



THE ADECCO GROUP

Corporate Governance Report

2023 was a year defined by political disruption and persistent economic uncertainty. While output flatlined across the majority of sectors, inflation and interest rates climbed to record levels. Cost-of-living concerns significantly impacted candidate confidence, leaving employers struggling to fill short-term skills gaps – and ready their business for a rapidly evolving future.

Faced with global challenges like changing working practices, the green transition, and the rise of artificial intelligence (AI), businesses need practical support and expert vision to navigate the unknown. The Adecco Group is committed to shaping skilled, agile workforces equipped for the world's most pressing priorities – from tackling talent scarcity to overcoming climate change.

With candidate shortages likely to influence hiring in 2024 and beyond, the fundamental principles of corporate governance – transparency, accountability,

responsibility, and fairness – will continue to play a critical role in employee attraction and retention.

In this S.172(1) Statement, our fifth corporate governance report, we demonstrate how the Adecco Group puts these principles to work in our business. We describe how, for the year ending 31 December 2023, our company directors upheld their obligations under section 172(1)(a) to (f) to form the Directors' Statement required under section 414CZA of the Companies Act 2006.

This report uses the Companies (Miscellaneous Reporting) Regulations 2018 and the Wates Corporate Governance Principles for Large Private Companies (the 'Wates Principles') – published by the Financial Reporting Council – as the framework for disclosing our corporate governance arrangements.

The UK & Ireland

As a truly purpose-led organisation, our environmental, social and governance (ESG) strategy aims to deliver social and economic value for our clients, candidates, colleagues and the wider community. We are dedicated to building a better, more inclusive and more sustainable future and leading by example in everything we do.

Our purpose – to make the future work for everyone – inspires and connects us all, every day. This ongoing commitment, and our guiding corporate governance principles, will shape our focus throughout 2024.

Principle 1 Purpose and Leadership

A Global Perspective

Even measured against the political and economic rollercoaster of the last few years, 2023 was a challenging time for the Adecco Group's clients, candidates, and stakeholders.

Economic growth was nearly non-existent, taking its toll on business confidence, yet there was an unprecedented wage increase as employers sought to address the cost-of-living crisis and talent shortages. And although job vacancies dropped below one million at the end of the year (for the first time since 2021), overall employment remained fairly resilient, with an increase of almost half a million jobs.

Amid this ambiguity, a number of key trends emerged that are shifting and shaping the labour landscape. These include workforce readiness, flexible working, digital and green skills, generative AI (GenAI), and equity, diversity, and inclusion (ED&I).

New challenges demand new ways of working – and a renewed commitment to robust corporate governance. As a global company, we have a duty to act responsibly and ethically. We work towards a culture that consistently integrates ESG considerations across our full value chain, in every Adecco Group territory worldwide.

Driving change in the UK & Ireland

For the Adecco Group UK and Ireland, sustainability is not a one-off effort – it is an integral part of how we do business. Ultimately, this helps deliver economic value for our shareholders and stakeholders, as well as positive results for our local communities.

We believe in making *the future work for everyone*. Whether that's by actively working to address society's most complex challenges or acting with integrity, we proactively drive the change we wish to see for people and the planet.

As a truly purpose-led organisation, our environmental, social, and governance (ESG) strategy aims to deliver social and economic value for our clients, candidates, colleagues, and the wider world. We are dedicated to building a better, more inclusive, and more sustainable future, and leading by example in everything we do.

The Adecco Group UK and Ireland's five key sustainability priorities include:

Priority 1: Elevating environmental sustainability

Since our last report, the Adecco Group UK and Ireland commissioned our fifth greenhouse gas emissions assessment, looking at data from 1 January to 31 December 2023. The review included Scopes 1 and 2, and part of Scope 3 (namely energy consumption at the Adecco Group's facilities and our business transport activities).

Throughout 2023, we continued to minimise our operations' environmental impact and, while our location-based footprint increased 34% from the previous year, it fell from 2019's baseline year measurement by 25.8%.

The key contributor to the sustained reduction is that our site energy use, particularly electricity, decreased by 34.2% and natural gas consumption declined by 47%.

Conversely, travel – particularly flights – has risen by 103% in the past 12 months, leading to the increase in our overall footprint since 2022. This upturn was expected, however, as we return to pre-Covid market conditions.

Year/Element	2019	2022	2023	(%) change on baseline year (2019)	(%) change on previous year
Market-based Tonnes of CO ₂ e	-	1,543.52	2,209.92	n/a	43.2%
Location-based Tonnes of CO ₂ e	3,061.02	1691.45	2,272.05	-25.8%	34.3%
Location-based Tonnes of CO ₂ e per employee	1.27 ¹	0.67	0.99	-22.3%	46.5%
Location-based Tonnes of CO ₂ e per £ million turnover	1.46	1.14	1.52	3.9%	33.4%

Data on our energy and greenhouse gas emissions in accordance with Streamlined Energy and Carbon Reporting (SECR) is once again included in our Directors' Statement.

In 2023, we revisited our governance structure and the organisation of our employee resource groups (ERGs) to drive three core initiatives:

- Reducing our carbon impact through travel, including a focus on lower-emission cars.
- Replacing our carbon impact through energy use.
- Green skills education through our Green Careers Forum.

Our Trees for Life partnership

In 2023, Office Angels continued to grow their UK forest with charity partner, Trees for Life. By planting trees for new joiners, permanently placed candidates, and those awarded the 'Temp of the Month' certificate, they added another 2,165 trees to their grove in the Scottish Highlands, creating a haven for native wildlife, and helping to rewild part of the UK.

Throughout 2024 Office Angels will continue to support Trees for Life, by planting two trees for every permanent candidate placed in a new role. They will also raise awareness of the charity's vital work by educating their clients on the meaning and importance of rewilding. Additionally, a group of Office Angels employees will visit the site in 2024 to take part in volunteer work.

In the past year, our brands also began planting trees for baby loss awareness and have currently planted six trees for this cause. Our teams will expand this initiative over the coming months.

Our brands have been working hard to elevate environmental sustainability through our Green Skills initiative. During 2023, we introduced a Green Careers ERG to drive behavioural changes across the business. Our Green Careers team have explored various opportunities to work alongside environmental partners - like the Institute of Environmental Management and Assessment (IEMA) - to implement positive changes internally and externally and keep our colleagues inspired and engaged.



Our Environment Committee goals

Throughout the year, our Environment Committee advanced the Adecco Group UK and Ireland's short, medium, and long-term goals. These objectives were set in 2021 and revised as part of a target-setting assessment in May 2022.

Our goals include:

- To be carbon neutral by the end of 2022.
- To reduce our carbon output by 50% by 2030 (measured against our baseline level in 2019).
- To reduce our carbon output by 90% by 2050 (versus the same 2019 baseline) and eventually reach net-zero using voucher offsetting as a last resort.

Goal 1 successes: Achieving carbon neutrality

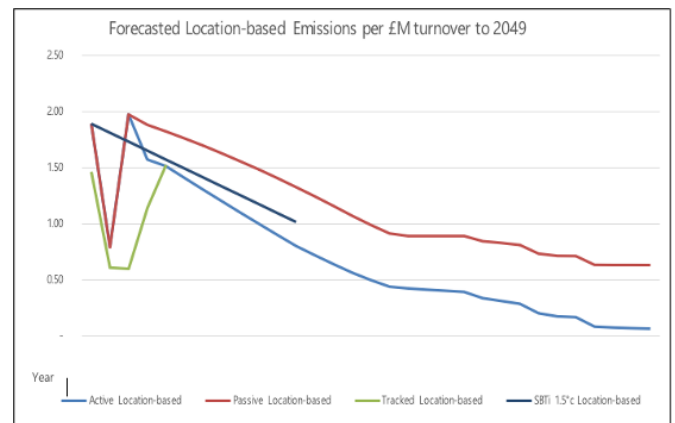
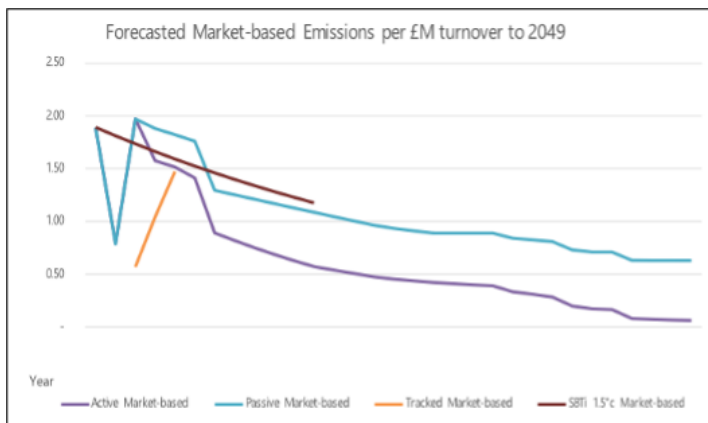
In 2022, we were delighted to become carbon neutral in relation to our Scope 1, 2, and part of Scope 3 2021 carbon emissions for the first time. In 2023, we continued our commitment to carbon neutrality by investing in projects that offset our measured carbon emissions for 2022.

Our chosen project was the MW Wind Project in Maharashtra, India. In addition to the generation of green energy, the project contributes to the upliftment of living standards, creating job and business opportunities for the local population.

As a result, in addition to supporting climate action and offsetting our carbon footprint, the Adecco Group UK and Ireland is actively contributing to several United Nations Sustainable Development Goals - Affordable and Clean Energy, Decent Work and Economic Growth, and Industry, Innovation, and Infrastructure.

Goal 2 successes: Reducing our carbon output by 50% by 2030

Despite an overall increase in emissions, we are still on track to reach our carbon reduction targets, having made more reductions than required by 2022.



The Adecco Group UK and Ireland have achieved the carbon footprint standard of a CO₂e reduced organisation for four consecutive years and are carbon neutral for a second consecutive year.



Priority 2: Promoting Equity, Diversity and Inclusion (ED&I)

We drive positive change by promoting equity, diversity, and inclusion (ED&I) in every action – through building education, allyship, expertise, and leadership through our internal business and our client partnerships.

Our colleague-led ED&I Committee develops and drives strategy, with four Inclusion Employee Resource Groups (ERGs) – covering Disability and Mental Health, Ethnicity, Gender, and LGBTQ+ – bringing our objectives to life day to day.

The strategic direction of the ERGs is linked to our Employee Voice data, collected from our colleagues. Based on staff feedback, the governance of our ED&I Committee naturally evolved in 2023:

- We introduced a Global Business Unit Lead (GBU Lead) to drive action and accountability across our brands.
- The GBU Lead from each area of the business acts as the voice of their global unit to shape, strategy, and facilitate people management.
- The role also supports the Subject Matter Expert (SME) position introduced in 2022, ensuring our ED&I approach is aligned across every aspect of our business.
- Our GBU Leads and SMEs work alongside our executive sponsor and ERG leads, as well as our stakeholders representing colleagues, candidates, clients, and the community.

Throughout 2023, we used our data as a guiding principle, while ensuring our ED&I strategy supported the Adecco Group's five global pillars:

- **Structural inclusion**
- **Inclusive leaders**
- **Conscious inclusion**
- **Accountability**
- **Wellbeing**

By Q4 of 2023, we saw an overall ED&I disclosure rate of 88% vs 63% Q2 2021. This increase could be attributed to our 'Count Yourself Included' campaign undertaken to encourage disclosure – particularly regarding disability. Specifically, disability disclosure rose by 60% in 2023.

Additionally, over the same period, our Diversity and Inclusion score climbed from 8.4 to 8.7 and Wellbeing increased from 8.1 to 8.3.



Increasing colleague inclusion in 2023

Hosted by our Gender, Ethnicity, LGBTQ+, and Disability and Mental Health ERGs, our bi-weekly Inclusion Coffee Mornings gained further traction in the past year. In 2023, we took the decision to change the timings to brunches to make the sessions more accessible to colleagues.

These interactive forums provide safe spaces for colleagues to share their stories and for allies to learn and offer support. In the past 12 months, we have covered a diverse range of topics, including:

- **Neurodiversity in the workplace**
- **Safeguarding children against domestic abuse**
- **Childfree by choice**
- **Islamophobia awareness**
- **Transgender awareness**
- **Hidden disabilities**
- **South Asian heritage**
- **Inclusive recruitment**

As an output of our Inclusion Brunches, we continued the conversation and support through our Inclusion Networks. In 2023, we created dedicated platforms exploring critical colleague concerns: Hot Topics (Menopause Network), Neurodiversity Network, Holding Hands (Baby Loss Network), and Shoulder to Shoulder (Men's Mental Health Network).

This also led to the introduction of Food for Thought sessions, which provide space for colleagues to discuss specific topics in more detail and to increase education and awareness.

Celebrating continued ED&I progress

Women's health in the workplace remained an important topic for our Gender ERG. Building on their initial work around menopause and menstrual health, the team incorporated other aspects of hormonal health and fertility, working with the Disability and Mental Health ERG on topics such as endometriosis.

Our Men's Mental Health ERG went from strength to strength with external guidance and mentoring from industry expert and TEDx speaker, Ryan Parke. In 2023, we created a first-of-its-kind support programme providing safe spaces to share experiences, alongside practical strategies and scientifically backed tools to improve male mental health.

We have continued our ethnicity pay gap reporting, analysing outputs to increase ethnic representation in management roles across our business. This initiative was built in collaboration with the Ethnicity ERG and Learning and Development team as a result of our 2023 end-of-year Performance Development and Global Talent Review. We are planning to host our inaugural cohort in 2024.

Additionally, we have created a Mentoring Circle to support representation in career pathways. The project features reverse mentorship, which is critical to ensure inclusion across the business.

In 2023, we made Adecco Group history by attending London Pride - a powerful demonstration of inclusivity and support for the LGBTQ+ community. The Disability and Mental Health ERG also achieved Disability Confident Level 2 certification in the past year and have begun working on an Accessibility Strategy, alongside the launch of 'Unlocking Potential' workshops to support our neurodivergent colleagues.

Developing our client ED&I support

In the past 12 months, we have expanded our client offering in terms of ED&I. Providing a consultative approach through our operational teams, we provide key subject matter experts (SMEs) from across the business to advise and coach clients on several subjects at the heart of our internal ED&I strategy.

Priority 3: Community and Social Impact

In the UK and Ireland, the Adecco Group's mission is to build on our internal and external purpose of *making the future work for everyone*.

We believe that every person should have access to the employment opportunities they want and need – for today and tomorrow. It is our privilege and responsibility to build better workplaces and create brighter futures. During 2023 we focused on making an immediate and positive impact in two core areas:

- Influencing future talent pools through our Creating Brighter Futures programme, which ensures everyone has access to opportunity – regardless of their background or circumstances.
- Providing access to work by maximising individuals' working potential.



Creating Brighter Futures Programme

Our Creating Brighter Futures Programme continued to empower young people by connecting them with enterprises and educational bodies, providing access to opportunity and influencing future talent pools.

Jobs4Refugees and Jobs4Ukraine

The Adecco Group has been working on refugee integration for many years in the context of upskilling and reskilling, as well as helping newcomers learn English.

This focus provided a springboard to establish the Jobs4Refugees platform in 2018. After completing certain diversity metrics, any organisation can post opportunities on the site at no cost.

However, as millions of Ukrainian citizens became displaced during the Russo-Ukrainian war, the Adecco Group explored a re-purposing of the platform to address the emerging needs of refugees. We found that of the 10,000 people globally registered on the Jobs4Refugees platform, very few were Ukrainian.

This inspired the creation of a specific Jobs4Ukraine landing page, which gained government backing from seven European countries, the US, and Australia.

In addition, the Adecco Group has recently partnered with Tent, a leading non-profit coalition aimed at mobilising businesses to support refugees. Through these two platforms, we've committed to help place over 50,000 global refugees into working opportunities by 2025.

More than 80,000 people are currently registered on the platform, and all roles are full-time to optimise opportunities for stability and security.

Opportunities for ex-offenders

The Adecco Group is taking a purpose-led, proactive approach to breaking down barriers for ex-offenders. Drawing on the expertise garnered through the successful implementation of the Jobs4Refugees initiative, we extended this commitment to individuals re-entering the workforce following time in prison.

Operating at the forefront of this agenda, the Adecco Group directly engages with both employers and individuals.

- With employers, the objective is to promote a more nuanced understanding of the capabilities and potential of ex-offenders, encouraging a shift in perception that recognises the transformative power of providing employment opportunities to this section of society.
- With ex-offenders themselves, we bolster job readiness via tailored programmes that enhance professional skills and improve prospects for sustainable employment and successful reintegration.

The programme has involved in-depth investigation into Disclosure and Barring Service (DBS) checks, assessing the context in which checks are necessary. This aims to address specific industries imposing unwarranted barriers that block ex-offenders from seeking employment opportunities that fit their knowledge and skills.

Creating Brighter Futures

Creating Brighter Futures (CBF) was the Adecco Group's school outreach programme, comprising three distinct pathways that targeted different ages and stages. It was launched to address the issue that 20% of state schools have less than £2 to spend per year, per student, on careers education and development, while another third have less than £5.

The programme involved extensive classroom engagement in schools and colleges, delivered in areas of most need. More than 100 dedicated volunteers - who have provided 2,512 skill building opportunities - helped young people understand more about the world of work, which jobs match their skill sets, and how to access these opportunities. CBF also directly sponsored schools to train teachers on embedding essential skills into the curriculum.

The project was paused indefinitely at the end of 2023.



Priority 4: Delivering high standards of corporate governance

Our culture of integrity and compliance ensures that we not only operate in line with current legislation – but also go further where needed to guarantee the health and safety of our colleagues and candidates. In addition, we take necessary steps to ensure our candidates feel confident in engaging with us and know their personal information is safe and secure.

Our legal and compliance teams comprise dedicated lawyers who specialise in commercial contracts, insurance, litigation, and employment law, as well as compliance experts covering a broad range of topics including privacy, business continuity and risk management. We also rely on our Health and Safety professionals and Business Assurance colleagues to uphold the integrity of our company and the safety and confidence of our colleagues and candidates.

As evidence of our 2023 commitment to a compliance-plus culture, we maintained key specialist accreditations, including:

- **Global Energy**
- **Link-Up**
- **Network**
- **UVDB**
- **Avetta**
- **CHAS**
- **Cyber Essentials**
- **British Safety Council Membership**
- **Ecovadis**
- **FSQS**
- **RISQS**
- **Sedex**
- **Safe Contractor**
- **JOSCAR**

We also retained our ISO 9001:2015 quality management system certification in key recruitment service brands following successful surveillance audits and an annual review of our Quality Management System by the British Standards Institution. We are also proud to hold a Disability Confident Employer Level 2 Certificate.

By earning these accreditations, we demonstrate commitment to delivering services that meet our candidates' and clients' requirements – and legislative standards for providing recruitment services. Our certification also confirms that our robust quality management system supports our core strategy and is led from the top. In the past year, our global teams reinforced the Adecco Group's principled approach with mandatory ethics and compliance e-learning modules for all levels of the organisation. The global business also launched a survey to measure and monitor colleague feedback on integrity and compliance within the Adecco Group and introduced a new global Code of Conduct, which all colleagues are required to attest to annually.

In the UK and Ireland, we provided bespoke in-house training to ensure colleagues recognise and respond to concerns around modern slavery – training we share with clients and suppliers upon request.



Priority 5: Driving public policy engagement

We actively engage with government and industry bodies to advocate regulatory frameworks and policies that fit our purpose to make *the future work for everyone*.

Throughout 2023, we continued to incorporate our ED&I agenda into our public affairs work to drive behavioural changes across the Adecco Group. We also took action on another critical challenge, bringing together our unique knowledge and client-led insights about green skills for the future of our colleagues.

We introduced a Green Skills Employee Resource Group to implement a range of helpful resources and data across the business and looked to partner with an environmental management organisation (IEMA) to upskill our colleagues using various training materials. As we move into 2024, we will continue to drive this initiative to provide an accurate picture to our business and government on the green skills needed in sought-after jobs - for today and the future.

To enable greater career development opportunities, we continued to campaign for a more flexible approach to the Apprenticeship Levy. Our work aims to deliver upskilling and training support to a broader population and better align the programme to the needs of candidates and employers. After becoming one of only 10% of employers to have a menopause policy in 2022, we began conversations with government to galvanise all large employers to implement similar support for women experiencing menopause.

During 2023, we collaborated with our Disability and Mental Health Forum to evolve our efforts, incorporating other aspects of hormonal health, including fertility and endometriosis.

Externally, Helen Tomlinson (Head of Talent and Inclusion for Adecco Group UK and Ireland) was appointed as UK's first Government Menopause Employment Champion. Working alongside the Department for Work and Pensions, Helen launched her '**No Time to Step Back**' strategy on 2023's World Menopause Day. The strategy sets out a four-point plan to improve workplace menopause provision, helping businesses recruit, support, and retain women experiencing menopause and prevent women leaving employment due to menopause-related issues.



Principle 2 Executive Leadership Team

2023 saw the ongoing development of the Adecco Group into three global business units: Adecco, Akkodis, and LHH, in addition to Pontoon. Each global business unit (GBU) has its own governance structure and Senior Leadership Team. Statutory directors are aligned separately to each of the legal entities across which the global business units trade.

The role of Country President, replacing the previous PIP (Primus Inter Pares) role, continued to coordinate the UK and Ireland businesses.

To ensure governance and integration, meetings are held at differing frequencies to disseminate information and integrate strategy.

The Adecco Group Executive Leadership Team (ELT), led by the Country President, continued to take a key role in the alignment of the Adecco Group business, meeting every two months and as needed to discuss relevant topics for the wider UK and Ireland leadership team. The ELT comprises the following roles:

- **Country President**
- **Senior Vice President/Vice Presidents of all three global business units (Adecco, Akkodis, and LHH) and Pontoon**
- **Senior Vice President Finance, UK and Ireland**
- **Country Head HR, UK and Ireland**
- **Head of Legal, UK and Ireland**
- **Head of Compliance, UK and Ireland**
- **Vice President IT, UK and Ireland**
- **Vice President Sales, Strategy and Solutions, UK and Ireland**
- **Country Head Communications, UK and Ireland**

Regular meetings are also held among the Enabling Function Heads to harmonise priorities between functions, as well as bi-weekly with the Adecco Group ELT to ensure alignment across the business.

Throughout 2023, several Board duties were executed through committees. The group's Health and Safety, Environment, Risk, Modern Slavery Prevention, and ED&I committees all report to a member of the ELT, underlining our continued strategic commitment to our ESG priorities.



Principle 3 Director Responsibilities

While our strategy sets our business direction, our values set us apart and provide the foundation for our culture. Our leaders are critical to bringing both to life.

Our Global Competency Framework highlights how our leaders set performance goals and take personal accountability to further organisational success. The framework outlines nine competencies aligned with our vision of putting people first in all our actions and making *the future work for everyone*. They are:

- **Customer centricity**
- **Strategic thinking**
- **Purposeful collaboration**
- **Developing others**
- **Evaluating information and embracing new technologies**
- **Embracing change and ambiguity**
- **Curiosity and learning**
- **Driving results**
- **Effective communications**

Each of the Adecco, Akkodis, and LHH Leadership Teams receive regular reports on key areas, including health and safety, operational matters, and financial performance, as well as our ESG priorities.

Financial information is provided to the leadership teams on a timely basis by appropriately qualified colleagues to ensure data integrity. During 2023, these financials were again externally audited by Ernst & Young.

Compliance with the internal financial controls framework is conducted by the global Internal Audit department, which has a direct reporting line to the Adecco AG Board. It is independent of the Finance function and provides the rigorous review expected of a large company.



Principle 4 Opportunity and Risk

Opportunity

Our success as a company relies on our ability to adapt to the ever-changing social and economic work landscape and to meet the demands of our clients and customers.

Building on our Future@Work strategy this year, originally launched in January 2021, defined a clearer way forward with our Future@Work Reloaded strategy. The plan addresses common challenges across the globe to unleash our full potential. The Future@Work strategy focuses on:

- Placing our global business units at our core, accelerating our GBU strategies.
- Actioning three company-wide levers: to simplify the way we work, execute better than ever, and grow our market share.

The plan aims to maximise opportunities by reducing complexity, improving effectiveness, strengthening tech, and building a world-class sales culture.



Risk

In 2020, we formalised a multi-team Risk Committee to manage our strategic risk register and our approach to risk management in the UK and Ireland. The committee is made up of the heads of the Business Process, Procurement, IT Production, and IT Security teams, alongside our Local Privacy (Data Protection) Lead and multiple representatives from other departments and client facing areas.

Oversight is provided by the Head of Compliance and ESG, who reports the outcomes of the quarterly risk reviews to the UK and Ireland Executive Leadership Team, informing our approach to project and programme management. The Risk Committee acts as a single point of control to evaluate, report, and address risks highlighted through a bespoke risk submission form – or identified directly by Risk Committee members.

Managers within our global business units remain responsible for monitoring, managing and reporting potential risks within their area, but the structure allows anyone at any level to identify and submit points for central review. Risks are assessed using agreed scales for probability, impact, and strength of control. In accordance with our Risk Management Policy, the framework follows standard risk methodologies (e.g. ISO 31000) and the ISO Plan-Do-Check-Act approach.

In addition, we manage legal and contractual risk in respect of legal contracts and litigation by ensuring strict adherence to the company's UK and Ireland Management Authorisation Guidelines ('MAGs'). These are based on the Adecco Group's global Group Commitment and Sales Contract Policies and adapted and augmented for use in the UK and Ireland. The MAGs are controlled and managed by the UK and Ireland Legal Department, with set parameters for accepting contractual and other legal risks at particular levels of management.

Principle 5 Remuneration

The UK and Ireland Remuneration Committee comprises the Country Head of HR and Senior Vice President of Finance, who review workforce pay and related policies alongside the Senior Vice President/Vice President of the relevant global business unit to ensure our incentives and rewards complement our company culture.

The group's remuneration measures allow for discretion to override formulaic outcomes, including provisions that enable the company to recover and/or withhold sums, share awards, and specify circumstances when it would be appropriate.

When determining policies and practices, the Remuneration Committee aims to achieve the following:

- **Clarity** - Remuneration arrangements should be transparent and promote effective engagement with stakeholders and the workforce.
- **Simplicity** - Structures should avoid complexity and their operation should be easy to understand.
- **Risk** - Arrangements should identify and mitigate reputational or behavioural risks from excessive rewards or target-based incentive plans.
- **Predictability** - The range of possible reward values for individuals and any other limits or discretions should be identified and explained when approving the policy.
- **Proportionality** - The link between individual awards, strategy delivery and the company's long-term performance must be clear. Outcomes should not reward poor performance.
- **Alignment to culture** - Incentive schemes should drive behaviours consistent with company purpose, values and strategy.



Colleagues are paid competitively, considering their existing and future potential relative to other individuals currently performing the role. The pay rate must be within the appropriate job level salary range, which is reviewed on an annual basis.

When determining a colleague's pay rate, we consider the following:

- Demonstrated or potential capability, relative to the requirements of their role.
- A salary level that is affordable within agreed departmental budgets.
- Relevant market guidance.
- Pay practice for existing role holders and their relative capability.
- Role-specific recruitment and retention difficulties.

Each year, we share gender pay gap reports for our larger brands. We now have an equal proportion of women and men on the executive leadership team and a higher proportion of women across most levels. To help us target and tackle pay and representation imbalances across our family of brands, we are pushing forward with purposeful projects such as our Equity, Diversity, and Inclusion (ED&I) Committee and our talent development programmes.

In response to rising inflation and living expenses, we launched a cost-of-living toolkit for colleagues highlighting our extensive benefits and support provision - including employee discounts, working pattern adjustments, and partnerships with financial providers. We also introduced a hardship fund allowing colleagues to apply for additional financial assistance.

We regularly review our practices to ensure regulatory compliance for pay and benefit processing across the UK and Ireland.

The 2023 appraisal of our UK defined contribution pension scheme included an audit of available pension products to ensure our offering remains competitive. Similarly, we undertook new initiatives to improve pension engagement and education among our colleagues through targeted webinars, employee communications, and improved online platforms.

Throughout 2023, we continued the process of harmonising benefits across the GBUs to enable more efficient governance, economies of scale in procurement, and improvements to the end-user experience through our unified benefits platform.



Principle 6

Stakeholder Relationships and Engagement

The Adecco Group UK & Ireland's key stakeholders - from industry partners and suppliers to colleagues, candidates, clients and our local communities - lie at the heart of our ESG strategy and commitment to *making the future work for everyone*.

Industry partners

Throughout 2023, we were an active member of industry bodies, including the Recruitment and Employment Confederation (REC), Association of Professional Staffing Companies (APSCo) Outsource, and the Association of Labour Providers. We collaborated on individual and joint approaches to government concerning policies and consultations affecting the entire industry.

We joined industry roundtable discussions, using the opportunity to meet with the Employment Agency Standards Inspectorate (EASI), share best practice, and make policy recommendations.

Colleagues

To *make the future work for everyone*, our colleagues need to be at the heart of what we do. So we always put our people first.

We assess the effectiveness of our ED&I activities, as well as colleagues' health and wellbeing, through regular 'Your Voice Matters' surveys, powered by the Peakon employee feedback tool.

The online platform allows our HR and leadership team to track overall engagement and colleague attitudes towards our policies and programmes, ED&I strategy, and wellbeing support. In 2021, we also implemented Peakon Include, which reviews our ED&I and health and wellbeing provision through the lens of ethnicity, gender, sexual orientation, religion, and disability. These deeper insights help us address specific concerns from under-represented groups.

Peakon also enables managers to receive colleague feedback in real time, respond directly to comments and identify improvement areas.

The Adecco Group UK and Ireland ended 2023 with an employee engagement score of 8.2 (out of 10) - 0.5 points above the global Peakon benchmark. Similarly, when we used Net Promoter Score (NPS) metrics to gauge whether colleagues would recommend working for us, we earned a score of 49, compared to Peakon's average of 31.

To drive mobility within our workforce, we have enhanced progression and secondment opportunities across every corner of our company. Last year, we supported over 500 promotions and moves throughout the worldwide Adecco Group ecosystem, opening doors across sales, enabling functions, and global operations.

In 2023, our strong focus on employee loyalty and engagement paid further dividends. Retention rates climbed by 5.9%, while voluntary attrition fell by 6.3% points.

We also continued with our Changemakers Circle, a programme supporting ambitious and purpose-driven colleagues who want to make a difference within our ED&I, charitable, and environmental activities.

Committing to an annual gold, silver, or bronze target for volunteer hours, Changemakers lead impactful projects, gain access to a community of like-minded individuals, and directly influence how the Adecco Group realises its social purpose to *make the future work for everyone*.

Candidates

Candidate experience is incredibly important to us, and we build our service on providing the best possible jobseeker journey.

Our dedicated Adecco Career Centre in Keele manages circa 6,000 contractors and associates in any given week. We regularly measure satisfaction levels via Transactional Net Promoter Score (tNPS) surveys and an annual Relational Net Promoter Score (rNPS) survey.

We started formally gathering tNPS scores in May 2022 and have received nearly 1,500 survey results. The key findings are analysed and applied to a range of candidate-facing improvement projects – from extending our FAQ support bot's capabilities to launching responsive Google review sites across our branch network.

In 2023, we integrated our Customer Experience (CX) team into our broader Marketing business area. The updated structure ensures that candidate feedback is applied to all CX initiatives, continually optimising our candidates' journey and their resulting experience.

Clients

At the Adecco Group, we nurture an actionable, growth-driven customer experience culture, which focuses on understanding client expectations and adding value to their businesses.

We do this by delivering the best mix of permanent and flexible placement at scale, outsourcing, upskilling and reskilling, coaching, outplacement, and consulting across the technology and engineering spheres. Our people-focused expertise also helps clients to create empathetic cultures and progressive policies that champion the changing needs of their workforce – from menopause support programmes to ED&I strategies.

In 2023, we deepened our dedication to client development through the introduction of innovative job roles – Strategic Solutions Directors. This specialised team was established with the primary objective of collaborating closely with our clients, comprehensively grasping their strategic objectives, and facilitating the realisation of their strategic priorities.

To measure success, the Adecco Group conducts Voice of the Customer (VoC) programmes in 47 countries, systematically tracking progress and improvement points based on customer outcomes and feedback.



Adecco

At Adecco, strong strategic customer partnerships have always been crucial to our business. For us, the best way to achieve this is through our omni-channel strategy, combining online tools with a personal approach – delivered through a global network of branches, career centres, and onsite.

This approach ensures that we offer our local and global clients the services they need – at the locations they want – and enables us to build strong customer relationships, which are vital during a challenging economic environment. Over the past 12 months, we strengthened our unique solutions portfolio (Flexible Placement, Permanent Placement, Outsourcing, Training, Upskilling and Reskilling, and Diversity and Inclusion) to better serve our clients' needs.

We simplified processes and embraced technologies, taking significant steps forward in integrating Office Angels and further developing our service offerings. These advancements led to a significant year-on-year increase in sales pipeline and client base. Collectively, we also saw our highest ever net promoter scores, with client NPS increasing by 9 points.

Our 360° workforce solutions continue to benefit many organisations, allowing customers to quickly pivot between different Adecco services, quickly access relevant talent, and remain agile in a changing market.

Throughout 2023, we retained many long-standing clients on the strength of Adecco's customer experience and breadth of expertise. We were also named a Leader in contingent talent in the UK – for both business and professionals and IT recruitment – as part of research firm Everest Group's 2023 UK Contingent Talent and Strategic Solutions PEAK Matrix® Report.



Akkodis

Akkodis was formed in early 2022 when Modis, the Adecco Group's high-tech services business, was combined with AKKA, a leader in engineering R&D services. Today, we employ 30,000 tech experts across 30 countries and are one of the leading global service companies in the Smart Industry, providing consulting, solutions, RPO, and managed services. Our global Academy network also provides customised upskilling and reskilling programmes.

We help clients solve some of the world's toughest challenges, from advancing the future of sustainable transportation via an innovative car ride sharing app, to speeding up the global energy transition by developing an energy trading platform.

But innovation and progress require the right people. In recent years, talent scarcity and rising inflation have led to high attrition risks – and the related challenge of expanding the available talent pool to meet growing client demand.

Akkodis responded by engaging our Academy service to upskill and reskill our own employees, allowing them to be rapidly deployed to meet our clients' needs. With five million pre-qualified candidates for engineering and digital roles, Akkodis now has one of the largest tech talent recruiting networks worldwide.

LHH is the professional talent arm of the Adecco Group, providing a comprehensive range of services to help clients address all their professional-level talent challenges.

Our services include Recruitment Solutions, Career Transition and Mobility, Leadership Development, and Coaching, Advisory and Training, and Re-Skilling. In addition, our digital ventures – EZRA (digital coaching), General Assembly (tech skills development and enhancement bootcamp), and Hired (matching skilled talent to tech and sales roles) – provide further depth to our ability to execute on the most complex talent management challenges.

- LHH Recruitment Solutions covers Flexible and Permanent Recruitment, Executive Search, Interim Management, and Recruitment Process Outsourcing via our Managed Recruitment Experience (MRX) team.
- LHH Career Transition and Mobility helps employers build cultures based on lifelong learning and career mobility, identifying career paths with predictive analytics. This is in addition to supporting those being made redundant to successfully transition to the next phase of their career.
- LHH Leadership Development provides Culture and Leadership Consulting, Diagnostics and Assessment, Coaching, and Leadership and Team Development.

Community

The challenges of recent years have reinforced the essential role we play, as an organisation and as individuals, in supporting our communities. We recognise our ability to guide hundreds of thousands of people into rewarding jobs every year – and to leverage the power of work to fuel wellbeing, inclusion, and positive change.



Adecco Group programmes

In addition to our social mobility and inclusion programmes detailed earlier in this report, we have developed a number of initiatives, partnerships, and commitments that spread fulfilment, opportunity, and vital resources throughout our business and beyond.

- We commit to demanding fundraising targets and maintain active involvement in local communities, with volunteering initiatives that drive real impact. This allows colleagues to fundraise and give their time and expertise to social causes they care about.
- In 2023 we continued to support two key global programmes:
 - Win4Youth unites colleagues, candidates and clients as they collectively clock up hours of sporting activities for each country's choice of charity partner. In 2023, we logged around 46,500 hours, including 16,000 spent walking, 11,000 spent running, and 8,000 spent cycling. Colleagues also clocked up time rowing, weight training, skiing, dancing, horseback riding, and playing golf.
 - Meanwhile, the worldwide CEO for One Month initiative offers young people the possibility to develop and showcase their leadership potential, acquire critical career skills and, if selected, shadow the Adecco Group's global CEO for four weeks.

Third sector partnerships

Adecco Group partners closely with the third sector to deliver a wide range of programmes that meet the needs of unique populations.

- We were actively involved in fundraising for our three-year partnership with Shelter, the UK's largest charity addressing housing insecurity and advocating for people with lived experiences of homelessness.
- Our partnership with Shelter continued until mid-2023, with Adecco Group UK and Ireland colleagues fundraising and volunteering their skills, as well as formally helping Shelter users on their journey to sustainable employment. By the end of our partnership, 1,200 colleagues had led more than 500 fundraising events and the Adecco Group had donated £500,000 to support Shelter's vital work.
- The Adecco Group has recently chosen Barnardos as our newest charity partner. As one of the UK's leading children's charities, Barnardos is dedicated to supporting and safeguarding vulnerable children facing a myriad of challenges.
- Barnardos has ambitious plans to support 750,000 young people by 2025, which the Adecco Group will support with a calendar of events. This partnership will focus on making the future work for thousands of children and young people across the UK and Ireland.
- We also continue to leverage partnerships with the TENT Alliance for refugees and Offpoy, as well as new partnerships with **Bridge of Hope**, to ensure access to work for people with the most disadvantaged backgrounds.
- Our global engagements include **Paradigm for Parity**, the International Labour Organisation's **Global Business and Disability Network** and the European Network Against Racism's **Equal@Work Platform**. The Adecco Group is also a member of **The Valuable 500** and Tent Partnership for Refugees, as well as a signatory to the United Nations **LGBTI Standards of Conduct** and the **UN Global Compact**.

Suppliers

We are increasingly seeking out suppliers who actively help us achieve our sustainability goals. In line with our company values, we endeavour to pay all suppliers within terms, with particular focus on SMEs where cash flow is critically important. We regularly review our outstanding invoices, follow up approvals, and support in resolving queries to minimise payment delays.

The Adecco Group UK and Ireland is also committed to preventing modern slavery by educating our colleagues, clients, and associate workforce, and demanding high standards from our suppliers. Through our Modern Slavery Act Transparency Statement, we publicly pledged that in 2023 we would:

- Promote internal awareness, particularly with our branch offices and onsite teams, through a dedicated team subject matter experts in HR, procurement and compliance, with a specific focus on communications creating 'anti-slavery champions' within the business.
- Further develop our training course to increase awareness of modern slavery and the importance of training with our colleagues, clients and suppliers.
- Adopt the Adecco Group's new global third-party risk management policies and tools in the UK and Ireland.

We were pleased to confirm our progress in these areas in our public statement for 2023.

Transparent reporting is a key element of building trust with our stakeholders. In 2024, we will continue to work with our industry partners to advocate regulatory frameworks and policies that remove barriers to employment and fit with our purpose of *making the future work for everyone*.



THE ADECCO GROUP