THE ADECCO GROUP

Adecco AKKODIS LHH

ANNUAL REPORT 2023

Making the future work for everyone

At the Adecco Group, our purpose – making the future work for everyone – inspires and connects us all. Through our three global business units (GBU) – Adecco, Akkodis and LHH – we deliver expertise in talent and technology, enabling organisations to succeed and people to thrive. As one of the world's largest employers, we are committed to ensuring people everywhere are prepared, skilled, and enabled to reach their full potential and can contribute meaningfully in an ever-evolving world of work.

Within our own organisation, we lead by example by creating an inclusive culture where everyone can be their best to make a positive impact. And in the communities we serve we're at the forefront of helping people adapt and succeed in a world that is increasingly tech-driven, enabling work environments that are people-centric, resilient, and that contribute to thriving economies.

Front Cover Image: Joanne Young, the Addeco Group Austailia

In this report

Company Report
Our purpose C1
The year in review – 2023 highlights 1
Our strategic framework 2
Group Value Proposition 4
Our global footprint 6
Letters from our Chair and CEO 8
Strategic review 10
Global business units:
Adecco 12
Akkodis 14
LHH 16
People & Culture 18
Operating and financial review 24
Cash generation and capital allocation 34
Shares 35
Risk management and principal risks 36

Non-Financial Report
Introduction 38
Our business model 39
Our approach 40
Employee matters 41
Social matters 42
Respecting human rights 44
Leading with integrity and compliance 45
Sourcing responsibly 46
Environmental matters 47
Governing our approach 51
Measuring progress 52
Independent assurance report 54

Corporate Governance
Applicable Corporate Governance standards 56
Structure, shareholders and capital 57
Board of Directors, Executive Committee and compensation 60
Further information 78

Remuneration Report
Letter from the Chair of the Compensation Committee 83
Summary of key changes 84
Remuneration at a glance 85
Remuneration philosophy 86
Executive Committee remuneration 90
Remuneration of the Board of Directors 101
Remuneration governance 103
Additional disclosures 104
Report of the Statutory Auditor 106

Financial Statements
The Adecco Group
Consolidated financial statements 108
Statutory Auditor's report on the audit of the consolidated financial statements 128
Adecco Group AG (Holding Company) financial statements 132
Major consolidated subsidiaries of the Adecco Group 167
Proposed appropriation of shareholders' equity 168
Report of the Statutory Auditor on the Financial Statements 169

Additional Information
Non-US GAAP information and financial measures 171
History 173
Key figures 175

The year in review 2023 highlights

Despite the geopolitical instability, market contraction and digital disruption that characterised the external environment in 2023, the Group delivered strong growth and achieved record annual revenues. Powered by our Future@Work strategy and our Simplify-Execute-Grow operational plan, we continued to strengthen our financial performance, expand market share, and make a positive impact on the working lives of people around the world.

Revenues

€24bn

A robust result in the context of a slowing economic backdrop and downturn in tech sector activity

Gross margin

20.7%

A healthy result supported by firm pricing and the Group's well-diversified portfolio

EBITA margin excluding one-offs[1]

3.6%

A robust result, driven by improved productivity and G&A savings, which were 92 million euros in run-rate terms at year-end, in line with target

Cash conversion[2]

63%

A robust result during a period of growth and transformation

Dividend

CHF 2.50

In line with our dividend policy

Net debt/EBITDA[3]

2.5x

In line with management expectations

Total taxes paid[4]

€6,046m

Contributing to public finances through responsible tax practices

People placed – flexible

474,167

Associates provided with flexible employment every day, excluding joint ventures

People placed – permanent

169,062

People placed in permanent employment

External individuals up-/re-skilled

884,029

Enhancing their employability and accelerating their careers

Net Promoter Score® (clients)

35

+3 points

Peakon eNPS® (employees)[5]

26

9 points above the industry benchmark

1 EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.
2 Cash conversion is a non-US GAAP measure and is calculated as free cash flow before interest and tax paid divided by EBITA excluding one-offs. Free cash flow is a non-US GAAP measure and is calculated as cash flows from operating activities less capital expenditures.
3 Net debt to EBITDA is a non-US GAAP measure and is calculated as net debt at period end divided by the last four quarters, EBITA excluding one-offs plus depreciation. Net debt is a non-US GAAP measure and comprises short-term and long-term debt less cash and cash equivalents and short-term investments.
4 Total taxes paid is the aggregate total of income taxes paid, sales taxes paid, and employer payroll and social security taxes paid.
5 Peakon eNPS®: Measures employee and consultant loyalty and satisfaction, by gauging the likelihood of employees recommending TAG as a great place to work based on their experiences and perceptions.

Our strategic framework

OUR PURPOSE
Making the future work for everyone

STRATEGIC VISION
Enable sustainable and lifelong employability for individuals and empower organisations to optimise their talent needs and organisational model

THE ADECCO GROUP

Sets Group strategy and targets	**Sets and enforces Group-wide governance, policies, processes**	**Allocates capital and talent**
Drives performance	**Orchestrates growth across our GBU ecosystem**	**Supports shared services at scale**

Our Global Business Units

Adecco
Adecco is a global leader in workforce solutions, offering flexible placement, permanent placement, outsourcing and managed services across all sectors.

AKKODIS
Akkodis powers the Smart Industry transformation globally with digital and engineering services across Consulting, Solutions, Talent and Academy.

LHH
LHH helps future-proof organisations and careers by building the right capabilities, delivering talent solutions and enabling workforce transformation.

FUTURE@WORK RELOADED: LEVERS TO ACCELERATE PROGRESS

Simplify	Execute	Grow
Improve organisational effectiveness	Empower decision-making closest to customers	Top-line leading to EBITA profitability

Our Value Proposition

WE ARE ACCELERATING OUR STRATEGY THROUGH OUR VALUE PROPOSITION

Read more about our Value Proposition on pages 4-5 and 39

- Define workforce strategy
- Attract, hire, deploy
- Skill, develop, transition
- Transform and evolve

Global Business Unit financial ambitions

Adecco	Akkodis	LHH
GDP+ Revenue CAGR	**~6%+** Revenue CAGR	**6-9%** Revenue CAGR
3-6% range >5% mid-term EBITA margin	**7-10% range** ~10% mid-term EBITA margin	**7-10% range** ~10% mid-term EBITA margin

Creating value for our stakeholders

- Investors
- Employees
- Clients
- Candidates and associates
- Suppliers
- Governments and social partners

Read more about our Future@Work strategy on pages 10-11

Delivering expertise in talent and technology, enabling organisations to succeed and people to thrive

DEFINE WORKFORCE STRATEGY

Across our markets, organisations are navigating evolving employee expectations, skills shortages, and the impact of disruptive technologies. When it comes to creating long-term value, talent is an essential strategic asset, but businesses also understand that they need to transform their workforces to make the most of it.

Talent and skills are not separate from an organisation's long-term strategic objectives – they are a central part of it. Through our market-leading portfolio of talent solutions, our Global Business Units (GBU) create tailored and proactive plans for our global and local clients that align talent acquisition, development, and management with business objectives to drive sustainable success.

This means assessing the current workforce, identifying skills gaps, and developing strategies to attract, develop, and retain the right talent. By helping organisations define their workforce strategy, we amplify their competitive advantage and maximise their long-term success.

ATTRACT, HIRE, DEPLOY

Skills are the new currency of the changing world of work. In a talent market defined by scarcity, being able to access the skills needed to adapt and grow is not just a strategic priority for organisations – it is increasingly an essential part of their ability to remain competitive.

We want to eliminate the geographical, social, economic, and training barriers that stop people from attaining sustainable, long-term employment. Doing that means matching the right people to the right roles. But it also means leveraging innovative technology to create seamless hiring processes and nurturing skills.

As a Group, we are dedicated to finding, recruiting, and placing the most qualified individuals in positions that align with their skills and experience. Our comprehensive approach includes flexible roles, outsourcing, permanent hire, and Recruitment Process Outsourcing (RPO) to ensure our clients have access to the talent they need to achieve their business goals. By effectively attracting, hiring, and deploying talent, the Adecco Group plays a crucial role in bridging the gap between employers and skilled workers.

Antonella Muto
The Adecco Group Italy

SKILL, DEVELOP, TRANSITION

Making the future work for everyone means making sure that no one is excluded from the opportunities created by innovation or the green economy. When individuals have the capacity to learn, the drive to develop and the right support, their impact is magnified. It's our mission to help people and organisations maximise their potential and thrive in the workspaces of tomorrow.

Through our three GBUs, we offer a market-leading portfolio of end-to-end talent solutions. From helping people gain the skills they need to access sustainable employment, to guiding experienced professionals as they take the next step forward, we are giving people the tools they need to shape their own futures.

Career development, up-skilling and re-skilling, redeployment and career transition can create new opportunities for people and help future-proof workforces. Through expert coaching and training, we help clients find new opportunities both within and outside their existing company, ensuring positive outcomes for all. Our certified career coaches have deep industry expertise to help clarify goals, create an action plan and execute on it.

TRANSFORM AND EVOLVE

In today's market, innovation is the only option. Organisations can choose to maintain business-as-usual for as long as possible – or they can embrace change and use technology to unlock human potential at scale. But driving workforce and business transformation is a complex task, which is why we are on hand to provide tailored, expert support every step of the way.

Across the Group, we are responding at pace to leverage the latest technologies to improve candidate experiences, reduce time-to-market and drive efficiencies.

We are not only an expert talent partner to our clients around the world, but also a technology partner too.

We see the benefits that digital innovation and transformation can play in talent solutions and HR – both in supporting remote working and in addressing the labour shortages and staff retention issues that have impacted the global economy.

Leveraging our global footprint

38,000
Company-based FTEs

180,000
FTEs when including tech experts and bench associates

100,000+
Clients

2+ million
Associates on assignment every day, including Joint Ventures

Contribution to Group Gross Profit

53%
Flexible Placement

13%
Permanent Placement

10%
Career Transition

20%
Outsourcing, Consulting & Other Services

4%
Training, Up-skilling & Re-skilling

Improved value creation through strengthened execution

DEAR ADECCO GROUP STAKEHOLDERS,

2023 was a year defined by geopolitical volatility and economic uncertainty, yet paradoxically, resilience in the job markets. It was also the first full year of Denis Machuel's leadership of the Group as Chief Executive Officer. Through the year, the Group's diversified portfolio demonstrated resilience, and the Future@ Work strategy served the business well, as management put execution and performance firmly back on track with the Simplify-Execute-Grow plan.

Strengthened performance and value creation in 2023

I would like to thank our CEO, Executive Committee, and all employees for their relentless commitment which allowed the Group to deliver relative organic growth that outpaced our key competitors each and every quarter during 2023, while at the same time improving EBITA profitability. A high-performance, inclusive culture is intrinsically linked to company performance. Alongside the focus on operational discipline, Denis has intentionally focused on cultivating a winning spirit – inspiring our teams and empowering them to execute better.

Over the last few years, the Group has successfully diversified its portfolio to increase exposure to higher growth, higher value revenue streams beyond temporary staffing. The successful integration of the AKKA acquisition to form the Akkodis business unit was a significant step on this journey. Today, 55% of the Group's gross profit is generated from service lines outside of Adecco's flexible placement solutions, compared with just 32% in 2018, creating the potential for higher returns.

The Generative AI (GenAI) revolution, which gained speed in 2023 presents a significant opportunity for the Group to both improve our own efficiency and to differentiate in the market, offering enhanced solutions for our clients and candidates. We have moved at pace to seize these opportunities, launching a suite of GenAI-powered solutions in 2023, and establishing a partnership with Microsoft to take us further.

Leadership in governance, social and environmental impact

The Board's digital expertise was further strengthened this year, with the election of Sandy Venugopal, a senior digital leader with experience at LinkedIn, Uber, and SentinelOne.

We will continue to refresh the composition of the Board in 2024. David Prince, who has served on the Board since 2004, has decided not to stand for re-election. With the nomination of Stefano Grassi, an international, seasoned CFO, the Board proposes to augment its operational finance expertise and general management experience. Ariane Gorin, who has served on the Board since 2017, has also made the decision not to stand for re-election, given her recent appointment as CEO of Expedia Group and the necessity to fully focus on her new role. We are grateful to David and Ariane for their dedicated years of service and invaluable contributions.

In 2023, we made further progress to embed material sustainability considerations in the execution of our business strategy. This year, in line with the Swiss Code of Obligations, we are publishing a Non-financial report that will be submitted to a consultative shareholder vote at the 2024 AGM.

Also, in line with the Swiss corporate law reform, we have amended the Group's Articles of Incorporation, taking the opportunity to modernise and refresh the articles in line with corporate governance best practices in Switzerland and beyond.

Considering the Group's operational performance in 2023 and cash flow generation capabilities, the Board will propose to shareholders a CHF 2.50 dividend per share at the upcoming AGM. The dividend proposed is in line with the Group's dividend policy.

Looking ahead

As we enter 2024, the Board is committed to strategic continuity, to ensuring management builds on the positive operational progress of 2023, and to delivering strong value creation for all our stakeholders.

Thank you to all of our shareholders for your continued support and confidence.

Jean-Christophe Deslarzes
Chair of the Board of Directors

Jean-Christophe Deslarzes
Chair of the Board (left)

Denis Machuel
Chief Executive Officer (right)

DEAR ADECCO GROUP STAKEHOLDERS,

It is a pleasure to write to you as CEO of the Adecco Group to highlight our progress in 2023 and share the focus that will fuel our future value creation. Over the last year, our dedicated and passionate teams have delivered very encouraging results. Using three powerful levers – Simplify, Execute and Grow – we have systematically begun to remove complexity and cost from our business, we have strengthened our operations through innovation and cultural transformation, and we grew at a rate that outperformed the market consistently in 2023.

In a challenging external environment, the Group delivered record annual revenues, gaining market share in every quarter period. At the same time, we maintained a healthy gross margin and strengthened profitability. Our Adecco business achieved market share gains in all regions. Akkodis has delivered over EUR 60 million synergies (in EBITA terms) versus its EUR 50-55 million target, and LHH achieved stellar growth in career transition and EZRA coaching. The delivery of our EUR 150 million savings programme is firmly on track, with the Group already securing a year-end savings run-rate of EUR 92 million in 2023.

As we de-layer our organisation and reduce complexity, we simplify ways of working for our people. Central to our approach is to shift decision-making accountability closer to where customers are served and empower local teams, while ensuring delivery discipline through standardised KPIs. The establishment of a new role at the executive level – President of Geographic Regions – has reinforced the voice of our local operations at the Executive Committee.

Also key to successful execution is continuous innovation. Our new Chief IT & Digital Officer, Caroline Basyn, took the helm of our newly combined technology organisation as GenAI began to reshape the world of work. We see a significant need to prepare workers at all levels for the shift and have formed a collaboration with Microsoft to develop a cutting-edge GenAI career platform to support workers throughout their career journey. It complements the existing portfolio of innovative GenAI-powered solutions we launched this year, including Adecco's CV Maker and Career Assistant, LHH's Career Canvas and the EZRA Cai coaching assistant.

My firm belief is that a strong, inclusive culture is foundational to business outperformance. Our most valuable asset is our people and this year we invested in listening to their voices, at all levels, to guide the establishment of our refreshed set of five core values: passion, collaboration, inclusion, courage, customers at the heart. Through 2024, we will continue our journey to infuse these values into our organisation and strengthen our winning culture.

It is a great privilege to be able to positively impact the working lives of millions every year. From helping a refugee secure work and rebuild a life for their family, to coaching a leader to better support their team with mental health challenges, to accompanying a laid-off tech worker on their journey to their next opportunity, our teams are changing lives every day. In fact, in 2023, we supported millions of people around the world across our service lines. Our unwavering dedication to shared value creation and doing business responsibly is integral to our Future@Work strategy and further embodied in our continued commitment to the UN Global Compact.

I am incredibly proud of what our teams have accomplished this year and would like to express my sincere gratitude to our clients, candidates, associates, partners, and shareholders for choosing the Adecco Group. Together, we are shaping the future of work – and making sure that the future works for everyone.

Thank you for your continued trust and for being a part of our journey.

Denis Machuel
Chief Executive Officer

Leadership in a transforming world of work

The Adecco Group is a global leader in talent and technology expertise with a portfolio of innovative talent solutions and services, a very strong client base, candidate and consultant network, and an inspiring purpose – to make the future work, for everyone.

The world of work is undergoing significant change. The Adecco Group's Future@Work strategy was designed to position the Group to capture the opportunities of the future of work with the establishment of three Global Business Units (GBUs) offering a distinct yet complementary value proposition to its customers.

We see ongoing talent scarcity and a need for human centricity. Shifting skills requirements, ageing populations and higher turnover all provide growth potential; for example, for LHH's services across the talent life cycle, or for Adecco to lever its talent supply chain capabilities.

Further, advances in digital and AI are reshaping the job landscape, while the green transition is predicted to be the largest net job creator this decade. These megatrends provide sizeable opportunities for the Group's services, particularly those performed by Akkodis.

And with ongoing volatility and uncertainty in the world around us, the flexibility of the solutions the Group provides are central to any businesses' talent management strategy.

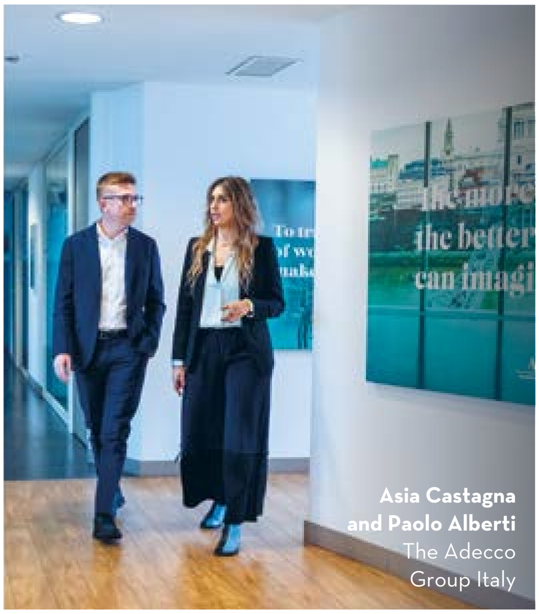
2023 was the third year of implementation of the Future@Work strategy. In November 2022, we launched the Future@Work Reloaded Action Plan to unlock the value creation opportunity embedded in our portfolio and bring the Group to full potential. The plan has three pillars – Simplify the way we work, Execute better than ever, Grow market share. We are progressing well against this plan, executing methodically throughout 2023. Consequently, we have begun to deliver the improved financial performance that we committed to at the end of 2022.

COLLABORATION WITH MICROSOFT TO EMPOWER WORKERS THROUGH THE GEN AI SHIFT

In October 2023, the Adecco Group and Microsoft announced a collaboration to prepare and empower workers as Generative AI (GenAI) begins to redefine work. Our Memorandum of Understanding (MOU) has four areas of focus: responsible and ethical use of GenAI, inclusive integration of GenAI in the workforce, organisational adoption of GenAI, and the development of joint solutions to navigate the changing job landscape. The collaboration seeks to accelerate the integration of GenAI into various facets of workforce development, aiming to enhance value for clients, candidates, and associates worldwide.

As part of this collaboration, we are developing a GenAI-powered career-platform tool to help individuals most exposed to job changes due to AI automation. The tool, currently in its development phase, will deliver a highly personalised, mobile user experience, customised with GenAI to offer career advice, coaching, micro-learning, and up-skilling opportunities. A lifelong career companion, the tool will analyse life skills and personal traits to build a dynamic career profile, revealing hidden potential, guiding individuals through the entire job-hunting and learning experience.

Consistent with the Group's commitment to ensuring responsible AI, the tool will be evaluated by the Adecco Group's ethics board and assessed by Microsoft's responsible AI guidelines as industry standard for end-user protection.



Asia Castagna and Paolo Alberti
The Adecco Group Italy

Simplify

Improving our operational effectiveness

In 2023, we made significant strides to reduce complexity and duplication, as well as reduce costs to make us more competitive.

As we simplify, we are liberating the time of our people to focus on more value-add activities. An example of the benefits that simplification can bring is the streamlining of reporting processes in France. Previously, the team used 84 reporting tools to create 24 weekly or monthly reports. Now we have simplified this process down to just three tools and ten reports and introduced self-service functionality. As a result, we have seen an improvement in employee engagement scores, rising by 30 basis points year-on-year.

We have made good progress towards our goal of reducing General and Administrative (G&A) costs of EUR 150 million by mid-2024. By the end of 2023, we delivered run-rate savings of EUR 92 million in G&A expenses and remain on track to achieve our goal.

Execute

Empowering decision-making closest to our customers

Execute is about rigorous performance management, technology and culture.

In February, we appointed country presidents in our 12 largest markets, shifting decision-making power closer to where our services are delivered. To ensure local perspectives are represented at the highest level of the organisation, we established the role of President, Geographic Regions within the Executive Committee.

A more systematic and rigorous Performance Management framework was introduced to drive efficiency and accountability, underpinned by a set of standardised operational KPIs.

Technology is the backbone of our execution strategy. This year, we consolidated our IT and Digital functions to simplify our approach, leverage synergies, and scale up our capabilities. We appointed a new leader at the helm of the organisation to take us forward.

As GenAI reshapes how work happens, we moved at speed in 2023 to launch a suite of AI-powered products including the LHH Career Canvas, EZRA's Career coaching assistant, and Adecco's Career Assistant. In October, we entered into a Memorandum of Understanding (MOU) with Microsoft, with four focus areas: responsible and ethical AI use, inclusive use of GenAI at work, organisation adoption of GenAI, and joint go-to-market solutions. Together we are developing a cutting-edge career platform to empower worker preparedness.

Effective execution also requires teamwork, collaboration, and a winning culture. This year we invested in understanding the dynamics of our culture, with input from more than 13,000 colleagues through our Shape It survey and 90 focus groups in almost all our markets. With this input we co-created our refreshed set of core Company values, which we plan to launch in Q2 2024.

Grow

Grow market share, with top-line leading to EBITA profitability

We are prioritising ways to grow market share, with the proper balance between revenue growth and EBITA growth. To enable this, KPIs have been streamlined to enhance the sales mindset and improve customer focus. As a result, for example, sales intensity in Adecco has risen by 20% and visits to prospects are up 40% year-on-year.

Our approach has delivered tangible results in the past year, with Adecco delivering market share gains in all regions every quarter in 2023, strong growth in the Akkodis Consulting service line, and a record year for LHH Career Transition. We are unlocking Managed Service Provider (MSP) expansion potential across the GBUs and Pontoon and will invest in expanding MSP and scaling our Recruitment Process Outsourcing (RPO) offering.

Adecco

Outperforming the market and transforming lives to build a better future

Edoardo Albanese
The Adecco Group Italy

This year, Adecco made strong progress – amplifying our impact, growing our market share, and clearly outperforming our main competitors. In times of uncertainty, both businesses and candidates look for trusted, responsible, and adaptable partners. We offer flexible and inclusive workforce solutions to global and local businesses, while navigating an environment defined by talent scarcity, slowing economic growth rates, shifting market dynamics, and digital transformation.

As well as a strong commercial performance, this year saw us maximise our social impact too. At the Tent European Business Summit in June 2023, we pledged to assist 50,000 refugees with finding work over the next three years, and also committed to up-skill at least 10,000 individuals to build their employability. In 2024, we strengthened this commitment by pledging to assist 85,000 refugees with finding work and up- and re-skill 17,000 refugees to build their employability by the end of 2027.

Market context

2023 was a challenging year for our industry and clients, with unstable economic conditions combined with ongoing talent scarcity. The market environment was further complicated by geopolitical instability, inflation, and ongoing transformational trends across most countries and sectors.

Significant transformations are underway in a number of our key markets. This requires us to adapt and support our clients with their dynamic talent needs. An example is the automotive industry, which has experienced a paradigm shift due to the transition to electric vehicles, regulatory changes, and evolving consumer behaviour. While this transformation may lead to short-term adjustments, it presents Adecco with exciting opportunities, as we can address these challenges and assist companies with access to new talent pools in specialist areas, like electric vehicle (EV) technology. Our extensive reach allows us to source skilled workers, or build employability, even in niche disciplines, and quickly adapt to fluctuating talent needs. As the market adjusts and automotive companies will experience renewed growth, we are primed to support clients through our flexible and permanent placement as well as outsourcing solutions.

We are well-positioned to grow further, guided by our two-pillar strategy. First, a strong focus on country empowerment allows us to strategically implement diverse solution portfolios tailored to specific geographic contexts to address local needs swiftly and capture profitable market share. Second, we offer bespoke end-to-end talent supply chain solutions for global clients, leveraging our digital capabilities to ensure standardisation and scalability. As inclusive recruitment practices continue to grow in importance, our expertise and passion in this area is helping companies reach their diversity and sustainability goals.

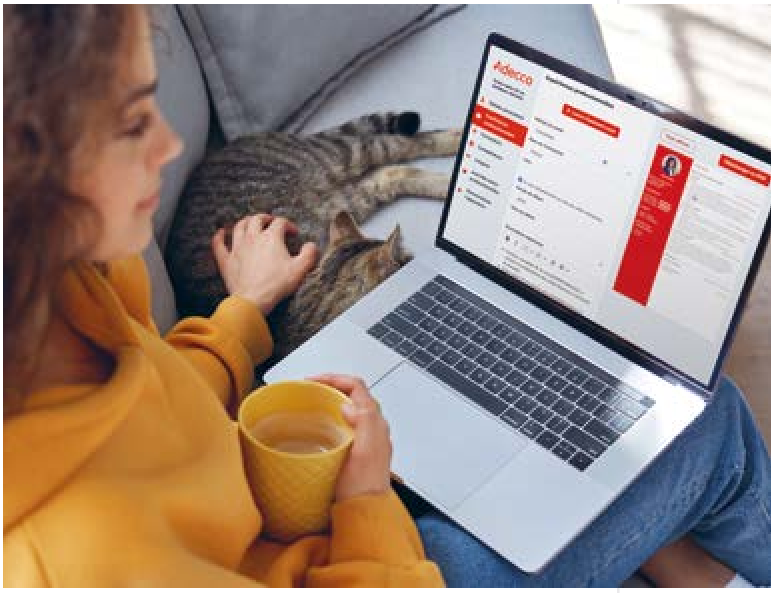
2023 performance

Simplification remains a priority for us and we continued streamlining processes and empowering countries to drive profitable growth in 2023. This happened alongside changes to our organisational structure. We also improved our sales and delivery collaboration with new incentive structures. Through these and other dedicated efforts, we were able to increase colleague engagement and reduce voluntary turnover.

Looking ahead to 2024

We still have work to do to bring the business to its full potential, and we will continue to deliver in 2024 with our programme of customer diversification and expansion, and an operational improvement plan.

As we look towards the next 12 months, we acknowledge that market unpredictability will likely continue. However, as a trusted partner, our aim of delivering profitable growth as a responsible, inclusive employer and recruiter stays the same. Our differentiated solutions portfolio has the potential to create significant value for our clients, candidates, associates and communities. By listening carefully to client needs, we want to be able to support them in the most effective ways, aiming for industry-leading customer experiences through our people and responsible technology use. At Adecco, inclusion is at the heart of our business model, and we believe that more inclusive policies and practices are an important way to address talent scarcity and create widespread social impact. In 2024, we will continue helping businesses build more inclusive workplaces, to positively influence attraction, retention, and engagement in a talent-scarce market.



Improving candidate experience with our AI-powered CV Maker

Creating a CV can be a challenging task, especially for individuals with disabilities or limited digital skills. Our AI-powered CV Maker streamlines the application process, creating tailored CVs that catch employers' attention and provides them with robust candidate data. Since its launch, the platform has generated over 6,000 CVs per month and attracted 20,000 users per month, demonstrating its positive impact for career advancement. Following its significant success, we have now started to launch the CV Maker in other geographies.

6,000
CVs per month

20k
Users per month

Leverage market insights

Changing customer expectations

Technological advancement

RUN the business
Focus on strong local execution to grow core business

CHANGE the business
Leverage scale with global clients for competitive advantage

AKKODIS

Engineering a Smarter Future Together

Stefania Partipilo
The Adecco Group Italy

Powering the global Smart Industry with a portfolio of premium services

2023 saw Akkodis make positive progress towards its goal of becoming a global Smart Industry leader. The specialist technology and engineering business of the Adecco Group accomplished the major integration phase (between Modis and AKKA Technologies), successfully leveraging the AKKA capabilities to win new business, whilst over-delivering on the year one and two synergy targets.

To drive profitable global growth, Akkodis strategically transformed its portfolio within two primary business sectors: Consulting & Solutions and Talent. Akkodis is situated in the outsourced Engineering, Research & Development (ER&D) market, which is valued at EUR 100 billion and exhibits a promising growth rate year-on-year. Akkodis was also recognised and ranked by global market analysts, such as HFS and Zinnov, as a top performer in Digital Engineering Services.

Akkodis helps clients to solve some of the world's toughest challenges from speeding up the energy transition to improving patient centricity, whilst increasing its contribution to the Group's growth.

With its innovative engineering and digital solutions, Akkodis creates more value for clients, accelerating their digitalisation, and strengthening their competitive positioning. In 2023, Akkodis announced significant deals in the Aerospace & Defence industry, with clients such as Thales, which awarded the business with a contract to deliver customer support services worldwide; and in the Automotive industry, Akkodis announced that BMW appointed the business as the development partner for the BMW i Vision Dee. Both were made possible due to the engineering capabilities of the former AKKA teams, combined with the high-tech IT capabilities of the former Modis teams.

Market context

The Smart Industry is the dynamic intersection between engineering, IT and digital where there is significant value to be gained. Smart Industry serves as a catalyst for real change, enabling an incredible transformation of products, services, processes and business models, aimed at fostering a smarter and more sustainable future. This transformation is primarily driven by digitalisation, which is making industries across the globe smarter, increasing operational efficiency and performance.

The drivers fuelling Smart Industry growth include the need to maintain the pace of innovation, a relentless focus on digital and tech engineering enterprise-led initiatives, manufacturing-led growth, and the pervasive consumption of cloud, chips, and data. In this evolving landscape, there is a significant opportunity for Akkodis. Our projections indicate that spending within the Smart Industry will increase approximately 1.7 times over the next four years. With expenditure already in the billions globally, this growth strengthens our clients' need for a trusted digital engineering partner.

2023 performance

Akkodis maintained a robust performance, especially in Consulting & Solutions amidst a market slow-down in tech sector hiring. Economic instability, record-setting layoffs, skills shortages, and industry-specific trends impacted the tech market. Despite this, the tech talent market remained tight with strong competition for specialised technical skill sets. Technology experts with competence in AI, machine learning, cloud computing, and full-stack development are particularly highly sought after.

Akkodis Green & Fly: Propelling the future of sustainable aviation with digital innovation

At the world-famous Paris Air Show in June 2023, Akkodis showcased the future of sustainable and digital aerospace – an event that was attended by thousands of clients.

Two major challenges are currently facing the Aerospace industry and that are shaping the future of the industry globally. The first challenge is how manufacturers can ramp up production. Since the Covid-19 pandemic, airlines have seen passengers return to travelling. Production is now critically important, and airlines need to rapidly modernise their fleets, whilst manufacturers are pressed to deliver aircraft at speed.

Major aerospace and aviation players are battling to deliver aircraft orders in record time, with order pipelines extending more than ten years ahead. They are challenged to improve the whole supply chain production capacity for airline satisfaction and the economic performance of manufacturers. The second challenge is reducing CO_2 emissions – particularly in Europe. By 2035, the industry is targeting a reduction of 50% of CO_2 emissions and by 2050, a zero-emission footprint. In the next 30 years, billions of euros will be invested in sustainable aviation and Smart Industry partners will be essential.

With over four decades of expertise in aerospace, originating from the engineering capabilities of AKKA and combined with the high-tech IT skills of the former Modis employees, Akkodis is propelling the next generation of sustainable aircraft development. The business has pioneered 'Green and Fly' – its small and light concept aircraft. The design concept for this regional aircraft combines the latest technologies and scientific research. It explores various configurations to help optimise aerodynamic performance and energy consumption. Furthermore, the cockpit integrates digital applications and AI to support pilot operation. The design also incorporates energy recovery landing gear, with the aim of steadily replacing all hydraulic components with electric ones to reduce emissions.

Green & Fly is just one example that illustrates how Akkodis is acting as the Smart Industry partner to the Aerospace industry. By contributing proactive and innovative solutions, Akkodis is enabling clients to stay ahead of the game – Engineering a Smarter (and more Sustainable) Future Together.

Notable market headwinds, caused by a downturn in tech staffing, impacted on Akkodis' Talent business, particularly in the US. Akkodis took action to rebalance its portfolio mix, specifically by evolving, reselling and upselling elements of its Tech Talent business to Consulting & Solutions. For example, in its North American business, one major Talent business client procured higher value managed services for the Fleet Management of its trucks, reflecting a deepening of the partnership. Furthermore, Talent clients in its APAC regions, like Australia and Japan, are similarly viewing Akkodis as a Consulting & Solutions provider and procuring services beyond Talent.

Furthermore, the business is leveraging synergies to grow into new markets, such as expanding its Automotive business in China, by drawing upon the deep expertise of its automotive engineers in Germany and combined with local market knowledge.

Strategic areas of focus included investing in Akkodis' Global Deals teams to position the business to win larger deals. As part of this drive, a new Life Sciences & Healthcare Global Industry team was launched, and in 2023, they succeeded in winning several large deals, including in the US. The Global Deals teams also includes its Aerospace & Defence and Automotive & Transportation Global Industry teams, launched in 2022. Akkodis also expanded its Global Delivery Centers, implementing a multi-location strategy in India to scale in delivery where it opened a new office in Chennai. The approach enables the business to deliver projects using expert offshore resources to complement its onshore and nearshore models. It aligns with Akkodis' ongoing work to strengthen its capabilities in key areas such as data analytics and AI to provide clients with solutions through a global network of experts.

2023 was a year filled with notable highlights. Value was realised from the AKKA transaction and EBITA margin mix was improved due to the delivery of synergies in its Consulting & Solutions business. Akkodis also experienced significant growth in Consulting & Solutions, with key contract awards in Automotive & Transportation, Life Sciences & Healthcare, and Aerospace & Defence. These achievements underscore the resilience and agility of Akkodis to adapt amidst dynamic market conditions.

Looking ahead to 2024

As we move forward into 2024 and enter the third year of operation, Akkodis is well positioned to seize the opportunities presented by the global Smart Industry transformation, remaining resilient and agile amidst an ongoing dynamic market landscape.

We will continue to adapt our portfolio based on global market trends and client needs, contributing deep engineering and digital expertise to the world's major industries, with a broad portfolio of premium services across our Consulting & Solutions and Talent businesses.

To drive value creation in 2024, we will continue to target opportunities that draw on our expertise, leveraging our investment in global deals and cultivating our seven global Tech Practices to win large projects. In order that the value delivered to our clients increases our bottom line, we will focus on profitability.

In parallel, we will continue to scale up our Global Delivery operations to meet the needs of clients with game-changing tech and talent. We will deepen cooperation with our Global Delivery Centers to broadly scale our capabilities to help ease the global tech talent shortage and further support our margin expansion.

Our teams of tech experts remain highly motivated by our Purpose and the opportunity to pioneer new solutions for a more sustainable tomorrow. Finally, we will continue achieving our synergy plan as well as our G&A savings plan in 2024, in line with Group expectations.

LHH

Supporting professional talent across the entire career lifecycle

Calvin Lee
The Adecco Group Australia

The labour market is facing unprecedented change. While 69 million new jobs are set to be created over the coming decade, technological innovation, shifting demographics and decarbonisation mean that up to 83 million could vanish altogether. 2023 saw GenAI impact sectors all over the global economy, but it is not the only disruptive innovation that businesses and individuals need to consider. Companies looking to future-proof their operations must focus on attracting, developing, and retaining the right talent and leadership in a rapidly evolving talent landscape. At LHH, our comprehensive portfolio of solutions serves clients across the professional talent lifecycle and helps drive sustainable, long-term workforce transformation.

Market context

The professional talent landscape is growing increasingly complex and competitive, making talent a crucial advantage for companies. Businesses now face a rising number of interconnected workforce challenges, especially for their professional talent populations. These include hybrid work, talent scarcity, the need for emerging skills, changing employee expectations, and managing a multi-generational workforce.

As a result, CEOs are prioritising investment in their workforce as a key strategy to prepare their organisations for the future. They need to be able to not only identify and attract the right talent, but also up- and re-skill their people, develop their leaders, and transition individuals to new careers both inside or outside their organisations.

Companies facing these interdependent talent challenges often struggle to address them holistically, as most HR solutions providers specialise in specific areas rather than offering a comprehensive solutions portfolio. LHH is one of a few global entities that has solutions for clients across the entire talent lifecycle as a single expert partner. Our diverse solutions portfolio positions us strongly to gain a larger market share in the professional talent services market, valued at EUR 400 billion.

2023 performance

In 2023, LHH demonstrated robust performance, particularly in the career transition and leadership coaching sectors. Despite challenging market conditions in some areas of the talent market, LHH maintained its leadership position in 2023. The business generated EUR 1.8 billion in revenue across the year, flat yoy organic TDA adjusted basis.

Our career transition and mobility services had a successful year driven in part by economic uncertainty and increased layoffs, and as a result of our investments in new sales strategies and ongoing product innovation. Our decision to maintain capacity, target underserved segments, and optimise delivery capabilities during the 2021-2022 downturn, resulted in a strong position to leverage the market rebound in 2023, with 71% revenue growth year-on-year and over 2,600 new clients.

However, we experienced a slowdown in recruitment services, in part due to economic uncertainties. In response to the changing landscape, we streamlined our organisation, accelerated digital and data advancements, and simplified processes to drive growth and efficiency.

There are promising leading indicators in our focus to expand the Managed Services Provider, or MSP business across GBUs and in Pontoon.

We continued to invest heavily in leadership development, refocusing our portfolio to better align to current market needs and implementing more scalable delivery models. This year, we developed and trained over 50,000 professionals across Fortune 500 companies. We consolidated all of our coaching offerings within EZRA, our digital coaching platform and delivered strong growth with excellent gross margin levels.

Across the business, we are heavily investing in innovation, with AI as a key component of LHH's innovation strategy. General Assembly, our leading brand in up-skilling and re-skilling, has also integrated AI modules into their consumer and enterprise offerings and developed new AI-specific courses. Several AI-driven products are in the pipeline for 2024 and 2025 that will help individuals reinvent their careers and boost the productivity of LHH teams.

Looking ahead to 2024

LHH has transformed into a leading professional talent solutions player strategically positioned to deliver profitable growth and seize market opportunities. Our portfolio provides comprehensive solutions for the complex professional talent space, reinforcing our role as a full-service partner for all talent-related challenges.

Moving forward, we will continue to strengthen our leadership position in career transition and mobility, particularly with the use of AI and other innovative technologies. We will continue to invest in leadership development to meet the growing demand from companies looking to nurture soft skills in their leaders. We have a concrete plan to drive sustainable, profitable growth in Recruitment Solutions and we will solidify General Assembly's position as a leader in tech up-skilling and re-skilling.

We are maximising LHH's impact through portfolio-selling across our solutions to our large client base, especially strategic accounts. With our strategy and cost-management discipline, we are confident in our ability to deliver profitable growth and value to our stakeholders consistently.

Pioneering AI-powered career transition solutions with LHH Career Canvas

The changing world of work requires people to think outside the box when it comes to career progression. With technology creating new opportunities but phasing out some current roles, individuals may no longer be able to fall back on the instinctive. 2023 saw the launch of LHH Career Canvas – a generative AI-powered tool designed to help individuals successfully navigate career shifts, whether they're seeking new opportunities or transitioning to new roles.

Our dedicated space for career reinvention, the LHH Career Studio, leverages the combined power of human career guidance and generative AI. LHH Career Canvas is a key component of the Studio, helping candidates determine their next career steps based on personal preferences and the supply and demand of specific roles. It evaluates professional experiences, passions, hobbies, personal deal-breakers, and career aspirations to provide a tailored roadmap to success.

This initiative aligns with the Group's vision to enable all individuals to maintain their skills currency and employability in the era of technological disruption. By combining generative AI and real-time market data, LHH Career Canvas allows people to discover opportunities they might not have otherwise considered, identifying high-demand professions that fit with a candidate's professional aspirations as well as personal ones.

Umberto Balsamo, Federica Galasso and Donatella Giovanetti
The Adecco Group Italy

People & Culture

We can only offer clients our unique range of people services because of the capability, talent and diverse perspectives we have nurtured in our employees. We have built our business by having the people with the right skills and insight to understand, anticipate and fulfil the needs of our clients. Our clients benefit not only from the breadth of our expertise, but also the way we work flexibly to offer people solutions – from resourcing, development and reassignment to providing the right skills for breakthrough innovation.

Today's workforce trends[1]

2/3

of workers think AI will have a positive impact on their jobs

Emotional intelligence

is considered the least replaceable human skill according to workers

63%

of workers have experienced burnout in the last 12 months

Attracting, retaining, and engaging the best employees is therefore essential. It is also currently more challenging due to an external talent market that continues to be volatile and highly competitive. We believe in retaining great people, supporting a working environment where they can be themselves, perform at their best and keep their skills up to date and relevant to our client needs.

We are doing this in a world that is evolving at a breakneck pace. So, on one hand we must stay ahead in emerging technologies such as GenAI and show our clients how we combine these skills with leadership, empathy, and emotional intelligence, to future-proof our businesses. On the other hand, we want to capitalise on digital advances to help us develop our people and support the culture which enables us all to thrive.

A simplified, data-driven approach to HR

Making strategic decisions about how to support our people, and how we should invest in them, needs global as well as local insight. We leverage data from across the Group to ensure we are delivering our people strategies in a meaningful way and managing teams effectively. For us, driving a purpose-oriented, simple and data-driven approach is the answer.

Providing real time, accurate data

Our global HR transformation programme is streamlining the way our HR function works, improving our data quality and providing clearer insight. We continued to centralise people data from across the Group during 2023.

The introduction of our Human Resources Information System (HRIS) provides us with a single global IT platform for all HR data, and offers colleagues, people managers, and HR teams a single, reliable source of people information. More efficient and accurate reporting gives us a simpler way to measure the impact of our HR initiatives to continuously improve the employee experience.

1 In October 2023, our Annual Global Workforce of the Future research surveyed 30,000 workers across 23 countries, to understand worker readiness related to workforce trends, specifically GenAI. What's working? Navigating the AI Revolution and the Shifting Future of Work (adeccogroup.com)

Strengthening our Employee Value Propositions

Another example of how our people data is being used to drive positive change is our work to review and strengthen our Employee Value Propositions (EVP). Our approach uses a fluid brand narrative model guided by real-time, live people data and the external talent market. It is reviewed every 6-12 months. In our fast-moving employment world, the flexibility to adapt our messages in line with data and market conditions means we can communicate to potential and current employees in a more relevant and meaningful way.

This model was used for the creation of a new EVP model for Akkodis in 2023. To make the introduction of this approach as smooth as possible, we created a toolkit with detailed guidelines and best practices. This helped our teams to understand the principles of the fluid brand narrative approach and how to apply them effectively in their own contexts. This included how to activate the EVP for specific target groups – in this case, tech experts and staff. It has been well received and we will roll out this approach for LHH in 2024.

'Always-on' engagement

We know first-hand that the most successful businesses don't just treat engagement as a metric. Employees who feel listened to, accepted, and encouraged to develop, are engaged to drive the business forward. That's why we work hard to maintain high levels of engagement in everything we do and at all levels of the Group.

We conduct engagement surveys twice a year and use people analytics to provide the critical data we need and remove any guesswork. In 2023, with the integration of our Akkodis employee population, we gathered insights from all our diverse workforce to help us understand and adapt to the changing expectations and needs of our employees.

This insight has been invaluable in driving the engagement of new employees and gaining a deeper understanding of our employees' needs and experiences. These insights will be used to further enrich our people-centric approach.

Impact-focused inclusion and wellbeing

Throughout 2023, we took a range of actions to maximise the positive effects of our approach to inclusion and wellbeing. We focused on strategic actions and decision-making to ensure we always support a culture of belonging and purpose, crucial to our success.

Underpinning our approach is the belief that 'every act counts'. Often, it is the continuous, incremental improvements that snowball over time to have the biggest impact on culture. In the everyday world of work, seemingly small actions and behaviours promoting inclusion and wellbeing can have a profound impact on people's views, engagement, and general wellbeing.

Our approach to Inclusion and Wellbeing focuses on simplifying our efforts to nurture a fulfilled, healthy, and engaged workforce. We apply this globally using a framework which can be adapted to meet local priorities and business needs. The strategy is built on four pillars:

Samuele Bottagisi and Giulia Carieri

INCLUSION AND WELLBEING FRAMEWORK

Shape a working environment where our people feel respected, healthy and engaged, so that they can bring their whole and best self to work.

ORGANISATION
Role of the Company to set the foundations where our people are happy, healthy and engaged

PEOPLE ANALYTICS
Data-driven strategic priorities

STRUCTURAL
Inclusive-led design across HR processes, tools and technology to drive systemic change

LEADERSHIP
Driving an inclusive and respectful culture through role modelling and decision-making

ENGAGEMENT & ADOPTION
Through Communication and business partnering

WELLBEING PROGRAMME
Enabling proactive participation to drive positive impact on yourself and others

MINDSET AND BEHAVIOUR
Collectively playing a role to drive positive employee experiences through our mindsets and behaviours

ACCOUNTABILITY AND IMPACT
Measurable impact

INDIVIDUAL
Empowering everyone across the business to champion good wellbeing and inclusion practices

In 2023[1]:

7,800
colleagues tracked their physical activity

985,000
hours of activity were logged

58
ambassadors from **32** countries trained to complete the Win4Youth triathlon

Over
EUR 40,000
raised for local charity partners globally

We provide a range of tools to promote mental, physical, and social wellbeing. Our four global Inclusion and Wellbeing campaigns each year provide us with an opportunity to build awareness and conversation about these tools and support.

For example, we developed the Employee Resource Group (ERG) framework supporting employees who want to connect locally on specific Inclusion and Wellbeing topics. This led to the launch of a Mental Health Network during our Mental Health Awareness campaign over the month of October. We also used the campaign to launch an interactive Inclusion and Wellbeing resource map highlighting the support available by country.

Our March campaign in support of International Women's Day, and the celebration of Pride in June, each provide a lens on our message that we are committed to the evolution of culture where all genders can succeed. Our December campaign in support of People with Disability promotes the use of our own Accessibility Guide to support the creation and consumption of inclusive content. This ensures we consider the needs of everyone when hosting meetings, preparing documents, or implementing digital tools in an accessible way.

Continuous evaluation and improvement

Our internal campaigns create awareness and spark conversations leading to action, but our work in all these areas continue throughout the year. We use data to define approaches which address the underlying factors impacting our progress against defined targets. Only then can we make sustainable progress and flex our resources to make meaningful change.

An example would be our approach to achieving gender parity in leadership. Our goal is to move toward gender balance at leadership levels by 2030. We have made important strides forward since 2017, achieving gender parity at Board level, and with women comprising more than 40% of our Executive team.

1 All data relating to our Win4Youth Wellbeing programme in 2023

We are working on long-term and sustainable improvements through GBU-specific plans on succession pipelines, leadership development, career paths and pay parity. We know that shifting the dial further means building a culture where women at all levels are supported to succeed and reach their full potential. Our campaigns help us to broaden understanding of our Inclusion and Diversity challenges. In the case of gender parity, we use International Women's Day to encourage conversation beyond targets. This includes debates on health and wellbeing and the specific support women may need to progress to leadership roles.

Setting standards

Our ambition is to lead the world of work and to set the standard as a world-class employer for our current and future talent. In line with this, we are committed to pay equity and fulfilling gender pay gap reporting obligations in the countries in which we operate.

Mental health support is always available. Whether a colleague needs a bit of headspace, someone to talk to, or more targeted support, we want our people to know where there are resources they can access. Support takes many different forms, such as local Employee Assistance Programmes for those people who have specific needs, mental health first aiders in some countries, dedicated inclusion networks and listening groups in others.

Our inclusion training gives employees practical guidance on how to be more consciously inclusive and provides them with the skills needed to create inclusive and respectful work environments. Having reached around 75% of the organisation and prioritising our new joiner population, we continued to roll this training out across the Group in 2023. We intend to go further by identifying the behaviours and competencies which align to our values and continue strengthening the up-skilling and training we provide for our leaders in 2024.

Evolving Win4Youth

The Win4Youth programme engages our people to take accountability and time for their wellbeing throughout the year and come together as a community. It is currently centred around our wellbeing ambassadors who coordinate all country activity. As part of their two-year programme, ambassadors took part in the 2023 Lanzarote

Partnering for impact

To create more inclusive pathways to employment worldwide, we work with recognised organisations to make sure our approach is as effective as possible, share best practices, and amplify our impact. Our global partnerships include Paradigm for Parity, the International Labour Organization's Global Business and Disability Network, the Valuable 500, the European Network Against Racism's Equal@ Work Platform, and the Tent Partnership for Refugees. We are also signatories to the United Nations' LGBTI Standards of Conduct.

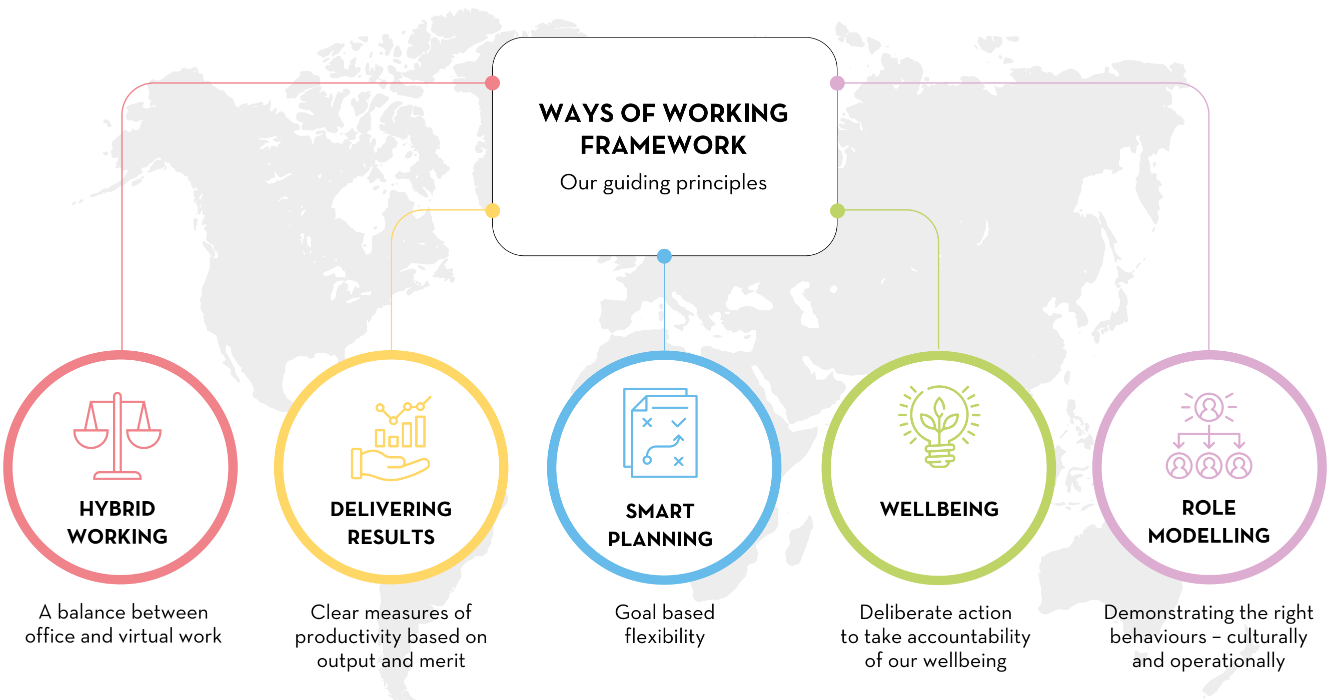
triathlon. Throughout 2024 they will bring their experience and learning back into the Company to help establish healthy wellbeing practices locally and empower others.

Looking to 2024 and beyond, we will consider how to strengthen this programme, building on its legacy and success. Our aim is to broaden its reach and align to our sustainability commitments and Company-wide values, strengthening the measurable impact both in society and for our people.

Providing more flexibility with Ways of Working

The Ways of Working framework was created to support our teams and people leaders by making it easier to structure our days, priorities, and interactions around both our professional and personal needs. Based on the foundation of hybrid working, it aims to foster a work environment where everyone can perform at their best. It is based on five key principles: Hybrid Working, Delivering Results, Smart Planning, Wellbeing, and Role Modelling.

We use engagement data to identify areas of priority for business units or teams, and to support constructive conversations and actions to improve team participations. Tools like self-evaluation and manager-led workshops empower individuals to create optimal conditions for continuous performance improvement, while also considering wellbeing. In 2024, we will further strengthen the framework's reach and impact by integrating it into global projects and programmes such as our sustainability commitments and the roll out of our Company values.



Unifying the Group through shared values

In 2023, we undertook a significant programme to deepen our understanding of our culture, learn from our people about the behaviours that will help them win, and develop a refreshed set of Company-wide values. In July we launched a Company-wide survey open to every colleague, asking them about the culture they experience, the culture they would ideally wish to experience, and their reflections on the enduring values that exist across the Group. We opened the dialogue on culture with our people at all levels, holding 90 focus groups in almost every market where we operate. We also analysed feedback from our associates and clients on the hallmarks of our culture and what is important to them. Using the rich data we collected we have developed a refreshed set of Company-wide values to unite all of our colleagues and create the foundation for us to further evolve our winning culture. The values will be launched in Q2 2024. We are working to integrate our refreshed Company values into all aspects of our talent processes and employee experiences. This ensures that they are more than words, but match the experiences of employees, from the moment they show interest in our Company, through recruitment, onboarding, development, engagement, and even on their departure. We are committed to fostering the behaviours that align to our values and incorporating them into our formal systems and people processes. By embedding these values sustainably, we aim to shape the best possible culture for our future.

Recognising brilliance and celebrating success

We aim to design inclusive and engaging reward programmes that attract and retain the talent we need and reward colleagues fairly and competitively. Our programmes shape what colleagues experience, by leveraging global frameworks with local flexibility. We promote employee wellbeing, health, productivity, and retirement prospects by offering strong benefits. Our pay-for-performance culture is supported by short-term incentive programmes which link pay outcomes to stretch-KPIs, as well as long-term programmes that ensure alignment with shareholders' interests and sustainable, profitable performance. In 2024, we will continue to enhance the colleague experience through continued investment in technology solutions and ongoing simplification and consolidation of reward programmes.

Driving growth with a culture of continuous learning

We believe in continuous learning to foster a skill-rich environment. Our TAG U Digital Campus provides all Group colleagues with a single location for relevant learning and development resources. This personalised learning can be accessed anytime, anywhere, allowing individuals to balance their development with other priorities. In 2023, TAG U Digital Campus attracted more than 24,000 enrolees, with an average monthly engagement rate of 28%.

We created learning solutions and curated pathways in areas aligned to our critical competencies:

- **Tech:** In April 2023, TAG U offered deep technical up-skilling to identify tech experts via the Pluralsight technology skills platform. This specialised learning content helped over 200 tech experts fill knowledge gaps and build the necessary skills for their roles.
- **Sales:** More than 400 colleagues across our GBUs and functions were trained in the Challenger methodology. Challenger is a unique sales methodology that helps leverage the moments that matter in the sales cycle to ensure we provide our customers with unique, valuable perspectives on their markets and education on new risks and issues that might affect their business. Six internal trainers, certified in English, Japanese, and German, supported countries to adopt this methodology, which has helped our sellers bring commercial insights to our customers.
- **Country Presidents Onboarding:** Our 13 new Country Presidents participated in a three-day face-to-face learning experience, defining their immediate priorities, clarifying their responsibilities, and building their collaboration community.
- **First-Time People Leader Programme:** This programme, designed for new people leaders, was completed by 477 new line managers from 35 countries. It's a five-month journey that includes interactive instructor-led sessions, engagement forums with TAG Leaders, digital learning, and peer coaching.
- **International Future Leaders Programme:** This 11-month journey was completed by 44 employees eager to pursue an international career at TAG. The programme includes interactive instructor-led sessions, as well as action learning projects, coaching, mentoring, and engagement sessions with peers and leaders.
- **AI Basics for Business Leaders:** To support our focus on GenAI, we launched a short learning journey to up-skill our Global Leaders on the basics of AI. With around 50% of our Global Leaders having started or fully completed this training, we will continue to prioritise the fluency and adoption of AI into our learning programmes in 2024.

Global onboarding

A new starter's first moments in a company are hugely important. The right onboarding process can set them up for success and help them hit the ground running. The wrong one can leave them feeling stressed, confused and undervalued. We are continuously improving our global onboarding solution to provide new joiners with a smooth start at our Company. Customising the onboarding journey according to the location and level they join us at, and ensuring it complements any business-related onboarding specific to their GBU or geography.

Strengthening our pool of future leaders

We have increased the depth, quality and diversity of our succession pipeline for key roles through extensive annual talent reviews. This process focuses on talent identification and development to make sure we have a strong pool of leaders ready to step up when needed.

We have also introduced a talent marketplace to match organisational needs with individual readiness. This innovative approach optimises the deployment of our talent by matching individual aspirations with our business objectives. For our leadership, we have embedded a global competency model in our HR processes that sets high standards in leadership behaviours and is designed to grow future leaders who can drive our Company forward. We continue to focus our performance management approach on creating a high-performance culture, setting clear goals for our people and maintaining regular touchpoints throughout the year to ensure alignment and provide feedback.

Alex Ridder, Diana Mussetti and Brian McCabe

Looking ahead to 2024

During 2024, we will continue to leverage data to drive our people strategies allowing us to be responsive and adaptable in a fast-changing world of work. We understand that one size does not fit all, and we support our GBUs by focusing on critical needs, using data to drive effective solutions, and putting our people at the heart of our actions. We will continue to invest in our up-skilling and re-skilling programmes to support the development of our leaders. Wellbeing will be at the forefront of our people strategy, harnessing the power and passion of our teams to help individuals take control of their health and wellbeing. Our newly refreshed values will sit at the core of our people experiences, as we embed and sustain them in our people practices and drive the right behaviours to shape a culture where everyone can be successful.

Although the external labour market is likely to remain challenging in 2024, we are confident that by investing in our people and leveraging data to inform our strategies, we can continue to make a positive impact on the lives of our employees.

"We are committed to fostering the behaviours that align to our values and incorporating them into our formal systems and people processes.

By embedding these values sustainably, we aim to shape the best possible culture for our future."

in millions, except share and per share information

Continued growth and market share gains; strong operational momentum

Note: all growth rates are year-on-year on an organic basis, unless otherwise stated

Overview

During 2023, the Company focused on executing upon the Future@Work Reloaded plan that was launched in 2022.

Revenues increased by 2% organically[1] and 3% on a trading days adjusted basis, led by the Adecco APAC, DACH and Southern Europe and EEMENA segments. By GBU, Adecco's revenues were up 4%, Akkodis' revenues were down 1%, while LHH's revenues were flat, all on a trading days adjusted basis.

Gross margin was down 30 basis points (bps) on both a reported basis and organically, reflecting current business mix and firm pricing supported by the Group's dynamic pricing strategy.

Selling, general, and administrative expenses (SG&A) excluding one-offs[2] improved year-on-year organically. As a percentage of revenues, SG&A excluding one-offs was 17.2%, compared to 17.6% in 2022, primarily through agile management of sales capacity and G&A cost savings. FTEs for company-based employees decreased 2% organically year-on-year.

The EBITA[3] margin excluding one-offs was 3.6%, up 10 bps in reported terms, driven by productivity gains and G&A savings.

Free cash flow[4] was EUR 347, a solid result during a period of growth and transformation, reflecting disciplined working capital management, including supportive customer collections. DSO was 53 days, stable versus the prior year.

During the year the Group distributed EUR 422 in dividends. Net debt[5] ended the year at EUR 2,590, representing a ratio of 2.5x net debt to EBITDA[6] excluding one-offs.

in EUR millions unless stated	FY 2023	FY 2022	Variance Reported	Variance Organic
Summary of income statement information				
Revenues	**23,957**	23,640	1%	2%
Gross profit	**4,969**	4,974	0%	1%
EBITA excluding one-offs	**867**	833	4%	8%
EBITA	**734**	677	8%	13%
Net income/(loss) attributable to Adecco Group shareholders	**325**	342	-5%	
Diluted EPS (EUR)	**1.94**	2.04	-5%	
Dividend per share[7] (CHF)	**2.50**	2.50	0%	
Adjusted EPS[8] (EUR)	**2.99**	3.28	-9%	
Gross profit margin	**20.7%**	21.0%	-30 bps	-30 bps
EBITA margin excluding one-offs	**3.6%**	3.5%	10 bps	10 bps
EBITA margin	**3.1%**	2.9%	20 bps	30 bps
Summary of cash flow and net debt information				
Free cash flow before interest and tax paid (FCFBIT)	**547**	579		
Free cash flow (FCF)	**347**	328		
Net debt	**2,590**	2,455		
Days sales outstanding	**53**	53		
Cash conversion[9]	**63%**	70%		
Net debt to EBITDA excluding one-offs	**2.5x**	2.5x		

1 Organic growth is a non-US GAAP measure and excludes the impact of currency, acquisitions and divestitures.

2 In 2023, SG&A included one-offs of EUR 133 in restructuring and acquisition-related costs.

3 EBITA is a non-US GAAP measure and refers to operating income before amortisation and impairment of goodwill and intangible assets.

4 Free cash flow is a non-US GAAP measure and comprises cash flows from operating activities less capital expenditures.

5 Net debt is a non-US GAAP measure and comprises short-term and long-term debt less cash and cash equivalents and short-term investments.

6 Net debt to EBITDA is a non–US GAAP measure and is calculated as net debt at period end divided by the last four quarters of EBITA excluding one-offs plus depreciation.

7 Dividend per share for 2023 as proposed by the Board of Directors.

8 Adjusted EPS is a non-US GAAP measure and refers to net income attributable to Adecco Group shareholders before amortisation and impairment of goodwill and intangible assets, excluding one-off costs and exceptional tax items, divided by basic weighted-average shares outstanding.

9 Cash conversion is a non-US GAAP measure and is calculated as the last four quarters of FCFBIT divided by the last four quarters of EBITA excluding one-offs.

in millions, except share and per share information

Group performance overview

Statements throughout this operating and financial review using the term "the Company" refer to the Adecco Group, which comprises Adecco Group AG, a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities for which the Adecco Group is considered the primary beneficiary.

Income statement

Revenues

Full year 2023 revenues of EUR 23,957 were up 1% year-on-year on a reported basis. Currency movements had a negative impact of approximately 2%, while the number of working days impact was negligible. Revenue growth was therefore 3% on an organic and trading days adjusted basis.

By Global Business Unit (GBU): revenues in Adecco were up 4%, down 1% in Akkodis and remained flat in LHH, all compared to the prior year on an organic and trading days adjusted basis.

By service line: Flexible Placement revenues were up 2% year-on-year organically at EUR 18,124; Permanent Placement revenues were down 12% to EUR 674; revenues from Career Transition were EUR 495, up 71%; revenues in Outsourcing, Consulting & Other Services were EUR 4,320, up 3%; and revenues in Training, Up-skilling & Re-skilling were down 5%, to EUR 344.

Gross profit

Gross profit amounted to EUR 4,969, flat on a reported basis and up 1% organically. The gross margin was 20.7%, 30 bps below 2022 reflecting the Company's well-diversified portfolio, current sector and solutions mix, and firm pricing. Compared to the prior year, currency and M&A had negligible impact.

On an organic basis, by service line, Permanent Placement was 40 bps lower, Flexible Placement 40 bps lower, Outsourcing, Consulting & Other Services 20 bps lower and Training, Up-skilling & Re-skilling 10 bps lower. These declines were largely countered by Career Transition which expanded 80 bps.

Gross margin drivers YoY

in basis points	2023	2022
Flexible Placement	(40)	(20)
Permanent Placement	(40)	70
Career Transition	80	(30)
Outsourcing, Consulting & Other Services	(20)	–
Training, Up-skilling & Re-skilling	(10)	–
Organic	(30)	20
Acquisitions & divestitures	–	10
Currency	–	30
Reported	(30)	60

Selling, general, and administrative expenses (SG&A)

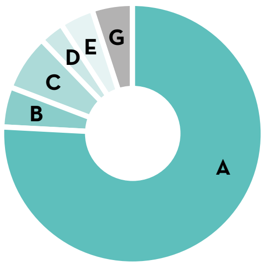
SG&A excluding one-offs were EUR 4,126 in 2023 (excluding EUR 24 proportionate net income of equity method investment in Adecco FESCO JV), improved year-on-year organically. SG&A excluding one-offs as a percentage of revenues was 17.2% in 2023, compared to 17.6% in 2022. In 2023, currency movements had a negative impact on SG&A of approximately 2%. Reported SG&A was EUR 4,259. FTEs for company-based employees decreased by 2% organically year-on-year.

In 2023, one-offs amounted to EUR 133, of which the main drivers were restructuring costs of EUR 92, mainly related to the G&A savings plan, and M&A-related costs of EUR 41, mainly related to AKKA's integration.

In 2022, one-off costs amounted to EUR 156. These included restructuring costs of EUR 62, related to the G&A savings plan and the repositioning of Akkodis' Germany operations, M&A-related costs of EUR 93, driven by AKKA's integration and other one-offs of EUR 1.

Compensation expenses were EUR 3,222 in 2023, representing 76% of total SG&A, compared to EUR 3,119 in 2022, representing 72% of total SG&A.

SG&A breakdown (FY 2023)



A – Remuneration expenses – 76%
B – Premises expenses – 5%
C – Office & administrative expenses – 7%
D – Depreciation – 3%
E – Marketing – 4%
F – Bad debt expense – 0%
G – Other – 5%

EBITA

EBITA excluding one-offs was EUR 867 in 2023, up 4% on a reported basis year-on-year, and up 8% organically. The EBITA margin excluding one-offs was 3.6% in 2023, up 10 bps year-on-year on a reported basis. Performance reflects productivity improvement and good cost mitigation.

The EBITA conversion ratio excluding one-offs (EBITA excluding one-offs divided by gross profit) was 17% in 2023, flat compared to 2022.

One-offs amounted to EUR 133 in 2023 and EUR 156 in 2022. EBITA was EUR 734 in 2023 compared to EUR 677 in 2022, an increase of 8% reported and 13% organically. The EBITA margin was 3.1% in 2023 and 2.9% in 2022.

Amortisation of intangible assets and impairment of goodwill

Amortisation of intangible assets was EUR 103 (of which less than EUR 1 included within Direct costs of services) and EUR 130 (of which less than EUR 1 included within Direct costs of services) in 2022.

Operating income

Operating income was EUR 632 in 2023 compared to EUR 547 in 2022, driven by lower SG&A expenses, lower one-offs and lower amortisation of intangible assets.

Interest expense and other income/(expenses), net

Interest expense was EUR 77 in 2023, compared to EUR 49 in 2022. Other income/(expenses), net, includes interest income, foreign exchange gains and losses, proportionate net income of investee companies, and other non-operating income/(expenses), net. In 2023, other income/(expenses), net, amounted to an expense of EUR 48, compared to an expense of EUR 47 in 2022.

in millions, except share and per share information

Provision for income taxes

Provision for income taxes was EUR 180 in 2023, compared to EUR 106 in 2022. The effective tax rate is impacted by recurring items, such as tax rates in the different jurisdictions where the Company operates, and the income mix within jurisdictions. It is also affected by discrete items which may occur in any given year, but are not consistent from year to year. In 2023, the effective tax rate was 36%. Discrete events increased the effective tax rate by approximately 2%. In 2022, the effective tax rate was 24%. Discrete events decreased the effective tax rate by approximately 12%.

Net income attributable to Adecco Group shareholders and basic EPS

Net income/(loss) attributable to Adecco Group shareholders in 2023 was EUR 325, compared to EUR 342 in 2022. Basic earnings per share (EPS) was EUR 1.94 in 2023 compared to EUR 2.05 in 2022. Adjusted earnings per share was EUR 2.99 in 2023 compared to EUR 3.28 in 2022.

Cash flow statement and net debt

Analysis of cash flow statements

The following table illustrates cash flows from or used in operating, investing, and financing activities:

in EUR millions	2023	2022
Summary of cash flow information		
Cash flows from operating activities	563	543
Cash used in investing activities	(209)	(1,446)
Cash used in financing activities	(620)	(1,383)

Cash flows from operating activities was EUR 563 in 2023 from EUR 543 in 2022, mainly reflecting higher business income, lower one-off charges and better customer collections. DSO was 53 days for the full year 2023 and 2022.

Cash used in investing activities totalled EUR 209, compared to EUR 1,446 in 2022. In 2023, cash settlements on derivative instruments was an outflow of EUR 41 compared to an inflow of EUR 1 in 2022. Capital expenditures amounted to EUR 216 in 2023 and EUR 215 in 2022. In 2023, the other acquisitions, divestitures and investing activities totalled a net inflow of EUR 48. In 2022, the acquisition of AKKA amounted to outflows of EUR 1,245 and other acquisitions, divestitures, and investing activities totalled a net inflow of EUR 13.

Cash flows used in financing activities totalled EUR 620, compared to cash flows used in financing activities of EUR 1,383 in 2022, the year in which AKKA was acquired. In 2023, the net decrease of short-term debt totalled EUR 83 whereas, in 2022, the net decrease of short-term debt totalled EUR 345. The Company paid dividends of EUR 422 and EUR 409 in 2023 and 2022, respectively. In 2023, the Company repaid long-term debt of EUR 35 (compared to EUR 928 in 2022) and bought back long-term debt of EUR 68. In 2022, the Company issued long-term debt, net of issuance costs of EUR 350 and purchased treasury shares for EUR 5. In 2023, other financing activities totalled a net outflow of EUR 12, compared to EUR 46 in 2022.

Return on Invested Capital

Return on Invested Capital (ROIC) measures the Group's ability to efficiently use its invested capital. ROIC is defined as rolling four quarter EBITA excluding one-offs divided by average invested capital.

Invested capital comprises Goodwill, Intangible assets (gross), Property, equipment, and leasehold improvements, Operating lease right-of-use assets, Net working capital excluding cash (Trade accounts receivable and Other current assets, less Accounts payable and accrued expenses), and Other non-current assets.

Invested capital was EUR 7,766 as at 31 December 2023, compared to EUR 7,931 as at 31 December 2022. The year-on-year decrease is primarily attributable to lower assets due to the retirement of intangible assets no longer in use and fully amortised, netting of deferred tax assets with liabilities and sale of a portion of the long-term loans related to social security programmes for cash proceeds. Net working capital as a percentage of revenues was 1.9%, flat year-on-year.

ROIC was 10.8% for 2023, down 30 basis points year-on-year. The decrease primarily reflected higher average invested capital in 2023 driven by the AKKA acquisition as it only occurred at the end of February 2022.

The following table presents the calculation of invested capital and ROIC:

in EUR millions	2023	2022
Invested capital as at 31 December		
Goodwill	4,114	4,181
Intangible assets, gross	1,290	1,371
Property, equipment, and leasehold improvements, net	560	575
Operating lease right-of-use assets	476	402
Other assets (non-current)	865	943
Net working capital[1]	461	458
Invested capital	7,766	7,931

in EUR millions	2023	2022
ROIC for the fiscal years ended 31 December		
Average invested capital	8,005	7,532
EBITA excluding one-offs[2]	867	833
ROIC	10.8%	11.1%

1 Trade accounts receivable and Other current assets, less Accounts payable and accrued expenses.

2 Rolling four quarters.

in millions, except share and per share information

Net debt

Net debt was EUR 2,590 as of 31 December 2023, compared to EUR 2,455 as of 31 December 2022. The ratio of net debt to EBITDA excluding one-offs was 2.5x, flat compared to 31 December 2022. The increase in net debt mainly reflects lower cash balances as of 31 December 2023 compared to 2022. The following table presents the calculation of net debt based upon financial measures in accordance with US GAAP:

in EUR millions	2023	2022
Net debt		
Short-term debt and current maturities of long-term debt	**521**	138
Long-term debt, less current maturities	**2,625**	3,099
Total debt	**3,146**	3,237
Less:		
Cash and cash equivalents	**556**	782
Short-term investments	**–**	–
Net debt	**2,590**	2,455

During 2023, the Group bought back EUR 70 nominal value at 97.671% of the outstanding 2024 EUR 500 notes. The buyback reduced the nominal value of the outstanding principal of the 2024 notes to EUR 430.

During 2022, the Group placed CHF 300 and EUR 50 fixed rate notes, maturing in 2027 and 2034 respectively. The proceeds were used for general corporate purposes. At the same time, the Company repaid the 2022 EUR 500 notes at maturity in November 2022.

Planned cash outflows in 2024 include distribution of dividends for 2023 in the amount of CHF 2.50 per share. The maximum amount of dividends payable based on the total number of outstanding shares as at 31 December 2023 of 167,555,416 is CHF 419[1]. Payment of dividends is subject to approval by shareholders at the Annual General Meeting.

1 Depending on the number of shares issued as of the last trading day with entitlement to receive the dividend (15 April 2024). No dividend is paid on own shares held by Adecco Group AG.

Abdullaye Diallo, Edoardo Puccio and Arianna Cozzi

Segment performance

All growth rates are year-on-year on an organic and trading days adjusted (TDA) basis, unless otherwise stated.

Adecco

In Adecco, total revenues were EUR 18,416, up 4%. Growth was led by APAC, DACH and Southern Europe & EEMENA segments. EBITA excluding one-offs amounted to EUR 685. Reported EBITA of EUR 644 included one-offs of EUR 41. In 2023 the EBITA margin excluding one-offs was 3.7%, a decrease of 10 basis points year-on-year reflecting mainly gross margin developments, G&A savings and improved productivity. Further details by region can be found below.

Adecco France

Revenues were EUR 4,933, down 1% when compared to the prior year, reflecting a broad-based market downturn. EBITA excluding one-offs was EUR 218 with a margin of 4.4%, down 20 bps year-on-year. The result reflects a tougher market backdrop.

Adecco Northern Europe

Revenues in 2023 were EUR 2,343, down 1% when compared to prior year. Robust performance in the UK & Ireland and Belux was outweighed by a soft trading environment and regulatory impacts in the Nordic region. UK & Ireland increased by 2%, revenues in Belgium & Luxembourg increased by 2%, Netherlands decreased by 7% and Nordics decreased by 6%. EBITA excluding one-offs was EUR 41 with a margin of 1.8%, down 50 bps versus the prior year. This mainly reflects the impact of adverse business and solutions mix, partly mitigated by solid pricing, good cost management and restructuring initiatives in the Nordics, including headcount reductions.

Adecco DACH

Revenues were EUR 1,699, up 8% year-on-year. Revenues increased by 12% in Germany and 1% in Switzerland & Austria. Growth was led by autos, logistics and professional services sectors.

EBITA excluding one-offs was EUR 22 with a margin of 1.3%, down 120 bps year-on-year reflecting the impact of current sector mix and investment to drive growth.

Adecco Southern Europe & EEMENA

Revenues were EUR 4,395, up 8%. Revenues in Italy were up 6% and Iberia grew by 9%. EEMENA increased by 14%. Growth was led by logistics and autos sectors.

For the region, EBITA excluding one-offs was EUR 246 with a margin of 5.6%, up 20 bps year-on-year. Margins reflect solid pricing, good cost discipline and improved productivity.

Adecco Americas

Revenues were EUR 2,751, flat year-on-year. Revenues were down 9% in North America and up 24% in Latin America. Adecco US was impacted by a broad-based market downturn, but continued to close the gap to market, evidencing positive momentum in the turnaround plan. In Latin America, Argentina, Mexico and Brazil performed notably well.

EBITA excluding one-offs was EUR 38, with a margin of 1.4%. This compared to 0.6% in 2022. US operations returned to profitability, supported by right-sizing of headcount and other G&A savings.

Adecco APAC

Revenues were EUR 2,295, up 14% and boosted by strong demand for Outsourcing and Permanent Placement activities. End-market growth was broad-based, with public sector, IT Tech, retail, manufacturing, and consulting all performing well. Revenue growth was strong across the region, with India, Japan and Asia, up 15%, 11% and 10% respectively. In Australia & New Zealand revenues were 33% higher, boosted by a significant new government contract.

EBITA excluding one-offs was EUR 120 with a 5.2% margin, down 10 bps year-on-year. This was affected by the end of vaccination contracts and lower contribution from FESCO JV due to regulatory changes.

Akkodis

Revenues were EUR 3,722, down 1%. Consulting revenues were strong, up 9% year-on-year, while Staffing revenues were 16% lower year-on-year on an organic basis. North America revenues were 13% lower, a solid performance in the context of a pronounced tech market downturn that weighed on staffing activities. Revenues for the EMEA regions and APAC were solid, both up 5%. Revenues in EMEA benefited from high utilisation and strong demand from aerospace & defence, autos and life sciences sectors. APAC, particularly Japan's growth, was driven by an increased pool of engineers, firm pricing and strong utilisation.

EBITA excluding one-offs was EUR 234 in 2023, with a margin of 6.3%, down 30 bps compared to last year, reflecting lower staffing volumes, while benefiting from agile cost management and strong synergy delivery.

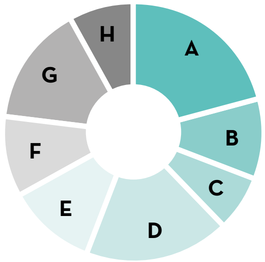
in millions, except share and per share information

LHH

In 2023, revenues were EUR 1,819, flat year-on-year. Recruitment Solutions was down by 18%, facing highly challenging market conditions, particularly in the US, and across both permanent and flexible professional placement. Pontoon & Other was down 3%, challenged by the tech sector downturn. Learning & Development revenues were down 17% compared to the prior year, driven by subdued revenues in General Assembly and Talent Development, which were challenged by headwinds in their end-markets. EZRA, LHH's digital coaching business, performed well, with revenues up 42%, and exiting the year with a strong pipeline. Career Transition & Mobility revenues were up 71%, to record levels. The result was driven by improved market conditions and strong market share gain.

EBITA excluding one-offs was EUR 134 and the EBITA margin was 7.4%, up 160 bps year-on-year. The EBITA margin benefited from segment mix, mainly higher volumes in CT&M, partly mitigated by continued digital investment and lower contribution across the rest of LHH.

2023 revenue split by segment



A – Adecco France – 21%
B – Adecco Northern Europe – 10%
C – Adecco DACH – 7%
D – Adecco Southern Europe & EEMENA – 18%
E – Adecco Americas – 11%
F – Adecco APAC – 10%
G – Akkodis – 15%
H – LHH– 8%

	Revenues in EUR millions		Variance				% of total revenues	
	2023	2022	EUR	Constant currency	Organic	Organic TDA[1]	**2023**	2022
Adecco France	**4,933**	4,992	-1%	-1%	-1%	-1%	**21%**	21%
Adecco Northern Europe	**2,343**	2,437	-4%	-1%	-1%	-1%	**10%**	10%
Adecco DACH	**1,699**	1,576	8%	7%	7%	8%	**7%**	7%
Adecco Southern Europe & EEMENA	**4,395**	4,083	8%	8%	8%	8%	**18%**	17%
Adecco Americas [2]	**2,751**	2,858	-4%	1%	0%	0%	**11%**	12%
Adecco APAC	**2,295**	2,154	7%	15%	15%	14%	**10%**	9%
Adecco [2]	**18,416**	18,100	2%	4%	4%	4%	**77%**	76%
Akkodis [2]	**3,722**	3,668	2%	4%	-1%	-1%	**15%**	16%
LHH	**1,819**	1,872	-3%	-1%	-1%	0%	**8%**	8%
Adecco Group	**23,957**	23,640	1%	3%	2%	3%	**100%**	100%

1 TDA = trading days adjusted.

2 In 2023, part of AKKA's US operations are reported in Adecco Americas. The 2022 information has been restated to conform with current period presentation.

in millions, except share and per share information

Organic revenue variance YoY, trading days adjusted

	2023				
	Q1	Q2	Q3	Q4	FY
Adecco France	1%	1%	-2%	-5%	**-1%**
Adecco Northern Europe	-1%	3%	-1%	-3%	**-1%**
Adecco DACH	9%	8%	6%	9%	**8%**
Adecco Southern Europe & EEMENA	4%	9%	9%	11%	**8%**
Adecco Americas [1]	-1%	1%	1%	0%	**0%**
Adecco APAC	10%	10%	21%	15%	**14%**
Adecco [1]	3%	5%	4%	3%	**4%**
Akkodis [1]	4%	-1%	-3%	-5%	**-1%**
LHH	0%	0%	2%	-2%	**0%**
Adecco Group	3%	4%	3%	1%	**3%**

1 In 2023, part of AKKA's US operations are reported in Adecco Americas. The 2022 information has been restated to conform with current period presentation.

Revenues by service line

	Revenues in EUR millions		Variance			% of total revenues	
	2023	2022	EUR	Constant currency	Organic	**2023**	2022
Flexible Placement	**18,124**	18,105	0%	2%	2%	**76%**	77%
Permanent Placement	**674**	780	-14%	-12%	-12%	**3%**	3%
Career Transition	**495**	295	68%	71%	71%	**2%**	1%
Outsourcing, Consulting & Other Services	**4,320**	4,093	6%	8%	3%	**18%**	17%
Training, Up-skilling & Re-skilling	**344**	367	-6%	-5%	-5%	**1%**	2%
Adecco Group	**23,957**	23,640	1%	3%	2%	**100%**	100%

EBITA, one-offs, and EBITA excluding one-offs by segment

	EBITA excluding one-offs		One-offs		EBITA	
in EUR millions	**2023**	2022	**2023**	2022	**2023**	2022
Adecco France	**218**	230	**(9)**	(3)	**209**	227
Adecco Northern Europe	**41**	57	**(6)**	–	**35**	57
Adecco DACH [1]	**22**	40	**(2)**	8	**20**	48
Adecco Southern Europe & EEMENA	**246**	221	**(6)**	(6)	**240**	215
Adecco Americas [2]	**38**	18	**(15)**	(9)	**23**	9
Adecco APAC	**120**	115	**(3)**	(1)	**117**	114
Adecco [2]	**685**	681	**(41)**	(11)	**644**	670
Akkodis [2]	**234**	240	**(55)**	(54)	**179**	186
LHH	**134**	109	**(22)**	(29)	**112**	80
Corporate	**(186)**	(197)	**(15)**	(62)	**(201)**	(259)
Adecco Group	**867**	833	**(133)**	(156)	**734**	677

1 FY 2022 one-offs in Adecco DACH include the release of restructuring accruals in Germany, driven by lower-than-expected severance costs.

2 In 2023, part of AKKA's US operations are reported in Adecco Americas. The 2022 information has been restated to conform with current period presentation.

in millions, except share and per share information

EBITA and EBITA margin excluding one-offs

	EBITA excluding one-offs in EUR millions				EBITA margin excluding one-offs		
			Variance				Variance
	2023	2022	EUR	Constant currency	2023	2022	bps
Adecco France	218	230	-5%	-5%	4.4%	4.6%	(20)
Adecco Northern Europe	41	57	-28%	-27%	1.8%	2.3%	(50)
Adecco DACH	22	40	-45%	-45%	1.3%	2.5%	(120)
Adecco Southern Europe & EEMENA	246	221	11%	11%	5.6%	5.4%	20
Adecco Americas [1]	38	18	115%	183%	1.4%	0.6%	80
Adecco APAC	120	115	4%	11%	5.2%	5.3%	(10)
Adecco [1]	685	681	1%	2%	3.7%	3.8%	(10)
Akkodis [1]	234	240	-2%	0%	6.3%	6.6%	(30)
LHH	134	109	23%	24%	7.4%	5.8%	160
Corporate	(186)	(197)	-5%	-8%			
Adecco Group	867	833	4%	7%	3.6%	3.5%	10

1 In 2023, part of AKKA's US operations are reported in Adecco Americas. The 2022 information has been restated to conform with current period presentation.

EBITA and EBITA margin by segment

	EBITA in EUR millions				EBITA margin		
			Variance				Variance
	2023	2022	EUR	Constant currency	2023	2022	bps
Adecco France	209	227	-8%	-8%	4.2%	4.5%	(30)
Adecco Northern Europe	35	57	-38%	-36%	1.5%	2.3%	(80)
Adecco DACH	20	48	-59%	-59%	1.2%	3.0%	(180)
Adecco Southern Europe & EEMENA	240	215	12%	12%	5.5%	5.3%	20
Adecco Americas [1]	23	9	153%	345%	0.8%	0.3%	50
Adecco APAC	117	114	3%	9%	5.1%	5.3%	(20)
Adecco [1]	644	670	-4%	-2%	3.5%	3.7%	(20)
Akkodis [1]	179	186	-3%	0%	4.8%	5.0%	(20)
LHH	112	80	39%	41%	6.1%	4.3%	180
Corporate	(201)	(259)	-22%	-24%			
Adecco Group	734	677	8%	13%	3.1%	2.9%	20

1 In 2023, part of AKKA's US operations are reported in Adecco Americas. The 2022 information has been restated to conform with current period presentation.

Controls and compliance

The Board of Directors and management of the Company are responsible for establishing and maintaining adequate Internal Control Over Financial Reporting. Management has assessed the effectiveness of the Company's Internal Control Over Financial Reporting as at 31 December 2023. In making this assessment, management used the principles established in the updated Internal Control – Integrated Framework (May 2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as at 31 December 2023, the Company's Internal Control Over Financial Reporting is effective.

The Company's internal control system is designed to provide reasonable assurance to the Company's management and the Board of Directors regarding the reliability of financial reporting and the preparation and fair presentation of its published consolidated financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statements preparation and presentation. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Forward-looking statements

Information in this Annual Report may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this Annual Report are based on information available to the Company as at 12 March 2024, and the Company assumes no duty to update any such forward-looking statements. The forward-looking statements in this Annual Report are not guarantees of future performance, and actual results could differ materially from the Company's current expectations. Numerous factors could cause or contribute to such differences. Factors that could affect the Company's forward-looking statements include, among other things:

- global GDP trends and the demand for temporary work;
- changes in regulation affecting temporary work;
- intense competition in the markets in which the Company operates;
- changes in the Company's ability to attract and retain qualified internal and external personnel or clients;
- the potential impact of disruptions related to IT; and
- any adverse developments in existing commercial relationships, disputes or legal and tax proceedings.

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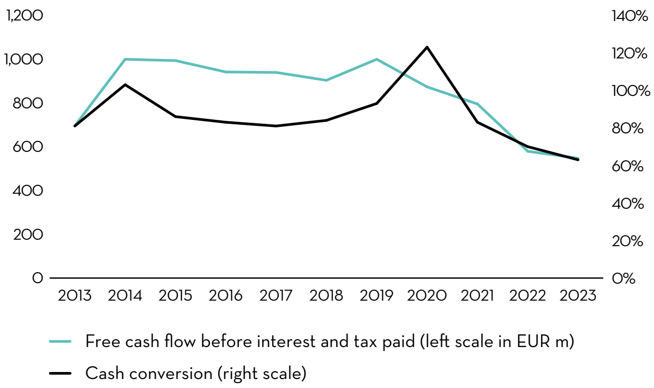
Cash generation and capital allocation

A further year of solid cash generation.

In 2023, Cash flow from Operating Activities was solid at EUR 563 million, from EUR 543 million in the prior year, mainly reflecting higher business income, lower one-off charges, and better customer collections. Free cash flow was EUR 347 million, 6% higher year-on-year. The cash conversion ratio was 63%, a robust result during a period of growth and transformation.

Free cash flow before interest and tax paid and conversion ratio



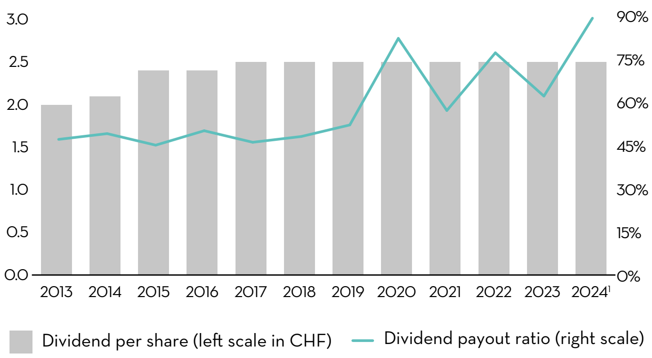
The Group assesses returns using a Return on Invested Capital (ROIC) calculation. ROIC was 10.8% for 2023.

The Adecco Group's capital allocation priorities are:

1. Fund organic growth at attractive returns
2. Progressive dividend policy
3. Selective M&A, creating value
4. Return excess cash to shareholders

The Group has a proven track record of strong cash generation through-cycle, with a cash conversion ratio since 2008 of over 90 percent. The Group's cash flow is counter-cyclical; the Group absorbs working capital as it drives growth and releases it when growth slows.

Dividend and dividend payout



1 Dividend represents the amount proposed while the payout ratio is an estimate.

Aligned with its capital allocation strategy, the Group is firmly committed to deleveraging while maintaining the progressive dividend policy.

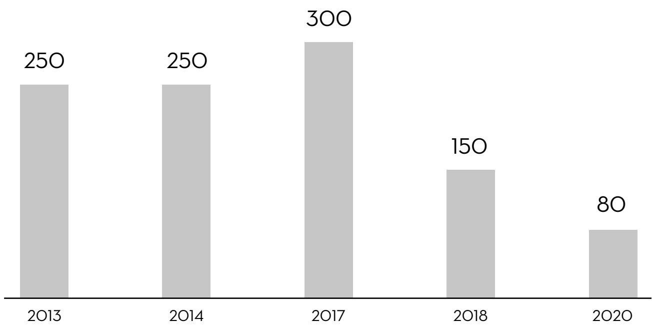
The Adecco Group paid EUR 422 million in dividends during 2023. For 2023, a dividend of CHF 2.50 will be proposed to shareholders at the Annual General Meeting on 11 April 2024. The proposal is in line with the Group's dividend policy, representing a payout ratio of 89% of 2023 Adj. EPS.

On 29 December 2023, the Adecco Group officially closed the EUR 600 million share buyback programme, which was announced in February 2021, and put on hold in July 2021. Under this programme, 1,424,388 shares were repurchased, at an average purchase price per share (excl. commission) of CHF 61.96.

Note:

- 2012 programme was concluded in September 2013
- 2013 programme was concluded in November 2014
- 2014 programme was concluded in January 2016
- 2017 programme was concluded in March 2018
- 2018 programme was concluded in March 2019
- 2020 programme was concluded in December 2023
  - Partly executed over April – July 2021 with a total value of EUR 80 million

Share buyback programmes, 2013 onwards (EUR m)



Shares

Strong market share gains and robust profitability contributed to increased shareholder value.

Adecco Group share capital

The Adecco Group's market capitalisation, based on issued shares, was CHF 7.0 billion at the end of 2023 (previous year end, CHF 5.1 billion).

The number of shares issued at year end 2023 was 168,426,561, including treasury shares. Par value per registered share is CHF 0.10, and each registered share represents one vote.

As of 29 December 2023, the Adecco Group officially closed the EUR 600 million share buyback programme started in April 2021 and paused in July 2021, in line with the Group's priorities for the use of cash. Under this share buyback programme the Company repurchased 1,424,388 of its shares via a second trading line on the SIX Swiss Exchange, and subsequently cancelled them.

Adecco Group AG shares are listed on the SIX Swiss Exchange.

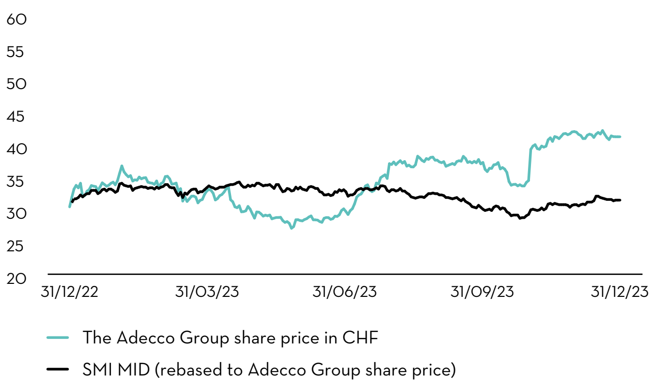
Share developments

The Adecco Group share price increased by 35% to CHF 41.27 at end 2023, while the SMI MID market index rose by 4%.

The average daily trading volume amounted to 595,288 shares. The total trading volume in the Adecco Group in 2023 was 145,327,902 shares, with a yearly share turnover of 86%.

Share developments in 2023 (CHF)	
Year end	41.27
Year high	42.23
Year low	27.10
Average daily trading volume	595,288 shares

2023 Share price performance (CHF) in comparison to SMI MID index (rebased)



Shareholder base

The Adecco Group had approximately 22,000 shareholders as of 31 December 2023. The largest 20 shareholders held approximately 64% of the issued and outstanding share capital as of year end 2023.

To the best of Adecco Group's knowledge, major investors in the Company include Silchester International Investors LLP (over 10% holding), BlackRock Inc. (over 5% holding), in addition to UBS Fund Management, The Capital Group Companies, Inc., Franklin Resources Inc., and Akila Finance S.A. (all with over 3% holdings).

To our knowledge, we are not directly or indirectly owned or controlled by any government or by any other corporation or person.

Shareholder concentration

as of year end 2023	in % of shares issued
Top 5 investors	35%
Top 10 investors	49%
Top 20 investors	64%
Top 50 investors	79%
Others	21%

Shareholder structure

as of year end 2023, in % of shares issued	**2023**	2022
Institutional		
• Europe	**54%**	54%
• North America	**26%**	27%
• Rest of World	**1%**	2%
Retail	**9%**	8%
Insider and Treasury	**1%**	1%
Unassigned	**9%**	8%

Analysts' recommendations

The Adecco Group's development is closely monitored by investment specialists, with their findings and recommendations offering insights to investors. Seventeen analysts regularly publish reports on the Group.

They comprise: ABN Amro – ODDO BHF, Alphavalue, Bank of America, Citigroup, Deutsche Bank, Exane BNP Paribas, Goldman Sachs, J.P. Morgan Cazenove, Jefferies, Kepler Cheuvreux, Redburn, Research Partners, Royal Bank of Canada, Société Générale, UBS, Vontobel and Zürcher Kantonalbank.

Of these analysts, at the start of 2023, 35% had buy recommendations, 41% had a neutral view, and 24% recommended selling the shares. At the end of 2023, 31% had a buy recommendation, 57% had a neutral view, and 12% recommended selling the shares.

Credit ratings and financing

The Adecco Group enjoys strong credit ratings. Standard & Poor's rates the Group at BBB+ with stable outlook while Moody's rating is Baa1, also with stable outlook. The Adecco Group aims to maintain an investment-grade credit rating.

The Group pays close attention to balancing maturities and to achieving appropriate diversification of currencies, markets and types of financing instruments to optimise its financing cost structure.

Identify, mitigate and manage risk

Our risk management process is used to identify and mitigate our exposures and, where possible, to turn risks into business opportunities. By effectively managing our risks, we are able to maintain our resilience through challenging periods such as that presented by the current challenging macroeconomic environment, and ensure we continue to create value for our stakeholders.

Enterprise risk management – an iterative and integrated management practice

Embedded in the strategic planning process, the enterprise risk management process at the Adecco Group is a management practice. It provides support to all key stakeholders for the achievement of our performance, profitability, and our sustainability related targets and objectives. While the focus is on analysing, managing and mitigating risks, we pay equal attention to identifying opportunities for business development.

The process is conducted on a regular basis, steered by Group management and overseen and approved by the Board of Directors. Country and business line management teams are involved as well as Group management and corporate functions, to ensure consistency and comprehensive coverage by leveraging the expertise of the people in the organisation close to the risks. This is consolidated through an unbiased and honest view of those risks that can have a significant impact on their operations and their ability to meet objectives. Where needed, action plans are developed and progress is reviewed during regular operational business meetings. The enterprise risk management assessment, including the action plan, is reported back to the Board of Directors.

Key business risks

The following describes our major business risks and how we manage them. These are regularly reviewed and updated as deemed necessary to account for changes in the risk environment, reflecting new and/or emerging influencing factors such as for example geopolitical developments or major acquisitions.

Key business risks Description	Mitigation
Geopolitical, social, and economic uncertainty Demand for many of our HR solutions is highly correlated with changes in economic activity. Meanwhile, career transition is counter-cyclical in nature. At the same time, we operate in a labour market going through significant change. The economic, social and political environment is increasingly volatile and staffing companies must adjust their capacity to fluctuations in demand, which can occur rapidly and over which we may have limited visibility.	The Adecco Group has leading positions in most major geographical markets and HR service lines. The diversity of our exposures provides some natural hedge to the risk of changing economic conditions. Nonetheless, we place a high priority on closely monitoring economic developments, how these influence our clients' demands, and their impact on our financial results. Our crisis management approach, supported by an active dialogue between corporate, GBU and regional management, allows us to stay abreast of any business developments and swiftly adjust our capacity levels as required. The response to the Covid-19 pandemic confirmed the Group's readiness for a recession and create value for its stakeholders, even over periods of uncertainty. This is assessed on an ongoing basis.
Client attraction and retention The Adecco Group's results and prospects depend on attracting and retaining clients. Client satisfaction, as a result of services we have rendered, is a key driver of client retention and therefore needs to be monitored closely. The changing world of work also provides an opportunity for new sources of growth and the attraction of new clients.	We emphasise the importance of acting as a partner to clients to help them satisfy their workforce solutions needs. On a regular basis we measure client NPS. The results are used to train and support sales teams, to draft and execute sales action plans, and to further enhance the services we deliver. At the same time, we continuously strive to broaden the services we offer and industries we serve (e.g., through acquisitions), improve our delivery channels and to optimise sales systems and processes, leading to enhanced client attraction. The customer has been placed as the cornerstone of our strategy, as we seek to leverage 360° HR solutions and further grow our brands. We recognise our clients' increased expectations as regards to responsible business conduct across their supply chains and are intent on meeting their objectives through our integrated sustainability framework.

Key business risks Description	Mitigation
Associate attraction and retention We depend on our ability to attract and retain candidates and associates who possess the skills and experience to meet our clients' needs. With talent shortages in some highly qualified skillsets, providing suitably qualified associates can be challenging.	We aim to attract the best talent through various sources, ranging from the traditional physical branch to online platforms and technologies, using digital tools responsibly. The current level of economic uncertainty has highlighted the skills shortage and the attraction of suitable candidates is critical. Our value proposition for candidates and associates goes beyond providing employment opportunities or consecutive assignments. We also provide training and career coaching and help solve skills shortages with our up- and re-skilling solutions which improve access to diverse candidates, including in some of the most in-demand fields such as digital and IT skills. We regularly measure our candidate NPS to help identify and respond to their needs.
Employee attraction and retention Our success depends on the talent and motivation of our people. Hiring and retaining the right talent in the right job may significantly influence the business prospects of the Adecco Group. Talent and skills are becoming an increasingly limited resource as companies compete for the best people. The loss of key colleagues with valuable experience in the global HR services industry or with strong customer relationships could cause significant disruption to our business.	At the Adecco Group we have developed a comprehensive talent framework aimed at enabling us to remain the leading employer in our industry. We provide a unique offering and rich experiences, helping our people thrive and develop across multiple brands and geographies. We measure our progress via regular internal employee surveys, which gauge employees' engagement and satisfaction with their workplace. We created and rolled out an entire suite of tools and resources to support our colleagues to support the new way of working in a post- pandemic environment. Find out more on pages 18-23.
Information technology IT plays a pivotal role in today's business operations. Key business processes, such as client and candidate management, and search and match between roles and candidates, are dependent on IT systems and infrastructure. Among other consequences, a significant system interruption could result in material disruptions to our business.	We undertake ongoing assessments of our global security and IT infrastructure and continue to holistically improve our approach to security. This includes strengthening data security measures and helping ensure rapid detection and efficient response. To protect business continuity, critical business applications are stored in cloud applications and regional datacentres with failover capability. Regular reviews of agreements with IT service providers and enhancements to service-level and contract management are embedded in our IT processes, as is the continuous improvement of user security controls.
Changes in regulatory, legal, and political environment The HR solutions industry requires appropriate regulation, with the ultimate goal of enhancing quality standards to the benefit of society, workers, private employment agencies, and their clients. A changing political environment might lead to inappropriate or unbalanced regulation, potentially impacting our business model.	The Adecco Group monitors and evaluates, at regional and local level, any changes in the regulatory and legal environment, and promotes actions and initiatives directed at improving working and employability conditions, while ensuring competitiveness and growth of economies. We are a founding member of the World Employment Confederation and hold leadership mandates in the regional and national associations representing our sector. Our engagement extends to global institutions such as the International Labour Organization, the OECD, the International Organisation of Employers and the G20-B20, as well as BusinessEurope. Find out more on page 48.
Compliance with laws and regulations The Adecco Group is exposed to various legal risks, including possible breaches of law in the areas of employment and discrimination, competition and bribery. The Group holds information on a large number of candidates and associates, bringing additional risks in the rapidly developing area of data privacy laws.	Our global Integrity and Compliance Programme sets our ambition level and overarching framework for our employees to comply with all applicable legislation and internal policies. Training courses on material issues create awareness among employees of the risks of non-compliance. In particular, the Adecco Group requires all employees to adhere to our Code of Conduct. Regular legal updates, as well as periodic audits of branches and local operations, are among our preventive measures. Any issue or concern can be reported confidentially through our publicly available ethics reporting channels. Find out more on page 46.
Disruptive technologies New distribution channels and data-driven business models are emerging as HR solutions go digital. This creates the risk that some of the Adecco Group's services could in the future be offered differently and/or by new competitors. Over the longer term, these disruptive technologies could present a threat to the market share and profitability of the Adecco Group.	At the Adecco Group, the potential of digital is embraced as part of the strategy through a combination of internal ventures, partnerships, and targeted M&A. Continuous investment in our IT platform allows us to increase our efficiency and effectiveness and provides the infrastructure for a comprehensive and coordinated response to the emergence of new technologies. The Group is placing further emphasis on the growing digital scope of our business and focusing aggressively on new opportunities for growth. At the same time, we will continue to look to build more synergies between the Group's online and offline businesses, and to further develop opportunities with leading technology partners.
Data protection and cyber security With increasing digitalisation, the ability to provide a data environment meeting the highest security and regulatory standards, such as GDPR, is critical. Any failure to do so, whether due to a lack of appropriate technology, controls or human error, could result in a loss of trust among our candidates, associates, employees, and clients, as well as financial penalties. There is an increased level of specialisation and sophistication in the cyber-crime economy, especially in human-operated ransomware attacks.	The Adecco Group is continually investing in cyber security-related processes and systems. With investments in compliance resources, business processes and technology, the Group is committed to compliance with relevant data privacy principles, established by law. To mitigate the risks, a global privacy strategy has been defined which consists of embedding privacy in the Group's day-to-day operations, securing compliance with applicable laws, and working to turn data privacy and compliance into a competitive advantage in the long run. The Digital Committee is responsible to oversee the management of cyber security in the Group.
Sustainability-related factors The Group needs to identify, manage, and respond to sustainability-related risks and opportunities impacting its business and stakeholders, and live up to its public commitments such as towards the UN Global Compact. Demonstrating this ability strengthens the Group's reputation, helps safeguard our licence to operate, drive profitable growth and deliver value for all our stakeholders.	The Group has a long-standing commitment to doing business sustainably. An integrated sustainability framework focused on the issues most material to our business and stakeholders guides our actions and ensures strong alignment between key business and sustainability-related risks and opportunities. Embedded governance structures and a comprehensive measurement framework enable focused implementation, as we move towards a culture that consistently considers sustainability-related dimensions across our business and extend our approach to acquisitions and joint ventures within our sphere of influence. The Group is committed to providing internal and external reporting of appropriate KPIs that provide the appropriate transparency. Find out more in our Non-Financial Report on pages 38-55.

Non-Financial Report Introduction

Dear stakeholders,

On behalf of the Adecco Group Board of Directors and its Committees, we are pleased to present the Non-Financial Report of the Adecco Group for 2023.

This reflects the Group's holistic understanding of stakeholder value creation, demonstrating how we contribute towards creating more prosperous, fulfilled societies and a more sustainable relationship with our planet. We believe that companies holding themselves accountable to their stakeholders and increasing transparency will be more viable – and valuable – in the long term.

Advancing a sustainable future of work

The shifting dynamics of the global workforce, fuelled by technological advancements and evolving societal expectations are redefining how and where we work, as well as the skills needed to succeed. At the Adecco Group, we not only want to make sure that no one is left behind, but that everyone is moving forward.

Our purpose – making the future work for everyone – means ensuring people everywhere have the opportunity, access, and tools to succeed in a rapidly evolving world of work. As one of the world's largest employers, the scale of our positive impact is tremendous. From first-time job seekers to parents returning to the workforce, to refugees seeking to rebuild their lives, to leaders grappling with evolving expectations of their teams – we aim to provide the skills, insights, and solutions needed to not just adapt – but thrive in an ever-changing world of work. In fact, in 2023 we supported millions of people around the world across our service lines. We, for example, up- and re-skilled close to 900,000 individuals, thereby enhancing employability, accelerating careers, and improving access to diverse candidates, including in some of the most in-demand fields such as digital and IT skills.

A future that works for everyone also requires companies that operate to the highest ethical standards, and a more environmentally conscious economy. Our unwavering dedication to shared value creation and doing business responsibly is thus integral to our Future@Work strategy. In 2023, in recognition of the vital role of sustainability in driving long-term value for our shareholders and stakeholders, we made significant steps to strengthen our approach and further embed material environmental, social, and governance considerations – risks, opportunities, and impacts to and by our business – into our business strategy. 2023 saw progress in critical areas such as refining our human and labour rights due diligence, supported by the launch of a new global policy that clarifies and confirms our commitments and minimum standards. We also strengthened our environmental efforts, further reducing our carbon emissions in line with our existing targets while submitting new near- and long-term targets to the Science-Based Targets initiative for formal validation.

The Board of Directors, supported particularly by the Audit Committee and the Governance and Nomination Committee, thereby provided strategic oversight to these efforts. On their behalf, we would like to express our sincere gratitude to all our teams across the Group for the strong progress they have made in 2023 and the passion they show for making a positive impact in the working lives of those we serve.

About this report

In order to continue to foster trust and credibility and to hold ourselves to account, it is important to measure our progress and be transparent in our efforts. The non-financial disclosures on the following pages were prepared with this in mind. They reflect the applicable Swiss legal requirements. The Group has again engaged EY to provide limited independent assurance over select strategic performance indicators.

In line with regulatory requirements, this Non-Financial Report was approved by the Adecco Group Board of Directors and will be submitted to a non-binding consultative shareholder vote at the Annual General Meeting (AGM) in 2024.

We are committed to continuously strengthen what we measure and disclose, including in conversation with key stakeholders.

Looking ahead

We believe that operating responsibly is essential to our success with our current and future talent, clients, investors, and communities. We are pleased about what we have achieved but recognise that sustainability is an ever-evolving journey and that there is always more that we can and must do. We will continue to challenge ourselves as we seek to amplify our positive social impact and further clarify our ambitions and targets for the way forward, to create a future that truly works for all.

We trust that you will find this report informative and thank you for your support.

Sincerely,

Regula Wallimann
Chair of the
Audit Committee

Alexander Gut
Chair of the Governance
and Nomination Committee

1. Our business model

The Adecco Group is a global leader in talent and technology expertise, enabling organisations to succeed and people to thrive. We do this at scale, serving more than 100,000 clients and providing millions of individuals with flexible and permanent employment and up-/re-skilling opportunities in more than 60 countries.

Our ability to do this comes from the strength of our business model, whose cornerstone are our three global business units (GBUs) – Adecco, Akkodis, and LHH.

Through these GBUs, we offer a diversified portfolio of solutions that help address the multi-dimensional talent needs of organisations and support people in accessing employment and the necessary skills to remain employable over the lifetime of their careers.

This structure allows us to put our customers – clients, candidates, and associates – wherever they are, at the centre of everything we do. It also enables us to remain agile to changes in the world of work and responsive to the structural market drivers like talent scarcity, human centricity, digital and AI, and the green transition.

Although our businesses are distinct, we operate under a shared purpose and ambition. Across the Group, the Future@Work Reloaded Action Plan is improving our organisational effectiveness ('Simplify'), empowering decision-making closest to our customers ('Execute'), and growing market share ('Grow'), while putting long-term, shared value creation at the heart of our business. This allows us to positively impact the work lives of even more individuals, and further enables the growth of our clients and the wider economies in which we operate.

Adecco

Adecco is a global leader in workforce solutions, offering flexible placement, permanent placement, outsourcing, and managed services across all sectors.

AKKODIS

Akkodis powers the Smart Industry transformation globally with digital and engineering services across Consulting, Solutions, Talent and Academy.

LHH

LHH helps future-proof organisations and careers by building the right capabilities, delivering talent solutions, and enabling workforce transformation.

Define workforce strategy

Across our markets, organisations are navigating evolving employee expectations, skills shortages, and the impact of disruptive technologies. When it comes to creating long-term value, talent is an essential strategic asset, but businesses also understand that they need to transform their workforces to make the most of it.

Talent and skills are not separate from an organisation's long-term strategic objectives – they are a central part of it. Through our market-leading portfolio of talent solutions, our GBUs create tailored and proactive plans for our global and local clients that align talent acquisition, development, and management with business objectives to drive sustainable success.

This means assessing the current workforce, identifying skills gaps, and developing strategies to attract, develop, and retain the right talent. By helping organisations define their workforce strategy, we amplify their competitive advantage and maximise their long-term success.

Attract, hire, deploy

Skills are the new currency of the changing world of work. In a talent market defined by scarcity, being able to access the skills needed to adapt and grow is not just a strategic priority for organisations – it is increasingly an essential part of their ability to remain competitive.

We want to eliminate the geographical, social, economic, and training barriers that stop people from attaining sustainable, long-term employment. Doing that means matching the right people to the right roles. But it also means leveraging innovative technology to create seamless hiring processes and nurturing skills.

As a Group, we are dedicated to finding, recruiting, and placing the most qualified individuals in positions that align with their skills and experience. Our comprehensive approach includes flexible roles, outsourcing, permanent hire, and RPO to ensure our clients have access to the talent they need to achieve their business goals. By effectively attracting, hiring, and deploying talent, the Adecco Group plays a crucial role in bridging the gap between employers and skilled workers.

Skill, develop, transition

Making the future work for everyone means making sure that no one is excluded from the opportunities created by innovation or the green economy. When individuals have the capacity to learn, the drive to develop and the right support, their impact is magnified. It's our mission to help people and organisations maximise their potential and thrive in the workspaces of tomorrow.

Through our three GBUs, we offer a market-leading portfolio of end-to-end talent solutions. From helping people gain the skills they need to access sustainable employment to guiding experienced professionals as they take the next step forward, we are giving people the tools they need to shape their own futures.

Career development, up-skilling and re-skilling, redeployment and career transition can create new opportunities for people and help futureproof workforces. Through expert coaching and training, we help clients find new opportunities both within and outside their existing company, ensuring positive outcomes for all. Our certified career coaches have deep industry expertise to help clarify goals, create an action plan and execute on it.

Transform and evolve

In today's market, innovation is the only option. Organisations can choose to maintain business-as-usual for as long as possible – or they can embrace change and use technology to unlock human potential at scale. But driving workforce and business transformation is a complex task, which is why we are on hand to provide tailored, expert support every step of the way.

Across the Group, we are responding at pace to leverage the latest technologies to improve candidate experiences, reduce time-to-market and drive efficiencies. We are not only an expert talent partner to our clients around the world, we are also a technology partner too.

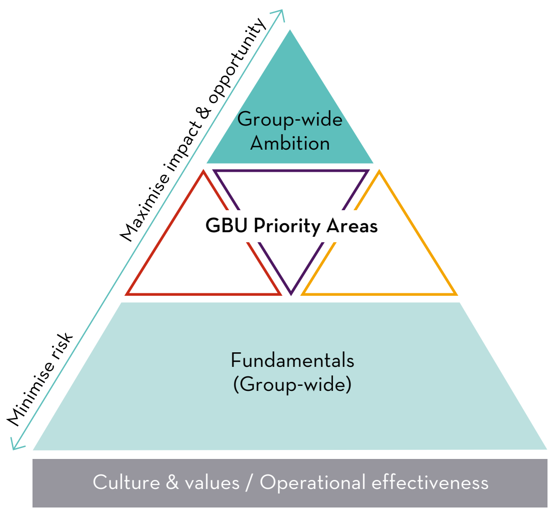
We see the benefits that digital innovation and transformation can play in talent solutions and HR – both in supporting remote working and in addressing the labour shortages and staff retention issues that have impacted the global economy.

2. Our approach to sustainable value creation

Our dedication to creating shared value and doing business responsibly is an integral part of our Future@Work strategy. We aim to balance economic with social, governance, and environmental considerations across our operations and value chain. Over the last years, we have made good progress in building strong foundations in this respect. We continue to be rated highly by overarching sustainability benchmarks, having earned, for example, the Sustainalytics Outperformer badge consistently in recent years.

To ensure our approach evolves in line with legislative developments and delivers performance that meets the fast-accelerating expectations of clients, talent, and investors, we need to constantly adapt or risk falling behind. We are actively shifting towards an approach that helps us to amplify our positive impact more strategically while harnessing business opportunity. Because when we grow, our positive impact grows.

In 2023, we embarked on a comprehensive, insight-driven journey to simplify and strengthen our sustainability approach to enable more focused execution and impact. We undertook an inclusive design and stakeholder consultation process in the creation of our enhanced framework. This is structured into three levels, rooted in our culture and values, and built on the Group's commitment to operational effectiveness:



Fundamentals: Our first level focuses on those material topics that ensure compliance and our licence to operate.

We first completed an extensive benchmarking and stakeholder assessment to understand (upcoming) legislative and soft law requirements as well as the expectations and priorities of our clients (based on direct engagement, analysis of requests for proposals, and their own supplier due diligence), associates (through NPS surveys), investors (based on direct engagement), and our people (based on engagement surveys and town hall feedback).

We mapped the findings against their strategic relevance for our business, their high-level potential commercial impact, our current performance, as well as our ability to influence a given issue. This helped us understand and confirm which topics might be:

- Material to our stakeholders, but of limited ability for us to meaningfully influence (e.g., water and waste).
- Material to our stakeholders and material to our business, but with existing solid or leading performance and thus limited need to prioritise but rather continue to evolve as part of daily business (e.g., data privacy or tax responsibility).
- Material to our stakeholders and to our business, and with opportunity to deepen our impact and/or strengthen our existing approach.

Based on this assessment, we have prioritised action in the areas of inclusion, wellbeing, fair and equal wages, respect for human rights, third-party risk management, carbon emissions reductions, and non-financial data collection and measurement.

Priority areas by GBU: Each of our GBUs is establishing business-specific goals to tackle core sustainability challenges tied to their ambitions and where they can have the greatest impact, to ensure focus on the most material issues. For example, Adecco has a core focus on workplace safety of associates, whereas Akkodis is intent on increasing the representation of women in Smart Industry.

Group-wide ambition: As a Group, we have set ourselves the ambition to lead the way in driving social change on two critical themes:

- **Building resilience through skills**: equipping individuals and organisations with the requisite skills and capabilities to thrive in a world of work that is characterised by rapid evolution and disruption through AI and technological evolution and the shift to a green economy.
- **Enabling inclusion**: helping under-recognised groups to access, navigate, and thrive in the world of work, ensuring that workplace equity and inclusion become a truly lived reality.

We developed these areas based on external insights coupled with input from 13,000 colleagues across the Company, focus groups and workshops with senior leaders, advice from practitioners in the field representing all businesses and geographies, and discussions with the Executive Committee and Board. Our approach has ensured that we address real-life needs and priorities and foster a sense of ownership across the organisation.

This work will continue into 2024, also with a view to preparing for the non-financial reporting and corresponding materiality analysis requirements that will be introduced by the incoming EU Corporate Sustainability Reporting Directive. Once completed we will then also publish a new scorecard setting out our targets for material areas.

3. Employee matters

Our Group is united by a powerful common denominator: talent. Our ambition is to lead the world of work and to set the standard as a world-class employer for our current and future talent. Our business is unique in that we serve a very broad range of individuals. The term 'employees' as used in this section refers to our internal colleagues and consultants that work under the supervision, direction, and control of the Adecco Group. These are distinct from the talent we place with our clients either on a temporary or permanent basis, typically referred to as candidates and associates; these are addressed in the following sections.

Our success is predicated on our ability to harness the skills, talent, and expertise of our people. Not being able to attract and retain the right talent in the right job could have a significant impact on our ability to operate successfully. The loss of key colleagues with valuable experience in our industry or with strong customer relationships also has the potential to cause disruption to our business. Not least, fostering a positive, respectful, inclusive, and healthy work environment is foundational to our ability to deliver on our purpose.

To meet this challenge, we have developed a comprehensive talent framework to remain the leading employer in our industry. We measure our progress via internal surveys twice a year, gauging employees' engagement and satisfaction with their workplace. Employees who feel listened to, accepted, and encouraged to develop, are more engaged to drive the business forward. Their feedback offers invaluable insight that helps us continue to refine our attraction, retention, and engagement efforts. The introduction of our new Human Resources Information System (HRIS), rolled out across the Group in 2023, plays another crucial role in measuring the impact of our people initiatives to continuously improve the employee experience in a range of areas, such as inclusion, gender parity, and health and safety.

As we are driving our global transformation, we recognise the significance of setting our employees on a path for continuous growth while developing the right capabilities to serve our clients in new ways and fuel our performance. To do this, we introduced the Adecco Group University (TAG U) Digital Campus, a learning ecosystem that brings together the best of the Group's offering coupled with external content and expertise to create curated pathways in areas aligned to our critical competencies, such as tech, sales, or AI. In 2023, TAG U Digital Campus attracted more than 24,000 enrolees, with an average monthly engagement rate of 28%. We are also deeply invested in building our next generation of leaders, through focused training and by increasing the depth, quality, and diversity of our succession pipeline for key roles through extensive annual talent reviews. We have embedded a global competency model in our HR processes that sets high standards in leadership behaviours and is designed to grow future leaders who can drive our Company forward. We continue to focus our performance management approach on creating a high-performance culture, setting clear goals for our people and maintaining regular touch points throughout the year to ensure alignment and provide feedback.

Our global framework on inclusion is helping to consistently and strategically embed inclusive hiring practices and a range of support and resources across the Group while enabling our markets to adapt these to meet local priorities, business needs, cultures, and contexts. Our inclusion training gives employees practical guidance on how to be more consciously inclusive and provides them with the skills needed to create inclusive and respectful work environments. Having reached around 75% of the organisation and prioritising our new joiner population, we continued to roll this training out across the Group in 2023. Globally, we have a strong focus on gender parity and our goal is to move toward gender balance at leadership levels by the end of the decade. We are committed to pay equity and fulfilling gender pay gap reporting obligations in the countries in which we operate.

We take a similarly strategic approach to promoting the mental, physical, and social wellbeing of our employees. As the lines between work and home are becoming increasingly blurred, an effective wellbeing strategy becomes ever more mission critical. Support takes many different forms, such as local Employee Assistance Programmes for those with specific needs, mental first aiders in some countries, dedicated inclusion networks and listening groups in others. One important way we promoted wellbeing in 2023 was through our flexible working programme, aimed at promoting efficiency and adaptability in our approach to work.

We are confident that by investing in our people and leveraging data to inform our strategies, we can continue to make a positive impact on the lives of our employees.

Employees, including consultants, by gender and geography

	Total headcount	Female	Male	Other/Not Disclosed
Australia	1,557	55%	44%	1%
Belgium	1,600	55%	45%	0%
Canada	715	63%	36%	1%
France	15,812	48%	52%	0%
Germany	6,390	38%	62%	0%
Italy	4,439	62%	38%	0%
Japan	13,765	33%	67%	0%
Netherlands	1,249	60%	39%	1%
Spain	3,579	58%	42%	0%
Switzerland	943	53%	47%	0%
UK	2,827	60%	40%	0%
USA	5,214	65%	34%	1%
Rest of the world	14,348	64%	36%	0%
Total	72,438	50%	50%	0%

Total turnover of employees, including consultants

25%

Global Leaders gender parity

34%

Employees, including consultants, by age group

15-20 years	0%
21-30 years	32%
31-40 years	34%
41-50 years	21%
51-60 years	11%
60-70 years	2%
>70 years	0%

4. Social matters

At the core of our business we are creating societal value. When we help people find sustainable employment, build their skills, and take on new roles and challenges, it's not just companies that benefit but families and communities, too. In turn, in a world being disrupted and enhanced by AI, technology, and the green transition, talent remains a true competitive advantage to ensuring the future-readiness of organisations. By helping them define their workforce strategy and use technology to unlock human potential at scale, we amplify their competitive advantage and maximise their long-term success – for the benefit of society at large.

But without deliberate focus on individuals, millions could be left behind, risking a divide across e.g., income group, educational level, and/or gender. The ongoing global scarcity of talent and lack of necessary skills pose a risk to individuals, to our clients, and to our business model. Our ability to generate long-term value depends on being able to attract and retain candidates and associates with the skills, experience, and expertise our clients need. Although talent shortages are impacting almost every part of the global economy, the situation is particularly pronounced in some sectors and highly qualified skillsets. This is making the task of providing suitably qualified associates more complex.

At the Adecco Group, we want to lead by example in how we help our stakeholders navigate through these turbulent times and take an active role in creating brighter futures for all. We have made this a core tenet of our strategy, leveraging the core capabilities we have to offer as one of the world's leaders in talent and technology expertise, pushing ourselves to go beyond business as usual. And our value proposition for candidates and associates goes beyond providing employment opportunities or consecutive assignments; we also provide training and career coaching and help solve skills shortages with our up- and re-skilling solutions.

In recent years, we have expanded the ways we source candidates and associates – growing from solely a traditional physical branch presence to online platforms and leading digital tools, making our services more broadly accessible. We also focus on unlocking hidden pools of talent and increasing the employability for all. When we say we are committed to making the future work for everyone, we mean everyone. We engage with workers, employers, and public sector stakeholders across the world to develop programmes and pathways that embrace and enable traditionally under-recognised communities to access the labour market, such as people with a disability, young people not in employment, education or training (NEET), mature workers, or indigenous communities. We seek to help people gain better access to the jobs and prospects they deserve and help them overcome barriers to enter the workforce. We do so through bespoke programmes e.g., in France, Spain, Italy, the US or Australia, and via dedicated service lines such as Adecco Inclusion.

We believe in the transformative power of employment. Our commitment extends beyond borders, reaching those who have sought refuge and are rebuilding their lives. We aim to enable meaningful work opportunities for refugees, while also meeting the needs of organisations actively recruiting qualified talent. We can look back on a long track record of helping to integrate refugees and displaced people in the labour market both by developing strategic good practice and by providing individual refugees with the necessary skills and work opportunities as they seek to integrate in their new host communities and start rebuilding their lives and livelihoods. Our journey started in 2008, when we hired our first refugees in Italy, and continues strong to this day. In June 2023, we pledged to assist 50,000 refugees with finding work over the next three years, and also committed to up-skill at least 10,000 individuals to build their employability. In 2024, we strengthened our commitment by pledging to assist 85,000 refugees with finding work and up- and re-skill 17,000 refugees to build their employability by the end of 2027.

Treating everyone with dignity and respect is critical, particularly in an industry where the risk for discrimination is real. To prevent and mitigate the negative impact this has for all involved, we continually invest in reviewing and adapting our corresponding approach and processes as needed. We, for example, train all our recruiters in non-discriminatory, inclusive hiring practices and provide guidance to all employees about what to do if they feel pressured to recruit in a discriminatory way or in a way that is against our values. The guidance focuses on reaching out for support, centring conversations with clients on their desired business outcomes and how our skills-focused services are designed to deliver against these expectations with quality and predictability – and ultimately walking away if necessary. As one of the world's largest employers, we have a responsibility and opportunity to make a real difference in the fight against racism and have an unwavering commitment to standing up against discrimination of any kind, as expressed in our global DEI statement, available on our website (https://adeccogroup.com/our-group/sustainability/governance/).

We collaborate with recognised organisations to continually strengthen our approach, share best practices, and amplify our impact for the benefit of the wider community. Our global partnerships include Paradigm for Parity, the International Labour Organization's Global Business and Disability Network, the Valuable 500, the European Network Against Racism's Equal@Work Platform, the Global Apprenticeship Network, and the Tent Partnership for Refugees.

Throughout 2023, we have continued to contribute positively to the communities we live and work in around the world:

People placed – flexible

474,167

Associates provided with flexible employment every day (excluding joint ventures), creating a ripple effect throughout local economies and households

People placed – permanent

169,062

People placed in permanent employment, thus providing access to livelihoods with benefits for the individuals and their broader ecosystem

External individuals up-/re-skilled

884,029

Enhancing employability, accelerating careers, and improving access to diverse candidates, including in some of the most in-demand fields such as digital and IT skills

Responsible tax practices

Contributing to public finances through paying taxes responsibly is one of the ways we support economic and societal development. Not doing so may risk financial penalties as well as damaging our reputation, relationships with stakeholders, and overall business operations. Crucially, we would undermine our purpose of making the future work for everyone by not paying our share.

We fully comply with both the tax law in all countries where we operate and international standards, namely OECD standards. We report revenues and pay taxes in the countries where we operate and where value is created, and we do not engage in artificial tax-driven structures. To build trust and accountability with our stakeholders, we publish an annual Tax Transparency Report which can be found on our website (https://www.adeccogroup.com/our-group/sustainability/measurement-reporting/). This report sets out further details of our total tax contributions per country together with supporting explanations and additional information about our approach to taxation. It will also be the basis of our public Country-by-Country Reporting under the respective EU Directive. We are committed to continuously exploring ways to strengthen what we disclose and where.

The Adecco Group is a significant contributor of taxes, both in terms of direct taxes and those collected on behalf of tax administrations. Payroll and social security tax as well as sales tax are by far the most significant tax contributions we make. This reflects the composition of our business activities, particularly the flexible placement business.

In 2023, the Group's tax contributions amounted to EUR 6,046m. These have gone to local governments to power critical infrastructure and public services, helping those most in need and creating a better future for people in over 60 countries worldwide.

EUR millions	2023	2022
Income taxes paid	146	227
Sales taxes paid	2,737	2,701
Employer payroll and social security taxes paid	3,163	3,253
Total taxes paid	**6,046**	6,181

Helping advance meaningful public policy

We depend on governments to set balanced policies and standards and ensure well-structured and functioning labour markets. Considering the complexity of the challenges facing the world of work, our hands-on expertise, scale, and reach positions us to naturally serve as an important stakeholder and valued partner of policy makers, governments, labour ministries, international institutions, and governmental organisations. We are guided by our Public Affairs Principles and Guidelines which set out our standards of conduct, including principles to prevent bribery, conflicts of interest, and potential anti-trust implications.

In 2023, our engagements focused on enabling efficient and dynamic labour markets, tackling skills shortages, the labour market impact of the digital and green transitions, up- and re-skilling for all workers, and fair and well-organised talent mobility. We led the charge in the B20 to drive awareness and action around agile and efficient labour markets. We also took a leading role in the industry delegation to the European Labour Law Conference which this year was fully dedicated to Agency Work, and actively worked in a BusinessEurope ad hoc group on platform work.

We continued to be a positive force in our industry federations and central employers' federations, at national and international levels. A good example is our engagement with the global industry federation, the World Employment Confederation, where we hold the presidency as well as chair several of its committees.

We are open about the positions we advocate and regularly publish our viewpoints on our website. In 2023, our main publications included:

- 'Global Workforce of the Future – Lessons for Policy Makers', providing valuable insights for policy makers about worker preferences to support more appropriate policy making on flexible work.
- 'Labour Market Policy Outlook', which provides insights into labour market-related regulatory trends around the world.
- 'Paying Attention – A Report on Agency Work and Wages', using data insights to dispel myths about the salary levels and overall job quality of agency workers around the world.
- 'The Green Talent Potential Index', which compares the ability of G20 countries to achieve their green transition objectives from a labour market perspective, considering talent transition frameworks and workforce readiness.

Read more on www.adeccogroup.com

We are a proud founding member of the Global Apprenticeship Network, driving the global conversation about the link between education and work. In 2023, we were active contributors to the International Labour Organization's 111th Annual Conference discussion that led to international standard setting on apprenticeships.

Creating social impact beyond our core business

As well as using our experience and insight to shape public policy, we are also actively creating and testing innovative solutions. The Innovation Foundation is a social innovation lab that is pioneering practical solutions to increase the employability and access to labour markets for underserved populations. Funded by the Adecco Group, the foundation is using a unique methodology that blends research, design-thinking, and systems-thinking to design and co-create solutions targeting unemployed young adults, women returning to work, and mature workers.

More information about the foundation's work can be found at: https://www.adeccogroup.com/innovationfoundation.

This is complemented by the work of our national foundations in France, Spain, Italy, Germany, and the US.

5. Respecting human rights

As a world-leading talent company and one of the largest employers worldwide, our success begins and ends with our people. We hold ourselves to the highest standards of respect for human and labour rights within our sphere of influence, across our value chain, and wherever we do business. Ensuring fair and ethical recruitment and employment practices and working conditions is – and must be – a fundamental principle of how we operate.

Our policy commitment

In 2023, we officially launched our new Group Human and Labour Rights Policy, which is publicly available on our website (https://adeccogroup.com/our-group/sustainability/governance). Building on our Code of Conduct, it sets out the Adecco Group's respective commitments, approach, and global minimum standards, and outlines the responsibilities and processes that will drive its implementation. It also describes the rights most likely to be affected by the business activities of a talent solutions company like ours. Our efforts are guided by international, national, and industry-specific norms and standards in this field. These include the core labour conventions of the ILO, the UN Guiding Principles for Business and Human Rights, and the World Employment Confederation Code of Conduct.

In 2023, we started to trial different training approaches to bring the policy to life and ensure different groups within the business understand how it relates to their day jobs. For example, for our Southern Europe and EEMENA region we conducted an online workshop with representatives from Candidate/Service delivery, HR, Sales, and Compliance. These efforts will continue into 2024, when we will also explore the roll out of a more formal attestation process.

Our approach to human rights due diligence

To ensure a strategic, risk-based approach, for each business segment we mapped where in the value chain key risks and/or impacts may arise, the potential exposure, and potential dependencies that might have an impact on the exposure (e.g., cross-border activities, specific geographies, particularly exposed sectors, and vulnerable segments of the population). Building on this assessment, we are prioritising our efforts in our temporary staffing business. Involving experts from across the Group, we developed a catalogue of 38 salient risks across the candidate and associate journey. For each of our operating countries, we assessed the controls in place to manage these risks. Based thereon we compiled risk matrices by risk category, country, region, and at Group level. This in turn enables us to implement improvement actions where globally defined minimum standards are not yet met and/or where the level of control is not yet commensurate with the likelihood and potential impact of such a risk materialising. In many areas, risk factors are already integrated into our global internal control framework, ensuring a higher level of control and regular review. Where this is not yet the case, we will continue the assessment and potential integration in 2024. Any findings will then also be considered in the scheduling of upcoming internal audits.

Our industry is unique in that we do not directly control the work environments we place our associates in. This is acknowledged by applicable legislation, often placing primary responsibility for a healthy and safe working environment at the client company. For us, however, it is of utmost importance to ensure they are properly trained and equipped for the respective role ahead. Where relevant, we also conduct workplace health and safety due diligence on client premises, may provide for periodic health checks, and work with our partners to check they adhere to excellent safety standards and adequately supervise associates. We remain committed to taking every necessary step and precaution to ensure that our people are healthy, safe and in work. Our purpose is to make the future work for everyone – and we want to do this safely.

We also assess human and labour rights risks in new capital transactions, such as when exploring acquisitions or expanding into new territories or service lines. In 2023, we took further steps to institutionalise this process and provide supporting guidance to relevant stakeholders.

Our approach to preventing child labour specifically

New Swiss legislation requires companies based in Switzerland to assess whether there are reasonable grounds to suspect that products or services offered have been manufactured or provided using child labour. Our commitments to preventing child labour are clearly set out in our Code of Conduct, Group Human and Labour Rights Policy, and Third-Party Code of Conduct, all publicly available on our website (https://adeccogroup.com/our-group/sustainability/governance/). To prevent child labour within our temporary and permanent recruitment business, we assessed the level and type of controls in place to ensure that the age of workers and their work permits are verified prior to their placement into jobs. Given the significance of this risk to the rightsholders as well as our organisation, the controls are particularly strong in this area and already integrated into our global internal control framework.

We expect our suppliers to adopt similar standards for their own operations and supply chain, as described in our Third-Party Code of Conduct, and assess this through our supplier assessment process, with enhanced due diligence required for specific supplier categories (see section 7).

Our due diligence and risk management programmes are supported by multiple channels through which colleagues, associates, suppliers, and third parties may raise concerns. During the financial year 2023, to the best of our knowledge, we received no grievances about suspected or actual child labour in our own operations or direct supply chain.

Based on the above, we consider the Adecco Group to be in compliance with the due diligence obligations regarding child labour for the reported period of 2023.

Ensuring a responsible approach to AI

The rapidly increasing deployment of AI technologies presents significant opportunity, and we are well positioned to seize new Generative AI (GenAI) technologies with our pioneering Microsoft collaboration and our GBU-powered AI solutions. These seek to accelerate the integration of GenAI into various facets of workforce development, aiming to enhance value for clients, candidates, and associates worldwide.

But they also bear a certain amount of risk from a human rights perspective, for example as regards bias or accessibility. As a people-focused business, we are conscious of our responsibilities in this respect and are fully committed to ensuring human centricity and a responsible approach remain at the core of this transition. In 2023, we strengthened our Responsible AI Committee, established with the purpose to ensure the Adecco Group's purchase, development, implementation, and use of AI aligns with our commitment to responsible AI. The Committee now consists of the Chief Digital and IT Officer, Chief Sales and Marketing Officer, the global AI lead, senior representatives from each of our GBUs, and the global heads of Talent, Legal IT/Digital & Data Privacy, Sustainability, and Public Affairs.

We also developed the Adecco Group's Responsible AI Principles as well as a set of guiding questions to support their implementation and assess new AI use cases as they emerge, and are applicable across the whole Group. We want to achieve a responsible use and development of AI across the Adecco Group. This means adhering to five overarching principles: ethical, human-centric, transparent, safe, and lawful. We are currently testing these principles based on a first set of AI use cases.

2024 will then see the roll out of a corresponding Group Policy on Responsible AI, as well as an AI Governance Standard, setting out uniform minimum standards, the assessment and periodic review process, and procedural elements relating to the governance of AI use cases.

For those who believe they are victim of a wrongful use of AI by the Adecco Group and its representatives, access to remedy procedures is publicly available, as set out on our website (https://www.adeccogroup.com/our-group/about-us/reporting-misconduct/).

Engaging in European social dialogue

Social dialogue plays an important role in safeguarding human and labour rights. As a Group, we maintain direct contact with global trade unions and trade union confederations. We are an active participant in the European Sectoral Social Dialogue for Agency Work. In 2023, we were awarded funding for a joint capacity building project for national level sectoral social partners and published joint recommendations on the European year of skills. We have dedicated social dialogue and collective bargaining set up in several countries.

Our Adecco Group European Works Council (Adecco Group EWC) continued our European social dialogue between the Adecco Group management and European employee representatives. In 2023, we started a new four-year mandate, with 28 employee representatives of 22 countries and their substitutes being designated across Europe in accordance with local legislation. We had several meetings in 2023 including our Annual Steering Group meeting in Belgium in May, our Annual Plenary Meeting in Portugal in October over four days, and monthly virtual working group meetings starting in July on the topic of Future@Work Reloaded and G&A savings. Employee representatives were on-boarded and received training at the plenary meeting on how to carry out their role effectively. Transnational topics discussed included, for example, the financial situation of the business, investments, updates from the Group's three GBUs, and workforce-related topics such as further advancing employee retention plans, employee engagement, and company values. There were also regular updates including an extraordinary meeting to inform and consult the EWC members about a project of the shared services centre.

Following the acquisition of AKKA, work began to integrate the AKKA Societas Europaea Works Council (SEWC) into the Adecco Group EWC by 1 January 2024. Management and employee representatives agreed to involve Akkodis (AKKA and Modis) in the election or appointment processes of employee representatives of the Adecco Group EWC. As a result, some Akkodis employees started their mandate as employee representatives or substitutes of the Adecco Group EWC as of 2023. We also started to review our Adecco Group EWC Agreement, with appointed members of the Adecco Group EWC Steering Group, AKKA SEWC Bureau, and management attending four meetings in person in Milan, Brussels, Marseille, and Stockholm, with a view to ensuring the future Agreement takes into account all GBUs. By year-end, the AKKA SEWC nominated three additional AKKA members and their substitutes to join the Adecco Group EWC as of 1 January 2024.

The European social dialogue offers the opportunity for management and European employee representatives to have discussions and employee input on the ongoing progress of the Adecco Group strategy execution and its implication for our employees within Europe.

6. Leading with integrity and compliance

We provide work and training for millions of people worldwide each year and ensure our clients have the talents and services they need to be successful and competitive. The trust placed in us comes with a great responsibility and clear expectations – that we act with integrity as a reliable, competent, and compliant partner. Honouring this responsibility is key to our sustainable success and forms the basis of our culture.

Code of Conduct

2023 saw the official launch of our new Code of Conduct. It sets out our standards for doing business in the right way, by acting with integrity and conducting our business sustainably and responsibly to positively impact society. Covering a broad range of topics including respecting human rights, health and safety, diversity, ensuring fair competition, data privacy and financial integrity, and engaging in political activities, it details the behaviours we expect from our colleagues and associates towards each other and our candidates, business partners, clients, suppliers, and anyone else we work with.

The Code was rolled out in phases across all countries the Adecco Group operates in and is available in 26 languages to ensure its content is more easily accessible. As part of the implementation, all Adecco Group colleagues were assigned a new mandatory Code of Conduct e-learning course to complete and were requested to sign a Code of Conduct attestation, confirming that they understand, accept, and comply. Each new colleague joining is automatically enrolled both in the mandatory training and attestation process as part of their onboarding. To help every colleague do the right thing when making business decisions, our resource hub helps colleagues and leaders access additional content including links to relevant policies, examples of expected behaviour, or FAQs.

Our Code of Conduct is publicly available and can be found on our website (https://adeccogroup.com/our-group/about-us/code-of-conduct/).

Anti-bribery and anti-corruption

We do not tolerate any type of bribery and corrupt business practices, due to the devastating effects they can have on society, communities, businesses, and individuals. We win because of the quality of our services. We will investigate all reported or suspected violations. Serious violations can result in disciplinary action up to and including termination of employment or termination of mandate with the Adecco Group. All our rules apply across our entire footprint, and we expect any agent and supplier to comply with our standards when conducting business with or acting on behalf of the Adecco Group.

Our Group-wide policy and core business standards and controls including periodic risk assessments, set out the tone from the top and minimum requirements to be complied with across the Group. This is complemented by mandatory e-learning on preventing bribery and corruption, which covers the most important topics and provides practical guidance to colleagues. As some functions are exposed to a higher risk of bribery and corruption, colleagues who have sales, procurement or financial-related responsibilities may receive additional training.

We have established procedures in place so that concerns of actual or suspected violations of our policy and standards can be raised, investigated, and reported. See next section, 'Speaking up'.

We regularly audit our approach to ensure it is being followed across the Group and remains effective in a changing risk landscape. In 2023, we started the process to review and revise our policy and processes related to anti-bribery and corruption to make sure they evolve in line with best practices and stakeholder expectations and are aligned with the Group's overall new third-party risk management. We are also piloting a new supplier due diligence questionnaire integrated into our new online third-party risk management platform.

During the course of 2023, no cases of bribery or corruption were reported which were classified as material.

Compliance training

	2023	2022
Code of Conduct attestations	85%	–
Anti-bribery and corruption e-learning	86%	85%

Speaking up

Our reputation is one of our most valuable assets, determined not least by the way each of our employees conducts their respective work responsibilities. Unlawful or improper behaviour by even a single person can cause the Adecco Group and its stakeholders considerable harm. We thus encourage and count on our people to raise any concerns they have relating to potentially improper business conduct and report any actual or suspected misconduct. Concerns can be raised through various channels, around the clock, including anonymously. Doing so enables us to support the fair and consistent enforcement of our rules and take action to prevent further inappropriate behaviour, ensuring our practices are in line with our values and ambitions for responsible business conduct.

Depending on their significance (e.g., potential impact on stakeholders, financial impact, seniority of the subjects potentially involved), reported cases are divided into different categories (red, yellow and green) which determines the further handling of a case, with regular reporting to the Board of Directors' Audit Committee and senior management. If a report of misconduct is substantiated, the Group will take remedial actions as appropriate, which may include disciplinary actions, training or process improvements, awareness campaigns, implementation of new controls, and if required, referring the matter to relevant authorities.

In 2023, the two most reported categories were:

- improper workplace conduct (25%);
- deception (19%), including e.g., embezzlement or timecard fraud.

58 cases reported in 2023 (23%) included allegations of discrimination and/or harassment.

	2023	2022	2021
New cases reported	249	191	146
Red cases	4%	2%	3%
Yellow cases	7%	11%	14%
Green cases	89%	87%	83%
Reported through the Adecco Group Compliance & Ethics hotline	59%	69%	68%
Reported through other channels (e.g., management)	41%	31%	32%
Cases closed	329	227	100
Proven	20%	21%	35%
Not proven	21%	40%	30%
Inconclusive	13%	10%	7%
Not related to misconduct/not appropriate for investigation	46%	29%	28%

7. Sourcing responsibly

Our business depends on a competitive, globally balanced, and localised network of business partners. We expect our business partners to show the same commitment to acting responsibly that we have. As a leading, globally operating corporation we can make a positive contribution to sustainable development by carefully selecting our suppliers and proactively working to identify, manage and mitigate economic, social, governance, and environmental risks and where possible turn them into opportunities. We do so to protect our reputation and ensure that we are not involved in activities that do not adhere to our own standards of responsible business conduct. This may refer to specific products or services, individual companies, or specific industries. While they may be perfectly legal, they can also expose us (and potentially our stakeholders) to reputation, financial, or other risks.

To assess and manage such risks more strategically and consistently across the Group, we are introducing a more comprehensive, third-party due diligence framework. It follows international best practice standards and the principles and approach of the UN Global Compact, the UN Guiding Principles for Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Our Third-Party Code of Conduct is central to our supplier selection process. It is publicly available on our website (https://adeccogroup.com/our-group/sustainability/sourcing-responsibly/). It lists the fundamental global principles we expect our suppliers to adhere to across all our operations, covering a broad range of topics in the areas of business integrity, human rights and employment practice, and environmental protection. We aim to ensure consistency across the diverse environments we operate in. While every supplier operates independently, we expect all our suppliers to act in compliance with all applicable laws, regulations, and relevant international standards.

We verify and monitor supplier compliance through a formal assessment process, including:

- Mandatory purchase orders that must include the commitment to our Third-Party Code of Conduct in the conditions of purchase.
- Supplier assessment and qualification based on the following risk areas: economic crime and trade sanctions, country risk, data privacy, information security, human and labour rights (including e.g., child labour, forced labour, and working conditions), environment, conflict of interest, financials, and general compliance risks.
- Supplier evaluation and monitoring, including recurring screenings, health-checks, risk assessments, and supplier base optimisation. The frequency is risk-based, commensurate with the products and services that we buy.
- Contracting, with contracts having to include the contract clause committing the supplier to our Third-Party Code of Conduct and which defines self-assessment and audit rights.

We offer an independent channel for internal and external stakeholders, including suppliers, to raise any concerns relating to potentially improper business conduct and to report any actual or suspected misconduct, including violations of the Third-Party Code of Conduct.

Implementation of this enhanced method follows a staggered, risk-based approach appropriate to our business. In 2023, we launched it to global headquarter agreements and German entities, to ensure compliance with newly introduced legislation, while testing the new platform and processes in a controlled environment to make any necessary adjustments prior to rolling it out to EU/EFTA entities during 2024 into 2025 and subsequently across the whole Group. This will then also enable quantitative reporting on relevant metrics, such as suppliers assessed, compliance with our requirements, and supplier diversity. Extensive training is provided to procurement teams, business owners, and control groups as they are being onboarded to this strengthened approach.

Compliance with Swiss legal requirements in relation to minerals and metals from conflict-affected and high-risk areas

Newly introduced Swiss legal requirements require companies based in Switzerland to assess whether minerals and metals imported into and processed in Switzerland by the respective company originated from conflict-affected or high-risk areas.

Based on our assessment of the portfolio of suppliers for Swiss-based entities and the headquarters location for financial year 2023, taken together with a broader consideration of the nature of our business as a talent and technology expertise provider, our supporting business model, and understanding of our business, we have concluded that the Adecco Group cannot be considered to import for placement in free circulation or process in Switzerland minerals or metals, neither in general nor in excess of the quantitative thresholds stipulated by the law. We thus consider ourselves to be exempt from the respective due diligence and reporting obligations on minerals and metals from conflict-affected and high-risk areas.

8. Environmental matters

Our commitment to helping safeguard the planet for future generations and minimising our own impact on the environment is an important part of our purpose. We are supporting the transition to a green economy through our core business while continuing to work on reducing our own carbon emissions footprint, promoting the responsible use of natural resources, and integrating environmental considerations into core business processes, across our value chain.

Our environmental targets

In 2020, we committed to reducing our carbon emissions by 50% by 2030 (with 2018 as baseline), both in terms of absolute emissions and intensity (per unit of revenue and FTE, for Scopes 1 and 2). In 2022, we formally committed to setting science-based targets through the Science Based Targets initiative (SBTi).

Over the course of the last 18 months, we invested substantial capacity to update our emissions inventory to close existing data gaps and include additional emissions sources not previously measured, such as e.g., the commuting of our people and strategic data centres, and to cover the full scope of entities under our operational control. We then recalculated the emissions data for previous years to align with the new SBTi methodology and boundaries. We also aligned on 2019 as our new baseline year, given that the years 2020-2022 would not be indicative of our footprint due to the impact of Covid-19 pandemic measures such as office closures and travel restrictions.

These emissions inventory and boundary enhancements enabled us to set near-term (2030) and long-term (2050) net-zero targets, including detailed year-on-year reduction paths, which we submitted to the SBTi for validation in November 2023. We will publish our science-based targets on our website and subsequent annual reports once they have been formally validated. We currently expect validation in Q2 2024.

To achieve our objectives, we have furthermore set the following supporting targets:

- Using 100% renewable electrical energy in our operations by 2030;
- Transitioning 100% of our car fleet to low emission or energy efficient alternatives by 2030; and
- Reducing emissions from business travel by at least 50% (with 2019 as baseline) by 2030.

Our climate-related governance framework

We have several policies, standards, and procedures in place that translate our commitments and expectations into our daily business, such as our Code of Conduct and new Group Environmental Policy. This articulates and formalises the Group's commitment and approach related to environmental impact management, sets out our global minimum standards, and describes the responsibilities and processes that are needed for their implementation. It was formally rolled out in 2023 and is complemented by our Third-Party Code of Conduct, the Group Procurement and Real Estate Policy, and further global and country-level policies and guidelines addressing environment-related matters. For further details, please refer to our Group Environmental Policy and complementary position statement which are publicly available on our website.

We have integrated material aspects into our internal control standards to ensure we have adequate, minimum operational measures and controls in place to achieve our respective objectives at local and Group levels.

Climate-related topics are an integral part of our existing sustainability governance structure and relevant topics are discussed with the Board and its Committees where and when required, e.g., as part of the update on the Group's (new) sustainability framework or as part of the regular updates on non-financial reporting.

Managing climate-related risks

Our Group enterprise risk management process covers the risk categories which can have a significant impact on our financial results or strategic achievements, as well as objectives related to sustainability considerations. Because of the nature of our business, we do not currently consider climate-related risks as a standalone risk category or conduct standalone climate scenario analysis, but potential aspects are captured within the defined risk categories as deemed material.

Relevant risks currently considered for the Adecco Group include:

- *Climate-related regulation* at both national and international level can have an influence on both our own operations as well as those of our clients. In particular, it could have an impact on their skills and capacity needs as well as expectations of their suppliers as regards climate risk and performance management. The relevant Group functions monitor and report material regulatory and legal developments to leadership on a regular basis, including an outline of corresponding mitigation and action plans. Given increasing regulation in climate-related areas, this risk category is considered increasingly important.
- *Technology* is both a driver of climate change as well as an important part of the move towards a zero-carbon economy. These changes could have a significant impact on the business models of our clients and thus their skills and capacity needs from us. For example, the automotive industry is undergoing drastic changes to their established business models and the talent and skills they require due to the increasing switch to electric vehicle production. This may present a risk to our business in terms of the talent they recruit from us, but at the same time provides an opportunity to support them in this transition through the provision of up- and re-skilling as well as outplacement services.
- While the climate-related *legal* risk for our own operations may be limited, this is likely to be different for some of our clients. Companies are increasingly held accountable for their approach to climate protection and environmental performance, as well as any claims they make. We are strengthening our third-party risk management practices across our value chain, including business acceptance standards, as well as our non-financial reporting and external assurance processes, to manage respective risks more strategically and further build trust in the credibility of our efforts.
- *Reputation* risk arises when a business does not live up to public commitments made in environmental stewardship or meet stakeholder expectations when it comes to responsible business conduct. We build our business on an unwavering commitment to behaving responsibly and adhering to applicable laws, regulations, the Group's Code of Conduct, and internal policies. A reputation risk management framework within our broader enterprise risk management was developed early in 2021. It focuses on prevention (e.g., training, third-party risk management), monitoring, mitigation, and crisis management (e.g., defined processes and responsibilities), with clearly assigned owners for each.
- The risk of *physical* impacts to our people and operations is not currently deemed material as we are not a major owner of real estate. However, we may face a higher exposure on the business side if client facilities and their supply chains are affected by physical risks, with potential impacts on their talent needs or the talent we place with them. The Group's leading position in most major geographical markets and diversified portfolio of solutions provides some natural hedge. Despite this, we are focused on closely monitoring the developments that may influence our clients' demands and their impact on our value creation.

Our ongoing efforts to revise our sustainability framework and underlying materiality analysis, including alignment with upcoming EU legislation, may result in an update of this assessment to reflect a better understanding of interrelated risks and opportunities.

Our approach and progress

Our climate-related efforts focus on two distinct pillars:

Firstly, we seek to help facilitate a human-centric green transition to a zero-carbon economy through our core business. This year, Adecco Training in Italy was a key partner in the design and implementation of a highly innovative, effective, and sustainable Hydrogen Skills Strategy that will address the talent needs of the rapidly expanding and evolving hydrogen value chain. The project addresses the skills needs of workers in declining sectors in order to provide them with up- and re-skilling opportunities that will enable them to access new employment opportunities in the green sector. Akkodis developed a digitally connected and sustainable mobility ecosystem, helping to accelerate the green transition and the future of clean eMobility. The unique concept is comprised of various electrically powered modes of transport such as e-bikes, e-scooters, and e-cars. At the core of this concept is the Akkodis Smart Battery, a modular battery system that can be easily interchanged amongst a variety of transport modes. The battery is highly flexible – the size and interface are standardised, yet different battery chemistries and cell types can be used inside the module. The idea behind the smart ecosystem is not limited to the transport sector, but extends to all battery-powered applications, contributing to a sustainable, circular economy.

We also published the Adecco Group Green Talent Potential Index, which compares the ability of G20 countries to achieve their green transition objectives from a labour market perspective, considering talent transition frameworks and workforce readiness. We used the insights generated to engage with key institutional and governmental stakeholders at UN climate conference COP28 to advocate for more urgent action in these critical areas and to create a clearer link to climate with labour market action.

Secondly, we are making good progress in our work to reduce the Group's environmental footprint, as shown by our continued

Proportion of electricity from renewable vs non-renewable sources:

Electricity consumption and mix	**2023**	2022
Consumption of purchased electricity from renewable sources (MWh)	**26,767**	15,515
Share of renewable sources in total electricity consumption (%)	**43%**	25%
Consumption of purchased electricity from non-renewable sources (MWh)	**35,126**	46,877
Share of non-renewable sources in total electricity consumption (%)	**57%**	75%

downward emissions trajectory. Over the course of the reported year, we saw an overall emissions reduction of 2%, broadly in line with our target after outperforming in 2022.

In our largest markets, we have accelerated our transition to renewable electricity. Our Italian and German operations are now running on primarily renewable electricity, together with our operations in France, the Netherlands, Norway, and the UK. We are also transitioning a number of key headquarter locations across the globe, including in Japan and our global headquarters in Switzerland. All of these efforts contributed to a 26% year-on-year reduction in emissions from purchased electricity, and a 65% reduction in Scope 2 emissions since 2018.

We have continued to decarbonise our car fleet, particularly in Japan and across our Akkodis organisation. However, with the lifting of Covid-19 travel restrictions across our markets, we saw a sharp increase in business-related travel, effectively returning to pre-pandemic levels. We will continue to focus our efforts on carrying out cost-effective, business critical travel going forward.

One of the key improvements we made in 2023 was the launch of an annual carbon emission reduction planning process in our 12 largest markets. This aligns with the Group's financial budgeting process, to ensure investments in reduction measures are synchronised with the financial budget. The aim is to translate global targets into local action that allows us to deliver on our global commitments and annual reduction pathway.

Our approach focuses firmly on measuring, managing, and reducing our carbon emissions. While we recognise the importance of other environmental considerations such as air pollution, water consumption, biodiversity, and land and resource use, these are not material to our business as a talent and technology expertise provider and thus not in focus of our efforts.

Measuring our footprint

The Adecco Group reports in line with the Greenhouse Gas Protocol. We currently collect data from 20 of our markets plus our Swiss headquarters, representing 90% of our workforce and more than 91% of global revenues. To account for 100% of our operations, missing values of reporting countries are modelled, and the total of all reporting countries is then extrapolated for non-reporting countries of the Group. This is calculated based on factors such as office square footage, number of FTEs, and recognised standards such as the Greenhouse Gas Protocol and the ecoinvent database, taking into consideration factors such as country energy mix or heating degree day per country.

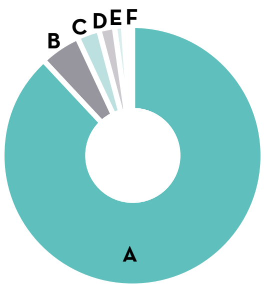
In 2023, we accelerated our environmental reporting timeline to align to our financial reporting timeline. To enable this, we report our emissions for the 2023 calendar year based on nine months of actual data (as at 30 September), which is then extrapolated to annual estimated values aligned with recognised practice. We have updated our emission factors used to align our calculation approach with more recent climate science.

We expanded our measurement capabilities and our emissions inventory to include additional sources of emissions not previously measured. This includes the commuting of our complete employee, consultant, and associate populations – the most significant contributor to Group emissions. Our calculations were based on surveys conducted with target populations, having received feedback from 22 countries, enhanced with publicly available benchmarks and databases. We applied a country-specific commuting distance per FTE, reflecting commuting options including travel by walking/cycling, public transportation, and automobile (divided into different engine configurations). Data was extrapolated to account for our full global commuting population.

A detailed overview of the reporting scope and methodology can be found on our website (https://adeccogroup.com/our-group/sustainability/measurement-reporting/).

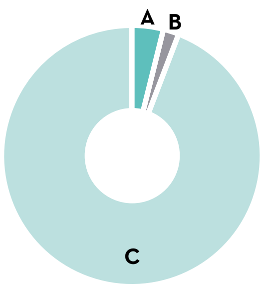
While we await validation of our recently submitted science-based targets, we continue to report against our original target of reducing our carbon emissions by 50% by 2030, updated to reflect more recent emission factors and the acquisition of AKKA Technologies, and include emissions from commuting. Emissions reported for our base year 2018 have been restated to reflect these updates.

2023 GHG emissions split by source



- **A** – Commuting – 89% (0 Pt YoY)
- **B** – Transport own vehicles – 5% (+1 Pt YoY)
- **C** – Business travel – 3% (+1 Pt YoY)
- **D** – Purchased electricity – 2% (-1 Pt YoY)
- **E** – Heating & cooling – <1% (0 Pt YoY)
- **F** – Rest[1] – <1% (0 Pt YoY)

2023 GHG emissions split by scope[2]

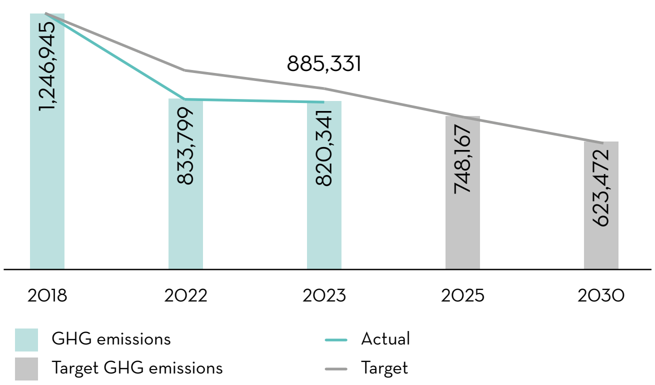


- **A** – Total Scope 1 – 4% (0 Pt YoY)
- **B** – Total Scope 2 – 2% (-1pt YoY)
- **C** – Total Scope 3 – 94% (+1pt YoY)

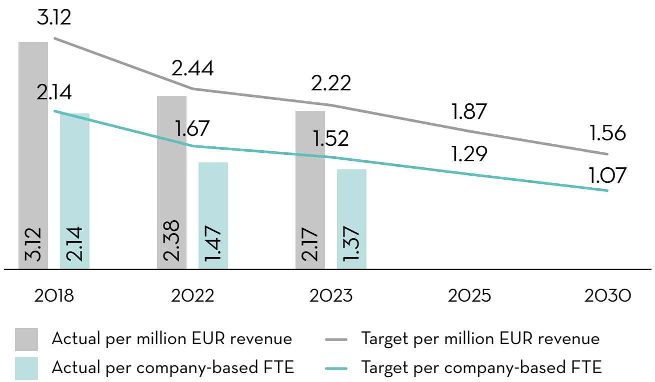
1 Activities subsumed under 'Rest' include office supplies such as electronic equipment, paper and toner, as well as waste and water.

2 Scope 1: Direct emissions from owned or controlled sources (e.g., business cars, heating using oil and/or natural gas).
Scope 2: Indirect emissions from the generation of purchased energy (e.g., conventional and renewable electricity, energy for cooling). Scope 2 emissions are calculated according to the Greenhouse Gas Protocol's market-based methodology.
Scope 3: Other indirect emissions occurring in the value chain (e.g., commuting, air travel).

2023 GHG emissions vs. target
(metric tonnes CO_2e, Scopes 1, 2 and 3[1])



2023 intensity performance vs. target
(metric tonnes CO_2e, Scopes 1 & 2[1])



Greenhouse gas (GHG) emissions (metric tonnes CO_2e)

Scope[1]	**2023**	2022	2018 (baseline)[2]	YoY Change	Vs Baseline
Scope 1 (Direct Emissions)	**37,299.89**	35,830.99	52,496.02	4.1%	-28.9%
Scope 2 (Indirect Emissions, market-based)	**14,619.99**	20,439.36	41,366.62	-28.5%	-64.7%
Scope 3 Total	**768,421.32**	777,528.42	1,153,082.18	-1.2%	-33.4%
Scope 3.1 (Purchased goods and services)	**462.21**	509.21	601.27	-9.2%	-23.1%
Scope 3.2 (Capital goods)	**4,352.95**	4,364.97	4,679.09	-0.3%	-7.0%
Scope 3.3 (Fuel and energy-related activities)	**11,979.17**	12,225.51	20,805.84	-2.0%	-42.4%
Scope 3.6 (Business travel)	**20,625.87**	18,636.21	38,002.68	10.7%	-45.7%
Scope 3.7 (Employee commuting)	**730,861.77**	741,653.17	1,088,993.30	-1.5%	-32.9%
Scope 3.13 (Downstream leased assets)	**139.35**	139.35	–	0.0%	100.0%
Total Emissions	**820,341.20**	833,798.77	1,246,944.82	-1.6%	-34.2%

1 Scope 1: Direct emissions from owned or controlled sources (e.g., business cars, heating using oil and/or natural gas).
Scope 2: Indirect emissions from the generation of purchased energy (e.g., conventional and renewable electricity, energy for cooling). Scope 2 emissions are calculated according to the Greenhouse Gas Protocol's market-based methodology.
Scope 3: Other indirect emissions occurring in the value chain (e.g., commuting, air travel).

2 Following further investment in expanding our measurement capabilities and emissions inventory, 2018 figures have been restated to reflect more recent emission factors and the acquisition of AKKA Technologies, and include emissions from commuting.

9. Governing our approach

Strong governance structures and clear lines of accountability at every level of the organisation enable us to deliver on our ambition and commitments. We take a hybrid approach, combining top-down oversight and frameworks with bottom-up ownership, strategies, and input. We monitor the effectiveness of our structures closely and adapt them in line with evolving organisational changes and realities. These continual reviews ensure our governance approach is always fit for purpose, reflective of the stage we are at in our journey, and best address momentary needs.

In 2023, we made two noteworthy changes to our sustainability governance:

- We elevated the responsibilities of the Sustainability Activation Committee to be assumed by the full Executive Committee (EC). Sustainability was introduced as a standing agenda item in the extended EC quarterly meetings. Four discussions were held in 2023 (in addition to bilateral meetings with the CEO and individual EC members), aligning on the ambition for sustainability for the Group, signing off 2023 priorities, guiding the strategy review process, and endorsing its results.

  This change in governance creates stronger business ownership of our strategies from the beginning and encourages streamlined, fast-tracked decision-making. We may consider re-introducing an Activation Committee once the strategy design process and action planning are concluded to drive day-to-day implementation of our approach, including updating its composition to reflect new priorities.
- We formally integrated sustainability-related responsibilities into the mandate of the Country Presidents. This role was introduced in our 12 largest markets to coordinate and drive a holistic country roadmap that supports growth and efficiencies while ensuring tight alignment to the Adecco Group's and GBU strategies. The Country Presidents are responsible for defining the in-country sustainability roadmap based on our global framework and targets and ensuring the tone from the top in ethical leadership. In this role they are supported by the existing sustainability and topic leads at country level. Quarterly calls with all country leads as well as an annual summit (held virtually in 2023) ensures continued engagement, alignment, capacity building, and learning.

Ultimate oversight for sustainability remains with the Board of Directors, supported by the Governance and Nominations Committee (GNC) and Audit Committee (AC) respectively. In 2023, relevant sustainability-related topics were discussed twice with the full Board of Directors, once with the GNC, once jointly with the GNC and AC, and three times with the Audit Committee.

To reinforce accountability for our approach, sustainability is further integrated into our remuneration framework. The short-term incentive plan (STIP) scorecard for EC members contains KPIs that tie to select sustainability dimensions, such as gender parity. During 2024, we will continue to reflect on how our incentives can drive the delivery of our sustainability ambition through the selection of corresponding metrics that are stretching, measurable, and material to the business model of the Group. This will be a particular focus as we review the long-term incentive plan (LTIP).

10. Measuring progress

Non-financial reporting is a fast-evolving field to make information more accessible and comparable to stakeholders. We are committed to continuously enhancing what we disclose and how, in line with and in anticipation of regulatory developments. We will regularly consider international frameworks and standards, and request feedback from shareholders and stakeholders to ensure our approach is effective.

For this non-financial report, the Group has used its best endeavours to disclose its progress in the addressed areas. In doing so, the Group relied on internal and external third-party data and information which was reviewed based on current methodologies and understandings. It also includes estimates which are labelled as such. The information given may be subject to review and amendments.

In 2023, we undertook several important steps to strengthen our non-financial reporting:

- We aligned the organisational boundary and reporting timeline to the financial reporting scope of consolidation. All material non-financial matters are reported within the Group's annual report.
- The Group has historically reported its environmental metrics with a one-year time lag, up to and including the 2022 reporting period. This was in line with generally accepted reporting standards at that time and reflective of the fact that energy consumption invoices are often not yet available at time of financial year-end closing. As of 2023, we have aligned environmental with financial reporting cycles, reporting based on Q1-Q3 actuals, with Q4 results modelled based on YTD activity and recognised standards.
- We have disclosed more granular non-financial metrics in our 2023 Annual Report, such as additional employee diversity indicators and more granular environmental disclosures. Metrics disclosed will be further expanded year-on-year.
- We included enhanced qualitative disclosures describing the Group's business model, policies, and material risks, all in one separate non-financial report, rather than in an integrated manner throughout the annual report. Additional information is available on our website.

Sustainability reporting overview

The following provides an overview of the quantitative sustainability-related performance data disclosed throughout this non-financial report, for ease of reference. Selected KPIs that have been assured by EY are marked by a "✓" symbol in the tables below.

Our performance

Governance and Compliance

	2023		2022
Corporate income taxes paid (EUR millions)	146		227
Sales taxes paid (EUR millions)	2,737		2,701
Employer payroll and social security taxes paid (EUR millions)	3,163		3,253
Number of new misconduct cases reported	249	✓	191
• Proven	20%		21%
• Not proven	21%		40%
• Inconclusive	13%		10%
• Not related to misconduct/not appropriate for investigation	46%		29%
Number of new misconduct cases reported which include allegations of discrimination and/or harassment	58	✓	n.r.

Social Matters

	2023		2022
Individuals at work (number of flexible placements)[1]	474,167	✓	481,132
Individuals at work (number of flexible placements)[1]; gender representation (female/male)[2]	41% / 59%	✓	n.r.
Individuals at work (number of flexible placements)[1]; age group representation (≤30/31-50/>50)[2]	44% / 41% / 15%	✓	n.r.
Individuals placed (number of permanent placements)[3]	169,062	✓	182,666
External individuals up-/re-skilled	884,029	✓	773,604[4]

1 Excluding joint ventures
2 Reflects the respective gender/age representation in markets comprising 68% of total flexible placement revenues.
3 Including permanent placements in RPO.
4 2022 results have been restated to conform to current year presentation.

n.r. – previous year comparative data not presented

Employee Matters

Employees, including consultants, by gender and geography

	Total headcount	Female	Male	Other/Not Disclosed
Australia	1,557 ✓	55% ✓	44% ✓	1% ✓
Belgium	1,600 ✓	55% ✓	45% ✓	0% ✓
Canada	715 ✓	63% ✓	36% ✓	1% ✓
France	15,812 ✓	48% ✓	52% ✓	0% ✓
Germany	6,390 ✓	38% ✓	62% ✓	0% ✓
Italy	4,439 ✓	62% ✓	38% ✓	0% ✓
Japan	13,765 ✓	33% ✓	67% ✓	0% ✓
Netherlands	1,249 ✓	60% ✓	39% ✓	1% ✓
Spain	3,579 ✓	58% ✓	42% ✓	0% ✓
Switzerland	943 ✓	53% ✓	47% ✓	0% ✓
UK	2,827 ✓	60% ✓	40% ✓	0% ✓
USA	5,214 ✓	65% ✓	34% ✓	1% ✓
Rest of the world	14,348 ✓	64% ✓	36% ✓	0% ✓
Total	72,438 ✓	50% ✓	50% ✓	0% ✓

Employees, including consultants, by age group

15-20 years	0% ✓
21-30 years	32% ✓
31-40 years	34% ✓
41-50 years	21% ✓
51-60 years	11% ✓
60-70 years	2% ✓
>70 years	0% ✓

	2023	2022
Board of Directors gender parity	**56% female**	50% female
Executive Committee gender parity	**44% female**	30% female
Global Leaders gender parity	**34% female** ✓	36% female
Total turnover of employees, including consultants	**25%** ✓	28%[5]

Environment

Greenhouse gas (GHG) emissions (metric tonnes CO_2e)[6,7]

Scope	2023	2022	2018 (baseline)	YoYChange	Vs Baseline
Scope 1 (Direct Emissions)	**37,299.89** ✓	35,830.99 ✓	52,496.02	4.1%	-28.9%
Scope 2 (Indirect Emissions, market-based)	**14,619.99** ✓	20,439.36 ✓	41,366.62	-28.5%	-64.7%
Scope 3 Total	**768,421.32** ✓	777,528.42 ✓	1,153,082.18	-1.2%	-33.4%
Scope 3.1 (Purchased goods and services)	**462.21** ✓	509.21 ✓	601.27	-9.2%	-23.1%
Scope 3.2 (Capital goods)	**4,352.95** ✓	4,364.97 ✓	4,679.09	-0.3%	-7.0%
Scope 3.3 (Fuel and energy-related activities)	**11,979.17** ✓	12,225.51 ✓	20,805.84	-2.0%	-42.4%
Scope 3.6 (Business travel)	**20,625.87** ✓	18,636.21 ✓	38,002.68	10.7%	-45.7%
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Scope 3.13 (Downstream leased assets)	**139.35** ✓	139.35 ✓	–	0.0%	100.0%
Total Emissions	**820,341.20** ✓	833,798.77 ✓	1,246,944.82	-1.6%	-34.2%

Proportion of electricity from renewable vs non-renewable sources:

Electricity consumption and mix	2023	2022
Consumption of purchased electricity from renewable sources (MWh)	**26,767** ✓	15,515 ✓
Share of renewable sources in total electricity consumption (%)	**43%** ✓	25% ✓
Consumption of purchased electricity from non-renewable sources (MWh)	**35,126** ✓	46,877 ✓
Share of non-renewable sources in total electricity consumption (%)	**57%** ✓	75% ✓

5 Excluding turnover of employees, including consultants, from entities acquired in 2022
6 Following further investment in expanding our measurement capabilities and emissions inventory, 2018 figures have been restated to reflect more recent emission factors and the acquisition of AKKA Technologies, and include emissions from commuting.
7 The Adecco Group calculates Scope 2 emissions according to Greenhouse Gas Protocol's market-based methodology.

To the Board of Directors of Adecco Group AG, Zürich

Independent Assurance Report on selected KPIs included in the 2023 Non-Financial Report of Adecco Group AG, Zürich

We have been engaged to perform a limited assurance engagement (the engagement) on the metrics marked with a "✓" disclosed in Adecco Group AG's (the Group's) 2023 Non-Financial Report (the report) (page 52-53) for the reporting period from 1 January 2023 to 31 December 2023 and for the period from 1 January 2022 to 31 December 2022 where indicated (hereafter the KPIs).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.

Applicable criteria

Adecco Group AG defined as applicable criteria (applicable criteria):

- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) and
- Adecco Group AG's own methodology

A summary of the standards is presented on the GRI homepage and a summary of Adecco Group AG's own methodology is provided on its 'Reporting on our progress' webpage. We believe that these criteria are a suitable basis for our limited assurance engagement.

Responsibility of the Board of Directors

The Board of Directors is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the report are free from material misstatement, whether due to fraud or error.

Summary of work performed

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the underlying criteria and their consistent application
- Inquiries of company's representatives responsible for collecting, consolidating, and calculating the KPIs in order to assess the process of preparing the data, the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement
- Inspection of the relevant documentation of the systems and processes for compiling, analyzing, and aggregating sustainability data and testing such documentation on a sample basis
- Analytical procedures and inspection of documents on a sample basis with respect to the compilation and reporting of the KPIs
- Assessment of the Non-Financial Report regarding plausibility and consistency with the KPIs
- Testing, on a sample basis, underlying source information to check the accuracy of the data

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs for the reporting period from 1 January 2023 to 31 December 2023 and for the reporting period from 1 January 2022 to 31 December 2022 where indicated have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

/s/ Jolanda Dolente	/s/ Marco Casal
Jolanda Dolente Executive in charge	**Marco Casal** Partner

Zürich, Switzerland
12 March 2024

Applicable Corporate Governance standards

This Corporate Governance disclosure reflects the requirements of the Directive on Information Relating to Corporate Governance, issued by the SIX Swiss Exchange in force since 1 January 2023. The principles and the more detailed rules of Adecco Group AG's Corporate Governance are defined in Adecco Group AG's Articles of Incorporation (AoI; https://aoi.adeccogroup.com), its internal policies and organisational rules, and in the Charters of the Committees of the Board of Directors (Board) which are outlined in sections 3.8.1 to 3.8.4 (see pages 70 to 71 of this Annual Report).

The Adecco Group is committed to the highest international standards of corporate governance and supports the general principles as set forth in the Swiss Code of Best Practice for Corporate Governance, as updated in 2023 (published on 7 November 2023; https://www.economiesuisse.ch/de/publikationen/ swiss-code-best-practice-corporate-governance) (Swiss Code of Best Practice), as well as those of the capital markets where its shares are listed and traded. The Swiss Code of Best Practice was developed under the umbrella of economiesuisse, a representative body for Swiss businesses, and drafted in collaboration with experts at organisations including EXPERTsuisse, the Universities of Zurich and St. Gallen, the Swiss Bankers Association, and a number of large Swiss-based corporations.

The Swiss Corporate law was revised as of 1 January 2023. Among other things, the revision includes a strengthening of shareholder rights and modernisations. In addition, the provisions of the Ordinance Against Excessive Compensation at Listed Corporations were slightly amended and transferred to the Swiss Code of Obligations. Companies have to adapt their articles of incorporation to the revised law by 31 December 2024. The Company will propose the corresponding amendments to its Articles of Incorporation to the shareholders for approval at the 2024 AGM.

Statements throughout this Corporate Governance disclosure using the term 'the Company' refer to the Adecco Group, which comprises Adecco Group AG, a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities for which the Adecco Group is considered the primary beneficiary.

Corporate Governance information is presented as of 31 December 2023, unless indicated otherwise, as the statutory fiscal year of Adecco Group AG is the calendar year.

The Corporate Governance information included in this report is presented in Euro, except for information on shares, share capital and dividends, which is provided in Swiss Francs. Income, expenses and cash flows are translated using average exchange rates for the period, or at transaction exchange rates, and assets and liabilities are translated using the year-end exchange rates.

Structure, shareholders and capital

1. Structure and shareholders

1.1 Legal and management structure

Adecco Group AG is a stock corporation (Aktiengesellschaft) organised under the laws of Switzerland with its registered office at Bellerivestrasse 30, 8008 Zürich, Switzerland.

Adecco Group AG is listed on the SIX Swiss Exchange (symbol ADEN, security number 1213860; ISIN CH0012138605). As of 31 December 2023, the market capitalisation of Adecco Group AG, based on the number of shares issued, including treasury shares, and the closing price of shares on the SIX Swiss Exchange, amounted to approximately CHF 7.0 billion. On 1 March 2024, this market capitalisation amounted to approximately CHF 5.9 billion.

The Company delivers expertise in talent and technology, with leading positions across large, fragmented markets. Its portfolio addresses the multi-dimensional talent needs of its customers, with a comprehensive solutions offering including Flexible Placement, Permanent Placement, Career Transition & Mobility, Outsourcing, Consulting Services in engineering, digital and IT, Talent Advisory Services, Coaching, Training, Up-skilling & Re-skilling, and Other Services.

The Company is organised in three Global Business Units – Adecco, Akkodis and LHH. This structure is complemented by segments and service lines.

The primary segments consist of: Adecco France; Adecco Northern Europe; Adecco DACH; Adecco Southern Europe & EEMENA; Adecco Americas; Adecco APAC; Akkodis; and LHH.

The service lines consist of: Flexible Placement; Permanent Placement; Career Transition & Mobility; Outsourcing, Consulting & Other Services, Training, Up-skilling & Re-skilling.

The Company provides services to businesses and organisations located throughout Europe, North America, Asia Pacific, South America and North Africa.

As of 31 December 2023, the Company's EC was composed as follows (for more details, see section 4.1):

- Denis Machuel, Chief Executive Officer;
- Coram Williams, Chief Financial Officer;
- Christophe Catoir, President of Adecco;
- Jan Gupta, President of Akkodis;
- Gaëlle de la Fosse, President of LHH;
- Caroline Basyn, Chief Digital and IT Officer;
- Valerie Beaulieu, Chief Sales and Marketing Officer;
- Daniela Seabrook, Chief Human Resources Officer (since 1 January 2024);
- Ian Lee, President Geographic Regions; and
- Gordana Landen, Chief Human Resources Officer (until 31 December 2023).

The Company comprises numerous legal entities around the world. The major consolidated subsidiaries of the Adecco Group are listed on page 167 of this Annual Report. No subsidiary has shares listed on a stock exchange.

1.2 Significant shareholders

As of 31 December 2023, the total number of shareholders directly registered with the share register of Adecco Group AG was approximately 22,000; the major shareholders (above 3%) during 2023 and their shareholdings were disclosed to Adecco Group AG as listed in the following table, which shows the last notifications published on the SIX website up to 31 December 2023.

Please note that percentages of shareholdings refer to the date of disclosure unless indicated otherwise, up to 31 December 2023, and may have changed in the meantime.

For further details pertaining to the below-listed disclosures, refer to the following websites:

https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

or
https://www.adeccogroup.com/investors/shareholder-information/major-shareholders/
or
http://ir.adeccogroup.com/.

Investor	Date of SIX publication	Percentage of voting rights as disclosed
Akila Finance S.A.	25.04.2023	3.91%
BlackRock, Inc.	18.10.2019	5.19% purchase positions, 0.07% sale positions[1]
Franklin Resources, Inc.	08.12.2023	3.96%
Silchester International Investors LLP	22.04.2022	10.04%[2]
The Capital Group Companies, Inc.	28.03.2023	4.62%
UBS Fund Management (Switzerland) AG	11.10.2023	4.69%

1 As per current share capital: 5.03% equity, 0.07% sale positions.
2 As per current share capital: 10.12%.

As of 31 December 2023, Adecco Group AG is not aware of any person or legal entity, other than those stated above, that directly or indirectly owned 3% or more of voting rights in Adecco Group AG, as defined by the Swiss disclosure requirements. Adecco Group AG is not aware of shareholders' agreements, other than those described in the aforementioned disclosures, between its shareholders pertaining to Adecco Group AG shares held.

According to Art. 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA; applicable since 1 January 2016), anyone who directly or indirectly or acting in concert with third parties acquires or disposes of shares or acquisition or sale rights relating to shares of a company with its registered office in Switzerland whose equity securities are listed in whole or in part in Switzerland, or of a company with its registered office abroad whose equity securities are mainly listed in whole or in part in Switzerland, and thereby reaches, falls below or exceeds the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 33⅓%, 50% or 66⅔% of the voting rights, whether exercisable or not, must notify this to Adecco Group AG and to the Disclosure Office of the SIX Swiss Exchange. Such notification must be made no later than four trading days after the obligation to disclose arises.

For further information refer to section 7.1.

1.3 Cross-shareholdings

As of 31 December 2023, there were no cross-shareholdings exceeding 5% of a party's share capital.

2. Capital structure

2.1 Share capital

As of 31 December 2023, the share capital of Adecco Group AG registered with the Commercial Register amounted to CHF 16,842,656.10 divided into 168,426,561 fully paid-up registered shares with a nominal value of CHF 0.10 per share.

2.2 Authorised and conditional capital

The Board of Directors is authorised to increase the share capital in an amount not to exceed CHF 840,000.00 through the issuance of up to 8,400,000 fully paid-up registered shares with a nominal value of CHF 0.10 per share by not later than 14 April 2024. Authorised capital amounts to a maximum of CHF 840,000.00, which equates to 4.99% of the existing share capital of CHF 16,842,656.10. Increases in partial amounts shall be permitted. For details on the terms and conditions of the issuance/creation of shares under authorised capital, refer to Art. 3bis of the AoI (https://aoi.adeccogroup.com).

The conditional capital of CHF 1,540,000 divided into 15,400,000 registered shares with a nominal value of CHF 0.10 each is reserved for the exercise of option or conversion rights granted in relation to financial instruments such as bonds or similar debt instruments of Adecco Group AG or its affiliates. Conditional capital amounts to a maximum of CHF 1,540,000, which equates to about 9.14% of the existing share capital of CHF 16,842,656.10. The subscription rights of the shareholders regarding the subscription of the shares are excluded. The shareholders' preferential bond subscription rights in the issue of the bonds or similar debt instruments may be limited or excluded by the Board. The conditional capital is available for share issuance upon conversion of financial instruments Adecco Group AG or its subsidiaries may issue in the future. For details on the terms and conditions of the issuance/creation of shares under conditional capital, refer to Art. 3^{quater} of the AoI (https://aoi.adeccogroup.com).

If both, the authorised and the conditional capital were utilised as of 31 December 2023, the total increase would amount to a maximum of CHF 2,380,000.00, which is equal to approximately 14.13% of the existing share capital of CHF 16,842,656.10.

The Board will only make use of the authorisations to increase the share capital excluding pre-emptive rights up to 10% of the registered share capital.

In view of the revised Swiss Corporate law, the Board of Directors will propose to the 2024 Annual General Meeting to amend the AoI and to replace the authorised capital with a capital band.

2.3 Changes in capital

Adecco Group AG's share, authorised and conditional capital structure as of the dates indicated below were as follows:

	Issued shares		Authorised capital		Conditional capital	
in CHF millions, except shares	Shares	Amount	Shares	Amount	Shares	Amount
1 January 2020	**163,344,177**	**16.3**	**8,167,200**	**0.8**	**15,400,000**	**1.5**
Share cancellation	(220,000)	(0.02)	(11,000)	(0.0011)	n.a.	n.a.
31 December 2020	**163,124,177**	**16.3**	**8,156,200**	**0.8**	**15,400,000**	**1.5**
Share capital increase and change in authorised capital	5,100,000	0.5	(5,100,000)	(0.5)	n.a.	n.a.
31 December 2021	**168,224,177**	**16.8**	**3,056,200**	**0.3**	**15,400,000**	**1.5**
Share capital increase and change in authorised capital	1,626,772	0.16	(1,626,772)	(0.16)	n.a.	n.a.
Share cancellation	(1,424,388)	(0.14)	n.a.	n.a.	n.a.	n.a.
Renewal of authorised capital	n.a.		8,400,000	0.84	n.a.	n.a.
31 December 2022	**168,426,561**	**16.8**	**8,400,000**	**0.84**	**15,400,000**	**1.5**
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
31 December 2023	**168,426,561**	**16.8**	**8,400,000**	**0.84**	**15,400,000**	**1.5**

2.4 Shares and participation certificates

Adecco Group AG shares have a nominal value of CHF 0.10 each. All shares are fully paid-up registered shares and bear the same dividend and voting rights. Pursuant to Art. 7 of the AoI (https://aoi.adeccogroup.com), the right to vote and all other rights associated with a registered share may only be exercised by a shareholder, usufructuary or nominee who is registered in the share register as the shareholder, usufructuary or nominee with right to vote.

As of 31 December 2023, there were no outstanding participation certificates.

2.5 Bonus certificates

Adecco Group AG has not issued bonus certificates (Genussscheine).

2.6 Limitations on registration, nominee registration and transferability

Each Adecco Group AG share represents one vote.

Acquirers of registered shares are recorded in the share register as shareholders with the right to vote upon request, provided that they declare explicitly to have acquired the registered shares in their own name and for their own account (Art. 4 sec. 2 of the AoI; https://aoi.adeccogroup.com). Upon such declaration, any person or entity will be registered with the right to vote.

The Board may register nominees with the right to vote in the share register to the extent of up to 3% of the registered share capital as set forth in the Commercial Register. Registered shares held by a nominee that exceed this limit may be registered in the share register if the nominee discloses the names, addresses and the number of shares of the persons for whose account the nominee holds 0.5% or more of the registered share capital as set forth in the Commercial Register. Nominees within the meaning of this provision are persons who do not explicitly declare in the request for registration to hold the shares for their own account or with whom the Board has entered into a corresponding agreement (refer to Art. 4 sec. 3 of the AoI; https://aoi.adeccogroup.com). The Board may grant exemptions to this registration restriction (refer to Art. 4 sec. 6 of the AoI; https://aoi.adeccogroup.com). In 2023, no such exemptions were granted.

Corporate bodies and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management, or otherwise linked, as well as individuals or corporate bodies and partnerships who act together to circumvent the regulations concerning the nominees (especially as syndicates), are treated as one nominee, respectively as one person within the meaning of this article (refer to Art. 4 sec. 4 of the AoI; https://aoi.adeccogroup.com).

For further information regarding the procedure and conditions for cancelling statutory privileges and limitations on transferability of shares, refer to the AoI; https://aoi.adeccogroup.com.

2.7 Convertible bonds and options

Adecco Group has no outstanding convertible bonds or options.

Board of Directors, Executive Committee and compensation

3. Board of Directors

3.1 Members and Composition of the Board of Directors

On 12 April 2023, the Annual General Meeting of Shareholders re-elected all members of the Board of Directors, and elected a new member, Sandhya Venugopal, all for a term of office of one year.

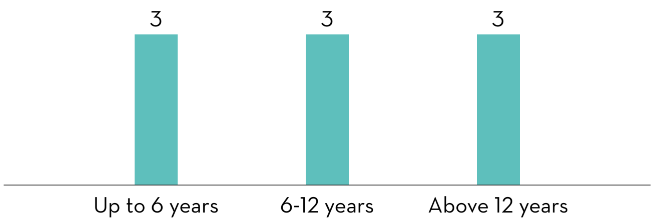
As of 31 December 2023, the Board of Directors comprised the following nine non-executive directors:

Name	Function	Nationality	Year of birth	Gender	Independent	Taking office at the AGM
1. Jean-Christophe Deslarzes	Chair	Switzerland	1963	M	Yes	2015
2. Kathleen Taylor	Vice-Chair	Canada	1957	F	Yes	2015
3. Rachel Duan	Member	China	1970	F	Yes	2021
4. Ariane Gorin*	Member	France, UK, USA	1974	F	Yes	2017
5. Alexander Gut	Member	UK, Switzerland	1963	M	Yes	2010
6. Didier Lamouche	Member	France	1959	M	Yes	2011
7. David Prince*	Member	UK	1951	M	Yes	2004
8. Sandhya Venugopal	Member	Canada, USA	1982	F	Yes	2023
9. Regula Wallimann	Member	Switzerland	1967	F	Yes	2018

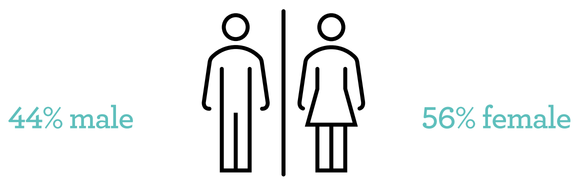
* Will not stand for re-election at the 2024 Annual General Meeting.

The Board of Directors examines its composition and plans the appointments to the committee positions on an annual basis. The members of the Board contribute based on their diverse backgrounds, comprehensive experience in various industries, professional roles and independent viewpoints. Board members' experience in human resources and senior leadership roles provide, for example, valuable insights towards the Adecco Group's strategic priorities of up- and re-skilling individuals, attracting, engaging and retaining talent, and promoting inclusion and diversity. Specific expertise in the information technology industry helps to address challenges and opportunities tied to driving responsible digital transformation. Backgrounds in the travel, hospitality and extractive industries support in achieving solutions related to topics such as human rights, health and safety, and environmental impact. Board members' risk management, financial and audit knowledge provide the basis for ensuring responsible, sustainable business conduct overall. Taken together, these comprehensive capabilities position the Board of Adecco Group to support the Company's purpose of making the future work for everyone.

Board of Directors by length of term of service
(number of members, 31 December 2023)

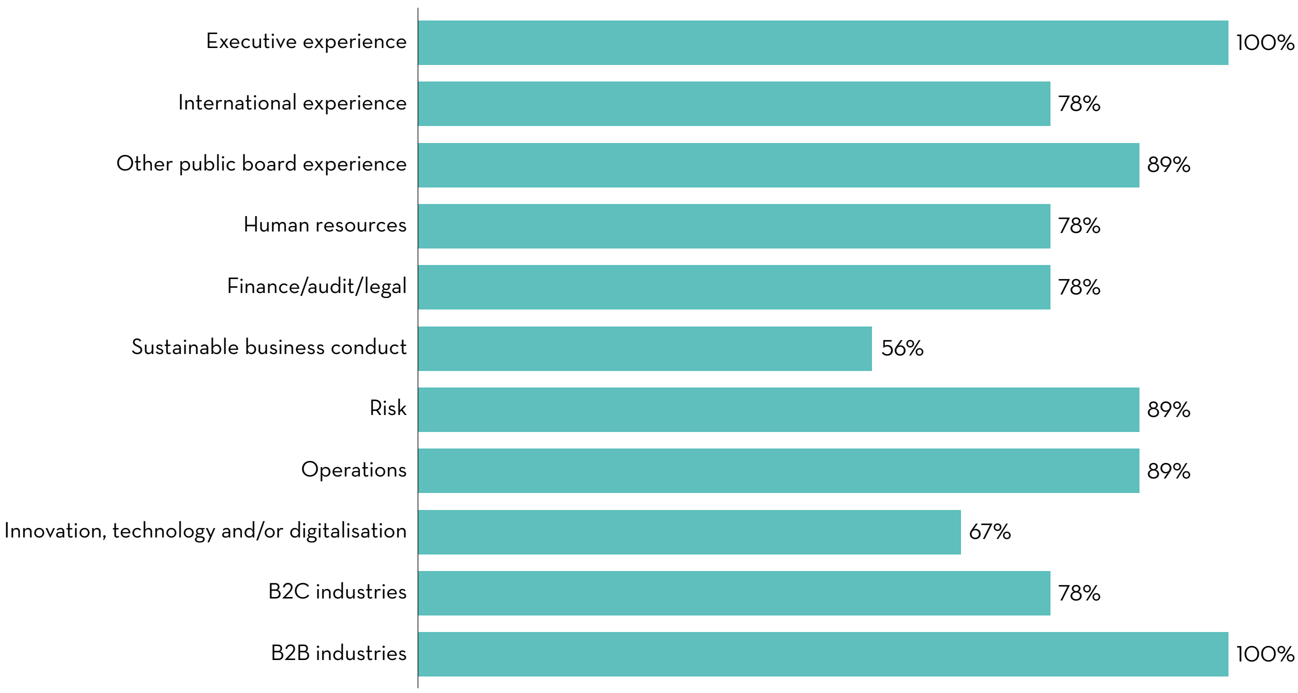


Board of Directors by gender
(in %, 31 December 2023)



The Board of Directors of the Adecco Group already complies with the requirements of Swiss Corporate law regarding gender representation on the boards of directors of listed companies.

Board of Directors by experience, skills and knowledge (in %, 31 December 2023)



3.2 Biographies of the members of the Board of Directors

Information pursuant to Art. 734 in connection with Art. 626 para. 2 no. 1 of the Swiss Code of Obligations regarding other mandates of the members of the Board of Directors can be found in the Remuneration Report.

Jean-Christophe Deslarzes

Chair of the Board of Directors

Member of the Governance and Nomination Committee

Swiss national, aged 60.

Appointed

- Non-executive director since April 2015. Chair of the Board of Directors since April 2020. Member of the Governance and Nomination Committee since April 2018.

Skills & experience

- Jean-Christophe Deslarzes has a deep understanding of the human resources industry and a sharp focus on strategy, execution and operations. He brings to the Board extensive experience in global business and corporate governance, having held a number of leadership positions (including Board Chair) across several sectors and continents.

Education

- Master's degree in Law from the University of Fribourg, Switzerland.

Past roles

- Tax and legal consultant at Arthur Andersen, Switzerland (1991-1994).
- Human resources and general management roles in Europe and Canada for Rio Tinto and its predecessor companies, Alcan and Alusuisse, including Senior Vice President Human Resources and member of the Executive Committee of Alcan Group, as well as President and CEO, Downstream Aluminium Businesses, Rio Tinto, based in Canada (1994-2010).
- Chief Human Resources and Organisation Officer and member of the Executive Board at Carrefour Group, France (2010-2013).
- Chief Human Resources Officer and member of the Executive Committee of ABB Group, Switzerland (2013-2019).
- Chair of the Board of Directors of ABB India Ltd, India (2018-2021).

Other significant mandates

- Chair of the Board of Directors of Constellium[1], France, since June 2022, and member since May 2021.
- Member of the Executive Faculty University of St. Gallen, Switzerland.

Kathleen Taylor

Vice-Chair of the Board of Directors

Member of the Audit, the Compensation, the Digital and the Governance and Nomination Committee

Canadian national, aged 66.

Appointed

- Non-executive director and member of the Audit Committee since April 2015. Vice-Chair and member of the Compensation, the Governance and Nomination Committee since April 2017, and of the Digital Committee since April 2019 (except from April 2021 until April 2022).

Skills & experience

- Kathleen Taylor brings strong executive experience to the Board, with specialist knowledge across global operations, human resources, finance, sustainability and risk management.

Education

- Master's degree in Business Administration from Schulich School of Business, a law degree from Osgoode Hall Law School and Bachelor of Arts (Honours) degree from the University of Toronto, all in Canada.

Past roles

- President and Chief Executive Officer of Four Seasons Hotels and Resorts, Canada, and further senior leadership roles (1989-2013).
- Chair of the Board of Directors, Royal Bank of Canada (2014-2023), and member (2001-2023).
- Director of CPP Investments (2013-2023).

Other significant mandates

- Chair of Altas Partners, Canada, since April 2019.
- Board member of Air Canada[1], Canada, since May 2016.
- Board member of Mattamy Asset Management, Canada, since August 2022.
- Board member of Element Fleet Management, Canada, since November 2023.
- Chair of the Board of Trustees of the Hospital for Sick Children and a member of the SickKids Foundation, Canada.
- Chancellor of York University and a member of the Dean's Global Advisory Council at the Schulich School of Business, York University, all in Canada.
- Member of the National Council of the C.D. Howe Institute, Canada, and Co-Chair of its Human Capital Policy Council and member of the task force on the digital economy.

1 For current mandates: Listed company.

Rachel Duan

Member of the Compensation Committee

Chinese national, aged 53.

Appointed

- Non-executive director and a member of the Compensation Committee since April 2021.

Skills & experience

- Rachel Duan has a wealth of experience of international and CEO positions across multiple industries, with expertise in operations, particularly in the Asia Pacific region and healthcare and infrastructure markets.

Education

- Bachelor of Science degree in Economics and International Business from Shanghai International Studies University, China and an MBA degree from The University of Wisconsin-Madison, USA.

Past roles

- Senior Vice President of General Electric Company ('GE') and President & CEO of GE's Global Markets, with responsibilities for global emerging markets, including China, APAC, India, Africa, Middle East and Latin America, until June 2020.
- Rachel joined GE in 1996 and has worked at GE in the USA, Japan and China. Since 2006, she held senior leadership positions including CEO of GE Advanced Materials China and then Asia Pacific, CEO of GE Healthcare China, and CEO of GE China.

Other significant mandates

- Board member of AXA S.A.[1], France, since 2018 and member of the compensation and governance committee since 2019.
- Board member of Sanofi[1], France, since 2020.
- Board member of HSBC Holdings PLC[1], UK, since 2021.

Ariane Gorin

Chair of the Digital Committee

Member of the Governance and Nomination Committee

French, British and United States national, aged 49.

Appointed

- Non-executive director since April 2017. Chair of the Digital Committee since April 2019. Member of the Governance and Nomination Committee since April 2023.
- Ariane Gorin will not stand for re-election at the 2024 Annual General Meeting.

Skills & experience

- Ariane Gorin is a seasoned international executive who has led large, global teams and has extensive understanding of technology and digitalisation and the travel and hospitality industries.

Education

- MBA degree from Kellogg School of Management, Northwestern University, Evanston, IL, USA and Bachelor's degree in Economics from University of California, Berkeley, CA, USA.

Past roles

- Consultant at The Boston Consulting Group in France and the USA (2000-2002).
- Various sales, marketing and general management functions at Microsoft Corporation, USA, both in the Europe, Middle East and Africa headquarters and then at Microsoft France (2003-2013).
- President of the Expedia Business Services brand (2019-2021), President of the Expedia Partner Solutions brand (2017-2019), and Senior Vice President and General Manager, Expedia Affiliate Network brand (2014-2017), based in the UK.
- Supervisory Board member of Trivago, Germany (2019-2021).

Other significant mandates

- Since 2013, Ariane Gorin has been a member of the management team of Expedia Group[1], headquartered in the USA. In June 2021, Ariane Gorin was named President of Expedia for Business, responsible for all business relationships for Expedia Group. Expedia Group announced in February 2024 that Ariane Gorin will assume the CEO role of Expedia Group in May 2024.
- Vice-Chair of the Advisory Council of the Royal Philharmonic Orchestra, UK.

1 For current mandates: Listed company.

Alexander Gut

Chair of the Governance and Nomination Committee

Member of the Digital Committee

British and Swiss national, aged 60.

Appointed

- Non-executive director since May 2010. Chair of the Governance and Nomination Committee since April 2018. Member of the Digital Committee since April 2019.

Skills & experience

- Alexander Gut has wide-ranging experience across finance, investment, and people management through his prior board and leadership roles on an international basis.

Education

- Doctorate degree in Business Administration (Dr. oec. publ.) from the University of Zurich, Switzerland, and degree as Swiss Certified Public Accountant.

Past roles

- Worked at KPMG in Zurich and London (1991-2001). Partner at KPMG, Zurich (2003-2007) and appointed to Executive Committee of KPMG, Switzerland, 2005.
- Worked at Ernst & Young, Zurich (2001-2003), and appointed partner in 2002.
- Board member of Credit Suisse Group, Switzerland (2016-2020).
- Board member of Holcim, Switzerland (2011-2017).

Other significant mandates

- Founder and managing partner of Gut Corporate Finance AG.

Didier Lamouche

Chair of the Compensation Committee

Member of the Digital Committee

French national, aged 64.

Appointed

- Non-executive director since April 2011. Chair of the Compensation Committee since April 2020 (member since April 2019). Member of the Digital Committee since April 2019.

Skills & experience

- Having held a number of non-executive and senior executive positions, Didier Lamouche has significant global experience, particularly in consumer-facing technology businesses such as IT, telecoms, smartphone and biometry. He also brings expertise in data and technology, finance and remuneration to the Board.

Education

- PhD and Engineering degree in semiconductor technology from the Ecole Centrale de Lyon, France.

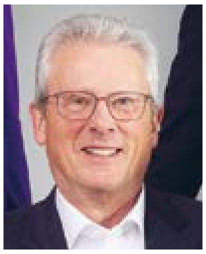
Past roles

- CEO of Altis Semiconductor (1998-2003).
- Vice President of Worldwide Semiconductor Operations at IBM Microelectronics (2003-2005).
- Chair and Chief Executive Officer at Bull (2005-2010).
- Various Board and Executive roles at STMicroelectronics, Switzerland (2006-2013).
- President of the Executive Board and CEO of ST-Ericsson S.A., Switzerland (2011-2013).
- CEO of Idemia (formerly Oberthur Technologies), France (2013-2018).
- Board member of ACI Worldwide[1], USA (2020-June 2023).

Other significant mandates

- Chair of the Board of Directors of Quadient[1], France, since 2019.
- Board member of ASM International[1], The Netherlands, since 2020.
- Chair of the Advisory Board of Utimaco, Germany, since 2019.

1 For current mandates: Listed company.



David Prince

Member of the Audit Committee

British national, aged 72.

Appointed

- Non-executive director and member of the Audit Committee since 2004.
- David Prince will not stand for re-election at the 2024 Annual General Meeting.

Skills & experience

- David Prince has significant global experience at the executive level, particularly in the Asia Pacific region. He also has specialist knowledge and experience in strategy, finance, operational and risk management.

Education

- Associate member of the Chartered Institute of Management Accountants (CIMA) and the Chartered Institute of Purchasing and Supply (CIPS).

Past roles

- Group Finance Director, subsequently Deputy CEO, Hong Kong Telecom plc (HKT) (1994-2000).
- Group CFO of PCCW plc, Hong Kong (2000-2002).
- Group Finance Director, Cable & Wireless (2002-2004).
- Investment advisor to companies based in Asia, China and Australia since 2004.
- Member of the Board of Directors and Chair of the Audit Committee of ARK Therapeutics, UK (2004-2013).

Other significant mandates

- Non-executive director of the Joint Venture Board of FESCO Adecco Shanghai, China, since 2020.
- Board member of SmarTone Telecommunications Holdings Ltd[1], Hong Kong, since 2005.
- Board member of the Wilson Group Companies, operating in Australia, New Zealand, Singapore and Malaysia since 2010.
- Board member of Sunevision Holdings Ltd.[1], Cayman Islands, since 2016.

Sandhya Venugopal

Member of the Audit and the Digital Committee

Canadian and United States national, aged 41.

Appointed

- Non-executive director and member of the Audit Committee and the Digital Committee since April 2023.

Skills & experience

- Sandhya Venugopal brings expertise in leading transformation and driving innovation in complex digital-centric businesses. She has a wealth of commercial and enterprise experience and understands technology and IT operations at all levels.

Education

- Master's degree in Business Administration from the University of Western Ontario, London, ON, Canada, and Bachelor of Science degree in Computing Science and Business Administration from Simon Fraser University, Burnaby, BC, Canada.

Past roles

- Management Consultant at Accenture Inc. with clients across Canada and the USA (2005-2009).
- Worked at eMeter Corporation (subsequently acquired by Siemens) (2009-2010).
- Various technology and IT roles, culminating as Senior Director, Strategic Planning and Delivery at LinkedIn Corporation (2010-2019).
- Director Business Systems and Applications (2019-2020), and Chief Information Officer (2020-2023) at Uber Technologies, Inc., USA.

Other significant mandates

- Chief Information Officer, SentinelOne[1], USA, since April 2023.

1 For current mandates: Listed company.

Regula Wallimann

Chair of the Audit Committee

Swiss national, aged 56.

Appointed

- Non-executive director since April 2018. Chair of the Audit Committee since April 2019 (member since April 2018).

Skills & experience

- Regula Wallimann has extensive experience in finance, financial and non-financial reporting, corporate governance, audit and risk management, having held a number of non-executive and senior executive positions across several sectors. She has profound expertise in sustainable business conduct and the role of the non-executive board.

Education

- Business degree (lic. oec. HSG) from University of St. Gallen, Switzerland and degree as a Certified Public Accountant, both Swiss and US.

Past roles

- Worked at KPMG Switzerland (1993-2017) for 14 years as global lead partner for various large listed and non-listed international and national clients. Member of KPMG Switzerland's strategic Partners' Committee (2012-2014).

Other mandates

- Board member and member of the audit and risk committee of Straumann Holding AG[1], Switzerland since 2017; Chair of the audit and risk committee since April 2019; member of the HR and compensation committee since April 2020.
- Board member and head of the finance and audit committee since 2017 of Swissgrid AG, Switzerland; vice-president and member of the HR committee since 2022.
- Board member and member of the audit committee of Helvetia Holding AG[1], Switzerland since April 2018; member of the nomination and compensation committee since April 2019.
- Board member of Swissport Group, Switzerland and its holding company Radar Topco S.à.r.l., Luxembourg, and Chair of the audit committee of Swissport International Ltd., Switzerland, since 2022.
- Member of the supervisory board of the Institute for Accounting, Control and Auditing of the University of St. Gallen, Switzerland since 2010.

1 For current mandates: Listed company.

3.3 Other activities and vested interests of the Board of Directors

Except for those described in section 3.2 'Biographies of the members of the Board of Directors', no permanent Board or management functions for significant domestic or foreign interest groups, and no significant official functions or political posts, are held by the members of the Board of Adecco Group AG, as affirmed by the Board's 2023 annual mandate and significant roles review process and related party questionnaire.

Before joining the Board, each member informs the Board about the relevant mandates in other companies and organisations. Each member of the Board informs the Chair well ahead about any envisaged or planned new relevant mandate that the member of the Board intends to accept during their term of office.

The AoI (Art. 16 sec. 4 of the AoI; https://aoi.adeccogroup.com) limit the number of mandates that may be assumed by members of the Board in directorial bodies of legal entities not affiliated with the Company. All members of the Board have complied with these requirements.

The Board intends to propose to shareholders at the 2024 Annual General Meeting to update Art. 16 sec. 4 of the AoI and align the wording in accordance with the new Swiss Corporate Law thereby reducing the number of mandates in companies with an economic purpose to ten additional mandates, from 15, of which no more than four in other listed companies.

The Board intends to propose to shareholders an update to Art. 16 sec. 4 of the AoI at the 2024 Annual General Meeting, aligning the wording in accordance with the new Swiss Corporate Law and reducing the number of mandates in companies with an economic purpose to ten additional mandates, from 15, of which no more than four in other listed companies.

In the event of a potential or actual conflict of interest, the member of the Board in question shall immediately inform the Chair (and, in the case of the Chair, the Board). The Chair (and in the case of the Chair, the Board) shall decide how to resolve the matter by adequate measures. Such measures may include transparency within the relevant Board or Committee, abstention in voting, or exclusion from a specific resolution process.

The Company provides services in the normal course of business on arm's length terms to entities that are affiliated with certain of its officers, members of the Board and significant shareholders.

3.4 Independence

As of 31 December 2023, 100% of the Board were independent, none of them (i) being executive (ii) having held an executive function with the Company during the past three years, or (iii) having any other significant or important business relation with the Adecco Group, or (iv) serving directly or indirectly as or for the auditors of the Adecco Group.

The Board takes its independence very seriously and recognises the importance our shareholders place on this issue. The Board regularly reviews the independence of its members, applying the criteria set out in section 15 of the Swiss Code of Best Practice, in line with the typical approach taken by Swiss listed companies.; further, each year, a related parties review is completed.

The Swiss Code of Best Practice further requires the Board to conduct annual reviews of the independence of its members. By way of example, the Swiss Code of Best Practice does not define any fixed period after which independence automatically ceases. In line with the Swiss Code of Best Practice, the Adecco Group therefore does not use term of office as a formal criterion to assess independence.

3.5 Elections and terms of office

Pursuant to the AoI, the Board consists of at least five members (Art. 16 sec. 1 of the AoI; https://aoi.adeccogroup.com). The AGM elects individually the members of the Board, its Chair and the members of its Compensation Committee (Art. 15 sec. 2 of the AoI; https://aoi.adeccogroup.com) for a term of office of one year, until the end of the next AGM. Adecco Group AG's AoI (https://aoi.adeccogroup.com) do not limit the number of terms a member may be re-elected to the Board (Art. 16 sec. 2 of the AoI; https://aoi.adeccogroup.com).

Candidates to be elected or re-elected to the Board are proposed by the Board to the AGM. In advance of any candidates of the Compensation Committee being proposed by the Board to the AGM for individual election, the Board reviews and confirms the specific independence of the Committee's members-elect.

3.6 Succession planning

The Board of Directors examines whether its members' qualifications, abilities and experience are still aligned with the Board's needs and requirements every year.

For this purpose, based on the needs of the Board and the attributes of its members, the Governance and Nomination Committee has developed and monitors criteria such as independence, gender diversity and relevant skills and experience. These criteria include senior leadership experience in a global enterprise or in geographical regions of importance, in particular France, North America and the Asia Pacific region, experience in areas of strategic importance to the Company, including Human Resources, technology and digitalisation, and expertise in finance, sustainability, transformation and change management. These criteria are key to the selection of potential candidates to be elected or re-elected as members of the Board and its Committees.

In delivering a long-term approach to succession planning, the Board aims to provide a balance of necessary competencies, tenure, and an appropriate diversity of its members over time. The Board commences the search for potential new members early on. The Governance and Nomination Committee is mandated to identify individuals who meet the required criteria, which are further tailored for each individual search, and to recommend potential candidates to the Board for review and, ultimately proposal for election by the AGM. Candidates for the Board must possess the necessary competencies to discharge their duties. Further, candidates must be clearly able to commit the time required to discharge duties in full, including in the event the company faces a critical situation.

The Board of Directors submits a motion to the General Meeting regarding the election of new members. Newly appointed members receive an appropriate induction into the business and affairs of the Company.

3.7 Board evaluation

The Board undertakes a formal and comprehensive evaluation of the performance of the Board, the Board Chair and its Committees every year. Between February and April, all individual members and all four committees complete self-assessment questionnaires. From 2025, all questionnaires will be completed in April, to align the evaluation process more closely with the AGM. Every other year, the questionnaire is supplemented with interviews of each director, as well as of the Group's Chief Executive Officer and Chief Financial Officer. The evaluation process is part of the Governance and Nomination Committees charter, with interviews conducted by the Governance and Nomination Committee Chair.

The questionnaire, among other topics, requests commentary on the Board's performance of its responsibilities, such as determination of strategic priorities, governance and monitoring of industry, competition and regulatory environment. Further, the survey questions the effectiveness of interactions with the Executive Committee, Executive and Board succession planning and development, levels of resourcing and strength of processes within the Board, and Board and Committee composition.

The Governance and Nomination Committee meets to discuss the results of the evaluation. Findings are subsequently discussed with the Board of Directors to formulate goals and measures for the current/following year.

In its February 2024 assessment, the Board concluded that it had performed effectively, with the necessary competencies, resources and capacities available.

3.8 Internal organisational structure

The Board holds the ultimate decision-making authority of Adecco Group AG for all matters except those reserved by law or the AoI (https://aoi.adeccogroup.com) to the shareholders. It determines the overall strategy of the Company and supervises the management of the Company.

The Chair of the Board of Directors is a non-executive member of the Board. He performs his role on a part-time basis, providing leadership to the Board which operates under his direction. The Chair sets the agenda of the Board's meetings and drives key Board topics, especially regarding the strategic development of the Adecco Group. Any member of the Board may request that an item be included on the agenda. The Chair works with the Committee Chairs to coordinate the tasks of the Committees and regularly attends Committee meetings as a guest without voting power (except for the Governance and Nomination Committee where he is a regular member). The Chair further ensures that the members of the Board are provided, in advance of meetings, with adequate materials to prepare for the items tabled. The Board recognises the importance of being fully informed on material matters involving the Company and seeks to ensure that it has sufficient information to take appropriate decisions by, at the decision of the Chair, inviting members of management or other individuals to report on their areas of responsibility, conducting regular meetings of the respective Committees of the Board with management, and retaining outside consultants and independent auditors ('Auditors') where appropriate, and ensuring regular distribution of important information to its members. On behalf of the Board, the Chair exercises the ongoing overall supervision and control of the course of business and the activities of the CEO and the EC and he conducts regular exchanges with the CEO as well as other members of the EC. In urgent situations, the Chair may also determine necessary measures and take steps falling within the scope of the competencies of the Board until the Board of Directors takes a decision. If a timely decision cannot be reached by the Board, the Chair is empowered to take a decision. The Chair is also in charge of chairing the AGM and, together with the CEO, takes an active role in representing the Adecco Group to key shareholders, investors, regulators and industry associations as well as other external stakeholders.

The Board's Committees are the Audit Committee (AC), the Governance and Nomination Committee (GNC), the Compensation Committee (CC), and the Digital Committee (DC).

At its meetings, the Board receives reports on its Committees' work, findings, proposals and decisions. Decisions are taken by the Board as a whole, with the support of the respective Committee. The Chair has a casting vote. If a member of the Board has a personal interest in a matter, other than an interest in his/her capacity as a shareholder of Adecco Group AG, suitable measures are taken; such measures may include abstention from voting, where adequate. The Board has established numerous policies and rules. The awareness of and compliance with them is closely monitored.

Each Committee has a written charter outlining its duties and responsibilities, and regularly meets with management and, where appropriate, outside consultants. Committee members are provided, in advance of meetings, with adequate materials to prepare for the items on their agenda.

The Board of Directors, in line with best practice, regularly reviews the allocation of tasks of its committees.

The Adecco Group pursues an integrated approach to purpose, responsible and sustainable business conduct, and shared value creation. Issues considered material from a social, governance, environmental and/or stakeholder perspective are aligned with and embedded in the Adecco Group's overall strategic priorities and business objectives, as outlined in the Adecco Group's respective frameworks and rules regarding sustainable business conduct, such as the Group's Sustainability Framework (https://www.adeccogroup.com/our-group/sustainability/framework/), the Code of Conduct (https://www.adeccogroup.com/our-group/about-us/code-of-conduct/), or the Diversity & Inclusion Statement (https://www.adeccogroup.com/our-group/sustainability/governance/). With its members as stewards of the Company, the Board has thus ultimate responsibility for the overall strategic direction and oversight of these matters, but has assigned certain of these duties and responsibilities to its Governance and Nomination Committee and its Audit Committee. There is regular engagement between these Board Committees and the relevant management functions who address these issues on a day-to-day basis, with the Board receiving formal updates at least twice a year.

In 2023, the Board held 12 meetings in person and via video conference. Attendance for full Board meetings was approximately 97%. All key committees had a 100% attendance record.

Number and duration of meetings and video conferences during 2023:

	Full Board of Directors	Audit Committee	Governance and Nomination Committee	Compensation Committee	Digital Committee
Number of meetings in person	6	5	5	5	5
Number of video conferences	6	6	2	1	
Total number of meetings	12	11	7	6	5
Average duration in hours:					
Meetings in person	8	3	2.5	2.5	2
Video conferences	0.5	1	1	1.5	

Attendance at meetings and video conferences during 2023:

	Full Board of Directors	Audit Committee[1]	Governance and Nomination Committee	Compensation Committee	Digital Committee[2]
Jean-Christophe Deslarzes	12 of 12	11[3]	7 of 7	6[3]	5[3]
Kathleen Taylor	12 of 12	11 of 11	7 of 7	6 of 6	5 of 5
Rachel Duan	10 of 12	2[3]	–	6 of 6	1[3]
Ariane Gorin	12 of 12	8[4] of 11	5[4] of 7	1[3]	5 of 5
Alexander Gut	12 of 12	5[3,7]	7 of 7	–	5 of 5
Didier Lamouche	12 of 12	3[3]	1[3]	6 of 6	5 of 5
David Prince	11 of 12	11 of 11	3[5] of 7	–	2[3]
Sandhya Venugopal	8[6] of 12	7[6] of 11	–	1[3]	4[6] of 5
Regula Wallimann	12 of 12	11 of 11	1[3]	–	1[3]

1 In some Audit Committee meetings, Board members not being members of the Audit Committee attended as guests without voting rights.
2 In some Digital Committee meetings, Board members not being members of the Digital Committee attended as guests without voting rights.
3 Guest, without voting right.
4 Member of the Audit Committee until 12 April 2023 and member of the Governance and Nomination Committee since 12 April 2023.
5 Member of the Governance and Nomination Committee until 12 April 2023.
6 Member of the Board of Directors since 12 April 2023.
7 In addition one combined AC/GNC meeting was held with all AC and GNC members present.

3.8.1 Governance and Nomination Committee (GNC)

The GNC's primary responsibility is to assist the Board in carrying out its responsibilities as they relate to Governance, sustainable and responsible business conduct, public affairs, business environment, relations with shareholders and other stakeholders, nomination, succession and talent development. The GNC is amongst other duties charged with:

- Reviewing the Company's Corporate Governance structures and principles and independence rules, including principles and measures on sustainability, as well as reassessing such principles and rules, including the Company's Code of Conduct (https://www.adeccogroup.com/our-company/code-of-conduct/), to ensure that they remain relevant and in line with legal and stock exchange requirements;
- Recommendations as to best practice are also reviewed to ensure compliance;
- Overseeing the Company's monitoring of market and regulatory developments, focusing on questions of market-related risks, including reputation risks;
- Analysing the composition and type of shareholders;
- Overseeing the Company's strategy, initiatives, targets and reviewing the principles related to sustainable and responsible business conduct, by identifying and prioritising the Company's social, regulatory, economic and ecological challenges and opportunities and reporting on its efforts;
- Deliberating, together with the Audit Committee, on methodology, controls, and processes on non-financial reporting and sustainability risk management;
- Providing recommendations to the Board regarding its size and composition (for details see sections 3.1 and 3.6 above);
- Providing recommendations to the Board regarding the selection of candidates for the EC, the proactive succession planning for such, as well as ensuring targeted development and retention plans are executed and regularly monitored for this audience. For this purpose, the GNC is mandated together with the Chair of the Board and the CEO to ensure and to periodically review the succession plan for the members of the EC and other key functions, both for emergencies as well as mid- and long-term potential successors. The GNC monitors the balance of skills, knowledge, experience and diversity within the EC as indicated in the respective succession plans. In particular, the GNC makes recommendations for nomination and dismissal of the CEO, the members of the EC in coordination with the Chair of the Board and the CEO unless the latter is concerned;
- Ensuring that evaluations of the Board and of Committees are carried out and monitored, with a view to appropriate measures of improvement.

The GNC defines its annual programme and roadmap according to focus topics of the year. In 2023, the GNC held in total seven meetings and video conferences. The CEO represents the EC in the meetings. The Chief Human Resources Officer, the Chief Financial Officer and other members of management participate in the meetings for specific topics, as required.

All members of the GNC, including the Chair, are considered independent as per section 3.4.

As of 31 December 2023, the members of the GNC were:

Name	Position
Alexander Gut	Chair
Jean-Christophe Deslarzes	Member
Ariane Gorin	Member
Kathleen Taylor	Member

3.8.2 Audit Committee (AC)

The AC's primary responsibility is to assist the Board in carrying out its responsibilities as they relate to the Company's accounting policies, enterprise risks, internal controls and financial reporting practice, thus overseeing management regarding the:

- Integrity of the Company's financial statements and other financial reporting and disclosure to any governmental or regulatory body and to the public and other users thereof;
- Adequacy and effectiveness of the systems of the Internal Controls Over Financial Reporting (ICOFR);
- Performance of the Company's Internal Audit function;
- Qualifications, engagement, compensation, independence and performance of the Company's Auditors, their conduct of the annual audit and their engagement for any other services (refer to section 8. 'Auditors');
- Company's compliance with legal and regulatory requirements relating to accounting, auditing, financial reporting and disclosure, or other financial and non-financial matters;
- Evolution of the main enterprise risks (including cyber security risks) and adequacy and effectiveness of the related management mitigation plans;
- Deliberating, together with the Governance and Nomination Committee, on methodology, controls, and processes on non-financial reporting and sustainability risk management.

The AC has established a roadmap which determines the Committee's main discussion topics throughout the year. In 2023, the AC held in total 11 meetings and video conferences. For specific topics, the CEO represents the EC in the meetings. The Chief Financial Officer (CFO), the Head of Group Internal Audit, the Group General Counsel and the partners of the Auditors typically participate in the meetings. For compliance reporting matters, the Head of Group Compliance Reporting participates in the meetings. For non-financial reporting matters, the Head of Sustainability participates in the meetings. For cyber security topics, the Chief Information Officer and the Head of IT Security, Risks and Compliance provide periodic updates to the AC on the status of the main cyber security risks and on the progress of the overall Group's cyber resilience. Usually, the Board's Chair participates in the Committee's meetings as guest without voting right.

All members of the AC, including the Chair, are considered independent as per section 3.4.

As of 31 December 2023, the members of the AC were:

Name	Position
Regula Wallimann	Chair
David Prince	Member
Kathleen Taylor	Member
Sandhya Venugopal	Member

3.8.3 Compensation Committee (CC)

The CC's primary responsibility is to assist the Board in carrying out its responsibilities as they relate to the Company's compensation matters at executive level. In case of discussions and negotiations on individual compensation packages of the EC, the CC exclusively considers the best interest of the Company. The CC is mainly responsible for the following functions:

- Providing recommendations to the Board regarding the general compensation policy of the Company, including incentive compensation plans and equity-based plans, including plan details pertaining to e.g. holding periods, adjustment procedures, reclaim provisions, cancellation of payments, and sustainability considerations;
- Assisting the Board in preparing the proposals to be presented to the AGM for approval of remuneration of the Board and of the EC.

In addition to being independent as per section 3.4, no member has accepted any consulting, advisory or other compensatory fee from the Company (other than fees for service on the Board). As the members of the CC are also not affiliated persons of the Company, they are independent.

The CC has established a roadmap which determines the Committee's main discussion topics throughout the year. In 2023, the CC held in total six meetings and video conferences. For specific subjects, the CEO represents the EC in the meetings. The Chief Human Resources Officer and the Group SVP Total Rewards typically participate in the meetings. Members of management do not participate in CC meetings when their individual compensation matters are discussed. Usually, the Board's Chair participates in the Committee's meetings as guest without voting right.

As of 31 December 2023, the members of the CC were:

Name	Position
Didier Lamouche	Chair
Rachel Duan	Member
Kathleen Taylor	Member

3.8.4 Digital Committee (DC)

The DC's primary responsibility is to assist the Board in carrying out its responsibilities as they relate to the Company's digital and technology strategy, particularly relating to:

- Overseeing management's investments in development and adoption of digital capabilities, either as a disrupter or as an enabler to increase efficiency, improve client and candidate satisfaction and drive growth in the core business;
- Data and AI: overseeing management's strategy for and investment in data science and AI, including internal capabilities and external partnerships as well as key use cases. Ensuring data use abides by relevant regulatory frameworks;
- Digital ventures: overseeing the performance of and investment in current and future digital ventures, whether acquisitions or organic investments; Overseeing management's plan for how the digital ventures and global Adecco Group brands interact and leverage each other's capabilities;
- Receiving updates on emerging technologies and trends, their potential impact on or application within the Adecco Group, and management's plan for capitalising on these.

The DC has established a roadmap which determines the Committee's main discussion topics throughout the year, structured around the focus areas above. In 2023, the DC held five meetings. The CEO, the CFO, the Chief Digital Officer and the Chief Information Officer typically participate in the DC meetings. Usually, the Board's Chair participates in the Committee's meetings as guest without voting right.

All members of the DC, including the Chair, are considered independent as per section 3.4.

As of 31 December 2023, the members of the DC were:

Name	Position
Ariane Gorin	Chair
Alexander Gut	Member
Didier Lamouche	Member
Kathleen Taylor	Member
Sandhya Venugopal	Member

3.9 Responsibilities of the Board and the CEO

In addition to the determination of the overall strategy of the Company and the supervision of management, the Board addresses key matters such as acquisitions and divestitures, long-term financial commitments, management structure, risk management, budget approval, compensation policy, corporate identity policy, guidelines and policy statements. The Board determines the strategy and objectives of the Company and the overall structure of the Adecco Group developed by the CEO together with the EC. With the support of the AC, it reviews and approves the statutory financial statements of Adecco Group AG and the consolidated financial statements of the Adecco Group. The Board also considers other matters of strategic importance to the Company. Subject to the powers reserved to the Board, the Board has delegated the coordination of the day-to-day business operations of the Company to the CEO (Art. 16 sec. 3 of the AoI; https://aoi.adeccogroup.com). The CEO is responsible for the implementation of the strategic and financial plans approved by the Board and represents the overall interests of the Company vis-à-vis third parties.

3.10 Information and control instruments

The Board's instruments of information and control vis-à-vis management consist of the following main elements:

- All members of the Board regularly receive information about current developments;
- The CEO reports to the Chair of the Board on a regular basis, and extraordinary events are communicated immediately;
- Formal meetings of the Board and of the Board's Committees include sessions with the CEO and with other members of the EC or other individuals, at the invitation of the Chair;
- Informal meetings and phone conferences are held between members of the Board and the CEO, as well as with other members of the EC;
- The management information system of the Company which includes (i) the monthly financial results including key performance indicators and (ii) a structured quarterly operational review of the major business units. Summarised consolidated monthly reports are distributed to each member of the Board; further details are provided to the members of the Board upon request;
- Group Internal Audit provides the Board of Directors and Executive Committee independent, objective assurance and consulting services over the effectiveness and efficiency of the governance, risk management and internal control system of the Adecco Group to add value and support the organisation to accomplish its objectives. The responsibilities of Group Internal Audit are defined by the AC as part of its oversight function in coordination with the CEO and CFO. The position of Group Internal Audit is established within the organisation as the third line of defence. Each year, the Internal Audit Plan, which defines the annual focus areas and risks that require addressing, is reviewed, and approved by the AC. Main observations and findings observed during the audit assignments are reported periodically to the Executive Committee and the Audit Committee. The members of the Board of Directors have access to Group Internal Audit and the Head of Group Internal Audit reports to the AC, attends all its meetings and has periodic one-to-one meetings with its Chair. Group Internal Audit activities including planning, execution, reporting and follow-up, are governed by guidance from the Institute of Internal Auditors (IIA) including the International Professional Practices Framework (IPPF) and are certified by IFACI (French Institute of Audit and Internal Control), which is affiliated to IIA;
- The Company has a risk management process in place which is adequate for the size, complexity and risk profile of Adecco Group AG and focuses on managing risks as well as identifying opportunities: refer to the Company Report, section 'Risk management and principal risks' and to Note 23 'Enterprise risk management' to the consolidated financial statements of the Adecco Group. The process is embedded in the Company's strategic and organisational context and covers the significant risks for the Company including financial, operational and strategic risks. The Board oversees management's risk analysis and the key measures taken based on the findings of the risk review process;
- External Audit: refer to section 8. 'Auditors'.

4. Executive Committee

Executive Committee members (Left to Right) Jan Gupta, Caroline Basyn, Ian Lee, Christophe Catoir, Gaëlle de la Fosse, Denis Machuel, Coram Williams, Daniela Seabrook, Valerie Beaulieu

4.1 Biographies of the members of the Executive Committee

The following sets forth the name, age, year of entry to the Company, nationality, professional education and principal positions of those individuals who served as members of the EC of the Company as of 31 December 2023. The EC consisted of nine members of whom 44% were female as of 31 December 2023.

Denis Machuel

Chief Executive Officer

French national, aged 59.

Appointed
- Chief Executive Officer and member of the EC since July 2022.
- Joined the Adecco Group in June 2022.

Education
- MS from Texas A&M University, USA; degree from ENSIMAG College of Engineering, France.

Past roles
- Group CEO of Sodexo S.A., France (2018-2021).
- Several global leadership positions at Sodexo S.A., France, (2007-2018), including CEO of two of the Company's business units, as well as Group Chief Digital Officer.
- Prior to Sodexo, 16 years with Altran Group, including as CEO of Altran Technologies and as the Executive leader for Group Offshore Strategy and Operations.

Other significant mandates
- Board member of Kyndryl[1], USA, since November 2021.

Coram Williams

Chief Financial Officer

British national, aged 50.

Appointed
- Chief Financial Officer and member of the EC since May 2020.
- Joined the Adecco Group in May 2020.

Education
- MBA from London Business School and BA (Hons) from the University of Oxford, both in the UK.

Past roles
- CFO of Pearson Plc, United Kingdom (2015-2020). Several senior leadership positions in finance and operations, including as CFO of Penguin Random House (2013-2015), based in New York, USA.
- Trained as an auditor for Arthur Andersen.

Other significant mandates
- Board member of the Guardian Media Group, UK, since 2017, and chair of its audit committee.

Christophe Catoir

President of Adecco

French national, aged 52.

Appointed
- President of Adecco since January 2021, and Head of Adecco Southern Europe (Italy, Iberia and EE MENA) since March 2023.
- Member of the EC since September 2015.

Education
- Graduate from the IESEG School of Management, France.

Past roles
- Several senior leadership positions in Adecco, including as Regional Head of Adecco Group France and Northern Europe businesses (2015-2020) Managing Director for Professional Staffing Groupe Adecco France (2012-2015), and Managing Director of Adecco South-East France (2009-2012).
- Joined Groupe Adecco France as Internal Auditor in 1995.

Jan Gupta

President of Akkodis

German national, aged 57.

Appointed
- President of Akkodis and member of the EC since May 2019.
- Joined the Adecco Group in May 2019 as President of Modis and EVP of the Group.

Education
- Graduate in Engineering and Economics and PhD in Mechanical Engineering, both from Aachen University, Germany.

Past roles
- Chief Operating Officer and member of the board of Schunk Group, Germany (2014-2018).
- Various senior leadership positions at global division level with Freudenberg Group, Germany (1997-2014).
- From 2014 to 2018, Jan Gupta led two advisory boards of high-tech companies in the automotive and semiconductor industry in Austria and the Netherlands.

1 For current mandates: Listed company.

Gaëlle de la Fosse

President of LHH

French national, aged 49.

Appointed
- President of LHH and member of the EC since February 2022.
- Joined the Adecco Group in February 2022.

Education
- MBA degree from HEC and Master's degree in Politics and Economy from Sciences Po, both in France.

Past roles
- CEO of Celio, headquartered in France (2019-2021).
- Partner in consumer goods and retail consulting at Roland Berger, based in Paris, France (2009-2019).
- Various senior positions at Capgemini Consulting, based in Paris, France (2001-2009).

Caroline Basyn (since 28 August 2023)

Chief Digital and IT Officer

Belgian national, aged 62.

Appointed
- Chief Digital and IT Officer and member of the Executive Committee since August 2023.
- Joined the Adecco Group in August 2023.

Education
- Candidatures et Licenses, Mathématiques, from Universite Catholique de Louvain-La-Neuve, Belgium.

Past roles
- Chief Strategy & Transformation Officer, Europe at PepsiCo, Switzerland (2021-2023).
- Strategic advisor to HighRadius, USA, from 2020 until August 2023.
- Global Business Services and Chief Information Officer at Mondelez International, Switzerland and USA (2014-2020).
- Group CIO at Bacardi, Switzerland (2011-2014).
- Various leadership roles at Procter & Gamble, in Europe and the USA (1985-2011).

Other significant mandates
- Digital Board Advisor for LEAD Europe, and Chair Swiss LEAD since 2017.
- Member of Shared Services & Outsourcing Network (SSON), Advisory board since 2017.

Valerie Beaulieu

Chief Sales and Marketing Officer

French national, aged 56.

Appointed
- Chief Sales and Marketing Officer and member of the EC since November 2020.
- Joined the Adecco Group in November 2020.

Education
- Master's degree in English from Université de Haute-Bretagne, France and an International Commerce degree from the Chamber of Commerce & Industry, Réunion Island.

Past roles
- Chief Marketing Officer of Microsoft USA (2018-2020), and various leadership roles at Microsoft across North America, Asia and Europe from 1996.
- Marketing Director at ECS-Allium (1991-1996).
- Started her career as a journalist working at Radio France and the French daily newspaper Ouest-France.
- Member of the Board of Directors of ISS AS (until June 2022).

Other significant mandates
- Board member of Orange SA[1], France since June 2022.

Daniela Seabrook (since 1 January 2024)

Chief Human Resources Officer

Swiss national, aged 51.

Appointed
- Chief Human Resources Officer and member of the EC since January 2024.
- Joined the Adecco Group in January 2024.

Education
- Doctorate degree in Organisational Psychology (Dr. phil.) and Master's degree in Clinical Psychology, both from University of Basel, Switzerland.

Past roles
- Chief Human Resources Officer, at Philips, The Netherlands (2019-2023).
- Various leadership roles at Syngenta, Switzerland, including Group Head People and Organisational Development (2007-2010 and 2013-2019 periods).
- Global Head Human Resources, Straumann, Switzerland (2010-2013).
- Change Management professional at Roche, Switzerland (2000-2004).

1 For current mandates: Listed company.

Ian Lee

President Geographic Regions

Singapore national, aged 61.

Appointed
- President, Geographic Regions and member of the EC since January 2023. Regional President Workforce Solutions Asia Pacific since 2021.
- Joined the Adecco Group in September 2017.

Education
- Bachelor's degree in Finance with Honours (magna cum laude) and MBA in Finance, both from the Indiana University Kelley School of Business, USA.
- Doctorate of Business Administration (DBA) candidate from Singapore Management University.

Past roles
- Regional Head of Asia Pacific including Australia, New Zealand and India for the Adecco Group, and member of the EC (2018-2020).
- Various positions in the Whirlpool Corporation, including VP of Corporate Affairs and Business Development for Asia, VP of Asia North, VP and General Manager of China and VP and CFO of Asia (2003-2017).
- Started his career with Procter & Gamble (P&G) in 1990 in Cincinnati, USA, and subsequently held positions of increasing responsibility in the USA, China and Taiwan.
- Adjunct Professor of Business at Nanjing University, China (2010-2012).

Other significant mandates
- Member of the Global Dean's Advisory Council at Indiana University, Kelley School of Business, USA.

Gordana Landen (until 31 December 2023)

Chief Human Resources Officer

Swedish national, aged 59.

Appointed
- Chief Human Resources Officer and member of the EC since January 2019.
- Joined the Adecco Group in January 2019.

Education
- Bachelor's degree in Human Resource Development and Labour Relations from Stockholm University, Sweden.

Past roles
- Group Chief Human Resources Officer at Signify (formerly Philips Lighting), The Netherlands (2015-2018).
- Senior Vice President Group Human Resources and a member of the Executive Management Team at Svenska Cellulosa Aktiebolaget (SCA), Sweden (2008-2015).
- Various senior positions at Ericsson in Sweden, the UK and the United States (1991-2008).

Other significant mandates
- Board member and member of the Nomination and Compensation Committee of Sika AG[1], Switzerland, since April 2022.

1 For current mandates: Listed company.

Members of the Executive Committee who left the Group/ Executive Committee in 2023

Teppo Paavola (until 31 March 2023)

- Finnish national, born 1967.
- Chief Digital Officer and member of the EC from January 2019 until 31 March 2023.
- Teppo Paavola joined the Adecco Group as Chief Digital Officer in January 2019.
- Teppo Paavola holds an MBA from INSEAD, France and a Master's degree in Economics from Helsinki School of Economics, Finland.
- Teppo Paavola held several executive positions at Nokia between 2004 and 2012, Finland, including Vice President and General Manager of Mobile Financial Services. From 2012 to 2014 he was Vice-President, Head of Global Business Development, M&A and Developer Relations at PayPal, United States and from 2014 to 2018 Chief Development Officer at BBVA Group, Spain.
- Other mandates: Teppo Paavola is a board member of 3 Step IT and ortum, both in Finland.

Ralf Weissbeck (until 31 March 2023)

- German national, born 1969.
- Chief Information Officer since January 2020 and member of the EC from January 2021 until 31 March 2023.
- Ralf Weissbeck joined the Adecco Group as Chief Technology Officer in February 2019.
- Ralf Weissbeck holds a BA Hons in Industrial Engineering from the University of Applied Sciences Würzburg-Schweinfurt, Germany.
- Ralf Weissbeck was Vice-President Projects, Planning and Quality at Schenker AG, Germany from 2002 until 2005. From 2005 until 2013 he was, among other positions, Executive Vice President IT Services and CIO Global Forwarding, Freight at Deutsche Post DHL, Germany. From 2013 until 2019 he was, among other positions, CIO Maersk Group IT Infrastructure Services, Maidenhead, UK, and CIO at APM Terminals, The Hague, the Netherlands, at A.P. Møller Maersk Group.

4.2 Other activities and vested interests

Except those described above in 4.1 'Biographies of the members of the Executive Committee', no further permanent management/consultancy functions for significant domestic or foreign interest groups, and no significant official functions or political posts are held by the members of the EC of Adecco Group AG.

The AoI (Art. 16 sec. 4; https://aoi.adeccogroup.com) limit the number of mandates that may be assumed by members of the EC in directorial bodies of legal entities not affiliated with the Company and its subsidiaries. The members of the EC have complied with these requirements.

The Board intends to propose to shareholders at the 2024 Annual General Meeting to update Art. 16 sec. 4 of the AoI and align the wording in accordance with the new Swiss Corporate Law leaving the number of mandates in companies with an economic purpose unchanged at five additional mandates, of which no more than one in other listed companies.

4.3 Management contracts

There are no management contracts between the Company and external providers of services.

5. Compensation, shareholdings and loans

Please refer to the Remuneration Report (pages 82 to 107).

The AoI (Art. 14bis of the AoI; https://aoi.adeccogroup.com) define the principles of the AGM's say on pay.

The AoI (Art. 20bis of the AoI; https://aoi.adeccogroup.com) define the principles applicable to performance-related pay and to the allocation of equity securities, convertible rights and options, as well as the additional amount for payments to members of the EC appointed after the AGM's vote on pay.

Art. 20 sec. 1 and 20bis sec. 1 of the AoI (https://aoi.adeccogroup.com) determine the rules on post-employment benefits for members of the Board and the EC.

The AoI do not foresee the granting of loans and credit facilities to members of the Board and of the EC; advances for this group of individuals in connection with administrative or judicial proceedings are allowed (Art. 20 sec. 2 of the AoI; (https://aoi.adeccogroup.com)).

6. Shareholders' rights

Please also refer to the AoI (https://aoi.adeccogroup.com).

Information rights

At the General Meeting of Shareholders, any shareholder is entitled to information from the Board on the affairs of the Company and information from the external Auditors on the methods and results of their audit. The company ledgers and files may be inspected by shareholders who together represent at least 5% of the share capital or of the votes. The information must be provided or the inspection must be permitted insofar as it is required for the proper exercise of shareholders' rights and provided no trade secrets or other interests of Adecco Group AG warranting protection are put at risk. Should Adecco Group AG refuse to provide the information or to permit the inspection rightfully requested, shareholders may seek a court order to gain access to such information. In addition, if the shareholders' inspection and information rights prove to be insufficient, each shareholder may petition the General Meeting of Shareholders to appoint an expert who shall examine certain specific transactions or any other facts in a so-called special investigation. If the General Meeting of Shareholders approves such a request, Adecco Group AG or any shareholder may within 30 days ask the court of competent jurisdiction at Adecco Group AG's registered office to appoint an expert. Should the General Meeting of Shareholders deny such a request, one or more shareholders who hold at least 5% of the share capital or of the votes, may within three months petition the court of competent jurisdiction to appoint an expert. Such request must be granted and an expert appointed if the court finds prima facie evidence that the Board has breached the law or did not act in accordance with Adecco Group AG's AoI (https://aoi.adeccogroup.com). The costs of the investigation are generally borne by Adecco Group AG and only in special circumstances by the petitioner(s).

Further information

Dividend payment

Adecco Group AG may only pay dividends from statutory reserves from capital contribution, and statutory and voluntary retained earnings, in accordance with Art. 675 of the Swiss Code of Obligations.

Companies whose primary purpose is to hold equity participations in other companies may repay the statutory capital reserve to the shareholders if the statutory capital reserves and retained earnings exceed 20% of the share capital specified in the commercial register (Art. 671 para. 3 of the Swiss Code of Obligations). Pursuant to Art. 671 para 1 of the Swiss Code of Obligations, the following shall be assigned to the statutory capital reserve: 1. any share issue proceeds in excess of the nominal value and the issue costs; 2. the amounts paid up on forfeited shares (Art. 681 para. 2) that have been retained, unless there is a shortfall on the shares newly issued in return; 3. other contributions and advances made by holders of equity securities. The statutory capital reserve may be repaid to the shareholders if the statutory capital reserves and retained earnings, under deduction of any losses, exceed one half of the share capital specified in the commercial register (Art. 671 para. 2 of the Swiss Code of Obligations).

The statutory reserves from capital contribution and statutory retained earnings amounted to CHF 412 million as of 31 December 2023 and to CHF 521 million as of 31 December 2022, thereby exceeding 20% of the paid-in share capital in both years.

In 2023, the AGM approved two dividends for a total of CHF 2.50 per share outstanding. A dividend of CHF 1.85 was distributed to shareholders from voluntary retained earnings and a dividend of CHF 0.65 was distributed to shareholders from Adecco Group AG's statutory reserves from capital contribution in April 2023 (totalling CHF 419 million, EUR 422 million).

For the fiscal year 2023, the Board of Directors of Adecco Group AG will propose a dividend of CHF 2.50 per share outstanding for the approval of shareholders at the 2024 AGM, which shall be distributed from voluntary retained earnings.

Say on pay

Each year, the AGM will be asked to approve the proposals submitted by the Board concerning the Maximum Total Amounts of Remuneration (MTAR) of the Board and of the EC.

Liquidation and dissolution

The AoI do not limit Adecco Group AG's duration (Art. 1 sec. 1 of the AoI; https://aoi.adeccogroup.com).

Adecco Group AG may be dissolved and liquidated at any time by a resolution of a General Meeting of Shareholders taken by at least two thirds of the votes. Under Swiss law, Adecco Group AG may also be dissolved by a court order upon the request of holders of Adecco Group AG shares representing at least 10% of Adecco Group AG's share capital who assert significant grounds for the dissolution of Adecco Group AG. The court may also grant other relief. The court may at any time, upon request of a shareholder or obligee, decree the dissolution of Adecco Group AG if the required corporate bodies are missing (see also Art. 731b of the Swiss Code of Obligations). Adecco Group AG may also be dissolved following bankruptcy proceedings.

Swiss law requires that any net proceeds from a liquidation of Adecco Group AG, after all obligations to its creditors have been satisfied, be used first to repay the nominal equity capital of Adecco Group AG. Thereafter, any remaining proceeds are to be distributed to the holders of Adecco Group AG shares in proportion to the nominal value of those Adecco Group AG shares.

Further capital calls by Adecco Group AG

Adecco Group AG's share capital is fully paid up. Hence, the shareholders have no liability to provide further capital to Adecco Group AG.

Subscription rights

Under Swiss law, holders of Adecco Group AG shares have pre-emptive rights to subscribe to any issuance of new Adecco Group AG shares in proportion to the nominal amount of Adecco Group AG shares held by that holder. A resolution adopted at an AGM with a supermajority may suspend these pre-emptive rights for material reasons only. Pre-emptive rights may also be excluded or limited in accordance with Adecco Group AG's AoI (Art. 3bis sec. 4, Art. 3^{quater} sec. 2 and Art. 14 sec. 3 of the AoI; https://aoi.adeccogroup.com).

6.1 Voting rights and representation restrictions

For further details refer to section 2.6 'Limitations on registration, nominee registration and transferability'. The AoI (https://aoi.adeccogroup.com) do not foresee any other restrictions to voting rights.

Pursuant to the AoI, a duly registered shareholder may be represented by (i) the shareholder's legal representative, (ii) a third person who needs not be a shareholder with written proxy, or (iii) the Independent Proxy Representative based on a proxy fulfilling the requirements as set out in the invitation to the AGM (Art. 13 sec. 2 of the AoI; https://aoi.adeccogroup.com). At an AGM, votes are taken by poll.

6.2 Legal and statutory quorums

The AGM shall constitute a quorum regardless of the number of shareholders present and regardless of the number of shares represented (Art. 14 sec. 1 of the AoI; https://aoi.adeccogroup.com).

There are no quorums in Adecco Group AG's AoI which require a majority greater than set out by applicable law (Art. 14 sec. 3 of the AoI; https://aoi.adeccogroup.com). Note, however, that any vote with respect to maximum compensation approvals is subject to an absolute majority of votes cast whereby abstentions shall not be counted as votes cast (Art. 14^{bis} sec. 3 of the AoI; https://aoi.adeccogroup.com).

In addition to the powers described above, the AGM has the power to vote on amendments to Adecco Group AG's AoI (including the conversion of registered shares into bearer shares), to elect the members of the Board, the Chair of the Board, the members of the Compensation Committee, the Independent Proxy Representative, the statutory auditors and any special auditor for capital increases, to approve the Annual Report, including the statutory financial statements and the consolidated financial statements of the Adecco Group, and to set the annual dividend. In addition, the AGM has competence in connection with the special inspection and the liquidation of Adecco Group AG.

6.3 Convocation of the General Meeting of Shareholders

Notice of a General Meeting of Shareholders must be provided to the shareholders by publishing a notice of such meeting in the 'Swiss Official Gazette of Commerce' ('Schweizerisches Handelsamtsblatt') at least 20 days before the meeting. The notice must state the items on the agenda and the proposals of the Board and the shareholders who demanded that a General Meeting of Shareholders be called or asked for items to be put on the agenda. Admission to the General Meeting of Shareholders is granted to any shareholder registered in Adecco Group AG's share register with voting rights at a certain record date, which will be published together with the invitation to the General Meeting of Shareholders in the 'Swiss Official Gazette of Commerce' ('Schweizerisches Handelsamtsblatt').

6.4 Agenda of the General Meeting of Shareholders

Under Swiss Corporate law, an ordinary General Meeting of Shareholders shall be held within six months after the end of each fiscal year (Annual General Meeting of Shareholders). Extraordinary General Meetings of Shareholders may be called by the Board or, if necessary, by the statutory auditors. In addition, an Extraordinary General Meeting of Shareholders may be called by a resolution of the shareholders adopted during any prior General Meeting of Shareholders or, at any time, by holders of shares representing at least 10% of the share capital pursuant to Art. 10 sec. 2 of the AoI (https://aoi.adeccogroup.com).

Holders of Adecco Group AG shares whose combined shareholdings represent 0.5% of the Company's share capital have the right to request that a specific proposal be discussed and voted upon at the next General Meeting of Shareholders; such inclusion must be requested in writing at least 40 days prior to the meeting and shall specify the agenda items and proposals of such shareholder(s) (Art. 11 sec. 2 of the AoI; https://aoi.adeccogroup.com).

6.5 Registration in the share register

Shareholders will be registered in the share register of Adecco Group AG until the record date defined in the invitation to a General Meeting of Shareholders to be published in the 'Swiss Official Gazette of Commerce' ('Schweizerisches Handelsamtsblatt'). Only shareholders who hold shares registered in the share register with a right to vote at a certain date, or their representatives, are entitled to vote. There are no specific rules regarding the granting of exemptions from the above deadline.

7. Changes of control and defence measures

7.1 Duty to make an offer

The AoI of Adecco Group AG do not contain any opting-up clause in the sense of Art. 135 para. 1 FMIA as in force since 1 January 2016 (https://aoi.adeccogroup.com). Therefore, pursuant to the applicable provisions of the FMIA, if any person acquires shares of Adecco Group AG, whether directly or indirectly or acting together with another person, which, added to the shares already owned, exceed the threshold of 33⅓% of the voting rights of Adecco Group AG, irrespective of whether the voting rights are exercisable or not, that person must make an offer to acquire all of the listed equity securities of Adecco Group AG. There is no obligation to make a bid under the foregoing rules if the voting rights in question are acquired as a result of a donation, succession or partition of an estate, a transfer based upon matrimonial property law, or execution proceedings, or if an exemption is granted.

7.2 Change of control clause

There are no change of control clauses in place in favour of members of the Board or members of the EC. In accordance with the Company's AoI (https://aoi.adeccogroup.com), long-term incentive plans of the Company may provide for an accelerated vesting in case of a change of control (see section 'Long-term incentive plan' in the Remuneration Report).

8. Auditors

Each year, the AGM of Adecco Group AG elects the statutory auditor (Auditors). On 12 April 2023, the AGM elected Ernst & Young Ltd, Zürich, as statutory auditor of the Company for the business year 2023.

Ernst & Young Ltd has served the Company as its Auditor since 2002, the engagement being renegotiated annually. In line with Swiss regulation, periodic rotation of the auditor in charge (lead auditor) of maximum seven years is executed. Jolanda Dolente, licensed audit expert, is in her fifth year as the lead auditor after two years as global co-coordinating partner. Marco Casal is in his third year as global co-coordinating partner.

As announced to shareholders in March 2023, the Board of Directors will propose the election of PricewaterhouseCoopers AG as Auditors of the Company for the business year 2024 at the 2024 Annual General Meeting. The Board of Directors has selected the new Auditors following a structured and robust tendering process designed to enable the Company to rotate the audit firm and select the lead partner and senior staff on the audit team.

The total fee for the Group audit of the Company and for the statutory audits of the Company's subsidiaries for the year 2023 amounted to EUR 10.1 million. For the year 2023, additional fees of EUR 0.5 million were charged for audit-related services such as advice on matters not directly related to the Group audit. This primarily includes certifications required by tax and government authorities to confirm the correct application of specific tax and government rules. Fees for tax services and other services amounted to EUR 0.3 million, mainly related to tax compliance.

The AC oversees the Company's financial reporting process on behalf of the Board. In this capacity, the AC discusses, together with the Auditors, the conformity of the Company's financial statements with accounting principles generally accepted in the United States, and the requirements of Swiss law.

The AC regularly meets with the Auditors, at least eight times a year, to discuss the results of their examinations, and the overall quality of the Company's financial reporting. During 2023, the Auditors attended all meetings and phone conferences of the AC (except when the Audit Tender was discussed). The Auditors regularly have private sessions with the AC or its Chair, without the CEO, the CFO, or any other member of management attending. The AC assessed with the Company's Auditors the overall scope and plan for the 2023 audit of the Company. The Auditors are responsible for expressing an opinion on the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States and the requirements of Swiss law. Further, the Auditors are required, under the auditing standards generally accepted in the United States, to discuss, based on written reports, with the AC their judgements as to the quality, not just the acceptability, of the Company's accounting policies as applied in the Company's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and disclosures. Further, the Auditors are responsible for expressing opinions on the standalone financial statements of Adecco Group AG.

The AC oversees the work of the Auditors and it reviews and assesses, at least annually, their independence, qualification, performance and effectiveness. It discusses with the Auditors the Auditors' independence from management and the Company, and monitors audit partner rotation. The AC considers the compatibility of non-audit services with the Auditors' independence and pre-approves all audit and non-audit services provided by the Auditors. Services may include audit-related services, tax services and other services.

The AC proposes the Auditors to the Board for election by the General Meeting of Shareholders and is responsible for approving the audit fees. Each year a proposal for fees for audit services is submitted by the Auditors and validated by the CFO, before it is submitted to the AC for approval.

9. Information policy

The AGM for the fiscal year 2023 is scheduled to be held on 11 April 2024 at the Beaulieu Centre de Congrès et d'Expositions, in Lausanne, Switzerland. The details will be published in the 'Swiss Official Gazette of Commerce' ('Schweizerisches Handelsamtsblatt') at least 20 days before the meeting.

Adecco Group AG provides quarterly media releases on the Company's consolidated and divisional results as per the following agenda:

7 May 2024	Q1 2024 results;
6 August 2024	Q2 and HY 2024 results;
5 November 2024	Q3 2024 results.

For further investor information, including to subscribe to notifications, refer to http://ir.adeccogroup.com.

To order a free copy of this Annual Report and for further information, please refer to the contact addresses listed on the inside back cover of the Annual Report (http://ir.adeccogroup.com). The Company's registered office is: Adecco Group AG, Bellerivestrasse 30, CH-8008 Zürich.

10. Tax strategy

The Company operates a Group-wide policy on tax that is regularly reviewed by the Board's AC. Relevant guiding principles, processes and controls have been defined and implemented throughout the Company. Tax matters are regularly discussed at the AC meetings. The Company reports revenues and pays taxes in the countries where it operates and value is created. The Company seeks to protect value for its shareholders and fully complies with both the tax law in all countries where it operates and international standards, namely OECD standards. The Company's internal transfer pricing guidelines stipulate that all intercompany transactions must be performed at arm's length. These guidelines are under constant review and follow the recommendations issued by the OECD. By communicating in a transparent way, the Company works towards fostering mutually constructive and open relationships with tax authorities and also with the purpose of reducing the risk of challenge and dispute. The Company also seeks to remove uncertainty and financial risk by entering into contemporaneous tax audit programmes or advanced agreements with tax authorities where possible. We believe that contributing to public finances through paying taxes responsibly is an integral part of our purpose of making the future work for everyone. The Company does therefore not engage in artificial tax-driven structures and transactions.

The Company files the Country by Country Report (CbCR) in Switzerland. The information is automatically exchanged with the tax authorities of the majority of the countries where the Company operates. CbCR data will also be published in accordance with the EU public CbCR Directive. The Company has implemented the EU Mandatory Disclosure Directive (DAC 6) to ensure local compliance in the countries where the Company is required to report directly. Preparations for the computations and reporting required as a result of the OECD pillar 2 global minimum tax are in progress. We are committed to continuously exploring ways to strengthen what we disclose and where to build trust and accountability with our stakeholders. The Company publishes an annual Tax Transparency Report which can be found on its website. This report sets out further details of the Company's total tax contributions per country together with supporting explanations and additional information about the Company's approach to taxation.

11. Blocking periods

11.1 Ordinary blocking periods

At the Company, the ordinary blocking periods shall begin on the last day of any fiscal quarter of Adecco Group AG and shall end one trading day after the public release of earnings data for such fiscal quarter.

The ordinary blocking periods shall apply to directors, officers or colleagues of the Company and cover listed securities and related financial instruments including derivatives ('Securities') of Adecco Group AG ('Adecco Securities').

11.2 Extraordinary blocking periods

The Corporate Secretary of the Board of Directors or the CFO, after consultation with the Group General Counsel, the Head of Group Treasury, the Group Head of Communications, and the Head of Investor Relations, of Adecco Group AG are authorised to prohibit specific groups of individuals which may include directors, officers and colleagues of the Company from trading in Adecco Securities and/or specified Securities of other listed companies, if the Company is involved in an undisclosed material transaction or due to other inside information. Such prohibition shall be lifted by the Corporate Secretary or the CFO one trading day after (i) the information on such transaction or other circumstance has been publicly released, or (ii) the related transaction has been definitively stopped or the related circumstances have ceased to exist, respectively.

Remuneration Report

Letter from the Chair of the Compensation Committee	83
Summary of key changes	84
Remuneration at a glance	85
Remuneration philosophy	86
Executive Committee remuneration	90
Remuneration of the Board of Directors	101
Remuneration governance	103
Additional disclosures	104
Report of the Statutory Auditor	106

Statements throughout this Remuneration Report using the terms 'the Company' or 'the Group' refer to the Adecco Group, which comprises Adecco Group AG, a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities for which the Adecco Group is considered the primary beneficiary.

Letter from the Chair of the Compensation Committee

Dear stakeholders,

On behalf of the Board of Directors (Board) and the Compensation Committee, I am pleased to present the Remuneration Report of the Adecco Group (the Group) for 2023.

At the 2023 Annual General meeting (AGM), the outcome of the shareholder vote on our Remuneration Report was a disappointing 57%. Swiftly following the AGM, we sought feedback from our shareholders through video sessions and emails, allowing us to develop an action plan in the summer. We subsequently held dedicated meetings to share our proposed action plan with shareholders and proxy advisors, gathering feedback from more than 50% of our shareholding base. There was global agreement and appreciation of the action plan, which we were able to augment by incorporating most constructive suggestions, and general support for our remuneration policy. I would like to personally thank all contributors for their time and constructive inputs throughout.

The feedback highlighted three main concerns: the grant of the one-time AKKA integration performance award to one Executive Committee (EC) member and the desire for increased disclosure on this award; a desire for greater transparency and disclosure of key remuneration decisions and variable pay targets and outcomes, particularly under the short-term incentive (STIP); and a desire for improved, simplified communication and clarity in our remuneration report. Our action plan is focused around three main streams:

1. The rationale of the AKKA integration performance award: a motivation and retention tool widely used across industries to maximise the chances of a successful integration process. This award, targeting 22 employees including the President of Akkodis, is fully performance-based (not discretionary) and aligned to synergy targets communicated to the market. For the President of Akkodis, the payout is 50% cash and 50% shares subject to an additional one-year vesting period, aligning to shareholder interests. The final outcome is fully disclosed in the report.

2. Improved transparency and enhanced disclosure: for the first time, 2023 STIP targets (including threshold and maximum) and corresponding outcomes for all Key Performance Indicators (KPIs) are disclosed on a retrospective basis for the CEO, along with prospective disclosure of the weighting of KPIs for all EC members, positioning the Group at the upper end of Swiss market practice. Furthermore, we revised the methodology for defining the peer group used for EC remuneration benchmarking, establishing a refreshed set of European companies aligned to the market in which we compete for talent.

3. A comprehensive redesign of this report which now includes a summary of the key changes compared to the prior year.

We remain committed to maintaining an ongoing dialogue with our shareholders and will continue to listen and actively seek feedback.

2023 performance and pay

In 2023, under the leadership of the new management team, the Group achieved strong market share gains and improved profitability across our three Global Business Units (GBUs), and ensured the continued success of the AKKA integration. Despite a challenging economic environment throughout the year, the Group delivered relative organic growth that outpaced our key competitors each and every quarter during 2023, generated productivity gains and extracted synergies. Revenues increased 3% year-on-year on an organic, trading days adjusted basis and EBITA margin excluding one-offs was up 10 basis points year-on-year. Some key financial and strategic KPIs under the STIP were met, resulting in similar outcomes compared to 2022. However, the positive momentum in 2023 was insufficient to meet the performance targets of the 2021 LTIP due to vest in 2024, which will lapse in full. The Compensation Committee concluded that the outcomes for both the 2023 STIP and 2021 LTIP were fair reflections of the overall business performance in a context of the challenging macroeconomic environment. Therefore, the Compensation Committee did not exercise any discretion in measuring performance outcomes and did not adjust the incentive payouts.

Remuneration for 2024

In line with our 'Simplify, Execute and Grow' ambition, the number of STIP KPIs have been streamlined, ensuring they support the delivery of our Future@Work strategy and incentivise improved performance. In line with our 2024 priorities, the STIP scorecard for all EC members will include a General and Administrative (G&A) cost-saving KPI, aligned to our transformation efforts. Operating Cash Flow will replace Days of Sales Outstanding to drive cross-GBU collaboration and maintain focus on deleveraging the balance sheet. Building on shareholder feedback, EBITA margin is weighted 30% for the CEO (25% in 2023), ensuring focus on profitability.

The LTIP design will remain unchanged for the 2024 grant, with the same KPIs and calculation methodology as 2023. During 2024, we will undertake a review of the LTIP, to ensure our incentives continue to support the delivery of our strategy, values and purpose. In particular, in response to shareholder feedback, we will continue to reflect on how our incentives can drive the delivery of our sustainability ambition through the selection of corresponding metrics that are stretching, measurable and material to the business model of the Group. We will consult with shareholders in the second half of 2024 on any potential changes ahead of the 2025 grant. In line with our ambition to lead the world of work and to set the standard as a world-class employer for our current and future talent, we are committed to pay equity and fulfilling gender pay gap reporting obligations in the countries in which we operate.

On behalf of the Compensation Committee, I would like to reiterate our thanks to shareholders and proxy advisors for their time and constructive feedback over the course of 2023. This report will be submitted to a non-binding, consultative shareholder vote at the AGM in 2024. We trust that you will find the revised report informative and we thank you for your support.

Sincerely,

Didier Lamouche
Chair of the Compensation Committee

Summary of key changes and disclosures

In line with our action plan shared with shareholders, below is a summary of the key changes to disclosure and remuneration. References to the relevant page of the Remuneration Report are provided.

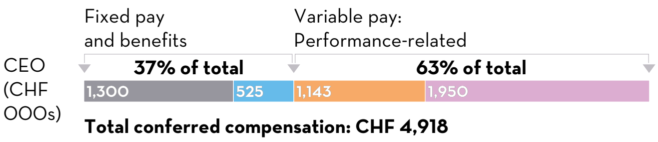
Category	Change	Further details
Disclosure in 2023 Remuneration Report	• AKKA integration performance award outcomes and payments are fully disclosed • Retrospective disclosure of 2023 STIP targets (including threshold and maximum) and outcome by KPI for the CEO • Simplified the LTI grant value disclosure, now using number of shares granted multiplied by the grant price (previously accounting value) • Disclosure of individual 2024 STIP scorecard KPIs and weighting by EC member	Page 90 Page 92 Page 98 Page 99
STI Design for 2024	• Further streamlined the KPI landscape across the EC for 2024 • Replaced Days of Sales Outstanding with Operating Cashflow to drive performance across a wider range of cash levers • Greater weight on profitability, with EBITA margin increased to 30% for the CEO (25% in 2023)	Page 99
EC Remuneration Benchmarking Peer Group (Europe-based)	• Refreshed benchmarking peer group to more closely reflect our talent market • Use of objective criteria for European peer selection including: 1. Size (revenue and market capitalisation); 2. Geographic footprint of operations and location of the headquarters; 3. Margin profile; and 4. Industry affiliation • Overall, remuneration remains competitive against the new benchmarking peer group • The revised peer group has been submitted to ISS	Page 88 Page 89

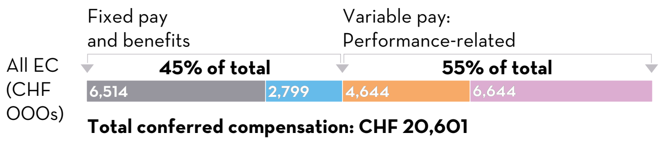
Other key decisions and disclosures are summarised below.

Category	Other notable disclosures and key decisions	Further details
Payments to Departing and Former EC Members	• Payments made are in line with contractual entitlements, the incentive plan rules and the Swiss Code of Obligations	Pages 97 and 104
LTI Design	• A review of the LTIP will be undertaken during 2024 to ensure it aligns to our strategy, values and purpose • The LTI grant 2024 will follow the current structure and design	Page 100
Remuneration Adjustments	• No change to the CEO's remuneration in 2024 (including no increase to the base salary)	Page 91

Remuneration at a glance

Executive Committee Remuneration in 2023



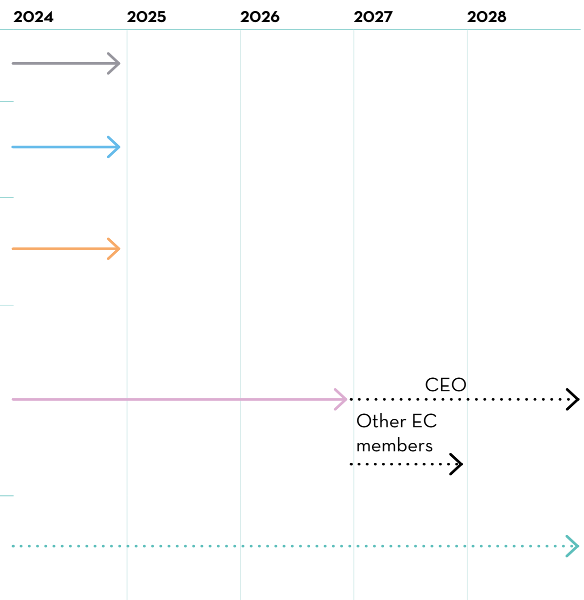


- Annual base salary
- Pension, social contributions and other benefits
- Actual 2023 STIP (see page 92)
- LTIP face value at grant (see page 93)

Executive Committee Remuneration in 2024

For 2024, EC remuneration has been compared to a refreshed benchmarking peer group. Overall, EC remuneration remains competitive with no planned changes to the structure for 2024. A significant proportion of EC remuneration will be dependent on achieving stretching short-term and long-term performance objectives. The performance and retention periods for each element of remuneration are outlined below.

Element
Annual base salary (see page 91) CEO: CHF 1.3m
Benefits (see page 96) CEO: Pension plan contributions, insurance, expense allowance, tax advice and health screening
STIP (see page 99) CEO: 110% of base salary at target, 140% of base salary at maximum Other EC members: 85% of base salary at target, 128% of base salary at maximum
LTIP (see page 100) CEO: 150% of base salary at target, payout of 300% of base salary at maximum Other EC members: 75%-100% of base salary at target, payout of 150%-200% of base salary at maximum Any shares that vest will be subject to a two-year blocking period for the CEO and a one-year blocking period for other EC members
Shareholding requirement (see page 95) CEO: 60,000 shares Other EC members: 15,000 shares



--- Indicates a holding period.

Board Remuneration in 2023

CHF (gross)	Actual compensation earned in 2023 (CHF)
Chair of the Board	1,549,284
Other members of the Board	3,449,666
Total	**4,998,950**

There have been no changes to the structure or levels of Board compensation in 2023, and no changes are proposed for 2024.

Remuneration philosophy

EC Remuneration Framework

The Adecco Group's EC remuneration framework aims at fostering strategy execution, recognising and rewarding performance that drives the creation of long-term value for the Group and its shareholders, and promotes fairness and competitiveness. As such, it is structured around four pillars.

Illustration 1: Pillars of the EC remuneration framework

ANNUAL BASE SALARY	+	BENEFITS	+	STIP	+	LTIP	=	TOTAL REMUNERATION
Fixed pay				**Variable pay, subject to performance**				

Alignment with strategy	• The framework reflects the Company's commitment to attract, motivate and retain talent in order to support the achievement of Future@Work Reloaded, an operational improvement plan to bring the Group to full potential. Future@Work Reloaded has three levers (Simplify, Execute, Grow) that will further drive our financial performance through a firm commitment to deliver both growth and improved margins in order to provide attractive returns to our shareholders • The KPIs used in the short-term and long-term incentive plans and their link to our strategic priorities are shown in more detail on page 87 • Variable incentives are balanced by fixed pay. Annual base salary and benefits, at an appropriate level of cost, help to support the attraction and retention of the best global talent to help deliver the Group's strategy
Alignment with shareholders	• LTIP is delivered in the form of shares and, in combination with the shareholding requirement, creates an owners' mindset and aligns management to the shareholder experience • LTIP encourages an owner-manager culture and incentivises management to drive sustainable long-term success focused on cash generation to support the transformation of the business and returns to shareholders
Reward for performance	• The majority of the remuneration of the CEO and other EC members is at risk and tied to the achievement of financial and other business objectives, aligning remuneration outcomes with performance • The STIP incentivises management to achieve annual financial targets as well as strategic and functional goals over a time horizon of one year, and fosters collaboration between the three GBUs • The LTIP incentivises management to create long-term shareholder value and is based on financial KPIs at Group level
Internal fairness and external competitiveness	• Total remuneration is benchmarked periodically against that of the relevant function in the reference market, which is either local, regional or global to ensure competitiveness in attracting and retaining talent while maintaining internal equity. In 2023, the methodology to define the peer group used for EC remuneration benchmarking was revised, establishing a refreshed set of European companies aligned to the market in which we compete for talent • Individual remuneration reflects the responsibilities of a role, the skills required and the experience of the individual. Local benefits are defined in line with local regulations and competitive practice

Evolving our remuneration framework with sustainability in mind

At the core of our business, we are creating social value. When we help people find sustainable employment, build their skills, and take on new roles and challenges, it is not just companies that benefit but families and communities, too. In turn, in a world being disrupted and enhanced by Artifical Intelligence, technology, and the green transition, talent remains a true competitive advantage to ensuring the future-readiness of organisations. By helping them define their workforce strategy and use technology to unlock human potential at scale, we amplify their competitive advantage and maximise their long-term success – for the benefit of society at large.

But we acknowledge that there is an opportunity and increasing expectation to measure and incentivise our contributions to shared value creation beyond the day to day business. During 2024, we will thus continue to reflect on how the structuring of our incentive plans (particularly with a view to the LTIP) can help drive the delivery of our sustainability ambition. We are approaching this in a very deliberate, thoughtful way, to ensure the selection of metrics that are stretching, measurable, and above all material to our business model and strategy. This process is aligned with the strategic work currently underway to simplify and strengthen our sustainability approach more broadly, as outlined in our Non-Financial Report (page 40).

EC Remuneration link to Strategy

Illustration 2: 2024 Incentive Plan KPIs and link to strategy

Illustration 2 demonstrates how the KPIs under our incentive plans are aligned to the Adecco Group's strategy. For STIP, KPIs are selected from this list based on the specific role of each EC member.

		Future@ Work	Customer	ESG/ Social	Link to Strategy
STIP	**Revenue growth**: Revenue generated during the year is calculated based on the annual budget exchange rates excluding unbudgeted acquisitions and divestitures. Organic revenue growth is considered for year-over-year comparisons. Relative revenue growth compares organic growth, trading days adjusted (TDA), to that of our key competitors	✓	✓		Increasing the market share of Adecco and investment in fast-growth segments – LHH and Akkodis – improves profitability, cash flow and returns, ensuring the Group can work with more customers to find, hire, develop and transition the people they need. The Group will prioritise ways to grow market share, balancing a revenue and EBITA growth focus
	EBITA margin: Operating income excluding one-offs before amortisation and impairment of goodwill and intangible assets. EBITA margin is EBITA excluding one-offs calculated as a percentage of revenue	✓	✓		Focused on margin improvement through productivity improvements, G&A savings and shifting of the business mix to higher-margin activities
	Operating cash flow (new for 2024): Measures the amount of cash generated from operating activities and is calculated as net income, adjusted for non-cash items, and accounting for changes in working capital	✓			Focused on maximising cash generation across the Group, through improved profitability and efficient management of working capital. In turn, strong cash delivery provides the Group with flexibility to allocate capital in the best interests of its stakeholders, including supporting our strategy and providing attractive returns to shareholders
	Gross margin: Gross profit is calculated as revenue minus direct costs of services. Gross margin is calculated as gross profit as a percentage of revenue	✓	✓		Focused on shifting business mix towards higher-margin activities while deploying dynamic pricing
	AKKA/Modis (Akkodis) integration: Measuring the success of the AKKA and Modis integration through the delivery of deal synergies	✓	✓		Focused on realising significant value creation for shareholders and customers with Akkodis becoming a leading engineering and digital solutions business in the Smart Industry market
	Gender parity: Measures the representation of females at our senior leadership level	✓		✓	Working to achieve gender parity at the senior leadership level to support business performance and ensure we are making progress against external commitments (Paradigm for Parity)
	G&A cost saving (new for 2024): Reduction in the Group's general and administrative expenses	✓	✓		Improves operational effectiveness through optimisation, simplification of the organisational setup and the sustainable reduction in overhead cost
LTIP	**Relative total shareholder return (rTSR)**: Measures shareholder returns through share price appreciation and dividends, and compares to peer companies	✓			Demonstrates a commitment to generating long-term value for shareholders and assesses how well the Group's strategy translates into shareholder value relative to its peers
	Return on invested capital (ROIC): Rolling four quarter EBITA excluding one-offs divided by the average invested capital	✓	✓		Ensures our investments are creating sustainable value for customers and funds organic growth at attractive returns, enabling the return of excess cash to shareholders
	Cash conversion ratio (CCR): Rolling four quarter free cash flow before interest and tax paid, divided by rolling four quarter EBITA excluding one-offs	✓			Focused on the efficient management of the Group's working capital to enable the Company to invest in growth and navigate economic challenges with greater flexibility

Approach to EC remuneration setting

The Compensation Committee reviews the remuneration of the CEO and other EC members periodically and submits its proposals to the full Board. The remuneration is compared to the remuneration levels of similar positions at relevant peer companies, leveraging data provided by an external provider.

In making compensation decisions, the Board focuses on the specific needs of the business, the performance of the Company and the individual's profile (i.e., skills and experience). Individual performance and growth potential are also considered.

For the CEO and the other EC members, the goal is to position the annual base salary around the market median and the target direct compensation (i.e., annual base salary, target STI and target LTI) between the median and the 75th percentile in order to promote a culture of reward-for-performance and to ensure that compensation levels remain competitive. During 2023, the Compensation Committee reviewed and amended the peer group used to benchmark EC remuneration. The approach used in selecting the new peer group is set out below. The revised peer group confirmed that the remuneration levels for the CEO and the other EC members remain competitive and are aligned with our stated market positioning with the new peer group.

Approach to peer group selection

Peer groups are an important tool for assessing the appropriateness of the remuneration structure and levels, as well as the relative business performance. The Compensation Committee has spent time during the year reviewing the peer group for benchmarking EC remuneration, to ensure it continues to reflect the Adecco Group's current market for executive talent. The Compensation Committee considered a set of objective criteria and factors to ensure a final peer group that is fair and adequate. We differentiated between primary (relative size of companies and their geographic focus) and secondary (margin profile and the industry in which they operate) factors.

The result of this review is a peer group of 34 companies, headquartered in Europe, with significant revenue streams outside of Europe, and a focus on those that operate in the same or a related service industry (see illustration 3). Market data based on this peer group was obtained from an independent third party.

The Compensation Committee will also monitor the appropriateness of this peer group. If an EC member is hired in North America, the Compensation Committee would expect to draw in data for North American peer companies as input for establishing the compensation package.

Factor	Approach to identifying remuneration peers for the EC
Relative size of companies	Select companies, excluding financial services, that are reasonably similar in terms of revenue size whilst also having regard to market capitalisation
Geographic focus	Focus on companies with significant revenue streams outside of their listing country and outside of Europe broadly defined as: greater than 50% of revenue generated outside of the listing country; and greater than 30% of revenue generated outside of Europe. Companies that are domestically focused have been excluded. Pan-European companies (comparable governance regimes and remuneration practices) included, maintaining a good representation of Swiss-listed companies (around a quarter of the peer group) to reflect the employment market
Margin profile	Focus on companies with a similar margin profile
Industry affiliation	Focus on own and related service industry sectors to reflect the broad talent market in which we compete while ensuring that the overall group has a sufficient number of peers to produce robust benchmarks

Board remuneration

The remuneration of Board members is set to attract and retain diverse individuals with international experience whose skills align with the Company's strategy and needs. The remuneration of the individual Board members is set based on their function on the Board, to be competitive against relevant benchmark companies and to reflect the time and effort required from Board members in fulfilling their Board and Committee duties. There have been no changes to Board fee structure or levels since 2014, with the exception of an increase to the fee for the Chair of the Audit Committee in 2018.

The remuneration of the Board is compared to a peer group of Swiss-listed companies of similar size and complexity. In Switzerland, the Board is the ultimate supervisory and organisational body, assuming responsibility for all matters not expressly reserved to other corporate bodies. Swiss law stipulates the non-transferable, absolute duties of the Board. These duties present certain risks, joint responsibility and to a certain extent personal liability and accountability for the Company's actions, specific to Swiss law. Therefore, the peer group for Board remuneration remains composed exclusively of companies listed in Switzerland due to the comparability of Swiss legal requirements, including individual and joint liabilities under Swiss law.

Performance analysis

The competitors and peers used to assess relative financial performance remain appropriate. For revenue growth, the Compensation Committee believes that comparing the Adecco Group to its direct competitors, Randstad and Manpower, is in the best interests of shareholders. This is because other companies operating in a similar industry are not comparable in terms of size and global reach. For rTSR performance benchmarking, a shareholder perspective is applied in terms of business similarity, investment profile and risk criteria, to define the peer group. In this case, company size becomes less important while business similarity and risk profile become more important.

Illustration 3: Peer companies for remuneration benchmarking and performance analysis

Peer groups for 2024

EC Remuneration benchmarking peer group
ABB, Acciona, ACS, Adidas, Also, Alten, Atos, Barry Callebaut, Bouygues, Bunzl, Bureau Veritas, Capgemini, Compass Group, Computacenter, Continental, DKSH, Electrolux, Ericsson, Ferrovial, Fresenius, Hays, Henkel, Hochtief, ISS A/S, Koninklijke Philips, Kuehne + Nagel, Lafarge Holcim, Lonza, Randstad, Renault, Schindler, Securitas, Sodexo, TUI

Board Remuneration benchmarking peer group
ABB, Credit Suisse, DKSH, Kuehne + Nagel, Lafarge Holcim, Novartis, Richemont, Roche, Schindler, Swatch, Swiss Life, Swiss Re, Swisscom, UBS, Zurich Insurance

Relative revenue growth performance peer group
Manpower, Randstad

Relative TSR performance peer group
Amadeus FiRe, ASGN, Hays, Kelly Services, Korn Ferry, Manpower Group, Page Group, Persol, Randstad, Robert Half, Synergie, TrueBlue

Peer group for EC Remuneration benchmarking 2023: ABB, Acciona, Accor, Adidas, Barry Callebaut, Bunzl, Bureau Veritas, Capgemini, Carrefour, Coca-Cola, Deutsche Post, Diageo, Engie, Ericsson, Experian, Ferguson, Ferrovial, Geberit, Henkel, Ipsen, Lonza, Merck, Novartis, Randstad, Royal Mail, Sanofi, Scania, Schindler, Serco, SITA, Sodexo, Sulzer, TUI, Wood

Executive Committee remuneration

Summary

In 2023, EC members' total remuneration amounted to CHF 20.6 million (2022: CHF 23.5 million). This amount consisted of base salaries of CHF 6.5 million (2022: CHF 6.7 million), STI of CHF 4.6 million (2022: CHF 4.8 million), LTI of CHF 6.6 million (2022: CHF 7.8 million), other remuneration of CHF 0.8 million (2022: CHF 0.8 million) and social contributions of CHF 2.0 million (2022: CHF 2.4 million). EC members' total remuneration decreased by 12% compared to 2022.

The total amount paid as base salary in 2023 decreased by 2% compared to the amount of base salary paid in 2022 mainly due to the evolution of the composition of the EC.

In 2023, the STI payout for the CEO was 80% of target (2022: 79%) and ranged from 58% to 97% for the other EC members (2022: 49% to 115%), giving an average of 79% for the EC including the CEO (2022: 80%). Full details of the KPI targets and outcomes for the KPIs included in the CEO's balance scorecard can be found on page 92.

PSUs granted under the LTIP in 2023 amount to CHF 6.6 million compared to CHF 7.8 million in 2022, mainly due to 2022 including PSUs granted to the previous CEO in March 2022 prior to stepping down and PSUs granted to the incoming CEO after joining the Company. The details of the 2023 LTIP can be found on page 93.

The total amount paid to EC members after stepping down from the EC in 2023 (including contractual remuneration during the notice period and non-compete period) was CHF 1.7 million, composed of CHF 1.3 million gross cash remuneration and CHF 0.4 million remuneration in kind and social contributions.

A total amount of CHF 1.4 million was paid in 2023 to former EC members (who stepped down in 2022).

All payments to EC members who stepped down in 2023 and former EC members were made solely in relation to contractual provisions.

Illustration 4: EC remuneration versus amounts approved at AGM

The remuneration awarded to active and former EC members in the financial years 2023 and 2022 is within the limits approved by the shareholders at the respective AGMs. At the 2021 AGM, shareholders approved a 10% reduction in the maximum total amount of remuneration for 2022.

Period	2023[1]	2022[2]
Actual amount	23,658,309	25,876,304
Approved amount	32,000,000	32,000,000

1 For 2023, this includes the CEO, the eight active EC members active on 31 December 2023 and the two EC members who stepped down during 2023. Furthermore, it includes remuneration paid to two former EC members, which was solely paid in relation to contractual provisions, as set out on page 104.

2 For 2022, this includes the CEO, the eight active EC members and the three EC members who stepped down during 2022. No remuneration was paid to former EC members.

Illustration 5: CEO 2023 annual base salary and STI

	Contractual/ Target (CHF)	Actual outcome (CHF)	Relative to target (%)
Annual base salary	1,300,000	1,300,000	100%
2023 STI	1,430,000	1,142,819	80%
Total	**2,730,000**	**2,442,819**	**89%**

Full details on the KPI outcomes and associated STI payout for the CEO can be found on page 92.

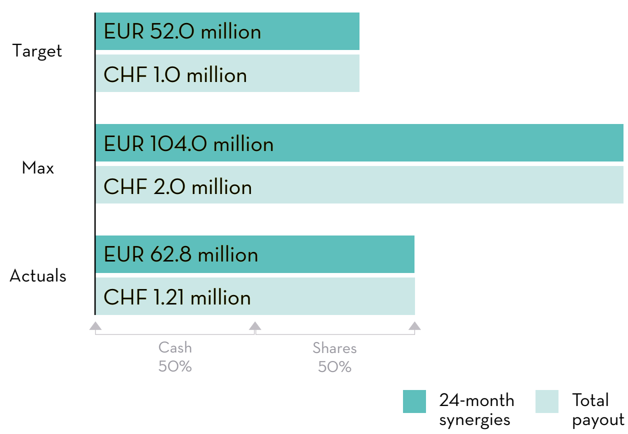
AKKA Integration Performance Award

As previously set out in the open letter to shareholders dated 29 March 2023, the successful integration of AKKA, the largest acquisition in the Group's history, is a strategic and financial imperative that warranted the grant of an exceptional one-time performance-based incentive to 22 AKKA/Modis employees in 2022, including the President of Akkodis. The performance targets for this award reflect the synergy commitments for 2022 and 2023 made to the market. No payout is due if targets are not achieved. The value of the award at target achievement for the President of Akkodis is CHF 1.0 million, with the opportunity to earn up to 200% in case of over-achievement. Since this award covers a two-year performance period and is partly settled in cash and partly in shares, the total target value of this award granted in 2022 (as opposed to the actual amount earned each year) was disclosed in the 2022 remuneration report (see page 98 of the 2023 report, Illustration 16).

The 24-month synergies target was EUR 52.0 million. Performance was measured after 12 and 24 months, with a 24-month achievement of EUR 62.8 million (121% of target) resulting in a total aggregate payout to the President of Akkodis of CHF 1.21 million.

50% of the award is paid out in cash (CHF 437,500 in 2023 and CHF 167,500 in 2024) and 50% in Restricted Stock Units (RSUs) which vest 12 months after grant. RSUs worth CHF 437,500 were granted in March 2023 which will vest in March 2024 and RSUs worth CHF 167,500 will be granted in March 2024 which will vest in March 2025. The President of Akkodis is required to retain the shares received from this award as a build towards his minimum shareholding requirement of 15,000 Adecco Group AG shares.

Illustration 6: AKKA Integration Performance award for the President of Akkodis



Annual base salary

The annual base salary is established based on external benchmarks, whilst ensuring internal equity. Base salaries are generally set at the median level of the reference market. The annual base salary is paid in cash, typically in monthly instalments, and serves as a reference for determining the target variable incentives. There was no increase to the CEO's base salary in 2023 and no increase for 2024.

Short-term incentive plan (STIP)

The STIP, a cash-based incentive plan, is designed to reward the CEO and the other EC members for financial, strategic and functional performance against predetermined targets over a time horizon of one year. An overview of the plan for 2023 is set out in Illustration 7. There have been no structural changes to the STIP, and the choice of metrics has been reviewed and aligned with current strategic priorities.

Illustration 7: STIP Plan Overview

Target Annual Incentive	Annual base salary (CHF) x STI target (% of annual base salary) = target STIP value
Target Opportunities	The target opportunity is the amount paid if performance targets are met, as shown below: • CEO: 110% of annual base salary • Other EC members: 85% of annual base salary
Key performance indicators (KPIs)	Financial KPIs measure the Group, GBU and/or customer-level financial performance (80% to 90% weighting in 2023). Strategic or functional KPIs measure the GBU or relevant function-level performance including KPIs assessing the Company's social impact (10% to 20% weighting in 2023). The selection and weight of financial and non-financial KPIs depend on the role of the EC member.
Target setting	The performance targets are based on the Company's annual goals (as approved by the Board), business environment, tactical focus and competitive assessment, as well as annual milestones in the context of the Future@Work strategic plan. The Board is vigilant that performance targets reflect appropriate stretch, taking account of the overall economic environment and the industry dynamic segment by segment. Financial targets are set at the beginning of each year in alignment with the overall budget approved by the Board. Non-financial strategic and functional targets are aligned with the most important priorities for the financial year.
Payout range	For each KPI: • A target level of performance ('target') is determined, generally aligned with the annual budget, which represents the STI target and constitutes a payout of 100% of the target STI value • A minimum level of performance ('threshold') is determined, below which the payout is 0% • A maximum level of performance ('maximum') is determined, generally aligned with an internal stretch target, above which the payout is capped
Payout formula	The performance achievement is measured independently for each KPI and carries a specific weight in the overall STI payout. For example, if the performance achievement for one KPI with 10% weighting in the STIP balanced scorecard is at target level (i.e., 100% payout), then the payout for this KPI is 10% (10% x 100% = 10%). If all KPIs are achieved at target, the overall payout is 100%. A maximum payout requires an achievement at or above the maximum level on all KPIs. An achievement level below threshold on all KPIs results in a 0% payout. • STIP target value x Overall payout (%) = Actual STIP payout The Board, upon recommendation of the Compensation Committee, retains the discretion to adjust STI payouts (positively and negatively) in the case of unforeseen and/or extraordinary events or developments that were not factored into the target setting. However, this does not include generally unfavourable market developments. Discretion is bound by the limits defined in the Articles of Incorporation. No discretion was exercised for the EC 2023 STIP.
Malus and clawback	Any bonus is subject to malus and clawback provisions in the event of fraudulent behaviour or other types of intentional misconduct.

The Compensation Committee follows a robust process to select the appropriate KPIs and set financial targets, in support of business strategy and to incentivise improved performance. Illustration 8 provides enhanced disclosures on the targets and performance achievements for the KPIs included in the CEO's balanced scorecard for 2023. Based on 2023 performance outcomes, the CEO will receive a 2023 STI payout of CHF 1,142,819, which is below target (80%). To recover growth level versus key competitors, the Compensation Committee has targeted management with a Relative Revenue Growth KPI in recent years. The Group delivered relative organic growth that outpaced our key competitors each and every quarter during 2023, whilst maintaining a competitive level of gross margin.

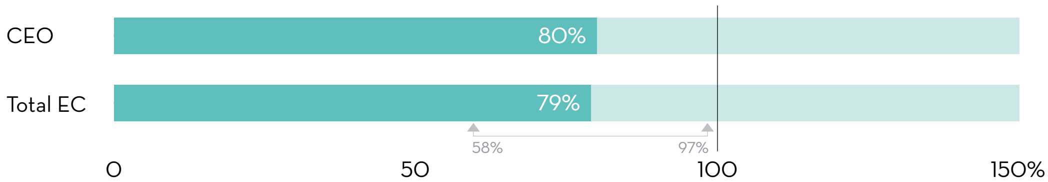
Illustration 8: CEO Balanced Scorecard 2023

	Weighting	Performance Targets			2023 Outcome	Payout (as % of target opportunity)
Performance Criteria	CEO	Threshold	Target	Maximum		
TAG Relative Revenue Growth	35%	0bps	80bps	200bps	790bps	150%
TAG EBITA Margin	25%	3.7%	4.1%	4.3%	3.7%[1]	0%[2]
Days of Sales Outstanding (DSO)	10%	53.4	52.4	51.4	52.9[1]	73%
AKKA/Modis Integration[3]	20%	–[4]	EUR 32.0m	EUR 64.0m	EUR 32.2m	101%
Gender Parity in senior leadership	10%	34.1%	35.0%	36.5%	33.7%	0%

1 The outcome is adjusted for FX, acquisitions and divestitures to ensure comparability against the target.
2 The outcome is rounded, and was marginally below the threshold. Payout calculation is based on unrounded outcomes.
3 KPI is focused on synergy achievements during 2023 financial year only.
4 There is no payout for below-target achievement.

Illustration 9: 2023 STIP payout level

The overall STI payout ranged from 58% to 97% of target opportunity for the other EC members, giving an average payout of 79% for the EC including the CEO.



Long-term incentive plan (LTIP)

The purpose of the LTIP is to reward long-term value creation and to enhance alignment of the interests of EC members with those of shareholders. Under the LTIP, EC members receive annual grants of Adecco Group AG shares which vest after a three-year period, subject to performance conditions and continued employment. The performance period runs from 1 January of the year of grant through to 31 December three years later.

The number of performance share units (PSUs) to be granted is as follows:

Illustration 10: LTIP target number of PSUs calculation

STEP 1
Annual base salary (CHF) x LTI target (%) = LTI target value at grant (CHF)

STEP 2
LTI target value at grant (CHF)/20 trading days average share price (CHF) = Target number of PSUs at grant

The average share price is calculated as the arithmetic mean of daily closing share prices 20 trading days prior to the grant in March each year. The 2023 grant was made on 31 March and the 20 trading days ran from 3 March 2023 to 30 March 2023, resulting in an average share price of CHF 32.76.

The LTI target awards for 2023 were:

- CEO: 150% of annual base salary at the grant date (2022: 150%, prorated)
- Other EC members: 75% to 100% of annual base salary at the grant date (2022: 75% to 100%)

The plan foresees that those participants who voluntarily terminate their employment with the Company or who receive notice of termination for cause during the performance period forfeit their awards. In case of termination by the employer without cause, a time-weighted pro-rata portion of the unvested PSUs will vest at the regular vesting date based on the actual performance achievement.

In line with the Articles of Incorporation and as specified in the LTIP rules, in the case of a predefined Change in Control, the time-weighted pro-rata portion of the unvested PSUs may vest on the Change in Control date depending on the level of target achievement at the date of the relevant corporate event, as determined by the Compensation Committee.

PSUs that do not vest due to lack of fulfilment of the performance conditions lapse immediately.

Vested shares are subject to a two-year blocking period for the CEO. For other EC members, vested shares allocated prior to 2022 are subject to a two-year blocking period and vested shares allocated from 2022 onwards are subject to a one-year blocking period. The LTIP includes clawback provisions for any award or any benefit received or entitled to be received in the case of fraudulent or other types of intentional misconduct.

The CEO and the other EC members cannot use personal investment strategies to undermine or hedge the risk alignment effects of unvested PSUs or any vested shares subject to the blocking period.

The target number of PSUs granted to the CEO and other EC members under the LTIP in 2023 for the 2023-2025 performance period and in 2022 for the performance period 2022-2024 are presented below, along with the timeline for the 2023 LTIP.

Illustration 11: PSUs granted in 2023 and 2022

Name	PSUs granted in 2023 (target number)	PSUs granted in 2022 (target number)
CEO[1]	59,521	37,076
Other EC members[2]	142,450	159,249
Total EC	**201,971**	196,325

1 Pro-rated from commencement of employment in 2022.
2 Includes PSUs granted to the previous CEO in 2022.

Illustration 12: 2023 LTIP performance and blocking period

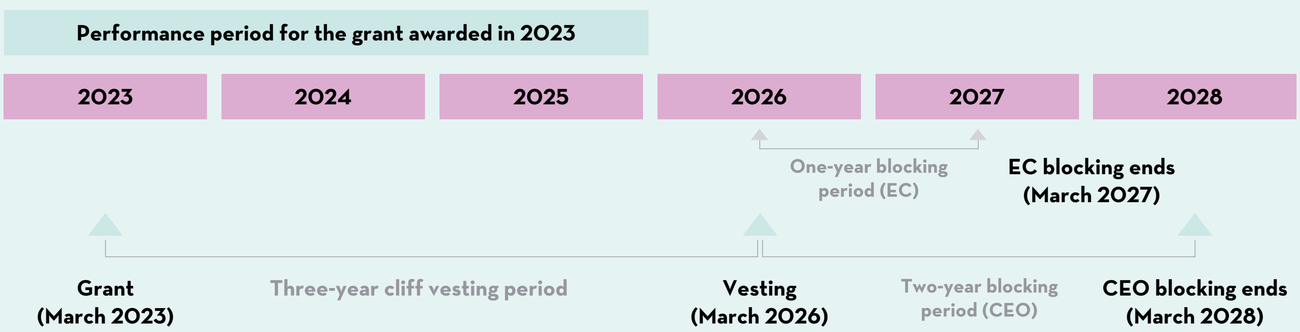


Illustration 13 provides an overview of the 2023 LTIP. The details provided have been enhanced compared to prior years. The vesting of the PSUs granted in 2023 depends on three equally weighted KPIs: rTSR, ROIC and CCR and is capped at 200% (as a % of target) for all KPIs. For rTSR, threshold vesting is set at the 33.3 percentile, which results in a vesting at 40% of target for the portion of the award based on this KPI. Performance above the 50th percentile is required for 100% vesting, and top quartile performance for maximum vesting. This vesting schedule was chosen due to the impact of financial market volatility on the rTSR performance, which can be heavily influenced by short-term volatility, and discourages high risk-taking behaviour that erodes the long-term sustainability of the business in pursuit of short-term share price gain. Many Swiss companies set their threshold at the 25th percentile, whilst in the US market (our second largest revenue market), most organisations set the threshold for rTSR vesting at or below the 25th percentile.

Illustration 13: 2023 LTIP performance conditions

<table>
<tr><th>KPI</th><th>Definition</th><th>Calculation Basis for LTIP</th><th>Vesting</th></tr>
<tr><td>rTSR (33.3% weighting)</td><td>The TSR performance of the Adecco Group is compared to a peer group of companies. The peer group comprises the 12 companies listed in Illustration 3. The peer group is fixed for the duration of the LTIP performance period, unless a company delists or is acquired, in which case it will be left out of the rTSR calculation.</td><td>The TSR calculation is based on a one-month average share price before the start and prior to the end of the overall three-year period.</td><td>The vesting level is determined based on the percentile ranking of the Adecco Group compared to its peer companies over a period of three years. Pay is linked to performance with vesting percentages increasing relative to the Adecco Group's rank amongst its peers. The vesting schedule for rTSR is:
<table>
<tr><th>Rank</th><th>Percentile</th><th>Vesting (as a % of target)</th></tr>
<tr><td>1-4</td><td>75.0-100</td><td>200</td></tr>
<tr><td>5</td><td>66.7</td><td>160</td></tr>
<tr><td>6</td><td>58.3</td><td>120</td></tr>
<tr><td>7</td><td>50.0</td><td>80</td></tr>
<tr><td>8</td><td>41.7</td><td>60</td></tr>
<tr><td>9</td><td>33.3</td><td>40</td></tr>
<tr><td>10-13</td><td>0-25.0</td><td>0</td></tr>
</table>
Achievement is calculated by Obermatt.</td></tr>
<tr><td>ROIC (33.3% weighting)</td><td>ROIC measures the Group's ability to use invested capital efficiently. ROIC is a non-US GAAP measure and is calculated as the rolling four quarter EBITA excluding one-offs divided by the average invested capital.</td><td>ROIC is the average of the annual ROIC outcomes for each year in the performance period, based on the actual audited financial results as of 31 December. The Compensation Committee reviews one-off adjustments that impact EBITA for reasonableness in determining the vesting level for ROIC.</td><td>If the threshold is met, the vesting amounts to 40% of target. Within the target range, the vesting corresponds to 100% and if the target is exceeded, the vesting can go up to a maximum of 200%. There is straight-line vesting between threshold and the target range and between the target range and maximum.</td></tr>
<tr><td>CCR (33.3% weighting)</td><td>Cash conversion measures how effectively profits are converted into cash flow. Cash conversion is a non-US GAAP measure and is calculated as the rolling four quarter free cash flow before interest and tax paid divided by rolling four quarter EBITA excluding one-offs.</td><td>CCR is the average of the annual CCR outcomes for each year in the performance period, based on the actual audited financial results as of 31 December. The Compensation Committee reviews one-off adjustments that impact EBITA for reasonableness in determining the vesting level for CCR.</td><td>If the threshold is met, the vesting amounts to 40% of target. Within the target range, the vesting corresponds to 100% and if the target is exceeded, the vesting can go up to a maximum of 200%. There is straight-line vesting between threshold and the target range and between the target range and maximum.</td></tr>
</table>

2021-2023 LTIP Award

For the 2021-2023 performance period, the final percentile rank of the Adecco Group's TSR was 16.7% (below threshold), and threshold was not met for ROIC and CCR. Therefore, the overall vesting percentage was 0%. Eight EC members active in 2023 hold 79,586 PSUs granted in 2021. Out of these 79,586 PSUs, none have vested.

Illustration 14 presents the historical annual overall vesting level (as a % of target).

Illustration 14: Vesting level for PSUs granted

Grant year	Vesting year	Overall vesting level (as % of target)
2017	2020	35.2%
2018	2021	42.3%
2019	2022	42.3%
2020	2023	0.0%
2021	2024	0.0%
2022	2025	Pending[1]
2023	2026	Pending[1]

1 Performance period is ongoing. Numbers will be available after the end of the performance period.

Shareholding guideline

The shareholding requirement for EC members was reviewed and increased in 2022. The CEO is required to build and, once achieved, maintain an ongoing holding of a minimum of 60,000 Adecco Group AG shares. For other EC members, the requirement is 15,000 Adecco Group AG shares. The minimum requirement must be met within five years from the March 2022 LTIP grant. For EC members who joined after this date, the minimum requirement must be met within five years from the first LTIP grant after their appointment.

In order to determine whether the minimum shareholding guideline is met, all vested shares are considered as beneficially owned, regardless of whether they are blocked or not. Unvested awards are excluded. Should the minimum requirement not be met within five years, the sale of any shares held by the EC member (including those recently received under the LTIP) is prohibited until the requirement is fulfilled. Furthermore, the Board may decide to either extend the blocking period of the shares already vested until the required level is met and/or require EC members to purchase shares from the market. The Compensation Committee reviews progress against the shareholding guideline on an annual basis. At the time of this report, all EC members have either achieved or are on track to achieve the shareholding requirement within the relevant time period.

Illustration 15 presents actual shares owned by EC members as of 31 December 2023.

Illustration 15: Shares/Unvested PSUs and RSUs owned by EC members as of 31 December 2023 and 31 December 2022

(in shares/unvested PSUs/RSUs)

Name	Shareholding requirement	Shareholding as at 31 December 2023[1]	Unvested PSUs/RSUs as at 31 December 2023	Total as at 31 December 2023 (audited)	Shareholding as at 31 December 2022	Unvested PSUs/RSUs as at 31 December 2022	Total as at 31 December 2022
Denis Machuel	60,000	9,000	96,597	105,597	2,000	37,076	39,076
Coram Williams	15,000	18,419	60,216	78,635	15,518	46,271	61,789
Christophe Catoir	15,000	22,254	52,240	74,494	22,254	38,998	61,252
Jan Gupta[2]	15,000	1,500	57,870	59,370	1,500	31,756	33,256
Valerie Beaulieu	15,000	9,240	41,290	50,530	9,240	28,523	37,763
Gordana Landen	15,000	16,325	37,144	53,469	16,325	37,823	54,148
Gaëlle de la Fosse	15,000	1,000	23,079	24,079		9,808	9,808
Ian Lee[3]	15,000	3,775	35,338	39,113			
Caroline Basyn[4]	15,000		5,811	5,811			
Teppo Paavola[5]					5,979	35,732	41,711
Ralf Weissbeck[5]					3,826	14,390	18,216
Total		81,513	409,585	491,098	76,642	280,377	357,019

1 Indicating the number of registered shares held, with a nominal value of CHF 0.10 each.
2 As of 31 December 2023, RSUs granted in March 2023 under the first tranche of the AKKA Integration performance award remain unvested.
3 Appointed as a member of the EC as of January 2023. The balance of unvested PSUs/RSUs includes 19,948 PSUs granted prior to his appointment to the EC.
4 Joined the Adecco Group and appointed as a member of the EC as of 28 August 2023.
5 Stepped down as a member of the EC as of April 2023.

Benefits

As the EC is international in its nature, its members participate in the benefit plans available in the country of their employment, in line with local regulations and competitive practice. Benefits consist mainly of retirement and insurance plans that are designed to provide a reasonable level of protection for employees and their dependents in case of retirement, death or disability.

In 2023, the CEO and the other EC members, with the exception of Ian Lee, all had a Swiss employment contract. The EC members with a Swiss employment contract participate in the Adecco Group's pension plans offered to all employees in Switzerland.

EC members are also provided with certain additional benefits such as annual health screenings, tax return preparation support, housing allowance, relocation support, education costs, representation allowance or health insurance for EC members on assignment. The monetary value of these benefits is disclosed at fair value in the remuneration tables where applicable.

Replacement awards

When an individual forfeits compensation at a former company as a result of joining the Adecco Group, the Board may offer replacement awards on a comparable basis to the compensation forfeited. Restricted share units (RSUs) are awarded to replace share-based awards forfeited and due to vest within 12 months of their employment start date at the Adecco Group.

In all other cases, PSUs are awarded to replace share-based awards forfeited. The Board aims to match the economic value of the forfeited awards, taking into account factors such as the replacement award vehicle (i.e., cash, RSUs or PSUs), whether the forfeited award is subject to performance conditions, the expected value of the forfeited award, the timing of forfeiture and the termination conditions. No replacement awards were made to incoming EC members in 2023.

Contractual agreements

The EC members have employment contracts of unlimited duration which are all subject to a notice period of 12 months. They are not contractually entitled to sign-on awards nor severance payments (but may be entitled to seniority-related payments due to foreign laws as applicable), or to Change in Control payments (for LTIP, see page 93). Finally, their contract may foresee non-competition provisions of up to 12 months post termination of their contract. As of 2022, the Group may compensate the EC member's economic loss due to non-competition provisions by paying monthly instalments equivalent to 1/12 of the EC member's annual base salary during the non-compete period only.

Compensation for joining EC members in 2023

In 2023, two new appointments were made to the Adecco Group Executive Committee. No replacement awards were made.

Name	Function	Appointment date
Ian Lee	President Geographic Regions	1 January 2023 (joined the Adecco Group September 2017)
Caroline Basyn	Chief Digital and IT Officer	28 August 2023 (joined the Adecco Group in August 2023)

Compensation for departing EC members in 2023

In determining the compensation for departing EC members, the Compensation Committee ensures that contractual entitlements as described on page 96 are respected and that all payments are in line with the employment agreements, the incentive plan rules and the Swiss Code of Obligations. No severance payments are made to departing EC members. During the notice period, no new LTIP grants are made.

In 2023, two EC members stepped down from the Adecco Group Executive Committee. During the notice period, remuneration was paid in line with contractual entitlements. No PSUs were granted to these EC members in 2023. Post-termination, EC members were compensated for economic loss due to contractual non-competition provisions.

Illustration 16: EC remuneration for the financial years 2023 and 2022 (audited)

	Denis Machuel		Total Executive Committee[1]		Alain Dehaze
in CHF	**2023**	2022[2]	**2023**	2022	2022[3]
Gross cash remuneration[4]					
• Annual base salary	**1,300,000**	758,333	**6,514,013**	6,671,075	750,000
• Annual STI	**1,142,819**	658,908	**4,644,168**	4,840,057	547,500
Remuneration in kind and other[5]	**130,387**	100,892	**786,143**	797,654	65,405
Share awards granted under the LTIP[6]	**1,949,908**	1,137,492	**6,644,056**	7,835,505	1,950,112
AKKA integration award[7]				1,000,000	
Social contributions					
• Old age insurance/pensions and other	**257,602**	158,252	**1,500,226**	1,679,570	139,602
• Additional health/accident insurance	**12,822**		**87,423**	90,830	9,333
• On share awards granted, that may vest in later periods (estimated) and AKKA integration award	**124,794**	79,624	**425,220**	612,704	136,508
Conferred to EC members[8]	**4,918,332**	2,893,501	**20,601,249**	23,527,395	3,598,460
Conferred to EC members after stepping down[9]			**1,651,656**	2,348,908	1,530,255
Conferred to active EC members, grand total	**4,918,332**	2,893,501	**22,252,905**	25,876,303	5,128,715

1 For 2023, including the CEO Denis Machuel. For 2022, including the CEO Denis Machuel and the previous CEO Alain Dehaze. Notice periods of 12 months apply.

2 Denis Machuel joined the Adecco Group on 1 June 2022 and was appointed as a member of the EC and CEO on 1 July 2022. His remuneration presented is for the period 1 June 2022 until 31 December 2022. All remuneration, including base salary, STI and share awards granted were prorated from 1 June 2022.

3 Alain Dehaze, previous CEO, had the highest conferred individual compensation in 2022. He stepped down as CEO and from the EC on 30 June 2022. CHF 1,530,255 conferred during the notice period after stepping down is composed of CHF 1,297,500 gross cash remuneration, CHF 80,933 remuneration in kind and other and CHF 151,822 social contributions.

4 Including employee's social contributions.

5 Including annual health screenings, tax return preparation support, housing allowance, relocation support, education, health insurance, representation allowance and benefits.

6 The value disclosed is the grant price multiplied by the number of shares granted. The grant price is calculated based on the 20 trading days average share price prior to the grant. In 2023, grants were made on 31 March 2023, except for Caroline Basyn, whose PSUs were granted on 18 September following her appointment. The value of the PSU is CHF 32.76 for awards granted in March 2023 and CHF 37.49 for awards granted in September 2023. This simplifies the disclosure compared to prior years when these values were disclosed in terms of their accounting value. To aid comparison, the values of PSUs granted in 2022 have been restated based on grant price. In 2022, the grant date was 31 March 2022 for all EC members, except for Denis Machuel, whose PSUs were granted on 16 September following his appointment. The value of the PSUs based on the grant price is CHF 42.06 for awards granted in March 2022 and CHF 30.68 for awards granted in September 2022. The values previously disclosed in the 2022 Remuneration Report (based on accounting value) were CHF 836,805 for Denis Machuel, CHF 1,471,625 for Alain Dehaze and CHF 6,105,848 for the total Executive Committee.

7 The value of the AKKA integration performance award granted to the President of Akkodis in 2022 was CHF 1,000,000 at target achievement, with the opportunity to earn up to 200% in case of over achievement. Since this award covers a two-year performance period and is partly settled in cash and partly in shares, the total target value of the award granted in 2022 of CHF 1,000,000 (as opposed to the actual amounts earned) was disclosed in the 2022 remuneration report. The first performance period was measured after 12 months, which determined the payout for 50% of the target award. This 50% payout was delivered 50% in cash in March 2023 and 50% in Restricted Stock Units (RSUs) granted in March 2023 with a one-year vesting period. The second performance period was measured after 24 months, which determined the payout for the remaining 50% of the award granted in 2022. This payout will be delivered 50% in cash in March 2024 and 50% in RSUs that will be granted in March 2024 with a one-year vesting period. Full details of the targets, achievements, any payout for this award can be found on page 90.

8 For 2023, includes all remuneration conferred to the nine EC members who were EC members on 31 December 2023. In addition, includes remuneration conferred to Teppo Paavola and Ralf Weissbeck from 1 January 2023 to the day they stepped down from the EC on 31 March 2023. For 2022, includes all remuneration conferred to the nine EC members who were EC members on 31 December 2022. For the three EC members who stepped down from the EC during 2022, includes all remuneration conferred from 1 January 2022 to the day they stepped down from the EC, being 30 June 2022 for Alain Dehaze and 28 February 2022 for Stephan Howeg and Sergio Picarelli.

9 For 2023, this includes all remuneration conferred to Teppo Paavola and Ralf Weissbeck from 1 April 2023 until 31 November 2023 and one month of non-compete payments in December 2023. For 2022, this includes remuneration conferred to Alain Dehaze from 1 July 2022 until 31 December 2022. For Stephan Howeg, this includes remuneration conferred from 1 March 2022 until 31 December 2022. On stepping down from the EC on 28 February 2022, Sergio Picarelli took a new non-EC role within the Company.

Executive Committee remuneration 2024

The remuneration system applicable to the EC is reviewed by the Compensation Committee on a regular basis to ensure alignment with strategic business objectives, the external market and best practice in compensation design.

As outlined previously in this report, we conducted an extensive listening and engagement programmes with shareholders over the course of 2023 following the disappointing voting outcome at the 2023 AGM. This feedback was taken into account during our regular framework review, alongside additional feedback received from shareholders, proxy advisors and our external compensation advisors, as well as consideration of the evolving environment in which the Company operates. We remain committed to seeking the views of our shareholders through active engagement and will continue to listen to feedback provided in the course of our regular remuneration framework review for 2024.

The STIP KPIs have been reviewed to ensure they continue to support and drive the execution of our Company strategy in order to deliver our ambitious growth targets, whilst also balancing our commitment to cost savings and improving operating cashflow. Whilst the STIP design for this year may appear more complex due to the full disclosure of the metrics for each EC member, the STIP continues to streamline focus on the delivery of key financial, strategic and functional priorities across our businesses with between five and seven KPIs chosen based on the specific role of each EC member.

The President of Akkodis will continue to have the AKKA/Modis integration KPI in his STIP balanced scorecard.

In line with our commitment to enhanced disclosures, the final 2024 STIP balanced scorecard for the CEO and other EC members, including KPI weightings, can be found in Illustration 17. The associated targets and outcome for the CEO will be disclosed in the 2024 Remuneration Report.

Illustration 17: 2024 STIP balanced scorecard

	CEO	CFO	CHRO	CDIO	CSMO	President Geographic Regions	President Adecco	President LHH	President Akkodis
Financial KPIs (75%)									
Relative revenue growth (Group)	30%	25%	25%	25%		10%			
EBITA margin (Group)	30%	35%	35%	35%		10%			
Operating cash flow (Group) **(new)**	15%	15%	15%	15%	15%	15%	15%	15%	15%
Revenue growth (GBU level)							30%	30%	30%
EBITA margin (GBU level)							30%	30%	30%
Revenue (Regional level)						20%			
EBITA margin (Regional level)						20%			
Revenue (customer level)					30%				
Gross margin/EBITA margin (customer level)					30%				
Strategic and Functional KPIs (25%)									
Gender Parity in senior leadership	10%	10%	10%	10%	10%	10%	10%	10%	10%
G&A cost savings **(new)**	15%	15%	15%	15%	15%	15%	15%	15%	
AKKA/Modis integration									15%

The LTIP design will remain unchanged for 2024. The LTIP design for EC members will continue to include three equally weighted financial performance metrics: rTSR, ROIC and CCR. Throughout 2024, the LTIP design will be reviewed, to ensure the KPIs continue to support the growth of the Adecco Group, alongside our commitments to the environment and societies in which we operate. Below, the interim performance against the stretch targets is reported for the ongoing LTIP performance periods.

2022-2024 LTIP award

After the second year of the three-year performance period, rTSR for the Adecco Group is tracking above the median of its peer group. ROIC and CCR are tracking below target. The final vesting level is determined at the end of the three-year performance period, and will be reported in the 2024 Remuneration Report.

Performance measure	Tracking
rTSR (33.3%)	●
ROIC (33.3%)	◗
CCR (33.3%)	◗

● At or above target ◗ Below target

2023-2025 LTIP award

After the first year of the three-year performance period, rTSR for the Adecco Group is tracking above the median of its peer group. ROIC and CCR are tracking below target. The final vesting level is determined at the end of the three-year performance period, and will be reported in the 2025 Remuneration Report.

Performance measure	Tracking
rTSR (33.3%)	●
ROIC (33.3%)	◗
CCR (33.3%)	◗

● At or above target ◗ Below target

Remuneration of the Board of Directors

Remuneration system

In 2023, the remuneration system for the Board was unchanged compared to 2022. To reinforce the independence in exercising their supervisory duties over executive management, the members of the Board receive fixed remuneration for their term of office without entitlement to variable remuneration. Two thirds of the Board fee is paid in cash and one third is paid in shares subject to a three-year blocking period. The blocking period supports the alignment of Board members' interests with those of shareholders.

The remuneration in cash is paid out quarterly (for the Chair of the Board: monthly) and is subject to regular contributions to social security where applicable. The shares are transferred on a quarterly basis. Board members are not insured under the Company retirement plans.

When determining the individual Board members' remuneration, their various functions and responsibilities within the Board and its Committees are taken into consideration. The remuneration levels for the term of office from AGM 2023 to AGM 2024 are summarised in Illustration 18. For the term from AGM 2024 to AGM 2025, it is anticipated that the remuneration structure for the Board will remain the same as for the term from AGM 2023 to AGM 2024.

Remuneration of the Board of Directors for 2023

For the amounts paid to the individual members of the Board in the calendar year 1 January 2023 to 31 December 2023, refer to Illustration 19. In 2023, the Board's total remuneration amounted to CHF 5.0 million (2022: CHF 4.8 million). Of this total, CHF 3.1 million was paid out in cash (2022: CHF 3.0 million), CHF 1.6 million was awarded in restricted shares (2022: CHF 1.5 million) and social contributions amounted to CHF 0.3 million (2022: CHF 0.3 million). Whilst the remuneration structure (annual Board fee and Committee fees) remained unchanged, the total remuneration increased in 2023 compared to 2022 as one new Board member joined the Board in April 2023.

At the AGM of 13 April 2022, shareholders approved a Maximum Total Amount of Remuneration (MTAR) of CHF 5.1 million for the Board for the term from AGM 2022 until AGM 2023. The remuneration paid to the Board for that term was CHF 4.8 million and is therefore within the approved limits.

At the AGM of 12 April 2023, shareholders approved an MTAR of CHF 5.3 million for the Board for the term from AGM 2023 until AGM 2024. The remuneration paid to the Board for this ongoing term is anticipated to be approximately CHF 5.1 million. The final amount will be disclosed in the Remuneration Report 2024.

Effective since AGM 2019, the Board members are required to hold a minimum of 5,000 Adecco Group AG shares within three years of their first election to the Board. To calculate whether the minimum shareholding guideline is met, all shares granted as part of their remuneration are considered as beneficially owned, regardless of whether they are blocked or not. The Board reviews compliance with the shareholding guideline on an annual basis.

Illustration 18: Structure and levels of remuneration for the Board

	Cash (in CHF)	Shares (in CHF)[1]
Fees for the Board term (gross)		
Chair of the Board[2]	960,000	500,000
Vice-Chair of the Board[2]	300,000	150,000
Other members of the Board	166,670	83,330
Additional Committee fees (gross)		
Audit Committee Chair[3]	133,333	66,667
Other Committee Chairs[3]	100,000	50,000
Other Committee members	33,330	16,670

1 Paid in Adecco Group AG shares with a three-year blocking period.
2 No entitlement to additional fee for Committee work.
3 Amount includes fee for Committee membership for the Chair.

Illustration 19: Board of Directors' remuneration for the financial years 2023 and 2022 (audited)

in CHF

Name	Function[1]	Remuneration period	Remuneration in cash	Remuneration in shares[2]	Social contributions[3]	Total remuneration[4]
Jean-Christophe Deslarzes	Chair	**2023**	**960,000**	**500,112**	**89,172**	**1,549,284**
	Chair	2022	960,000	500,071	95,881	1,555,952
Kathleen Taylor	Vice-Chair	**2023**	**300,000**	**150,095**	**25,961**	**476,056**
	Vice-Chair	2022	300,000	150,058	26,123	476,181
Rachel Duan	Member	**2023**	**200,000**	**100,100**	**19,650**	**319,750**
	Member	2022	200,000	100,043	20,440	320,483
Ariane Gorin	DC Chair	**2023**	**300,000**	**150,095**	**62,630**	**512,725**
	DC Chair	2022	300,000	150,058	78,255	528,313
Alexander Gut	GNC Chair	**2023**	**300,000**	**150,095**	**28,657**	**478,752**
	GNC Chair	2022	300,000	150,058	30,215	480,273
Didier Lamouche	CC Chair	**2023**	**300,000**	**150,095**	**0**	**450,095**
	CC Chair	2022	300,000	150,058	0	450,058
David Prince[5]	Member	**2023**	**275,000**	**137,574**	**58,402**	**470,976**
	Member	2022	300,000	150,058	65,268	515,326
Sandhya Venugopal[6]	Member	**2023**	**175,000**	**87,560**	**0**	**262,560**
	–	2022	–	–	–	–
Regula Wallimann	AC Chair	**2023**	**300,000**	**150,095**	**28,657**	**478,752**
	AC Chair	2022	300,000	150,058	30,215	480,273
Total 2023			**3,110,000**	**1,575,821**	**313,129**	**4,998,950**
Total 2022			2,960,000	1,500,462	346,397	4,806,859

1 For more information on the functions of the individual members of the Board in the Board's Committees, refer to the Corporate Governance Report.
2 For 2023, paid with 45,964 Adecco Group AG shares at an average price of CHF 34.93 per share; for 2022, paid with 45,356 Adecco Group AG shares at an average price of CHF 33.93 per share.
3 Company's social contributions required by law. No contributions are paid to pension plans by the Company. No social contributions are paid in France for Didier Lamouche in 2023 and 2022. No social contributions are paid in the United States for Sandhya Venugopal in 2023.
4 Amounts reported for 2022 have been reclassified to conform to the current year's presentation.
5 The total remuneration includes remuneration received for membership in the China Joint Venture Boards of FESCO Adecco as a non-executive Director in the amount of CHF 100,000.
6 Board member since 13 April 2023.

Board shareholdings as at 31 December 2023

All Board members have reached the minimum shareholding guideline, other than Sandhya Venugopal who joined the Board in 2023 and is on track to fulfil the guideline within three years of her election to the Board.

The members of the Board are required to disclose to the Company any direct or indirect purchases and sales of equity-related securities of Adecco Group AG. The reported share ownership of the members of the Board, including related parties, is presented in Illustration 20.

Illustration 20: Shares owned by Board members as of 31 December 2023 and 31 December 2022 (audited)

(in shares)

Name	Shareholding as of 31 December 2023[1]	Shareholding as of 31 December 2022
Jean-Christophe Deslarzes	**65,048**	50,444
Kathleen Taylor	**25,041**	20,658
Rachel Duan	**7,428**	4,505
Ariane Gorin	**18,860**	14,477
Alexander Gut	**41,397**	37,014
Didier Lamouche	**22,117**	17,734
David Prince	**28,026**	24,000
Sandhya Venugopal	**2,496**	
Regula Wallimann[2]	**18,953**	14,563
Total	**229,366**	183,395

1 Indicating the number of registered shares held, with a nominal value of CHF 0.10 each.
2 For 2023, includes 7 shares owned by a related party.

Remuneration governance

Legal framework

The Adecco Group's Remuneration Report is written in accordance with the requirements of the Swiss Code of Obligations as in force on 31 December 2023 and the applicable Directive on Information relating to Corporate Governance, issued by the SIX Swiss Exchange. The Adecco Group's remuneration principles further take into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance of the Swiss Business Federation (economiesuisse) as in force on 31 December 2023.

Role of the shareholders

The shareholders annually and prospectively approve the Maximum Total Amount of Remuneration (MTAR). For the EC, the MTAR is approved for the following financial year and for the Board it is approved for the term from the AGM to the next AGM. The shareholders also vote on the Remuneration Report in a retrospective consultative vote. Authority for decisions related to remuneration (see Illustration 21) is governed by the Articles of Incorporation, which are available on the Company website, and the Compensation Committee Charter.

The following limits apply to EC variable remuneration according to the Articles of Incorporation:

- At target, the STI of the EC may not exceed 125% of its aggregate annual base salary. For the CEO, the target STI may not exceed 120% of his annual base salary. If targets are exceeded, the STI payout is capped at 150% of the aggregate annual base salary for the EC and 140% of annual base salary for the CEO.
- At grant, the fair value of the share units awarded to the EC under the LTIP may not exceed 150% of its aggregate annual base salary and for the CEO it should not exceed 160% of his annual base salary. Vesting is conditional upon the fulfilment of certain conditions over several financial years.

Role of the Board and the Compensation Committee

In line with the provisions of the Articles of Incorporation, the Board has entrusted the Compensation Committee to provide support in establishing and reviewing the Company's remuneration principles and incentive plans, in preparing the remuneration proposals put forward at the AGM, in determining the remuneration of the EC and the Board and in setting the performance objectives and assessing the performance achievements relevant for the incentives of the EC.

The Compensation Committee generally acts in a preparatory and advisory capacity while the Board retains the decision-making authority on remuneration matters, except for the MTAR of the EC and the Board, which are subject to the approval of the shareholders at the AGM.

The Compensation Committee is composed of independent Board members who are elected individually by the shareholders at the AGM, for a term of office of one year ending after completion of the next AGM. Further details on the Compensation Committee's composition, responsibilities and activities are provided in the Corporate Governance Report.

Didier Lamouche, Kathleen Taylor and Rachel Duan were re-elected as members of the Compensation Committee for the term of office from the AGM 2023 to the AGM 2024. Didier Lamouche has served as a member of the Compensation Committee since 2019 and as the Chair of the Compensation Committee since 2020. Kathleen Taylor has served as a member of the Compensation Committee since 2017 and Rachel Duan joined as a member of the Compensation Committee in 2021.

Jean-Christophe Deslarzes, the Chair of the Board, is a permanent invitee and participates in the Compensation Committee's meetings without voting rights.

The CEO, the Chief Human Resources Officer and the Group SVP Total Rewards usually attend the Compensation Committee meetings. The Chair of the Compensation Committee may decide to invite other EC members or subject matter experts as appropriate. Board and EC members do not participate in the Compensation Committee meetings, or parts of meetings, when their own individual remuneration matters are discussed.

The Compensation Committee meets as often as business requires, but at least six times a year. In 2023, the Compensation Committee held six meetings. The Chair of the Compensation Committee participates in at least one planning meeting with management prior to each Compensation Committee meeting. Details on meeting attendance of the individual members of the Compensation Committee are provided in the Corporate Governance Report.

The Chair of the Compensation Committee reports to the full Board after each Compensation Committee meeting. The minutes and the materials of the meetings are available to all members of the Board.

Role of external advisors

The Compensation Committee may decide to consult external advisors, from time to time for specific remuneration matters. In 2023, the Compensation Committee retained Willis Towers Watson, an international independent external consultant, to provide compensation benchmark data, and Obermatt, an independent Swiss financial research firm, to calculate the achievement and vesting level under the LTIP. Additionally, the Compensation Committee retained Deloitte, an international independent external consultant, to support with shareholder engagement. In 2023, Willis Towers Watson also provided compensation benchmark data for the broader employee population, while Obermatt and Deloitte had no other mandates with the Adecco Group. These consultants' independence and performance are reviewed periodically by the Compensation Committee to determine whether to renew or rotate the advisors.

Illustration 21: Remuneration authorisation levels within the parameters set by the Articles of Incorporation

	CEO	CC	Board	AGM
Remuneration philosophy and principles	P	R	A	
Incentive plans	P	R	A	
MTAR of the EC		P	R	A
CEO remuneration		P	A	
Individual remuneration of EC members	P	R	A	
MTAR of the Board		P	R	A
Individual remuneration of Board members		P	A	
Remuneration Report		P	A	Retrospective consultative vote

P Proposes R Reviews

A Approves Retrospective consultative vote

Additional disclosures

Additional fees and remuneration of the EC and Board members (audited)

Apart from the remuneration disclosed on pages 98 and 102, no member of the EC or the Board has received any additional remuneration in 2023.

Loans granted to the EC and Board members (audited)

In 2023, the Company did not grant any guarantees, loans, advances or credits to current or former EC or Board members. No such loans were outstanding as at 31 December 2023.

Remuneration of former members of the EC and Board (audited)

In 2023, CHF 1,405,404 was paid to former EC members who stepped down in 2022. Payments were made in line with their employment contracts, and no discretionary payments were made. No other payments (or waivers of claims) were made to EC members, Board members or closely linked parties. In 2022, no payments were made to former EC or Board members.

Shares allocated to members of the EC, Board and closely linked parties (audited)

In 2023, PSUs were allocated to EC members (refer to Illustration 11) under the LTIP and part of the remuneration of the Board members was paid in Adecco Group AG shares (refer to Illustration 19). No further Adecco Group AG shares were allocated to current or former members of the EC and Board or closely linked parties.

Remuneration or loans to closely linked parties (audited)

In 2023, no remuneration was paid out, no shares allocated, and no guarantees, loans, advances or credits were granted to closely linked parties. No such loans were outstanding as of 31 December 2023.

External mandates of members of the EC and Board in companies with an economic purpose (audited)

Below are the external mandates performed by members of the EC and Board as at 31 December 2023. Unless stated otherwise, all mandates are non-executive.

Executive Committee	Listed companies	Non-listed companies
Denis Machuel	• Board member of Kyndryl, USA	• Board member of DPFN counseil, France
Coram Williams		• Director of 28 Hampton Park LTD, UK • Board member of the Guardian Media Group, UK and chair of its audit committee
Christophe Catoir		• Board member of IÉSEG Business School, France
Jan Gupta[1]		
Gordana Landen	• Board member of Sika AG, Switzerland and member of the nomination and compensation committee	
Gaëlle de la Fosse		
Valerie Beaulieu	• Board member of Orange SA, France	
Ian Lee		
Caroline Basyn		

1 Board member of EFS, Germany, since 2020. The Adecco Group is a majority owner.

Board of Directors	Listed companies	Non-listed companies
Jean-Christophe Deslarzes	• Chair of the Board of Directors of Constellium, France	
Kathleen Taylor	• Board member of Air Canada, Canada • Board member of Element Fleet Management, Canada	• Board member of Mattamy Asset Management, Canada • Chair of Altas Partners, Canada • Member of the Advisory Board, Cabot Collection, Canada
Rachel Duan	• Board member of AXA S.A., France and member of the compensation and governance committee • Board member of Sanofi, France • Board member of HSBC Holdings PLC, UK	
Ariane Gorin	• Member of the management team of Expedia Group, USA; Executive mandate	
Alexander Gut		• Founder and managing partner of Gut Corporate Finance AG, Switzerland; Executive mandate • Board member of Gutvilla Immobilien AG, Switzerland
Didier Lamouche	• Chair of the Board of Directors of Quadient, France • Board member of ASM International, the Netherlands	• Chair of the Advisory Board of Utimaco, Germany • Founder and CEO DLT Consulting, France • Founder and Director Granla, Belgium • Non-executive Director, Imagination Ltd, UK
David Prince[1]	• Board member of SmarTone Telecommunications Holdings Ltd, Hong Kong • Board member of Sunevision Holdings Ltd, Cayman Islands	• Board member of the Wilson Group Companies, operating in Australia, New Zealand, Singapore and Malaysia
Sandhya Venugopal	• Chief Information Officer, SentinelOne, USA; Executive mandate	
Regula Wallimann	• Board member of Straumann Holding AG, Switzerland, Chair of the audit and risk committee and member of the HR and compensation committee • Board member of Helvetia Holding AG, Switzerland, member of the audit committee, nomination committee and compensation committee	• Board member of Swissgrid AG, Switzerland, head of the finance and audit committee and vice president and member of the HR committee • Board member of Swissport Group, Switzerland and its holding company Radar Topco S.à.r.l., Luxembourg, including Chair of the audit committee of Swissport International Ltd., Switzerland

1 Non-executive Director of the Joint Venture Board of FESCO Adecco Shanghai China.

Report of the statutory auditor on the audit of the remuneration report

Opinion

We have audited the remuneration report of Adecco Group AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited” on pages 95, 98, 102, 104 and 105 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report complies with Swiss law and the Company’s articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the remuneration report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked ”audited” in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. 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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee 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, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

/s/ Jolanda Dolente

Jolanda Dolente
Licensed audit expert
(Auditor in charge)

/s/ Marco Casal

Marco Casal
Licensed audit expert

Zürich, Switzerland
12 March 2024

Financial Statements

Edoardo Albanese
and Maria Grazia Cavallaro

Consolidated balance sheets

in millions, except share and per share information

As of (in EUR)	Note	31.12.2023	31.12.2022
Assets			
Current assets:			
• Cash and cash equivalents		556	782
• Trade accounts receivable, net	4	4,466	4,758
• Other current assets	18, 19	466	584
Total current assets		**5,488**	**6,124**
Property, equipment, and leasehold improvements, net	5	560	575
Operating lease right-of-use assets	9	476	402
Equity method investments	8	184	177
Other assets	18, 19	681	768
Intangible assets, net	3, 6	927	1,029
Goodwill	3, 6	4,114	4,181
Total assets		**12,430**	**13,256**
Liabilities and shareholders' equity			
Liabilities			
Current liabilities:			
• Accounts payable and accrued expenses:			
•• Accounts payable		832	1,162
•• Accrued salaries and wages		725	674
•• Accrued payroll taxes and employee benefits		1,448	1,540
•• Accrued sales and value-added taxes		519	554
•• Accrued income taxes	19	61	46
•• Other accrued expenses	7	886	908
• Total accounts payable and accrued expenses		4,471	4,884
• Current operating lease liabilities	7, 9	202	176
• Short-term debt and current maturities of long-term debt	10	521	138
Total current liabilities		**5,194**	**5,198**
Operating lease liabilities	7, 9	323	287
Long-term debt, less current maturities	10	2,625	3,099
Other liabilities	19	687	779
Total liabilities		**8,829**	**9,363**
Shareholders' equity			
Adecco Group shareholders' equity:			
• Common shares	11	11	11
• Additional paid-in capital	11	557	669
• Treasury shares, at cost	11	(39)	(58)
• Retained earnings		3,398	3,412
• Accumulated other comprehensive income/(loss), net	12	(332)	(153)
Total Adecco Group shareholders' equity		**3,595**	**3,881**
Noncontrolling interests		6	12
Total shareholders' equity		**3,601**	**3,893**
Total liabilities and shareholders' equity		**12,430**	**13,256**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of operations

in millions, except share and per share information

For the fiscal years ended 31 December (in EUR)	Note	2023	2022
Revenues	2, 21	**23,957**	23,640
Direct costs of services	18	**(18,988)**	(18,666)
Gross profit		**4,969**	**4,974**
Selling, general, and administrative expenses	7, 18	**(4,259)**	(4,326)
Proportionate net income of equity method investment FESCO Adecco	8	**24**	29
Amortisation of intangible assets	6	**(102)**	(130)
Operating income	21	**632**	**547**
Interest expense		**(77)**	(49)
Other income/(expenses), net	17	**(48)**	(47)
Income before income taxes		**507**	**451**
Provision for income taxes	19	**(180)**	(106)
Net income		**327**	**345**
Net income attributable to noncontrolling interests		**(2)**	(3)
Net income attributable to Adecco Group shareholders		**325**	**342**
Basic earnings per share	20	**1.94**	**2.05**
Basic weighted-average shares	20	**167,427,593**	166,822,663
Diluted earnings per share	20	**1.94**	**2.04**
Diluted weighted-average shares	20	**168,014,727**	167,065,883

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of comprehensive income

in millions, except share and per share information

For the fiscal years ended 31 December (in EUR)	Note	2023	2022
Net income		**327**	345
Other comprehensive income/(loss), net of tax:			
• Currency translation adjustments		**(149)**	42
• Pension-related adjustments	14	**(22)**	29
• Changes in fair value of securities		**(6)**	1
• Changes in fair value of cash flow hedges	15	**(2)**	12
Total other comprehensive income/(loss), net of tax		**(179)**	84
Total comprehensive income		**148**	**429**
Less comprehensive income attributable to noncontrolling interests		**(2)**	(3)
Comprehensive income attributable to Adecco Group shareholders		**146**	**426**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

in millions, except share and per share information

For the fiscal years ended 31 December (in EUR)	2023	2022
Cash flows from operating activities		
Net income	**327**	345
Adjustments to reconcile net income to cash flows from operating activities:		
• Depreciation and amortisation	**257**	270
• Bad debt expense	**17**	20
• Stock-based compensation	**19**	21
• Deferred tax provision/(benefit)	**(25)**	(78)
• Other, net	**31**	(16)
Changes in operating assets and liabilities, net of acquisitions and divestitures:		
• Trade accounts receivable	**184**	(389)
• Accounts payable and accrued expenses	**(235)**	142
• Other assets and liabilities	**(12)**	228
Cash flows from operating activities	**563**	**543**
Cash flows from investing activities		
Capital expenditures	**(216)**	(215)
Proceeds from sale of property and equipment	**54**	3
Acquisition of AKKA, net of cash and restricted cash acquired		(1,245)
Cash settlements on derivative instruments	**(41)**	1
Other acquisition and investing activities, net of cash and restricted cash acquired	**(6)**	10
Cash flows used in investing activities	**(209)**	**(1,446)**

Consolidated statements of cash flows (continued)

in millions, except share and per share information

For the fiscal years ended 31 December (in EUR)	2023	2022
Cash flows from financing activities		
Net decrease in short-term debt	**(83)**	(345)
Borrowings of long-term debt, net of issuance costs		350
Repayment of long-term debt	**(35)**	(928)
Buyback of long-term debt	**(68)**	
Dividends paid to shareholders	**(422)**	(409)
Purchase of treasury shares		(5)
Other financing activities, net	**(12)**	(46)
Cash flows used in financing activities	**(620)**	**(1,383)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**3**	**40**
Net decrease in cash, cash equivalents and restricted cash	**(263)**	**(2,246)**
Cash, cash equivalents and restricted cash:		
• Beginning of year	**909**	3,155
• End of year	**646**	909

The following table provides a reconciliation of cash, cash equivalents and restricted cash to the amounts reported in the Company's consolidated balance sheets:

For the fiscal years ended 31 December (in EUR)	2023	2022
Reconciliation of cash, cash equivalents and restricted cash at beginning of year:		
Current assets:		
• Cash and cash equivalents	**782**	3,051
• Restricted cash included in Other current assets	**86**	61
Non-current assets:		
• Restricted cash included in Other assets	**41**	43
Cash, cash equivalents and restricted cash at beginning of year	**909**	3,155
Reconciliation of cash, cash equivalents and restricted cash at end of year:		
Current assets:		
• Cash and cash equivalents	**556**	782
• Restricted cash included in Other current assets	**49**	86
Non-current assets:		
• Restricted cash included in Other assets	**41**	41
Cash, cash equivalents and restricted cash at end of year	**646**	909
Supplemental disclosures of cash paid		
Cash paid for interest	**54**	24
Cash paid for income taxes	**146**	227

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of changes in shareholders' equity

in millions, except share and per share information

in EUR	Common shares	Additional paid-in capital	Treasury shares, at cost	Retained earnings	Accumulated other comprehensive income/(loss), net	Noncontrolling interests	Total shareholders' equity
1 January 2022	**11**	**814**	**(159)**	**3,361**	**(237)**	**10**	**3,800**
Comprehensive income:							
Net income				342		3	345
Other comprehensive income					84		84
Total comprehensive income							429
Stock-based compensation		21	2				23
Vesting of share awards		(24)	23				(1)
Other treasury share transactions			(5)				(5)
Cash dividends, CHF 2.50 per share		(204)		(204)			(408)
Capital increase		72					72
Share cancellation			81	(87)			(6)
Other		(10)				(1)	(11)
31 December 2022	**11**	**669**	**(58)**	**3,412**	**(153)**	**12**	**3,893**
Adoption of ASU 2016-13[1]				**(27)**			**(27)**
1 January 2023 (upon adoption of ASU 2016-13)	**11**	**669**	**(58)**	**3,385**	**(153)**	**12**	**3,866**
Comprehensive income:							
Net income				**325**		**2**	**327**
Other comprehensive income					**(179)**		**(179)**
Total comprehensive income							**148**
Stock-based compensation		**18**	**2**				**20**
Vesting of share awards		**(19)**	**17**				**(2)**
Cash dividends, CHF 2.50 per share		**(110)**		**(312)**			**(422)**
Other		**(1)**				**(8)**	**(9)**
31 December 2023	**11**	**557**	**(39)**	**3,398**	**(332)**	**6**	**3,601**

1 The Company adopted ASU 2016-13 "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" on 1 January 2023. Upon adoption, the Company recorded a cumulative-effect adjustment against Retained earnings of EUR 27 relating to an increase in the allowances for credit losses included within Trade accounts receivable, net of EUR 35 and included within Other current assets of EUR 1, partially offset by an impact on deferred tax assets of EUR 9 included within Other assets.

The accompanying notes are an integral part of these consolidated financial statements.

Notes to consolidated financial statements

in millions, except share and per share information

Note 1 – The business and summary of significant accounting policies

Business

The consolidated financial statements include Adecco Group AG, a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities in which the Adecco Group is considered the primary beneficiary (collectively, the Company). The Company's principal business is providing human resource services including Flexible Placement, Permanent Placement, Career Transition, Outsourcing, Consulting & Other Services, and Training, Up-skilling & Re-skilling services to businesses and organisations throughout Europe, North America, Asia Pacific, South America, and North Africa. At the end of 2023, the Company's worldwide network consists of approximately 37,000 full-time equivalent (FTE) company-based employees in 63 countries and territories.

The Company organises its business along three distinct Global Business Units (GBU): Adecco, Akkodis and LHH. The primary segment reporting is therefore built on a brand-driven organisational model structured around solutions-based business groups comprising Adecco (further split by geography: France; Northern Europe; DACH; Southern Europe & EEMENA; Americas; and APAC), Akkodis and LHH. The structure is complemented by secondary segment reporting of the Company's service lines (comprising Flexible Placement; Permanent Placement; Career Transition; Outsourcing; Consulting & Other Services; and Training, Up-skilling & Re-skilling). Effective 1 January 2023, the Company transferred part of AKKA's US operations to Adecco US. The assets transferred were staffing activities, such that this action strengthens the strategic focus of both the Akkodis and Adecco GBUs.

Basis of presentation

The consolidated financial statements are prepared in accordance with US generally accepted accounting principles (US GAAP) and the provisions of Swiss law.

Reporting currency

The reporting currency of the Company is the Euro, which reflects the significance of the Company's Euro-denominated operations. Adecco Group AG's share capital is denominated in Swiss Francs and the Company declares and pays dividends in Swiss Francs.

Foreign currency translation

The Company's operations are conducted in various countries around the world and the financial statements of foreign subsidiaries are reported in the applicable foreign currencies (functional currencies). Financial information is translated from the applicable functional currency to the Euro, the reporting currency, for inclusion in the Company's consolidated financial statements. Income, expenses, and cash flows are translated at average exchange rates prevailing during the fiscal year or at transaction exchange rates, and assets and liabilities are translated at fiscal year-end exchange rates. Resulting translation adjustments are included as a component of accumulated other comprehensive income/(loss), net, in shareholders' equity. Exchange gains and losses on intercompany balances that are considered permanently invested are also included in equity.

Hyperinflationary economies

Local subsidiaries in hyperinflationary economies are required to use the Euro as their functional currency and remeasure the monetary assets and liabilities not denominated in Euro using the applicable rate in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 830, "Foreign Currency Matters" (ASC 830). All exchange gains and losses resulting from remeasurement are recognised in net income.

Principles of consolidation

The consolidated financial statements include 100% of the assets, liabilities, revenues, expenses, income, loss, and cash flows of Adecco Group AG, its consolidated subsidiaries and entities for which the Company has been determined to be the primary beneficiary under ASC 810, "Consolidation" (ASC 810). As of 31 December 2023, the consolidated subsidiaries include all majority-owned subsidiaries of the Company. Noncontrolling interests for entities fully consolidated but not wholly owned by the Company are accounted for in accordance with ASC 810 and are reported as a component of equity. Intercompany balances and transactions have been eliminated in the consolidated financial statements.

The Company accounts for variable interest entities (VIEs) in accordance with ASC 810, which requires the consolidation of a VIE in which an entity is considered the primary beneficiary. The primary beneficiary of a VIE is the enterprise that has both the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. An entity is required to perform a qualitative and a quantitative analysis to determine whether it has a controlling financial interest in a VIE.

Investments

The Company records investments in affiliates over which it is able to exercise significant influence using the equity method of accounting. Under the equity method of accounting, investments are recorded at cost and are subsequently increased or reduced to reflect the Company's share of income or losses of the investee. The proportionate share of earnings is presented within "Other income/(expenses), net", unless the investee is considered integral to the Company's operations, in which case the proportionate share of earnings is presented as a separate component of operating income on the face of the consolidated statements of operations. Profits on transactions with equity affiliates are eliminated to the extent of the Company's ownership in the investee. Dividends from equity method investees are reflected as reductions of the carrying values of the applicable investments.

The cost method of accounting is applied for investments in entities which do not have readily determinable fair values and over which the Company is not able to exercise significant influence (generally investments in which the Company's ownership is less than 20%).

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make judgements, assumptions, and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, management evaluates its estimates, including those related to allowance for doubtful accounts, accruals and provisions, impairment of goodwill and indefinite-lived intangible assets, contingencies, pension accruals, and income taxes. The Company bases its estimates on historical experience and on various other market-specific assumptions that are believed to be reasonable under the circumstances. The results of management's estimates form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

Recognition of revenues

The Company generates revenues from sales of Flexible Placement services, Permanent Placement services, Career Transition services, Outsourcing, Consulting & Other Services and Training, Up-skilling & Re-skilling services. Refer to Note 2 for further details.

Marketing expenses

Marketing expenses totalled EUR 149 and EUR 157 in 2023 and 2022, respectively. These costs are included in Selling, general, and administrative expenses (SG&A) and are generally expensed as incurred.

Cash, cash equivalents, restricted cash and short-term investments

Cash equivalents consist of highly liquid instruments having an original maturity at the date of purchase of three months or less.

The Company's policy is to invest excess funds primarily in investments with maturities of 12 months or less, and in money market and fixed income funds with sound credit ratings, limited market risk, and high liquidity.

Restricted cash balances generally consist of deposits made in connection with lease/rent agreements and other refundable deposits, legal claims, cash received from customers but owed to subcontractors and financial institutions, cash subsidies (mainly related to governmental financial supporting programmes) received from authorities but owed to third parties, and funds set aside in connection with outstanding options and warrants arising from acquisitions.

Allowance for expected credit losses

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". The guidance requires the use of a "current expected credit loss" model for most financial assets. Under the model, an entity recognises as an allowance its estimate of expected credit losses, rather than the current methodology requiring delay of recognition of credit losses until it is probable a loss has been incurred. The Company adopted this guidance as of 1 January 2023 on a modified retrospective basis and has therefore recorded a cumulative-effect adjustment of EUR 27 to the opening balance of Retained earnings on 1 January 2023, relating to an increase in the allowance for credit losses on financial assets carried at amortised cost. This adjustment consisted of an increase in the allowances for credit losses included within Trade accounts receivable, net of EUR 35 and included within Other current assets of EUR 1, partially offset by an increase in Deferred tax assets of EUR 9, included within Other assets in the Consolidated balance sheet. The adoption of Topic 326 had no impact on the Company's consolidated statements of operations and cash flow. Prior periods have not been adjusted to conform to the current period presentation.

Trade accounts receivable

Trade accounts receivable are recorded at net realisable value after deducting an allowance for doubtful accounts. The Company makes judgements on an entity-by-entity basis as to its ability to collect outstanding receivables and provides an allowance for doubtful accounts based on a specific review of significant outstanding invoices. For those invoices not specifically reviewed, provisions are provided considering historical collection experience, current economic trends as well as forward-looking estimates based on macroeconomic indicators. The expected credit losses are measured based on receivables grouped in aging pools sharing similar risk characteristics. When the receivables do not share similar risk characteristics, expected credit losses are estimated on an individual basis. Where available and when cost effective, the Company utilises credit insurance. Accounts receivable balances are written-off when the Company determines that it is unlikely that future remittances will be received, or as permitted by local law. Refer to Note 4 for further details.

Transfers of financial assets

The Company enters into factoring arrangements to transfer trade accounts receivables and other receivables to third-party financial institutions, either with or without recourse. For arrangements without recourse, the transfer is accounted for as a sale when the Company has surrendered control over the transferred receivables. Control is surrendered when (i) the transferred receivables have been put presumptively beyond the reach of the powers of the Company and its creditors, even in the case of bankruptcy or other receivership, (ii) the transferees have the right to freely pledge or exchange the transferred receivables, and (iii) the transferor does not maintain effective control over the transferred receivables and does not have any right or obligation to repurchase or redeem the transferred receivables. When determining whether these sale conditions are met, the Company evaluates the extent of its continuing involvement in the transferred receivables. When the transfers of the receivable are accounted for as a sale, the Company derecognises the carrying value of the transferred receivables from Trade accounts receivables, net, Other current assets or Other assets in the consolidated balance sheets. The related cash proceeds are generally reflected as cash from operating activities in the consolidated statements of cash flows. Payments collected but not yet redistributed are recognised as restricted cash in Other current assets in the consolidated balance sheets.

Transfers of receivables that do not meet the conditions of a sale are accounted for as secured borrowings and the transferred receivables remain on the consolidated balance sheets. The proceeds are recognised as Short-term debt and current maturities of long-term debt, and the related cash flows are reflected as cash from financing activities in the consolidated statements of cash flows.

The carrying amounts of assets subject to restrictions which relate to the transfers of financial assets was EUR 53 and EUR 80 as of 31 December 2023 and 31 December 2022, respectively. The aggregate amount of losses on sales of receivables was EUR 8 and EUR 5 in 2023 and 2022, respectively.

In addition, in December 2023 the Company sold a portion of the long-term loans related to social security programmes for cash proceeds of EUR 32. Upon sale in December 2023, the Company derecognised the long-term loans related to social security programmes as this transaction qualified for sale treatment in accordance with ASC 860, "Transfers and Servicing" (ASC 860) and the Company does not have any continuing involvement with the financial asset sold. The related cash proceeds are reflected as cash from investing activities. The loss incurred on the long-term loans related to social security programmes sold of EUR 22 is recorded in Other income/(expenses), net in the consolidated statements of operations.

Property, equipment, and leasehold improvements

Property and equipment are carried at historical cost and are depreciated on a straight-line basis over their estimated useful lives (generally three to five years for furniture, fixtures, and office equipment as well as for computer equipment and software; and 20 to 40 years for buildings). Leasehold improvements are stated at cost and are depreciated over the shorter of the useful life of the improvement or the remaining lease term, which includes the expected lease renewal. Expenditures for repairs and maintenance are expensed as incurred.

Capitalised software costs

The Company capitalises purchased software as well as internally developed software. Internal and external costs incurred to develop internal use software during the application development stage are capitalised. Application development stage costs generally include software configuration, coding, installation, and testing. Costs incurred for maintenance, testing minor upgrades, and minor enhancements are expensed as incurred. Capitalised software costs are included in property, equipment, and leasehold improvements, net. Capitalised costs are depreciated on a straight-line basis over the estimated useful life commencing once the software is ready for its intended use, generally three to five years.

Goodwill and indefinite-lived intangible assets

Goodwill represents the excess of the purchase price in a business combination over the value assigned to the net tangible and identifiable intangible assets of businesses acquired less liabilities assumed. We complete our final assessments of the fair value of the acquired assets and assumed liabilities and our final evaluations of uncertain tax positions and contingencies within one year of the acquisition date. In accordance with ASC 350, "Intangibles – Goodwill and Other" (ASC 350), goodwill and indefinite-lived intangible assets are not amortised. Rather, the carrying value of goodwill and indefinite-lived intangible assets is tested annually for impairment.

Goodwill is tested on a reporting unit level using a quantitative impairment test. Reporting units may be operating segments as a whole or an operation one level below an operating segment, referred to as a component. The carrying value of each reporting unit is compared to the reporting unit's fair value as determined using a combination of comparable market multiples, additional market information, and discounted cash flow valuation models. If the fair value of the reporting unit is lower than the carrying value of the reporting unit, an impairment charge is recorded in operating income.

Indefinite-lived intangible assets are tested by comparing the fair value of the asset to the carrying value of the asset. In the event that the carrying value exceeds the fair value, an impairment charge is recorded in operating income.

Definite-lived intangible assets

In accordance with ASC 805, "Business Combinations" (ASC 805), purchased identifiable intangible assets are capitalised at fair value as of the acquisition date. Intangible assets with definite lives, primarily marketing-related (trade names), and customer relationships, are generally amortised on a straight-line basis over the estimated period in which benefits are received, which generally ranges from one to 15 years.

Impairment of long-lived assets including definite-lived intangible assets

The Company evaluates long-lived assets, including intangible assets with definite lives, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with ASC 360-10-35-15, "Impairment or Disposal of Long-Lived Assets". The asset is regarded as not recoverable if the carrying amount exceeds the undiscounted future cash flows. The impairment loss is then calculated as the difference between the asset's carrying value and its fair value, which is calculated using a discounted cash flow model.

Accounting for restructuring costs

In recording severance reserves for ongoing benefits, the Company accrues a liability when the following conditions have been met: the employees' rights to receive compensation are attributable to employees' services already rendered; the obligation relates to rights that vest or accumulate; payment of the compensation is probable; and the amount can be reasonably estimated. For one-time termination benefits which require employees to render services beyond a "minimum retention period", liabilities associated with employee termination benefits are recorded as employees render services over the future service period. Otherwise, liabilities associated with employee one-time termination benefits are recorded at the point when management has taken a decision to terminate a specific group of employees, the employees have been notified of the decision, and the type and amount of benefits to be received by the employees is known. Liabilities for non-lease related contract termination and other exit costs are recorded at fair value when a contract is formally terminated in accordance with the contract term, or the Company ceases using the right conveyed by the contract.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Operating leases

The Company enters into operating lease contracts mainly for real estate and motor vehicles resulting in Operating lease right-of-use assets, Current operating lease liabilities and Operating lease liabilities as presented in the Company's consolidated balance sheets. Operating lease right-of-use assets represent the Company's right to use underlying assets for the lease term. Current operating lease liabilities and Operating lease liabilities represent the Company's current and long-term obligations arising from operating lease contracts.

Non-lease components are separated from lease components for real estate lease contracts, while there is no separation between lease and non-lease components for motor vehicle lease contracts. The Company considers consideration paid in relation to separated non-lease components to already reflect the market value of the leased property and accordingly no further allocation of the lease component consideration is undertaken. The remaining lease terms of operating leases vary from one year to 15 years; some contain options to extend the lease term or to terminate the lease with a notice period. The Company considers lease and non-lease components as well as extension options to lease terms in order to establish its Operating lease right-of-use assets and the corresponding current and long-term obligations. For most of the Company's operating leases, an implicit rate is not readily determined. To determine the present value of future lease payments at the commencement date of an operating lease contract, the Company uses its incremental borrowing rate. The Company applies the incremental borrowing rate using the portfolio approach to portfolios of similar assets. The incremental borrowing rate is estimated to approximate the external interest rate for the Company and is adjusted based on the economic environment where the leased asset portfolio is located.

Operating lease right-of-use assets are measured at the commencement date of the operating lease contract at the value of the arising operating lease obligations. Operating lease right-of-use assets are further adjusted for any lease prepayments, lease incentives received, initial direct costs, and impairment charges incurred. Payments made by the Company to settle operating lease obligations are primarily fixed; however, certain operating lease contracts contain variable payments which are determined based on variable indicators such as the Consumer Price Index, fluctuating property tax rates in a real estate lease, or the mileage consumed in a motor vehicle lease. Variable payments are expensed as incurred and are not included in the Operating lease right-of-use assets or Operating lease obligations measurement. Payments made in lease arrangements where the lease term is 12 months or less and where an option to purchase the underlying asset does not exist are similarly expensed as incurred. Operating lease expenses are recognised on a straight-line basis over the lease term and recorded in the consolidated statements of operations, in Direct costs of services, or Selling, general, and administrative expenses, depending on the nature of the expenses.

Income taxes

The Company accounts for income taxes and uncertainty in income taxes recognised in the Company's financial statements in accordance with ASC 740, "Income Taxes" (ASC 740). ASC 740 prescribes a recognition threshold and measurement attribute for the financial statements recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Current liabilities and assets are recognised for the estimated payable or refundable taxes on the tax returns for the current year. Deferred tax assets and liabilities are determined based on temporary differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and includes the future tax benefit of existing net operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates and laws expected to be in effect in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded against deferred tax assets in those cases when management does not believe that the realisation is more likely than not. While management believes that its judgements and estimates regarding deferred tax assets and liabilities are appropriate, significant differences in actual experience may materially affect the Company's future financial results.

In addition, significant judgement is required in determining the worldwide provision for income taxes. In the ordinary course of a global business, there are many transactions for which the ultimate tax outcome is uncertain. Many of these uncertainties arise as a consequence of intercompany transactions and arrangements. Although management believes that its tax return positions are supportable, no assurance can be given that the final outcome of these matters will not be materially different from amounts reflected in the income tax provisions and accruals. Such differences could have a material effect on the income tax provisions or benefits in the periods in which such determinations are made.

Earnings per share

In accordance with ASC 260, "Earnings per Share" (ASC 260), basic earnings/(loss) per share is computed by dividing net income/(loss) attributable to Adecco Group shareholders by the number of weighted-average shares for the fiscal year. Diluted earnings/(loss) per share reflects the maximum potential dilution that could occur if dilutive securities, such as stock options, non-vested shares or convertible debt, were exercised or converted into common shares or resulted in the issuance of common shares that would participate in net income attributable to Adecco Group shareholders.

Financial instruments

In accordance with ASC 815, "Derivatives and Hedging" (ASC 815), all derivative instruments are initially recognised at fair value as either Other current assets, Other assets, Other accrued expenses, or Other liabilities in the accompanying consolidated balance sheets regardless of the purpose or intent for holding the derivative instruments. The derivatives are subsequently remeasured to fair value at the end of each reporting period. For derivative instruments designated and qualifying as fair value hedges, changes in the fair value of the derivative instruments as well as changes in the fair value of the hedged item attributable to the hedged risk are recognised within the same line item in earnings. Any cash flow impact on settlement of these contracts is classified within the consolidated statements of cash flows according to the nature of the hedged item. For derivative instruments designated and qualifying as cash flow hedges, the effective portion of the changes in the fair value of derivative instruments is initially recorded as a component of Accumulated other comprehensive income/(loss), net, in shareholders' equity and reclassified into earnings in the period during which the hedged transaction impacts earnings. The ineffective portion of the change in fair value of the derivative instruments is immediately recognised in earnings. The cash flow impact on settlement of these contracts is classified according to the nature of the hedged item. For derivative instruments designated and qualifying as net investment hedges, changes in the fair value of the derivative instruments are recorded as a component of Accumulated other comprehensive income/(loss), net, in shareholders' equity to the extent they are considered effective. These gains or losses will remain in equity until the related net investment is sold or otherwise disposed of. The cash flow impact on settlement of these contracts is classified as cash flows from investing activities.

For derivative instruments that are not designated or that do not qualify as hedges under ASC 815, the changes in the fair value of the derivative instruments are recognised in Other income/(expenses), net, within the consolidated statements of operations. Any cash flow impact on settlement of these contracts is classified as cash flows from investing activities.

Fair value measurement

The Company accounts for assets and liabilities which are required to be recorded at fair value in accordance with ASC 820, "Fair Value Measurements" (ASC 820). Fair value is defined by ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritises the inputs used to measure fair value. The hierarchy requires entities to maximise the use of observable inputs and minimise the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities.
- Level 2 – Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The Company measures fair value using unadjusted quoted market prices. If quoted market prices are not available, fair value is based upon internally developed models that use, whenever possible, current market-based parameters, such as interest rate curves and currency exchange rates. The Company also utilises independent third-party pricing services. When appropriate, valuations are adjusted to reflect credit considerations, generally based on available market evidence.

Investments in private equity, real estate and collective funds held within our pension plans are generally valued using the net asset value (NAV) per share as a practical expedient for fair value provided certain criteria are met. The NAVs are determined based on the fair values of the underlying investments in the funds. These assets are not classified in the fair value hierarchy but are separately disclosed.

New accounting guidance

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". The update improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, and contain other disclosure requirements. The purpose of the amendments is to enable investors to better understand an entity's performance at the segment level. The new guidance is effective for the Company for fiscal years beginning after 15 December 2023, and interim periods within fiscal years beginning after 15 December 2024, with early adoption permitted. The Company plans to adopt the guidance for the fiscal year ending 31 December 2024. The Company is currently assessing the impact of this guidance on the consolidated financial statements.

In December 2023, the FASB issued IASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures". The update mainly requires the disclosure of disaggregated information about a reporting entity's effective tax rate reconciliation as well as disaggregated information on income taxes paid. The new guidance is effective for the Company for fiscal years beginning after 15 December 2024, with early adoption permitted. The Company plans to adopt the guidance for the fiscal year ending 31 December 2025. The Company is currently assessing the impact of this guidance on the consolidated financial statements.

Presentation and reclassifications

Certain reclassifications have been made to prior years' amounts or balances in order to conform to the current year presentation.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 2 – Revenues

Recognition of revenues

Revenues are recognised as the Company satisfies its obligations under a contract with a customer, which is when control of the promised services is transferred to the customer and in an amount that reflects the expected consideration the Company is entitled to in exchange for those services. Revenues are recognised and reported net of any sales taxes.

The following table presents the Company's revenues disaggregated by type of service provided:

in EUR	2023	2022
Flexible Placement	**18,124**	18,105
Permanent Placement	**674**	780
Career Transition	**495**	295
Outsourcing, Consulting & Other Services	**4,320**	4,093
Training, Up-skilling & Re-skilling	**344**	367
Total revenues	**23,957**	**23,640**

In Note 21, revenues are additionally disaggregated by segment and country.

Flexible Placement

Revenues related to Flexible Placement services are generally negotiated and invoiced on an hourly basis. Associates record the hours they have worked and these hours, at the rate agreed with the customer, are then accumulated and billed according to the agreed terms. Flexible Placement contract durations can range from less than one month to multiple years but generally may be terminated earlier if appropriate notice is provided. Flexible Placement service revenues are recognised over time upon rendering the services and in line with the Company's right to invoice the customer. The Company provides Flexible Placement services in the following operating segments: Adecco France; Adecco Northern Europe; Adecco DACH; Adecco Southern Europe & EEMENA; Adecco Americas; Adecco APAC; Akkodis; and LHH.

Permanent Placement

Revenues related to Permanent Placement services are generally recognised at the point in time the candidate begins full-time employment, or once the fee is earned and the Company has no further obligations to the customer. Allowance provisions are established based on historical information for any non-fulfilment of Permanent Placement obligations and presented in Accounts payable and accrued expenses and recorded as a reduction of revenue. The Company provides Permanent Placement services in the following operating segments: Adecco France; Adecco Northern Europe; Adecco DACH; Adecco Southern Europe & EEMENA; Adecco Americas; Adecco APAC; Akkodis; and LHH.

Career Transition

Revenues related to Career Transition are negotiated with the client on a project basis and are generally recognised over time upon rendering the services, such as consulting services where revenue is billed and recognised on an hourly basis or workshops and coaching sessions with stated fees per service. The Company also offers multi-month career transition packages or similar services in which participants are offered a range of services for a fixed price. Fees invoiced prior to providing services are deferred and recorded in Accounts payable and accrued expenses until the services are rendered. These revenues are recognised based on historical usage of offered services by the participants over the duration of the service period to best depict the transfer of services to the customer. Additionally, certain contracts may contain multiple performance obligations, in which case the Company allocates revenue to each performance obligation based on the standalone selling prices, generally determined based on the prices it would charge to other customers in similar circumstances. The Company provides Career Transition services in the following operating segments: Adecco Southern Europe & EEMENA; Adecco APAC; and LHH.

Outsourcing, Consulting & Other Services

Revenues related to Outsourcing, Consulting & Other Services are generally recognised over time upon rendering the services. Generally, customers are billed through the weekly or monthly billing cycle based on information reported on timesheets multiplied by the contractual billing rate. Consulting & Other services also include revenue recognised over time as the services are performed in the amount to which the Company has a right to invoice or on the basis of the efforts to the satisfaction of a performance obligation relative to the total expected inputs over the life of a contract with the client. Revenues related to other services include Managed Service Programmes (MSP) and Recruitment Process Outsourcing (RPO). Revenue is accrued for services which have been rendered but remain unbilled as of the reporting date. Fees invoiced prior to providing services are deferred and recorded in Accounts payable and accrued expenses until the services are rendered. The Company provides Outsourcing, Consulting & Other Services in the following operating segments: Adecco France; Adecco Northern Europe; Adecco DACH; Adecco Southern Europe & EEMENA; Adecco Americas; Adecco APAC; Akkodis; and LHH.

Training, Up-skilling & Re-skilling

Revenues related to Training, Up-skilling & Re-skilling services are generally recognised over time upon rendering the services depending on the nature of the service contract. These service contracts include consulting services in which the Company will bill the customer at an agreed-upon rate when the services are performed. The service contracts may also include workshops or group coaching sessions for the customer's employees as well as other talent development-related offerings, such as skills assessments or resource toolkits. The Company will bill the customer at the stated price per service or price per participant upon rendering the services. Certain contracts may include customised project work in which the Company performs a combination of consulting services, assessments, and ongoing coaching sessions. These types of contracts may contain multiple performance obligations, in which case the Company allocates revenue to each performance obligation based on the standalone selling prices, generally determined based on the prices it would charge to other customers in similar circumstances. The Company provides Training, Up-skilling & Re-skilling in the following operating segments: Adecco France; Adecco Northern Europe; Adecco Southern Europe & EEMENA; Adecco Americas; Adecco APAC; Akkodis; and LHH.

Principal vs agent

The Company determines whether it is a principal or an agent by evaluating if it obtains control of the specified services within an arrangement. For contracts with customers in which the Company is the principal, the Company reports gross revenues and gross direct costs. Under arrangements where the Company is an agent, as is generally the case in most MSP contracts, revenues are reported on a net basis.

Discounts, rebates and other transaction elements

Discounts, rebates, and other transaction price adjustments are estimated at contract inception and recognised as reductions to sales over the duration of the contract. The Company uses historical experience to estimate these types of variable consideration and records a liability as the related revenues are recognised. The Company does not expect significant changes to its estimates of variable consideration to occur.

The Company's payment terms in its contracts vary by type and location of its customer and the services offered. The Company's client contracts are generally short-term in nature with a term of one year or less. The Company provides services in the normal course of business on arm's-length terms to entities that are affiliated with certain of its officers, Board members, and significant shareholders through investment or board directorship.

Upon rendering services to its customers, the Company generally recognises its unconditional rights to consideration as receivables presented as Trade accounts receivable, net. The period between when services are performed, the customer is billed, and when payment is due is not significant.

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed. Revenues from contracts which do not meet one of these two exemptions are not significant. Revenues from long-term flexible placement and outsourcing contracts will generally be recognised over the next one to three years based on the agreed-upon rates and levels of services performed.

Additionally, the Company recognises incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the contract asset would be one year or less.

Note 3 – Acquisitions

With the exception of the Akka Technologies (AKKA) acquisition in 2022, the Company does not consider any of its 2022 and 2023 acquisition transactions to be material, individually or in the aggregate, to its consolidated balance sheets or statements of operations.

On 24 February 2022, the Company acquired 59.91% of the shares issued by AKKA Technologies (AKKA) for EUR 917 (EUR 844 in cash plus 1,626,772 new ordinary shares in Adecco Group AG (EUR 73) or a purchase price of EUR 49 per share). This acquisition brought the Company's total holding of AKKA to 64.72%. As of 31 December 2021, the Company had already owned 2.91% of the shares issued by AKKA Technologies with a market value of EUR 44 (included within Other Assets) and the remaining 1.90% of the shares issued by AKKA Technologies with a market value of EUR 29 were purchased between 1 January 2022 and 14 February 2022. Subsequently and up to 13 May 2022, the Company acquired all remaining outstanding shares of AKKA, bringing the ownership to 100%. Modis, the Company's high-tech services brand, was combined with AKKA, a leader in engineering R&D services, to become a leading engineering and digital solutions business in the Smart Industry market. Akkodis was announced as the global brand for the combined business, leveraging the existing value of both brands and providing a clear, distinct brand proposition to customers and colleagues that would amplify future business development.

AKKA was consolidated by the Company as of 24 February 2022, and the results of AKKA operations were included in the consolidated financial statements since 24 February 2022. The fair value of the equity interest in AKKA held by the Company at the acquisition date amounted to EUR 74. The amount was determined based on the share price at the date of acquisition. The gain recognised in Other income/(expenses), net as a result of remeasuring to fair value the equity interest in AKKA held before the business combination amounted to EUR 1 in 2022. The fair value of the Noncontrolling interests at the acquisition date amounted to EUR 505 and was determined based on the share price at the date of the acquisition. There were no changes to the purchase price allocation in 2023.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

The following table summarises the estimated fair value of the AKKA assets acquired and liabilities assumed at the date of acquisition:

in EUR	
Fair value of assets acquired and liabilities assumed	
Cash acquired	116
Other current assets	458
Tangible assets	174
Other assets	157
Identified intangible assets	
• Customer related	861
• Marketing related	93
Goodwill	1,648
Current liabilities	(702)
Other liabilities	(1,310)
Total fair value of assets acquired and liabilities assumed	**1,495**

The goodwill of EUR 1,648 arising from the acquisition consists largely of the synergies and economies of scale expected from combining operations of the Company and AKKA. Goodwill recognised as a result of the AKKA acquisition is not expected to be deductible for income tax purposes. The identified definite-lived intangible assets have estimated average useful lives of 1 to 15 years and are amortised on a straight-line basis over the useful lives. An indefinite-lived intangible asset of EUR 73 has been determined concerning the AKKA tradename. The goodwill and intangible assets were assigned to Akkodis Global Business Unit. Contingencies of EUR 172 based on the Company's best estimate of loss have been identified and recognised as of the acquisition date, primarily relating to legal and tax risks.

AKKA revenues and net loss since the acquisition date included in the consolidated operating results for the 12 months ended 31 December 2022 amounted to EUR 1,381 and EUR 43, respectively. Amortisation expense, net of tax for AKKA intangible assets included in the consolidated results of operations since the acquisition date to 31 December 2022 amount to EUR 46.

The following unaudited pro forma information shows consolidated operating results for the 12 months ended 31 December 2022 as if the AKKA acquisition had occurred on 1 January 2022:

in EUR	2022
Pro forma consolidated operating results	
Revenues	**23,893**
Net income attributable to Adecco Group shareholders	**332**
Basic income per share	**1.99**
Diluted income per share	**1.98**

The 2022 pro forma net income includes the AKKA January and February 2022 net loss of EUR 10, which considers additional amortisation of definite-lived intangible assets, net of tax of EUR 5. The pro forma results of operations do not necessarily represent operating results which would have occurred if the acquisition had taken place on the basis assumed above, nor are they indicative of future operating results of the combined companies.

AKKA acquisition-related costs incurred during 2022 were EUR 7. Excluding the ones attributable to the AKKA acquisition, total acquisition-related costs expensed in 2023 and 2022 were not significant. Acquisition-related costs are included in SG&A within the consolidated statements of operations.

Note 4 – Trade accounts receivable

in EUR	31.12.2023	31.12.2022
Trade accounts receivable	4,575	4,835
Allowance for doubtful accounts	(109)	(77)
Trade accounts receivable, net	**4,466**	**4,758**

The reconciliation of changes in the allowance for doubtful accounts is as follows:

in EUR	2023
1 January 2023	**(77)**
Adoption of accounting standard update	(35)
Charge to consolidated statements of operations	(17)
Write-offs charged against the allowance	20
31 December 2023	**(109)**

Note 5 – Property, equipment, and leasehold improvements

	31.12.2023		31.12.2022	
in EUR	Gross	Accumulated depreciation	Gross	Accumulated depreciation
Land and buildings	101	(5)	172	(9)
Furniture, fixtures, and office equipment	93	(69)	93	(69)
Computer equipment	150	(113)	132	(97)
Capitalised software	838	(551)	743	(483)
Leasehold improvements	249	(153)	205	(138)
Other equipment	23	(3)	34	(8)
Total property, equipment, and leasehold improvements	**1,454**	**(894)**	**1,379**	**(804)**

Depreciation expense was EUR 154 and EUR 140 for 2023 and 2022, respectively.

The Company recorded EUR 89 and EUR 75 of depreciation expense in connection with capitalised software in 2023 and 2022, respectively. The estimated future depreciation expense related to computer software is EUR 100 in 2024, EUR 78 in 2025, EUR 57 in 2026, EUR 32 in 2027, EUR 15 in 2028 and EUR 5 in 2029 and after.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 6 – Goodwill and intangible assets

The changes in the carrying amount of goodwill for the years ended 31 December 2023 and 31 December 2022 are as follows:

in EUR	Adecco France	Adecco Northern Europe	Adecco DACH	Adecco Southern Europe & EEMENA	Adecco Americas	Adecco APAC	Adecco	Akkodis	LHH	Total
Changes in goodwill										
1 January 2022	**266**	**341**	**–**	**52**	**201**	**49**	**909**	**665**	**909**	**2,483**
Additions				**1**			**1**	**1,649**		**1,650**
Currency translation adjustment		(16)			11	(3)	**(8)**	28	28	**48**
31 December 2022	**266**	325	–	53	212	46	**902**	2,342	937	**4,181**
Reallocation AKKA's US operations[1]					123		**123**	(123)		**–**
1 January 2023	**266**	325	–	53	335	46	**1,025**	2,219	937	**4,181**
Additions								1	9	10
Currency translation adjustment		1			(9)	(4)	(12)	(49)	(16)	(77)
31 December 2023	**266**	**326**	**–**	**53**	**326**	**42**	**1,013**	**2,171**	**930**	**4,114**

1 Effective 1 January 2023, the Company transferred part of AKKA's US operations to Adecco US. Refer to Note 21 for further details.

As of 31 December 2023 and 31 December 2022, the gross goodwill amounted to EUR 5,663 and EUR 5,737, respectively.

As of 31 December 2023, accumulated impairment charges amounted to EUR 1,549 of which EUR 1,406 in Adecco DACH, EUR 21 in Adecco APAC, and EUR 55 in Adecco Northern Europe, EUR 47 in Akkodis and EUR 20 in LHH, impacted by fluctuations in exchange rates.

As of 31 December 2022, accumulated impairment charges amounted to EUR 1,556 of which EUR 1,406 in Adecco DACH, EUR 23 in Adecco APAC, and EUR 56 in Adecco Northern Europe, EUR 50 in Akkodis and EUR 21 in LHH, impacted by fluctuations in exchange rates.

Goodwill is tested annually for impairment or whenever events or changes in circumstances indicate that the carrying amount of goodwill may be impaired. The Company performed its annual impairment test of goodwill in the fourth quarter of 2023 and 2022, noting no indication of impairment.

In determining the fair value of the reporting units, the Company uses expected future revenue growth rates and profit margins, and for the long-term value a long-term growth rate of maximum 2.8%. For each reporting unit, projected cash flows are discounted to their net present values. Discount rates used during the Company's goodwill impairment tests in 2023 and 2022 ranged from 7.7% to 15.6%.

The carrying amounts of other intangible assets as of 31 December 2023 and 31 December 2022 are as follows:

	31.12.2023		31.12.2022	
in EUR	Gross	Accumulated amortisation	Gross	Accumulated amortisation
Intangible assets				
Marketing-related (trade names)	301	(132)	295	(116)
Customer base	936	(190)	962	(145)
Contract	5	(5)	39	(33)
Acquired technology	48	(36)	72	(45)
Other			3	(3)
Total intangible assets	**1,290**	**(363)**	**1,371**	**(342)**

Amortisation expense was EUR 103 (of which less than EUR 1 included within Direct costs of services) and EUR 130 (of which less than EUR 1 included within Direct costs of services) for 2023 and 2022, respectively.

The carrying amount of indefinite-lived intangible assets was EUR 165 and EUR 159 as of 31 December 2023 and 31 December 2022, respectively. Indefinite-lived intangible assets consist of trade names.

The Company performed its annual impairment test of indefinite-lived intangible assets in the fourth quarter of 2023 and 2022 and noted no impairment in 2023 and 2022.

The estimated future amortisation expense related to definite-lived intangible assets is EUR 81 in 2024, EUR 58 in 2025, EUR 56 in 2026, EUR 56 in 2027, EUR 56 in 2028 and EUR 455 in 2029 and after. The weighted-average amortisation period for customer base intangible assets is 14 years.

Note 7 – Restructuring

In 2022, the Company launched a Group-wide programme to drive change centred on three levers (Simplify, Execute, Grow) with a series of key actions that will enable faster and better delivery of the Future@Work strategy.

Total restructuring costs incurred by the Company in connection with the above mentioned programme in 2023 and 2022 amounted to EUR 92 and EUR 56, respectively. Restructuring expenses are recorded in SG&A and mainly represent headcount and branch optimisation. Given the dynamic nature of the current economic environment, the amount of future restructuring expenses in connection with this programme is currently uncertain.

The following table shows the total amount of restructuring costs incurred by segment:

in EUR	2023	Cumulative costs incurred to 31.12.2023
Restructuring costs		
Adecco France	9	11
Adecco Northern Europe	6	6
Adecco DACH	2	2
Adecco Southern Europe & EEMENA	6	11
Adecco Americas	15	21
Adecco APAC	3	4
Adecco	**41**	**55**
Akkodis	25	58
LHH	22	27
Corporate	4	8
Total restructuring costs	**92**	**148**

Notes to consolidated financial statements (continued)

in millions, except share and per share information

The changes in restructuring liabilities in connection with the above mentioned programme for the year ended 31 December 2023 and 31 December 2022 are as follows:

in EUR	2023	2022
1 January	**37**	
Restructuring costs	92	56
Cash payments	(57)	(3)
Write-off of fixed assets, impairment of operating lease right-of-use assets, and other	(27)	(16)
31 December	**45**	**37**

As of 31 December 2023 and 31 December 2022, restructuring liabilities in connection with this programme of EUR 45 and EUR 37, respectively were recorded in Other accrued expenses. As of 31 December 2023 and 31 December 2022, the remaining liability related to onerous leases of EUR 18 and EUR 11, respectively was recorded in Current operating lease liabilities and Operating lease liabilities.

Note 8 – Equity method investments

Investments in equity affiliates as of 31 December 2023 and 31 December 2022 primarily include a 49% interest in FESCO Adecco Human Resource Services Shanghai Co., Ltd, a leading human resources provider in China. The FESCO Adecco investments are considered to be integral to the Company's operations. As such, the Company's proportionate share of FESCO Adecco's earnings is presented separately as a component of operating income within the consolidated statements of operations.

The changes in the carrying amount of investments in equity affiliates for the years ended 31 December 2023 and 31 December 2022 are as follows:

in EUR	2023	2022
1 January	**177**	**118**
Additional equity method investments		55
Proportionate net income of investee companies	20	28
Dividends and distributions received	(12)	(21)
Currency translation adjustment and other	(1)	(3)
31 December	**184**	**177**

Note 9 – Operating leases

in EUR	2023	2022
The components of Operating lease expenses are as follows:		
• Operating lease expenses	224	222
• Short-term lease expenses	7	9
• Variable lease expenses	5	3
• Sublease income	(20)	(15)
Total operating lease expenses	**216**	**219**

For the fiscal year ended 31 December (in EUR)	2023	2022
Supplemental information related to operating leases is as follows:		
• Cash paid for amounts included in the measurement of operating lease liabilities	230	211
• Operating lease right-of-use assets obtained in exchange for operating lease liabilities	300	299

As of 31 December (in EUR)	2023	2022
Operating leases weighted average:		
• Lease term	4.7 years	4.3 years
• Discount rate	3.3%	2.7%

Maturities of operating lease liabilities as of 31 December 2023 and 31 December 2022 are as follows:

in EUR	31.12.2023	31.12.2022
Within 1 year	204	177
Within 2 years	123	109
Within 3 years	81	71
Within 4 years	43	43
Within 5 years	30	25
Thereafter	81	59
Total future undiscounted lease payments	**562**	**484**
• Less imputed interest	(37)	(21)
Total operating lease liabilities	**525**	**463**
Current operating lease liabilities	202	176
Long-term operating lease liabilities	323	287

As of 31 December 2023, future undiscounted operating lease payments that have not yet commenced and are not included in the table above amounted to EUR 9 (EUR 36 as of 31 December 2022). The Company has certain rights and obligations for these operating leases but has not recognised an operating lease right-of-use asset or an operating lease liability in the consolidated balance sheet as these operating leases have not yet commenced.

Note 10 – Financing arrangements

Short-term debt

As of 31 December 2023 and 31 December 2022, bank overdrafts and other short-term borrowings amounted to EUR 87 and EUR 134, respectively.

European Commercial Paper

Adecco International Financial Services BV, a wholly owned subsidiary of the Company, has a commercial paper programme ("Negotiable European Commercial Paper"). Under the programme, Adecco International Financial Services BV may issue short-term commercial paper up to a maximum amount of EUR 500, with maturity per individual paper of 365 days or less. The proceeds are used to fund short-term working capital and borrowing requirements. The paper is usually issued at a discount and repaid at nominal amount at maturity. The discount represents the interest paid to the investors on the commercial paper. The programme is guaranteed by Adecco Group AG. No commercial paper was outstanding as of 31 December 2023 or 31 December 2022.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Long-term debt

The Company's long-term debt as of 31 December 2023 and 31 December 2022 consists of the following:

in EUR	Principal at maturity	Maturity	Effective yield to maturity[1]	31.12.2023	31.12.2022
60.5-year guaranteed Euro subordinated fixed-to-reset notes	EUR 500	2082	1.29%	496	494
20-year guaranteed Japanese Yen fixed rate notes	JPY 7,000	2039	1.16%	45	50
12-year guaranteed Euro fixed rate notes	EUR 50	2034	4.92%	52	49
15-year guaranteed Japanese Yen fixed rate notes	JPY 6,000	2033	1.08%	38	43
10-year guaranteed Euro medium-term notes	EUR 500	2031	0.56%	498	497
10.25-year guaranteed Norwegian Krone fixed rate notes	NOK 500	2030	2.69%	44	47
10.5-year guaranteed Euro medium-term notes	EUR 300	2029	1.36%	277	265
7-year guaranteed Euro medium-term notes	EUR 500	2028	0.29%	496	495
5-year Swiss Franc fixed rate notes	CHF 300	2027	2.49%	322	302
8-year Swiss Franc fixed rate notes	CHF 100	2026	0.91%	103	93
5.5-year Swiss Franc fixed rate notes	CHF 225	2025	0.95%	233	211
8-year guaranteed Euro medium-term notes	EUR 430	2024	1.16%	431	502
Other				24	55
				3,059	**3,103**
Less current maturities				**(434)**	(4)
Long-term debt, less current maturities				**2,625**	**3,099**

1 Effective yield to maturity includes the impact of discounts, premiums and debt issuance costs.

60.5-year guaranteed Euro subordinated fixed-to-reset notes due 2082

On 21 September 2021, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, issued EUR 500 subordinated fixed-to-reset 60.5-year notes with an initial coupon of 1.0% (2082 subordinated notes), guaranteed by Adecco Group AG, due on 21 March 2082, with a first rate reset after 5.5 years on 21 March 2027. The notes trade on the London Stock Exchange. The proceeds were used to finance the Company's acquisition of AKKA Technologies.

The Company has entered into cash flow hedges of the 2082 subordinated notes, which are further discussed in Note 15.

20-year guaranteed Japanese Yen fixed rate notes due 2039

On 12 April 2019, Adecco Financial Services (North America), LLC, a wholly owned subsidiary of the Company, issued JPY 7,000 medium-term 20-year notes with a coupon of 1.14% (2039 notes), guaranteed by Adecco Group AG, due on 12 April 2039. The notes were issued within the framework of the Euro Medium-Term Note Programme. The proceeds were used for general corporate purposes.

The Company has entered into cash flow hedges of the 2039 notes, which are further discussed in Note 15.

12-year guaranteed Euro fixed rate notes due 2034

On 7 November 2022, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, issued EUR 50 fixed rate notes with a coupon of 4.86% (2034 notes), guaranteed by Adecco Group AG, due on 7 November 2034. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the London Stock Exchange. The proceeds were used for general corporate purposes.

The Company has entered into fair value hedges of the 2034 notes, which are further discussed in Note 15.

15-year guaranteed Japanese Yen fixed rate notes due 2033

On 3 October 2018, Adecco Financial Services (North America), LLC, a wholly owned subsidiary of the Company, issued JPY 6,000 medium-term 15-year notes with a coupon of 1.05% (2033 notes), guaranteed by Adecco Group AG, due on 3 October 2033. The notes were issued within the framework of the Euro Medium-Term Note Programme. The proceeds were used for general corporate purposes.

The Company has entered into cash flow hedges of the 2033 notes, which are further discussed in Note 15.

10-year guaranteed Euro medium-term notes due 2031

On 21 September 2021, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, issued EUR 500 medium-term 10-year notes with a coupon of 0.5% (2031 notes), guaranteed by Adecco Group AG, due on 21 September 2031. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the London Stock Exchange. The proceeds were used to finance the Company's acquisition of AKKA Technologies.

The Company has entered into cash flow hedges of the 2031 notes, which are further discussed in Note 15.

10.25-year guaranteed Norwegian Krone fixed rate notes due 2030

On 29 May 2020, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, issued NOK 500 fixed rate notes with a coupon of 2.65% (2030 notes), guaranteed by Adecco Group AG, due on 29 August 2030. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the London Stock Exchange. The proceeds were used for general corporate purposes.

The Company has entered into cash flow hedges of the 2030 notes, which are further discussed in Note 15.

10.5-year guaranteed Euro medium-term notes due 2029

On 20 May 2019, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, issued EUR 300 medium-term 10.5-year notes with a coupon of 1.25% (2029 notes), guaranteed by Adecco Group AG, due on 20 November 2029, but callable by the Company at par within three months prior to maturity. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the London Stock Exchange. The proceeds were primarily used to partially buyback the 2022 notes.

The Company has entered into fair value hedges of the 2029 notes, which are further described in Note 15.

7-year guaranteed Euro medium-term notes due 2028

On 21 September 2021, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, issued EUR 500 medium-term 7-year notes with a coupon of 0.125% (2028 notes), guaranteed by Adecco Group AG, due on 21 September 2028. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the London Stock Exchange. The proceeds were used to finance the Company's acquisition of AKKA Technologies.

The Company has entered into cash flow hedges of the 2028 notes, which are further discussed in Note 15.

5-year Swiss Franc fixed rate notes due 2027

On 17 November 2022, Adecco Group AG issued CHF 300 fixed rate notes with a coupon of 2.3775% (2027 notes) due on 17 November 2027, but callable by the Company at par within three months prior to maturity. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Exchange. The proceeds were used for general corporate purposes.

8-year Swiss Franc fixed rate notes due 2026

On 18 September 2018, Adecco Group AG issued CHF 100 fixed rate notes with a coupon of 0.875% (2026 notes) due on 18 September 2026, but callable by the Company at par within three months prior to maturity. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Exchange. The proceeds were used for general corporate purposes.

The Company has entered into fair value hedges of the 2026 notes, which are further discussed in Note 15.

5.5-year Swiss Franc fixed rate notes due 2025

On 27 May 2020, Adecco Group AG issued CHF 225 fixed rate notes with a coupon of 0.875% (2025 notes) due on 27 November 2025, but callable by the Company at par within three months prior to maturity. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Exchange. The proceeds were used for general corporate purposes.

The Company has entered into fair value hedges of the 2025 notes, which are further discussed in Note 15.

8-year guaranteed Euro medium-term notes due 2024

On 2 December 2016, Adecco International Financial Services BV, a wholly owned subsidiary of the Company, issued EUR 500 medium-term 8-year notes with a coupon of 1.0% (2024 notes), guaranteed by Adecco Group AG, due on 2 December 2024, but callable by the Company at par within three months prior to maturity. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the London Stock Exchange. The proceeds were primarily used to partially buyback long-term debt that matured in 2018 and 2019. In December 2023, the Company bought back EUR 70 nominal value at 97.671% of the outstanding 2024 notes and realised a gain of EUR 2 on the buyback included in other income/(expenses), net. The buyback reduced the nominal value of the outstanding principal of the 2024 notes to EUR 430.

The Company has entered into fair value hedges of the 2024 notes, which are further described in Note 15.

Payments of long-term debt translated using 31 December 2023 exchange rates are due as follows:

in EUR	2024	2025	2026	2027	2028	Thereafter	Total
Payments due by year	434	236	106	324	2	1,957	3,059

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Other credit facilities

Committed multicurrency revolving credit facility

In December 2022, the Company concluded a committed 3-year Euro revolving credit facility of EUR 100 with a maturity date of December 2025. The bilateral facility could be used for general corporate purposes. The interest rate is based on EURIBOR, plus a margin between 0.50% and 1.80% per annum, depending on certain net debt-to-EBITDA ratios. In addition to the interest rate costs, a utilisation fee of 0.075%, 0.15%, or 0.30% applies for total utilisation of up to 33.33%, 66.67%, and above 66.67% of the facility amount, respectively. No utilisation fee shall be payable while the facility is unutilised. As of 31 December 2023, there were no outstanding borrowings under the credit facility.

In February 2023, the Company concluded a committed 3-year Euro revolving credit facility of EUR 150 with a maturity date of February 2026. The bilateral facility could be used for general corporate purposes. The interest rate is based on EURIBOR, plus a margin based on Adecco Group's credit rating. As of 31 December 2023, there were no outstanding borrowings under the credit facility.

In June 2023, the Company entered into a new committed 5-year EUR 750 multicurrency revolving credit facility with a maturity date of June 2028. The facility is used for general corporate purposes including refinancing of advances and outstanding letters of credit. The interest rate is based on EURIBOR for drawings denominated in Euro, plus a margin between 0.225% and 0.55% per annum, depending on certain net debt-to-EBITDA ratios. The applicable margin levels set out above shall be subject to further variation in accordance with certain "ESG Score" provisions. In addition to the interest rate costs, a utilisation fee of 0.075%, 0.15%, or 0.30% applies for total utilisation of up to 33.33%, 66.67%, and above 66.67% of the facility amount, respectively. No utilisation fee shall be payable while the facility is unutilised. The letter of credit fee equals the applicable margin, and the commitment fee equals 35% of the applicable margin. As of 31 December 2023, there were no outstanding borrowings under the credit facility.

Note 11 – Shareholders' equity

Authorised shares and appropriation of available earnings

As of 31 December 2023, Adecco Group AG had 192,226,561 authorised shares, of which 168,426,561 were registered and issued. As of 31 December 2022, Adecco Group AG had 192,226,561 authorised shares, of which 168,426,561 were registered and issued.

On 23 February 2022, the Adecco Group AG issued 1,626,772 shares out of the authorised capital with a nominal value of CHF 0.10 per share for a value of EUR 73 in connection with the acquisition of AKKA Technologies. The existing shareholders' pre-emptive rights were excluded. Refer to Note 3.

Adecco Group AG may only pay dividends based on the requirements of the Swiss Code of Obligations, Articles of Incorporation, and based on the shareholders' equity reflected in the standalone financial statements of Adecco Group AG, the holding company of the Adecco Group, prepared in accordance with Swiss law. As of 31 December 2023, the standalone financial statements of Adecco Group AG included shareholders' equity of CHF 3,800 (EUR 4,091), of which CHF 17 represent share capital, CHF (42) represent treasury shares, and CHF 3,825 represent reserves and retained earnings. Of the CHF 3,825 balance, an amount of CHF 3 representing 20% of share capital, is restricted based on the Swiss Code of Obligations and cannot be distributed as dividends.

At the 2023 Annual General Meeting of Shareholders (AGM), the shareholders approved two dividends for a total of CHF 2.50 per share outstanding in respect of the fiscal year 2022, whereof a dividend of CHF 1.85 was distributed to shareholders from voluntary retained earnings and a dividend of CHF 0.65 was distributed to shareholders from Adecco Group AG's statutory reserves from capital contribution in April 2023. The statutory reserves from capital contribution are classified as additional paid-in capital in the consolidated balance sheet.

For the fiscal year 2023, the Board of Directors of Adecco Group AG will propose a dividend of CHF 2.50 per share outstanding for the approval of shareholders at the 2024 Annual General Meeting of Shareholders to be directly distributed from voluntary retained earnings to shareholders.

Treasury shares

In 2023, no shares were acquired on the regular trading line. In 2022, the number of treasury shares acquired on the regular trading line amounted to 140,000, and the net consideration paid amounted to EUR 5.

In 2023 and 2022, the Company awarded 45,964 and 45,356 treasury shares, respectively, to the Board of Directors as part of their remuneration package (refer to section 7.2, "Remuneration of the Board of Directors for 2023 and shareholdings as at 31 December 2023" within the Remuneration Report). In addition, in 2023 and 2022, the Company used 392,392 and 503,500 treasury shares, respectively, to settle share awards under the long-term incentive plan (LTIP).

As of 31 December 2023, the treasury shares are intended to be used for the settlement of the Company's LTIP (for further details refer to Note 12) as well as for the Board of Directors' remuneration.

The Company launched the following share buyback programme on a second trading line with the aim of subsequently cancelling the shares and reducing share capital:

- EUR 600 announced in February 2020 (commenced in April 2021, placed on hold in July 2021 and ended in December 2023).

As of 31 December 2023 and 31 December 2022, Adecco Group AG held no shares acquired under the share buyback programmes. The Company acquired no shares in 2023 and 2022 under the share buyback programmes.

At the 2022 AGM, the shareholders approved the cancellation of 1,424,388 treasury shares acquired under the 2021 share buyback programme (commenced in April 2021, placed on hold in July 2021 and ended in 2023) and the corresponding reduction of the Adecco Group AG's share capital by 1,424,388 registered shares with a nominal value of CHF 0.10 each. The cancellation of 1,424,388 treasury shares was completed on 22 June 2022. Effective 22 June 2022 the share capital of the Company amounts to CHF 17 divided into 168,426,561 shares.

No dividends are distributed in relation to treasury shares.

Note 12 – Accumulated other comprehensive income/(loss)

The components of Accumulated other comprehensive income/(loss) (AOCI), net of tax, are as follows:

in EUR	31.12.2023	31.12.2022
Currency translation adjustments	(301)	(152)
Pension-related adjustments	(37)	(15)
Changes in fair value of securities		6
Changes in fair value of cash flow hedges	6	8
Accumulated other comprehensive income/(loss), net	**(332)**	**(153)**

The following table includes amounts recorded within Total other comprehensive income/(loss) by component:

	2023			2022		
in EUR	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax
Currency translation adjustments						
Currency translation adjustment of long-term intercompany loans	(77)	7	(70)	(52)	5	(47)
Currency translation adjustment of net investment hedges	19	(2)	17	4		4
Currency translation adjustment related to share cancellation				5		5
Currency translation adjustment, other	(96)		(96)	79	1	80
Net change during the year	**(154)**	**5**	**(149)**	**36**	**6**	**42**
Pension-related adjustments						
Prior service credit/(cost)	5		5			
Net actuarial gain/(loss)	(31)	4	(27)	37	(10)	27
Reclassification of (gains)/losses to net income				3	(1)	2
Net change during the year	**(26)**	**4**	**(22)**	**40**	**(11)**	**29**
Fair value of securities						
Unrealised gains/(losses) arising during the year	(3)		(3)	1		1
Reclassification of (gains)/losses to net income	(3)		(3)			
Net change during the year	**(6)**		**(6)**	**1**		**1**
Cash flow hedges						
Unrealised gains/(losses) arising during the year	(10)	2	(8)	7	(1)	6
Reclassification of (gains)/losses to net income	8	(2)	6	9	(3)	6
Net change during the year	**(2)**		**(2)**	**16**	**(4)**	**12**
Total other comprehensive income/(loss)	**(188)**	**9**	**(179)**	**93**	**(9)**	**84**

Notes to consolidated financial statements (continued)

in millions, except share and per share information

The following table presents the amounts and line items in the Consolidated statements of operations where reclassifications from AOCI were recorded, net of tax:

in EUR	Location	(Gains)/losses reclassified from AOCI 2023	2022
Pension-related adjustments	Other income/(expenses), net		2
Fair value of securities	Interest expense	(3)	
Cash flow hedges	Other income/(expenses), net	7	7
	Interest expense	(1)	(1)
Total amount reclassified, net of tax		**3**	**8**

Note 13 – Stock-based compensation

As of 31 December 2023, the Company had non-vested share awards outstanding relating to its common shares. Compensation expense of EUR 17 and EUR 18 was recognised in 2023 and 2022, respectively, in connection with the non-vested share awards granted in 2023 and 2022. In addition the Company recognised Compensation expense of EUR 2 and EUR 3 in relation to the Akkodis Retention Plan in 2023 and 2022, respectively. The total income tax benefit recognised related to stock compensation amounted to EUR 2 in 2023 and EUR 2 in 2022.

Non-vested share award plans

Performance share awards (PSU awards) were granted in March 2023, 2022, and 2021 to the members of the Executive Committee (EC) and to a further group of senior managers under the Company's LTIP. The awards contain an undertaking to deliver a number of Adecco Group AG shares to the participants of the plan after the end of the performance period (end of performance period for the 2023, 2022, and 2021 awards on 31 December 2025, 31 December 2024 and 31 December 2023, respectively). The requisite service period represents three calendar years starting on 1 January 2023, 1 January 2022, and 1 January 2021, respectively. The delivery of the shares will be made provided and to the extent that the predefined market and performance targets are met. Those awards that do not vest due to lack of fulfilment lapse immediately.

The PSU awards granted in 2023, 2022 and 2021 consist of two financial performance metrics, return on invested capital (ROIC)[1] and the cash conversion ratio (CCR)[2] and a market condition, the relative change in the Company's shareholder value including reinvested dividends (total shareholder return (TSR)), compared to that of a predefined group of peers the Company used for the 2020 grants (TSR awards). Each of the three metrics are equally weighted to calculate the achievement percentage.

In addition, service condition awards (restricted share unit awards (RSU awards)) were granted in 2023, 2022, and 2021 to a further group of senior managers (approximately 323 individuals in total in each respective year) under the LTIP. The vesting of the RSU awards is not subject to performance targets, but to forfeiture provisions. Provided that the employment relationship continues:

- RSU awards granted to non-French employees will vest in equal portions over a period of three years at the anniversary of the date of grant.
- RSU awards granted to French employees cliff-vest at the second anniversary of the date of grant and their requisite service period represents two calendar years starting on 1 January 2023 for 2023 awards, 1 January 2022 for 2022 awards and 1 January 2021 for 2021 awards.

In 2023, eight new employees received RSU replacement awards to compensate for outstanding deferred awards forfeited as a result of joining the Company. RSU replacement awards granted to non-EC members vest in equal portions over a period of 3 years at the anniversary of the date of grant, except for one non-EC member with different vesting.

In 2023, thirteen senior managers received RSU awards replacing the initially granted 50% PSU awards in March 2023. RSU awards granted to non-EC members vest in equal portions over a period of 3 years at the anniversary of the date of grant except for one non-EC member with different vesting.

In 2023, ten senior managers (Country President) received Country President PSU awards (CPIP PSU awards) subject to a predefined level of target achievement of four performance metrics (cost saving, growth, people and behaviour). CPIP PSU awards granted to the Country Presidents fully vest 6 months after the grant date.

In 2022, fourteen new employees received RSU replacement awards to compensate for outstanding deferred awards forfeited as a result of joining the Company. RSU replacement awards granted to non-EC members vest in equal portions over a period of 3 years at the anniversary of the date of grant.

1 ROIC is defined as the rolling four quarter EBITA excluding one-offs divided by the rolling four quarter average of invested capital. Invested capital includes Intangible assets (gross), Property, equipment, and leasehold improvements, Operating lease right-of-use assets, Net working capital excluding cash (Trade accounts receivable and Other current assets, less Accounts payable and accrued expenses), Other assets (non-current), and Goodwill, adjusted for Goodwill impairments after 1 January 2021.

2 Cash conversion is calculated as free cash flow before interest and tax paid (FCFBIT) divided by EBITA excluding one-offs. FCF comprises cash flow from operating activities less capital expenditures.

In 2021, a new EC member received replacement awards in the form of RSUs (RSU replacement awards) and TSR awards (TSR replacement awards) and twelve new employees received RSU replacement awards to compensate for outstanding deferred awards forfeited as a result of joining the Company. RSU replacement awards granted to the new EC member are subject to a 1-year tiered vesting period, with 50% of the awards vesting immediately after grant and the remaining 50% vesting after one year at the anniversary of the date of grant. TSR replacement awards granted to the new EC member are subject to a 2-year tiered vesting period, with 80% of the awards vesting after one year and the remaining 20% vesting after two years at the anniversary of the date of grant. RSU replacement awards granted to non-EC members vest in equal portions over a period of 3 years at the anniversary of the date of grant except for two non-EC members with different vesting.

In 2020, special RSU awards (sRSU awards) were granted to a group of senior managers (281 individuals in total). The vesting of the sRSU awards is not subject to performance targets, but to forfeiture provisions. Provided that the employment relationship continues:

- sRSU awards granted to non-French employees will vest in equal portions over a period of three years at the anniversary of the date of grant.
- sRSU awards granted to French employees are subject to a 3-year tiered vesting period, with 67% of the awards vesting after two years and the remaining 33% vesting after three years at the anniversary of the date of grant.

In 2020, a new EC member received replacement awards in the form of RSUs (RSU replacement awards) and TSR awards (TSR replacement awards) and nine new employees received RSU replacement awards to compensate for outstanding deferred awards forfeited as a result of joining the Company. RSU replacement awards granted to the new EC member are subject to a 3-year tiered vesting period, with 50% of the awards vesting after two years and the remaining 50% vesting after 3 years at the anniversary of the date of grant. TSR replacement awards granted to the new EC member are subject to a 1.5-year tiered vesting period, with 48% of the awards vesting after 0.5 years and the remaining 52% vesting after 1.5 years at the anniversary of the date of grant. RSU replacement awards granted to non-EC members vest in equal portions over a period of 3 years at the anniversary of the date of grant.

The plan foresees that participants who terminate their employment with the Company at their own will and those who receive notice of termination for cause before the end of the performance period (in the case of performance share awards) and before the end of the vesting period (in the case of RSU awards), will no longer be entitled to the vesting of the awards. In case of an involuntary termination without cause before the end of the performance period, a time-weighted pro-rata portion of the unvested performance share awards granted in 2023, 2022 and 2021 will vest at the regular vesting date, depending on the level of target achievement. In the case of an involuntary termination without cause before the end of the vesting period, a time-weighted pro-rata portion of the unvested RSU awards will vest at the regular vesting date. The Company bases its forfeiture rate estimations on historically observed rates as well as on employment trends of the plan participants.

PSU awards

The fair value of the PSU awards was determined based on the grant date market price of the Adecco Group AG share, less a discount for not being entitled to any dividends over the vesting period, multiplied by the probability factors of the relative TSR estimated on the date of grant with an additional discount applied due to a 2-year post-vesting restriction on the sale of share awards. For the 2023 and 2022 grants the post-vesting restriction for the CEO was determined to be two years, for all other participants one year. Refer to section "TSR awards" below for details relating to the relative TSR component.

Compensation expense of such performance condition share awards is recognised on a straight-line basis over the requisite service period, based on estimated achievements. The probability factors of the ROIC and CCR are assessed via an analysis of historical and future ROIC and CCR figures. The expense impact of changes in the estimated attainment must be recognised as a cumulative catch-up of the prior service period.

	PSU awards	
	Number of shares	Weighted-average grant date fair value per share (in CHF)
Summary of the non-vested PSU awards[1]		
Non-vested share awards outstanding as of 1 January 2022	168,619	50
Granted	307,137	32
Forfeited	(49,695)	39
Lapsed		
Vested		
Non-vested share awards outstanding as of 31 December 2022	426,061	38
Granted	330,628	25
Forfeited	(52,588)	33
Cancelled	(48,175)	25
Lapsed		
Vested		
Non-vested share awards outstanding as of 31 December 2023	655,926	33

1 Includes CPIP PSU awards.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

TSR awards

The fair value of the relative TSR awards was determined based on the grant date market price of the Adecco Group AG share, less a discount for not being entitled to any dividends over the vesting period, multiplied by the probability factor estimated on the date of grant using the Monte Carlo simulation, with an additional discount applied due to a 2-year post-vesting restriction on the sale of share awards. The Monte Carlo simulation runs a very large number of share price simulations based on various parameters (share prices, volatilities, dividends, expected returns, etc.). The average result of these simulations provides the probability that the Company's TSR targets will be achieved. The implied volatility was determined by reference to the implied volatilities of the Company's peer group as provided by Standard & Poor's financial research database CapitalIQ. The expected dividend yield is based on actual dividends paid.

The risk-free rate is extracted from the Swiss government bond yield curve, which is constructed by interpolation out of the observed trading prices of various Swiss government bonds. The assumptions used are as follows:

	2023	2022
Assumptions used for the estimation of the fair value of the TSR awards		
Implied at-the-money volatility	**30.7%**	30.0%
Expected dividend yield	**7.73%**	5.72%
Expected term	**3 years**	3 years
Risk-free rate	**1.23%**	n/a

Since the probability of the market condition being met is considered in the fair value of the TSR awards, compensation expense is recognised on a straight-line basis over the requisite service period regardless of fulfilment of the market condition.

A summary of the status of the Company's non-vested TSR awards as of 31 December 2023 and 31 December 2022 and changes during those years is as follows:

	Relative TSR awards	
	Number of shares	Weighted-average grant date fair value per share (in CHF)
Summary of the non-vested TSR awards[1]		
Non-vested share awards outstanding as of 1 January 2022	**393,028**	**23**
Granted		
Forfeited	(2,600)	41
Lapsed	(145,571)	19
Vested	(106,732)	19
Non-vested share awards outstanding as of 31 December 2022	**138,125**	**29**
Granted		
Forfeited		
Lapsed	**(138,125)**	**29**
Vested		
Non-vested share awards outstanding as of 31 December 2023		

1 Includes TSR replacement awards.

RSU awards

The fair value of the RSU awards was determined based on the grant date market price of the Adecco Group AG share less a discount for not being entitled to any dividends over the vesting period. An additional discount is applied to determine the fair value of the RSU awards granted to all participants due to a 2-year post-vesting restriction on the sale of share awards. For the 2023 and 2022 grant the post-vesting restriction was determined to be one year for all participants. The discount is not applied to determine the fair value of the RSU replacement awards and the sRSU awards as no post-vesting restriction applies. Compensation expense of such service condition share awards is recognised on a straight-line basis over the requisite service period, taking into account estimated employee forfeitures.

A summary of the status of the Company's non-vested RSU awards as of 31 December 2023 and 31 December 2022 and changes during those years is as follows:

Summary of non-vested RSU awards[1]	Number of shares	Weighted-average grant date fair value per share (in CHF)
Non-vested share awards outstanding as of 1 January 2022	**785,363**	**35**
Granted	420,340	35
Forfeited	(72,324)	37
Cancelled	(14,878)	35
Vested	(396,768)	34
Non-vested share awards outstanding as of 31 December 2022	**721,733**	**36**
Granted	**630,116**	**28**
Forfeited	**(122,494)**	**31**
Cancelled	**(1,769)**	**31**
Vested	**(392,392)**	**35**
Non-vested share awards outstanding as of 31 December 2023	**835,194**	**31**

1 Includes RSU replacement awards and sRSU awards.

As of 31 December 2023, the total unrecognised compensation expense related to non-vested share awards amounted to EUR 17. The cost is expected to be recognised over a weighted-average period of one and a half years. The total fair value of share awards vested in 2023 and 2022 amounted to EUR 13 and EUR 21, respectively.

Note 14 – Employee benefit plans

In accordance with local regulations and practices, the Company has various employee benefit plans, including defined contribution and both contributory and non-contributory defined benefit plans.

Defined contribution plans and other arrangements

The Company recorded an expense of EUR 100 in 2023 and EUR 89 in 2022 in connection with defined contribution plans, and an expense of EUR 100 and EUR 92 in connection with the Italian employee termination indemnity arrangement in 2023 and 2022, respectively.

The Company sponsors several non-qualified defined contribution plans in the USA for certain employees. These plans are partly funded through Rabbi trusts, which are consolidated in the Company's financial statements. As of 31 December 2023 and 31 December 2022, the assets held in the Rabbi trusts amounted to EUR 148 and EUR 150, respectively. The related pension liability totalled EUR 147 and EUR 133 as of 31 December 2023 and 31 December 2022, respectively.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Certain employees in Sweden are covered under the ITP multi-employer pension plan (employer identification number 55927) administered by a union. The data available from the administrator of the plan (Alecta) is not sufficient to determine the projected benefit obligation or the net assets attributable to the Company. Consequently, this plan is reported as a defined contribution plan. As of 31 December 2023 and 31 December 2022, Alecta managed approximately EUR 84,100 and EUR 81,300, respectively, of plan assets on behalf of 2.6 million private individuals and 35,000 companies. Total contributions made by all plan members to this plan in 2022 amounted to EUR 6,250. The information on total contributions made by all plan members in 2023 has not yet been published by Alecta. Contributions made to this plan by the Company amounted to EUR 1 in 2023 and EUR 1 in 2022.

Defined benefit plans

The Company sponsors defined benefit plans principally in Switzerland, India and the UK. These plans provide benefits primarily based on years of service and level of compensation, and are in accordance with local regulations and practices. The defined benefit obligations and related assets of all major plans are reappraised annually by independent actuaries. The measurement date in 2023 and 2022 for all defined benefit plans was 31 December. Plan assets are recorded at fair value, and consist primarily of equity securities, debt securities, and alternative investments. The projected benefit obligation (PBO) is the actuarial present value of benefits attributable to employee service rendered to date, including the effects of estimated future pay increases. The accumulated benefit obligation (ABO) is the actuarial present value of benefits attributable to employee service rendered to date, but excluding the effects of estimated future pay increases.

Actuarial gains and losses are recognised as a component of Other comprehensive income/(loss), net, in the period when they arise. Those amounts are subsequently recognised as a component of net periodic benefit cost using the corridor method.

The components of net periodic benefit cost for the defined benefit plans are as follows:

	Swiss plans		Non-Swiss plans	
in EUR	**2023**	2022	**2023**	2022
Components of net periodic benefit cost				
Service cost	**26**	27	**12**	15
Interest cost	**7**	1	**15**	10
Expected return on plan assets	**(14)**	(9)	**(12)**	(10)
Amortisation of prior service (credit)/cost				1
Amortisation of net actuarial (gain)/loss				1
Curtailment gain			**(3)**	
Net periodic benefit cost	**19**	**19**	**12**	**17**

All components of Net periodic benefit cost, other than service cost, are included in the line item Other income/(expenses), net, in the statement of operations.

The following table provides a reconciliation of the changes in the benefit obligations, the change in the fair value of plan assets, and the funded status of the Company's defined benefit plans as of 31 December 2023 and 31 December 2022:

in EUR	Swiss plans 31.12.2023	Swiss plans 31.12.2022	Non-Swiss plans 31.12.2023	Non-Swiss plans 31.12.2022
Pension liabilities and assets				
Projected benefit obligation, beginning of year	337	379	277	284
Service cost	26	27	12	15
Interest cost	7	1	15	10
Participants' contributions	67	72	9	8
Benefits paid	(95)	(99)	(16)	(18)
Plan amendments			2	
Net actuarial (gain)/loss	32	(66)	9	(43)
Settlement			(21)	(1)
Curtailment			(9)	
Acquisitions		7		30
Foreign currency translation	22	16	(8)	(8)
Projected benefit obligation, end of year	396	337	270	277
Plan assets, beginning of year	408	431	173	184
Actual return on assets	25	(44)	12	(7)
Employer contributions	25	24	31	10
Participants' contributions	67	72	9	8
Benefits paid	(95)	(99)	(16)	(18)
Settlement			(21)	(1)
Acquisitions		5		3
Foreign currency translation	26	19	(5)	(6)
Plan assets, end of year	456	408	183	173
Funded status of the plan	60	71	(88)	(104)
Accumulated benefit obligation, end of year	389	331	251	260

The following amounts are recognised in the consolidated balance sheets as of 31 December 2023 and 31 December 2022:

in EUR	Swiss plans 31.12.2023	Swiss plans 31.12.2022	Non-Swiss plans 31.12.2023	Non-Swiss plans 31.12.2022
Pension-related assets				
Other assets	62	72	10	9
Pension-related liabilities				
Other accrued expenses			(4)	(6)
Other liabilities	(2)	(1)	(94)	(107)
Total	60	71	(88)	(104)

Notes to consolidated financial statements (continued)

in millions, except share and per share information

The following amounts are recognised in Accumulated other comprehensive income/(loss), net as of 31 December 2023 and 31 December 2022:

	Swiss plans		Non-Swiss plans	
in EUR	**31.12.2023**	31.12.2022	**31.12.2023**	31.12.2022
Prior service credit/(cost)		(1)	**(2)**	(6)
Net actuarial gain/(loss)	**(30)**	(7)	**(11)**	(3)
Total	**(30)**	**(8)**	**(13)**	**(9)**

The following table provides values of PBO, ABO and fair value of plan assets for plans with a PBO in excess of the fair value of plan assets and an ABO in excess of the fair value of plan assets:

	PBO exceeds fair value of plan assets		ABO exceeds fair value of plan assets	
in EUR	**31.12.2023**	31.12.2022	**31.12.2023**	31.12.2022
PBO	**153**	162		
ABO			**133**	145
Fair value of plan assets	**54**	47	**54**	47

The overall expected long-term rate of return on plan assets for the Company's defined benefit plans is based on inflation rates, inflation-adjusted interest rates, and the risk premium of equity investments above risk-free rates of return. Long-term historical rates of return are adjusted when appropriate to reflect recent developments.

The assumptions used for the defined benefit plans reflect the different economic conditions in the various countries. The actuarial assumptions used to determine benefit obligations are as follows:

	Swiss plans		Non-Swiss plans	
in %	**2023**	2022	**2023**	2022
Weighted-average assumptions used to determine benefit obligations				
Discount rate	**1.4**	2.2	**5.0**	4.9
Rate of increase in compensation levels	**2.5**	2.5	**2.6**	2.7
Weighted-average interest crediting rate	**2.7**	2.5	**7.8**	7.9

The actuarial assumptions used to determine the Net periodic benefit cost are as follows:

	Swiss plans		Non-Swiss plans	
in %	**2023**	2022	**2023**	2022
Weighted-average assumptions used to determine net periodic benefit cost				
Discount rate	**2.2**	0.3	**4.9**	2.6
Rate of increase in compensation levels	**2.5**	2.1	**2.7**	2.3
Expected long-term rate of return on plan assets	**3.2**	2.2	**6.8**	6.3
Weighted-average interest crediting rate	**2.5**	1.0	**7.9**	8.5

The investment policy and strategy for the assets held by the Company's pension plans focus on using various asset classes in order to achieve a long-term return on a risk-adjusted basis. Factors included in the investment strategy are the achievement of consistent year-over-year results, effective and appropriate risk management, and effective cash flow management. The investment policy defines a strategic asset allocation and a tactical allocation through bands within which the actual asset allocation is allowed to fluctuate. The strategic asset allocation has been defined through asset-liability studies that are undertaken at regular intervals by independent pension fund advisors or by institutional asset managers. Actual invested positions change over time based on short- and long-term investment opportunities. Equity securities include publicly traded stock of companies located inside and outside Switzerland. Debt securities include corporate bonds from companies from various industries as well as government bonds. Alternative investments include interest rate risk management funds (liability-driven investments) and foreign exchange forwards used to hedge the foreign exchange risk of alternative investments. Real estate funds primarily consist of investments made through a single real estate fund with daily pricing and liquidity.

The Swiss and non-Swiss pension plans' target asset allocations as of 31 December 2023, by asset category, are as follows:

in %	Swiss plans Target allocation range	Non-Swiss plans Target allocation range
Target asset allocation range		
Cash and cash equivalents	0-15	0-100
Equity securities	20-50	0-10
Debt securities	20-40	25-100
Real estate	10-30	
Other	5-20	0-100

The actual asset allocations of the plans are in line with the target asset allocations.

The table below sets forth the fair value of the Company's pension plan assets as of 31 December 2023 and as of 31 December 2022. Certain investments that are measured at fair value using the Net Asset Value (NAV) per share as a practical expedient have not been categorised in the fair value hierarchy. The fair value amounts presented in this table provide a reconciliation of the fair value hierarchy to the total value of plan assets.

31 December 2023

	Swiss plans				Non-Swiss plans			
in EUR	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset category								
Cash and cash equivalents	9			9	10			10
Equity securities:								
• Switzerland	56			56				
• Rest of the World	99			99	5			5
Debt securities:								
• Government bonds					39	5		44
• Corporate bonds	156			156	70	2		72
Investment funds	6			6	3	11		14
Real estate funds	82			82				
Other			4	4		7	31	38
Net plan assets subject to levelling	**408**		**4**	**412**	**127**	**25**	**31**	**183**
Investments using NAV as a practical expedient:								
Private equity				20				
Real estate funds				24				
Investments at fair value				**456**				**183**

Notes to consolidated financial statements (continued)

in millions, except share and per share information

31 December 2022

in EUR	Swiss plans Level 1	Swiss plans Level 2	Swiss plans Level 3	Swiss plans Total	Non-Swiss plans Level 1	Non-Swiss plans Level 2	Non-Swiss plans Level 3	Non-Swiss plans Total
Asset category								
Cash and cash equivalents	18			18	16			16
Equity securities:								
• Switzerland	64			64				
• Rest of the World	89			89	2			2
Debt securities:								
• Government bonds	11			11	44	6		50
• Corporate bonds	96			96	57	1		58
Commodity contracts	10			10				
Investment funds	1	12		13	3	11		14
Real estate funds	63			63				
Other			4	4		4	29	33
Net plan assets subject to levelling	**352**	**12**	**4**	**368**	**122**	**22**	**29**	**173**
Investments using NAV as a practical expedient:								
Private equity				14				
Real estate funds				26				
Investments at fair value				**408**				**173**

A reconciliation of the change in the fair value measurement of the defined benefit plans' consolidated assets using significant unobservable inputs (Level 3) during the years ended 31 December 2023 and 31 December 2022 is as follows:

in EUR	Swiss plans	Non-Swiss plans
Balance as of 1 January 2022		**23**
Acquisitions	5	3
Purchases, sales, and settlements, net	(1)	3
Balance as of 31 December 2022	**4**	**29**
Purchases, sales, and settlements, net		2
Balance as of 31 December 2023	**4**	**31**

The Company expects to contribute EUR 24 to its Swiss plans and EUR 11 to its non-Swiss plans in 2024.

Future benefit payments, which include expected future service, are estimated as follows:

in EUR	Swiss plans	Non-Swiss plans
Expected future benefit payments		
2024	30	51
2025	28	34
2026	26	24
2027	24	19
2028	23	16
2029–2033	98	72

Note 15 – Financial instruments

Risk and use of derivative instruments

The Company conducts business in various countries and funds its subsidiaries in various currencies and is therefore exposed to the effects of changes in foreign currency exchange rates. In order to mitigate the impact of currency exchange rate fluctuations, the Company assesses its exposure to currency risk and hedges certain risks through the use of derivative instruments.

As the Company is exposed to interest rate risk through its financial investments and borrowings, the Company manages this risk using derivative financial instruments such as interest rate swaps. Using inputs such as management guidance, macro environment and financial market conditions as well as underlying exposure duration, the Company endeavours to optimise its fixed/floating rate mix profile and optimally manage interest expense. The Company has entered into interest rate swaps to hedge or offset the fixed interest rates on the hedged item, matching the amount and timing of the hedged item and subsequently allowing it to adapt the profile of its outstanding debt.

The main objective of holding derivative instruments is to minimise the volatility of earnings arising from these exposures in the absence of natural hedges. The responsibility for assessing exposures as well as entering into and managing derivative instruments is centralised in the Company's treasury department. The activities of the treasury department are covered by corporate policies and procedures approved by the Board of Directors, which prohibit the use of derivative instruments for trading and speculative purposes. Group management approves the hedging strategy and monitors the underlying market risks.

Fair value of derivative financial instruments

The following table shows the notional amount and the fair value of derivative financial instruments as of 31 December 2023 and 31 December 2022:

		Notional amount		Fair value	
in EUR	Balance sheet location	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Derivative assets					
Derivatives designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other current assets	**297**	310	**14**	16
• FX options	Other current assets	**272**	257	**7**	1
• Interest rate swaps	Other assets	**50**		**2**	
Derivatives not designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other current assets	**92**	320	**1**	7
• Cross-currency interest rate swaps	Other assets	**39**	43	**11**	8
Derivative liabilities					
Derivatives designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other accrued expenses		199		3
• FX options	Other accrued expenses	**272**	257		1
• Interest rate swaps	Other liabilities	**550**	578	**35**	58
• Cross-currency interest rate swaps	Other liabilities	**128**	140	**34**	19
Derivatives not designated as hedging instruments under ASC 815:					
• Foreign currency contracts	Other accrued expenses	**369**	1,231	**9**	40
• Cross-currency interest rate swaps	Other liabilities	**39**	43	**11**	8
Total net derivative asset/(liability)				**(54)**	(97)

In addition, accrued interest payable on interest rate swaps of EUR (2) and EUR (1) was recorded in Other accrued expenses as of 31 December 2023 and 31 December 2022, respectively. As of 31 December 2023, accrued interest receivable and payable on cross-currency interest rate swaps of EUR 1 and EUR (1) was recorded in Other current assets and Other accrued expenses, respectively. As of 31 December 2022, accrued interest receivable and payable on cross-currency interest rate swaps of EUR 1 and EUR (1) was recorded in Other current assets and Other accrued expenses, respectively.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Fair value hedges

Interest rate swaps that contain a receipt of fixed interest rate amounts and payment of floating interest rate amounts have been designated as fair value hedges for a portion of the EUR notes issued by Adecco International Financial Services BV and the CHF notes issued by Adecco Group AG.

The following table shows the gain/(loss) recognised in earnings related to the fair value hedges and the hedged items as of 2023 and 2022:

		2023		2022	
in EUR	Location of gain/(loss) in consolidated statements of operations	Recognised on derivatives	Recognised on hedged items	Recognised on derivatives	Recognised on hedged items
Derivatives designated as fair value hedges					
• Interest rate swap	Interest expense	26	(26)	(58)	56

In addition, the Company recorded a gain of EUR 2 in 2023 and EUR 2 in 2022 in Interest expense related to the amortisation of terminated hedges.

Furthermore, the net swap settlements that accrue each period are also reported in Interest expense. No significant gains or losses were recorded in 2023 or 2022 due to ineffectiveness in fair value hedge relationships. No significant gains or losses were excluded from the assessment of hedge effectiveness of the fair value hedges in 2023 or 2022.

The following table shows the amounts recorded in the consolidated balance sheets related to cumulative basis adjustments for fair value hedges as of 2023 and 2022:

	2023			2022		
in EUR	Carrying amount of hedged items	Cumulative amount of fair value hedging adjustment gain/(loss) included in the carrying amount of the hedged items	Cumulative amount of fair value hedging adjustment remaining for which hedge accounting has been discontinued	Carrying amount of hedged items	Cumulative amount of fair value hedging adjustment gain/(loss) included in the carrying amount of the hedged items	Cumulative amount of fair value hedging adjustment remaining for which hedge accounting has been discontinued
Current liabilities						
Current maturities of long-term debt			(2)			
Non-current liabilities						
Long-term debt, less current maturities	566	32		519	58	(4)

Cash flow hedges

Cross-currency interest rate swaps designated as cash flow hedges are used to offset foreign currency exchange rate fluctuations on long-term debt instruments. The Company further uses foreign currency contracts designated as cash flow hedges to mitigate exposure to foreign currency exchange rate volatility arising from intercompany cash flow within the next 12 months denominated in other currencies than Swiss Francs. Interest rate swaps designated as cash flow hedges are used to lock in interest rates prior to the issuance of debt.

For derivative instruments designated as cash flow hedges, the effective portion of the changes in the fair value of derivative instruments is reclassified into earnings in the same period as the hedged transaction impacts earnings.

The following table shows the gain/(loss) recorded in Other comprehensive income/(loss) and reclassified from Other comprehensive income/(loss) to earnings related to derivatives designated as cash flow hedges as of 2023 and 2022:

		2023		2022	
in EUR	Location of gain/(loss) in consolidated statements of operations	Recognised gain/(loss) in Other comprehensive income/(loss)	Reclassified gain/(loss) from Other comprehensive income/(loss) to earnings	Recognised gain/(loss) in Other comprehensive income/(loss)	Reclassified gain/(loss) from Other comprehensive income/(loss) to earnings
Derivatives designated as cash flow hedges					
• Foreign currency contracts	Other income/(expenses), net	6	3	4	7
• Cross-currency interest rate swaps	Other income/(expenses), net	(16)	(12)	3	(17)
• Interest rate swaps	Interest expense		1		1

No significant gains or losses were recorded in 2023 or 2022 due to ineffectiveness in cash flow hedge relationships. In 2023 and 2022, no significant gains or losses were excluded from the assessment of hedge effectiveness of the cash flow hedges. Within the next 12 months, the Company expects to reclassify EUR 4 currently reported in Accumulated other comprehensive income/(loss), net into Other income/(loss), net and EUR 1 currently reported in Accumulated other comprehensive income/(loss), net into Interest expense from cash flow hedges. Prior year information has been restated to conform with the current year presentation.

Net investment hedges

In 2023 and 2022, the Company entered into certain derivative contracts that are designated as net investment hedges under ASC 815. Foreign currency contracts and FX options are used to hedge a portion of certain investments with operations in different currencies against Swiss Francs.

The following table shows the gain/(loss) recorded in Other comprehensive income/(loss) and reclassified from Other comprehensive income/(loss) to earnings and amounts excluded from hedge effectiveness assessment related to net investment hedges as of 2023 and 2022:

		2023			2022		
in EUR	Location of gain/(loss) in consolidated statements of operations	Recognised gain/(loss) in Other comprehensive income/(loss)	Reclassified gain/(loss) from Other comprehensive income/(loss) to earnings	Gain/(loss) excluded from effectiveness assessment	Recognised gain/(loss) in Other comprehensive income/(loss)	Reclassified gain/(loss) from Other comprehensive income/(loss) to earnings	Gain/(loss) excluded from effectiveness assessment
Derivatives designated as net investment hedges							
• Foreign currency contracts	Other income/(expenses), net	14		(5)	2		(9)
• FX options	Other income/(expenses), net	5		2	2		1

Other hedge activities

The Company has entered into certain derivative contracts that are not designated or do not qualify as hedges under ASC 815. Foreign currency contracts and cross-currency interest rate swaps are used to hedge the net exposure of subsidiary funding advanced in the local operations' functional currency. Interest rate swaps are used to lock in interest rates prior to the issuance of debt. Contracts are entered into in accordance with the Company's approved treasury policies and procedures and represent economic hedges.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

The following table shows the gain/(loss) recognised in earnings related to derivatives not designated as hedging instruments as of 2023 and 2022:

in EUR	Location of gain/(loss) in consolidated statements of operations	Gain/(loss) on derivatives recognised in earnings	
		2023	2022
Derivatives not designated as hedging instruments			
• Foreign currency contracts	Other income/(expenses), net	**(27)**	(38)
• Interest rate swaps	Interest expense		1

Credit risk concentration

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash investments, short-term investments, trade accounts receivable and derivative financial instruments. The Company places its cash and short-term investments in major financial institutions throughout the world, which management assesses to be of high credit quality, in order to limit the exposure of each investment.

Credit risk, with respect to trade accounts receivable, is dispersed due to the international nature of the business, the large number of customers, and the diversity of industries serviced. The Company's receivables are well diversified and management performs credit evaluations of its customers and, where available and cost-effective, utilises credit insurance.

To minimise counterparty exposure on derivative instruments, the Company enters into derivative contracts with large multinational banks and limits the level of exposure on short-term investments with each counterparty.

Note 16 – Fair value measurement

Recurring fair value measures

The following table represents the Company's assets and liabilities that are measured at fair value on a recurring basis as of 31 December 2023 and 31 December 2022:

in EUR	Balance sheet location	Level 1	Level 2	Level 3	Total
31 December 2023					
Assets					
Money market funds	Cash and cash equivalents	154			154
Derivative assets	Other current assets		22		22
Derivative assets	Other assets		13		13
Equity securities	Other assets	13			13
Liabilities					
Derivative liabilities	Other accrued expenses		9		9
Derivative liabilities	Other liabilities		80		80
31 December 2022					
Assets					
Money market funds	Cash and cash equivalents	284			284
Derivative assets	Other current assets		24		24
Derivative assets	Other assets		8		8
Liabilities					
Derivative liabilities	Other accrued expenses		44		44
Derivative liabilities	Other liabilities		85		85

In 2023 and 2022, the Company recognised an unrealised loss of EUR (3) and an unrealised gain of EUR 1, respectively, on equity securities still held at the reporting date. No equity securities were sold in 2023 and 2022.

The Company uses the following methods and assumptions in estimating the fair values of financial assets and liabilities measured at fair value on a recurring basis:

- **Money market funds and equity securities**: The fair value of money market funds and equity securities is estimated using quoted market prices.
- **Derivative assets and liabilities**: The fair values of interest rate swaps and foreign currency contracts are calculated using the present value of future cash flows based on observable market inputs. FX options are valued based on a Black-Scholes model, using observable market inputs. The Company adds an adjustment for non-performance risk in the recognised measure of fair value of derivative instruments. The non-performance adjustment reflects the Credit Default Swap (CDS) applied to the exposure of each transaction. The Company uses the counterparty CDS spread in the case of an asset position and its own CDS spread in the case of a liability position. As of 31 December 2023 and 31 December 2022, the total impact of non-performance risk and liquidity risk was an adjustment of EUR 1 and EUR 1, respectively.

Disclosure about financial instruments carried on a cost basis

The following table represents the fair values of the Company's assets and liabilities carried on a cost basis as of 31 December 2023 and 31 December 2022:

in EUR	Carrying value	Level 1	Level 2	Level 3	Total fair value
31 December 2023					
Liabilities					
Current maturities of long-term debt (excluding finance lease obligations)	431	422			422
Long-term debt, less current maturities (excluding finance lease obligations)	2,604	2,381			2,381
31 December 2022					
Liabilities					
Current maturities of long-term debt (excluding finance lease obligations)	2		3		3
Long-term debt, less current maturities (excluding finance lease obligations)	3,076	2,638	27		2,665

The Company uses the following methods and assumptions in estimating fair values of financial instruments carried on a cost basis:

- **Short-term debt:** The carrying amount approximates the fair value given the short maturity of such instruments.
- **Long-term debt, including current maturities of long-term debt (excluding finance lease obligations):** The fair value of the Company's publicly traded long-term debt is estimated using quoted market prices (Level 1 inputs). For long-term debt without available quoted market prices, the fair values are determined using a discounted cash flow methodology based upon borrowing rates of similar debt instruments and reflecting appropriate adjustments for non-performance risk (Level 2 inputs).

Note 17 – Other income/(expenses), net

For the years 2023 and 2022 Other income/(expenses), net, consists of the following:

in EUR	2023	2022
Foreign exchange gain/(loss), net	(19)	(7)
Interest income	16	9
Proportionate net income of equity method investments	(1)	1
Other non-operating income/(expenses), net	(44)	(50)
Total other income/(expenses), net	**(48)**	**(47)**

In 2023, Foreign exchange gain/(loss), net includes a loss of EUR 10 from the designation of Argentina and Turkey as highly inflationary economies. Other non-operating income/(expense), net includes a EUR 22 expense related to the loss on sale of a portion of the long-term loans related to social security programmes, a EUR 19 expense related to Digital Venture Incentive Plans, a EUR 8 expense related to the impact of discounting on additional portions of long-term loans related to social security programmes and a EUR 5 expense to the Adecco Group Foundation.

In 2022, Foreign exchange gain/(loss), net includes a loss of EUR 3 from the designation of Argentina and Turkey as highly inflationary economies. Other non-operating income/(expense), net includes a EUR 22 expense related to Digital Venture Incentive Plans, a EUR 7 expense related to the cyber incident in AKKA Technologies, a EUR 6 expense to the Adecco Group Foundation and a EUR 6 expense related to the impact of discounting on long-term loans related to social security programmes.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Note 18 – Government assistance

The Company is entitled to receive different types of government assistance including those received to support the business (which are generally ongoing programmes, such as R&D tax credits, maternity benefits, and integration allowances for hiring certain employee groups, e.g., previously unemployed young people, workers who are long-term unemployed, disabled people etc.). Other government assistance includes those which arose as a result of the Covid-19 pandemic due to the financial disruption to business (e.g., relief from social security charges, wage subsidies to compensate payroll-related expenses, and short-time work compensation of payroll expenses due to reduced work time), which vary in duration between 3 months and indefinitely. The government assistance is generally received in the form of cash or as an offset against amounts owed to authorities.

The government assistance is recognised when it is probable that the Company will comply with the respective qualifying conditions set forth by the grantor. Government subsidies and grants, which are intended to compensate for expenses incurred, are recorded net against the related expenses in the same period in which those expenses are incurred. In some instances, a portion of the subsidies is passed onto clients and generally accounted as a credit note or as a separate liability in Other accrued expenses. Any provisions for recapture by the authorities are generally recorded net of the subsidy amount. Subsidies and/or grants received from government programmes relating to associates and colleagues are recorded in Direct cost of services and Selling, general, and administrative expenses, respectively.

The following table shows the income statement line items in which the transactions are recorded in 2023 and 2022 and the related amounts:

in EUR	2023	2022
Direct costs of services	103	116
Selling, general, and administrative expenses	21	21
Total net amount reported within the consolidated statements of operations	**124**	**137**

The following table shows the balance sheet line items in which the transactions are recorded in 2023 and 2022 and the related amounts outstanding as of 31 December 2023 and 31 December 2022:

in EUR	2023	2022
Other current assets	16	64
Other assets	48	7
Total net amount reported within the consolidated balance sheets	**64**	**71**

Note 19 – Income taxes

Adecco Group AG is incorporated in Switzerland and the Company operates in various countries with differing tax laws and rates. A substantial portion of the Company's operations are outside Switzerland. Since the Company operates worldwide, the weighted-average effective tax rate will vary from year to year depending on the earnings mix by country. The weighted-average tax rate is calculated by aggregating pre-tax income or loss in each country in which the Company operates multiplied by the country's statutory income tax rate. Income before income taxes in Switzerland totalled EUR 214 and EUR 174, in 2023 and 2022, respectively. Foreign source income/(expense) before income taxes amounted to EUR 293 and EUR 277, in 2023 and 2022, respectively.

The provision for income taxes consists of the following:

in EUR	2023	2022
Provision for income taxes		
Current tax provision:		
Domestic	45	32
Foreign	160	152
Total current tax provision	**205**	**184**
Deferred tax provision/(benefit):		
Domestic	(8)	(41)
Foreign	(17)	(37)
Total deferred tax benefit	**(25)**	**(78)**
Total provision for income taxes	**180**	**106**

The difference between the provision for income taxes and the weighted-average tax rate is reconciled as follows for the fiscal years:

in EUR	2023	2022
Tax rate reconciliation		
Income taxed at weighted-average tax rate[1]	112	96
Items taxed at other than weighted-average tax rate[1]	32	29
Non-deductible expenses and other permanent items	(1)	(11)
Net change in valuation allowance	7	1
Other, net	30	(9)
Total provision for income taxes	**180**	**106**

1 Prior year information has been restated to conform with the current year presentation.

In 2023 and 2022, the reconciling item "items taxed at other than weighted-average tax rate" includes the effects of certain state and local taxes, tax effects related to intercompany dividends, as well as the French business tax. In accordance with French legislation, a portion of the business tax is computed based on added value and consequently, under US GAAP, this component is reported as income tax. Furthermore, in 2023 and 2022, the reconciling item "items taxed at other than weighted-average tax rate" includes positive impacts related to prior year movements in tax contingencies of EUR 8 and EUR 16, respectively.

In 2023 and 2022, the reconciling item "non-deductible expenses and other permanent items" includes permanent items related to intercompany provisions, foreign exchange, and other write-offs that are deductible for tax purposes, but have no impact on the consolidated financial statements.

In 2023, the negative impact of the reconciling item "net change in valuation allowance" is mainly related to the increase on the temporary differences and net operating losses in New Zealand, Norway, Finland, and the Netherlands, partially offset by decreases due to net changes in realisability of temporary differences and net operating losses in Switzerland, Germany and Belgium.

In 2022, the negative impact of the reconciling item "net change in valuation allowance" is mainly related to the increase on the temporary differences and net operating losses mainly in Germany, France, the Netherlands, the USA, partially offset by EUR 36 decrease due to changes in temporary differences in Switzerland.

Notes to consolidated financial statements (continued)

in millions, except share and per share information

In 2023, the negative impact of the reconciling item "Other, net" includes EUR 25 adjustments to prior years' current and deferred income taxes, of which EUR 14 relates to Germany primarily the result of a tax settlement on fiscal years 2010-2012. Furthermore, the reconciling item "Other, net" includes tax impacts related to certain foreign exchange effects, deferred tax movements related to subsidiary undistributed earnings in Switzerland and France, offset by movements in tax incentive carryforwards mainly in the USA.

As of 31 December 2023 and 31 December 2022, a deferred tax liability of EUR 30 and EUR 23, respectively, has been provided for non-Swiss withholding taxes and additional taxes due upon the future dividend payment of cumulative undistributed earnings which are not considered permanently reinvested. Furthermore, in 2023 and 2022, the Company has not provided for income and withholding taxes on certain non-Swiss subsidiaries' undistributed earnings as such amounts are considered permanently reinvested. As of 31 December 2023 and 31 December 2022, such earnings amounted to approximately EUR 490 and EUR 592, respectively. It is not practicable to estimate the amount of taxes that would be payable upon remittance of these earnings.

Temporary differences that give rise to deferred income tax assets and liabilities are as follows:

in EUR	31.12.2023	31.12.2022
Temporary differences		
Net operating loss carryforwards and capital losses	369	351
Tax credits	26	21
Property, equipment & leasehold improvements	12	8
Deferred compensation and accrued employee benefits	91	86
Allowance for doubtful accounts	17	9
Accrued expenses	82	95
Intercompany transactions	14	15
Intangible assets	276	262
Operating lease liabilities	134	113
Other	18	25
Gross deferred tax assets	**1,039**	**985**
Unrecognised tax benefits provision, net	(59)	(61)
Valuation allowance	(481)	(459)
Deferred tax assets, net	**499**	**465**
Intangible assets	(244)	(272)
Tax amortisation in excess of financial amortisation	(72)	(74)
Undistributed earnings of subsidiaries	(30)	(23)
Operating lease right-of-use assets	(125)	(103)
Investment book basis in excess of tax basis	(1)	(1)
Other	(18)	(13)
Deferred tax liabilities	**(490)**	**(486)**
Deferred tax assets/(liabilities), net	**9**	**(21)**

Management's assessment of the realisation of deferred tax assets is made on a tax reporting group basis. The assessment is based upon the weight of all available evidence, including factors such as the recent earnings history and expected future taxable income. A valuation allowance is recorded to reduce deferred tax assets to a level which, more likely than not, will be realised.

Valuation allowance on deferred tax assets of foreign and domestic operations increased by EUR 22 to EUR 481. Included in the change of the valuation allowance is a net increase of EUR 20 for current and prior year losses mainly in Germany, Switzerland, France and the Netherlands, a net increase of EUR 14 related to changes in enacted tax rates and foreign currency fluctuations and an increase of EUR 1 related to the acquisition of FA Talent in China, offset by a net decrease of EUR 13 due to changes in temporary differences primarily in Switzerland.

The following table summarises the deferred tax assets and deferred tax liabilities reported by the Company as of 31 December 2023 and 31 December 2022:

in EUR	Balance sheet location	31.12.2023	31.12.2022
Deferred tax assets	Other assets	218	262
Deferred tax liabilities	Other liabilities	(209)	(283)
Deferred tax assets/(liabilities), net		**9**	**(21)**

As of 31 December 2023, the Company had approximately EUR 1,495 of net operating loss carryforwards and capital losses. These losses will expire as follows:

in EUR	2024	2025	2026	2027	2028	Thereafter	No expiry	Total
Expiration of losses by year	7	10	16	25	46	160	1,231	1,495

The largest net operating loss carryforwards and capital losses amount to EUR 1,200 as of 31 December 2023 in Germany, France, Switzerland, the USA, the Netherlands, and the UK. The losses in Switzerland and the USA begin to expire in 2024 and 2037, respectively. The losses in Germany, France, the Netherlands, the UK and a portion of the losses in the USA do not expire. In addition, tax credits of EUR 26 are mainly related to the USA and begin to expire in 2024.

As of 31 December 2023, the amount of unrecognised tax benefits including interest and penalties is EUR 157, of which EUR 113 would, if recognised, decrease the Company's effective tax rate. As of 31 December 2022, the amount of unrecognised tax benefits including interest and penalties is EUR 147, of which EUR 72 would, if recognised, decrease the Company's effective tax rate.

The Company recognises interest and penalties related to unrecognised tax benefits as a component of the Provision for income taxes. As of 31 December 2023 and 31 December 2022, the amount of interest and penalties recognised in the balance sheet amounted to EUR 10 and EUR 7, respectively. The total amount of interest and penalties recognised in the statement of operations was an expense of EUR 3 in 2023 and net benefit of EUR 1 in 2022.

The following table summarises the activity related to the Company's unrecognised tax benefits excluding interest and penalties:

in EUR	2023	2022
Unrecognised tax benefits		
Balance as of 1 January	140	**103**
Increases related to current year tax positions	16	17
Increases related to acquisitions		33
Expiration of the statute of limitations for the assessment of taxes	(15)	(9)
Settlements with tax authorities		(1)
Additions to prior years	9	1
Decreases to prior years	(3)	(5)
Foreign exchange currency movement		1
Balance as of 31 December	147	**140**

Notes to consolidated financial statements (continued)

in millions, except share and per share information

The Company and its subsidiaries file income tax returns in multiple jurisdictions with varying statutes of limitations. The open tax years by major jurisdiction are as follows:

	Open tax years
Country	
Australia	2021 onwards
Belgium	2021 onwards
Canada	2019 onwards
France	2014 onwards
Germany	2013 onwards
Italy	2017 onwards
Japan	2017 onwards
Mexico	2018 onwards
Netherlands	2016 onwards
Spain	2019 onwards
UK	2021 onwards
USA	2021 onwards

In certain jurisdictions, the Company may have more than one tax payer. The table above reflects the statutes of limitations of years open to examination for the major tax payers in each major tax jurisdiction.

Based on the outcome of examinations, or as a result of the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the related unrecognised tax benefits for tax positions taken regarding previously filed tax returns could materially change in the next 12 months from those recorded as liabilities for uncertain tax positions in the financial statements. An estimate of the range of the possible changes cannot be made until issues are further developed or examinations close.

Significant estimates are required in determining income tax expense and benefits. Various internal and external factors may have favourable or unfavourable effects on the future effective tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, results of tax audits, and changes in the overall level of pre-tax earnings.

Note 20 – Earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

	2023		2022	
in EUR (except number of shares)	Basic	Diluted	Basic	Diluted
Numerator				
Net income attributable to Adecco Group shareholders	325	325	342	342
Denominator				
Weighted-average shares	167,427,593	167,427,593	166,822,663	166,822,663
Incremental shares for assumed conversions:				
• Employee stock-based compensation		587,134		243,220
Total average equivalent shares	167,427,593	168,014,727	166,822,663	167,065,883
Per share amounts				
Net earnings per share	1.94	1.94	2.05	2.04

Note 21 – Segment reporting

The Company organises its business along three distinct Global Business Units (GBU): Adecco, Akkodis and LHH. The primary segment reporting is therefore built on a brand-driven organisational model structured around solutions-based business groups comprising Adecco (further split by geography: France; Northern Europe; DACH; Southern Europe & EEMENA; Americas; and APAC), Akkodis, and LHH. The structure is complemented by secondary segment reporting of the Company's service lines (comprising Flexible Placement; Permanent Placement; Career Transition; Outsourcing, Consulting & Other Services; and Training, Up-skilling & Re-skilling). Effective 1 January 2023, the Company transferred part of AKKA's US operations to Adecco US. The assets transferred were staffing activities, such that this action strengthens the strategic focus of both the Akkodis and Adecco GBUs. Prior year information has been restated to conform with the current year presentation.

The Company evaluates the performance of its segments based on operating income before amortisation of intangible assets, which is defined as the amount of income before amortisation of intangible assets, interest expense, other income/(expenses), net, and provision for income taxes. Corporate items consist of certain expenses which are separately managed at corporate level. The Company has not disclosed the segment assets because management does not currently review segment assets by Global Business Unit. The accounting principles used for the segment reporting are those used by the Company.

Revenues derived from Flexible Placement represented 76% in 2023 and 77% in 2022 of the Company's revenues. The remaining portion was derived from Permanent Placement, Career Transition, Outsourcing, Consulting & Other services, and Training, Up-skilling & Re-skilling.

in EUR	Adecco France	Adecco Northern Europe	Adecco DACH	Adecco Southern Europe & EEMENA	Adecco Americas	Adecco APAC	Adecco	Akkodis	LHH	Corporate	Total
2023 segment reporting											
Revenues	4,933	2,343	1,699	4,395	2,751	2,295	18,416	3,722	1,819		23,957
Depreciation	(26)	(11)	(9)	(14)	(8)	(12)	(80)	(28)	(24)	(22)	(154)
Operating income before amortisation and impairment of goodwill and intangible assets	209	35	20	240	23	117	644	179	112	(201)	734
Amortisation of intangible assets											(102)
Operating income											632
Interest expense and other income/(expenses), net											(125)
Provision for income taxes											(180)
Net income											327

in EUR	Adecco France	Adecco Northern Europe	Adecco DACH	Adecco Southern Europe & EEMENA	Adecco Americas	Adecco APAC	Adecco	Akkodis	LHH	Corporate	Total
2022 segment reporting											
Revenues	4,992	2,437	1,576	4,083	2,858	2,154	18,100	3,668	1,872		23,640
Depreciation	(22)	(11)	(7)	(13)	(7)	(10)	(70)	(29)	(21)	(20)	(140)
Operating income before amortisation and impairment of goodwill and intangible assets	227	57	48	215	9	114	670	186	80	(259)	677
Amortisation of intangible assets											(130)
Operating income											547
Interest expense and other income/(expenses), net											(96)
Provision for income taxes											(106)
Net income											**345**

Notes to consolidated financial statements (continued)

in millions, except share and per share information

Information by country is as follows:

in EUR	France	USA	UK	Germany	Japan	Italy	Switzerland	Rest of World	Total
Revenues									
2023	5,825	3,261	1,603	1,824	1,655	2,611	522	6,656	23,957
2022	5,814	3,636	1,590	1,651	1,640	2,494	533	6,282	23,640
Long-lived assets[1]									
2023	316	294	33	177	62	95	136	386	1,499
2022	384	323	36	206	62	68	167	235	1,481

1 Long-lived assets include fixed assets, operating lease right-of-use assets and other assets excluding deferred tax assets.

Note 22 – Commitments and contingencies

As of 31 December 2023, the Company has future purchase and service contractual obligations of approximately EUR 193, primarily related to IT development and maintenance agreements, marketing sponsorship agreements, equipment purchase agreements, and other supplier commitments. Future payments under these arrangements translated using 31 December 2023 exchange rates are as follows:

in EUR	2024	2025	2026	2027	2028	Thereafter	Total
Purchase and service contractual obligations	102	38	27	13	13	–	193

Guarantees and standby letters of credit

The Company has entered into certain guarantee contracts and standby letters of credit that total EUR 867. The guarantees primarily relate to government requirements for operating a temporary staffing business in certain countries and are generally renewed annually. The standby letters of credit mainly relate to workers' compensation. If the Company is not able to obtain and maintain letters of credit and/or guarantees from third parties, then the Company would be required to collateralise its obligations with cash. Due to the nature of these arrangements and historical experience, the Company does not expect to be required to collateralise its obligations with cash.

Contingencies

In the ordinary course of business, the Company is involved in various legal actions and claims, including those related to social security charges, other payroll-related charges, and various employment-related matters.

On 18 July 2018, the French competition authority commenced an investigation of AKKA Technologies and certain of its competitors with regards to alleged anti-competitive practices in France. The Company is fully co-operating with the French competition authority. Up to the date of this report, the Company has not received any statement of objections by the French competition authorities.

Although the outcome of the legal proceedings cannot be predicted with certainty, the Company believes it has adequately accrued for such matters.

Note 23 – Enterprise risk management

The Company's Board of Directors, which is ultimately responsible for the risk management of the Company, has delegated its execution to Group management whilst maintaining oversight.

The enterprise risk management process is embedded into the Company's strategic and organisational context. The process is focused on managing risks as well as identifying opportunities. The Company's risk management process covers the significant risks for the Company including financial, operational and strategic risks. All segments perform the risk management process on a regular basis and report their results to Group management. The Company's risk management activities consist of risk identification, risk analysis, risk mitigation and risk monitoring.

Group management has provided an extensive risk catalogue, defining risk categories which can have a significant impact on the Company's results. Those key recurring risk categories are, amongst others, geopolitical, social and economic uncertainty, client attraction and retention, associate attraction and retention, employee attraction and retention, information technology, changes in regulatory/legal and political environment, compliance with laws and regulations, disruptive technologies, data protection and cyber security, and environmental, social and governance (ESG) factors. All risk categories are considered in the assessment performed by all segments within the Company.

The risk assessment includes the following steps: identification of risks that could impact the financial results or strategic achievements, assessment of the likelihood of the risk occurrence, assessment of the effectiveness of existing internal controls, and development of action plans needed to mitigate the risk to an acceptable level.

The risk assessment is aligned with the Company's organisational structure. The segments report to Group management a comprehensive risk assessment, including mitigating actions. At Group management level, the individual segment results are reviewed and discussed with segment management before being consolidated.

The financial reporting risk includes the failure to comply with external reporting requirements due to failure of internal controls and/or lack of knowledge of financial reporting requirements relating to accounting and reporting. The Company has implemented a Group Policy environment as well as an Internal Control System in order to mitigate the risk of failure to comply with financial reporting requirements. The Company's Internal Control System is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the reliability of financial reporting and the preparation and fair presentation of its published consolidated financial statements.

The financial market risk primarily relates to foreign currency exchange rates and interest rates and is further discussed in Note 15. These exposures are actively managed by the Company in accordance with written policies approved by the Board of Directors. The Company's objective is to minimise, where deemed appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency exchange rates and interest rates. It is the Company's policy to use a variety of derivative financial instruments to hedge these exposures in the absence of natural hedges.

The Company concluded that the risk management process has worked properly throughout 2023.

Note 24 – Subsequent events

The Company has evaluated subsequent events through 12 March 2024, the date the consolidated financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date, but prior to 12 March 2024, that would have a material impact on the consolidated financial statements.

Opinion

We have audited the consolidated financial statements of Adecco Group AG and subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity and cash flows for each of the two years in the period ended December 31, 2023 and the related notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 109 to 153) present fairly, in all material respects, the financial position of the Group at December 31, 2023 and 2022, and the results of its operations and its cash flows for the two years then ended in accordance with accounting principles generally accepted in the United States of America and comply with Swiss law.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS), Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the United States of America, the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Revenue recognition – judgement in the accounting assessment of sales contracts and measurement of unbilled revenues

Risk

The Company applies judgement regarding the revenue recognition of new significant sales contracts including the assessment whether a sales arrangement needs to be recognized on a gross or on a net basis (principal versus agent considerations). Judgement is also applied when measuring and accruing revenue for unbilled revenues. Refer to Note 2 to the consolidated financial statements for the Company's disclosures on revenues.

Due to the significance of the risk of improper judgement applied in the determination of the revenue recognition with respect to new significant sales contracts and the assessment of acting as an agent or a principal as well as the measurement of unbilled revenues, this matter is considered significant to our audit and considered a Key Audit Matter.

Our audit response

We assessed the Company's internal controls over its significant revenue recognition process, also considering the applicable accounting policy for revenue recognition, including gross versus net presentation.

We selected samples of service contracts and revenue transactions to assess their occurrence, completeness, and measurement.

Further, we performed procedures concerning the occurrence and measurement of unbilled revenues, including the analysis of the aging and related fluctuations.

Recoverability assessment of Goodwill

Risk

Goodwill represents 33% of the Group's total assets and 114% of the Group's total shareholders' equity as of December 31, 2023. As stated in Note 6 to the consolidated financial statements, the carrying value of goodwill is tested annually in the fourth quarter for impairment. In determining the fair value of reporting units, the Company must apply judgment in estimating — amongst other factors — future revenues and profit margins, long-term growth, and discount rates, taking into consideration the economic environment.

Due to the significance of the carrying values for goodwill and the judgment involved in performing the impairment test, this matter is considered significant to our audit and considered a Key Audit Matter.

Our audit response

We assessed the Company's internal controls over its annual impairment test and key assumptions applied.

We assessed future revenues and margins, the historical accuracy of the Company's estimates and its ability to produce accurate long-term forecasts also considering the unprecedent economic environment.

Further, we involved EY valuation specialists to assist in examining the Company's valuation model and to analyze long-term growth and discount rates.

We evaluated the sensitivity in the valuation resulting from changes to the key assumptions applied and compared certain key assumptions to corroborating external information such as economic outlooks.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting principles generally accepted in the United States of America and the provisions of Swiss law, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain 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 the Group's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made.
- Conclude on the appropriateness of the Board of Directors' 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 the Group's ability to continue as a going concern for a reasonable period of time. 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 consolidated 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. 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, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report, and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether a material inconsistency exists between the other information and the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. We have nothing to report in this respect.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

/s/ Jolanda Dolente

Jolanda Dolente
Licensed audit expert
(Auditor in charge)

/s/ Marco Casal

Marco Casal
Licensed audit expert

Zürich, Switzerland
12 March 2024

Balance sheets

in millions, except share and per share information

As of (in CHF)	Note	31.12.2023	31.12.2022
Assets			
Current assets:			
Cash and cash equivalents		16	4
Receivables			
• from subsidiaries		110	204
• from third parties		7	8
Other current assets			
• from subsidiaries		17	
• from third parties		37	32
Loans to subsidiaries, net		43	22
Total current assets		**230**	**270**
Non-current assets:			
Loans to subsidiaries, net		1,889	1,940
Investments in subsidiaries, net	2	9,752	9,686
Software and other intangible assets, net		2	21
Fixed assets, net		1	1
Other non-current assets			
• from subsidiaries		10	8
• from third parties		21	31
Total non-current assets		**11,675**	**11,687**
Total assets		**11,905**	**11,957**
Liabilities and shareholders' equity			
Liabilities			
Current liabilities:			
Payables			
• to subsidiaries		22	43
• to third parties		8	24
Other current liabilities			
• to subsidiaries		361	164
• to third parties		599	802
Total current liabilities		**990**	**1,033**
Non-current liabilities:			
Long-term interest-bearing debt			
• to subsidiaries		6,403	6,324
• to third parties	4	625	625
Other non-current liabilities		87	104
Total non-current liabilities		**7,115**	**7,053**
Total liabilities		**8,105**	**8,086**
Shareholders' equity			
Share capital		17	17
Statutory reserves from capital contribution	7	5	114
Statutory retained earnings	7	407	407
Voluntary retained earnings	7	3,413	3,396
Treasury shares	8	(42)	(63)
Total shareholders' equity		**3,800**	**3,871**
Total liabilities and shareholders' equity		**11,905**	**11,957**

The accompanying notes are an integral part of these financial statements.

Statements of operations

in millions, except share and per share information

For the fiscal years ended 31 December (in CHF)	Note	2023	2022
Royalties and licence fees		363	408
Charges to affiliated companies		401	434
Dividends from subsidiaries		157	86
Interest income from subsidiaries		75	47
Interest income from third parties		1	1
Total income		**997**	**976**
Interest expense to subsidiaries		(109)	(19)
Interest expense to third parties		(30)	(69)
Salaries and social charges		(121)	(131)
Other expenses		(347)	(439)
Depreciation and amortisation		(3)	(5)
Change of provisions on loans and investments, net		(8)	(42)
Financial income/(expenses), net	10	(46)	(51)
Other income		12	12
Income before taxes		**345**	**232**
Direct taxes		(18)	(13)
Net income		**327**	**219**

The accompanying notes are an integral part of these financial statements.

Notes to financial statements

in millions, except share and per share information

Note 1 – Summary of significant accounting principles

Adecco Group AG (Zürich, Switzerland) is the parent company of the Adecco Group.

In 2023, Adecco Group AG had on average 312 full-time employees. In 2022, Adecco Group AG had on average 334 full-time employees.

Basis of presentation

The statutory financial statements have been prepared in accordance with the Swiss Code of Obligations (SCO).

Foreign currencies

Foreign currency transactions are accounted for at the exchange rates at the date of the transactions. The gains and losses resulting from the settlement of such transactions and from the remeasurement of assets and liabilities denominated in foreign currencies are recognised in Financial income/(expenses), net.

Financial instruments

Foreign currency contracts, FX options and cross-currency interest rate swaps are included in Other current assets and liabilities and Other non-current assets and liabilities. These contracts are measured at market price and movements in market prices are recorded in Financial income/(expenses), net.

Investments in subsidiaries

Investments in subsidiaries are valued at the lower of cost or fair value, using generally accepted valuation principles.

Share-based payments

Adecco Group AG records a provision for share-based compensation in Other non-current liabilities for subsequent settlement with treasury shares. Any differences between the provision and the acquisition costs for treasury shares are recorded in Other expenses at settlement.

Reclassifications

Certain amounts reported for prior years in the financial statements and accompanying notes have been reclassified to conform to the current year's presentation. The changes primarily relate to a reclassification of financial instruments from Current financial assets to Other current assets and from Non-current financial assets to Other non-current assets.

Note 2 – Investments in subsidiaries

As of 31 December 2023 and 31 December 2022, the investments in subsidiaries amount to CHF 10,705 and CHF 10,627, respectively, and are shown net of a provision of CHF 953 and CHF 941, respectively. In 2023, the net increase of the provisions on investments of CHF 12 consists of an increase of provisions of CHF 25 and a release of provisions of CHF 13. In 2022, the net increase of the provisions on investments of CHF 38 consists of an increase of provisions of CHF 40 and a release of provisions of CHF 2.

Direct investments as of 31 December 2023 and 31 December 2022

Country	Registered office	Name of legal entity	2023 Ownership & voting power	2022 Ownership & voting power
Andorra	Andorra la Vella	Adecco Recursos Humans SA	67%	67%
Argentina	Buenos Aires	Adecco Argentina S.A.	81%	81%
Australia	Melbourne	Adecco Holdings Pty Ltd	100%	100%
Austria	Vienna	Adecco Holding GmbH	100%	100%
Austria	Vienna	Tuja Holding GmbH	100%	100%
Belgium	Groot-Bijgaarden	Adecco Construct NV	100%	100%
Belgium	Groot-Bijgaarden	Adecco Personnel Services NV	100%	100%
Belgium	Groot-Bijgaarden	Adecco Professional Staffing NV	58%	58%
Brazil	São Paulo	Adecco Recursos Humanos S.A.	100%	100%
Brazil	São Paulo	Lee Hecht Harrison Consultoria em Recursos Humanos Ltda.	98%	98%
Bulgaria	Sofia	Adecco Bulgaria EOOD	100%	100%
Bulgaria	Sofia	Adecco Solutions EOOD	100%	100%
Bulgaria	Sofia	Modis Bulgaria EOOD	100%	100%
Canada	Toronto, ON	Adecco Employment Services Limited	100%	100%
Croatia	Zagreb	Adecco d.o.o. za zaposljavanje[1]		33%
Croatia	Zagreb	Adecco Outsourcing d.o.o.[1]		33%
Czech Republic	Prague	Adecco EMEA Business Solutions s.r.o.	100%	100%
Czech Republic	Prague	Adecco SPOL. s.r.o.	100%	100%
Czech Republic	Prague	Adecco Consulting s.r.o.[2]	100%	
Denmark	Copenhagen	Adecco A/S[1]		33%
Finland	Helsinki	Adecco Finland Oy	100%	100%
France	Villeurbanne	Adecco Holding France	100%	100%
France	Villeurbanne	Adecco IT Services	100%	100%
Germany	Düsseldorf	Adecco Beteiligungs GmbH	100%	100%
Germany	Berlin	Adecco Group Technology Center GmbH	100%	100%
Greece	Athens	Adecco HR SATW	100%	100%
Hong Kong	Hong Kong	Lee Hecht Harrison HK Limited	100%	100%
Hungary	Budapest	Adecco Szemelyzeti Kozvetito Kft	100%	100%
India	Bangalore	Adecco India Private Limited	1%	1%
Indonesia	Jakarta	PT Pontoon Solutions Indonesia	10%	10%
Japan	Tokyo	Adecco Ltd	100%	100%
Luxembourg	Bertrange	Adecco Luxembourg SA	100%	100%
Luxembourg	Luxembourg	Spring Professional Luxembourg SA	100%	100%
Luxembourg	Luxembourg	Akka Development S.à r.l.[2]	100%	
Malaysia	Kuala Lumpur	Agensi Pekerjaan Spring Professional (Malaysia) Sdn. Bhd.	98%	98%
Malaysia	Kuala Lumpur	Adecco Asia Business Solutions Sdn. Bhd.	100%	100%
Mexico	Mexico City	Adecco Latam Business Solutions S.A. de C.V.	100%	100%
Mexico	Mexico City	Expertos en Actividades Agrícolas, S. de R.L. de C.V.	100%	100%
Mexico	Mexico City	Expertos en Back Oficce, S. de R.L. de C.V.	100%	100%
Mexico	Mexico City	Logisexpert, S. de R.L. de C.V.	100%	100%
Mexico	Mexico City	Servicios de Subcontratación Especializada TI AG, S. de R.L. de C.V.	100%	100%
Mexico	Mexico City	TAG la salud en tu empresa, S. de R.L. de C.V.	100%	100%
Netherlands	Utrecht	Adecco International Financial Services BV	100%	100%
New Zealand	Auckland	Adecco NZ Ltd	100%	100%

Notes to financial statements (continued)

in millions, except share and per share information

Country	Registered office	Name of legal entity	2023 Ownership & voting power	2022 Ownership & voting power
Norway	Oslo	Adecco Group Norway AS	100%	100%
Poland	Warsaw	Adecco Poland Sp. z o.o.	100%	100%
Poland	Warsaw	Lee Hecht Harrison Polska Sp. z o.o.	100%	100%
Portugal	Lisbon	Adecco Recursos Humanos	100%	100%
Puerto Rico	Manati	Adecco Personnel Services Inc.	100%	100%
Romania	Bucharest	Adecco Resurse Umane SRL	99%	99%
Romania	Bucharest	Adecco Romania SRL	100%	100%
Romania	Timisoara	Modis ITO SRL	99%	99%
Serbia	Belgrade	Adecco Outsourcing d.o.o. Beograd	100%	100%
Singapore	Singapore	Adecco Group Apac Pte Ltd	100%	100%
Singapore	Singapore	Lee Hecht Harrison Pte Ltd	100%	100%
Slovakia	Bratislava	Adecco Slovakia, s.r.o[1]		33%
Slovenia	Ljublijana	Adecco H.R. d.o.o	100%	100%
South Korea	Seoul	Adecco Korea Co. Ltd.	100%	100%
Spain	Madrid	Adecco Iberia SA	100%	100%
Sweden	Stockholm	Adecco Sweden AB	100%	100%
Switzerland	Lausanne	Adecco Ressources Humaines S.A.	100%	100%
Switzerland	Lausanne	Modis Switzerland S.A. [1]		100%
Switzerland	Lucerne	Adecco Germany Holding Management S.A.	100%	100%
Switzerland	Lucerne	Adecco Invest S.A.	100%	100%
Switzerland	Zug	Adecco Group X AG	100%	100%
Switzerland	Zug	Adecco International AG	100%	100%
Switzerland	Zug	Akkodis Group AG	100%	100%
Switzerland	Zurich	Adecco Liquidity Services AG	100%	100%
Switzerland	Zurich	Lee Hecht Harrison Sàrl	100%	100%
Switzerland	Zurich	Just in time staffing AG	100%	100%
Thailand	Bangkok	Adecco Bangna Limited	19%	19%
Thailand	Bangkok	Adecco Consulting Limited	48%	48%
Thailand	Bangkok	Adecco Eastern Seaboard Recruitment Limited	9%	9%
Thailand	Bangkok	Adecco Recruitment (Thailand) Limited	48%	48%
Thailand	Bangkok	Adecco New Petchburi Limited	48%	48%
Thailand	Bangkok	Adecco Phaholyothin Limited	8%	8%
Thailand	Bangkok	Adecco Praram 4 Recruitment Limited	48%	48%
Thailand	Bangkok	Spring Professional (Thailand) Limited	48%	48%
Turkey	Istanbul	Adecco Hizmet ve Danismanlik AS	0%	0%
United Kingdom	London	Tempfair Limited	21%	22%
USA	Wilmington, DE	Adecco, Inc	100%	100%
USA	San Francisco, CA	Locutus, Inc.	3%	3%
USA	Wilmington, DE	BH Acquisition Purchaser, Inc.	<1%	<1%
Vietnam	Ho Chi Minh City	CÔNG TY CỔ PHẦN ADECCO VIỆT NAM	100%	100%

1 Sold in 2023.

2 Acquired in 2023.

All significant indirect investments of Adecco Group AG are listed in the section “Major consolidated subsidiaries of the Adecco Group”.

Note 3 – Payables to Adecco Pension Fund

Adecco Group AG has total payables to the Adecco Pension Fund of CHF 1 as of 31 December 2023 and less than CHF 1 as of 31 December 2022.

Note 4 – Long-term interest-bearing debt

The long-term debt issued by Adecco Group AG as of 31 December 2023 and 31 December 2022 consists of the following:

in CHF	Principal at maturity	Maturity	Fixed interest rate	31.12.2023	31.12.2022
5.5-year Swiss Franc fixed rate notes	CHF 225	2025	0.875%	225	225
8-year Swiss Franc fixed rate notes	CHF 100	2026	0.875%	100	100
5-year Swiss Franc fixed rate notes	CHF 300	2027	2.3775%	300	300
Total long-term debt				**625**	**625**
Less current maturities					
Long-term debt, less current maturities				**625**	**625**

5.5-year Swiss Franc fixed rate notes due 2025

On 27 May 2020, Adecco Group AG issued CHF 225 fixed rate notes with a coupon of 0.875% due on 27 November 2025, but callable by the Company at par within three months prior to maturity. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Exchange. The proceeds were used for general corporate purposes.

8-year Swiss Franc fixed rate notes due 2026

On 18 September 2018, Adecco Group AG issued CHF 100 fixed rate notes with a coupon of 0.875% due on 18 September 2026, but callable by the Company at par within three months prior to maturity. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Exchange. The proceeds were used for general corporate purposes.

5-year Swiss Franc fixed rate notes due 2027

On 17 November 2022, Adecco Group AG issued CHF 300 fixed rate notes with a coupon of 2.3775% due on 17 November 2027, but callable by the Company at par within three months prior to maturity. The notes were issued within the framework of the Euro Medium-Term Note Programme and trade on the SIX Swiss Exchange. The proceeds were used for general corporate purposes.

Note 5 – Lease commitments

Adecco Group AG has total lease commitments of CHF 13 as of 31 December 2023 of which CHF 2 are due within the next 12 months and CHF 11 are due after 12 months. Adecco Group AG has total lease commitments of CHF 15 as of 31 December 2022 of which CHF 2 are due within the next 12 months and CHF 13 are due after 12 months.

Note 6 – Contingent liabilities

The contingent liabilities including guarantees and letters of comfort amount to CHF 2,880 as of 31 December 2023 and to CHF 3,140 as of 31 December 2022.

Adecco Group AG has irrevocably and unconditionally guaranteed the 2039 notes of CHF 42 (JPY 7,000) and accrued interest of less than CHF 1, and the 2033 notes of CHF 36 (JPY 6,000) and accrued interest of less than CHF 1, issued by Adecco Financial Services (North America), LLC, a wholly owned subsidiary of Adecco Group AG.

Adecco Group AG has irrevocably and unconditionally guaranteed the 2082 subordinated notes of CHF 464 (EUR 500) and accrued interest of CHF 4, the 2034 notes of CHF 46 (EUR 50) and accrued interest of less than CHF 1, the 2031 notes of CHF 464 (EUR 500) and accrued interest of CHF 1, the 2030 notes of CHF 41 (NOK 500) and accrued interest of less than CHF 1, the 2029 notes of CHF 279 (EUR 300) and accrued interest of less than CHF 1, the 2028 notes of CHF 464 (EUR 500) and accrued interest of less than CHF 1, and the 2024 notes of CHF 400 (EUR 430) and accrued interest of less than CHF 1, issued by Adecco International Financial Services BV, a wholly owned subsidiary of Adecco Group AG.

Approximately CHF 610 of the credit facilities issued to several subsidiaries in Europe, North America, South America, Asia and Australia have been guaranteed for operational needs.

Additionally, Adecco Group AG has provided guarantees and letters of comfort amounting to CHF 28 relating to government requirements for operating a temporary staffing business and for operating leases of its subsidiaries, mainly in Europe.

Adecco Group AG is jointly and severally liable for the liabilities of the Swiss VAT group.

Notes to financial statements (continued)

in millions, except share and per share information

Note 7 – Shareholders' equity

Statutory reserves from capital contribution and voluntary retained earnings

Pursuant to Swiss tax legislation, the statutory reserves from capital contribution amounted to CHF 5 and CHF 114 as of 31 December 2023 and as of 31 December 2022, respectively. The balance of CHF 5 is pending confirmation by the Federal Tax Administration.

At the Annual General Meeting of Shareholders of Adecco Group AG held on 12 April 2023 (2023 AGM), the shareholders approved two dividends for a total of CHF 2.50 per share outstanding totalling CHF 419 in respect of the fiscal year 2022. Thereof a dividend of CHF 1.85 was distributed to shareholders from voluntary retained earnings and a dividend of CHF 0.65 was distributed to shareholders from Adecco Group AG's statutory reserves from capital contribution in April 2023.

For the fiscal year 2023, the Board of Directors of Adecco Group AG will propose a dividend of CHF 2.50 per share for the approval of shareholders at the 2024 Annual General Meeting of Shareholders to be directly distributed from voluntary retained earnings to shareholders.

Conditional capital

As of 31 December 2023, Adecco Group AG had conditional capital under Art. 3^{quater} of the Articles of Incorporation of Adecco Group AG of 15,400,000 shares, for a maximum aggregate amount of CHF 1.5 for issue of a maximum of 15,400,000 registered shares, which shall be fully paid by the exercise of option and conversion rights to be granted in relation to bond issues or other obligations of Adecco Group AG or affiliated companies. The shares represent conditional capital authorised without time limitation and remain available for issuance upon conversion of any financial instruments that Adecco Group AG or its subsidiaries may issue in the future.

Authorised capital

As of 31 December 2023, the Board of Directors is authorised, until 14 April 2024, to increase the share capital by a maximum of CHF 1 through the issuance of up to 8,400,000 shares with a nominal value of CHF 0.10 per share, as approved by the shareholders at the Annual General Meeting of Shareholders of Adecco Group AG held on 13 April 2022 (2022 AGM).

On 24 February 2022, the Adecco Group AG issued 1,626,772 shares with a nominal value of CHF 0.10 per share raising a total of CHF 76. The existing shareholders' pre-emptive rights were excluded.

Note 8 – Treasury shares

As of 31 December 2023 and 31 December 2022, all treasury shares held by the Adecco Group are held by Adecco Group AG.

	Carrying value (in CHF millions)	Number of shares	Average price per share (in CHF)
1 January 2022	**175**	**3,142,745**	
Purchases	5	140,000	33
Share cancellation	(89)	(1,424,388)	63
Utilisation for stock-based compensation settlement	(28)	(548,856)	50
31 December 2022	**63**	**1,309,501**	
Utilisation for stock-based compensation settlement	**(21)**	**(438,356)**	**48**
31 December 2023	**42**	**871,145**	

In 2023, no treasury shares were acquired by Adecco Group AG on the regular trading line. In 2022, the number of treasury shares acquired by Adecco Group AG on the regular trading line amounted to 140,000. The highest and lowest price per share paid for the shares acquired in 2022 amounted to CHF 34 and CHF 32, respectively.

In 2023 and 2022, Adecco Group AG awarded 45,964 and 45,356 treasury shares, respectively, to the Board of Directors as part of its remuneration package (refer to page 102 of the Remuneration Report). In addition, in 2023 and 2022, 392,392 treasury shares and 503,500 treasury shares, respectively, were used to settle share awards under the long-term incentive plan.

As of 31 December 2023, the treasury shares, excluding those acquired on a second trading line with the aim of subsequently cancelling the shares and reducing share capital, are intended to be used for the settlement of the Company's long-term incentive plan (for further details refer to Note 13 of the Adecco Group consolidated financial statements) as well as for the Board of Directors' remuneration.

Adecco Group AG launched the following share buyback programme on a second trading line with the aim of subsequently cancelling the shares and reducing share capital:

- EUR 600 announced in February 2020 (commenced in April 2021, placed on hold in July 2021 and ended in December 2023).

At the Annual General Meeting of Shareholders of Adecco Group AG held on 13 April 2022 (2022 AGM), the shareholders approved the cancellation of 1,424,388 treasury shares acquired under the 2021 share buyback programme (commenced in April 2021, placed on hold in July 2021 and ended in December 2023) and the corresponding reduction of the Adecco Group AG's share capital by 1,424,388 registered shares with a nominal value of CHF 0.10 each. The cancellation of 1,424,388 treasury shares was completed on 22 June 2022. Effective 22 June 2022 the share capital of the Company amounts to CHF 17 divided into 168,426,561 shares.

As of 31 December 2023 and 31 December 2022, Adecco Group AG held no shares acquired under the share buyback programme. Adecco Group AG acquired no shares in 2023 and 2022 under the share buyback programme.

Notes to financial statements (continued)

in millions, except share and per share information

Note 9 – Granted participation rights

In 2023, Adecco Group AG granted to the Executive Committee members employed by Adecco Group AG 186,581 treasury shares for CHF 4 and to other employees employed by Adecco Group AG 204,077 treasury shares for CHF 6 under the Adecco Group long-term incentive plan. In 2022, Adecco Group AG granted to the Executive Committee members employed by Adecco Group AG 196,325 treasury shares for CHF 6 and to other employees employed by Adecco Group AG 147,536 treasury shares for CHF 5 under the Adecco Group long-term incentive plan. For the total number of shares granted in 2023 and in 2022 under the Adecco Group long-term incentive plan refer to Note 13 of the Adecco Group consolidated financial statements.

Note 10 – Financial income/(expenses), net

Financial income/(expenses), net

	2023	2022
Foreign exchange gain/(loss), net	(27)	8
Gain/(loss) from hedging, net	(19)	(59)
Total	**(46)**	**(51)**

Note 11 – Subsequent events

The Company has evaluated subsequent events through 12 March 2024, the date the Adecco Group AG financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date, but prior to 12 March 2024, that would have a material impact on the financial statements.

Major consolidated subsidiaries of the Adecco Group

Country	Registered office	Name of legal entity	Ownership[1]	Type[2]	Currency of share capital	Share capital in thousands
Australia	Melbourne	Adecco Industrial Pty Ltd	100%	O	AUD	5
Australia	Melbourne	Adecco Australia Pty Ltd	100%	O	AUD	1, 100
Belgium	Brussels	AKKA TECHNOLOGIES	100%	H	EUR	1,497,830
Belgium	Groot-Bijgaarden	Adecco Personnel Services NV[4]	100%	O	EUR	21,651
Brazil	São Paulo	Adecco Recursos Humanos S.A.	100%	O	BRL	880
Canada	Toronto	Adecco Employment Services Limited	100%	S	CAD	90,615
Colombia	Bogota D.C.	Adecco Colombia SA	100%	O	COP	111,700
France	Guyancourt	AKKA INGENIERIE PRODUIT	100%	O	EUR	3,437
France	Guyancourt	AKKA I&S	100%	O	EUR	26,000
France	Paris	LHH	100%	O	EUR	19,437
France	Villeurbanne	Adecco France	100%	O	EUR	89,472
France	Villeurbanne	Adecco Medical	100%	O	EUR	6,925
France	Villeurbanne	Adecco Holding France[4]	100%	H	EUR	602,503
France	Villeurbanne	Modis France	100%	O	EUR	17,126
Germany	Düssedorf	Adecco Personaldienstleistungen GmbH	100%	O	EUR	31
Germany	Düssedorf	DIS AG	100%	O	EUR	12,300
Germany	Düssedorf	Akkodis Germany Tech Experts GmbH	100%	O	EUR	540
Germany	Düsseldorf	Adecco Beteiligungs GmbH[4]	100%	H	EUR	25
Germany	Sindelfingen	Akkodis Germany Consulting GmbH	100%	O	EUR	n/a
India	Bangalore	Adecco India Private Limited	100%	O	INR	23,806
Italy	Milan	Adecco Italia S.p.A.	100%	O	EUR	2,976
Japan	Tokyo	Adecco Ltd	100%	O	JPY	5,562,863
Japan	Tokyo	AKKODiS Consulting Ltd.	100%	O	JPY	1,063,772
Mexico	Mexico D.F.	Entreprise Adecco, S.A. de C.V.	100%	O	MXN	101,854
Netherlands	Zaltbommel	Adecco Holding Europe BV	100%	H	EUR	18,807
Netherlands	Zaltbommel	Adecco HR Solutions B.V.	100%	O	EUR	2
Netherlands	Zaltbommel	Adecco International Financial Services BV[4]	100%	F	EUR	2,500
Norway	Oslo	Adecco Norge AS	100%	O	NOK	51,000
Poland	Warsaw	Adecco Poland Sp. z o.o.[4]	100%	O	PLN	50
Portugal	Lisboa	Adecco Recursos Humanos - Empresa de Trabalho Temporário, Lda	100%	O	EUR	1,925
Singapore	Singapore	Adecco Personnel Pte Ltd	100%	O	SGD	100
Spain	Pozuelo de Alarcón	Adecco TT SA Empresa de Trabajo Temporal	100%	O	EUR	1,759
Spain	Pozuelo de Alarcón	Adecco Outsourcing SA	100%	O	EUR	60
Sweden	Solna	Adecco Sweden AB[4]	100%	O	SEK	3,038
Switzerland	Lausanne	Adecco Ressources Humaines S.A.	100%	O	CHF	5,795
Switzerland	Lucerne	Adecco Invest S.A.[4]	100%	H	CHF	100
Switzerland	Zug	Akkodis Group AG[4]	100%	H	CHF	100
Switzerland	Zurich	Adecco Liquidity Services AG[4]	100%	F	CHF	100
United Kingdom	London	Adecco UK Limited	100%	O	GBP	99,600
United Kingdom	London	Olsten (U.K.) Holdings Ltd	100%	H	GBP	9,213
United Kingdom	London	Pontoon Europe Limited	100%	O	GBP	2,574
USA	Burlington, MA	Entegee, Inc.	100%	O	USD	n/a
USA	Irwing, TX	PDS Defense, Inc.	100%	S	USD	n/a
USA	Plantation, FL	ADO Professional Solutions, Inc.	100%	O	USD	<1
USA	Plantation, FL	Akkodis E&T, LLC [3]	100%	S	USD	n/a
USA	Plantation, FL	Akkodis, Inc.	100%	O	USD	n/a
USA	Wilmington, DE	Adecco, Inc.[4]	100%	H	USD	1
USA	Wilmington, DE	ADECCO FINANCIAL SERVICES (NORTH AMERICA), LLC [3]	100%	F	USD	n/a
USA	Wilmington, DE	Adecco USA, Inc	100%	S	USD	<1
USA	Wilmington, DE	Lee Hecht Harrison LLC[3]	100%	O	USD	n/a

1 Voting rights equal to ownership. Voting rights and ownership refer to the Adecco Group.
2 H – Holding; O – Operating; F – Financial; S – Services.
3 Subsidiary is registered as a Limited Liability Company (LLC). No shares have been issued as LLCs have membership interests rather than shares.
4 Adecco Group AG direct investment.

Proposed appropriation of shareholders' equity

in millions, except share and per share information

in CHF	2023	2022
Voluntary retained earnings		
Voluntary retained earnings of previous years	3,086	3,261
Net income	327	219
Share cancellation		(89)
Allocation from statutory reserves from capital contribution to voluntary retained earnings in accordance with the final assessment by the Federal Tax Administration		5
Total available voluntary retained earnings	**3,413**	**3,396**
Dividend distribution of CHF 1.85 per share for 2022		(310)
Proposed dividend distribution of CHF 2.50 per share on 168,426,561 shares for 2023[1]	(421)	
Total voluntary retained earnings to be carried forward	**2,992**	**3,086**

in CHF	2023	2022
Statutory reserves from capital contribution		
Statutory reserves from capital contribution of previous years	5	43
Capital increase		76
Allocation from statutory reserves from capital contribution to voluntary retained earnings in accordance with the final assessment by the Federal Tax Administration		(5)
Total available statutory reserves from capital contribution	**5**	**114**
Dividend distribution of CHF 0.65 per share for 2022		(109)
Total statutory reserves from capital contribution to be carried forward	**5**	**5**

in CHF	2023	2022
Share capital		
Share capital from previous years	17	17
Share cancellation		(0)[2]
Capital increase		0[2]
Share capital, end of year	**17**	**17**

1 Depending on the number of shares issued as of the last trading day with entitlement to receive the dividend (16 April 2024). No dividend is paid on own shares held by Adecco Group AG.

2 The total impact of the share cancellation and the capital increase were below half a million CHF.

Opinion

We have audited the financial statements of Adecco Group AG (the Company), which comprise the balance sheets as at 31 December 2023 and the statements of operations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 158 to 167) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were 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 these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.

Recoverability of investments in subsidiaries

Risk

Adecco Group AG evaluates its investments in subsidiaries for recoverability annually and records an impairment loss when the carrying amount of such assets exceeds the recoverable amount.

In determining the recoverable amount of the investments, the Company must apply judgement in estimating, amongst other factors, future revenues and margins, long-term growth and discount rates.

Due to the significance of the carrying values for investments in subsidiaries and the judgement involved in performing the recoverability test, this matter was considered significant to our audit.

Our audit response

We assessed the Company's controls over its annual recoverability test and key assumptions applied (e.g., future revenues and margins, long-term growth and discount rates).

We analyzed the underlying key assumptions, including future revenues and margins.

Further, we involved valuation specialists to assist in examining the Company's valuation model and to analyze long-term growth and discount rates.

We assessed the historical accuracy of the Company's estimates and consider its ability to produce accurate long-term forecasts in regular economic conditions.

We evaluated the key assumptions applied and compare these assumptions to corroborating information, including industry reports, economic outlooks, analyst reports and data from competitors. Our audit procedures did not lead to any reservations concerning the recoverability of investments in subsidiaries.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

/s/ Jolanda Dolente	/s/ Marco Casal
Jolanda Dolente Licensed audit expert (Auditor in charge)	**Marco Casal** Licensed audit expert

Zürich, Switzerland
12 March 2024

Non-US GAAP information and financial measures

Non-US GAAP information and financial measures

The Company uses non-US GAAP financial measures for management purposes. The principal non-US GAAP financial measures discussed herein are constant currency, organic growth, EBITA, EBITA excluding one-offs, conversion ratio, free cash flow, cash conversion, net debt, net debt to EBITDA excluding one-offs, and dividend payout ratio, which are used in addition to, and in conjunction with, results presented in accordance with US GAAP.

The aforementioned non-US GAAP financial measures should not be relied upon to the exclusion of US GAAP financial measures, but rather reflect additional measures of comparability and means of viewing aspects of the Company's operations that, when viewed together with the US GAAP results, provide a more complete understanding of factors and trends affecting the Company's business.

Because non-US GAAP financial measures are not standardised, it may not be possible to compare the Company's measures with other companies' non-US GAAP financial measures having the same or a similar name. Management encourages investors to review the Company's financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

Bill rate

An average hourly billing rate for flexible placement services, indicating current price levels.

Pay rate

An average hourly payroll rate including social charges for flexible placement services, indicating current costs.

Constant currency

Constant currency comparisons are calculated by multiplying the prior year functional currency amount by the current year foreign currency exchange rate. Management believes that constant currency comparisons are important supplemental information because these comparisons exclude the impact of changes in foreign currency exchange rates, which are outside the Company's control, and focus on the underlying growth and performance.

Organic growth

Organic growth figures exclude the impact of currency, acquisitions, and divestitures. Management believes that organic growth comparisons are important supplemental information because these comparisons exclude the impact of changes resulting from foreign currency exchange rate fluctuations, acquisitions, and divestitures.

EBITA

EBITA refers to operating income before amortisation and impairment of goodwill and intangible assets. Management believes that EBITA is important supplemental information because it focuses on the underlying growth and performance of the Company's business.

EBITA excluding one-offs

EBITA excluding one-offs refers to EBITA adjusted for items impacting comparability. Management believes that EBITA excluding one-offs is important supplemental information because it excludes the effect of items that are not expected to recur in future periods and therefore shows more clearly the underlying performance of the Company's business.

EBITDA

EBITDA refers to operating income before amortisation and impairment of goodwill and intangible assets and depreciation. Management believes that EBITDA is important supplemental information because it focuses on the underlying growth and performance of the Company's business excluding non-cash charges.

EBITDA excluding one-offs

EBITDA excluding one-offs refers to EBITDA adjusted for items impacting comparability. Management believes that EBITDA excluding one-offs is important supplemental information because it excludes the effect of items that are not expected to recur in future periods, and therefore shows more clearly the underlying performance of the Company's business excluding non-recurring charges.

Conversion ratio

EBITA as a percentage of gross profit. Management believes that the conversion ratio is important supplemental information because this ratio displays the efficiency with which gross profit is converted to EBITA. The Company uses this metric to manage productivity and profitability.

Free cash flow (FCF)

FCF comprises cash flow from operating activities less capital expenditures. Management believes that FCF is important supplemental information because it represents the cash generated by the Company after the investments in assets necessary to support existing business activities and to pursue internal growth opportunities.

Cash conversion

Cash conversion is calculated as free cash flow before interest and tax paid (FCFBIT) divided by EBITA excluding one-offs. Management believes that cash conversion is important supplemental information because this represents how much underlying operating profit is converted into cash flows of the Company before the impact of interest and taxes paid.

Days sales outstanding (DSO)

Accounts receivable turnover. Management believes that DSO is important supplemental information as it represents the average time taken to collect accounts receivable.

Net debt

Net debt comprises short-term and long-term debt less cash and cash equivalents and short-term investments. Management believes that net debt is important supplemental information because this is one metric the Company uses to monitor outstanding debt obligations.

Net debt to EBITDA excluding one-offs

Management believes that net debt to EBITDA excluding one-offs is important supplemental information because it is one metric the Company uses to monitor its ability to meet outstanding debt obligations.

Adjusted earnings per share

Adjusted earnings per share refers to Net income attributable to Adecco Group shareholders before amortisation and impairment of goodwill and intangible assets, excluding one-off costs and exceptional tax items, divided by basic weighted-average shares outstanding.

Dividend payout ratio

Dividend payout ratio refers to the percentage of adjusted net earnings per share paid to shareholders in dividends. Management believes that dividend payout ratio is important supplemental information because it represents the percentage of the Company's annual profits being paid out to shareholders in the form of an ordinary dividend.

Invested capital

Invested capital includes Intangible assets (gross), Property, equipment, and leasehold improvements, Operating lease right-of-use assets, Net working capital excluding cash (Trade accounts receivable and Other current assets, less Accounts payable and accrued expenses), Other assets (non-current), and Goodwill, adjusted for Goodwill impairments after 1 January 2021. Management believes that invested capital is important supplemental information because it defines what capital the Company considers in its calculation of ROIC.

Return on Invested Capital (ROIC)

ROIC is defined as the rolling four quarter EBITA excluding one-offs divided by the rolling four quarter average of invested capital. Management believes that ROIC is important supplemental information because it is one of the metrics the Company uses to assess the value created from its investments.

History

The evolution of the Adecco Group is characterised by productive acquisitions, organic and non-organic growth, industry innovation, and global expansion, creating a story spanning over 60 years. A global leader delivering expertise in talent and technology services.

1957

Adia SA is founded in Lausanne, Switzerland, by Henri-Ferdinand Lavanchy. The firm grows rapidly in its home country before expanding abroad.

1964

Philippe Foriel-Destezet founds Ecco in Lyon. By the early 1980s, Ecco is the largest supplier of temporary personnel in France.

1961–1980

In the 1960s, Adia opens offices in various European countries and then in 1972 takes a first step overseas, with a branch in Menlo Park, California. In 1974, Lavanchy recruits Martin O. Pestalozzi and a phase of expansion by acquisitions begins. In the next 12 years, Adia buys over 85 companies, tripling in size and gaining footholds in more than a dozen countries. These include France (1975) and the UK (1977), where it buys the market leader: Alfred Marks Bureau Ltd.

Early 1980s

Adia continues to expand overseas, including Australia, New Zealand, Japan, Hong Kong, and Canada. Meanwhile, Ecco is focusing on its home market. By the mid-1980s, it is the market leader in France and a decade later world no. 2. The growth of both companies is part of a wider trend: temporary staffing becomes the world's third-fastest-growing industry in the 1980s.

Late 1980s

Revenues topping USD 1 billion in 1986 make Adia the European leader. Its success is partly down to a focus on quality and high-value services. The 1990s see a growing trend towards specialised skills, e.g. accounting and word-processing, including in-house training programmes.

1990s

Further acquisitions from the late 1980s further strengthen the Company's presence in highly skilled, specialised fields. Also, moves are made into socially related programmes for mature workers in the USA, promoting the benefits of temporary work for retirees and the value for companies of tapping into their experience, skills and dedication. In 1991, recognising the importance of the industry's role in job creation and its growth potential, Klaus J. Jacobs invests in Adia on the way to becoming its majority shareholder.

1996

Adia and Ecco merge to form the Adecco Group. Two of the world's top three personnel services firms, with complementary geographical profiles, merge to form a strong global leader with annualised revenues of over EUR 5.4 billion. Operations are combined to form a global network of 2,500 branches. The new company has an exceptional range and quality of services. The core staffing business places around 250,000 people in work each day.

1997–2000

The 1997 acquisition of TAD Resources International strengthens the Adecco Group's technical and IT staffing business in the USA. In 2000, the Adecco Group acquires the IT and general staffing business of the Olsten Corporation to become the no. 1 staffing services business in the USA and worldwide leader in the IT sector. The merged companies' revenues reach over EUR 11.6 billion, reflecting organic growth and successful acquisitions. Partnerships with Jobs.com mark the Adecco Group's intent to be at the forefront of harnessing the web in the recruitment process.

2002

To keep at the forefront of the trend towards increasing demand for professional and expert services, the Adecco Group consolidates its business under three operating divisions: Adecco Staffing; Ajilon Staffing/Managed Services; and Career Services/e-Business. Legislative change in Germany creates a more favourable environment for the growth of temporary staffing, reflecting greater acceptance of the industry's positive role in generating employment and economic growth.

2004

The acquisition of PeopleOne Consulting in India signals the Adecco Group's commitment to play a leading role in the industry's development in the emerging markets. As a result of the delay in the audit of the 2003 financial statements in early 2004, the Adecco Group strengthens its financial reporting and governance structure.

2005–2006

In 2005, Klaus J. Jacobs assumes the Chair and CEO roles, initiating a strategy review. The Adecco Group's focus on professional staffing services intensifies. To create a strong platform for growth, the Group's existing operations are realigned into global business lines defined by specific occupational fields, complementing the established office and industrial offering with professional staffing lines.

Acquisitions of Altedia and HumanGroup strengthen the Adecco Group's involvement in professional segments in Europe. In 2006, the acquisition of DIS AG in Germany gives the Adecco Group leadership in the German professional staffing industry. Dieter Scheiff is appointed Chief Executive Officer. The Adecco Group adopts a dual strategy focused on professional and general staffing.

2007

Jürgen Dormann is appointed Chair of the Board. As planned, Klaus J. Jacobs hands back his mandate. The Adecco Group acquires Tuja Group, an industry leader in Germany, one of the world's fastest-growing temporary staffing markets.

2008

The Adecco Group acquires the professional staffing businesses DNC in the Netherlands and IT specialist Group Datavance in France. Country operations take greater responsibility for growing professional business, as the dual professional and general staffing model becomes further embedded.

Klaus J. Jacobs, co-founder and Honorary President of the Adecco Group, passed away.

2009

Rolf Dörig is appointed Chair of the Board. Patrick De Maeseneire becomes Chief Executive Officer. The Adecco Group acquires Spring Group in the UK, bolstering the Adecco Group's UK professional and general staffing business.

2010

The acquisition of MPS Group, a leading professional staffing firm based in the USA, is completed. With MPS' strength in North America and the UK, the Adecco Group also becomes the world leader in professional staffing.

The Adecco Group sets up a joint venture in Shanghai with leading Chinese HR services company Fesco. FESCO Adecco begins operations on 1 January 2011, with over 100,000 associates and a well-established local and multinational client base.

2011

The Adecco Group acquires US-based Drake Beam Morin Inc., taking the worldwide lead in career transition and talent development services.

2012

The Adecco Group acquires VSN Inc., a leading provider of professional staffing services in Japan. The acquisition expands the professional staffing exposure in the world's second-largest staffing market.

Henri-Ferdinand Lavanchy, the founder of Adia, passed away.

2014

The Adecco Group acquires OnForce to expand its Beeline service offering, creating a unique integrated solution for managing contingent workforces.

The Jacobs Group sells the vast majority of its 18% stake in the Adecco Group.

2015

Alain Dehaze is appointed Chief Executive Officer. The Adecco Group announces a new composition of the Executive Committee.

The Adecco Group acquires Knightsbridge Human Capital Solutions, the market leader in career transition, talent and leadership development, and recruitment services in Canada.

2016

The Adecco Group acquires Penna Consulting Plc, the UK market leader in career transition, talent and leadership development and recruitment services, as well as D4, LLC, a leader in eDiscovery litigation support.

The Adecco Group deconsolidates Beeline upon its merger with IQNavigator, which brings together two of the world's leading providers of Vendor Management Systems.

2017

The Adecco Group launches Adia, a 'recruitment-on-demand' platform for temporary staffing, and freelancer platform YOSS.

The Adecco Group acquires Mullin International, strengthening its career transition services, and BioBridges, enhancing its position in life sciences professional recruitment.

2018

The Adecco Group acquires Vettery, a US-based talent recruitment platform, built to connect top employers with tech, sales and finance talent. In addition, the Adecco Group acquires General Assembly, a pioneer in education and career transformation, focusing on in-demand digital skills.

The Adecco Group divests its remaining stake in IQN/Beeline Holdings, LLC.

2019

The Adecco Group divests Soliant Health Inc. to concentrate on globally scalable brands and digital solutions. FESCO Adecco investments become integral to the Adecco Group. As such, the Company's proportionate share of FESCO Adecco's earnings is presented separately as a component of operating income within the consolidated statements of operations.

2020

Jean-Christophe Deslarzes is appointed Chair of the Board. The Adecco Group announces its new strategy called Future@Work with three distinct Global Business Units: Adecco, Talent Solutions and Modis.

2021

The Future@Work strategy is launched as the three Global Business Units begin operation. Talent Solutions Global Business Unit announces it will re-brand under the LHH banner globally.

In July, the Company announces the acquisition of AKKA Technologies, and its intention to combine the business with its Modis Global Business Unit, creating the global number two in tech and engineering R&D services, serving Smart Industry. In July, Philippe Foriel-Destezet, the founder of Ecco and Honorary President of the Adecco Group, passed away.

In October, the Group acquires BPI Group, enhancing LHH 's HR consulting and advisory offering in France. In the same month, the Group acquires QAPA, the number two provider of fully digital workforce solutions in France, to complement the Adecco Global Business Unit's existing omnichannel and value-added services strategy.

2022

In February, the Adecco Group completes the acquisition of a majority stake in AKKA Technologies.

In May, the Group issues its first Tax Transparency Report. The Group also attains full ownership of AKKA Technologies during the month. Akkodis becomes the global brand for the combined business, leveraging the existing value of both brands (AKKA and Modis).

In July, Denis Machuel is appointed Chief Executive Officer.

In November, Denis launches an action plan, called Future@Work Reloaded, to drive the Company toward reaching full potential. Management sets out a detailed plan to deploy three Group-wide levers to simplify the organisation, improve execution and prioritise ways to grow market share. From simplification efforts, the Company announces it expects to achieve a EUR 150 million reduction in G&A expenses, in run-rate terms, by mid-2024. Also in November, the Group announces that Adecco Australia, supported by Akkodis' tech expertise, has won the largest outsourcing contract in the Southern Hemisphere with the Australian Defence Force.

2023

The Adecco Group creates a new Executive Committee role to represent the market at executive level: Ian Lee is appointed President Geographic Regions as of 1 January 2023. In August, Caroline Basyn is appointed Chief Digital and IT Officer to bring together the IT and Digital organisations. Akkodis substantially completes its integration of AKKA and Modis and delivers synergies of over EUR 60 million.

The execution of the Future@Work Reloaded plan progresses well. The Group enhances operational effectiveness by delivering EUR 92 million G&A savings and is on track to reach the EUR 150 million target. In order to improve execution, decision-making is empowered by those closest to customers, at both the GBU and local level. In addition, by balancing revenue growth and EBITA growth, the Group is able to consistently grow faster than its key competitors in each quarter of the year.

Key figures

in EUR millions unless stated	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues	**23,957**	23,640	20,949	19,561	23,427	23,867	23,660	22,708	22,010	20,000
Gross profit	**4,969**	4,974	4,281	3,789	4,504	4,433	4,346	4,276	4,179	3,703
EBITA excluding one-offs	**867**	833	953	709	1,069	1,080	1,158	1,134	1,152	966
EBITA	**734**	677	881	570	988	987	1,151	1,098	1,086	929
Net income/(loss) attributable to Adecco Group shareholders	**325**	342	586	(98)	727	458	788	723	8	638
Basic EPS (EUR)	**1.94**	2.05	3.62	(0.61)	4.48	2.77	4.67	4.24	0.05	3.62
Diluted EPS (EUR)	**1.94**	2.04	3.60	(0.61)	4.47	2.77	4.66	4.24	0.05	3.61
Adjusted EPS (EUR)	**2.99**	3.28	4.21	2.78	4.45	4.68	4.89	4.31	4.81	3.92
Dividend per share (CHF)	**2.50**[1]	2.50	2.50	2.50	2.50	2.50	2.50	2.40	2.40	2.10
EBITDA excluding one-offs	**1,021**	973	1,069	837	1,176	1,166	1,235	1,219	1,246	1,058
EBITDA	**888**	817	997	698	1,095	1,073	1,228	1,183	1,180	1,021
Cash flow from operating activities	**563**	543	722	720	880	727	737	694	797	771
Free cash flow before interest and tax paid	**547**	579	795	873	999	903	939	941	993	999
Free cash flow	**347**	328	590	563	724	569	637	618	700	691
Net debt	**2,590**	2,455	48	376	398	1,124	994	887	1,039	971
Shareholders' equity	**3,601**	3,893	3,800	3,218	3,948	3,589	3,582	3,722	3,346	3,839
Organic revenue growth	**2%**	4%	9%	-14%	-3%	3%	6%	4%	4%	4%
Gross margin	**20.7%**	21.0%	20.4%	19.4%	19.2%	18.6%	18.4%	18.8%	19.0%	18.5%
SG&A as % of revenues	**17.8%**	18.3%	16.3%	16.6%	15.0%	14.4%	13.5%	14.0%	14.1%	13.9%
EBITA margin excluding one-offs	**3.6%**	3.5%	4.6%	3.6%	4.6%	4.5%	4.9%	5.0%	5.2%	4.8%
EBITA margin	**3.1%**	2.9%	4.2%	2.9%	4.2%	4.1%	4.9%	4.8%	4.9%	4.6%
Dividend payout ratio	**89%**	77%	56%	82%	52%	48%	46%	50%	45%	49%
Average number of FTE company-based employees	**38,009**	38,397	32,625	30,264	34,662	35,104	33,787	33,391	32,266	31,576
Days sales outstanding	**53**	53	51	52	53	53	52	52	52	53
Cash conversion	**63%**	70%	83%	123%	93%	84%	81%	83%	86%	103%
Net debt/EBITDA excluding one-offs	**2.5x**	2.5x	0.0x	0.4x	0.3x	1.0x	0.8x	0.7x	0.8x	0.9x
Basic weighted-average shares (millions)	**167.4**	166.8	162.1	161.4	162.2	165.4	168.7	170.3	172.5	176.3
Diluted weighted-average shares (millions)	**168.0**	167.1	162.7	162.0	162.5	165.7	169.1	170.5	172.7	176.6
Shares outstanding at year-end (millions)	**167.6**	167.1	165.1	161.1	162.1	163.6	165.8	170.3	170.3	173.4
In CHF, at year-end:										
Share price	**41.27**	30.46	46.60	59.16	61.22	45.93	74.55	66.65	68.90	68.85
Market capitalisation (millions)[2]	**6,951**	5,130	7,839	9,650	10,000	7,651	12,760	11,408	12,021	12,330
Enterprise value (millions)[3,4]	**9,357**	7,560	7,889	10,055	10,434	8,916	13,923	12,357	13,154	13,495
In EUR[4], at year-end:										
Share price	**44.43**	30.78	44.92	54.78	56.17	40.81	63.72	62.29	63.21	57.37
Market capitalisation (millions)[2,4]	**7,483**	5,184	7,556	8,936	9,174	6,798	10,906	10,662	11,028	10,275
Enterprise value (millions)[3,4]	**10,073**	7,639	7,604	9,311	9,572	7,922	11,900	11,549	12,067	11,246

1 Proposed by the Board of Directors.
2 Market capitalisation based on issued shares.
3 Enterprise value equals net debt plus market capitalisation at year-end.
4 Exchange rates EUR/CHF 2023: 0.93; 2022: 0.99; 2021: 1.04; 2020: 1.08; 2019: 1.09; 2018: 1.13; 2017: 1.17; 2016: 1.07; 2015: 1.09; and 2014: 1.20.

Publisher: The Adecco Group, Zurich

Design: Black Sun Global, London, Co-Art Direction
Francesco Camillo, Global Head of Art & Design
the Adecco Group

Print: Westerham, London

This report is printed on genYous® digital uncoated paper which is derived from sustainable sources. Manufactured at a paper mill registered to the Environmental Management System ISO 14001 and Forest Stewardship Council® chain of custody certified.

Printed by Principal Colour.

Principal Colour are ISO 14001 certified, Alcohol Free and FSC® Chain of Custody certified.

Designed and produced by Black Sun Global.

March 2024

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ANNUAL REPORT 2023