidated German subsidiaries mentioned above exercise simplification options in accordance with Article 264.b of the German Commercial Code ('HGB').

² Region in the case of Hong Kong SAR (Special Administrative Region)

A list of all subsidiaries has been filed at the Chamber of Commerce in Amsterdam ('Kamer van Koophandel', Amsterdam; Chamber of Commerce number 33216172; Legal Entity Identification number 7245009EAAUQJOU4T57). Randstad N.V. has, directly or indirectly, a 100% interest in all subsidiaries, unless stated otherwise.

29 share-based compensations

The company has various share-based compensation arrangements that are settled in ordinary shares. The fair value of these share-based compensations, calculated on grant date, is based on valuation models, taking into account relevant market conditions and non-vesting conditions. The fair value is included in personnel expenses in the vesting period during which the expected employee services are received. The same amount is credited to shareholders' equity.

At each balance sheet date, the company reassesses its estimates of the non-market vesting conditions under these share-based compensation arrangements. The impact of the revision on original estimates with respect to the past vesting period, if any, is recognized in personnel expenses immediately, with a corresponding adjustment to shareholders' equity.

Within the Group, a number of share-based compensation arrangements are in effect: performance share plans for Executive Board members and senior management, a share matching plan for Executive Board members, and a share purchase plan for all corporate employees.

The actual annual grant of performance shares will, in principle, not exceed 1% of the ordinary issued capital. However, depending on the realization of related performance targets and the company's actual share price, the number of shares to be issued in relation to vesting of the performance shares might in a certain year exceed the 1% limit.

29.1 performance share plans

29.1.1 executive board performance share plan

Since 2007, conditional performance shares have been granted annually to the members of the Executive Board. The plan has a term of three years. The number of shares to vest depends on the company's TSR performance compared to a peer group of 18 companies (2020: 18 peers) measured over a three-year period starting on January 1 of the year of grant. The number of shares to vest also depends on achieving certain non-financial performance targets.

All performance share plans are equity-settled. The fair value is determined as at the date of each grant, based on a Monte Carlo simulation model.

Volatility of the shares of the peer companies, as well as the pair-wise correlation between all peer shares, is estimated on the basis of historical daily prices over three years. Estimated dividends of the peer companies are based on historical dividends.

The fair value is charged to the income statement during the vesting period, based on the on-target awards of the TSR part of each plan and on the expected outcome of the non-financial performance targets.

At each balance sheet date, the non-market conditions (attrition and non-financial performance) are reassessed; any adjustment is charged to the income statement.

The shares yet to be vested of a Board member who resigns from the Group within the three-year vesting period will, in principle, be forfeited.

29.1.2 senior management performance share plan

Terms and conditions of the senior management performance share plan are identical to those of the Executive Board.

The performance shares 2018 of the Executive Board and senior management vested on December 31, 2020, based on relative TSR performance and reaching certain non-financial targets of the company, resulting in 651,374 shares being allocated in February 2021 (share price at allocation date: € 56.20), compared to an on-target award of 422,829 shares.

The performance shares 2019 of the Executive Board and senior management vested on December 31, 2021, based on relative TSR performance and reaching certain non-financial targets of the company, resulting in 894,029 shares to be allocated in February 2022, compared to an on-target award of 620,542 shares.

The expenses charged to the 2021 income statement amount to € 34.1 million (2020: € 28.7 million).

[other notes to the consolidated financial statements.](#)

29.1.3 retention performance share plan

In 2017, conditional performance shares were granted to certain senior management as part of a retention plan. These shares will vest based on performance during the vesting periods 2017–2019, 2017–2020, and 2017–2021. The performance conditions are non-market conditions; possible adjustments due to the yearly assessment of conditional performance are charged to the income statement.

The second tranche vested in December 2020. Performance targets were not met and did not result in an allocation of the on-target award of 12,547 shares. The vesting date of the last tranche was December 31, 2021, resulting in 17,021 shares expected to be allocated, compared to an on-target award of 10,316 shares.

Reassessments of the performance conditions less forfeitures resulted in a charge to the income statement of € 0.3 million (2020: release of € 1.0 million).

29.1.4 other share plans

These share plans are implemented to reward the participants for specific contributions. The shares

parameters used for fair-value determination

	2021	2020	2019
Average share price at grant date	€ 56.20	€ 53.18	€ 44.78
Expected volatility, based on historical prices over the three-year period to the valuation date	33.0%	22.0%	26.0%
Expected dividends	6.0%	7.6%	3.7%
Risk-free interest rate (yield on Dutch government bonds)	(0.5%)	(0.4%)	(0.1%)

granted are conditional, and vesting depends on performance on non-market-based conditions and/or the rendering of employee services during the vesting periods, which may vary from 1 to 4 years.

The expenses charged to the 2021 income statement amount to € 0.4 million (2020: € 0.7 million).

In 2021, no shares were allocated.

details of all (performance) share plans

year of grant	january 1, 2021	number of shares (x 1,000) on target				average fair value at grant date per share (in €)
		granted	forfeitures	allocated in 2020	december 31, 2021	
2017	22		(2)	(12)	8	50.44
2018	431		(2)	(427)	2	53.87
2019	670		(22)		648	39.37
2020	671		(39)		632	42.59
2021		682	(40)		642	45.89
Total	1,794	682	(105)	(439)	1,932	

29.2 share purchase plan for corporate employees

Under the share purchase plan, participating corporate employees may purchase shares through Stichting Randstad Optiefonds twice a year. The maximum amount to be spent within the plan is set annually at 5% of the participant's annual salary. Employees receive a number of bonus shares equal to 50% of the number of shares purchased; these bonus shares vest over a period of six months, only if employees hold on to the purchased shares for the same period of six months (on condition that they are still employed by the Group). The

bonus is expensed by the company over the vesting period (2021: € 8.8 million; 2020: € 8.5 million). In 2021, a total of 166,619 (2020: 204,437) bonus shares were allocated to employees.

As of November 2021, the Share Purchase Plan changed in such a way that employees will receive an additional 50% of bonus shares if they hold the purchased shares for 12 months. This is effective for shares purchased on May 1, 2022.

29.3 executive board share matching plan

As of 2017, 25% of the net annual bonus of the Executive Board is paid out in shares. After three years, these shares will be matched 1:1 subject to a sustainable performance of the Company and at the discretion of the Supervisory Board. Executive Board members are allowed to voluntarily convert an additional 25% of the net annual bonus with the same matching principles. The expenses recorded for the matching of shares amount to € 0.2 million in 2021 (2020: € 0.2 million).

4,386 shares matched 1:1 as a result of the annual bonus for the year 2017, paid in 2018. These shares were allocated in February 2021 at a share price of € 56.20.

29.4 total share-based compensations

in millions of €	2021	2020
Performance share plans	34.1	28.7
Retention performance share plan	0.3	(1.0)
Other share plans	0.4	0.7
Share purchase plan	8.8	8.5
Share matching plan	0.2	0.2
	43.8	37.1

30 related-party transactions

30.1 key management

The members of the Executive Board and Supervisory Board are considered the key management of the Group. Details of the remuneration of the members of the Executive Board and Supervisory Board are included in the governance section of the annual report, under [remuneration report \(see page 136\)](#).

30.2 remuneration of the members of the executive board

The totals of the remuneration of the members of the Executive Board are included in the income statement.

In 2021, the remuneration of former Executive Board members amounted to € 0 (2020: € 237,000).

The expenses for performance shares refer to the fair value of share-based payments charged to the income statement for the years 2021 and 2020 respectively.

The company has not issued any loans, commitments to provide loans, or guarantees to Executive Board members. Pension expenses related to Dutch-based Board members include compensation for the limitation of accrual of pension rights in 2021 and 2020.

executive board remuneration

x € 1,000

	2021	2020
--	------	------

Fixed compensation

Base salary	4,548	4,367
Fringe benefits	68	61
	4,616	4,428

Variable compensation

Short-term bonus	4,245	-
Share-based compensations	6,017	4,096
	10,262	4,096
Pension expenses	1,226	1,179
Social charges and taxes	146	362
Total	16,250	10,065

[other notes to the consolidated financial statements.](#)

number of performance shares outstanding in 2021

	january 1, 2021	number of shares on target 2021	transfer	forfeitures	performance adjustment at allocation 2021	allocated in february 2021	december 31, 2021
Total performance shares outstanding of Executive Board members	290,364	119,322	1,754	(21,645)	31,545	(89,896)	331,444
Total matching shares outstanding of Executive Board members	23,392	-	(1,754)	(864)		(3,703)	17,071
Total shares outstanding of Executive Board members	313,756	119,322	-	(22,509)	31,545	(93,599)	348,515
Total shares outstanding of former Executive Board members		11,267			5,722	(16,989)	-

1 The number of shares on target 2021 refer to the shares granted according to the executive performance plan (29.1) and the share matching plan (29.4).

The performance shares 2018 were allocated in February 2021. The allocation amounted to 154% of the on-target award (share price at allocation date: € 56.20).

The performance shares 2019 vested on December 31, 2021, based on relative TSR performance of the company and the achievement of certain non-financial targets over the period January 1, 2019 – December 31, 2021, resulting in an overall vesting of 144% of the on-target award of 110,703 shares.

Allocation after vesting of conditional shares awarded in 2019, 2020, and 2021 will take place in February 2022, 2023, and 2024 respectively.

number of ordinary shares in randstad nv held by executive board

as at december 31

	2021	2020
Unrestricted ordinary shares	60,744	110,766
Locked-up ordinary shares	106,390	67,992
Total	167,134	178,758

For the conditions and criteria governing the granting and vesting of performance shares, see [note 29.1](#).

30.3 remuneration of the members of the supervisory board

Remuneration of the members of the Supervisory Board is included in the income statement. The remuneration is fixed and includes gross expense allowances. In 2021, the total remuneration amounted to € 656,800 (2020: € 659,500).

Total remuneration of former Supervisory Board members amounted to € 24,000 (2020 € 24,000).

The company has not issued any loans, commitments to provide loans, or guarantees to members of the Supervisory Board.

30.4 other related-party transactions

The founder of the Randstad Group has an interest in a legal entity, which, based on the 'Wet financieel toezicht' (Act on Financial Supervision), is registered as a shareholder in Randstad N.V. in the 30% – 40% category. There were no transactions with this related party, except for the Clipper Stad Amsterdam. The rental expenses of the ship for promotional activities, were € 2 million (2020: zero).

[See note 25.2 'Employee benefit obligations'](#) for transactions with company pension funds through which certain pension schemes are operated.

[other notes to the consolidated financial statements.](#)

31 number of employees (average)

	2021	2020
Candidates working	653,300	568,800
Corporate employees	39,530	34,680

number of employees by segment

	Candidates working		Corporate employees	
	2021	2020	2021	2020
North America	92,900	86,100	6,530	5,770
France	84,200	71,400	4,460	4,110
Netherlands	72,000	63,000	3,890	3,730
Germany	38,300	31,200	2,860	2,350
Italy	53,800	41,800	2,490	2,010
Belgium & Luxembourg	44,200	39,000	2,080	1,790
Iberia	60,400	53,300	2,160	1,810
Other European countries	63,400	54,500	3,670	3,380
Rest of the world	134,600	121,200	5,530	5,070
Global Businesses	9,500	7,300	5,540	4,390
Corporate	-	-	320	270
Total	653,300	568,800	39,530	34,680

32 commitments

	2021	2020
Commitments less than 1 year	138	115
Commitments more than 1 year, less than 5 years	192	167
Commitments more than 5 years	14	18
	344	300

Commitments relate mainly to service contracts. The increase in commitments as at December 31, 2021 compared to prior year is due to global IT contracts.

No guarantees have been issued other than those relating to commitments regarding rent and leases, and those relating to liabilities that are included in the balance sheet.

33 auditors' fees

The following auditors' fees were expensed in the income statement in the reporting period:

auditors' fees	2021	2020
Audit of the financial statements ¹	5.0	4.5
Audit of the financial statements of subsidiaries by other audit firms	0.8	0.8
Subtotal for audit of the financial statements ²	5.8	5.3
Other audit procedures ³	0.4	0.3
Total	6.2	5.6

¹ The fees listed above relate to the procedures applied to the company and its consolidated Group entities by Deloitte Accountants B.V. as the external auditor referred to in Section 1 (1) of the Dutch Accounting Firms Oversight Act (Wta) as well as by the Deloitte network (€ 1.1 million and € 3.9 million respectively (2020: € 0.9 million and € 3.6 million)).

² Including the audit fees with respect to the local statutory financial statements.

³ The fees listed above for 2021 and 2020 relate to the procedures applied to the company and its consolidated Group entities by Deloitte Accountants B.V. as the external auditor referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Wta) (€ 0.2 million for 2021 and 2020), as well as by the Deloitte network.

34 events after balance sheet date

Subsequent to the date of the balance sheet, no events material to the Group as a whole occurred that require disclosure in this note.

company

financial statements.

(before profit appropriation)

income statement

in millions of €	note	2021	2020
Revenue	2	318	216
Gross profit		318	216
Selling expenses		10	1
General and administrative expenses		168	105
Total operating expenses		178	106
Operating profit		140	110
Finance income	7	24	
Finance expenses		(152)	(156)
Net finance costs		(145)	(132)
Income before taxes		(5)	(22)
Taxes on income		(7)	(6)
Income from subsidiaries after taxes	4	780	332
Net income		768	304

[company financial statements.](#)

statement of financial position as at december 31

in millions of €	note	2021	2020
assets			
Software	3	18	15
Intangible assets		18	15
Subsidiaries	4	9,538	9,022
Long-term loans receivable from subsidiaries	5	8	172
Deferred income tax assets		1	2
Financial assets		9,547	9,196
Non-current assets		9,565	9,211
Receivables	6	204	250
Income tax receivable		2	9
Cash and cash equivalents	7	237	69
Current assets		443	328
Total assets		10,008	9,539
equity and liabilities			
Issued capital		26	26
Share premium		2,323	2,287
Legal reserves		188	116
Other reserves		1,596	1,935
Net income for the year		768	304
Shareholders' equity	8	4,901	4,668
Non-current liabilities/borrowings	9	3,052	2,519
Borrowings	9	-	60
Trade and other payables	10	2,055	2,292
Current liabilities		2,055	2,352
Total liabilities		5,107	4,871
Total equity and liabilities		10,008	9,539

notes to the company financial statements.

1 accounting policies for the company financial statements

The company financial statements of Randstad N.V. are prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code. The company has made use of the possibility based on Article 362, paragraph 8, Part 9, Book 2 of the Dutch Civil Code to prepare company financial statements based on the accounting policies used for the consolidated financial statements.

The subsidiaries are presented in accordance with the equity method.

Receivables are mainly receivables on subsidiaries. The accounting policy on trade and other receivables is included in [note 3.2.1](#) of the notes to the consolidated financial statements. The expected credit losses , if any, are eliminated in the carrying amount of these receivables.

A summary of the significant accounting policies and a summary of the critical accounting estimates, assumptions and judgments are given in [note 2](#) and [note 4](#) respectively of the notes to the consolidated financial statements.

2 revenue

Revenue comprises charges to subsidiary companies with regard to corporate expenses as well as royalty charges.

These (royalty) charges are mainly based on a percentage of revenues of subsidiaries.

3 software

software

	2021	2020
Balance as at January 1	15	10
Additions	21	19
Amortization and impairment	(18)	(14)
Balance as at December 31	18	15
Cost	34	32
Accumulated amortization and impairment	(16)	(17)
Balance as at December 31	18	15

Additional information with respect to software is given in [note 19](#) of the notes to the consolidated balance sheet.

4 subsidiaries

subsidiaries

	2021	2020
Balance as at January 1	9,022	8,929
Capital (repayments)/contributions	120	(42)
Dividend	(460)	(68)
Net income	780	332
Share-based compensations, subsidiaries	8	5
IAS 19 effects, subsidiaries	(2)	(3)
Fair value adjustment on equity investment	7	2
Translation differences	63	(133)
Balance as at December 31	9,538	9,022

See [note 28.4](#) of the notes to the consolidated financial statements for an overview of the selected subsidiaries.

5 long-term loans receivable from subsidiaries

This relates to a perpetual non-interest bearing loan to a subsidiary. The average interest on repaid loans during 2021 is 2.5% (2020: 1.7%).

6 receables

receables

	2021	2020
Receivables from subsidiaries	130	227
Other receivables and prepayments	74	23
	204	250

7 cash and cash equivalents

Cash and cash equivalents comprise out of cash on hand and at bank, as well as time deposits. Time deposits fall due within a month. The interest rate for time deposits is negative 0.6 %

cash and cash equivalents

	2021	2020
Time deposits	60	-
Cash on hand and at bank	177	69
	237	69

8 shareholders' equity

Additional information is given in the consolidated statement of changes in equity and in [note 23](#) of the notes to the consolidated financial statements.

8.1 legal reserves

Based on Dutch law, a legal reserve needs to be established for currency translations, fair-value adjustments and capitalized costs of development of software. The legal reserve cannot be used for dividend distribution and is therefore restricted in usage.

legal reserves

	2021	2020
Translation reserve	58	(15)
Developed software company	18	15
Developed software at subsidiaries	90	101
Fair value reserve	22	15
	188	116

Movements during 2021 relate to translation gains (2020: losses), fair value gains and to the net balance of capitalization and amortization of internally developed software for the company and for its subsidiaries.

8.2 other reserves

'Other reserves' includes a reserve with respect to share-based compensations to the amount of € 67 million (2020: € 63 million).

9 borrowings

borrowings

	2021	2020
Non-current borrowings, payable to third parties	664	-
Non-current borrowings, payable to subsidiaries	2,388	2,519
Non-current borrowings	3,052	2,519
Current borrowings	-	60
Current borrowings	-	60
Total borrowings	3,052	2,579

Total borrowings payable to subsidiaries consist of various loans amounting to € 2.388 million (2020: € 2,519 million), maturing from January 2025 to September 2031. The average interest rate on all these loans is 3.3% (2020: 3.2%).

movements in non-current borrowings from third parties

	2021	2020
Balance as at January 1	-	507
Net drawings on / (net repayments of) non-current borrowings	664	(495)
Translation differences	-	(12)
Balance as at December 31	664	-

Additional information with respect to borrowings is given in [note 3.2](#) of the notes to the consolidated balance sheet.

10 trade and other payables

trade and other payables

	2021	2020
Trade payables	8	19
Payables to subsidiaries	2,024	2,260
Other taxes and social insurance charges	2	2
Wages, salaries and other personnel costs	11	3
Accruals and deferred income	10	8
Balance as at December 31	2,055	2,292

11 number of employees (average)

In 2021, the company employed an average of 285 employees (2020: 240), of which 71 have their place of residence outside the Netherlands (2020: 50).

12 total wages and salaries, social security and pension charges

	2021	2020
Wages and salaries	46	31
Social security charges	2	2
Pension charges - defined contribution plans	3	3
Share-based compensations	11	7
Total	62	43

In addition to these wages and salaries, the wages and salaries of employees who have their residence outside of the Netherlands are charged to the company, amounting to € 19 million (2020: € 11 million).

13 remuneration

See [note 30](#) of the notes to the consolidated financial statements.

14 related parties

In addition to notes 28, 29 and 30 of the notes to the consolidated financial statements, all companies within the Group are also considered to be related parties of Randstad N.V.

15 guarantees and commitments

The company bears joint and several liability for drawings by subsidiaries under the multi-currency syndicated revolving credit facility and under bank overdraft and guarantee facilities, to the amount of € 617 million (2020: € 695 million).

As at December 31, 2021, guarantees issued on behalf of subsidiaries amounted to € 3 million (December 31, 2020: € 3 million). Furthermore, in the normal course of business, the company provides financial support to its subsidiaries.

The company's commitments for the period up to one year amount to € 61 million (2020: € 36 million), for the period between one and five years they amount to € 95 million (2020: € 94 million), and for the period after five years they amount to € 0 million (2020: € 6 million). Commitments mainly relate to service contracts.

The company is part of fiscal unities for corporate income taxes, as well as for value-added taxes. As a consequence, the company bears joint and several liability for the debts with respect to corporate income taxes and value-added taxes of the fiscal unities. The company settles corporate income taxes, in principle, based on the results before taxes of the subsidiaries belonging to the fiscal unity.

The company has issued joint and several liability statements in accordance with Section 403, Part 9, Book 2 of the Dutch Civil Code for a limited number of its Dutch subsidiary companies, mainly serving as sub-holding companies.

16 auditors' fees

Information with respect to auditors' fees is given in note 33 of the notes to the consolidated financial statements.

Diemen, the Netherlands, February 14, 2022

The Executive Board

Jacques van den Broek, Chair
Sander van 't Noordende
Henry Schirmer
Karen Fichuk
Rebecca Henderson
Chris Heutink
René Steenvoorden

The Supervisory Board

Wout Dekker, Chair
Annet Aris
Hélène Auriol Potier
Barbara Borra
Frank Dorjee
Rudy Provoost

other information.

provisions in the articles of association concerning profit appropriation

The following is a summary of the most important stipulations of Articles 28 and 29 of the Articles of Association concerning profit appropriation.

subsection 1.

1. Any such amounts from the profits as will be determined by the Executive Board with the approval of the Supervisory Board will be allocated to reserves. As far as possible, from the remaining profits (hereinafter also called the total profits):

a. A dividend will first be distributed to the holders of preference A shares on the amount paid on said shares, of which the percentage will be equal to the average of the statutory interest – in the event of a change in the meantime to the respective percentages – during the financial year for which the distribution is made. This percentage will be increased by a surcharge fixed by the Executive Board, subject to the approval of the Supervisory Board, amounting to a maximum of three percent (3%). If, in any year, the profit distribution on preference A shares cannot be made or can only be made partially, the overdue dividend on the shares will be distributed in the subsequent years before any other dividend distribution is made.

b.1. A dividend will subsequently be distributed per series to holders of preference B shares (equal to the basic percentage to be mentioned under b.2) of the sum of the nominal amount and the amount in share premium which was paid upon the first issue of the shares of said series, which percentage will be increased upon said issue by a surcharge, determined by the Executive Board, subject to approval of the Supervisory Board, of a maximum of one hundred and seventy-five (175) base points. If the share premium reserve has not shown the same balance for the whole financial year, the dividend shall be calculated on the time-weighted average balance for that financial year.

b.2. The basic percentage referred to under b.1 will be the arithmetic average of the effective yield on the government bonds issued by the State of the Netherlands with a term or remaining term of six to

seven years. For the first time on the date that the preference B shares (of a series) have been outstanding for seven years, and subsequently each period of seven years after this, the basic percentage of the preference B shares (of the series concerned) will be adjusted to the yield then effective of the state loans referred to in the above-mentioned provisions.

b.3. A dividend will be distributed per series of preference C shares to holders thereof equal to the basic percentage mentioned under b.4 increased with the increment mentioned under b.4 calculated over the sum of the nominal amount increased by the daily time weighted average over the relevant financial year of the sum of the share premium amount and the preference C shares dividend reserve of said series.

Notwithstanding the preceding sentence the dividend on the preference C shares for the period until the eighteenth day of November two thousand and nineteen will be five hundred eighty (580) basis points.

b.4. For the first time on the eighteenth day of November two thousand nineteen and subsequently each period of seven years after this, the basic percentage of the preference C shares (of the series concerned) will be adjusted to the average effective return on Dutch government bonds with a (remaining) life of seven years.

The increment is to be determined by the Executive Board with the approval of the Supervisory Board with a minimum of fifty (50) basis points and a maximum of six hundred and fifty (650) basis points, depending on the market circumstances (depending on, among other things, liquidity, business continuity, creditworthiness, subordination and tax treatment) at that time and is subject to the approval of the meeting of shareholders of the preference C shares or series concerned, which approval requires unanimous votes of the holders of the preference C shares present or represented at such meeting.

b.5. The Executive Board is authorized, subject to the approval of the Supervisory Board, to resolve that dividend on the preference B shares or on the preference C shares of any series shall not be distributed but reserved instead in order to be distributed at a later date following a resolution to this effect by the Executive Board, subject to the approval of the Supervisory Board. When it is resolved that dividend on the preference B shares shall not be distributed but reserved then it shall

also be resolved that dividend on the preference C shares shall not be distributed but reserved and vice versa.

b.6. If and insofar as the profit is not sufficient to fully make the distribution referred to hereinbefore on preference B shares and on preference C shares, the Executive Board may resolve, subject to the approval of the Supervisory Board, to make these distributions from the freely distributable reserves, with the exception of the share premium reserves referred to in Article 4, paragraph 4 under b and c, preference A shares dividend reserves, preference B shares dividend reserves and preference C shares dividend reserves.

b.7. If and insofar as in any financial year no distribution can be made, or it is resolved not to make a distribution on preference B shares, from the profit realized in the subsequent years after allocation to reserves and reduction of the amounts accruing to holders of preference A shares in accordance with the provisions in paragraph 1 subparagraph a of Article 28, following a resolution to that effect by the Executive Board, subject to the approval of the Supervisory Board, such distribution will be made to the holders of said preference shares or reserved as such that the deficit will have been fully made good before the provisions laid down hereinbefore can be applied.

b.8. If and insofar as in any financial year no distribution can be made, or it is resolved not to make a distribution on preference C shares, from the profit realized in the subsequent years after allocation to reserves and reduction of the amounts accruing to holders of preference A shares in accordance with the provisions in paragraph 1 subparagraph a of Article 28, following a resolution to that effect by the Executive Board subject to the approval of the Supervisory Board, such distribution will be made to the holders of said preference shares or reserved as such that the deficit will have been fully made good before the provisions laid down hereinbefore can be applied. Such deficit will be increased with the percentage referred to in paragraph 1 under b.3 or under b.4 of Article 28 calculated over the period the deficit occurred and the moment the deficit has been made good.

b.9. If preference B shares or preference C shares have been issued in the course of any financial year, the dividend on the shares concerned for said financial year

will be reduced proportionately until the first day of issue.

subsection 2.

The balance then remaining will be available to the General Meeting, subject to the proviso that (i) no distribution will be made as long as not all the profit distributions on the preference shares have been made and the reserves are distributed on the preference shares as referred to in Article 28 and (ii) no further distribution will be made on preference shares, nor will any amounts be reserved for this purpose.

subsection 3.

The company may only make distributions to shareholders from the profit susceptible to distribution insofar as its common equity exceeds the amount of the paid and claimed part of the capital increased by the reserves to be kept by virtue of the law.

subsection 4.

Subject to the approval of the Supervisory Board, the Executive Board may pass a resolution for distribution of an interim dividend, to be deducted from the dividend expected for the financial year concerned, if the requirement of the preceding paragraph has been fulfilled, as will be evident from an interim specification of equity and all the distributions on preference B shares and preference C shares have been made. Said specification of equity will relate to the position of the equity at the earliest on the first day of the third month prior to the month in which the resolution for distribution will be announced. It will be drawn up with due observance of the valuation methods deemed acceptable in society. The specification of equity will include the amounts to be allocated to the reserves by virtue of the law. It will be signed by the members of the Executive Board. In the event that the signature(s) of one or more of them should be lacking, the reason thereof will be stated. The company will deposit the specification of equity at the office of the Trade Register within eight days after the date on which the resolution for distribution will be announced. A resolution for distribution of an interim dividend may be limited to a distribution of an interim dividend exclusively to shareholders of a particular class, without prejudice to the rights of shareholders of other classes.

subsection 5.

Resolutions for the complete or partial cancellation of reserves as stated in paragraph 1 of Article 28 may only be adopted by the General Meeting on a proposal of the Executive Board approved by the Supervisory Board, with the exception of resolutions in respect of: (i) distributions from reserved dividend on preference B shares and on preference C shares, which shall be resolved upon by the Executive Board subject to the approval of the Supervisory Board; and (ii) annual distributions of twenty per cent (20%) of the preference C shares share premium reserve on preference C shares, which may be increased with an additional amount at the expense of the general reserves, such amount as to be determined at the time of issuance, which distributions may be resolved upon by the Executive Board, subject to the approval of the Supervisory Board, once the preference C shares (of a series) have been outstanding for four years. If in any financial year a distribution as referred to under (ii) does not occur or does not wholly occur, such distribution may take place in a subsequent year, provided that in any financial year not more than thirty percent (30%) may be distributed. When it is resolved that distributions shall be made from the preference B shares dividend reserve then it shall also be resolved that distributions shall be made from the preference C shares dividend reserve and vice versa.

Resolutions of the General Meeting for the complete or partial cancellation of a share premium reserve will require the prior approval of the meeting of holders of shares of the class and series concerned, without prejudice to the provisions in Article 3, paragraph 5, under b.1. Only holders of ordinary shares will be entitled to distributions deducted from allocations to reserves other than those mentioned in the preceding sentence. However, without prejudice to the amounts that would accrue to holders of preference B shares or holders of preference C shares, in accordance with the provisions in Article 28, paragraph 1b.4. and Article 34, paragraph 4.

Article 35 of the Articles of Association defines a transitory provision in relation to the reset of the Preference B Shares up to and including November 17, 2026. In deviation of that provided in Article 28 paragraph 1 under b.1 and b.2, for the time period starting as of the eighteenth day of November two thousand and nineteen up to and including the seventeenth day of November two thousand and twenty -six, instead of a surcharge on the preference B shares of a maximum of one hundred and seventy -five (175) base points, the surcharge is set on: two hundred and thirty - six point eight (236.8) base points.

Article 29 of the Articles of Association concerning payment in shares or from the reserves states:

1. The General Meeting may, at the proposal of the Executive Board and with the approval of the Supervisory Board, decide to distribute a dividend on ordinary shares in whole or in part in shares of the company and not in cash.
2. The General Meeting may decide to make a distribution on ordinary shares, in whole or in part, in shares of the company and not in cash.
3. In the event of a merger of a Subsidiary of the company, the General Meeting will have the authority to issue shares from one or more of the company's reserves, which do not need to be retained pursuant to the law or these Articles of Association.

independent auditor's report

To the shareholders and the Supervisory Board of Randstad N.V.

report on the audit of the financial statements 2021 included in the annual report

our opinion

We have audited the accompanying financial statements 2021 of Randstad N.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements as set out on pages 158 to 226 of the annual report.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Randstad N.V. as at December 31, 2021, and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Randstad N.V. as at December 31, 2021, and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at December 31, 2021.
2. The following statements for 2021: the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company income statement for 2021.
2. The company statement of financial position as at December 31, 2021.
3. The notes comprising a summary of the accounting policies and other explanatory information.

basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Randstad N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information as included in the following paragraphs supporting our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 50 million (2020: € 40 million). In 2021, our materiality is based on a percentage of profit before tax. In prior year, because of the exceptional effects of the COVID-19 pandemic on profitability, we also considered other relevant benchmarks, including revenues.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Audits of the components were performed using materiality levels determined by the judgement of the group engagement team, taking into account the materiality of the financial statements as a whole and the reporting structure within the group. Component performance materiality did not exceed € 20.5 million.

We agreed with the Supervisory Board that misstatements in excess of € 2.5 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

scope of the group audit

Randstad N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Randstad N.V.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the components by the group engagement team and by the auditors of components. We directed and supervised the work of component auditors as part of the group audit.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence was obtained as a basis for our opinion on the group financial statements as a whole, also considering COVID-19 related travel restrictions. For each component we determined whether we required an audit of their complete financial information or whether other procedures would be sufficient. The following components were subject to a full scope audit: the United States, France, the Netherlands, Germany, Belgium, Italy, Spain, United Kingdom, Sweden, Japan, and Australia. In most cases, these components were selected because of their financial significance to the group's revenue or assets. Due to travel restrictions, some of our oversight procedures have been performed remotely whereby we varied the nature, timing and extent of these procedures based on both quantitative and qualitative considerations. The group engagement team visited France and the Netherlands and held online sessions with local management and auditors of several other key locations.

In addition, we performed review procedures or specified audit procedures at other components.

Our group audit scoping resulted in the following coverage:

audit coverage

Audit coverage of consolidated revenues	85%
Audit coverage of consolidated assets	80%

The group consolidation, financial statement disclosures and certain centrally coordinated accounting topics were audited by the group engagement team at head office. These subjects included among others the annual goodwill impairment test.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

scope of fraud and non-compliance with laws and regulations

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Non-compliance with law and regulation may result in fines, litigation, or other consequences for the group that may have a material effect on the financial statements.

audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to section 'Risk and Opportunity Management' of the management report for management's fraud risk assessment. We evaluated Randstad's fraud risk assessment and made inquiries with management, those charged with governance and others within the group, including but not limited to, Global Business Risk & Audit and Global Financial Reporting & Corporate Accounting. We evaluated several fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud. We involved our forensic specialists in our risk assessment and in determining the audit response.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as, among others, the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks. As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

Following these procedures, and the presumed risks under the prevailing auditing standards, we considered the fraud risks in relation to management override of controls, including evaluating whether there was evidence of bias by the Executive Board and other members of management, which may represent a risk of material misstatement due to fraud.

As part of our audit procedures to respond to these risks, we evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 4 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing

of intangible assets is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment. Reference is made to the section "Our key audit matters". For significant transactions such as the acquisition of Cella Inc., we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting.

This all did not lead to indications for fraud potentially resulting in material misstatements.

[audit approach compliance with laws and regulations](#)

We assessed the laws and regulations relevant to Randstad through discussion with Global Legal, Global Tax, the Privacy and Security Officer and reading minutes and reports of Global Business Risk & Audit. We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered adherence to (corporate) tax law and financial reporting regulations, the requirements under International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

Apart from these, the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation. Given the nature of Randstad's business we considered the risk of non-compliance in the areas of data protection, health & safety, tax and competition laws. In addition, we considered major laws and regulations applicable to listed companies.

As required by auditing standards, we designed and performed audit procedures that address the risk of non-compliance with these laws and regulations. Our procedures included inquiries of management, those charged with governance and others within the group, inspection of (board) minutes, correspondence with relevant authorities and lawyers' letters and assessment of uncertain tax positions taken by the Company. We also remained alert to indications of (suspected) non-compliance throughout the audit, both at component and group levels.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

[audit approach going concern](#)

Our responsibilities, as well as the responsibilities of the Executive Board and the Supervisory Board, are outlined under the prevailing standards in the "Description of responsibilities regarding the financial statements" section below. The Executive Board has assessed the going concern assumption, as part of the preparation of the consolidated financial statements, and as disclosed in the Financial Statements (note 2.1, basis for preparation). The Executive Board believes that no events or conditions, including the COVID-19 pandemic, give rise to doubt about the ability of the group to continue in operation at least twelve months after the adoption of the financial statements.

We have obtained management's assessment of the entity's ability to continue as a going concern, and have assessed the going concern assumption applied. As part of our procedures, we evaluated whether sufficient appropriate audit evidence has been obtained regarding, and have concluded on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements. Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as a going concern.

our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board.

The key audit matter is not a comprehensive reflection of all matters discussed. The matter considered as key to our audit is consistent with those identified in the prior year with the exception of the governmental employment protection programs and the cyber incident. The government employment protection programs were put in place by the governments of various countries in 2020, but the use of such programs is immaterial in 2021. The investigation of the cyber incident identified by Randstad in the fourth quarter of 2020 is finalized in 2021 and no material impact is identified.

The key audit matter is addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

key audit matter	how the key audit matter was addressed in the audit
goodwill	
description	
On 31 December 2021 Randstad's goodwill carrying value is € 3,047 million (2020: € 2,907 million). Under EU-IFRS, Randstad is required to perform an impairment test of goodwill annually or where there is an indication of impairment.	Our audit procedures included obtaining an understanding of management's impairment tests including testing of relevant controls. Our audit procedures mainly comprised of substantive audit procedures.
The annual impairment test was significant to our audit because the assessment process involves management judgement and is based on assumption that are affected by expected future market and economic conditions. The company's annual impairment test resulted in the conclusion that no impairment was needed for 2021.	We involved our valuation experts to assist us in evaluating the assumptions and methodologies used in the impairment tests prepared by the group. We challenged management's assumptions that were most sensitive including projected revenue growth over the forecasted period, EBITA margin and discount rate.
A change in legislation in Mexico was considered a triggering event in the third quarter resulting in an impairment of € 1 million.	Our procedures included corroborating management's judgements and estimates by comparing the assumptions to historic performance, future outlooks, analyst reports, local economic developments and industry outlook, also taking into account the effects of COVID-19. We evaluated the sensitivity of changes to the respective assumptions on the outcome of the impairment assessment.
Due to the significance of the goodwill balance and the management's judgments in the impairment test, we considered goodwill a key audit matter. We have pinpointed the risk to those operating segments which were most impacted by the economic uncertainties and where the headroom between the carrying value of the goodwill and the recoverable value is such that a reasonable change in the assumptions or estimated cash flows could result in an impairment.	As part of our audit procedures we have paid specific attention to operating segments that are most sensitive to changes in assumptions and determined that the disclosure in note 5 adequately reflects such sensitivity.
The key assumptions and sensitivities are disclosed in note 5 to the consolidated financial statements.	observation The scope and nature of the procedures performed were appropriate and sufficient to address the risks of material misstatement in relation to goodwill. Our procedures did not result in any reportable material matters.

report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Management Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other information as included in the annual report.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

report on other legal and regulatory requirements

engagement

We were appointed by the general meeting of shareholders as auditor of Randstad N.V. on April 3, 2014, as of the audit for the year 2015 and have operated as statutory auditor ever since that financial year.

no prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

european single electronic reporting format (ESEF)

Randstad N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by the group complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

Our procedures, taking into account Alert 43 of the NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package;
- obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
- examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

description of responsibilities regarding the financial statements

responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing Randstad's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate Randstad or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on Randstad's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing Randstad's financial reporting process.

our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included amongst others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Randstad's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Randstad's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Randstad to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Executive Board and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, February 14, 2022

Deloitte Accountants B.V.

B.E. Savert

assurance report of the independent auditor

To the shareholders and the Supervisory Board of Randstad N.V.

our conclusion

We have reviewed the sustainability information as included in the accompanying annual report for the year 2021 of Randstad N.V., based in Amsterdam. A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed nothing has come to our attention that causes us to believe that the sustainability information is not prepared, in all material respects, in accordance with the reporting criteria as included in the section 'reporting criteria'.

The sustainability information is included in the Management Report chapter (page 20-120) and the tax disclosures in the supplementary information (page 246-248) of the annual report. The EU Taxonomy regulation disclosure included on page 83 of the annual report is excluded from the limited assurance scope.

The sustainability information comprises a representation of the policy of Randstad N.V. with regard to corporate social responsibility and the thereto related business operations, events and achievements during the year.

basis for our conclusion

We have conducted our review of the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports) which is a specified Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the sustainability information' of our report.

We are independent of Randstad N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch code of ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

reporting criteria

The sustainability information needs to be read and understood together with the reporting criteria. Randstad N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to sustainability reporting.

The reporting criteria used for the preparation of the sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) (core option) and the applied supplemental reporting criteria as disclosed on page 266 to 267 of the annual report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

materiality

Based on our professional judgement we determined materiality levels for each relevant part of the sustainability information and for the sustainability information as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.

We agreed with the Supervisory Board that misstatements which are identified during the review and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

scope of the review of the group

Randstad N.V. is the parent company of a group of entities. The sustainability information incorporates the consolidated information of this group of entities to the extent as specified in the sustainability information included in the Management Report chapter (page 20-120) and the tax disclosures in the supplementary information (page 246-248) as included in the annual report.

Our group review procedures consisted of both review procedures at corporate level and at component level. Our selection of components in scope of our review procedures is primarily based on the component individual contribution to the consolidated information. Furthermore, our selection of components considered relevant reporting risks and geographical spread.

By performing our review procedures at component level, together with additional review procedures at corporate level, we have been able to obtain sufficient and appropriate assurance evidence about the group's sustainability information to provide an assurance report about the sustainability information.

unaudited and unreviewed corresponding information

No audit or review has been performed on the sustainability information for the period 2020. Consequently, the corresponding sustainability information and thereto related disclosures for the period 2020 is not audited or reviewed.

limitations to the scope of our review

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations, estimates and risk assessments. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as reviewed by us. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

responsibilities of the executive board and the supervisory board for the sustainability information

The Executive Board is responsible for the preparation of reliable and adequate sustainability information in accordance with the reporting criteria as included in the section 'reporting criteria', including the identification of stakeholders and the definition of material matters. The choices made by the Executive Board regarding the scope of the sustainability information and the reporting policy are summarized on pages 242 and 243 of the annual report.

Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the reporting process of Randstad N.V.

our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing, and are less in extent than a reasonable assurance engagement. The level of assurance obtained in a review is therefore substantially less than the assurance obtained in an audit.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our review included amongst others:

- performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the company;
- evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the Executive Board;
- obtaining an understanding of the reporting processes for the sustainability information, including obtaining a general understanding of internal control relevant to our review;
- identifying areas of the sustainability information with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error;
- designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
 - interviewing management (and/or relevant staff) at corporate (and business/division/cluster/local) level responsible for the sustainability strategy, policy and results;
 - interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability information;
 - determining the nature and extent of the review procedures for the group components and locations;
 - obtaining assurance information that the sustainability information reconciles with underlying records of the company;
 - reviewing, on a limited test basis, relevant internal and external documentation;
 - performing an analytical review of the data and trends in the information submitted for consolidation at corporate level;
- evaluating the presentation, structure and content of the sustainability information;
- considering whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We communicate with the Supervisory Board regarding the planned scope and timing of the review and significant findings that we identify during our review.

Amsterdam, February 14, 2022

Deloitte Accountants B.V.

B.E. Savert

supplementary information.

- 242 about this report (including note ESEF filing)
- 244 ten years of randstad
- 246 tax disclosures
- 254 GRI content index
- 258 global compact index
- 259 memberships and partnerships
- 260 certifications, rankings, and awards
- 263 highest randstad positions in industry associations
- 264 glossary
- 270 financial calendar
- 271 history timeline

about this report.

ESEF filing

This copy of the Randstad N.V. 2021 annual report is not in the ESEF format as specified by the European Commission in the Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The annual report 2021 ESEF filing is available in the [annual reports section on our corporate website](#) (www.randstad.com).

reporting guidelines

Integrated reporting and transparency have become increasingly important over the past few years. As part of a pilot program completed by the International Integrated Reporting Council (IIRC) in 2014, Randstad has been publishing an integrated report since 2013. Integrated reporting and integrated thinking have increasingly become part of our processes. As such, we prepared this report in line with the IIRC Integrated Reporting (IR) framework.

For the non-financial information included in this report, we followed the [Global Reporting Initiative \(GRI\)](#) Standards (core option). A GRI content index, which has been included under supplementary information, shows where in the annual report information can be found.

Randstad complies with the [UN Global Compact principles](#). By signing these ten principles, Randstad has committed to considering key themes such as human rights, working conditions, and anti-corruption in its core processes and toward all stakeholders.

scope of the report

This report covers the Randstad Group, including all our consolidated entities as stated in 'Note 22 subsidiaries'. Our financial and non-financial results are presented in one integrated report and relate to all consolidated entities for the period of January 1 until December 31, 2021, unless stated otherwise. Our strategy has remained the same, as well as the associated ultimate goal and underlying focus topics.

materiality analysis update

In our most recent materiality analysis, we identified 14 material topics, compared to 23 in our previous assessment. The following topics were taken out: reputation management & trust, competitiveness of the company, increase of labor market flexibility & mobility, client relationship management, sustainable economic performance, corporate governance & risk management, economic & social impact of labor on

society, thought leadership in public debate, employee engagement & empowerment, legislation & regulation, stakeholder engagement & continuous dialogue. Two topics were added: upskilling & reskilling and digital equality. This reflects a shift in the perception of Randstad's business impact, as well as the interests of our stakeholders, increasingly moving toward our value for society.

The level of materiality of diversity and inclusive employment with equal opportunities, digital technology advancements, and talent attraction and retention remained fairly consistent. Our stakeholders showed an increased interest in business ethics, corporate citizenship, and environmental protection, while their interest in data security & privacy decreased compared to other material topics, even though it was still perceived as of high importance. The material topics human rights, occupational health & safety, training & education for employees, policy & industry involvement, and sustainable supply chain management showed an increased business impact. All these topics were again found to be material to Randstad's business, reflecting their consistent business impact and importance to our stakeholders.

reporting structure

This annual report was written around the value Randstad creates for its stakeholders in the long term. An integrated value creation model is presented at the beginning of the report and follows the sequence from input of key assets to the way Randstad adds value with its business model and strategy, resulting in the value we create and deliver while simultaneously promoting the interests of all our stakeholders. In our integrated reporting framework, we present the cohesion of the different elements of our strategy, ultimate goal, targets, material topics, SDGs, KPIs, and related risks.

non-financial data collection

We further enhanced our non-financial reporting to increase the alignment with our strategy, our ultimate goal, and strategic focus topics. The non-financial data is reported every quarter by our local sustainability representatives through our financial system in accordance with our global non-financial reporting guidelines. At headquarter level, the data is consolidated, validated, and discussed with management. At both local and global level, data reviews are performed and discussed with the relevant

[about this report.](#)

data and content owners in the event of irregularities, so that the data can be validated. Although the data reported in the annual report was collected and verified in a structured way in order to ensure its reliability, some information may be based on assumptions (e.g., extrapolations for energy consumption) if the full-year data could not be provided before the date of reporting.

assurance

The financial statements are covered by our auditor's reasonable assurance opinion. The disclosures in the management report related to non-financial information (including country-by-country reporting on taxes) are covered by our auditor's limited assurance opinion.

Our Business Risk & Audit department performs internal audits on specific financial, operational and non-financial information.

safe harbor statement

The management report contains forward-looking statements on Randstad N.V.'s future financial performance, results from operations, and goals and strategy. By definition, forward-looking statements generate risk and uncertainty, because they refer to events in the future and depend on circumstances that cannot be foreseen in advance. Numerous factors can contribute to material deviation from results and developments indicated in forward-looking statements. Such factors may include general economic circumstances, scarcity on the labor market, demand for (flexible) personnel or our other HR services, entry into new markets, the provision of new services, changes in staffing and labor legislation, personnel costs, future exchange and interest rates, changes in tax rates and subsidies, future corporate mergers, acquisitions and divestments, and the development of technology. Undue reliance should therefore not be placed on these forward-looking statements. They are made at the time of publication of the annual financial statements of the company and in no way provide guarantees for future performance. All operating and business environments are subject to risk and uncertainty. For this reason, we can offer no assurances that the forward-looking statements published here will prove correct at a future date, and the company assumes no duty to update any such forward-looking statements.

ten years of randstad.

amounts in millions of €, unless stated otherwise	2021	2020	2019	2018 ¹	2017 ¹
Revenue	24,635	20,718	23,676	23,812	23,273
Growth %	18.9%	(12.5)%	(0.6)%	2.3%	12.5%
Gross profit ²	4,896	3,948	4,705	4,701	4,706
EBITDA ²	1,412	898	1,278	1,355	1,081
EBITA ²	1,086	579	977	1,061	994
Operating profit ²	1,033	384	859	842	860
Net income	768	304	606	708	631
Growth %	152.6%	(49.8)%	(14.4)%	12.2%	7.3%
Net cash flow from operations	914	1,462	1,269	974	688
Free cash flow	590	1,132	915	627	586
Shareholders' equity	4,901	4,668	4,472	4,446	4,250
(Net cash)/net debt, excluding lease liabilities	(179)	(333)	756	985	1,026
Net debt, including lease liabilities	415	255	1,377	1,640	
Operating working capital, excluding lease liabilities ³	997	658	1,011	1,009	890
Market capitalization, year-end	11,047	9,759	9,979	7,349	9,390
Number of ordinary shares outstanding (avg in millions)	184.0	183.2	183.2	183.1	183.1
Closing price (in €)	60.04	53.24	54.44	40.09	51.24
<hr/>					
Ratios in % of revenue					
Gross profit ²	19.9%	19.1%	19.9%	19.7%	20.2%
EBITDA ⁴	5.7%	4.3%	5.4%	5.7%	4.6%
EBITA ²	4.4%	2.8%	4.1%	4.5%	4.3%
Operating profit ²	4.2%	1.9%	3.6%	3.5%	3.7%
Net income	3.1%	1.5%	2.6%	3.0%	2.7%
Basic earnings per ordinary share (€)	4.13	1.62	3.24	3.80	3.38
Basic earnings per ordinary share, underlying (€) ⁵	4.39	2.57	4.18	4.55	4.13
Diluted earnings per ordinary share (€)	4.10	1.61	3.23	3.79	3.36
Dividend per ordinary share (€)	5.00	3.24	-	3.38	2.76
Payout ratio (%)	114%	126%	-	74%	67%
Non-financials ⁶					
Number of branches, year-end	2,764	2,752	2,761	2,827	2,900
Number of inhouse locations, year-end	2,163	1,963	2,100	1,999	1,958
Average number of corporate employees	39,530	34,680	38,280	38,820	37,930
Average number of candidates working	653,300	568,800	649,000	670,900	668,800
Number of permanent placements	276,100	202,800	260,700	262,500	212,200
% of women in senior leadership positions	50%	51%	47%	48%	47%
Number of candidates trained	406,400	313,600	330,500	306,000	-
Number of employees trained	45,600	32,000	34,300	29,200	-

¹ 2018 figures have been restated for the effects from the implementation of IFRS 16 Leases; prior years have not been restated.

² The results as presented in this overview are actual results. As such, they have not been adjusted for one-offs, integration costs or acquisition-related expenses.

³ Operating working capital (as from 2013): trade and other receivables minus the current part of financial fixed assets, deferred receipts from disposed Group companies, and interest receivable minus trade and other payables, excluding interest payable.

⁴ The results as presented in this overview are actual results. As such, they have not been adjusted for one-offs, integration costs or acquisition-related costs.

⁵ Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs.

⁶ Non-financial data have been measured and reported since 2012, except for the number of employees and candidates trained, for which 2018 was the first year of measurement.

ten years of randstad (continued).

amounts in millions of €, unless stated otherwise	2016 ¹	2015 ¹	2014 ¹	2013 ¹	2012 ¹
Revenue	20,684	19,219	17,250	16,568	17,087
Growth %	7.6%	11.4%	4.1%	(3.0)%	5.3%
Gross profit ²	3,935	3,595	3,178	3,010	3,107
EBITDA ²	966	897	726	598	548
EBITA ³	892	832	661	530	464
Operating profit ²	791	705	515	366	128
Net income	588	519	340	231	37
Growth %	13.4%	52.5%	47.4%	528.6%	(79.5)%
Net cash flow from operations	560	566	558	341	529
Free cash flow	465	499	488	293	467
Shareholders' equity	4,140	3,862	3,313	2,908	2,725
Net debt, excluding lease liabilities	793	173	422	761	1,096
Net debt, including lease liabilities					
Operating working capital, excluding lease liabilities ⁴	712	621	488	460	528
Market capitalization, year-end	9,431	10,529	7,215	8,366	4,785
Number of ordinary shares outstanding (avg in millions)	182.7	181.7	178.9	175.5	171.9
Closing price (in €)	51.53	57.53	40.06	47.15	27.81
Ratios in % of revenue					
Gross profit ²	19.0%	18.7%	18.4%	18.2%	18.2%
EBITDA ²	4.7%	4.7%	4.2%	3.6%	3.2%
EBITA ²	4.3%	4.3%	3.8%	3.2%	2.7%
Operating profit ³	3.8%	3.7%	3.0%	2.2%	0.7%
Net income	2.8%	2.7%	2.0%	1.4%	0.2%
Basic earnings per ordinary share (€)	3.15	2.79	1.83	1.25	0.17
Basic earnings per ordinary share, underlying (€) ⁵	3.77	3.35	2.57	2.09	2.13
Diluted earnings per ordinary share (€)	3.13	2.76	1.81	1.23	0.17
Dividend per ordinary share (€)	1.89	1.68	1.29	0.95	1.25
Payout ratio (%)	50%	50%	50%	45%	59%
Non-financials ⁶					
Number of branches, year-end	2,974	2,750	2,816	3,161	3,191
Number of inhouse locations, year-end	1,778	1,723	1,595	1,426	1,305
Average number of corporate employees	32,280	29,750	28,720	28,030	29,320
Average number of candidates working	626,300	597,400	580,300	567,700	581,700
Number of permanent placements	183,900	120,300	105,400	85,650	70,000
% of women in senior leadership positions	45%	46%	45%	43%	44%
Number of candidates trained	-	-	-	-	-
Number of employees trained	-	-	-	-	-

¹ Not restated.

² The results as presented in this overview are actual results. As such, they have not been adjusted for one-offs, integration costs or acquisition-related expenses.

³ The results as presented in this overview are actual results. As such, they have not been adjusted for one-offs, integration costs or acquisition-related costs.

⁴ Operating working capital (as from 2013): trade and other receivables minus the current part of financial fixed assets, deferred receipts from disposed Group companies, and interest receivable minus trade and other payables, excluding interest payable.

⁵ Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs.

⁶ Non-financial data have been measured and reported since 2012, except for the number of employees and candidates trained, for which 2018 was the first year of measurement.

tax disclosures.

country-by-country reporting

in millions of €, unless otherwise indicated

country ¹	third-party revenue		revenue/income from intra-group transactions		tangible assets other than cash and cash equivalents ²		number of candidates (average)		number of corporate employees (average)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Andorra	1	1	-	-	-	-	-	-	-	-
Argentina	219	109	-	-	1	1	13,200	9,500	470	360
Australia	844	617	1	2	5	3	11,200	8,800	920	780
Austria	99	94	-	-	-	-	2,100	2,100	90	80
Belgium	1,552	1,355	4	8	7	7	42,600	37,400	2,060	1,760
Brazil	110	95	-	-	1	1	9,800	8,600	630	450
Canada	575	439	5	3	3	3	10,200	8,500	1,350	1,100
Chile	48	44	-	-	-	-	4,100	3,600	140	120
China	96	73	-	-	1	1	3,700	3,400	520	510
Czech republic	60	52	2	16	-	-	3,800	3,500	440	390
Denmark	52	36	-	-	1	-	700	400	70	50
France	3,640	3,070	1	14	20	22	84,200	71,400	4,570	4,220
Germany	1,927	1,593	1	1	10	6	38,300	31,200	3,070	2,560
Greece	84	90	-	-	-	-	3,700	4,200	90	70
Hong kong	15	11	-	1	-	-	100	100	60	70
Hungary	23	17	-	1	1	-	500	400	340	290
India	307	293	6	5	3	2	63,000	58,300	1,440	1,360
Ireland	22	9	-	-	-	-	200	100	10	10
Italy	1,982	1,455	1	1	6	6	53,800	41,800	2,510	2,050
Japan	823	804	-	-	5	5	26,300	23,900	1,690	1,690
Luxembourg	59	55	74	42	-	-	1,600	1,600	70	70
Malaysia	4	2	5	6	-	-	100	-	200	200
Mexico	28	40	-	-	-	-	1,600	3,500	200	140
New zealand	34	27	-	-	-	-	600	500	60	60
Norway	107	77	-	-	-	1	900	700	160	150
Poland	304	266	1	1	1	1	19,800	17,800	800	730
Portugal	320	322	2	1	5	5	19,700	20,600	410	400
Romania	10	6	8	6	-	-	300	300	110	80
Singapore	57	55	109	86	-	-	400	800	180	170
Spain	1,181	948	--	-	1	1	40,700	32,700	1,750	1,410
Sweden	361	332	10	-	2	2	5,900	5,700	590	510
Switzerland	437	454	190	242	-	1	5,900	5,900	300	300
The Netherlands	3,436	2,832	339	212	40	46	72,000	63,000	4,470	4,200
Turkey	8	8	-	-	-	-	400	500	50	40
United Kingdom	1,100	766	5	8	3	3	20,800	14,200	1,560	1,460
United States	4,703	4,266	-	5	35	22	90,600	83,400	8,130	6,830
Uruguay	7	5	-	-	-	-	500	400	20	10
Total	24,635	20,718	764	661	151	139	653,300	568,800	39,530	34,680

1 Countries of which all positions in the table are zero, have not been included.

2 Represents property, plant and equipment.

tax disclosures.

country-by-country reporting (2)

in millions of €, unless otherwise indicated

country ¹	profit/(loss) before tax				corporate income tax due on profit before tax ²		current corporate income tax accrued		explanation differences taxes accrued and taxes due				corporate income tax paid	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Andorra	-	-	10.0%	10.0%	-	-	-	-	-	-	-	-	-	-
Argentina	6	2	25.0%	30.0%	2	1	3	1	-	-	2	1	-	-
Australia	9	1	30.0%	30.0%	3	-	6	2	1, 3)	1, 3)	-	-	-	-
Austria	-	1	25.0%	25.0%	-	-	-	-	-	-	-	-	-	-
Belgium	42	33	25.0%	25.0%	11	8	20	20	1, 2, 3)	1, 2, 3)	42	39	-	-
Brazil	3	1	34.0%	34.0%	1	-	1	1	-	-	-	1	-	-
Canada	25	16	26.6%	26.6%	7	4	7	4	-	-	4	7	-	-
Chile	1	1	27.0%	27.0%	-	-	-	-	-	-	-	-	-	-
China	2	2	25.0%	25.0%	1	-	2	1	1)	1)	2	2	-	-
Czech republic	7	4	19.0%	19.0%	1	1	1	-	-	-	-	-	-	-
Denmark	2	-	22.0%	22.0%	-	-	-	-	-	-	-	-	-	-
France	102	41	28.4%	32.0%	29	13	61	50	1, 3)	1, 2, 3)	34	65	-	-
Germany	(17)	(59)	30.7%	30.1%	(6)	(18)	17	-	1, 2, 3)	1, 2, 3)	13	18	-	-
Greece	2	3	24.0%	24.0%	-	1	-	1	-	-	-	1	-	-
Hong kong	-	-	16.5%	16.5%	-	-	-	-	-	-	-	-	-	-
Hungary	3	2	9.0%	9.0%	-	-	1	1	-	-	1	1	-	-
India	8	5	25.2%	25.2%	2	1	3	1	-	-	(15)	(5)	-	-
Ireland	-	1	12.5%	12.5%	-	-	-	-	-	-	-	-	-	-
Italy	82	34	24.0%	24.0%	20	8	24	16	1, 3)	1, 2, 3)	14	21	-	-
Japan	50	47	34.6%	34.6%	17	16	18	13	-	-	24	1	-	-
Luxembourg	76	37	25.7%	25.7%	20	10	(12)	33	2, 3)	3)	-	-	-	-
Malaysia	(2)	(1)	24.0%	24.0%	-	-	-	-	-	-	-	-	-	-
Mexico	(2)	-	30.0%	30.0%	(1)	-	-	-	-	-	-	-	-	-
New Zealand	1	-	28.0%	28.0%	-	-	-	-	-	-	-	-	-	-
Norway	(1)	(9)	22.0%	22.0%	-	(2)	-	(2)	-	-	-	-	-	-
Poland	9	10	19.0%	19.0%	2	2	3	2	-	-	5	2	-	-
Portugal	10	6	22.5%	22.5%	2	1	3	2	-	-	2	3	-	-
Romania	1	-	16.0%	16.0%	-	-	-	-	-	-	-	-	-	-
Singapore	69	14	17.0%	17.0%	12	2	7	-	3)	3)	3	5	-	-
Spain	41	26	25.0%	25.0%	10	7	11	9	-	-	8	5	-	-
Sweden	52	(11)	20.6%	21.4%	11	(2)	2	-	3)	3)	5	(1)	-	-
Switzerland	178	270	20.0%	21.2%	36	57	14	7	3)	3)	14	5	-	-
The Netherlands	189	25	25.0%	25.0%	47	6	49	22	-	-	40	9	-	-
Turkey	-	-	22.0%	22.0%	-	-	-	-	-	-	-	-	-	-
United Kingdom	1	(118)	19.0%	19.0%	-	(22)	1	(5)	-	-	-	-	-	-
United States	69	(20)	26.4%	26.4%	18	(5)	54	11	1, 3)	1, 3)	6	1	-	-
Uruguay	-	-	25.0%	25.0%	-	-	-	-	-	-	-	-	-	-
Total	1,018	364			245	89	296	190			204	181		

¹ Countries of which all positions in the table are zero, have not been included.² Applicable tax rate multiplied by profit/(loss) before tax.

tax disclosures.

country-by-country reporting (3)

in millions of €, unless otherwise indicated

country ¹	VAT paid		wage tax paid		social security paid		total other taxes paid	
	2021	2020	2021	2020	2021	2020	2021	2020
Andorra	-	-	-	-	-	-	-	-
Argentina	17	8	2	1	48	24	67	33
Australia	71	53	151	119	35	24	257	196
Austria	19	18	12	11	29	27	60	56
Belgium	254	213	85	78	411	332	750	623
Brazil	-	-	3	2	14	11	17	13
Canada	43	34	56	42	45	34	144	110
Chile	9	8	-	-	10	9	19	17
China	9	7	17	11	203	127	229	145
Czech republic	10	9	6	7	19	17	35	33
Denmark	11	8	15	8	1	1	27	17
France	652	565	35	36	1,221	1,018	1,908	1,619
Germany	318	98	137	114	735	583	1,190	795
Greece	41	22	10	4	50	27	101	53
Hong kong	-	-	-	-	-	-	-	-
Hungary	3	1	6	14	3	8	12	23
India	47	41	7	6	3	3	57	50
Ireland	(11)	2	2	-	2	-	(7)	2
Italy	52	42	154	121	457	355	663	518
Japan	77	70	11	10	138	144	226	224
Luxembourg	7	7	2	3	10	11	19	21
Malaysia	-	-	-	-	-	-	-	-
Mexico	-	-	-	-	-	(1)	-	(1)
New Zealand	3	2	6	5	-	-	9	7
Norway	14	9	31	13	16	7	61	29
Poland	63	53	10	8	83	67	156	128
Portugal	67	66	17	16	72	72	156	154
Romania	-	-	3	1	-	-	3	1
Singapore	4	4	-	-	-	-	4	4
Spain	228	185	63	51	298	244	589	480
Sweden	75	73	53	53	61	65	189	191
Switzerland	-	-	8	33	61	64	69	97
The Netherlands	566	510	393	375	491	421	1,450	1,306
Turkey	3	2	1	1	1	2	5	5
United Kingdom	135	65	91	51	94	54	320	170
United States	-	-	397	382	561	512	958	894
Uruguay	1	1	-	-	2	1	3	2
Total	2,788	2,176	1,784	1,576	5,174	4,263	9,746	8,015

¹ Countries of which all positions in the table are zero, have not been included.

notes to country-by-country reporting

number of employees

The number of candidates (average) is the average number of temporary employees working for our clients.

The number of corporate employees (average) relates to our own staff, which consists of staff at our head offices and front-office employees located at one of our outlets, directly meeting the demands of clients and talent.

differences between taxes accrued and taxes due

Explanations for differences between 'taxes accrued' and 'taxes due' (profit/(loss) before tax multiplied by applicable tax rate) are as follows:

1. Disallowed (business) expenses;
2. Prior-year adjustments;
3. (Non-)deductible/taxable tax items based on local legislation.

countries and entities

entities by country

andorra

Principal activity: HR services

- Skillmind Recursos Humans SL
- Randstad Recursos Humans SL

argentina

Principal activity: HR services

- Soluciones Randstad SA
- Trading International SA
- Trading Servicios SA
- Randstad Argentina SA

australia

Principal activity: HR services

- Randstad Holdings Pty Limited
- Randstad Pty Limited
- Digby Morgan Pty Limited
- HR Partners Pty Limited
- Skout Solutions Pty Limited (50%)
- HREXL Group Pty Limited
- Aurec Group Pty Limited
- Aurec Pty Limited
- Chalfont Consulting Pty Ltd

austria

Principal activity: HR services

- Randstad Austria GmbH
- Randstad Deutschland GmbH
- Monster Worldwide Austria GmbH

belgium

Principal activity: HR services

- Randstad Group Belgium nv
- Randstad Construct nv
- Tempo-Team at Home nv
- Hudson Belgium nv
- Randstad HR Solutions nv
- Randstad Sourceright nv
- Tempo-Team nv
- Randstad Belgium nv
- Randstad Outsourcing nv
- Tempo-Team Professionals nv
- Tempo-Team Childcare nv
- Tempo-Team Construct nv
- Monster Belgium nv
- Ausy IT Consulting nv
- Ausy Professionals nv
- Value Plus nv

brazil

Principal activity: HR services

- Randstad Brasil Recursos Humanos Ltda
- Randstad Professionals Recrutamento Especializado Ltda

entities by country

canada

Principal activity: HR services

- Randstad Interim Inc.
- Monster Worldwide Holdings Canada Limited
- Monster Worldwide Canada Inc.
- Randstad Solutions Inc.

chile

Principal activity: HR services

- Randstad Investments Chile Ltda
- Randstad Chile SA
- Randstad Servicios Ltda
- Randstad Empresa de Servicios Transitorios Ltda

china

Principal activity: HR services

- Randstad Management (Shanghai) Co. Limited
- Guangzhou Randstad Human Resource Service Co., Limited
- Randstad Management (Beijing) Co. Limited
- Sichuan Randstad Human Resources Co. Limited
- Shanghai Temporary Staffing Co. Limited
- Beijing Randstad Human Resource Service Co. Limited
- Talent Shanghai Co. Limited
- Jiangsu Randstad Human Resource Service Co. Limited
- Randstad Shanghai Talent Service Co. Limited
- Fujian Randstad Human Resources Service Co., Limited
- Hubei Randstad Human Resources Co., Limited
- Tianjin Randstad Management Co. Limited
- Shanghai Randstad Enterprise Management Service Co. Limited
- Shenzhen Randstad Human Resource Service Co., Ltd.

cyrus

Principal activity: HR services

- Randstad Cyprus Ltd

czech republic

Principal activity: HR services

- Randstad sro
- Monster Worldwide CZ s.r.o.
- Smithburg s.r.o
- Randstad HR Solutions s.r.o
- Randstad Services s.r.o

denmark

Principal activity: HR services

- Randstad A/S

[tax disclosures.](#)[entities by country](#)**france**

Principal activity: HR services

- Randstad France SAS
- Groupe Randstad France SAS
- Randstad SAS
- Randstad Sourceright SAS
- Select TT SAS
- SCI Immobiliere de Passage de Bayardet
- Risesamrt France SASU
- Consulting Services by Randstad SAS
- Atoll SAS
- Atout Travail Temporaire SAS
- Internim SAS
- Atrium SAS
- Arve Interim SAS
- Ainterim SAS
- Alp'emploi SAS
- Interim d'OC SAS
- Interim 31 SAS
- FASTROAD TT SAS (49.9%)
- Monster Worldwide SAS
- Ausy SAS
- Ausy Technology Sarl
- Ausy Expertise et Recherche Sarl
- Optedis SA
- Randstad Monaco, Sam Secrétariat et Services

germany

Principal activity: HR services

- Randstad Financial Services GmbH
- Randstad Deutschland GmbH & Co. KG
- Randstad Deutschland Administration GmbH
- Randstad Group Germany bv - Zweigniederlassung/branch office
- Randstad Deutschland GmbH - Zweigniederlassung/branch office
- Randstad Sourceright GmbH
- Tempo-Team Management Holding GmbH
- Tempo-Team Outsourcing GmbH
- Tempo-Team Personaldienstleistungen GmbH
- Tempo-Team Engineering GmbH
- Tempo-Team Managed Service Provider GmbH
- GULP Solution Services Holding GmbH
- GULP Solution Services Verwaltungs GmbH
- GULP Solution Services Management GmbH
- GULP Solution Services GmbH & Co. KG
- Randstad Automotive GmbH & Co. KG
- Randstad Outsourcing GmbH
- GULP Holding GmbH
- GULP Information Services GmbH
- GULP Consulting Services GmbH
- Team2Venture GmbH
- Monster Worldwide Deutschland GmbH
- Ausy GmbH
- Ausy Consulting GmbH
- Ausy Technologies Germany AG
- Mühlenhoff + Partner GmbH
- IEBP - Institut zur Entwicklung beruflicher Perspektiven GmbH
- IEBP-Transfergesellschaft GmbH
- Qualitair Aviation Deutschland GmbH

greece

Principal activity: HR services

- Randstad Hellas AE
- Randstad AE

[entities by country](#)**hong kong¹**

Principal activity: HR services

- Randstad Hong Kong Limited
- Monster.com Asia Pacific Ltd.
- Monster.com Asia Ltd.
- Stadhold Limited

hungary

Principal activity: HR services

- Randstad Hungary Kft
- Randstad Sourceright Kft

india

Principal activity: HR services

- Randstad Technologies Private Limited
- Team HR Services Private Limited
- Randstad India Private Limited
- Randstad Offshore Services Private Limited
- RiseSmart HR Private Limited
- Gozaik Software India Private Limited
- Ausy Technologies India Pvt Ltd

ireland

Principal activity: HR services

- Randstad Ireland Operations Limited
- Monster Worldwide Holdings (Ireland) Limited
- Monster Worldwide Ireland Limited

italy

Principal activity: HR services

- Randstad Group Italia SpA
- Randstad Services S.r.l.
- Randstad Italia SpA società di fornitura di lavoro temporaneo
- Intempo Agenzia per il Lavoro Spa (75%)
- Randstad HR Solutions srl società con unico socio
- TMP Worldwide Italia SpA
- Monster Italia Srl
- AUSY Italy Srl

japan

Principal activity: HR services

- Randstad Japan Holding GK
- Randstad KK

luxembourg

Principal activity: HR services and participating in and financing of Group entities

- Randstad Group Luxembourg Sarl
- Randstad Holding Luxembourg Sarl
- Randstad Interim SA
- Randstad HR services SA
- Randstad Luxembourg Financial Holding Sarl
- Randstad Luxembourg North America Sarl
- Monster Luxembourg SA
- Ausy Luxembourg PSF SA
- Stadhold Insurances (Luxembourg) SA
- Stadhold Reinsurances (Luxembourg) SA
- Hudson Luxembourg SA

¹ Region in the case of Hong Kong SAR (Special Administrative Region).

entities by country**malaysia**

Principal activity: HR services

- Randstad Sourceright Sdn. Bhd.
 - Agensi Pekerjaan Randstad Sdh Bhd (49%)
 - Randstad Talent Sdn. Bhd.
 - Monster Technologies Malaysia Sdn. Bhd.
-

malta

Principal activity: HR services

- Qualitair Aviation Malta Holding Limited
 - Qualitair Aviation Malta Limited
-

mexico

Principal activity: HR services

- Randstad Mexico, S de R.L. de C.V.
 - Randstad Placements S. de R.L. de C.V.
 - Randstad Servicios Industriales S. de R.L. de C.V.
 - Randstad Servicios Profesionales S. de R.L. de C.V.
 - Randstad Solutions S. de R.L. de C.V.
-

new zealand

Principal activity: HR services

- Randstad Limited
 - Skout Solutions (NZ) Limited (50%)
-

netherlands

Principal activity: HR services and participating in and financing of Group entities

- Randstad N.V.
 - Randstad North America Beheer bv
 - Randstad Holding Nederland bv
 - Randstad Groep Nederland bv
 - Randstad Nederland bv
 - Randstad Customer Intelligence bv
 - Randstad Payroll Publiek bv
 - Randstad HealthAtWork bv
 - Randstad Payroll Solutions bv
 - Randstad Payroll Solutions T&L bv
 - Randstad Payroll Solutions MVL bv
 - Randstad Payroll Solutions Publiek bv
 - Randstad Payroll Solutions Projecten bv
 - RandstadRiseSamrt bv
 - Randstad Transport bv
 - Randstad Uitzendbureau bv
 - Tempo-Team Group bv
 - Otter-Westelaken Groep bv
 - Tempo-Team Contracting Services bv
 - Tempo-Team Employability bv
 - Tempo-Team HealthAtWork bv
 - Tempo-Team Payroll Services bv
 - Tempo-Team Uitzenden bv
 - Tempo-Team Payrolling MVL bv
 - Tempo-Team Payrolling Publiek bv
 - Tempo-Team Payroll Publiek bv
 - Select AV Personeel bv
 - Tempo-Team Freelance Professionals bv
 - Yacht Group Nederland bv
 - Yacht NL bv
 - Yacht bv
 - Yacht Externen Management bv
 - Yacht Inhouse Services bv
 - Tempo-Team Professionals bv
 - Randstad Sourceright bv
 - Randstad Holding International bv
 - Randstad Innovation Fund bv
-

entities by country**netherlands (continued)**

- Randstad Global IT Solutions bv
 - Randstad Sourceright International bv
 - Randstad Enterprise bv
 - Vedor International Contracts bv
 - Vedor Investments bv
 - Randstad Holding International Services bv
 - Randstad Asia Pacific bv
 - Randstad Eastern Europe bv
 - Randstad Latin America bv
 - Evro Participations bv
 - Qualitair Aviation Holland
 - Randstad Sourceright EMEA bv
 - Randstad Group Germany bv
 - Monster Worldwide Netherlands Holding bv
 - Monster Worldwide Netherlands bv
 - BMC Groep bv
 - BMC Advies bv
 - BMC Implementatie bv
 - SGBO bv
 - Hudson Netherlands bv
 - AUSY Netherlands bv
-

norway

Principal activity: HR services

- Randstad Norway AS
 - Dfind AS
 - Randstad AS
 - Randstad Care AS
 - Dfind Consulting AS
 - Dfind EPI AS
 - Dfind Direction AS
-

poland

Principal activity: HR services

- Randstad Polska Sp. z o.o.
 - APO Sp. z o.o.
 - Gerendis APO Sp. z o.o. Sp. k
 - Randstad Services APO Sp. z o.o. Sp. K
 - Randstad Sourceright Sp. z o.o.
 - Randstad Payroll Solutions Sp. z o.o.
 - Ausy Technologies Poland Sp. Z o.o.
-

portugal

Principal activity: HR services

- Randstad Recursos Humanos, Empresa de Trabalho Temporario, SA
 - Randstad II - Prestacao de Servicos, Lda
 - Solisform - Formacao e Servicos Lda
 - Tempo-Team Recursos Humanos, Empresa de Trabalho Temporario, Lda
 - AUSYpt Lda
-

romania

Principal activity: HR services

- Randstad Romania Srl
 - Randstad Staffing Srl
 - Ausy Technologies Romania SRL
-

singapore

Principal activity: HR services and financing of Group entities

- Randstad (PTE) Ltd
 - Randstad FTC Ptte Ltd
-

entities by country**south africa**

Principal activity: HR services

- Monster Recruitment South Africa (Pty) Ltd
-

spain

Principal activity: HR services

- Randstad España, SL Sociedad Unipersonal
 - Randstad Consultores, y Soluciones de Recursos Humanos, S.L.U.
 - Randstad Project Services, SL Sociedad Unipersonal
 - Vexter Outsourcing SAU
 - Randstad Technologies, SAU
 - Randstad Empleo Empresa De Trabajo Temporal, SA Sociedad Unipersonal
 - Monster Worldwide, SL
-

sweden

Principal activity: HR services

- Randstad Nordic AB
 - Randstad Sweden Group AB
 - Randstad AB
 - Randstad Sourceright AB
 - Randstad RiseSmartAB
 - Monster Worldwide Scandinavia AB
-

switzerland

Principal activity: HR services and financing of Group entities

- Randstad (Schweiz) AG
 - Swiss Jobs AG
 - Randstad Sourceright AG
 - Randstad Finance GmbH
 - Qualitair Aviation Switzerland GmbH
 - GULP Schweiz AG
 - Monster Worldwide Switzerland AG
 - AUSY Switzerland AG
-

tunisia

Principal activity: HR services

- Ausy Tunisie Sarl
-

turkey

Principal activity: HR services

- Randstad Search and Selection Personel Secme ve Yerlestirme Limited Sirketi
 - Randstad Work Solutions Istihdam ve Insan Kaynaklary Limited Sirketi
-

entities by country**united kingdom**

Principal activity: HR services

- Randstad Group UK
 - Randstad UK Holding Limited
 - Randstad Middle East Limited
 - Randstad CPE Limited
 - Vedor UK Limited
 - Randstad Financial & Professional Limited
 - Randstad Technologies Limited
 - Randstad Sourceright Limited
 - Qualitair Aviation Group Limited
 - Qualitair Aviation Services Limited
 - Pareto Law Limited
 - Randstad Solutions Limited
 - Randstad Public Services Limited
 - Randstad HR Solutions Limited
 - Randstad Luxembourg UK Limited
 - Monster Worldwide Holdings Limited
 - Monster Worldwide Limited
 - Monster Executive Services Limited
 - Monster Worldwide Services Holdings Limited
-

united states

Principal activity: HR services

- Randstad North America, Inc.
 - B2B General Partner, LLC
 - Randstad Federal LLC
 - SFN Group, LLC
 - Randstad Professionals US, LLC
 - Randstad Technologies, LLC
 - Randstad Insurance, LLC
 - Randstad General Partner (US) LLC
 - Randstad US, LLC
 - Randstad Inhouse Services, LLC
 - Spherion Staffing LLC
 - Spherion Financial Corporation
 - Randstad HR Solutions of Delaware, LLC
 - Temp Force, LLC
 - RiseSmart, Inc.
 - Pareto Law Inc.
 - Monster Worldwide, Inc
 - Monster International Holding Corp
 - Monster Worldwide South Carolina, Inc.
 - Gozaik LLC
 - Military Advantage, Inc.
 - Affinity Labs LLC
 - Fastweb, LLC
 - FinAid Page, Inc.
 - Monster Government Solutions, LLC
 - Monster Emerging Markets, LLC
 - OCC.com, Inc.
 - Monster CZ Holdings, LLC
 - Celery IT, LLC
 - Celery Federal Group, LLC
 - Cellia, Inc.
-

uruguay

Principal activity: HR services

- Randstad Uruguay SA
-

GRI content index.

GRI standards for sustainability reporting

ref.	description	reference
GRI 201: general disclosures		
organizational profile		
102-1	Name of the organization	Main notes to the financial statements - general information (see page 164)
102-2	Activities, brands, products and services	About Randstad (see page 8) Strong concepts and superior brands (see page 11)
102-3	Location of the organization's headquarters	Main notes to the financial statements - general information (see page 164)
102-4	Locations of operations	About Randstad (see page 8) Our global presence (see page 16)
102-5	Ownership and legal form	Our value for investors - listing and indices (see page 56)
102-6	Markets served	Our global presence (see page 16) Our strong concepts (see page 11) Market performance (see page 98)
102-7	Scale of the reporting organization	Key financials (see page 5) Our value for investors - capital structure (see page 55) Consolidated statement of financial position (see page 161) Our global presence and geographic spread (see page 16)
102-8	Information on employees and other workers	Our value for employees - equity, diversity and inclusion (see page 48)
102-9	Supply chain	Sustainability fundamentals - sustainable supply chain management (see page 76)
102-10	Significant changes to the organization and its supply chain	Sustainability fundamentals - sustainable supply chain management (see page 76)
102-11	Precautionary principle or approach	Risk & control framework (see page 108)
102-12	External initiatives	Our value for society - industry involvement (see page 64) Sustainability and industry memberships and partnerships (see page 259)
102-13	Memberships of associations	Our value for society - memberships (see page 64) Sustainability and industry memberships and partnerships (see page 259)
strategy		
102-14	Statement from senior decision-maker	Message from the CEO (see page 6)
ethics and integrity		
102-16	Values, principles, standards and norms of behavior	About Randstad - core values and human forward principles (see page 10) Sustainability fundamentals - business principles (see page 71) Sustainability fundamentals - corporate policies (see page 72) Sustainability fundamentals - human rights (see page 73)
governance		
102-18	Governance structure	Corporate governance - principles (see page 152) Report of the supervisory board - supervisory board committee activities (see page 130)
stakeholder engagement		
102-40	List of stakeholder groups	How we create value (see page 21) Key material topics (see page 22)
102-41	Collective bargaining agreements	Our value for employees - employee participation (see page 53)
102-42	Identifying and selecting stakeholders	Key material topics (see page 22)
102-43	Approach to stakeholder engagement	Key material topics (see page 22) Our value for clients and talent - our promise to clients (see page 42) Our value for clients and talent - our promise to talent (see page 46) Our value for employees - engagement (see page 53) Our value for investors - dialogue with investors, analysts and other stakeholders

GRI content index.

ref.	description	reference
		(see page 54) Our value for society - industry involvement (see page 64)
102-44	Key topics and concerns raised	Key material topics (see page 22) Our value for society - thought leadership (see page 61) Our value for society - industry involvement (see page 64)

reporting practice

102-45	Entities included in the consolidated financial statements	Main notes to the financial statements - general information (see page 164) Other notes to the consolidated financial statements - subsidiaries (see page 214)
102-46	Defining report content and topic boundaries	About this report (see page 242)
102-47	List of material topics	Our impact - key material topics (see page 22) Integrated reporting framework (see page 24)
102-48	Restatements of information	Randstad applies IFRS 16 'Leases' as of January 1, 2019. This means that comparative reported numbers related to 2018 have been restated to reflect the changes resulting from the application of IFRS 16 'Leases'. For more information on this restatement see note 8 Leases (see page 182).
102-49	Changes in reporting	About this report (see page 242) Key material topics (see page 22)
102-50	Reporting period	About this report (see page 242)
102-51	Date of most recent report	9 February 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Back cover
102-54	Claims of reporting in accordance with the GRI Standards	About this report (see page 242)
102-55	GRI content index	Supplementary information (see page 254)
102-56	External assurance	About this report (see page 242)

GRI 103: management approach

103-1	Explanation of the material topic and its boundary	Definitions in GRI content index (see page 254) How we create value (see page 21) Integrated reporting framework (see page 24) Digital technology advancements (see page 37) Occupational health & safety (see page 77) Human rights (see page 73) Upskilling & reskilling for talent (see page 59) Data security & privacy (see page 73) Corporate citizenship (see page 81) Talent attraction & retention (see page 53) Business ethics (see page 71) Diversity & inclusive employment with equal opportunities (see page 60) Training & education for employees (see page 52) Policy & industry involvement (see page 64) Digital equality (see page 59) Environmental protection (see page 78) Sustainable supply chain management (see page 76) About this report (see page 242)
103-2	The management approach and its components	Sustainability fundamentals (see page 71) Integrity and grievance mechanism (see page 74)
103-3	Evaluation of the management approach	Key material topics (see page 22) Our strong concepts (see page 11) Integrated reporting framework (see page 24) Corporate governance - supervisory board (see page 153)

GRI content index.

ref.	description	reference
GRI 207: tax		
207-1	Approach to tax	Tax transparency and compliance (see page 84)
207-2	Tax governance, control and risk management	Tax transparency and compliance (see page 84) Tax risk management (see page 111)
207-3	Stakeholder engagement and management of concerns related to tax	Tax transparency and compliance (see page 84)
207-4	Country-by-country reporting	Country-by-country tax reporting (see page 246)
topic-specific disclosures		
business ethics		
Definition: Randstad's policies and practices that are based on its core values (to know, to serve, to trust, simultaneous promotion of all interests, and striving for perfection), in accordance with laws and regulations, and with transparency – all described in the Business Principles.		
406	Non-discrimination	Business principles (see page 71)
407	Freedom of association and collective bargaining	
415	Public policy	
corporate citizenship		
Definition: Randstad's engagement in corporate citizenship and philanthropy initiatives that are aimed at meeting the needs of the local communities in which Randstad operates. Moreover, Randstad has launched a global program, named Randstad with Heart, enabling its staff worldwide to do voluntary activities during working hours to support communities around the world.		
301	Local communities	Corporate citizenship (see page 81)
data security and privacy		
Definition: Randstad's responsibility for the integrity and security of all personal data that it stores within business processes and IT systems. This topic also addresses compliance with Randstad's existing data protection and information security management procedures.		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Misconduct reporting (see page 74)
digital technology advancements (own indicator)		
Definition: Randstad's way of integrating new technologies into its everyday activities, by acquiring external knowledge and expertise through acquisitions and the Randstad Innovation Fund and innovating through its Digital Factory. Tech & Touch to Randstad means utilizing new digital HR solutions and tools, while delivering a true human experience.		
own	Average engagement score	Employee engagement (see page 53)
digital equality (own indicator)		
Definition: Randstad's mission to bridge the digital gap, meaning that everyone in the community deserves access to digital technologies and the skills to use them. The Randstad Foundation has developed a new collaborative project to give professional training to people with special needs.		
own	Upskilling & reskilling for talent	Improving employability and skilling (see page 59)
diversity and inclusive employment with equal opportunities		
Definition: Randstad's mission to ensure fairness, equity and diversity in attracting, hiring, compensating, motivating and promoting a top performing workforce. Randstad does not discriminate on grounds of age, skin color, disability, gender, marital status, nationality, race, religion or sexual orientation.		
405-1	Diversity of governance bodies and employees	Our value for society - promoting equity diversity and inclusion (see page 60) Our value for employees - equity, diversity and inclusion (see page 48) Executive Board biographies (see page 122) Supervisory Board biographies (see page 124) Composition, diversity and independence (see page 126)

ref.	description	reference
	environmental protection	Definition: Randstad's Environmental Pledge that addresses compliance with all applicable environmental laws and regulations; reduction of the carbon footprint; encouragement of employees to assume personal accountability for protecting the environment; and engagement in local, group-wide and client-based green initiatives.
307	Environmental compliance	Taking environmental care (see page 78)
	human rights	Definition: Randstad's commitment to several global agreements and conventions regarding human rights, such as the UN's Global Compact and its Ten Principles and the ILO Declaration on Fundamental Principles and Rights at Work. Randstad is especially committed to protecting those groups of people that are more vulnerable in the labor market.
412-1	Operations that have been subject to human rights reviews or impact assessments	Sustainability fundamentals - human rights (see page 73)
412-2	Employee training on human rights policies or procedures	Sustainability fundamentals - business principles (see page 71)
	occupational health and safety	Definition: Randstad's global Health & Safety Policy that addresses its commitment to providing and maintaining a healthy and safe work environment, and promoting well-being at work, doing all that is reasonably practical to prevent personal injury and illness and to protect talent, employees, clients and visitors from foreseeable work hazards.
403	Occupational health and safety	Health and safety (see page 77)
	policy and industry involvement	Definition: This topic looks at how Randstad actively participates in industry bodies and uses social dialogue to achieve clear, fair and workable regulations in the markets in which they operate – or better known in Randstad's words as 'to help shape the world of work'. Randstad has invested in memberships of several influential central employers' organizations, such as the World Employment Confederation, BusinessEurope and the International Organization of Employers.
415	Public policy	Industry involvement (see page 64)
	sustainable supply chain management	Definition: Randstad's Supplier Code that aims to ensure that the procurement of goods, works and services takes place in a socially and environmentally responsible manner and in conformity with Randstad's business principles.
308	Supplier environmental assessment	Sustainable supply chain management (see page 76)
414	Supplier social assessment	
	talent attraction and retention	Definition: Randstad's way of utilizing new digital HR solutions and tools in order to attract the right people and its way of optimizing talent management, such as through Great Conversations throughout the year, in order to develop and retain the right people.
401-1	New employee hires and employee turnover	Employee engagement (see page 53)
	training and education	Definition: Randstad's continuous development of employees' skills through training and development programs, ensuring employability and higher employee engagement. This topic also reflects Randstad's existing development programs such as The Frits Goldschmeding Academy to support future leaders and enable them to develop the skills and strategic management capabilities to ensure their success within the global business context.
404	Training and education	Learning and development
	upskilling and reskilling	Definition: This topic goes beyond training and education of Randstad's own employees. In a fast-changing environment, enabling and supporting the upskilling and reskilling of talent is one of the key ways for Randstad to deliver its Human Forward promises.
404	Training and education	Improving employability and skilling (see page 59)

global compact index.

global compact principles	reference
human rights	
1. Randstad supports and respects the protection of internationally proclaimed human rights	Materiality matrix (see page 22) Sustainability fundamentals - human rights (see page 73) Sustainability and industry memberships and partnerships (see page 259)
2. Randstad makes sure that it does not complicit in human rights abuses	Materiality matrix (see page 22) Sustainability fundamentals - human rights (see page 73) Sustainability and industry memberships and partnerships (see page 259)
labor and working conditions	
3. Randstad upholds the freedom of association of employees and their right to collective bargaining	The world around us - regulatory environment in our markets (see page 28) Our value for society - industry involvement (see page 64) Sustainability fundamentals - human rights (see page 73) Certifications, rankings and awards (see page 260) Highest randstad positions in industry associations (see page 263)
4. Randstad eliminates of all forms of forced and compulsory labor	Sustainability fundamentals - human rights (see page 73)
5. Randstad refrains child labor	Sustainability fundamentals - human rights (see page 73)
6. Randstad eliminates discrimination in respect of employment and occupation	Sustainability fundamentals - human rights (see page 73) Our contribution to sustainable development goals (see page 66) Value for society - promoting equity, diversity and inclusion (see page 60) Sustainability fundamentals - corporate policies (see page 72) Risk and opportunity management - concepts and best practices (see page 109)
environment	
7. Randstad supports a precautionary approach to environmental challenges	Materiality matrix (see page 22) Sustainability fundamentals - corporate policies (see page 72) Sustainability fundamentals - benchmarks (see page 83) Sustainability fundamentals - taking environmental care (see page 78) Sustainability and industry memberships and partnerships (see page 259)
8. Randstad undertakes initiatives to promote greater environmental responsibility	Materiality matrix (see page 22) Sustainability fundamentals - corporate policies (see page 72) Sustainability fundamentals - benchmarks (see page 83) Sustainability fundamentals - taking environmental care (see page 78) Sustainability and industry memberships and partnerships (see page 259)
9. Randstad encourages the development and diffusion of environmentally friendly technologies	Materiality matrix (see page 22) Sustainability fundamentals - corporate policies (see page 72) Sustainability fundamentals - benchmarks (see page 83) Sustainability fundamentals - taking environmental care (see page 78) Sustainability and industry memberships and partnerships (see page 259)
anti-corruption	
10. Randstad disputes corruption in all its forms, including extortion and bribery	Sustainability fundamentals - human rights (see page 73) Sustainability fundamentals - corporate policies (see page 72) Risk and opportunity management - concepts and best practices (see page 109) Sustainability and industry memberships and partnerships (see page 259)

global sustainability and industry memberships and partnerships.

The World Economic Forum (WEF) is an international NGO 'committed to improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional, and industry agendas'.



The OECD Forum is one of the most influential annual global public policy events. It brings together high-level government representatives, CEOs, civil society leaders, trade unions, leading academics, and the media to discuss the key economic and social challenges on the international agenda.



Business at OECD (BIAC) stands for policies that enable businesses of all sizes to contribute to growth, economic development, and prosperity. Through BIAC, national business and employers' federations and their members provide expertise to the OECD and governments for competitive economies, better business, and better lives.



Bruegel is a European think tank created in Brussels in August 2004 as a private-sector non-profit association. It was set up as a partnership between European Union member states and leading European corporations to contribute to improving the quality of economic policy-making in Europe through open, fact-based and policy-relevant research, analysis, and discussion.



The United Nations Global Compact is a voluntary business initiative for companies committed to aligning their activities with ten universally accepted principles in the areas of human rights, labor, the environment, and anti-corruption. As signatories of the Compact since 2004, Randstad firmly believes that responsible business promotes the development of markets, commerce, technology, and finance for the benefit of economies and societies everywhere.



Our partnership with Voluntary Service Overseas combines the strength of two organizations driven by a common aim: to help alleviate poverty across the globe by sharing skills and expertise with local communities. VSO focuses on sustainable development, and places volunteers through partners in developing countries.



The Tent Partnership for Refugees works with businesses to develop and implement concrete commitments to support refugees, especially by hiring refugees, integrating them into supply chains, supporting refugee entrepreneurs, and delivering services to them.



The World Employment Confederation is the voice of the recruitment and employment industry at global and European level. Through our membership, we advocate for recognition of our economic and social role in enabling work, job security, prosperity in our societies, and social innovation.



The International Organization of Employers is the largest network of the private sector in the world. Through our partnership, our contributions and perspectives are reflected in matters of international standards, business and human rights, CSR, occupational health and safety, and international industry relations.



Businesseurope is the leading advocate for growth at European level, standing up for companies across Europe and campaigning on the issues that most affect their performance. Through our Businesseurope membership, Randstad contributes to the world of work on a European and international level.



Brussels European Employee Relations Group (BEERG) is an information-sharing and networking group, with over 60 member companies headquartered in the EU, US, India, and Japan. Through our membership, we discuss employment law and labor relations issues with other members and institutional stakeholders.



VNO-NCW, the Confederation of Netherlands Industry and Employers, represents the common interests of Dutch business, both at home and abroad. Members comprise over 160 trade and sector associations, representing more than 120,000 enterprises.



Planet Labor is the only information and monitoring website specialized in the evolution of labor law and industrial relations in Europe and in the world. It focuses on topics like innovative HR practices and emerging issues in multinational enterprises, and it monitors changes to standards, stakeholders and businesses as regards social responsibility.



The Living, Learning, Earning Longer initiative seeks to engage 50 employers in a learning collaborative to identify and share multi-generational, inclusive workforce practices.



certifications, rankings, and awards.

ISO certificates

ISO 9001 certificate for quality management

- Randstad Australia
- Randstad Austria
- Randstad Argentina
- Randstad Belgium (Inhouse) and Tempo-Team Belgium (Staffing and Inhouse)
- Brazil
- Randstad Technologies Canada
- Randstad China
- Randstad France
- Randstad Greece
- Randstad Germany including Professionals, Outsourcing and Tempo-Team
- Randstad Hungary
- Randstad India
- Italy (Randstad Italia Spa, Randstad Group Italia Spa, Randstad HR Solutions Srl, Randstad Services Srl, Intempo Srl)
- Randstad Japan
- Randstad Interim Luxembourg
- Randstad Group Netherlands
- Randstad New Zealand
- Randstad Norway
- Randstad Portugal (Staffing, Professionals, Outplacement, Outsourcing and Healthcare)
- Randstad Spain
- Randstad Sweden
- Randstad UK (including CPE, Public Services, RIS and BS)

ISO 14001 certificate for environmental management

- Randstad Brazil
- Randstad Gulp Germany
- Randstad Italy (Randstad Italia Spa)
- Randstad Group Netherlands
- Randstad Norway
- Randstad Spain
- Randstad Sweden

ISO 26000 certificate

- Randstad, Tempo-Team and Yacht in the Netherlands have been certified by MVO-Register for sustainability assurance based on ISO 26000, consulted by purchasing organizations.

ISO 27001 certificate

- Randstad Italy (Randstad Group Italia spa), Randstad Group Netherlands, and Randstad Greece have been certified ISO 27001, the best-known standard providing requirements for an information security management system.

ISO 45001 certificate occupational health & safety management systems

- Randstad Argentina
- Randstad Brazil
- Randstad Italy (Randstad Services srl)
- Randstad Spain

other certificates, rankings and awards

Randstad N.V.

- Only HR services provider included as a member in the Professional Services industry of the DJSI world index 2021.
- Received confirmation of its continued membership of the FTSE4Good Index Series.
- Received the 'gold' sustainability rating by EcoVadis in 2021.
- Two executives included in SIA 40 under 40 list.
- Six executives included in the Global Power 150 – Women in Staffing List 2021. The list is compiled by Staffing Industry Analysts, highlighting women's contributions to the staffing industry.

Randstad Argentina

- CEO & President, Andrea Avila, announced as President of Red Argentina Pacto Global - United Nations
- CEO & President, Andrea Avila announced as President of CAPE (Argentine Chamber of Private Employment)

Randstad Australia

- AS/NZS 4801 accreditation (internationally known as OHSAS 18001).
- HR Partners was named 2021 HRD Top Recruiter of the Year in the HR category for the third time in a row.

Randstad Austria

- Seal of approval 'Austria Gütezeichen AKÜ' from ÖQA Zertifizierungs GmbH.

Randstad Belgium

- VCU certified (Randstad Belgium and Randstad Construct Belgium)
- Label Diversité (Actiris) (Tempo-Team and Randstad)
- Qfor (Quality training and consulting organizations) certified (Ausy and Randstad RiseSmart).
- Certified with quality label RSS (Recruitment, Search & Selection) from Federgon (Randstad RiseSmart).
- Certified with quality label Certo (outplacement) from Federgon and VDAB (Randstad RiseSmart).
- Award for Best HR Career Transition Company (Randstad RiseSmart).
- Bronze Effie Award for brand campaign promoting online training courses for professional and personal growth during crisis (Randstad).

Randstad Brazil

- Recognized again as a Great Place to Work® in 2021.
- Best Workplace Award through the Infojobs employment platform in 2021.

Randstad Canada

- Bronze parity certification from Women in Governance in 2021.
- Finalist in the Canadian HR Awards, Best Corporate Social Responsibility Strategy 2021.
- CEO Marc-Etienne Julien named in Top 25 CEOs in Canada by Glassdoor.

certifications, rankings, and awards.

Randstad China

- Won 'Headhunting Partners High Potential Award' by Alibaba Local Life Services.
- Awarded for professional search & selection service by Bosch in 2021.
- Recognized as Best Talent Acquisition Partner for Huatai Securities in 2021.
- Awarded gold medal in medical recruitment by Ping'an healthcare in 2021.
- Awarded as 'Guangzhou Labor Relations Harmonious Enterprise-Class AA' in 2021 (Guangzhou).
- Won the honor of 'Human Resources Integrity Services Model Organization' in 2021.
- Awarded the 'Youth Offer' recommended officer in Jing'an District to help more graduates seeking jobs in 2021.
- Won the 'Human Resources Services Brand Leader Award' in the first National Human Resources Management (Service) Innovation Competition.
- Won 'CGMA Best Employer Partner of the Year Award' in 2021.
- Won 'Best Solutions Services in China' by HRflag NewFlag Awards.
- Awarded the 'Excellent Strategic Recruitment Partner - Sales and Marketing' by TCL in 2021 (Shenzhen).

Randstad France

- Top Employer 2021 certificate (Randstad, Inhouse, Expectra, Appel Médical, JBM (SELECT T.T.)).
- Obtained Ecovadis Platinum medal in 2021.

Randstad Hong Kong

- Awarded IT Recruitment Agency of the Year - Asia APAC Insider at the APAC Business Awards 2021.

Randstad Hungary

- Won the special award for the HR Category in the Lovable Workplace employer branding competition in 2021.

Randstad Germany

- Certified by the German Sustainability Code (Deutscher Nachhaltigkeitskodex DNK).
- Certificate SCP: 2011 employment agency.
- Awarded with the TÜV.com geprüfter Datenschutz (certified data protection) by TÜV Rheinland.
- Selected locations certified under the law of employment promotion (§5 AZAV) by TÜV Rheinland Cert GmbH for the scope of application 'performance-related remunerated employment agency'.
- Awarded 'Best Recruiters' 20/21: Top marks for recruiting activities.
- Recognized as a women-friendly company by FKI Women's Career Index.
- GULP holds seal of approval 'Arbeits- und Gesundheitsschutz nach LS-Standard' from TÜV SÜD Life Service GmbH as one of only four enterprises in Bavaria.
- GULP holds the Education Provider AZAV certificate.

Randstad India

- Recertified as a Great Place to Work in 2021 by the Great Place to Work® Institute, India.
- Rated among India's best companies in Professional Services, Health & Wellness, and Leadership in Times of Crisis by the Great Place to Work® Institute in 2021.
- Recognized as an 'Above and Beyond' Workplace for mental health by YourDost in 2021.
- Recognized as a Bronze Employer for LGBT+ inclusion in 2021 in the IWEI 2021 survey ([India Workplace Equality Index](#)).
- Shortlisted for the International SOS Foundation - Duty of Care Awards 2021 for COVID19 Agility & Response.

Randstad Italy

- Holds Social Accountability SA 8000 accreditation (Randstad Italia Spa; Randstad Group Italia Spa; Randstad HR Solutions Srl; Intempo Srl) .
- Certified with Gender Equality European & International Standard (GEEIS) for their professional gender diversity practices (Randstad (Group) Italia Spa; Randstad HR Solutions Srl; Randstad Services Srl; Intempo Srl).

Randstad Japan

- Awarded highest level of Gold in the PRIDE Index 2021, as a company which is inclusive for LGBTQ* people. This is an evaluation index for initiatives for LGBTQ and other sexual minorities in the workplace developed by non-profit organization 'Work with Pride' in Japan.

Randstad Malaysia

- Awarded Best Recruitment Agency in Malaysia by APAC Insider, at the Southeast Asia Business Awards 2021.

Randstad Netherlands

- VCU certified (Randstad Techniek, Randstad Bouw, Randstad Transport, Inhouse Services, Randstad Uitzendbureau B.V. and Randstad Groep Nederland).
- HR Solutions obtained 30+ certificate of 'Performance Stairs Social Entrepreneurship', awarded when more than 30% of the workforce consists of people with a distance to the labor market.

Randstad Norway

- Certified employer 'Revidert Arbeidsgiver' and qualified in the Achilles Joint Qualification system for suppliers.
- Dfind awarded 2nd best employer in Norway at Great Place to Work 2021.
- Dfind awarded top 3 recruitment team in Norway at Finn.no award 2021.

Randstad Poland

- Awarded 'Employee-friendly employment agency' by trade union organization Ogólnopolskie Porozumienie Związków Zawodowych (OPZZ) and employers' organization Konfederacja Lewiatan.
- Granted EcoVadis Gold Medal 2021 Sustainability Rating.

certifications, rankings, and awards.

Randstad Portugal

- Certified by National Institute for Education and Professional Training (IEFP) as inclusive employer company in 2021.
- Certified Top Employer 2021, recognized as one of the 20 top employer companies in Portugal and the only one in the HR sector in the country.
- Best HR company in 2021 in two categories: best provider (large companies) and best global provider, granted by 'HR Portugal', the top HR publication in the country (public online vote).
- Awarded with an honorable mention from Nestlé, in recognition of sustainable practices, in the 'Sustainability Award for Supplier II Edition Nestlé Portugal'.
- Awarded 'APCC Best Awards' promoted by APCC (Portuguese Contact Centers Association) in 2021, in the gold category as better contact center in the telecommunications sector.

Randstad RiseSmart

- Recognized as a Leader in the Everest Group Outplacement and Career Transition Services PEAK Matrix Assessment 2022 – also rated highest in Vision & Capability.

Randstad Singapore

- Award for HRD Asia Employer of Choice 2021.
- Listed as one of Asia's 5 Star Recruiters and recognized as one of Asia's 5 Star Employer of Choice.
- Rena Tan, Marketing Director of Randstad Singapore, Malaysia and Greater China, was awarded 'Most Influential HR Solutions Business Leader' (Asia Pacific) at the 2021 Influential Businesswoman Awards.
- Listed as one of the 3 Best Employment Agencies in Raffles Place, by Three Best Rated.

Randstad Sourcright

- Recognized for Management Services and Process Outsourcing Services in the Everest Group Contingent Workforce PEAK Matrix Leader Assessment 2021 - also rated highest in Vision & Capability.

Randstad Spain

- Randstad Foundation Spain received recognition as finalist in first edition of the award for the best social initiative in the energy field, of Fundación Naturgy.
- Randstad Foundation Spain received recognition in framework of project 'Jobs 2030 - future of work' led by Forética.

Randstad Sweden

- Member of Swedish industry federation and authorized supplier with regard to staffing, recruitment and outplacement services.

Randstad Switzerland

- Holds 'Swissstaffing SQS label' for ethical working and for high professional standards in the industry.
- Ranked under top 15 professional service agencies 2021 by Handelszeitung, Le Temps and Statista.

Randstad UK

- Won 'Best Companies to Work For' Award in 2021.
- High levels of health and safety and compliance accreditations through Achilles (UVDB), British Safety Council, Building Confidence, Constructionline and Safe Contractor.
- Holds dedicated rail certificate RISQS, involving in-depth audits on an annual basis.
- Randstad Care UK is part of, and annually audited by, Healthtrust Europe's Total Workforce Solutions framework. We are again awarded to supply qualified nurses and healthcare employees to the NHS.
- Randstad Care UK is a provider of the [CCS workforce alliance](#). We are audited and qualified to supply nursing and AHP staff to a number of NHS Trusts under this framework.
- Randstad Student Support underwent a Government audit in 2021 by the Department for Education. This includes the audit of approx. 460 support workers in relation to support funded by the Disabled Students Allowances (DSAs).
- Randstad Education was audited by an independent professional auditor and found to meet the REC (Recruitment & Employment Confederation) Audited Education standard.
- Randstad Education UK was awarded a place on the [CCS framework for supply teachers](#), attesting to our commitment to support schools with their temporary recruitment requirements.
- Randstad Education preferred supplier of the [Crescent Purchasing Consortium \(CPC\)](#).

Randstad US

- Earned 'Safety Standard of Excellence' mark (SSE), developed by American Staffing Association (ASA) and National Safety Council (NSC), for the third time.
- Included in the top 50 companies for diversity of US DiversityInc in 2021. Randstad is the only staffing company to ever be recognized.
- Received 2021 ASA Elevate award for Udemy partnership.
- Named as 2021 Top Scoring Employer for the Disability Equality Index (DEI).
- Listed in America's Best Employers for Diversity 2021 by Forbes.
- Listed in Best Temp Staffing Firms 2021 by Forbes.
- Included in the 2021 Human Rights Campaign Corporate Equality Index.
- Awarded with 2021 Military Friendly Company, Employer, Spouse Employer and Supplier Diversity Program awards.
- Randstad US awarded and recognized as a 2021 'Leading Disability Employer' by National Organization on Disability (NOD).
- Included as a Top 10 Global Champion for Supplier Diversity & Inclusion 2021.
- Awarded with Global Business Alliance Corporate Social Responsibility Award 2021.

highest randstad positions in industry associations.

market	association name	president	vice-president	board member	member
Argentina	CAPE (Chamber of Private Employment Agencies)	x			
Austria	ÖPD				x
Australia	RCSA				x
Belgium	Federgon	x			
Brazil	Sindeprestem (Sao Paolo)				x
Canada	ACSESS			x	
	NACC ¹			x	
Chile	AGEST				x
China	Shanghai HR Consulting Association ¹			x	
	CAFTS (Beijing)				x
	Beijing HR service industry association ¹	x			
	Shanghai Jing'an District Labor Security Association ¹				x
	Shanghai Jing'an District Foreign Investment Enterprises Association ¹			x	
	European Union Chamber of Commerce in China ¹				x
	China Talent Exchange Association, Shanghai Branch ¹				x
Czech Republic	APPS				x
Denmark	Vikarbureaernes Brancheforening			x	
France	PRISME			x	
Germany	BAP	x			
Greece	ENIDEA			x	
India	ISF			x	
Italy	Assolavoro	x			
Japan	JASSA			x	
	JBPO	x			
	JHR (umbrella organization) ¹			x	
Luxembourg	Fedil/F.E.S. (Fedil Employment Services)			x	
Mexico	AMECH			x	
Netherlands	ABU			x	
	OVAL			x	
	I-ZO			x	
	VvDN			x	
New Zealand	RCSA				x
Norway	NHO				x
Poland	Polskie HR Forum			x	
Singapore	Singapore Professional Staffing Organisation			x	
Portugal	APESPE			x	
Slovakia	APAS				x
Spain	Asempleo			x	
Sweden	Kompetensföretagen			x	
Switzerland	Swiss Staffing			x	
Turkey	OIBD			x	
UK	REC				x
Uruguay	CUDESP				x
US	ASA			x	
	Metro Atlanta Chamber of Commerce	x			
	Atlanta Legal Aid Society			x	
	ASA's Legal & Legislative Committee				x
	United States Council for International Business (USCIB)			x	
	USF Cyber Security Advisory Board			x	
Europe	World Employment Confederation Europe			x	
International	World Employment Confederation	x			

¹ Non-WEC member.

glossary.

operational glossary

activity-based field steering

Our activity-based field steering (ABFS) model is used to manage and drive performance across our businesses. By embedding operational performance tools at every level of our organization, the input-based ABFS model helps operational managers to take the right decisions, at the right time, and translate them into action. Managers receive up-to-date, accurate reports on a weekly basis, covering a range of key performance indicators. These data enable us to manage our units and teams in the field by adapting to changing client and market demands as they occur.

agency work

Agency work is a special form of temporary work, where generally the employer does not hire the employee directly on a contract with a limited duration, but through a private employment agency. The employee is usually hired directly by the employment agency, either on a temporary basis or on a permanent contract and seconded to another company. Employees that are not hired by the employment agency either work as an independent contractor (self-employed) or go through another agency (subcontractors). During the contract period, the employee can be assigned to different user companies.

blue-collar

Within Staffing, we typically divide the market into blue-collar and white-collar work. The distinguishing factor is difference in skill sets. Blue-collar is predominantly geared towards industrial and manufacturing job profiles.

branches

Branches are physical office locations from which our consultants operate.

candidate(s)

A common term for all individuals people in our talent pool that we help find work at our clients (both temporary and permanent positions) or at our solutions businesses.

employees working

The number of billable resources currently working for our clients or utilized in our solutions businesses.

concepts

In a concept, we capture the overall value proposition that serves a specific customer need or want. Randstad's customers are clients and talent. Our strong concepts are our unique winning formulas designed to serve their needs. Concepts are delivered through (a group of) services to Randstad's customers. We standardize the working processes per concept in order to easily 'copy and paste' them across our operations around the world.

consultant

A consultant is a front-office employee who is located at one of our outlets (i.e., branch or Inhouse location), directly meeting the demands of clients and talent.

FTE

Full-time equivalent.

global businesses

Under Global Businesses, we provide enterprise clients with a range of services, such as job posting and résumé services on our online talent acquisition platforms, managed services programs (MSP), recruitment process outsourcing (RPO), and outplacement.

inhouse

Inhouse is a unique solution for managing a workforce with specific skill sets for which there is a fluctuating level of demand. It is aimed at improving clients' labor flexibility, retention, productivity, and efficiency. We work on-site at a client's location, exclusively for that client, providing a large number of candidates for a few specific profiles.

inhouse location

An Inhouse location is a branch that is located at a client's premises, where our consultants work on-site at a client's location, exclusively for that client.

managed services programs (MSP)

A managed services program is a program that manages the suppliers that provide contingent workers and statement of work services to an employer in a highly effective way. The MSP can act as an integral part of a company's procurement or HR function, managing the entire contingent talent life cycle from requisition through invoicing and payment.

outlets

Outlets are branches and Inhouse locations combined.

outplacement

Within outplacement, we advise and support organizations in situations in which employment contracts need to be terminated because of a strategic decision or for other reasons. We assist employees in their search for a suitable new job to make the transition as smooth as possible.

outsourcing

Outsourcing is the sustainable transfer of several client activities with output responsibility both in the production/logistics and in the administrative environment to another company.

penetration rate

The penetration rate is the percentage of temporary workers in the total working population.

permanent placement

The result of bringing together a job seeker and a prospective employer for the purpose of effecting a traditional employment relationship, for a fee. The whole process from intake and sourcing to screening and selection is referred to as permanent placement.

professionals

Professionals is a concept geared towards a specific talent segment: candidates with an academic or equivalent qualification who have the aspiration to work in managerial or highly skilled professional roles. Professionals services include contingent and permanent placements, independent contractor brokerage, and tech solutions agreed under a statement of work (SOW).

recruitment

The process of hiring candidates for permanent or temporary positions.

recruitment process outsourcing (RPO)

RPO is the transfer of operational responsibility for one or more recruiting functions or tasks, including talent acquisition, from the client to a service provider.

specialties

Specialties are specific market segments for which we create dedicated large-volume units in our Staffing business that focus solely on this segment, such as transportation, airports, and call centers. The knowledge, experience, and expertise we gain by focusing on these specialties translate into added value for clients and candidates.

staffing

A service we offer to our clients that involves matching blue-collar and white-collar candidates with temporary or permanent positions at our clients. Staffing also covers payrolling, training, and specialties focusing on specific market segments.

statement of work (SOW)

Advanced technology consultancy, project-based and managed services, and managed resource programs (where we take on responsibility for delivering outcome-based services) are agreed contractually under a statement of work. We offer these services in the higher-level professionals segment to deliver innovative IT and engineering solutions.

talent

A broad collective term for all people of working age in the labor market, including our own candidates and the people in our talent pool.

temporary work

Compared to part-time work, temporary work is an even more flexible form of labor. This includes both agency workers and limited-duration contract workers.

two-tier board structure

A governance structure in which the board is split between an Executive Board and a Supervisory Board. The Executive Board is responsible for developing, driving, executing, and achieving the approved strategy and strategic targets, while the Supervisory Board acts in the interest of the company by supervising and advising the Executive Board.

vendor management system (VMS)

A VMS is an online contingent worker sourcing and billing application that enables a company to procure and manage a wide range of contingent workers and services from different vendors in accordance with client business rules.

white-collar

Within Staffing, we typically divide the market into blue-collar and white-collar work. The distinguishing factor is difference in skill sets. White-collar is predominantly geared toward administrative job profiles.

sustainability glossary

employability

Employability is about remaining attractive for the labor market. The ability to learn new and different skills is essential.

engagement score

Employee satisfaction or engagement is the degree to which our employees are happy to work at our company. The higher the score, the healthier and happier our employees are.

fatality

An incident causing the death of an employee or candidate at work, in traffic, while working, or while commuting.

fixed-term contract

An employment contract with a particular end date, meaning that the contract ends after a certain event or on the completion of a task.

global reporting initiative (GRI)

GRI is the independent, international organization that helps businesses and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.

international labour organization (ILO)

The International Labour Organization is a United Nations agency whose mandate is to advance social and economic justice through setting international labor standards.

key material topics

These are topics that are material to our business and our key stakeholders based on input from both inside and outside Randstad. A definition of the 14 key material topics can be found in the [GRI content index \(see page 254\)](#).

lost time injury (LTI) rate

Days off work due to work-related injury, based on actual working days. LTI rate calculation: number of working days lost divided by (average FTE x available days).

misconduct reporting procedure

Grievance mechanism; a facility operated by an independent external provider, where serious breaches of the Randstad business principles can be reported if the regular avenues are inappropriate.

net-zero standard

The Net-Zero Standard was developed by SBTi with the intention of guiding corporate transition towards a state of net-zero in a way that is consistent with societal climate and sustainability goals and within the biophysical limits of the planet.

organisation for economic co-operation and development (OECD)

Organisation for Economic Co-operation and Development (OECD) is an international organization that works to build better policies for better lives. Their goal is to shape policies that foster prosperity, equality, opportunity, and well-being for all.

permanent or open-term contract

An employment contract for an indefinite period of time; this metric includes employees with a permanent or open-term job but without an official contract, which is often the case in the US, for example.

science-based targets initiative (SBTi)

The SBTi defines and promotes best practice in science-based target setting. Offering a range of target-setting resources and guidance, the SBTi independently assesses and approves companies' targets in line with its strict criteria.

sickness absenteeism rate

Includes both short-term and long-term sickness. Generally excludes absence due to work-related accidents and pregnancy leave, unless local authorities use a different definition.

sustainability accounting standards board (SASB)

SASB Standards guide the disclosure of financially material sustainability information by companies to their investors.

sustainable development goals (SDGs)

In September 2015, the United Nations launched the 17 Sustainable Development Goals. Countries adopted these goals to end poverty, protect the planet, and ensure prosperity for all by 2030.

UN global compact

The United Nations Global Compact (UNG) is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to undertake partnerships in support of UN goals.

upskilling and reskilling

Training people but keeping them in the same roles (upskilling), or retraining people so they can put their talent to use elsewhere and fundamentally change their roles (reskilling).

volunteer hours

The number of hours actually worked by the volunteer(s) or: number of months of placement x 4 weeks x 36 hours; for short-term volunteers: number of weeks x 36 hours.

VSO volunteers

Number of employees (headcount) working on an indefinite contract with an operating entity, who have provided support to VSO (e.g., HR/finance/marketing/legal or strategic advice, fundraisers) either in their home country or at a VSO office (e.g., in the UK or the Netherlands), or on an assignment in Africa or Asia.

work-related injuries

Accidents during working hours, whether on work premises or while traveling as part of work duties, causing candidates or employees to be injured on a scheduled workday or normal work shift, resulting in days off work.

world employment confederation (WEC)

The worldwide/European industry federation that strives for well-regulated working conditions for employees and candidates.

financial glossary

amortization (and impairment) of acquisition-related intangible assets

Upon acquisitions, Randstad identifies intangible assets, such as customer relationships, brand names, and candidate databases. On average, these acquisition-related intangible assets are amortized over 1 to 10 years, leading to an annual non-cash amortization charge, which is included in operating profit.

capital expenditures

Part of cash flow from investing activities. Amounts incurred for investments in property, plant and equipment (e.g., furniture, computer hardware), and software.

cash flow from operating activities

EBITDA adjusted for changes in working capital, taxes on income, movements in other balance sheet positions, such as provisions, and certain other non-cash items.

closing price

Share price of Randstad at the end of a given trading day on Euronext, where an ordinary share of Randstad is listed.

cost of services

Expenses which are directly attributable to revenue. These costs mainly include expenses related to staffing employees, such as wages, social security charges, and taxes.

diluted earnings per ordinary share

Diluted earnings per ordinary share are calculated by adjusting the weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares arise from various share-based payment arrangements.

dividend on ordinary shares

Part of net income attributable to holders of ordinary shares that will be distributed to holders of ordinary shares.

DSO (days sales outstanding, moving average)

The DSO represents the number of days before we are able to convert sales into cash (received from our client). In the Annual Report, we use the moving average of the monthly DSO.

EBITA

Earnings Before Interest, Taxes and Amortization (and impairment of acquisition-related intangible assets and goodwill). It is basically the same as operating profit adjusted for amortization charges on acquisition-related intangible assets. This is the key performance indicator when looking at the profitability of our business.

EBITA margin

EBITA as percentage of revenue.

EBITDA

Earnings Before Interest, Taxes, Depreciation of property, plant and equipment and Amortization of software.

economic value added (EVA)

A financial performance method to calculate the true economic profit of a corporation. EVA can be calculated as net operating profit after taxes minus a charge for the opportunity cost of the capital invested.

enterprise value

Market capitalization plus net debt excluding lease liabilities.

EPS (earnings per share)

Net income attributable to holders of ordinary shares divided by the weighted average number of ordinary shares outstanding.

free cash flow (FCF)

Free cash flow is the sum of net cash flow from operating activities and investing activities adjusted for cash flows for acquisitions and disposals of subsidiaries, equity investments and associates.

gross margin

Gross profit as percentage of revenue.

gross profit

Revenue minus cost of services.

IFRS

International Financial Reporting Standards.

incremental conversion ratio (ICR)

Additional EBITA in a year, when compared with the previous year, as a percentage of additional gross profit in a year, when compared with the previous year, based on organic growth. We aim for an incremental conversion ratio of 50%, if gross profit growth has been achieved.

leverage ratio

Net debt divided by 12-month EBITDA. We aim at a leverage ratio of between 0 and 2x EBITDA, which is important for continuity. The syndicated loan documentation allows us a leverage ratio of 3.5x EBITDA.

market capitalization

Total shares outstanding multiplied by the share price of Randstad.

net debt

Cash and cash equivalents minus current borrowings and non-current borrowings.

net finance costs

Net finance costs include net interest expenses in relation to our net debt position, foreign currency exchange results, net interest expenses due to passage of time, and other items.

net income

Operating profit minus net finance costs, share of profit (or loss) of associates, and taxes on income.

net income attributable to holders of ordinary shares

Net income adjusted for the dividend on preferred shares, as well as for results of non-controlling interests.

operating expenses

Operating expenses comprise personnel and accommodation expenses in relation to the activities at the outlets and the various head offices, IT expenses, other general and administrative expenses, as well as the amortization and impairment of acquisition-related intangible assets and goodwill.

operating expenses margin

Operating expenses as a percentage of revenue.

operating profit

Gross profit minus operating expenses.

operating working capital

Trade and other receivables (excluding current part of loans and receivables and other interest receivable) minus trade and other payables (excluding interest payable). The level of working capital is related to the timing of the invoicing and payroll processes (weekly or monthly). The payment terms negotiated with clients and the effectiveness of our collection processes are equally important. Liabilities, such as social security charges, wage tax, and value-added tax are settled every month and in some countries on a quarterly basis. Payment terms are often determined by law and therefore difficult to influence.

payout per ordinary share

Dividend on ordinary shares divided by net income per share attributable to holders of ordinary shares before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs (after taxes).

productivity

We measure productivity in three ways: (1) gross profit per staff member (GP/FTE), (2) gross profit in relation to personnel expenses (GP/PE), and (3) the number of candidates per staff member (Temps/FTE).

recovery ratio (RR)

The total year-on-year change in operating expenses as a percentage of the decline in gross profit, based on organic growth. We aim for a recovery ratio of 50% in case gross profit declines.

return on invested capital (ROIC)

This ratio is calculated by dividing the after-tax operating income (NOPAT) by the book value of both debt and equity capital less cash/equivalents.

revenue

We distinguish three types of revenue: (1) revenue from temporary billings, (2) permanent placement fees, and (3) other revenue. 'Revenue from temporary billings' includes the amounts received or receivable for the services of temporary staff, including the salary and

salary-related employment costs of those staff. These revenues are generally based on the number of hours worked by the temporary staff. 'Revenue from permanent placements' includes the fee received or receivable for the services provided. The fee is generally calculated as a percentage of the candidate's remuneration package. The category 'other revenue' includes revenue for services such as job posting and résumé services on our digital platforms, payroll, outplacement, outsourcing, MSP and RPO services, consultancy, and related HR offerings.

share in profit/loss of associates

Associates are companies in which Randstad N.V. has significant influence, but no control, over the financial and operational policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. The share of profit or loss of the associate is presented in this line of the income statement.

syndicated credit facility

Randstad has a € 1,850 million multi-currency syndicated revolving credit facility at its disposal, which will mature in July 2024. The loan documentation allows a leverage ratio of 3.5x EBITDA. In certain cases, we are allowed to report a maximum leverage ratio of 4.25x EBITDA for a limited amount of time.

taxes on income

Taxes on income comprise current taxes and the realization of deferred taxes. Current taxes on income are the sum of taxes recorded on the results before taxes in the countries in which those results were generated, based on local tax regulations and against tax rates of the applicable year. Tax-exempt income and expenses not deductible for tax purposes are taken into account in calculating taxes on income.

velocity of shares

Velocity represents the average holding period of a share in Randstad. It is measured as the total number of shares traded divided by the average number of shares outstanding.

financial calendar.

march 29, 2022

Annual General Meeting of Shareholders

march 31, 2022

Ex-dividend date of regular dividend

april 1, 2022

Record date of regular dividend

april 5, 2022

Regular dividend ordinary shares available for payment

april 26, 2022

Publication of Q1 2022 results (pre-market)

Analyst conference call Q1 2022 results

july 26, 2022

Publication of Q2 2022 results (pre-market)

Analyst conference call Q2 2022 results

september 29, 2022

Ex-dividend date of special dividend

september 30, 2022

Record date of special dividend

october 4, 2022

Special dividend ordinary shares available for payment

october 25, 2022

Publication of Q3 2022 results (pre-market)

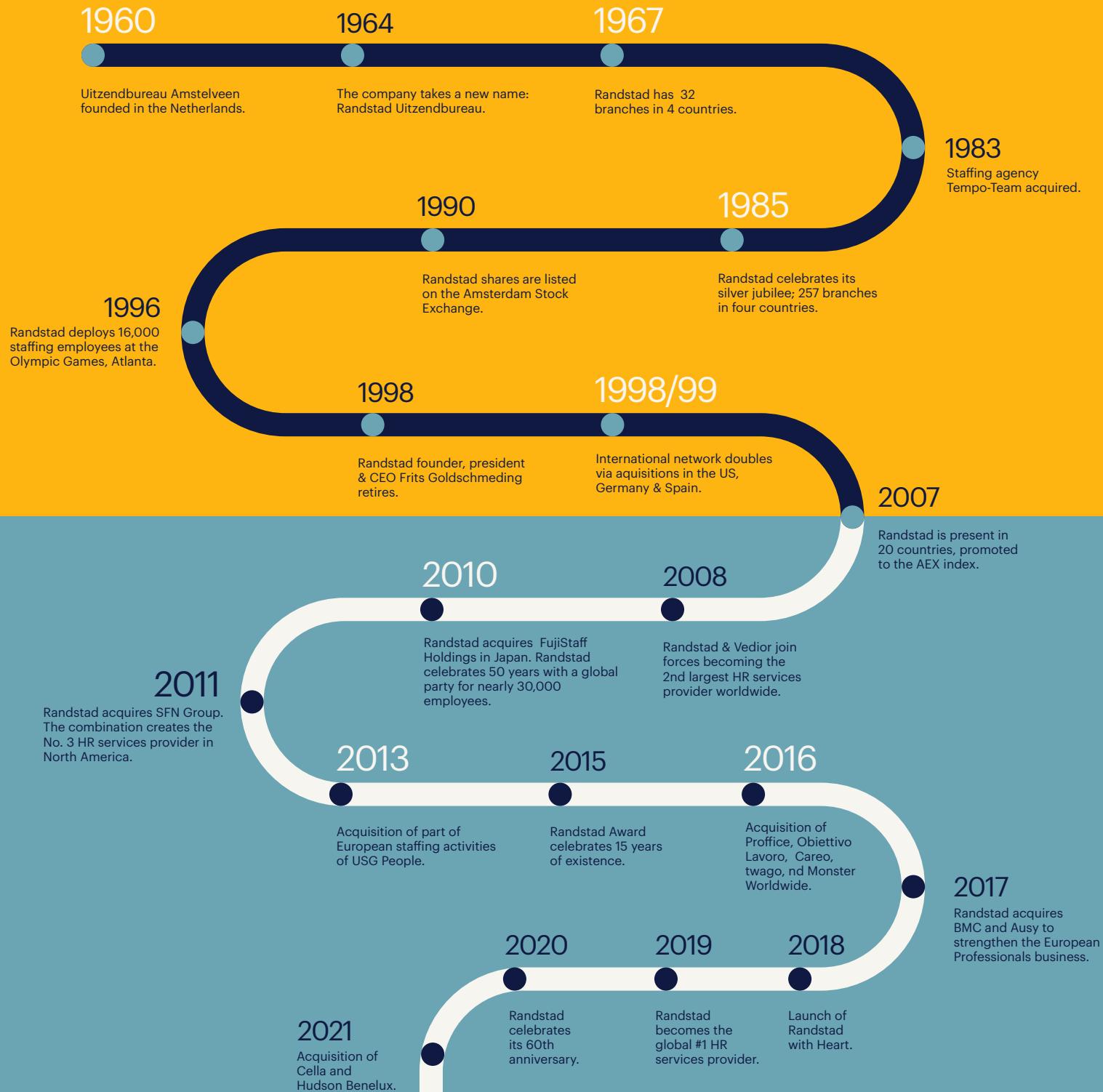
Analyst conference call Q3 2022 results

february 14, 2023

Publication of Q4 and annual results 2022 (pre-market)

Analyst conference call Q4 and annual results 2022

history timeline.



design
Think Yellow B.V.

infographics
CF Report
Cadform

photography
Valéry Kloubert

text and editing
Baxter Communications BV
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comments or questions

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