

ANNUAL REPORT 2015





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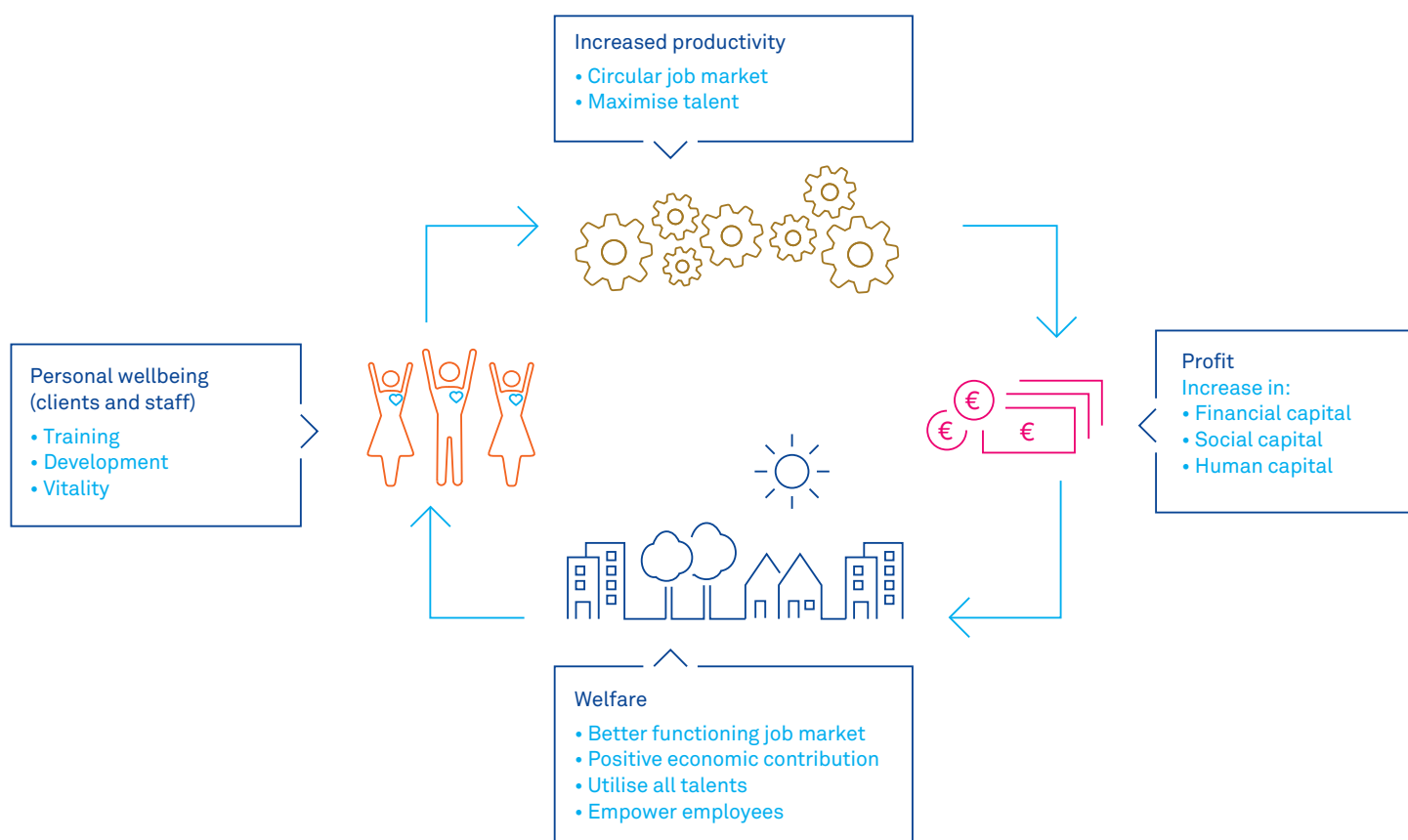
[FORWARD-LOOKING STATEMENT](#)

This annual report contains certain forward-looking statements regarding the financial situation and results of USG People N.V., as well as a number of associated plans and objectives. Forward-looking statements by their nature can provide no guarantee for the future. As a result of various factors actual results may differ from current expectations. These factors may include changes in tax rates, mergers and acquisitions, economic developments and changes in labour legislation. The forward-looking statements in this annual report are current at the time the report was adopted and provide no guarantees for the future. The annual report is available in Dutch and English. In the event of ambiguities, the Dutch text shall prevail.

DEVELOPMENT OF OUR SOCIAL RELEVANCE

Our challenge is to make a lasting contribution towards full utilisation of all the talents that are present in our markets. An inclusive and circular labour market, in which employees are able to stay connected amid the rapid developments that are currently taking place, is characterised by a healthy dynamic that ensures that labour as a driving force of our economy continues to function effectively. High participation and

productivity enable organisations to function better and contribute to higher returns in a social, societal and financial sense. This creates a more prosperous society in which people enjoy greater wellbeing. We sometimes refer to this as our value creation model. Our objective is to use innovations to keep this flywheel turning for the long term, thereby creating value for all our stakeholders.



There are various ways in which we seek to contribute to this value creation model. From a societal perspective we do so by focusing on the topics job market fitness, inclusiveness and diversity, social innovation, and the environment.

'DIVERSITY IN BUSINESS' CHARTER

To express our focus on diversity, in late 2015 we became signatories to the 'Diversity in Business' charter. The charter promotes diversity and inclusion in the workplace, and requires organisations to make a voluntary commitment to encourage diversity in the workplace in one or several dimensions. It expressly relates to measures formulated by the company

or organisation itself, linked to business objectives. USG People has linked its 'USG People goes Inclusive' plan to this charter.

NATIONAL INTEGRATION FUND

USG People belongs to the Advisory Board of the National Integration Fund in the Netherlands. The fund conducts research into integration in the workplace and translates this research into practical tools to assist organisations. These are topics which are important to us and which fit seamlessly with the initiatives and concrete actions we take in the areas of diversity, inclusion and fighting discrimination in the workplace. The fund provides scientific backing for these topics.

DIVERSITY BOARD

To give our diversity policy an extra boost we plan to establish a Diversity Board in 2016. The purpose of the board will be to keep the topic of diversity in the spotlight, identify problem areas, share knowledge and bring people from different backgrounds together.

RESTART

Restart is a socially driven organisation that is part of the Start People star brand. Restart helps organisations to put long-term employability into practice as well as being the go-to participation partner for organisations that want to make a contribution towards an inclusive labour market.

Last year Restart helped more than 1,000 people with an occupational disability to find work in the Netherlands as well as providing on-the-job coaching to around 2,500 people. By doing so Restart improves the job market opportunities of people with a mental or physical disability, who would stand virtually no chance without this professional support.

As well as providing tailor-made support to people with a disability the Restart coaches also take work out of the hands of organisations. They are involved at both the recruitment and selection stage and during the integration of new employees with a disability. This is done through a so-called 'participation partnership', which involves a participation survey and an inclusiveness scan. The participation survey provides a picture of job options and workplaces, for example by means of a workplace survey, job identification, job carving and job market analysis. The inclusiveness scan helps organisations to draft policy and create support. In this way Restart contributes to the societal ambition to create 125,000 new jobs in the Netherlands for people with a disability.

REFUGEES

In 2015 there was a vast influx of refugees to Europe from the Middle East, people fleeing war, violence and suppression, looking for a safer life. We know better than anyone how important employment is to quick and successful integration. Although there can be legal obstacles to helping people find a job quickly, we do all we can to guide newcomers through the job market and provide support where we can. For example we produced an information leaflet as well as providing information at an event in Utrecht aimed primarily at refugees from Iraq, Syria and Eritrea.

SOCIAL VALUE CREATION

In 2015 USG People joined a number of other big companies to form a coalition aimed at social value creation. The coalition was backed by a number of knowledge partners and major auditing firms. As part of the coalition we took up the challenge of taking serious steps towards using our business model to make value creation transparent and measurable. Our case related to the question of how we create social value for our candidates, clients and society in general. For our clients, for example, we

create financial capital by achieving quicker and better matches, which cuts their costs and means they need to invest less in recruitment and selection. For our candidates we create human capital, because the work experience they gain through us means they can look forward to improved chances of work and future income. After all, work experience helps boost confidence and makes talents more versatile and resilient. We also create social capital for them because their higher level of wellbeing is likely to go hand in hand with a longer life expectancy. For society as a whole we contribute to financial capital, because fewer people have to rely on benefits and talents who are in work provide income tax revenue for the government.

With regard to the social impact measurement the members of the coalition followed international initiatives surrounding this topic, such as the Social Capital Protocol of the World Business Council for Sustainable Development.

The explorations surrounding social value creation will serve as a guideline for the further development of social innovations. These might include possibilities and solutions that share common ground with HR tech, job market fitness and diversity.

(SOCIAL) INNOVATION

New technologies are changing society and how, when and where people work, with digitisation, robotisation and social media all playing an important role. By collaborating and/or associating ourselves with start-ups, scientists and innovation labs we can work together to create an alternative way of working and innovating. HR tech is an important element in this.

USG People is a frontrunner in the HR sector in actively seeking to collaborate with start-ups and scale-ups. At the end of 2015 USG People became a shareholder in Co-Station BXL, an accelerator and co-working space for start-ups and scale-ups in Belgium. In the Netherlands USG People is active within the network and ecosystem of Startup Delta, an initiative aimed at putting the Netherlands on the map for start-ups and scale-ups, chaired by former EU commissioner Neelie Kroes. In addition in 2015 USG People teamed up with a number of other well-known companies for the second year in a row to organise the Dutch Open Hackathon, an event during which developers are given 48 hours to develop innovations based on data and programmes of participating companies.

In 2016 USG People wants to continue to be a frontrunner in the field of innovation and will launch a programme aimed at encouraging the star brands to come up with innovative ideas and help talents towards successful innovations. On the one hand this will be done by getting all employees who wish to contribute to the innovative strength of our

organisation to participate in an assessment and giving those who are selected the opportunity to follow instruction and training courses in this area. On the other it will involve launching various innovation projects and setting up an innovation lab in the Netherlands.

CORPORATE CITIZENSHIP

TAX POLICY

Where the interests of employers, employees and society overlap in terms of labour USG People adds value by making employers and employees more accessible to one another and by making connections between the two groups. Every day over 100,000 people are employed through USG People. The USG People tax policy, which has been approved by the Executive Board and has been discussed with the Audit Committee of the Supervisory Board, is supportive of the aforementioned activities.

The USG People tax policy is not limited to corporate income tax but applies to all taxes paid by USG People. The amount payable in statutory payroll tax, social security contributions and VAT is many times greater than the amount payable in corporate income tax. All these tax payments represent a substantial contribution to the budget of government bodies in the countries where USG People operates.

USG People believes that companies have a responsibility towards society and the tax policy is part of this. USG People is following the public debate on the failure by multinational companies to pay a fair share of tax. Respecting the spirit of the (international) tax legislation is an important aspect of the USG People tax policy. USG People has a zero tolerance policy in respect of non-compliance with legislation and regulations (as is also stated in the Risk Management section).

Where tax legislation is unclear USG People errs on the side of caution. Tax planning takes place within the legal parameters and is consistent with USG People's operational business activities.

USG People aims to maintain an open, transparent and constructive relationship with the fiscal authorities. USG People has signed a horizontal supervision agreement with the Dutch Tax Office. The company is in regular contact with the tax authorities to discuss various matters pro-actively, exchange opinions and discuss USG People's tax control framework.

CHARITABLE CAUSES

With regard to supporting charitable causes USG People has a cooperation agreement with Stichting Lezen en Schrijven. This foundation believes that everyone in the Netherlands should be able to read and write, be numerate and computer literate, and is actively involved in combating poor literacy. Under the cooperation agreement we for example offer the possibility of having vacancies read aloud so that people who struggle with

reading and writing can still be made aware of a vacancy. We also offer the foundation the opportunity of using our premises for training purposes.

Another initiative that we support is Fier, an organisation that provides help to victims, witnesses and perpetrators of violence in dependent relationships. The problems involved are in many cases serious and might include human trafficking, honour killings and grooming. We provide interview training and help people find apprenticeships, internships and holiday jobs.