

ANNUAL REPORT 2015





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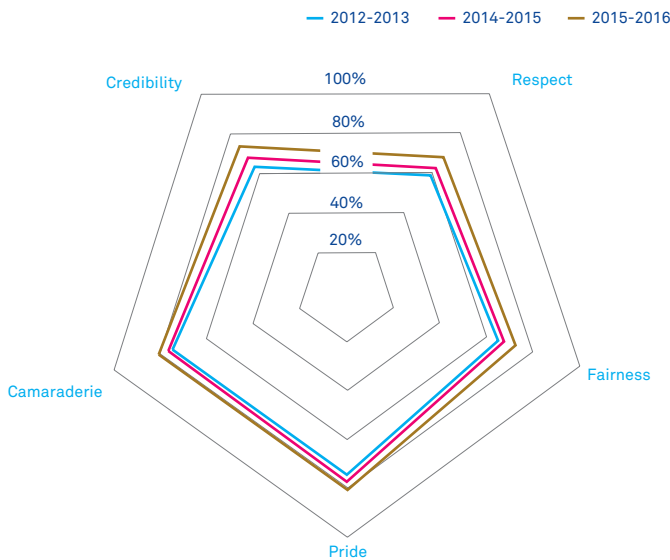
[FORWARD-LOOKING STATEMENT](#)

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.

DEVELOPMENTS FOR OUR EMPLOYEES

As an HR services provider the satisfaction and involvement of our own employees is very important to us. These aspects are measured each year in collaboration with Great Place to Work®, and in 2015 we once again conducted a broad survey to assess the satisfaction and involvement of our employees. The findings of the annual survey are used as a basis for further development and improvements.

employee satisfaction



In 2015 Unique and Secretary Plus in the Netherlands, Start People in Belgium and USG People in Germany were awarded a ‘Best Workplace’ designation.

At end-2015 there were 5,835 employees working for our organisation. On balance the number of employees at our organisation fell in 2015, partly as a result of the termination of activities outside the core countries and the spin-off of Vakcollege. All new employees followed our on-boarding programme, which is facilitated online. New employees are acquainted with matters such as the mission, vision, strategy, ambitions, values, sustainability and culture of USG People and its star brands, as well as with what our organisation expects from individual employees in their respective jobs.

HUMAN CAPITAL DEVELOPMENT

In 2015 we once again achieved some good results in the area of performance management. Our performance management had already been standardised and made available online for the middle and senior management. In 2015 the method was also used to appraise some of the organisation’s operating staff and from 2016 the performance management standard will be implemented across the organisation. The

performance management process includes 360° feedback and provides an insight into both the performance and the potential of employees. This provides better reference points when dealing with issues surrounding development and succession. The right identification and development of employees lays the foundation for the organisation of tomorrow. This lies at the heart of the services we provide – getting the right talent in the right place in order to achieve our corporate objectives.

Personal development, career planning and career development opportunities are regular topics of discussion with our employees. In 2015 we improved internal progression, with 78% of the vacancies for senior management positions being filled internally (2014: 67%, 2013: 44%).

Talent development and leadership are features of our human capital development programme. One example of this is Frontrunners, our international talent development programme for middle management run in collaboration with Vlerick Business School. USG People considers it very important that its future leaders achieve above-average scores for teamwork, self-knowledge and learning agility – the ability to learn fast in new situations. This is important in our rapidly changing environment and helps us to innovate faster and more effectively. The results in the development of the first group of Frontrunners who completed the programme in 2014 and 2015 are very positive: 22% have already achieved a vertical promotion and 25% have expanded their range of duties or achieved a horizontal promotion. In 2015 we once again selected a group of Frontrunners.

In addition to the Frontrunners programme we offer instruction and training courses within the organisation to prepare employees for a next step in their career. In 2015 we invested a total of € 1.9 million in training courses for our own employees.

COURSES FOR EMPLOYEES

2015

Total investment in courses	€ 1.9 million
Investment in courses per FTE	€ 390
Investment as a percentage of wage expenses	0.9%

From 2015 our employees have access to an online training catalogue, providing them with a simple and accessible way of working on their own development points – development points which employees discuss several times a year with their line manager. In 2015 a total of 11,000 people accessed training courses through USG People. They started a total of 12,500 online courses on which they spent 14,000 training hours.

USG People invests in the development of employees. In the coming years we will continue to focus on the broad and long-term employability of



elements mean that vitality has become an essential competency in today's labour market.

People work hard at USG People and the standards we set for our employees are high. In view of this in 2014 we launched a vitality programme for higher management. The programme gave an initial group of employees first-hand experience of the importance of vitality, both now and in the future. In 2015 a second group completed the same process.

The participants were assigned a coach for six months, and individual intake and exit sessions were held comprising an online questionnaire, physical tests and coaching sessions, based upon which the participants formulated their own personal objectives. In addition scientifically based programmes on the physiology of the body and on how performance is affected by exercise, relaxation, sleep, nutrition and stress were used to provide participants with knowledge and insights into their personal challenges and points for attention. Both groups gave the interventions a very positive evaluation.

In 2015 this programme was joined by a second vitality programme – the GoodLife programme – in which 350 employees from the Dutch organisation took part. An app, workshops, participation in the Dam to Dam run and changes to the lunch menu were among a wide variety of ways in which the programme sought to raise awareness of vitality and encourage a healthy lifestyle. The programme was rated an average 6.9 out of 10 and will be further developed and continued in 2016.

Being and staying fit for the job market is important to everyone. This is why we invest in healthy, flexible, involved and competent employees, who can contribute to society long-term, both within and outside their current employment.

DIVERSITY AT USG PEOPLE

Since its inception USG People has established a track record of seeing people's abilities and talents, not their disabilities or limitations. Everyone is unique and comes with their own baggage and background. We believe in the strength of these differences between people and aspire to a diverse and inclusive workplace providing a working environment in which everyone feels valued, involved and recognised.

'USG PEOPLE GOES INCLUSIVE'

At USG People we want to offer something for everyone, thereby seeking to achieve a diverse composition at all levels of the organisation, which is itself a balanced reflection of society. In 2015 special attention was paid to people with an occupational disability, which found expression in the action plan 'USG People goes inclusive'. This plan was mainly concerned with placing people who are at a distance from the labour market at USG People. Under the plan all the Dutch star brands, the back office and

staff, thereby paying attention to the training and development opportunities of staff across the board.

HR AND INNOVATION STRATEGY

USG People develops innovative propositions which it often brings to market. In the coming years USG People will transform itself into a more technology-driven HR services provider. This transformation will be facilitated by HR.

In 2015 USG People teamed up with Amsterdam University College to research the prerequisites for creating an organisation which is both agile and future-proof. The main conclusion of the study was that in addition to its current organisational structure USG People needs an organisation with the ability to use new, technology-driven solutions to respond to challenges arising from the changing market demand and the speed and agility to address changes. In short a transition to a dual structure.

This means that in addition to the traditional, hierarchical organisation a second operating system needs to be set up for innovation. In this network organisation client and market requirements will be identified for rapid and scalable capitalisation. This new network organisation and the existing organisation will operate side by side and incubate each other.

In 2016 USG People will start identifying USG People change agents, the new leaders with the ability to realise accelerated innovation within the dual structure. The process will involve using assessments to provide a clear insight into innovation potential and learning agility. The latter is an important predictor for turning in an effective performance in a complex new environment.

In the coming years the HR policy will continue to focus mainly on this transition.

JOB MARKET FITNESS AT USG PEOPLE

We live in a world where flexibility and agility are key. Agility in terms of knowledge, competencies and employees; flexibility in how we organise work and put it into practice. Technology has made time and place independent working normal. At the same time demographic developments are progressively pushing back the retirement age. All these

the corporate organisation have committed to finding work for a defined number of people at a distance from the labour market within their organisation, with the following annual targets having been set:

	2015	2016	2017	TOTAL AT END 2017
Number of employees	9	11	12	32

The 2015 target of realising 13 placements within our own organisation was met.

ANTI-DISCRIMINATION

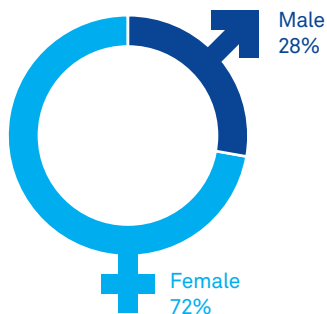
In 2015 we set up an anti-discrimination working group, whose purpose is to keep discrimination in the spotlight and continue to raise the level of knowledge surrounding this issue. In doing so we aim to banish discrimination, misconduct and harassment. The working group organised a webinar, created an e-learning module and designed an infographic.

The webinar revealed that employees at our offices are occasionally confronted with discrimination. We will therefore continue to devote the necessary attention to this topic. In 2015 diversity ambassadors were appointed at each of our star brands, who will be able to pick up on and deal with issues surrounding discrimination close to the operation.

TALENT TO THE TOP

We already have a well-balanced workforce composition in terms the ratio of women to men. In the past few years the percentage of women in management positions has continued to increase.

WORKFORCE COMPOSITION



In 2015 some 72% of staff were female. USG People has a relatively high percentage of women in all layers of the organisation, from top management through senior and middle management to staff. We pursue an active diversity policy. In the past few years this has resulted in a growing percentage of women in management positions. In the

Netherlands we are co-signatories to the 'Talent to the Top' Charter, an initiative aimed at getting more women into management positions.

MALE-FEMALE COMPOSITION	2015	2014	2013
USG PEOPLE			
Female	72%	71%	72%
Male	28%	29%	28%

SENIOR MANAGEMENT

Female	42%	40%	36%
Male	58%	60%	64%

MIDDLE MANAGEMENT

Female	50%	50%	48%
Male	50%	50%	52%

Attrition rose to 22% in 2015 from 19% in 2014. Our industry has a traditionally high attrition rate. There is a balanced age distribution among our workforce: around 38% of staff are aged between 30 and 40, with around 32% being older and 30% being younger. There is also a good distribution in terms of length of service.

ABSENTEEISM

USG People provides a safe and healthy work environment for its employees and this helps to substantially limit absenteeism. Various parameters in this area are actively monitored and reported using a web-based dashboard that can be accessed by both HR officials and management. This provides an ongoing insight into developments and trends, enabling these to be identified at an early stage so that steps can quickly be taken where necessary. The average absenteeism rate among indirect staff was 3.8% in 2015, down by 0.6 percentage point on the previous year.

THE CENTRAL WORKS COUNCIL

The Executive Board regularly consults with employee representatives, including the Central Works Council in the Netherlands. During 2015 the Central Works Council and the Executive Board met on seven occasions, with two members of the Supervisory Board having also been present at two of these meetings. In addition a deputation of the Central Works Council and the chairman of the Supervisory Board met to discuss general day-to-day business. Topics discussed during these sessions included the remuneration policy, the transfer of Vakcollege Groep, abolition of the incorporation clause, the social plan, study arrangements, a protocol governing internet usage, competition, client and employee clauses, pension schemes and the wage policy. The Central Works Council met a total of 13 times in 2015.

OUR FLEX WORKERS

In 2015 our star brands – Start People, Unique, Secretary Plus and USG Professionals – were able to focus successfully on their facilitating role in the labour market. At the end of 2015 over 100,000 workers were employed through our star brands at around 15,000 different employers in virtually every sector of the economy. The number of people placed continued to grow in 2015 and there was also an increase in the average number of hours worked per employee.

NUMBER OF FLEX WORKERS (AVERAGE)	2015	2014
Start People	74,296	69,450
Unique	24,099	24,235
Secretary Plus	1,064	1,075
USG Professionals	1,828	1,802
USG People	101,287	96,562

The number of courses for flex workers also rose sharply. A growing number of clients procured courses from USG People, for example through the HROffice online platform. Online portals have made courses more accessible. The number of registrations for courses through USG People continued to grow in 2015.

In 2015 our organisation as a whole spent the following amounts on flex-worker training and development:

COURSES FOR FLEX WORKERS	2015
Total investment in courses	€ 7.3 million
Investment in courses per FTE	€ 107

SAFETY

The health and safety of our staff is paramount and a key essential. Safety plays an important role both during the selection of candidates and when they are introduced to the client. This allows us to avoid unwanted premature attrition and helps minimise accidents. A great deal of attention is also devoted to complying with safety instructions in practical work situations.