

ManpowerGroup's European Works Council

(1st part of the 2021 EWC Annual Meeting) Newsletter

Dear colleagues,

ManpowerGroup's European Works Council (EWC) was formed in 2017, following a negotiated agreement. EWC's are bodies representing the employees in its operations in the European Union (EU) and Economic Area (EEA). Through them, employees are informed and consulted by central management on the progress of the business and any significant decision affecting two or more countries.

ManpowerGroup's Central Management (CM) informs and consults with the EWC to encourage a free exchange of views and opinions and the establishment of dialogue between the parties.

The first part of the annual meeting of ManpowerGroup's European Works Council (EWC) was held online due to Covid-restrictions on **6th and 12th July 2021**. Interpretation was provided into several languages.

During the meeting Central Management (CM) was represented by Sébastien Delfosse (People & Culture Director Northern Europe) and by Riccardo Barberis (President Northern Europe). 12 EWC employee representatives were present at the meeting.

During the meeting several presentations were shared and below are some of the main areas covered:

- Financial results 2020
- Outlook and expectations for 2021

In 2020 ManpowerGroup had a 16% decrease in profit, over prior year, mainly due to the huge decrease of activities related to COVID-19. The brand breakdown was: Manpower had a decrease of 19% vs 2019; Experis with -15%; Talent Solution (MSP, also supported by Right Management) had a decrease of 2%. For 2021, the continued growth in revenue and business outlook look positive as key markets soften the regulations and rules around Covid-19.

In addition, the following topics were discussed between the EWC and CM:

1. Meetings: The second part of the annual 2021 EWC meeting will be held in October TBC; due to the current Covid-situation the meeting will be virtual.
2. Franchising: Following the proposal submitted to CM around any future franchising, the EWC requested an update. CM confirmed if a future franchise situation arose it would be treated as a transnational issue and CM would proactively engage with the EWC, in a transparent way. On the request to add additional elements to any future franchise agreement, CM confirmed this has been shared with the Global part of the organization. The EWC underlined a loss in the 2020 Balance Sheet, p.33 and p.75, linked to the start up in September 2020 of the last franchising initiative. CM explained

the loss reported, due to franchising, is an accounting movement and is not a financial / business loss. The loss of \$5.8 million is normally located to post-closing capital adjustment. The Franchisees are confirmed to perform well.

3. Covid-19: The company see a definitive recovery and improvement of operation in all European Countries, happening at different rates. The speed varies by Country due to different Government approaches closing and reopening businesses and areas. There is a safety back to work initiative ongoing, around our own employees, which the EWC are closely monitoring.
4. Restructuring costs: CM explained three countries have restructuring costs: Germany, the Netherlands, Sweden. In terms of the restructuring there has been a thorough conversation with the local Works Council representatives in all locations. It has always been a decision of the local management and local management is open to provide more details.
5. Brexit: At the end of 2020 and the beginning of 2021, the UK saw an increase in the workforce demand in the Public Sector due to an increase of activity generated by Brexit. At this stage, it is highlighted as a risk and a potential loss of business opportunity in the UK. For some weeks local businesses see the first signs of a negative impact of Brexit on the mobility of workers (e.g. working permits).
6. Smart working (WFH): In terms of the WFH / return to the office policy, CM confirms that the priority is to ensure that the way people are returning to the office happens in a healthy and safe way. CM confirm that a full return to the office is not foreseen and a hybrid style of work, with part of the time working in the office and part from home, depending on the country and work, will be the likely model for most countries. The company is still in the process of designing policies regarding the hybrid work style/model, and the EWC will be consulted. Answering a specific request of the EWC, the CM confirmed that the company does not have any intention of reducing the number of branches from a strategic perspective. The expectation is that in the future, considering the capabilities of digitization, the way of interacting with candidates may change.
7. Project Orange: A transnational activity will be in an assessment phase during Q1 2021. If the assessment confirms there is a potential business case CM will engage with the EWC before any implementation is planned. EWC offered their support during the assessment phase.
8. Training: EWC asked if training was still part of employee's development, during covid-19 restrictions. CM confirmed that the company proceeded with the upskilling and reskilling commitments, which is part of the Company's strategy, and this will become even more important due to the impact of COVID-19 on business recovery and scarcity of many skills. Training and reskilling employees is where ManpowerGroup can truly make a difference.
9. EWC Representation: EWC requested CM's collaboration to identify new EWC's members for the countries that currently do not have an EWC representative. CM confirmed they would assist.

For more information around EWC activities, or any of the content in this newsletter, please do not hesitate to contact your EWC representatives: Amanda Walker or Jerome Carroll, by using this email: EWC.UK@manpowergroup.co.uk