Growing with purpose

Sustainability Report 2018



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Introduction



Message from our President and CEO

Welcome to Growing with Purpose, Kelly's Corporate Sustainability Report

Kelly Services® was built upon a heritage of strong ethical standards and a commitment to excellence. Integrity, treating every person with respect, and always doing the right thing have been the guiding principles that have sustained our business for more than 70 years. It is these principles that have led to the success Kelly's enjoyed for almost three-quarters of a century.

In recent years, corporate sustainability strategies have continued to evolve and grow in their level of sophistication. Many strategies now include new focus areas and technology that our guiding principles need to address. Businesses like ours have come to realize that a formal corporate sustainability strategy will produce guidelines that create greater accountability, increase long-term stakeholder value, as well as make us more

transparent and competitive. To achieve these goals, we have produced the **Growing with Purpose** sustainability report that follows, based on six strategic pillars:

- Ethics and Business Conduct
- Employees and People
- Engagement
- Occupational Health & Safety and Environment
- Supply Chain and Customer Relations
- Communications, Evaluation, and Reporting

We believe our approach to sustainability will enable us to do business in a socially responsible manner as part of an ethical environment. For us, sustainability is a value that can be embedded in our everyday work practices. As of 2019, we started supporting the UN Global Compact and we are committed to aligning our initiatives to its

Sustainable Development Goals. While there is much more to do in this area, Kelly's new strategy puts us on the path to doing it. Kelly's sustainability strategy has the potential to change business as usual, creating shared value for all our stakeholders.

We look forward to reporting to you regularly on the sustainable future we are creating as we continue to grow with purpose.



George Corona President and CEO Kelly Services

Q&A on our new Corporate Sustainability Strategy



—Tim Dupree, Vice President and Managing Director, Global Service



Why did Kelly® decide to move from Corporate Social Responsibility initiatives toward a Corporate Sustainability Strategy? What was the case for change?

It was based on the need to ensure that the investments we are making as a company are aligned to our long-term strategy. Sustainability is intended to create long-term value across multiple dimensions—social, economic, environmental, and cultural. We want to ensure that the business decisions we make every day are proactively aligned to our noble purpose and business strategy. As a result of our more proactive and disciplined approach, we will be able to clearly focus on ensuring compliance to our sustainability commitments with transparency to our clients, shareholders, and employees.

What were the Corporate Sustainability achievements you were most proud of in 2018?

I am most proud of the level of commitment that we have been able to achieve across all levels of the company in response to the Corporate Sustainability changes we introduced in 2018. We have established a Sustainability Governance team who is actively engaged in aligning our policies to our strategy, as well as making business decisions that integrate sustainability as a company value. Our initiatives reflect our commitment and are coherent with our sustainable proposal. For example, we have introduced Engage—our new volunteer program where our employees can take paid personal time to volunteer in their communities—which shares know-how in alignment with our company's strategic pillars, while addressing community needs.



-Belen Benitez, Corporate Sustainability Lead

What are the biggest challenges you face when implementing the Sustainability Strategy?

There are several challenges involved when implementing a Corporate Sustainability Strategy. Our industry has a huge opportunity to make a social impact and that is our main focus, while still addressing environmental improvement opportunities. There is a learning curve involved in this process: business units need to understand how their job connects to our sustainable performance and also the importance of collaborative work with other areas of the organization. We are part of the supply chain of 20.000+ companies worldwide, so we need to create shared value for our customers in ways that are also aligned to their own business strategies. Therefore, we must be proactive and demonstrate that Kelly is, by all means, a sustainable business partner.

What outcomes are expected after the Corporate Sustainability Strategy implementation, short and long term?

We truly believe that connecting people to work in ways that enrich their lives is Kelly's purpose. To do so, we need to be coherent and socially responsible in all ways possible. Therefore, our short-term goals involve making sure Kelly is not only compliant, but also a leader in good, sustainable practices internally. In the long term, we aim to be a reference point in our industry for sustainable performance addressing environmental, social, and economic challenges in the most responsible manner, while creating a positive impact for society and the planet.

Our business: products and services

As the founder of the staffing industry, Kelly has been connecting great people and great companies for the past seven decades. Small and large businesses alike trust our expertise in providing solutions that span the entire spectrum of staffing, outsourcing, and consulting. We're always thinking about and defining what's next in the evolving world of work, and we help people ditch the script on old ways of thinking and embrace the value of all workstyles in the workplace.

Over the past several decades, we have progressed from a United States-based company concentrating primarily on traditional office staffing into a workforce solutions leader—delivering expertise in a number of specialty services across education, engineering, IT, finance, science, and beyond. These specialty services complement our expertise in staffing for administrative/office clerical, contact center, and light industrial and electronic assembly. Kelly supports a wide spectrum of industries; however, our main focus is on energy, life sciences, consumer brands, industrial/manufacturing, and financial services/insurance. We support both public and private companies; local, state, provincial, territory, and federal government; school districts; and organizations of all sizes—from Fortune 100 companies to small, local businesses.

In addition, we provide comprehensive workforce management solutions globally to help many of the world's largest companies plan, attract, and manage their workforce through our outsourcing and consulting group KellyOCG®—including customized contingent, recruitment, and business process outsourcing solutions. Additional innovative solutions extend from talent advisory to career transition services.



Introduction / Mission, vision, and values

Mission, vision, and values

Our business is focused on improving the lives of our employees, our clients, our suppliers' employees, their families, and the communities where we live and work. After all, the future of work is really about the future of humankind.



Our vision

To provide the world's best workforce solutions.

Our character

We are the authentic founders of the industry. We believe in relationships, not transactions. We value teamwork, realizing that we are stronger together than as individuals. We take the promises we make seriously. We are passionate, dedicated, and driven to excel. With us it has never been about being the biggest. It has always been about being the best and doing the right thing. At our core, we are a community. Each day we welcome into our community the varied talents of all people who embrace our culture of service, teamwork, and integrity. We offer the opportunity to work with the best companies in the world, and to make a difference in the communities in which we live and work.

Our values

Collectively and individually, we are judged by the return we provide to our shareholders and stakeholders. We wish to include the following values as part of that return:

- We are personally responsible for our actions, outcomes, and reputation.
- We build strong relationships and create Kelly advocates for life.
- We own and resolve customer and candidate issues with urgency.
- We treat every customer, employee, and supplier with respect and integrity.
- We continuously seek opportunities to innovate and improve the Kelly experience.

OUR REVITALIZED BRAND

Late in 2018, Kelly introduced our revitalized brand identity with the tagline: What's Next. This identity signals that we will boldly approach the future of work, while championing nontraditional/independent workers and workstyles and their value in the modern workplace.

Global representation investments, and value chain

Our operations are divided into three principal business segments: Americas Staffing, Global Talent Solutions (GTS), and International Staffing. In July 2016, we expanded our joint venture with Persol Holdings (formerly Temp Holdings) to form PersolKelly Asia Pacific (the JV) and moved our APAC staffing operations into the JV.

In early 2017, we restructured components of our previous Americas Commercial, Americas Professional and Technical, and Outsourcing and Consulting

Group segments into a single delivery organization, triggering a change in our operating structure. We now provide staffing through our branch networks in our Americas and International operations, with commercial and specialized professional/technical staffing businesses in each region.

We also provide a suite of innovative talent fulfillment and outcome-based solutions through our Global Talent Solutions (GTS) segment, which delivers integrated talent management solutions to meet customer needs across the entire spectrum of talent categories. Using talent supply chain discipline, GTS helps customers design, execute, and manage workforce programs that enable them to connect with talent across all workstyles (full-time, contract, temporary, etc.), gaining access to a vast network of service providers—achieving their business goals on time and on budget.

Kelly global footprint

• • • •

AMERICAS Argentina Brazil • • • • Canada • • • • Colombia Costa Rica Mexico • • • • Puerto Rico • • • • Trinidad and Tobago

United States

EMEA		
Angola		
Armenia	• • • •	
Austria	• • • •	
Belgium	• • •	
Croatia	• • •	
Czech Republic	• • •	
Denmark	• • •	
France	• • •	
Georgia	• • •	
Germany	• • • •	
Hungary	• • •	
Iraq	• • •	
Ireland	• • • •	
Israel	• • •	
Italy	• • • •	
Kazakhstan		





- Temporary Staffing
- Business and Professional Services
- Managed Service Provider
- Recruitment Process Outsourcing
- * Temporary staffing serviced through PERSOLKELLY, Joint Venture with PERSOL Group, or strategic partners

Introduction / By the numbers Contents / 10

By the numbers



Kelly has approximately 1,200 employees at its corporate headquarters in Troy, Michigan, and approximately 7,900 employees throughout our global network.



Kelly provided employment to more than **500,000** in 2018.



We have a worldwide presence in 55 countries.



We rank as one of the **world's largest** scientific staffing providers in markets where we operate.



We occupy a **leading position** in the K-12 educational staffing market in the U.S.



2018 revenue: **\$5.58 billion**



Gross profit: 17.6%

Mergers, acquisitions, investments, and divestitures

Acquisitions 2017

Teachers On Call

A provider of substitute teacher staffing services for K – 12 public, private, and charter schools, and early child care centers. The acquisition further expands Kelly's leadership position in the K – 12 market, where Kelly Educational Staffing® (KES®) is the largest provider of substitute staff across the U.S., filling more than 2.8 million classrooms in the last school year and servicing more than 7,000 schools across 35 states.

Acquisitions 2018

NEXTGEN

A leading provider of telecommunications, wireless, and connected technology staffing solutions to Fortune 500° companies, that would support the meeting of challenges in the everchanging tech landscape for our clients across the U.S. and selected global markets.

GTA

A leading provider of engineering, technology, business consulting, and software solutions and services for the telecommunication industry.

Divestitures

In April 2018, we sold Kelly Healthcare Resources to InGenesis®. In December 2018, Kelly Legal Managed Services was sold to Trustpoint One. Resources from the sale supported investment in other areas in which Kelly specializes.

Investments

In June 2018, the Kelly Innovation Fund invested in Kenzie Academy, a tech apprenticeship program that develops modern tech workers. In August 2018, Kelly invested in Business Talent Group, a U.S.-based marketplace that connects highly skilled independent talent to some of the world's largest companies.



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Recognition

- KellyOCG was recognized as best of the best by IAOP*. IAOP's The Best of The Global Outsourcing 100* list recognizes the world's best outsourcing service providers, with this year's list a culmination of the very best from the last ten years.
- America's top corporations for women's business enterprises (WBES) awards, recognizing corporations that have demonstrated a sustained commitment to the inclusion of female-owned businesses in their supply chain.
- Kelly was named to Flexjobs® 2018. For the sixth year in a row, we have been named as a top 100 company for remote work, earning the #8 spot on the list.
- Human Resources vendor of the year 2018.
 KellyOCG in Malaysia and in Singapore both received the Gold level award in the category of Best Recruitment Process Outsourcing Partner as a Human Resources Vendor of the Year for 2018.
 This is the third year in a row for KellyOCG in Malaysia to place at the Gold level, and the first year for KellyOCG in Singapore.
- Michigan Minority Supplier Diversity Council (MMSDC) Ace Awards. Kelly was recognized by the Michigan Minority Supplier Diversity Council as a 2018 ACE Awards recipient in two categories: "Corporation of the Year" Professional Services, the ninth time in 10 years; and our Principal for Global Diversity Solutions, Brenda Marshall, was awarded National "Corporate Advocate" of the Year for the second consecutive year.

- Kelly is named among Forbes' list of America's best recruiting firms for 2018.
- Intel® Supplier Continuous Quality
 Improvement awards. KellyOCG received the
 Intel SCQI award for Supplier Achievement.
- Women's Business Enterprises National Council (WBENC) named Kelly to its 18th annual list of America's top corporations for Women's Business Enterprises (WBES).



2018 Corporate Sustainability milestone

Corporate Sustainability policy

Ethics and business conduct

Employees and people

Diversity, inclusion, and equal opportunity

Nondiscrimination and compensation philosophy

Engagement

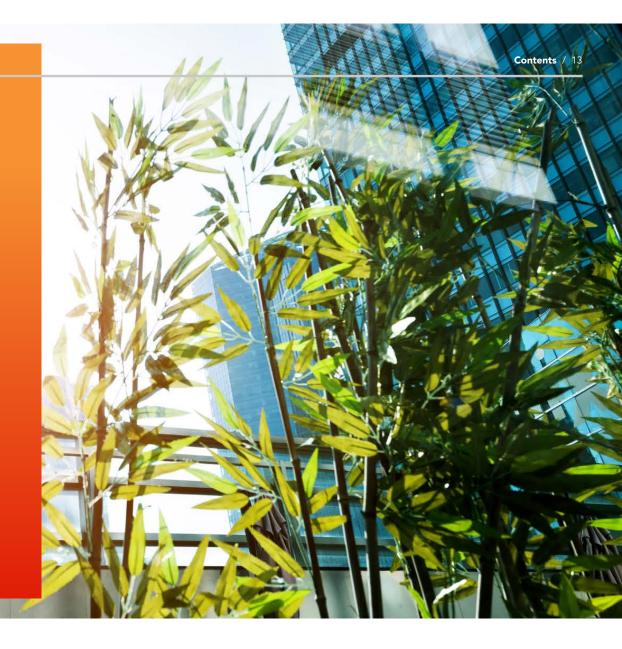
Occupational health & safety and environment

Supply chain and customer relations

Supplier Code of Conduct

Diverse supplier strategy

Our Corporate Sustainability Strategy



2018 Corporate Sustainability milestones



Transition from Corporate Social Responsibility responsive program toward a Corporate Sustainability Strategy.



Materiality assessment with participation of 238 internal and external stakeholders across 10+ countries where the company operates.



We hired 8,094 veterans.



700+ employees participating in our corporate volunteering program. This represents 5,000+ hours of service to their local community.



Corporate Sustainability Strategy aligned to the Global Sustainable Goals.

Code of Business Conduct.

100% of suppliers committed to our



We conducted our first formal stakeholder engagement to validate our material topics, understand their main concerns, and align our Corporate Sustainability initiatives to respond more effective to their issues and concerns.



KellyConnect® has engaged approximately 400 individuals with disabilities for work opportunities.



\$142,000 contributed to social causes.



Our Leadership in Action program reached approximately 800 participants—designed to develop and build our internal talent community.



100 tons of material recycled.



Diverse supplier programs generated \$1+ billion in investments that help them contribute to economic sustainability in minority communities. Kelly has always embodied the true spirit of corporate social responsibility, and we are committed to the highest standards of corporate citizenship. Our culture and values are rooted in service, integrity, and taking personal responsibility for our actions, outcomes, and reputation.

Since 2017, we embarked on a transformation from historically reactive Corporate Social Responsibility initiatives, toward a long-term Corporate Sustainability Strategy aligned to our business core which contributes to the Sustainable Development Goals.

This new sustainability approach, rather than being philanthropic, is strategic to our business values. It is based on the concept of social investment, which, instead of aiding on isolated occasions, ensures the creation of future development capacities. We aim to guide all our subsidiaries and collaborators in the planning, management, and implementation of sustainable strategic approaches that create measured and impactful shared value to all our stakeholders.

Our Corporate Sustainability Strategy is defined as an initial two-year, integrated decision-making strategy that provides comprehensive guidelines for implementing internal actions toward these ends. These guidelines provide procedures and tools to ensure the applicability of the strategy on a worldwide basis—guaranteeing the same standards, metrics, and objectives for all our operations.

This strategy has been developed with consideration given to the perceptions of our stakeholders, as well as its impact on business operations. In early 2018, we conducted a material assessment that helped us define the policies and guidelines of our Corporate Responsibility Strategy. This helped us identify the main concerns and actions on which we need to focus: namely, to support the Triple Bottom Line* of our business model, and to respond more effectively to stakeholders.

Permanent monitoring of this strategy will be conducted on an annual basis by means of an interdisciplinary perspective assessment involving cross-functional areas within the company. Progress in our Corporate Sustainability Strategy will be reported on an annual basis through the Global Reporting Initiative Standard (GRI), and Communications of Progress (following the UN Global Compact), which was signed in February 2019.

Transition from Corporate Social Responsibility responsive programs toward a Corporate Sustainability Strategy



^{*}The Triple Bottom Line (TBL) is a concept that includes social and environmental considerations to the business model in addition to the financial ones. It measures a company's degree of social responsibility, its economic value, and its environmental impact.

Corporate Sustainability policy

We consider sustainability to be a guiding principle in strengthening the relationship with our global workforce, suppliers, and customers. As a leading provider of global workforce solutions, we connect people with employment opportunities and make a difference in the communities in which we live and work. Through our programs and initiatives, we seek to contribute to improving the quality of life of our employees, their families, as well as the communities in which we operate. Given the worldwide span of our workers, clients, suppliers, and partners, we recognize the global reach of both our business practices and our public accountability.

Corporate Sustainability Strategy

Kelly's corporate sustainability commitments are built around six pillars:





Ethics and business conduct

Kelly is committed to doing the right thing, conducting ourselves in a legal, ethical, and trustworthy manner, strictly upholding our regulatory obligations in every country in which we operate, and complying with both the letter and spirit of our business policies and values. Our commitment is to remain accountable for our actions and to our goals.

Governance

Our Board of Directors is responsible for leading effective governance over the affairs of the company, for the benefit of all our stakeholders. They are committed to acting in good faith, on an informed basis, maintaining an honest belief that their decisions are made in the best interest of the company.

Our principles of corporate governance provide a framework of responsibilities and procedures that guide the management of the Board. These principles, which are reviewed regularly, relate to the qualifications of our director, the criteria for independent directors, the size of our board, tenure, planning for succession, compensation, and more.

The Sustainability Governance team is responsible for structuring and overseeing the Corporate Sustainability Strategy. This team is responsible for

monitoring and communicating environmentally and socially relevant topics, and for creating strategies to address them timely and appropriately.

Kelly complies with the listing standards of the Nasdaq® Global Market pertaining to controlled companies. Our Board of Directors, management, and the Kelly company are judged by the return provided to shareholders.

Diversity and inclusion are important to us and we expect to lead operations throughout our business based on these principles. Diverse representation in our board is important to ensure a better decision-making process. Kelly has nine directors: three of which are female, and six are male. Two of our directors are ethnically diverse.

Code of Business Conduct and Ethics

The Board of Directors has adopted a **Code of Business Conduct and Ethics,** applicable to all employees at all levels, and at all locations of employment. The Code is intended to help all employees and collaborators identify and resolve ethical issues, deter wrongdoing, and to provide mechanisms to report dishonest or unethical conduct, as well as fostering a culture of honesty and accountability.

Employees must comply with the Code and conduct themselves in a legal and ethical manner. They are also responsible for ensuring that our suppliers, agents, and representatives are aware of their obligations to do the same. The Code of Conduct is reviewed and benchmarked annually to adjust it against best-in-class performers and business requirements.

We do not tolerate any form of unethical behavior. We have implemented a reporting system, allowing employees at all levels, as well as suppliers, to report any wrongdoing anonymously and conduct investigations when required. This reporting system is administered by an independent third party.

Kelly places great value in our partnerships; we expect and require ethical behavior from our partners. We have spent considerable effort developing a vast global network of partnering suppliers that work on a daily basis to support their client programs worldwide. This supplier network is one of our company's strongest competitive advantages as well as one of our greatest responsibilities.



Suppliers that work with us trust us to treat them fairly and help them grow their businesses, and in return we have developed a set of ethical conduct and business standards that we encourage all our partners and suppliers around the globe to meet. These standards are stated in our Supplier Code of Conduct, covering topics related to ethical business conduct, employees and people, human rights, and environmental sustainability. It is mandatory that all suppliers adhere to the Supplier Code of Conduct, and to recommit to it prior to taking on a new assigned task.

Kelly Code of Business Conduct addresses areas such as:

 Conflicts of interest: Occur when a Kelly employee's individual private interest interferes with, or appears to interfere in any way, with the interests of the company. Employees are responsible for avoiding such conflicts and to communicate any such situation in a timely manner. Anti-bribery/anti-corruption: All Kelly employees are subject to anti-bribery/anti-corruption policies and have an obligation to comply with the U.S. Foreign Corrupt Practices Act (FCPA) as well as to all other country-specific anti-bribery and anti-corruption laws. Employees may not give, promise, or offer anything—no matter how small in value—to any customer, government employee, or other person for the purpose of improperly influencing a decision, securing an advantage, avoiding a disadvantage, or obtaining or retaining business. Each employee is required to annually certify compliance with the principles outlined in the code as well as participate in FCPA and anti-bribery/anti-corruption training each year.

• Confidential and customer data privacy:

With each form of new technology, there is an increasing awareness of the need to ensure how confidentiality and personal data are managed and protected. This is especially true for companies such as Kelly, which have access to large volumes of personal data from our employees, customers, suppliers, and other stakeholders. In 2018, we implemented a standardized procedure order to comply with General Data Protection Regulation standards (GDPR). We communicated those procedures through obligatory trainings to all our employees and have amended the Supplier Code of Conduct with a statement regarding the GDPR Data Privacy Agreement. This document is mandatory to all our workforce solution suppliers.



Employees and people

We take seriously our responsibilities to protect, support, and prepare workers for successful careers and to advocate on their behalf. Our efforts are focused on providing career opportunities and resources to the global workforce, and to lead by example in areas such as workplace safety, health, wellness, diversity, inclusion, and training and development. We believe in opportunity for all and are steadfast in our commitment to equal employment opportunity, the protection of human rights, and the prevention of human trafficking.

At Kelly—by the very nature of what we do—talent is truly our business. No matter which industry or client we are serving, our business hinges on delivering the best talent and skills. Since many companies allocate nearly 60 percent of their expense to talent, our partnerships with customers offer a critical resource through ongoing consultation and real-time workforce strategies.

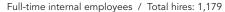
Kelly provides employment opportunities to more than 500,000 individuals around the globe. Our goal with these workers is to enrich their lives—whether it is building upon their existing expertise, learning new skills, or getting a new opportunity with an admired company. Our commitment to people, in turn, drives our obligation to social responsibility.

Kelly maintains a number of initiatives that ensure our working conditions and promote our principles of good corporate citizenship in all our operations worldwide.

Working/labor conditions

Our workforce is the most important asset of our business. We have implemented worldwide standards to guarantee fair business practices along our supply chain, and we have the responsibility to provide our workers with benefits and resources they need to grow. We are proudly ranked in the top five percent of the supplier's assessment by EcoVadis regarding fair business practices.

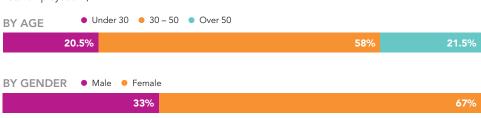
New employee hires in 2018 (U.S.)





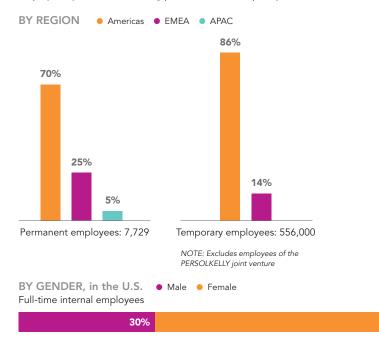
Employee turnover rate in 2018 (U.S.)

Total employees: 1,192



Number of employees in 2018, globally

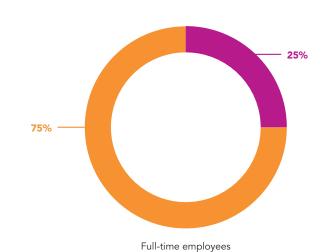
Employed by contract, including permanent and temporary



Employment in 2018, in Americas



Total 4,693



Standard benefits

We provide additional standard benefits for all our full-time employees, including: life insurance; retirement plans; paid holiday, time off and sick days; paid parental leave; disability income: basic and supplemental; group term life and accidental death and dismemberment; business travel accident plan; health savings account; health care spending; dependent care spending; transportation spending; vacation purchase; voluntary legal plan; educational assistance; employee assistance program; bereavement; paid volunteer day; employee discount program; and group home and auto program.

Parental leave

In 2018, our employees benefited from our paid parental leave program in the U.S.

BY GENDER • Male • Female

10% 90%

Participated in parental leave program: 60 employees



Return to work and retention rates



Retention rate

(still employed)

Retention rate

(still employed)

Human rights

Kelly has a global commitment to protect its employees and candidates against any type of trafficking and will not partner with any organization that condones or has practiced any type of human trafficking. We have stated our commitment to addressing this issue through our Human Trafficking Policy Statement, Code of Business Conduct and Ethics, and the UK Modern Slavery Transparency Act statement. Kelly also conducts annual quality audits to confirm and reinforce our regulatory and corporate policy obligations related to compliance with the principles of human rights.

Forced or compulsory labor

Kelly has a zero-tolerance policy against any form or human trafficking or related activities, including any form of unlawful employee harassment, retaliation, forced or compulsory labor, sex trafficking, child labor, or any type of debt peonage.

Kelly employs approximately 7,900 employees with whom it has an "at-will" employment relationship. Our talent supply chain spans 55 countries across six continents, in which we have worked together with our partners and suppliers to guarantee our labor practices and working standards which are attached to our Supplier Code of Conduct.

Human trafficking and slavery

Kelly does not and will not permit its employees, subcontractors, vendors, suppliers, or other entities doing business with Kelly to engage in any form of human trafficking or modern slavery. We have communicated specific guidelines on actions that may be considered as human trafficking and slavery that we do not accept under any circumstance.

Kelly prohibits retaliation against anyone who files a complaint or reports a suspected violation of this policy. Any employee or other party who violates this policy will be subject to appropriate discipline by Kelly, including, but not limited to, disclosure of the violation to government officials, when required by law or contract, and immediate termination.

Child labor

Our Code of Business Conduct and the Supplier Code of Conduct state that in our business practices, as well as in our partners and suppliers, compliance with all applicable child labor laws—including those relating to minimum age limits, limitations of working hours, and prohibition against certain types of work—are mandatory. Kelly understands that opportunities may arise for the placement of minors under the age of 18 and has therefore implemented a policy to ensure its compliance with federal labor law and OSHA regulations. This policy is extended to all countries of operation and respects all internationally proclaimed human rights.

In the U.S., Kelly complies with laws in all 50 states, including the District of Columbia and Puerto Rico, as well as federal laws regarding the employment of minors. Kelly thoroughly vets its placement of minors and does not permit them to be placed in certain high-risk jobs, including manufacturing and warehouse positions.

Freedom of association and collective bargaining

Kelly states that partners and suppliers should recognize the need to guarantee the right to freedom of association and to promote collective bargaining and social dialogue. All employees shall be free to join, or to refrain from joining, trade unions or similar external representative organizations. However, Kelly has not identified a unionist workers' association within the company, nor in the industry.

Kelly respects the rights of all employees to engage in protected activities, including those of freedom of association and collective bargaining. Employees may engage in activities without fear of intimidation or reprisal, in accordance with applicable law. Kelly believes in its policies and procedures, which encourage employees to work with their Kelly representative to problem-solve potential disputes.

Career development opportunities and training

As a global employer, we play a major role in building future talent and shaping a diverse workforce that effectively responds to workforce trends and opportunities in all industries where we operate. We are committed to providing today's talent with the resources and support tools necessary to advance their careers and work opportunities.

The Kelly Learning Center (KLC) provides a learning platform that offers employees the ability to enroll in virtual instructor-led courses, web-based training, and videos/seminars to enable employees to learn and grow. This online learning community is available for free to all employees, which consists of a range of topics in which we constantly encourage employees to participate. The participation of our employees in the KLC is as follows:

• Approximately 19 hours of training per employee.

- Some of the available training opportunities in KLC are:
- SHRM Certification Program for selected Partnered Staffing employees
- PMP Certification training in the learning management system and a study session led by Kelly project management professionals
- Six Sigma Certification training curricula (Yellow, Green, and Black Belt)
- AGILE training is offered
- Leadership Development program, offering training on how to become a leader and enhance leadership skills, offers experiential training, and learning from the framework of others
- Leadership Learning Circles, focusing on specific leader skills, such as inclusion
- For promoted employees and new hires in the first 90 days: new leader training program
- Transition assistance programs provided to facilitate continued employability as well as the management of career terminations due to retirement or other causes

Currently, KLC also offers a "My Career" program, which provides management tools to help design business and career goals, as well as offering a framework for the exchange of feedback. The program, as well as its objectives, is evaluated annually by managers and their team members. However, for 2019, in conjunction with updated competencies, we expect to improve our platform and intend to track and measure regular performance and career development reviews using a more formal and homogeneous process.

Diversity, inclusion, and equal opportunity

Our diversity and inclusion (D&I) approach is a multidimensional strategy across emerging and mature markets to maximize business results and create opportunities in underrepresented workforces. This strategy covers supplier diversity, workforce diversity, and workplace diversity.

Today, we have a diverse workforce of more than half a million employees globally. It is important to us that our workforce reflects the diverse regions, industries, and customers that we serve.

Kelly's investment in D&I began in 1979 and has evolved to become a key component of our business strategy with the formation of the D&I Executive Council in 2003 (formerly SDAC).

2018 diverse impact summary

\$1+ billion

Diverse supplier programs generated \$1+ billion in investments that help them contribute to economic sustainability in minority communities

27,000+ hires from diverse suppliers

The economic impact of diversity goes beyond spend and extends to job creation in the community

81%

Diverse spend in STEM, operating in business professional categories (science, technology, engineering, and mathematics), yields a greater ROI

500 diverse suppliers

An inclusive sourcing strategy ensures business opportunities where diverse suppliers can compete on a level playing field



Left to Right: Duane M. Green, Director, Diversity & Inclusion; Hannah Lim-Johnson, Chief Legal Counsel; and Brenda Marshall, Principal, Global Diversity Solutions.

We offer a variety of specialized programs to promote talent and address the unique needs and capabilities of the disabled, minority groups, women entrepreneurs, military members and their families, young people, and the semi-retired.

Support for military veterans. While many learned skills and tools for success are industry-specific, some highly valued traits are universally sought across a variety of industries and occupations. Our clients seek universally accepted attributes such as leadership, adaptability, problem-solving, dependability, and persistence. These are often key attributes of current and former members of the armed services.

To match those traits with job opportunities, we have created multiple initiatives to engage with U.S. veterans, current reservists, and military spouses. On average, Kelly hires 20 veterans per

day, 600 per month, and 7,200 per year. In 2018, Kelly hired 8,094 veterans.

Kelly Veteran Employment and Transition Services (KVETS): our in-house recruiting program that aligns the military experience and skills of veterans to customer-defined requirements.

Government solutions team: made up primarily of veterans, this team seeks to match veterans with open positions. Ninety-five percent of the team's time is dedicated to recruiting service members, veterans, and military spouses—both with and without security clearance.

U.S. Military Pipeline: a cloud-based solution enabling veterans to locate jobs after fulfilling their military duties, allowing them to create candidate profiles that can be matched with employment opportunities within our customer base. The U.S. Military Pipeline also feeds into the Hero2Hired

program, which matches those who have served in the National Guard and any of the Reserves to jobs and careers.

Kelly is committed to complying with the U.S. Americans with Disabilities Act and similar regulations around the world. We value having a diverse population of employees, which includes employing and accommodating those with disabilities and creating opportunities for everyone to contribute their unique skills to our company for the benefit of our customers. We also maintain relationships with vocational rehabilitation organizations, professional networking associations that support the disabilities community, as well as partnerships with government or publicly funded disability resource programs.

In 2018, Kelly hired **8,094 veterans**.

Women in Leadership: Kelly was founded in 1946, at a time when women were beginning to enter the workforce in large numbers. The introduction of the "Kelly Girl" was the first true recognition of the free-agent principle. Husbands and sons had left to fight a war, leaving women to make ends meet financially. We recognized this trend, providing opportunities for women to earn an income and balance their commitments outside of the workplace—a commitment that continues today.

In 2016, more than 50 percent of our temporary employee base in North America was made up of women, many of whom look to Kelly to help advance their careers. Our operations also reflect the growing role of women in the workforce: women hold more than 40 percent of leadership positions at the global senior vice president level and above. Additionally, 30 percent of our board of directors is female. In fact, our efforts to recruit, retain, and promote women leaders have resulted in being recognized with a variety of honors,

including recognition on the Michigan Women's Leadership Index (a biennial snapshot on the status of women at the highest levels of governance in Michigan's largest 100 publicly traded companies).

LIA: Our commitment to leadership development is further exemplified in our Leadership in Action (LIA) business resource group. LIA was originally formed over 10 years ago with a goal of helping to support the advancement of women into higher levels of leadership. In the last few years, LIA's purpose has evolved into fostering an environment that is inclusive of all employees, where leaders can thrive and achieve personal growth, while positively impacting Kelly's business results. At LIA, we are committed to creating an environment where leaders can achieve success by following our purpose of Leaders Lifting Leaders.

LIA's mission: We are dedicated to helping prepare and develop Kelly's current and future men and women leaders, knowing that strong leaders are

better equipped to deliver strong results. Through all of our initiatives, LIA strives to execute Kelly's business strategy while exhibiting the company's vision, values, and character.

Currently, LIA has 798 participants (499 females and 299 males). In 2018, LIA has initiated a relationship between Kelly and Best Buddies; solidified an already existing relationship between InForum® and Kelly; was one of strategic sponsors for the HAVEN clothing drive; and initiated the internal Inclusive Leader training, as well as Learning Circles, Mentor programs, and intimate professional development sessions for Council members; a book club session facilitated by highest-ranking Kelly female executive, Teresa Carroll, "How Women Rise"; and a professional development session "Unconscious Bias," facilitated by Naticia Montgomery, director of organizational effectiveness.

LIA'S EVENTS, 2018:

- June 22, 2018
 Getting to Know InForum
 247 participants
- June 27, 2018
 Connecting People to Work in Ways that Enrich their Lives
 301 participants
- October 9, 2018
 Corporate Sustainability: how Kelly is creating shared value in a sustainable business model 296 participants
- Annual LIA planning session
- Quarterly LIA Steering Committee meetings
- Monthly LIA board meetings

Diversity and inclusion affiliations















































2018 diversity and inclusion awards and recognition

- Nissan® Supplier Diversity
- Baxter® Supplier Diversity
- Michigan Minority Supplier Development Council

 Corporation of the Year Professional Services

 2000, 2003, 2009 2014, 2016, 2017, 2018
- Women Business Enterprise National Council Top Corporation 2009 – 2018
- Great Lakes Women Business Council Excellence in Supplier Diversity

- Women's Enterprise USA Top 100 Leaders in Supplier Diversity 2014 – 2018
- Minority Business News USA Best of the Decade
- "100%" Corporate Equality Index 2018
- "Bronze" Military Friendly® Employer from GI Jobs 2017 – 2018
- Intel Supplier Diversity Award 2018



Nondiscrimination and compensation philosophy

Kelly has implemented formal internal policies to guarantee its commitment to nondiscriminatory practices and an equal employment opportunity workplace. Our business practices ensure equal employment in recruitment, selection, training, compensation, promotion, job transfer, and assignments.

These opportunities, as well as other conditions, are communicated in our affirmative action policy, which states that all qualified applicants and employees enjoy the same right to employment and advancement opportunities, irrespective of race, color, sex, age, religion, national origin, sexual orientation, disability, veteran status, or any other category under applicable laws.

Our Global Compensation Philosophy sets internal policies to guarantee equitable compensation to all our employees. The philosophy formalizes and enhances the transparency of our current

compensation practices. It's the foundation for all Kelly total rewards programs and it illustrates our ongoing commitment to pay equity and a Pay for Performance culture.

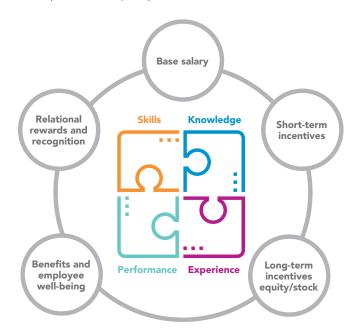
It is applied using internal guidelines based on factors such as: roles and responsibilities; employee performance, skills, experience, and qualifications; external benchmarking; internal equity; and geographical location.

Kelly's total rewards framework is designed to attract and retain talent; provide differentiated rewards to recognize key talent; provide market-competitive and equitable compensation; align with the budget and financial performance of the company and business segments; and apply fair and equitable pay practices.

This is an important step in our ongoing effort to advocate for our employees and create programs and tools that reinforce our value as a destination for top talent.

Kelly's total rewards framework

Composed of five key components:



Engagement

Kelly understands that it takes all of us working together to truly make an impact in the communities where we live and work. We partner with local organizations to improve lives and society as a whole by engaging in activities such as community service, social investment, and support for small or disadvantaged businesses, as well as minorities and women.

We also seek to engage with workforce suppliers who operate under socially responsible business practices, adhering to the professional code of conduct outlined by the World Employment Confederation.

Community outreach

Our engagement pillar supports our stakeholders' main needs and interests in their community and contributes to a stronger sense of commitment to our core business values by our employees. Our purpose is to create a significant shared value through sustainable investment in our communities and our society. Kelly also supports several large-scale, national organizations.

- HAVEN: Kelly partnered with HAVEN to provide career preparation support and mentoring to HAVEN clients through our trained volunteers. HAVEN is the only comprehensive program for victims of domestic violence and sexual assault in Oakland County, Michigan. The organization provides shelter, counseling, advocacy, and educational programming to nearly 20,000 people each year. Kelly's goal is to enable HAVEN's survivors to boost their confidence and achieve financial independence. We want them to walk away with actionable skills they can use to conduct a job search, participate in an interview, etc., as these are important next steps in the journey to financial independence.
- COMPASS: This partnership between Kelly and Best Buddies was established to create a sustainable employment model for individuals with Intellectual Development Disabilities (IDD), while fortifying Kelly's commitment to social inclusion and development. Through Kelly's constant evaluation and research processes, we have determined that approximately 80 percent

of people with developmental disabilities do not have a paid job in the community. Having a more robust inclusion program for those with disabilities will enable them to become financially independent through their own efforts and will remove the need for government reliance or parental support.

COMPASS will be launched in the Detroit Territory and Troy, Michigan, as a pilot that aims to benefit people with IDD in early 2019. Later in 2019, this strategy will deploy a U.S. nationwide outreach and share best practices to support our efforts in delivering a more inclusive workforce and enable people with this condition to become financially independent. To date, KellyConnect has approximately 400 individuals with disabilities working on their programs. Questions about the program can be sent to Jennifer Dollar: dollaje@kellyservices.com.



- Future Scientists Program and Scholarship:
 This program matches hundreds of college students each year with science internships in companies within chemical, pharmaceutical, and biotechnology industries. We awarded three scholarships in 2018 to the interns who wrote the strongest essays on contemporary science topics. Since the program's inception in 2000, we have awarded 81 scholarships and placed more than 7,200 interns on projects in biomanufacturing, quality control field research studies, biology, and biochemistry.
- Future Engineers Program and Scholarship:
 We support and reward the enthusiasm and dedication of thousands of engineering students in the U.S. and Canada by providing a \$5,000 scholarship annually to a second- or third-year college engineering student. The award is provided based on a written essay, outstanding academic performance, and demonstrated potential for a career in engineering.

- March of Dimes: March of Dimes is a U.S.
 nonprofit organization that works to improve the
 health of mothers and babies. Through several
 fundraising activities such as jeans days, VIP
 parking spots, 50/50 raffle tickets, auctions, and a
 walk, we raised approximately \$52,000.
- United Way: Kelly has a 40-year relationship with United Way, an organization engaged in nearly 1,800 communities across more than 40 countries and territories worldwide. They are focused on creating community-based and community-led solutions that strengthen the cornerstones for a good quality of life through education, financial stability, and health.
- LIFE REMODELED: Life Remodeled exists to bridge people across divides in order to help transform each other's lives—investing approximately \$5 million in resources into one Detroit neighborhood each year. Projects are determined by the community's needs and vision. Life Remodeled partners assist in three areas: remodeling a community asset, repairing.

owner-occupied homes, and mobilizing 10,000 volunteers to beautify 300 city blocks in six days. Every phase is about people transformation, those served, and those who are serving. In 2018, more than 120 Kelly employees from HQ and the Detroit Territory volunteered nearly 1,000 hours.

ENGAGE: our corporate volunteering program Our employees actively participate in multiple volunteer activities that support their commitment in initiatives, focusing on three main areas:

- Diversity and inclusion
- Talent, skills, and training for labor
- Vulnerable communities and workforce reinsertion

Kelly has implemented the philosophy of the Engage program to provide guidelines and responsibilities to employees who participate in volunteer initiatives in their communities. We also offer our employees up to eight paid hours for their participation in volunteer efforts to encourage all employees to give back to their local communities.





Disaster recovery

Kelly has developed a risk management program in order to be prepared to respond as quickly and effectively as possible to situations such as natural disasters, safety and security concerns, and changing business conditions. These situations may be critical to the health and safety of our employees and their families, the interests of our shareholders and customers, and the viability of our company.

This program supports our operations and evaluates our readiness to respond to accidental or natural disaster situations that may impact our customers, vendors, and employees. Advanced planning and quick action after the danger has passed have enabled Kelly to resume service to our customers and employees significantly faster than would be possible otherwise.

Kelly utilizes a variety of scalable solutions and strategies to both ensure employee and their families health and safety, and to enable us to continue critical business functions after experiencing any type of disruption. Key components of the programs include:

- Global incident monitoring: Kelly invests in state-of-the-art technology solutions that enable us to globally track and monitor crisis events that may affect our employees and assets.
- Communications: We use a variety of methods to maintain communications with employees, customers, and vendors/suppliers before, during, and after a crisis event.
- Emergency management team: We have a team approach to decision-making in response to critical events that affect our employees and facilities.
- Continuity of operations: Based on the reach
 of our branch network as well as our integrated
 information systems, Kelly has the ability to
 quickly re-establish business operations at an
 alternative site if necessary.
- Emergency Operations Resource Plan: Our Emergency Operations Resource (EOR) Plan is available to support field operations in the case of major events, whether natural or manmade, which significantly impact our ability to serve employees and customers.

We have also developed the Kelly Relief Fund—a nonprofit 501(c)3 organization, established after Hurricane Katrina—which provides short-term financial assistance to Kelly's regular staff and temporary employees who have been severely impacted by natural and manmade disasters such as floods, hurricanes, tornadoes, earthquakes, and fires. This Fund is sustained through generous donations from Kelly employees. In 2018, our disaster recovery program:

- Planned and prepared for Hurricane Olivia. None of our employees were impacted.
- Planned, prepared, and provided assistance from our Kelly Relief Fund for employees affected by Hurricanes Florence and Michael.
- Disaster recovery program contributed \$34,500 through the Kelly Relief Fund.





Occupational health & safety and environment

Kelly recognizes a shared responsibility to protect our people and planet. We strive to achieve zero accidents and occupational hazards, and our intention is to create environments with safe and healthful working conditions. Although our facilities and operations have a small ecological footprint, we are committed to reducing the environmental impact of our business through education, preservation, conservation, and practicing waste reduction.

Occupational health & safety: employees

Our commitment to employee safety is an integral part of our culture and a key to our continued success. Our Absolute Zero program ensures that we maintain the standards of worker safety protection to instill confidence as well as a sense of safety and security in our workplace. Beyond just compliance with health and safety legislation, Absolute Zero recognizes the importance of each and every healthful

employee, and solidifies our commitment to zero accidents, zero injuries, and zero harm. The program provides the processes, training, and companywide commitment to ensure employee safety at all workplaces in which we operate.

We help employees to become familiar with customers' work environments, safe work practices, emergency procedures, and protective equipment. We train our employees in understanding how to recognize safety hazards and report them in a timely fashion to on-site management. Our management, employees, and customers have joint responsibility for upholding our commitment to safety.

Occupational health & safety: customers

We also help customers prepare the workplace for our employees through our Global Safety and Health Program that includes pre-assignment risk assessments, worker training, and analysis of incident reports. Kelly managers are responsible for working with customers to assess work conditions, identifying potential issues, and preparing employees to complete their work while following safe and healthy procedures. Safety training and an introduction to our safety handbook are critical elements of our orientation program for new employees.

We conduct a pre-assessment process with each of our customers prior to servicing to assess their commitment to safety standards and to determine what conditions exist at the workplace, what hazards may be encountered, and how to best ensure protection for the temporary workers. This procedure analyzes safety at the workplace with respect to the Occupational Safety and Health Administration's (OSHA's) regulations and recommendations and supports our commitment to guarantee a safe and healthful work environment for employees at all of our locations.



Our safety commitment is analyzed in accordance with two measurements: total recordable incident rate, and Days Away Restricted and Transferred (DART) rate. This measurement is consistently only one-third to one-fourth of what the average is for the staffing industry as a whole.

In 2018, we made significant strides toward our goal of Absolute Zero with a 0.2 total recordable incident rate—the lowest in our history—and a 0.8 DART rate. Data rates were calculated using OSHA recordable injuries to full-time and directly supervised U.S. employees only.

Total recordable incidence rate

Incidence per 200,000 work hours

Kelly Services employees
 Staffing industry average*



*2018 BLS staffing industry average not available at time of printing

Days away restricted and transferred rate

Incidence per 200,000 work hours

Kelly Services employees
 Staffing industry average*



*2018 BLS staffing industry average not available at time of printing

Maintaining an industry leadership role in safety

Kelly has played a leadership role in driving safety across the staffing industry. This includes working with industry peers and government agencies to design best practices-based guidelines, and to provide recommendations to help staffing firms and their customers establish a culture of safety in their work environments.

In 2018, Kelly achieved the mark of excellence by the **Safety Standard of Excellence Program**, provided by the American Staffing Association and the National Safety Council, to encourage staffing firms to adopt workplace safety best practices and standards to foster and measure continuous improvement across all industry sectors.

Kelly is involved in the following initiatives:

 Development and implementation of Employee Safety Best Practices (ESBP) by the American Staffing Association's Employee Safety Committee. Since being introduced in 2011, the guidelines have helped to improve the industry's safety records, and have been used to analyze impacts on productivity, turnover, and insurance costs. Participation in the Occupational Safety and Health Administration's (OSHA)
 Temporary Worker Initiative. We launched this initiative in 2013 to help staffing agencies and host employers understand and manage their OSHA compliance and safety program obligations through specific enforcement and compliance tools. OSHA has stipulated that "staffing agencies and host employers are jointly responsible for maintaining a safe work environment for temporary workers—ensuring that OSHA's training, hazard communication, and recordkeeping requirements are fulfilled."

Environment

Kelly is committed to its responsibility to protect and maintain our planet for future generations. Although our environmental impact is relatively small, we are dedicated to implementing internal standards and business practices that keep our ecological footprint at low levels and to promoting an operational culture of preservation, conservation, and waste reduction.

Our environmental sustainability policy is based on establishing companywide environmental

policies and practices across different areas, promoting initiatives aligned with local needs, while supporting our customers' adoption of their own sustainability goals.

We understand that the risks associated with climate change continue to increase. Therefore, as of August 2018, we established a sustainability strategy to mitigate climate-related issues and risk identification processes aligned with our efforts to reduce our environmental impacts. The implementation of this strategy, which is set to be executed in 2020 – 2021, involves risk identification, assessment, and management procedures along with disaster recovery, occupational health & safety, and HR practices.

Our environmental practices are formally disclosed through environmental guidelines that involve external compliance standards, ensuring transparency and accountability. In the Carbon Disclosure Project (CDP), we report our environmental impact regarding measurements of water and energy usage in our building operations, as well as CO₂ emissions from air travel by employees.



Facilities and materials

Our environmental initiatives have reduced the carbon footprint and energy consumption of our corporate headquarters. During 2018, we renovated the headquarters' offices with consideration given to green building procedures that use environmentally friendly materials.

- In our corporate and branch offices, we switched to LED lights—which will help us reduce our energy usage long-term.
- Kelly's lighting systems are integrated into an energy management system.
- We use permeable brick pavers to mitigate storm water runoff.
- All of the boilers and hot water systems in our corporate campus have night setback controls, which were installed to take advantage of periods when the buildings are not occupied or are at reduced occupancy.

Kelly Anywhere: Kelly has implemented technology to support the development of a remote work program for our exempt employees working at the Corporate Headquarters and eligible employees who are currently working remotely for business reasons. The program allows employees to collaborate with coworkers and managers while working online. This initiative is being considered as an opportunity to balance personal life and work—responding to a need to adapt to new ways of working and reducing commutes, including the social and environmental impacts associated with transportation. Currently, Kelly has more than 400 employees participating in the Kelly Anywhere program.

Waste management

We have implemented recycling and waste management practices in our operations to improve efficiency and reduce operating costs.

- Since 2016, Kelly has worked with a cleaning service that has reduced energy usage by approximately 25 percent, purchased approximately 17,000 pounds (6.20 tons) of recycled restroom paper products, and recycled more than 100.42 tons of asphalt and concrete from paving projects.
- Containers provided in the cafeteria are made from 100% recycled content.

- Kelly Service Corporate Campus recycled 78.16 tons of paper through Shred It in 2018. This is the equivalent of saving 1,328,72 trees.
- We implemented standardized procedures for a proper separation and recycling of IT assets and equipment, as well as toner cartridges from printers and copiers in our office buildings. The creation of a recycling center at our corporate campus has guaranteed final environmental disposition of collected old phones, batteries, cables, and other electronic items. In 2018, we were able to recycle more than 35,000 electronic items.



Energy efficiency

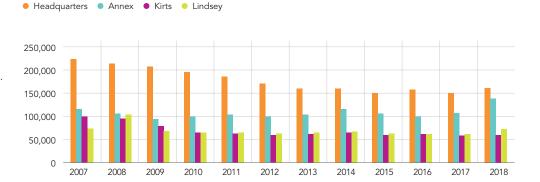
Our business operations are limited to office space, with a significant amount of personnel working remotely (online-based). We measure energy consumption in the organization based on the electricity and natural gas used for operations at the corporate campus, located in Michigan in the U.S. Our branches and leased offices outside of the headquarters location are expected to report on consolidated electricity expenses from 2019 onwards.

Energy consumption

From 2007 to 2018, we reduced the energy consumption in our headquarters office by 27.6 percent. In the Kirts and Lindsey buildings, this reduction was 41.75 percent and 2.79 percent, respectively. However, The Annex building in our corporate campus reported an increase in energy consumption from 2017 to 2018 due to relocation of employees during the remodeling process. The energy reduction is partly due to IT services' transition to cloud technology, as well as the implementation of conservation and efficiency initiatives.

Energy Usage Index (EUI)

Per building by year in kBtus, or thousands of British thermal units



Energy Consumption is measured by the Energy Usage Index (EUI) that analyzes the energy efficiency per building, per year. EUI takes into account the different types of energy used by a building for one year and is calculated in units of energy (kBtus, or thousands of British Thermal Units) per square foot. Measuring the energy actually consumed, rather than its total dollar cost, is important because the impact over time remains constant, even while the price of that unit changes over time. While factors affecting price cannot be controlled, factors affecting consumption can be. These include occupants' habits, the building's energy efficiency, and the tightness of the building's outer surface. EUI reflects these factors as well as the effect of weather. The lower the value, the more efficient the building.

Michigan corporate campus buildings recognized for environmental performance

We are proud of the environmental performance awards that several of our buildings received:

The Outstanding Building of the Year (TOBY) Award. Presented by the Building Owners and Managers Association of Metro Detroit (BOMA), the TOBY award recognizes quality in office buildings, rewarding excellence in office building management—taking energy consumption data, as well as environmental, regulatory, sustainability, ENERGY STAR® ratings, and waste programs into account. In 2018, we received the award for Lindsey Center Building in the "Corporate Facility under 100,000 Sq. Ft." category.

EPA Energy Star 2018. We received 2018 ENERGY STAR certification for three out of the four corporate campus buildings. Earning these ENERGY STAR certifications validates our commitment to reducing energy and conserving natural resources.

Building Owners and Management Association (BOMA) 360 Performance Program. Two of our corporate campus facilities received a BOMA 360 designation—further illustrating that these buildings meet and exceed the industry's highest standards of operations, management, and service. Areas measured in the BOMA 360 Performance Program include operations and management; tenant/occupant relations and community involvement; training/education; energy efficiency, environmental sustainability standards; as well as safety, security, and risk management.

National Air Filtration Association: has awarded us the Clean Air Award for 2017 – 2019 at our Annex and Headquarter buildings.



Addressing our facilities' carbon footprint

Scope 1 and Scope 2 GHG emissions

As a non-energy intensive industry, our goals are mainly focused on measuring and reducing our footprint: focusing on Scope 1 for campus buildings, and Scope 2 for office-based locations. Kelly has made significant improvements in reducing our corporate campus building's carbon footprint and energy usage over the years and continues to decrease the amount of energy used and emissions produced year-by-year.

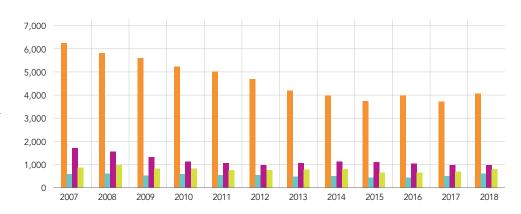
Our carbon footprint (CO_2) measurement is based upon electrical (kWh) and natural gas (MMBtu) consumption. For electricity, the value is based on related emissions (indirect emissions from power plants); natural gas values are based on emissions from stationary combustion.

Because of the nature of our business and our flex-job model, estimating our energy intensity ratio represents a challenge. Our energy consumption is reflected in Scope 1 and Scope 2 reporting emissions. However, additional to the 1,200 employees based in Troy, Michigan, a significant number of employees travel for office days to our HQ buildings, as well as a significant portion works remotely—modifying the daily influx of employees and user at our locations. Therefore, our energy intensity ratio is calculated estimating the average number of employees present in HQ annually (1,900) against Scope 1 and Scope 2 GHG emissions reporting. That gives us an estimate of 3.7 tons of GHG emission for employees in the U.S.

Carbon footprint

Per building by year in metric tons of CO₂

HeadquartersAnnexKirtsLindsey



Scope 1: direct GHG impact

In 2018, we reported emissions of 690 metric tons of CO_2 . We set a target to not exceed the previous year's emissions and keep our organization within 700 CO_2 tons on our Global Scope 1, considering the baseline emissions from 2017. Our mediumterm goal is expected to reduce our emissions by three percent over a two-year period until 2020.

Our corporate campus is undergoing a remodeling process in all of its offices which is expected to alter business as usual in terms of energy consumption. However, once the renovation process is completed in 2020, the operational baseline will be reviewed to establish more assertive, measurable targets and to enhance our performance in reducing emissions. The remodeling process also seeks to implement materials and technologies that can help us reduce the ecological footprint of our operations.

Scope 2 (location-based): indirect GHG impact In 2018, we reported emissions of 6,475.00 metric tons of CO_2 . This report was made in a location-based analysis from information obtained through documentation of utility consumption in our own buildings. All leased locations are excluded from

this measurement. We do not have access to electricity supplier emission factors or residual emissions factors which would allow us to report on market-based figures.

Scope 3

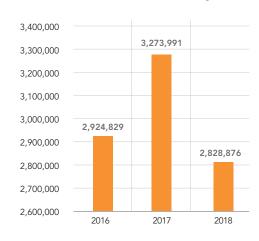
We assessed the air travel of our employees, which was calculated based upon the locations of airports, to calculate emissions based upon the actual distance traveled, based on the Carson Wagonlit Travel (CWT AnalytlQs). During 2018, our CO $_2$ emissions from air travel generated in U.S. operations were 2,828,876 kg CO $_2$ e. For rail travel, this value was 1,622 kg CO $_2$ e.

Water consumption

We are not a water-intensive user, but we intend to evaluate water-related issues and opportunities to prevent resource depletion and reduce our ecological footprint. We have begun to consolidate the measurement of water usage within our building facilities and have implemented awareness activities with our employees. With the coming renovation of the headquarters campus, we expect to minimize water consumption in our everyday operations.

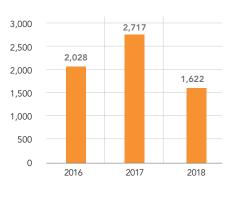
CO₂ emissions from air travel

In U.S. 2016 – 2018 / measured in CO_2e Kg



CO₂ emissions from train travel

In U.S. 2016 – 2018 / measured in CO₂e Kg



Supply chain and customer relations

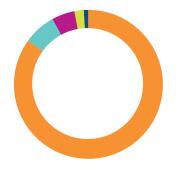
By being part of the value chain of thousands of companies worldwide, Kelly recognizes the importance of promoting and replicating our corporate values in the supply chain. Therefore, we value our customer and supplier relationships and work toward building strong relationships and lifelong advocacy.

Our supply chain

Our supply chain has two defined categories consisting of our third-party vendors and suppliers as well as our talent supply chain, which makes up a part of our workforce solutions. From a workforce solution supplier perspective, 85% are made up of Managed Service Providers (MSP), 7% support our Staffing Solutions, 5% our Recruitment Process Outsourcing (RPO/Perm) solutions, and 2% are Business and Professional Services (BPS) solutions. Up to 1% of our supply chain enables all sorts of solutions—the majority once again are MSP.

Our workforce solutions enable the placement of third-party labor to work for our customers in a variety of assignments, from office/clerical, light industrial, contact center, education, creative, and marketing, to lines of specialty service which focus on finance and accounting, engineering, IT, and science.

Workforce solution supplier



85% Managed Service Provider

7% Staffing Solutions

5% Recruitment Process Outsourcing

2% Business and Professional Services

1% Other solutions



Score and minimum requirements

Kelly screens its suppliers using two methods. On a basic level, we analyze contractual compliance with consideration given to client-directed suppliers. Additionally, we require proof of insurance coverage, relevant tax documentation, and completed relevant supplier agreement to include them in our client program. On a broader scale, we use the Supplier Performance Management process to initiate suppliers into a program, measure their performance, analyze the results of supplier performance, take actions to improve supplier performance, and put in place measures to control and sustain these improvements.

We have established an internal method that will be set in place during the third quarter of 2019 in order to conduct a risk assessment for suppliers that are identified as high risk to KellyOCG or to the client. The risk assessment is expected to evaluate strategic importance to the client program and supplier business resiliency to drive risk mitigation plans where needed.

KellyOCG global MSP presence

KellyOCG MSP programs
 Talent supplier network



GLOBAL OPERATION HUBS

APAC: Kuala Lumpur, Malaysia AMER: Troy, Michigan EMEA: Telford, UK

As reported to SIA

KellyOCG definitions

- Managed Service Provider (MSP) programs: Contingent workforce, integrating suppliers, and vendor management system (VMS) technology to bring visibility and control to contingent workforce. In addition to temporary staff, fully optimized solutions include a spectrum of non-company labor categories, such as Independent Contractors, Payroll Services, RFx/ Statement of Work (SOW) Services, Talent Pools, and Identity Management (IDM). Recruitment Process Outsourcing offers preeminent talent acquisition solutions that focus on the engagement and acquisition of full- or part-time talent through end-to-end, project-based, or selective talent acquisition functions.
- Business and Professional Services offers full staffing and operational management of business functions or departments, assuming full accountability and responsibility for outcomes that allow our clients to focus on their core business. Areas include contact centers/ help desk, lab management, engineering services, manufacturing/supply chain, and professional/administrative solutions.

Supplier Code of Conduct

At KellyOCG, the Outsourcing and Consulting Group of Kelly, we work closely with our partners and suppliers to ensure that they also meet our high standards of ethics and business conduct. We established a Supplier Code of Conduct, which prescribes general guidelines that must be ensured in business operations of our partners and suppliers—regarding ethical and professional conduct, employee and working conditions, human rights, and environmental sustainability. This Code of Conduct is aligned to our values in service, integrity, and taking personal responsibility for actions, outcomes, and our global reputation. It is mandatory that our suppliers adhere to this Code of Conduct, and recommit to it prior to taking on a new task, which assures 100 percent acknowledgement from our workforce suppliers.

The Kelly Supplier Code of Conduct addresses the following areas:

Ethical and professional conduct

KellyOCG expects its partners and suppliers to be committed to doing the right things, conducting themselves in a legal, ethical, and trustworthy manner, to uphold regulatory obligations, and to comply with both the letter and the spirit of applicable laws and business policies.

Employees and people

KellyOCG expects its partners and suppliers to help protect, support, and prepare workers for successful careers and to advocate on their behalf. This includes, but is not limited to, providing career opportunities and resources to the global workforce, and leading by example in areas such as workplace health & safety, employment conditions, diversity, and inclusion.

Human rights

KellyOCG, in all contexts, seeks ways to honor the principles of internationally recognized human rights, even when faced with conflicting requirements. We expect our partners and suppliers to respect all internationally proclaimed human rights and strive to ensure that they are not complicit in any human rights abuses.

Environment sustainability

KellyOCG expects its partners and suppliers to take due account of the need to protect the environment, public health & safety, and generally to conduct their business activities in a manner that contributes to the wider goal of sustainable development.

The ethical business conduct of our partners and suppliers forms an integral part of our purchasing and partnering decisions. Therefore, it is our aspiration that the standards of our partners and suppliers regarding business ethics will be as rigorous as our own.

We expect our partners and suppliers to replicate these standards further down the supply chain and encourage them to drive similar corporate citizenship commitments from organizations comprising their own respective supply chains. The Supplier Code of Conduct is therefore made available publicly to all stakeholder communities with the goal of strengthening our mutual understanding of how ethics and sustainability should be practiced in day-to-day business.



We hold our suppliers to the same high level of accountability to which we hold ourselves. We seek to engage with workforce suppliers that abide by

Supply chain accountability and social assessment

to engage with workforce suppliers that abide by socially responsible business practices enumerated in the Supplier Code of Conduct, and that adhere to the professional code of conduct outlined by the World Employment Confederation (WEC).

The contractual compliance of suppliers is regularly audited by Kelly's Supplier Chain Enablement Team. This team monitors and communicates notifications of pending noncompliance to client program teams, following the internal supplier breach report process. Worker compliance with client requirements is audited and communicated to the client program teams through the worker on-boarding process. Contractual noncompliance may result in the inactivation of a supplier from

receipt of additional job requisition and can lead to termination from the Kelly client program.

Supplier performance is regularly monitored by the client program through the scorecards process. The client program team identifies low-performing suppliers based upon analyzed rankings and the benchmarking process. If a supplier is not meeting minimum performance expectations, an action-planning process is put in place to enhance its performance. However, if a supplier fails its performance plan, an off-boarding process is initiated.

Supplier Social Assessment is monitored based on standards fulfilled by our suppliers and partners to comply with all topics covered in the Supplier Code of Conduct. Adherence to this agreement by 100 percent of our workforce suppliers is mandatory

and must be recommitted to prior to any new task being assigned through a client. Currently, the supplier risk assessment does not include social impact risks. However, we are in the project phase of evaluating the current state of good practices so that we may integrate tools and processes that evaluate and test social impacts.

Supplier recognition

Kelly recognizes performance and good practices. Every year, KellyOCG hosts the Supplier Excellence Award: a global event that recognizes contingent labor suppliers who have met the performance, program, spend, compliance, and qualitative program relationship criteria and have shown consistently excellent results throughout the year in helping Kelly meet and exceed the needs of our clients.

In 2018, **100%** of our active suppliers committed to our Supplier Code of Conduct.

Diverse supplier strategy

Kelly has a long history of diversity, inclusion, and engagement—beginning with our founding in 1946 and our employment of women. It is a longstanding Kelly policy to provide equal employment opportunity in recruitment, selection, training, compensation, promotion, job transfer, and assignments.

We understand that diversity and inclusion don't just happen; they must be an everyday consideration, and we demonstrate our commitment to diversity and inclusion through our participation in, and support of, a wide variety of initiatives and organizations.

Each of our initiatives helps us increase the diversity of our talent pool and understand the factors to hire a wide range of differing employees. These initiatives are one reason Kelly earned an outstanding score of 100 in the 2018 Corporate Equality Index—a national benchmarking survey of corporate policies and practices relating to lesbian, gay, bisexual, transgender, and queer (LGBTQ) workplace equality, administered by the Human Rights Campaign Foundation.

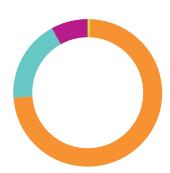
Our **Diversity Recruitment Strategy** is built on the following foundational approaches:

- Knowledge: We use advanced labor intelligence tools to help us understand variations in the demographic makeup of the labor market. The data, combined with trending and forecasting intelligence, allows us to more strategically target and attract a diverse pool of job seekers.
- Reach: It is essential that our job opportunities reach a diverse audience of job seekers. In today's globalized and interconnected world, we make every effort to meet diverse candidates where they are when they begin to search for jobs.
- Customized approaches: We have partnered with our customers to create and execute diversity recruitment action plans. These plans include building relationships with specific area organizations that support diverse talent, promoting our job opportunities via postings on niche job boards, or hosting specialized recruitment events.

The Kelly Supplier Diversity Development (SDD) Team helps customers create greater diversity in their workforce and in their corporate sustainability strategies. We have implemented a multidimensional approach to ensure diversity and inclusion practices with our suppliers and workforce in all markets where we operate. These programs drive business success for customers, and also provide development, growth, and revenue opportunities for our strategic suppliers.

We are dedicated to building, sustaining, and optimizing strong partnerships with a diverse supplier base—a reflection of our longstanding commitment to equal opportunity for all businesses. We leverage hundreds of diverse staffing organizations around the globe as both partners and subcontractors in support of our customers' various diversity initiatives.

In 2018, our global network reached more than 500 diverse suppliers. We have contributed nearly \$4 billion toward the development of a sourcing strategy where diverse suppliers can compete and enhance their business opportunities in servicing our supply chain. Our diversity and inclusion program promotes economic sustainability of minority communities through investments in training and engagement. The percentage of our diverse supplier engagement is as follows:



74% minority-owned business enterprise18% women-owned business enterprise7.9% small business administration0.10% representation from LGBTQ community

Evaluation, communication, and reporting

We recognize that communicating and reporting a company's strategy and performance helps to demonstrate openness and transparency. Our interest is to be accountable and responsible for our actions and reputation. We are committed to having continual communications with our interest groups so that we can implement diverse communication channels to inform internal and external stakeholders about our performance.

Internal communications

Internal communications to our employees are reported through two main channels: Kelly Intranet and the AVA system. Our company Intranet facilitates the easy sharing of and access to information, connecting different work teams to trending topics occurring in the company and the industry. Some of our internal communication portals are Kelly news; industry news; and leadership message, to communicate information from the top management level to all employees; and need-to-know messages, to inform them about the latest policies, best practices, and initiatives.

External communications

Following international standards, our external communication helps us monitor and inform our external audiences, including customers and clients, about our performance. We also participate in external assessments such as the EcoVadis and the Carbon Disclosure Project (CDP), which provide consistency in measuring our internal performance as well as validating our success in strategy implementation.

 EcoVadis and the Carbon Disclosure Project (CDP) have helped us to align our social responsibility initiatives to the expectations of our customers in order to report results accurately.
 Our 2018 EcoVadis Score locates our company in the "Silver" category of suppliers; we have been recognized in the top five percent in Fair Business Practices among 400 suppliers evaluated in our industry worldwide.

We participate in the CDP (formerly known as the Carbon Disclosure Project) questionnaire, which evaluates Fortune 500 companies on their greenhouse gas emissions. Kelly is proud that its environmental performance ranks well above the industry average.

- GRI: Standard. The Global Reporting Initiative helps us to understand and communicate our sustainability performance and strategy on critical sustainability issues such as climate change, human rights, governance, and social well-being.
- UN Global Compact. Beginning in 2019, we will communicate our Corporate Sustainability strategy based on the ten principle-based framework under the UN Global Compact report.
- NASDAQ 2018 annual report. As a public Company, we are committed to full compliance with the U.S. Securities and Exchange Commission's Regulation FD (Fair Disclosure). We file this information annually, which may be accessed by the public at sec.gov. This report contains information and statements regarding public business financial reports and operational strategy.

Transparency and integrity line

We have established an integrity line for employees and customers who may encounter what is believed to be a potential violation of our business code of conduct or a violation of local laws or regulations. Inquiries and reports on unethical behavior follow a confidential process and can be reported to Kelly Services' Business Conduct and Ethics Reporting Program at 877.978.0049 or https://www.integrity-helpline.com/kellyservices.jsp.

Kelly prohibits and will not tolerate any type of retaliation against any individual who reports concerns in good faith that may violate our values and principles. We will conduct an investigation promptly and fairly to ensure anonymity, and then take appropriate action.

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Materiality process

Our approach

In January 2018, we conducted our first materiality assessment to identify stakeholders' expectations and prioritize the most relevant topics related to our corporate sustainability strategy. This process was analyzed with 238 internal and external stakeholders from more than 10 countries where we operate.

The materiality assessment helped us validate our Corporate Sustainability policies and informed us about the areas it prioritizes, following the Global Reporting Initiative Standard. We plan to conduct this process every two years, or as deemed necessary.

Identification of selected stakeholders

The stakeholders were identified considering: the number of social dialogues and interactions with a specific group of interest; the level of influence on the type of business, industry, and business sector; and the direct beneficiaries and consumers of our products or services.

We selected a group of representatives from both key internal and external stakeholders, including workers, customers, consumers, community members, and value chain vendors and suppliers. To ensure variety in this group, we invited administrative and non-administrative representatives from neighboring communities and local businesses in areas where we operate.

Included were suppliers; industry unions; local authorities such as regulatory bodies and industrial associations; NGOs with an interest in our line of business; and customers. In this process, we worked closely with as many stakeholders as possible from differing backgrounds, especially those with strategic roles or in senior leadership positions.

Identification of the most material topics and their boundaries

The materiality assessment started by reviewing a list of the most material topics related to our business, considered in external standards such as the GRI, EcoVadis Assessment, CDP, Sustainable

Development Goals, UN Guiding principles of Human Rights, UN Global Compact, and the World Employment Confederation.

We identified 16 of the most relevant topics, which were evaluated against two dimensions: relevance for stakeholders, and their impact on the business strategy. Each topic was analyzed through 61 consultations—including interviews, focus groups, and online surveys of the selected group of stakeholders. The identification of the most material topics and their boundaries followed a prioritization process based on a risk assessment analysis.

Considering Kelly's worldwide business outreach and the material topics identified through the materiality assessment process, the boundary for each of the identified topics is considered to be global. Therefore, the company has established standardized global practices for partners and suppliers worldwide to ensure compliance and address issues at a local level.



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Prioritization of the most material topics

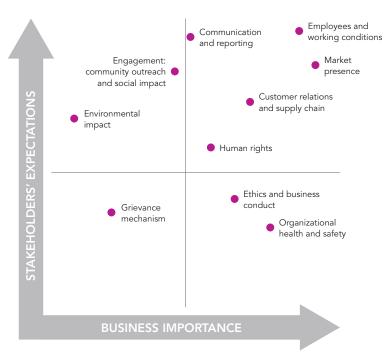
We scored each topic in regard to three factors: first, stakeholders' perceptions regarding the frequency of issues raised, as well as their variety, relevance, and level of power. Second, the severity of impact on stakeholders. Third, the level of risk associated with our business operations.

This analysis helped us identify how each topic was rated, considering its level of associated risk and the level of management from the company. The issues rated highest priority were prioritized both in their significance to our stakeholders and their level of impact on our business strategy.

Responses to each topic were descriptively analyzed, facilitating their interpretation considering whether their level of associated risk was high, medium, or low, and whether the businesses would be impacted in a positive or negative manner. Some of the most material topics are well-managed by the company, however it is necessary to continue to guarantee high standards regarding those topics as they may imply a higher risk if not well-managed.

The materiality assessment prioritized the following ten most significant topics that help us remain "in accordance" with the Global Reporting Initiative GRI: Standard report.

Materiality



The materiality matrix was revised with our stakeholders to define the six principles in which we guide our Corporate Sustainability strategy and this reporting content. The six pillars are defined as follows:

- 1. Employees and people
- 2. Ethics
- 3. Engagement
- **4.** Occupational health & safety, and environment
- **5.** Supply chain and customer relations
- **6.** Communication, evaluation, and reporting

Stakeholder engagement

Our approach

We recognize the importance of engagement with our stakeholders for a better understanding of their concerns, helping us deliver an effective and valuable Corporate Sustainability Strategy. Our latest materiality assessment provided a formal engagement process to identify the most material issues from both internal and external stakeholders. This process also helped us to leverage dialogue with our stakeholders, identify their main concerns, and establish how we may respond to address those issues in the short, medium, and long term, regarding the impact and influence of our business operations.

Prior to this process, Kelly had responded to stakeholders through a variety of initiatives and activities directed toward our customers, suppliers, and communities where our offices are located. However, the materiality assessment allowed them to participate in a two-way engagement process where feedback on our relationship and influence on material issues was provided. This is a valuable process that we expect to conduct at least every two years.

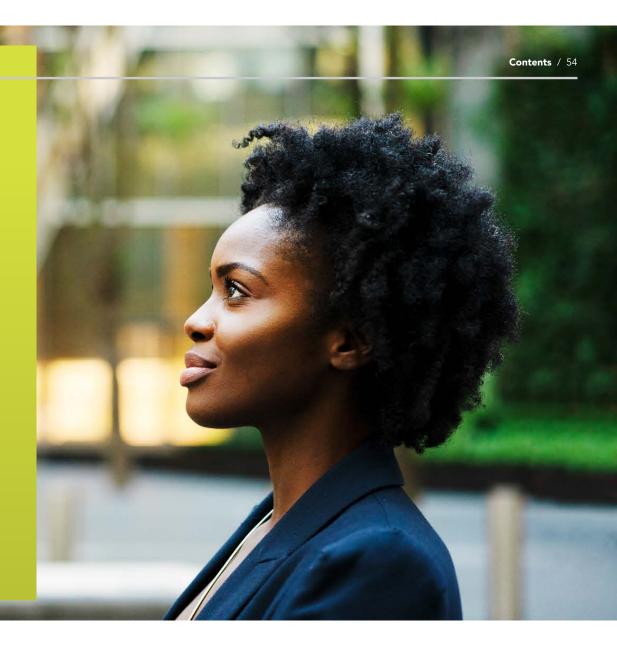
The following matrix presents the most relevant issues raised by our stakeholders and our responses in addressing them.



STAKEHOLDER VALUES	STAKEHOLDERS ENGAGED	POSSIBLE IMPACT TO STAKEHOLDERS IF VALUES ARE NOT ADDRESSED	HOW WE ADDRESS ISSUES AND CONCERNS
Employees and working conditions	Kelly leadership, Kelly employees, Suppliers, Customers	Child and forced labor are themes of very high sensitivity. The company has established internal policies and procedures to minimize its occurrence and guarantee good working conditions for all employees. However, if there is a single issue related to child or forced labor, the company may be affected in terms of business, exposing it to an immediate closure of operational activity.	 a. We have in place several procedures and guidelines to control any case related to child and forced labor as much as possible. b. We have implemented internal policies and procedures to guarantee transparency regarding salaries throughout our compensation system.
Customer relations and supply chain	Kelly leadership, Kelly employees, Suppliers, Customers	Suppliers may be affected in case of not meeting the requirements to operate. Likewise, employees and customers may be highly affected if the company does not have internal effective procedures to address possible cases of discrimination within its operations. This may not only affect its reputation but may expose the company to noncompliance with laws and regulations.	 a. We have implemented internal policies and practices to promote and replicate our corporate values and standards with all our employees, customers, and collaborators. We comply with the Slavery Act UK to prevent and address cases of forced labor in our supply chain. b. We have implemented internal guidelines to ensure and expand our diversity and inclusion practices along the supply chain. c. We work closely with our customers and partners to ensure compliance with our business Code of Conduct, work towards a stronger relationship with our customers worldwide, and guarantee all internal guidelines in our value chain.
Human rights	Kelly leadership, Kelly employees, Suppliers, Customers	Employees rights may be violated if there is a limitation to associate.	We have stated a human rights policy in our employee handbook and our Code of Conduct that recognizes, among other topics, our employees' right of freedom of association. However, we have not identified a unionist employee association in our U.S. operations, nor in the industry.
Engagement: community outreach and social impact	Kelly leadership, Kelly employees, Suppliers, Customers, NGOs	Social impact initiatives have been historically reactive and not aligned to the company's core strategy.	Since 2017, we have implemented a transformative approach of our Social Responsibility programs towards a Corporate Sustainability Strategy. This strategy considers a more strategic engagement of our social impact and community engagement, focused on three specific areas: i) diversity and inclusion; ii) Talent, skills, and training for labor; iii) vulnerable communities and reinsertion to the workforce. It is also aligned to the UN Sustainable Development Goals.
Market presence	Kelly leadership, Kelly employees, Suppliers, Customers	Challenges in adaptability of stakeholders to respond to new labor requirements.	We have implemented a strategy to constantly analyze and respond to new market trends: i) Embracing the future of work, ii) Being the destination for top talent, iii) Investing in technology for innovation and efficiency, iv) Leading in our chosen markets via scale or specialty.

STAKEHOLDER VALUES	STAKEHOLDERS ENGAGED	POSSIBLE IMPACT TO STAKEHOLDERS IF VALUES ARE NOT ADDRESSED	HOW WE ADDRESS ISSUES AND CONCERNS
Communication and reporting	Kelly leadership, Kelly employees, Suppliers, Customers, NGOs	Inadequate information may lead to mistakes and increase risks.	Since 2018, the company has reported its sustainability strategy following the international standardized reporting Global Reporting Initiative-GRI: Standard. Additionally, in February 2019, the company signed the UN Global Compact to disclose reporting based on the Communication of Progress.
Ethics and business conduct	Kelly leadership, Kelly employees, Suppliers, Customers, NGOs	A bribery or corruption practice may not only affect the corporate reputation and license to operate but expose the company to civil and/or criminal liability, and undermine the trust from our customers, shareholders, and community.	We are committed to abiding by all applicable laws in the countries where we operate. We comply with the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, as well as all other country specific anti-bribery and anti-corruption laws. We have implemented a Code of Business Conduct and Ethics to help us to recognize and address ethical issues, deter wrongdoing, and provide mechanisms to report any concern, fostering a culture of honesty and accountability.
Organizational health & safety	Kelly leadership, Kelly employees, Suppliers, Customers	The perception that OH&S conditions are only ensured for temporary employees can create a negative working environment for full-time employees and can increase the risk of accidents in the workplace.	We have set standardized internal guidelines with our customers, partners, and suppliers regarding OH&S, to guarantee proper working conditions for all temporary and full-time employees.
Environmental impact	Kelly leadership, Kelly employees, Suppliers, Customers, NGOs	There is a disconnect regarding environmental practices from the majority of employees. It may affect the implementation of those initiatives in the long term.	We have set internal procedures to measure our ecological footprint, and to reduce the environmental impact of our business through education in preservation, conservation, and waste reduction practices.
Grievance mechanism	Kelly leadership, Kelly employees, Suppliers, Customers	Retaliation may lead to hostile work environments, affecting not only the corporate reputation but also its relationship with customers, employees, and the community.	We have established a formal complaint process that can be used by any internal or external stakeholder respecting anonymous and safe procedures, to report any inappropriate behavior or situation in the workplace that involves violence, threats, bullying, intimidation, or harassment. Contact Kelly Services' Business Conduct and Ethics Reporting Program at 877.978.0049 or https://www.integrity-helpline.com/kellyservices.jsp. For Europe: https://kellyserviceseu.alertline.com/gcs/welcome

UN Global Compact Commitment



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Our approach

Kelly recognizes the importance of actively working towards the achievement of UN Sustainable Development Goals (SDGs) and the 2030 Agenda for Sustainable Development. Our Corporate Sustainability policy is based on six pillars that are aligned with these Sustainable Development Goals. This policy sets out guidelines and strategies to ensure universal principles of human rights, labor, environment, and governance to advance societal goals. We are signatories, since February 2019, to the UN Global Compact and expect to report our progress based on its ten principles.





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Sustainable Development Goals



End poverty in all its forms everywhere. We are committed to securing dignity and equality for all our workers.



Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. We ensure fair working conditions for all our workers across our operations and value chain. We partner with our customers and suppliers to guarantee that our corporate strategies ensure nondiscrimination, inclusion, diversity, equal opportunities, healthful workplaces, freedom of association, and the right to collectively bargain.



Ensure sustainable consumption and production patterns. We have implemented a Supplier Code of Conduct to guarantee compliance with business best practices across our supply chain in all countries where we operate.



Ensure healthy lives and promote well-being for all at all ages. Beyond the basic compliance for ensuring occupational health and safety, we invest in positive advances toward guaranteeing health and well-being at workplaces



Build resilient infrastructure, promote inclusive and sustainable industries, and foster innovation. Our value chain spans many different business sectors worldwide. We have expertise from more than seven decades supporting companies of all sizes and from different industries in their staffing and talent consultant services. We are proud of this legacy and will share best practices with our collaborators to innovate and promote sustainable practices that respond to trends and challenges in the industry.



Take urgent action to combat climate change and contribute to reducing its impacts. We have set our greenhouse gas emission reduction targets and we participate in formal disclosure commitments to communicate our progress.



Ensure inclusive and equitable quality education, and promote lifelong learning opportunities for all. We Invest in education to develop a more skilled workforce, increase productivity, and drive business growth.



Reduce inequality with and among countries. We are committed to guaranteeing good working conditions for workers, customers, and suppliers worldwide, and to increase working and business opportunities for a more inclusive value chain.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels. We have implemented a Business Code of Conduct and Ethics to guide our actions and help us to deter any wrongdoing and to ensure good governance, transparency, accountability, anti-corruption, and anti-bribery practices.



Achieve gender equality and empower all women and girls. Gender equality is a fundamental human right. We have the responsibility to ensure a workplace that ensures nondiscrimination and observes sexual harassment policies. We also support inclusive business models that invest and promote women's economic empowerment.



Make cities and human settlements inclusive, safe, resilient, and sustainable. Through our engagement practices we promote community development to achieve this goal.



Strengthen the means of implementation and revitalize the global partnership for sustainable development. We believe that our combined efforts can lead to a more sustainable world. We engage with local communities where we operate to support in addressing their most important societal issues. Working in partnership with them can lead to a greater impact.

About this report



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Scope

This report conveys our corporate sustainability performance for the 2018 fiscal year, in accordance with our alignment with the UN and following international reporting standards on sustainability and Sustainable Development Goals. Previous communications were transmitted through the Corporate Social Responsibility publications, both in 2015 – 2016 and in 2016 – 2017.

For 2018, we implemented a strategy of Corporate Sustainability aligned with the topics most relevant to our stakeholders' expectations as well as to the core of our business. This report announces a new strategy toward a reporting standard that is more international in nature, which will help us monitor our sustainability performance against the industry, on a global scale. Therefore, the report's scope focuses on our internal operations, extending to our supply chain and business partners, who support our operations worldwide.

All data has been collected by the sustainability team in collaboration with other operational areas of the organization. The data has been revised, with estimations clearly denominated. Any assumptions in the description have been specified in the content or index section. The report presents both the positive results of our sustainability strategy, as well as the main challenges and drawbacks we must overcome in order to ensure the quality of information presented.

We continue to work on improving our data gathering, especially from business partners and customers worldwide.

Reporting standard

This report has been prepared in accordance with the GRI Standards: Core Option. It is presented as the first Kelly Services sustainability report that enumerates our actions in addressing the most relevant economic, environmental, and social impacts of our business performance in accordance with the expectations of our stakeholders. In February 2019, we became signatories to the UN Global Compact. Our annual sustainability report will comprise part of the Communication of Progress (COP) for the UN Global Compact.

Report structure

This report is based on the six pillars of our corporate sustainability strategy. Each pillar describes internal policies, procedures, initiatives, and main achievements in communicating how we respond to our performance.

- Employee and people
- Ethics
- Engagement
- Organizational health & safety and environment
- Supply chain and customer relations
- Communication, evaluation, and reporting

In January 2018, we conducted a materiality assessment and embarked on a formal stakeholder engagement process, which helped us to frame the report and communicate about the performance of our corporate core, based on our stakeholder needs. Since we are a company of global reach, the topics covered here are global in scope, unless specified otherwise.

Any concerns or feedback?

If you have any questions or would like further information about our latest work in sustainability, please contact: **sustainability@kellyservices.com**.



GRI matrix

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
GRI-Foundation			
GRI-Foundation	101	Reporting principles and standards	Reporting principles, standards, and content are described here: About this report
Organizational Profile			
Organizational Profile	102-1	Name of the organization	Kelly Services, Inc. KELYA
	102-2	Activities, brands, products, and services	Kelly is a workforce solutions leader delivering staffing solutions and talent management for a variety of industries and companies worldwide. Our services span outsourcing, consulting, recruitment, talent advisory, career transition, and vendor management services. We do not provide services that are banned in certain markets.
	102-3	Location of Headquarters	Global and U.S. headquarters: 999 West Big Beaver Road, Troy, Michigan 48084 EMEA Headquarters: Av. Edouard-Dubois 20, CH-2006 Neuchatel, Switzerland APAC Headquarters: 36 Robinson Road, #20-01 City House, Singapore 068877
	102-4	Location of operations	Our global operations serve 55 countries worldwide in three regions: Americas; EMEA-Europe, Middle East, and Africa; APAC-Asia Pacific: Global MSP presence
	102-5	Ownership and legal form	Kelly Services is a public company traded on the Nasdaq stock exchange under stock ticker symbols KELYA and KELYB. Our legal business structure is designated as a C Corporation: <u>Annual Report 2018</u>
	102-6	Markets served	 Market presence: 9 countries in the Americas (AMER); 32 countries in Europe, the Middle East, and Africa (EMEA); and 14 countries in the Asian Pacific (APAC).
			 Kelly supports any size and type of organizations, in all industries, mainly focused on energy, life sciences, consumer brands, industrial/manufacturing, and financial services/insurance.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Organizational Profile	(continued)		
	102-7	Scale of the organization	Total number of employees: 7,900: <u>By the numbers</u>
			Main products/services and operations: Global MSP presence
			Net revenue in 2018 was \$5.5 billion: <u>Annual Report 2018</u>
			Financial statements specifying total capitalization, debt and equity, provided in the annual financial report: <u>Annual Report 2018</u>
	102-8	Information on employees and other workers	Total number of permanent and temporary employees by gender and region: Employees and people Number of temporary workers are variable based on client needs and are estimated based on the annual average. Total number of full-time and part-time employees by gender: Employees and people Kelly's activities are performed by direct or temporary employees.
	102-9	Supply chain	Our supply chain has two defined categories. First: our third-party vendors and suppliers. Second: our talent supply chain, part of our workforce solutions. In our second category our main services are: 1.Workforce solution supplier; 2.Managed Service Provider (MSP), integrating our suppliers and vendor management system (VMS); 3. Recruitment Process Outsourcing (RPO); 4. Business and professional services; and 5. Temporary Staffing which includes a spectrum of non-company labor categories, such as Independent Contractors, Payroll Services, RFx/Statement of Work (SOW) Services, Talent Pools and Identity Management (IDM): Supply chain and customer relations
			Our worldwide operations required our customers and suppliers to follow our global business standards on working conditions, governance, OH&S and Environment: <u>Supplier Code of Conduct</u>
	102-10	Significant changes to the organization and its supply chain	Insignificant changes in organization structure during 2018. Recent acquisitions include: NEXTGEN and GTA. Sells: Kelly Healthcare Resources to InGenesis. Kelly Legal Managed Services to Trustpoint One. Resources from the sale would support the investment in other areas in which Kelly specializes. Investments: Kelly Innovation Fund invested in Kenzie Academy. Kelly also invested in Business Talent Group.: By the numbers, Annual Report 2018, Mergers and Acquisitions
	102-11	Precautionary principle or approach	Kelly has set internal policies and guidelines to minimize its environmental impacts. However, Kelly does not have a specific policy as it pertains to the precautionary principle.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Organizational Profile	(continued)		
	102-12	External initiatives	1. External institutions and principles: • The World Employment Confederation -WEC https://www.wecglobal.org/ • Corporate Equality Index https://www.hrc.org/campaigns/corporate-equality-index • EcoVadis https://www.hrc.org/campaigns/corporate-equality-index • EcoVadis https://www.hrc.org/campaigns/corporate-equality-index • RecoVadis https://ir.kellyservices.com/financial-information • U.S. Americans with Disabilities Act. U.S. Foreign Corrupt Practices Act https://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act • General Data Protection Regulation https://www.kellyservices.com/global/siteassets/3-kelly-global-services/files/uk-modern-slavery-transparency-act-statement-revised.pdf • UN Global Compact https://www.unglobalcompact.org/
			 2. External initiatives we endorse through our community outreach program: Kenzie Academy https://www.kenzie.academy/ HAVEN program; Compass; Future Scientists Program and Scholarship; Future Engineers Program and Scholarship; March of Dimes; United Way; Engagement
			3. Environmental initiatives: The Outstanding Building of the year (TOBY) Award; EPA Energy Star; Building Owners and Management Association (BOMA) 360 Performance Program: Environment ; Carbon Disclosure Project (CDP): Environment
			4. Supply chain initiatives and principles: <u>Supplier Code of Conduct</u> ; Supplier Diversity Development Team: <u>Supplier diversity</u>
			5. <u>Diversity and Inclusion affiliations</u>

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Organizational Profile	(continued)		
	102-13	Memberships of associations	Kelly works to advance the interests of the staffing industry and its customers through our involvement in local, state, national, and international organizations. We are a founding member of the American Staffing Association (ASA). Members of the World Employment Confederation (formerly CIETT). Since 2018, we are partners of IPSE-U.S. Since 2019, we are signatories to the UN Global Compact.
Strategy			
Strategy	102-14	Statement from senior decision-maker	Message from our President and CEO
	102-15	Key impacts, risks, and opportunities	Message from our President and CEO, Q&A on our new Corporate Sustainability Strategy, Annual Report 2018
Ethics and integrity			
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	Our Vision, Values, Character Our Corporate Sustainability Policy Our norms of behavior: Code of Business Conduct and Ethics, regarding global practices in labor conditions, human rights, governance principles, transparency, accommodation policy, and anti-harassment policy: Supplier Code of Conduct. Equal employment opportunity policy and affirmative action: https://www.kellyservices.com/global/about-us/company-information/eeo-policy/.
	102-17	Mechanisms for advice and concerns about ethics	<u>Code of Business Conduct and Ethics</u> , regarding conflict of interest; anti-bribery/anti-corruption; insider trading; confidential and customer data privacy. <u>Supplier Code of Conduct</u> , regarding ethical and professional conduct.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Governance			
Governance	102-18	Governance structure	Executive Leadership and Senior Leadership at: https://www.kellyservices.com/global/about-us/company-information/Kelly-leadership/ Board of Directors: http://ir.kellyservices.com/corporate-governance/board-of-directors
			The Corporate Governance and Nominating Committee: responsible for determining the competencies and personal attributes required of director nominees and for making recommendations to the Board.
			The Compensation Committee: shall annually oversee, evaluate, and present to the committee achievements of performance objectives for the Chief Executive Officer.
			Each Committee shall have a written charter of responsibilities, duties, and authorities, which shall be reviewed at least annually by the Board. Each Committee shall report to the full Board with respect to its activities, findings, and recommendations after each meeting held. The Board has the authority to form additional committees for such purposes as it deems necessary.
			Additionally, the Sustainability Governance Committee oversees the implementation of the Corporate Sustainability Strategy for social and environmental impacts.
	102-19	Delegating authority	The Board of Directors has delegated authority to the Sustainability Governance team for structuring and overseeing the Corporate Sustainability Strategy. This team is responsible for monitoring and communicating environmental and relevant social topics, creating strategies for addressing them in a timely and appropriate fashion.
	102-20	Executive-level responsibility for economic, environmental, and social topics	The Sustainability Governance Team has delegated responsibility for analyzing and implementing economic, environmental, and social initiatives to Tim Dupree, Vice President & Managing Director - Global Services and Belen Benitez, Corporate Sustainability Lead, Global Services: <u>Q&A</u>
	102-21	Consulting stakeholders on economic, environmental, and social topics	In January 2018, we conducted our first formal stakeholder engagement process, helping us understand the most relevant concerns from our stakeholders and how we can appropriately respond, considering our business core and approach to sustainability. This consultation process was delegated to our Sustainability Lead and reviewed by Management and Leader executives at Kelly Services, Inc.: Stakeholder engagement , Materiality

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response		
Governance (continue	Governance (continued)				
	102-32	Highest governance body's role in sustainability reporting	The Corporate Sustainability Lead is responsible for managing information presented in this report and for overseeing the organization's sustainability performance. The Sustainability Governance committee will review the final version of the sustainability report before its publication.		
	102-36	Process for determining remuneration	Kelly has a global compensation philosophy that sets internal policies that guarantee transparency and equitable compensation to all employees: <u>Global compensation philosophy</u>		
Stakeholder engagem	nent				
Stakeholder engagement	102-40	List of stakeholder groups	The engagement process was represented by a group of 238 internal and external stakeholders, including customers; employees and staff; suppliers and labor Industry organizations; nonprofit organizations; local communities directly impacted by our business; government and regulatory agencies; shareholders and investors; and external assessment agencies: Stakeholder engagement , Materiality		
	102-41	Collective bargaining agreements	Kelly Services has not identified a labor unionist industry organization in any of our markets. No Kelly team members are currently covered by a collective bargaining agreement.		
	102-42	Identifying and selecting stakeholders	The stakeholders were identified considering the following criteria: 1. Number of social dialogues and interactions with the group of interest 2. Direct influence on the type of business, industry, business sector 3. Direct beneficiaries of our products or services 4. Areas of influence: i.e., neighboring communities, local businesses 5. Public organizations such as regulatory bodies, industrial associations, among others 6. Nonprofit organizations with an interest in our line of business 7. Our consumers 8. Our value chain Stakeholder engagement, Materiality		

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Stakeholder engagem	ent (continue	d)	
	102-43	Approach to stakeholder engagement	We recognize the importance of engaging with our stakeholders for a better understanding of their concerns, which could help focus our sustainability strategy on high-priority issues. Our latest materiality assessment served as a formal engagement process for identifying the most material issues covered in this report. This process is expected to be done on a biannual basis. Previously to this process, Kelly had responded to stakeholders, formally and informally, through differing approaches toward customers, suppliers, and communities where our offices are located: Stakeholder engagement , Materiality
	102-44	Key topics and concerns raised	The Stakeholder Engagement Matrix presents the top ten issues raised, main concerns from specific stakeholders, impact on stakeholders, and how the organization has responded to those key topics: Stakeholder engagement , Materiality
Reporting Practice			
Reporting Practice	102-45	Entities included in the consolidated financial statements	A list of wholly owned subsidiaries and entities are included in the organization's financial statements: <u>Annual Report 2018</u>
	102-46	Defining report content and topic boundaries	The report's content is presented based on our materiality assessment, which prioritized the ten most relevant topics considering our business core and relevance for stakeholders. The rating process scored a variety of topics based on how frequently they were raised by certain stakeholder groups. The relevance criteria helped to identify the level of authority that the stakeholder has over each topic. Considering our worldwide operational outreach, the boundaries for each topic are considered to be global: Materiality
	102-47	List of material topics	The following topics presented in the materiality matrix are identified as the most material: 1. employees and working conditions; 2. market presence; 3. customer relations and supply chain; 4. human rights; 5. engagement: community outreach and social impact; 6. communication and reporting; 7. ethics and business conduct; 8. organizational health & safety, 9. grievance mechanism; and, 10. environmental impact: Materiality
	102-48	Restatements of information	This document is presented as the first Kelly Services sustainability report in accordance in International reporting standards -GRI. This is not a restatement of information from previous reports following the same methodology.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Reporting Practice (co	ntinued)		
	102-49	Changes in reporting	Prior to this report, the company has communicated its commitment and activities aligned with its Corporate Social Responsibility strategy in previous annual reports: 2014 – 2015 and 2016 – 2017. The main change in reporting is that this sustainability report is aligned following international standard for sustainability - GRI Standards, and responds more strategically to the organization's economic, environmental, and social impacts. The report content is based on a materiality assessment conducted through a stakeholder engagement process in January 2018. This report also presents how our Corporate Sustainability Strategy is aligned to respond to the most pressing issues of our world, in consideration of UN Sustainable Development Goals: About this report
	102-50	Reporting period	This report represents Kelly Services' global operations and performance for fiscal year 2018 (January 1, 2018 to December 31, 2018): About this report
	102-51	Date of most recent report	Our latest Corporate Responsibility Report 2016 – 2017 was published in June 2017. Previous reports were not prepared following GRI principles and did not use an integrated reporting format: About this report
	102-52	Reporting cycle	Reporting cycle is on an annual basis, from January 1, 2018 to December 31, 2018: About this report
	102-53	Contact point for questions regarding the report	sustainability@kellyservices.com: <u>About this report</u> Kelly Services HQ 999 W Big Beaver Road Troy, MI 48084
	102-54	Claims of reporting in accordance with the GRI Standards	The report has been prepared in accordance with the GRI Standards: Core option: About this report
	102-55	GRI Context Index	GRI Index
	102-56	External Assurance	The general content of this report does not seek external assurance or validation. However, some of our social and environmental data is assured by external standards such as the Carbon Disclosure Project (CDP) and EcoVadis.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Management approac	:h		
Management approach	103-1	Explanation of material topics and their boundaries	The materiality assessment followed a process of risk assessment for identifying how the material topics were managed by the company and how the level of risk was perceived by stakeholders. Our economic impacts are related to the following material topics: employees and working conditions; market presence; customer relations and supply chain; human rights; ethics and business conduct; communication and reporting. Our social impacts are related to: employee and working conditions; customer relations and supply chain; human rights; engagement: community and social impact; organizational health & safety; grievance mechanisms; communication, and reporting. Finally, our environmental impacts are related to environmental concerns, namely, how to guarantee a low impact from our operations in the environment, as well as how to properly communicate and report this performance. Considering Kelly's worldwide business outreach and the topics identified through the materiality assessment, the boundary for this topic is considered as global, with certain exceptions explained throughout this report. Therefore, the company has established standardized global practices for partners and suppliers worldwide to ensure compliance and address issues at a local level.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Management appr	oach (continued)		
	103-2	Management approach and its components	 All material topics are analyzed and evaluated following internal principles, standards, and goals to ensure implementation in all areas and countries of operation. This analysis follows: Current status and policy gap analysis for each material topic Sustainability roadmap for each pillar (including an action plan for the period time of 2019 to 2021, to ensure implementation of initiatives per business unit, related to each topic) Evaluation of main goals, by the end of 2019, for analyzing performance implementation as well as high-level overview throughout the organization
			 Specific goals and targets relevant to material topics are: Employee working conditions: not identified yet, roadmap to be developed. Market presence: increase market presence. Customer relations and supply chain management: Sustainable procurement initiatives and directive designed and implemented by December 2019. 100% of workforce suppliers have signed and agreed to the Supplier Code of Conduct. Human rights: will be included in the sustainable procurement directive for supply chain management. In the case of Kelly full-time employees, we will keep working on the policy gap analysis to guarantee all human rights are
			 understood and minimize any case of violations. Ethics and business conduct: zero events of bribery and corruption identified in the reporting period. Organizational health & safety: zero working-related fatalities along our operations. Grievance mechanism: N/A
			 Communication and reporting: GRI sustainability report for 2018. Environmental Impact: do not exceed our operational carbon footprint during the remodeling process in comparison to 2017 baseline.
			 Engagement: community outreach and social impact: corporate volunteer program philosophy and guidelines. Program guidelines were launched on February 2019.
	103-3	Evaluation of the management approach	We have implemented the Corporate Sustainability Questionnaire, which assesses and evaluates our sustainable performance on a yearly basis. The tool evaluates our sustainability performance based on our strategic pillars and provides inputs on our goal achievements. This tool is also the main source of information for this report, as it includes verification sources and report on progress.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Economic standards			
Economic standards	201 - Economic Performance	Direct economic values generated and distributed	Kelly's economic value as well as financial implications and risk/opportunities disclosure can be found in our financial report. We do not have a risk and opportunity assessment specifically related to climate change: Annual Report 2018
		Defined benefit plan obligations and other retirement plans	Kelly offers two optional 401(k) plans for all employees in the U.S. to help save for their retirement. First, a 401(k) savings plan, where interested employees contribute a percent of their pay on a pre-tax basis, with Kelly offering to match those contributions. Second, a Retirement Plus (KRP) Plan, where interested employees enroll and manage their 401(k) plan, and may receive return rates for the fund associated with the Kelly retirement plans. Information about the organization's general resources and the Plan's liabilities are available in the financial report: Annual Report 2018
	202 - Market Presence	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Kelly does not track the total number of employees compensated based on minimum wage rules. However, we have established internal policies for our customers and supplier worldwide regarding adherence to local standards and rules on minimum pay, and to guarantee that employees are compensated accordingly. Within the U.S., our lowest hourly rate for non-exempt (hourly) employees is \$10.47.
		202-2 Proportion of senior management hired from the local community	A senior management position is referred to SVP and above upper-level positions. Kelly does not manage a percentage of employees in senior management positions at significant locations of operation that have been hired from the local community. For this reason, we do not have a definition for "significant locations of operation," nor a geographical definition of "local."
	203 - Indirect economic impacts	Infrastructure investment and services supported	Disaster recovery program contributed \$34,500 through the Kelly relief fund. This fund can increase its amount to support disaster recovery programs when there is critical need: <u>Disaster recovery</u>
		Significant indirect economic impacts	Total number of volunteer hours in 2018: 5,632; with participation of 10% of our workforce. Total annual contributions to social causes in 2018: \$142,000: Stakeholder engagement, UN Sustainable Development Goals

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Economic standards (continued)		
	204- Procurement practices	Proportion of spending on local suppliers	In 2018, our multidimensional strategy reached over 480 diverse suppliers across our global network. We invested nearly \$4 billion (\$1 billion in the U.S. only) to develop a sourcing strategy where diverse suppliers can compete and enhance their business opportunities in servicing our supply chain. Considering the worldwide market presence of our supply chain, the organization's definition of "local" is referred to each country of operation: Diverse supplier strategy
	205- Anti- corruption	Operations assessed for risks related to corruption	Kelly is committed to doing the right thing, conducting ourselves in a legal, ethical, and trustworthy manner. We have implemented a Supplier Code of Business Conduct (SCoC) which provides guidelines to our global suppliers and their employees, regarding anti-corruption and anti-bribery practices. 100% of our suppliers have signed the SCoC and are expected to understand and follow these procedures: Supplier Code of Conduct
		Communication and training about anti-corruption policies and procedures	We conduct annual training to all employees and communicate mechanisms to report any concerns or unethical conduct: Code of Conduct
			In 2018, 100% of our employees certified acknowledgement of understanding our "Code." This code is intended to serve as a guide; employees are encouraged to present their questions/concerns to the vice president, internal audit, the general counsel, human resources, or to the Kelly anonymous hotlines.
		Confirmed incidents of corruption and actions taken	We are not aware of any incidents of corruption.
	206- Anti- competitive behavior	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Notwithstanding our long history of effective compliance with laws and regulations, Kelly, as any other large corporation, is involved in legal matters in the ordinary course of its business. These matters are generally resolved favorably, with no material financial effect on the continuing operations of the business or our ability to serve our clients.
Environmental Standa	ards		
Environmental Standards	103	Management Approach	As a workforce and talent services provider, our environmental impact mainly relates to our office operations. We have a relatively small ecological footprint and we are committed to reducing our impact on the planet through education and implementation of internal practices that promotes preservation, conservation, and waste reduction: Environment

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response			
Environmental Stan	Environmental Standards (continued)					
	301- Materials	Materials used by weight or volume	Kelly is renovating its headquarters offices with consideration given to green building procedures that use environmentally friendly materials. This procedure follows procurement and purchasing standards on office supplies and building materials. However, we do not have measurements of composed materials in order to report on volume and weight: Facilities and materials			
		Recycled input materials used	Our recycled practices within our headquarters offices: Total weight recycled = 100.42 tons. Total weight of recycled content purchased = 6.20 tons, including toilet tissue and hand towels: Facilities and materials			
	302- Energy	Energy consumption within the organization	Our business operations are limited to office space, with a significant amount of personnel working remotely (online-based). We are proud to have several of our buildings recognized for outstanding environmental performance: Facilities and materials			
			We measure energy consumption within the organization based on the electricity and natural gas used in our headquarters offices, located in Michigan, United States. The Energy Consumption within our organization is measured by the Energy Usage Index (EUI) that analyzes the energy efficiency per building by year: Energy Usage Index			
			Direct energy consumption at the Corporate campus for 2018: 440.428 kBtus per square foot (note: source of verification and methodology for calculation based on utility bill data for Scope 2 and internal fuel consumption for Scope 1). Kelly participates in the annual CDP (Carbon Disclosure Project) which evaluates companies on their greenhouse gas emissions.			
		Energy consumption outside the organization	Although we operate in branches and lease offices outside of our headquarters, we are just able to report on consolidated electricity expenses for those offices. We expect to start consolidating measures on energy consumption outside the organization, in our lease and branch offices, in the next two years.			

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Environmental Stan	dards (continue	rd)	
	302- Energy (cont.)	Energy intensity	Because of the nature of our business and our flex job model, estimating our energy intensity ratio represents a challenge. Our energy consumption is reflected in Scope 1 and Scope 2 reporting emissions. However, additional to the 1,200 employees based in Troy, Michigan, a significant number of employees travel for office days to our HQ buildings, as well as a significant portion works remotely modifying the daily influx of employees and users at our locations. Therefore, our energy intensity ratio is calculated estimating the average number of employees present in HQ (1,900) against Scope 1 and Scope 2 GHG emissions reporting. That gives us an estimate of 3.7 tons of GHG emission for employees in the U.S. The numbers obtained come from the following calculation: ((Scope1 +Scope2 emissions)/ average number of employees in HQ)) or (7,165/1,900).
		Reduction on energy consumption	From 2007 to 2018, we reduced the energy consumption in our headquarters by 27.6%. In the Kirts and Lindsey buildings, this reduction was 41.75% and 2.79% respectively. However, The Annex building in our corporate campus reported an increase in energy consumption from 2017 to 2018 due to relocation of employees during the remodeling process: Energy Usage Index
	303- Water	Water withdrawals by source	The water supply in our building is provided via municipal systems and is limited to water consumption of sanitary and domestic use at building facilities. Kelly at this time does not track water use by withdrawals: Water consumption
		Water recycled and reused	Kelly Services have no facilities that track recycled and reused water.
	305- GHG emissions	Direct Scope 1 - GHG emissions	Direct (scope1) GHGe 2018: 690 emissions in metric tons of CO ₂ e.: Emissions (NOTES) * Base year for calculation: 2017. Emissions in the base year: 700 CO ₂ . *Carbon Footprint (CO ₂) measurement is based upon electrical (kWh) and natural gas (MMBtu) consumption. For electricity, the values are based on related emissions (indirect emissions from power plants); for natural gas, values are based on emissions from stationary combustion. * Standards, methodologies, and measures used: the data of usage was compiled from monthly utility consumption bills from the company owned facilities located in Troy, Michigan. *All other leased/branch locations are excluded. The standards followed the USEPA-US Environmental Protection Agency Methodology. * We do not categorize gases in our measurement.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response	
Environmental Sta	ndards (continue	d)		
	305- GHG emissions (cont.)	Indirect Scope 2 - GHG emissions	report Scope 2 (location-based) emission our own commercial office buildings loca this measurement. We do not have acces report on Scope 2 market-based figures.	2018: 6.475 emissions in metric tons of CO ₂ e: <u>Emissions</u> (NOTES) * We as from information obtained and documented by utility consumption in ated in Troy, Michigan. * All leased/branch locations are excluded from as to electricity supplier emission factors or residual emissions factors, to * The standards followed the USEPA-U.S. Environmental Protection Agency gases in measurement. * Scope 2 new baseline would be determined in 2019.
		Other indirect Scope 3 - GHG emissions	We report Scope 3 GHGe from air and ra followed the Carson Wagonlit Travel met by DEFRA's GHG Conversion Factors. *G calculations, included: Total distance of f economy, business, first). *Factors used of	VEL: 2,828,876 kg CO ₂ , RAIL TRAVEL: 1,622 kg CO ₂ .: <u>Emissions</u> (NOTES) * ail travels from employees in our headquarters operations. * The standards thodology (CWT AnalytlQs-CO ₂ calculation), based on the guidelines produced bases included in calculation: CO ₂ , CH ₄ , N ₂ O. * The criteria to determine dight based on origin and destination airports; class type (economy, premium do not include an "uplift" for Radiative Forcing (RF-measure of additional and at high altitude, including emissions of nitrous oxides, water vapor). * Scope 2019.
	306- Effluents and water	Waste by type and disposal method	created internal programs for proper recy	mainly generated from paper use and other office-related activities. We have ycling of materials, and reduce as much as we can, the final disposition of we expect to report the amount of generated waste and its final destination, as diversion.
				100.42 tons. Specific environmental data: ta regarding waste management in some branches and lease offices.
			ENVIRONMENTAL EFFORTS RECYCLED PAPER SAVED TREES OIL SAVED WATER SAVED CUBIC YARD LANDFILL SAVED	78.16 tons 1,328,72 8,687 gallons 547,120 gallons 234,48

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Environmental Standa	ards (continue	d)	
	307- Environmental compliance	Non-compliance with environmental laws and regulations	We have not identified any non-compliance with environmental laws and/or regulations.
Social standards			
Social standards	103	Management approach	Kelly is committed to providing to all our employees with fair and safe working conditions, and opportunities they need for growth. Our most important assets are our employees; we have created internal practices to ensure labor conditions and benefits to all our employees in all countries of operation. All our working and labor practices and standards are aligned with global initiatives such as the ILO Convention or the UN Guiding Principles on Business and Human Rights: ILO Convention
	401- Employment	New employees hires and turnover	New employees hired in 2018: 4,600: <u>Employees and people</u> . We do not have sufficient information to track new employees hires by regions.
			Employee turnover for 2018: 1,192: <u>Employees and people</u> . We do not have sufficient information to track employee turnover by regions.
		Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits provided to all full-time employees: <u>Standard benefits</u> . All full-time employees are eligible for unpaid 12 weeks of leave in the FMLA job protection program to take care of their own disability, take care of a family member, or baby bonding (in the U.S. and Puerto Rico). Eligible employees must have been employed at least one year with the company and have worked at least 1,250 hours. This program is administered by Prudential. All other regions and countries abide by their respective legislation on the topic.
		Parental leave	Kelly offers paid parental leave to eligible full-time employees, including birthing mothers, partners/spouses of birthing mothers, and employees who adopt a child minor of 18 years old in U.S. and Puerto Rico. Employees benefiting from parental leave in the U.S. in 2018: 60 in our headquarters location: Parental leave . All other regions and countries abide by their own respective legislation on the topic.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Social standards (co	ontinued)		
	402- Labor management relations	Labor management relations	Kelly has implemented a disclosure and communication policy to formally communicate changes in policies and procedures within the organization to all employees and suppliers. However, this policy does not provide a guideline regarding a minimum number of weeks for noting changes that may affect employees and suppliers. Kelly has not identified a collective bargaining agreement with an industry association.
	403- Occupational Health & Safety	Workers' representation in formal joint management- worked health & safety committee	Kelly is committed to ensuring healthful and safe working conditions for all our employees. We provide regular training on safety guidelines in order to help them to become familiar with customers' work environments, safe work practices, emergency procedures, and protective equipment. We also assist our customers and suppliers in preparing the workplace for our employees, through our Global Safety and Health Program, which includes a pre-assignment risk assessment, worker training, and analysis of incident report.
			Kelly has implemented a Health & Safety program based on a detailed risk assessment that sets the basis for the occupational health and safety management system. We also have developed a Health & Safety Risks and Good Practices policy that is communicated to all employees and presents procedures for recording injuries by both direct and temporary employees.
			We have a Safety & Health and Environmental department that oversees execution of the safety management system and policy: Occupational health & safety
			Kelly participates in the Safety Committee of the staffing industry association.
		Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related	(NOTE) * Data of incident report was calculated using PSHA recordable injuries to only full-time and directly supervised employees in the U.S.
		fatalities	2018
			Total number of employee hours worked Average number of employees 4,713 Restricted Case Incidence rate (LTOR) 0.02 Total number of work-related employee fatalities Total number of recordable injuries/illness Total number of cases with days away from work Total number of restricted/transferred cases Total number of restricted and transferred incidence rate (DART) Total number of recordable injuries/illness Total number of cases with days away from work Total number of restricted Case Incidence rate (ITOR) Total number of work-related employee fatalities Temporary Help Services (561320) BLS average TRIR TBD Temporary Help Services (561320) BLS average TRIR TBD Total number of restricted/transferred cases Temporary Help Services (561320) BLS average TRIR TBD Total number of restricted/transferred cases Temporary Help Services (561320) BLS average TRIR TBD Total number of restricted/transferred cases Temporary Help Services (561320) BLS average TRIR TBD Total number of restricted/transferred cases Temporary Help Services (561320) BLS average TRIR TBD Total number of restricted/transferred cases Temporary Help Services (561320) BLS average TRIR TBD Total number of restricted/transferred cases Temporary Help Services (561320) BLS average TRIR TBD Total number of restricted/transferred cases Temporary Help Services (561320) BLS average TRIR TBD Total number of restricted/transferred cases Temporary Help Services (561320) BLS average TRIR TBD To

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Social standards (conti	nued)		
	403- Occupational Health & Safety (cont.)	Workers with high incidence or high-risk diseases related to their occupation	Kelly does not have any direct employees involved in an activity that may be exposed to a high risk of specific disease at any of its sites. When placing talent into our customers' sites we conduct a risk assessment to ensure health & safety standards for every employee. Responsibilities and liabilities are shared between Kelly and its customers.
		Health & safety topics covered in formal agreements with trade unions	We do not have an agreement with trade unions and have no record of workers' representation in formal joint management-worker health & safety committees.
	404- Training and Education	Average hours of training per year per employee	Kelly continuously offers training and educational opportunities for all employees. We have an online learning platform with more than 3,000 courses to provide instructor-led trainings to advance employees in their careers and career opportunities. We also have partnered with leading educational institutions in the U.S. to offer employees benefits that access and endorse their educational skills with formal and informal programs: Career development
			Average hours of training per year per employee for 2018: approximately 19 hours. (NOTE) * We do not have sufficient information to track data of average hours of training by gender nor employee category.
		Programs for upgrading employee skills and transition assistance programs	The following are programs offered to employees for upgrading their skills: • SHRM Certification Program for selected Partnered Staffing employees • PMP Certification training in the learning management system and study session led by Kelly project management professionals • Six Sigma Certification training curricula (Yellow, Green, and Black Belt) • AGILE training offered • Leadership Development program: offering training on how to become a leader and enhance leadership skills; offering training, experiential and learning from the framework of others. • Leadership Learning Circles focused on specific leader skills such as inclusion • The First 90 Days: new leader training program The transition assistance programs provided to employees facilitate employability and the management of their careers: AYERS GROUP Additionally KLC offers 3,000+ training course to learn new skills.

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response			
Social standards (continued)						
	404- Training and Education (cont.)	Percentage of employees receiving regular performance and career management programs	Currently KLC also offers My Career program, which provides career management tools to design business goals, career development plan, and giving and getting feedback. This program is reviewed annually: Career development Kelly is updating its Performance and Career Development Program. This program is expected to be launched in			
			conjunction with our latest version of competencies in April 2019. We expect to have sufficient data to report on the percentage of total employees who participate in this program in our next report.			
	405- Diversity	Diversity of governance bodies and employees	Kelly has a diverse workforce of more than a million employees globally. It is important to guarantee that our workforce reflect diversity in age groups, gender, and ethnicity.			
	and equal opportunity		2018 Diversity and Inclusion awards and recognitions			
			Diverse representation on our board is important for ensuring a better decision-making process. Kelly has 9 directors: 3 female and 6 male. Two of our directors represent ethnic diversity: <u>Governance</u>			
			Kelly has had a Diversity and Inclusion Council since 2003: <u>Diversity, inclusion, and equal opportunity</u>			
	406-	Incidents of discrimination and corrective actions taken	In 2018, we did not have incidents related to discrimination.			
	Non- discrimination		Discriminatory incidents refer to legal actions taken towards the organization regarding discriminatory issues related to employee race, color, religion, gender identity/expression, sexual orientation, national origin, age, genetic information, disability, veteran and military status, and/or other protected categories under applicable laws. Incidents and actions related to discrimination are received through our integrity line and addressed internally by our legal and HR team.			
	407- Freedom of association and collective bargaining	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Kelly has not identified a unionist workers' association within the company nor the industry. However, in our Supplier Code of Conduct, we state that all partners and suppliers must respect the right of all employees to engage in protected activities, including those of freedom of association and collective bargaining: Working/labor conditions			

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
Social standards (conti	nued)		
	408- Child labor	Operations and suppliers at significant risk for incidents of child labor	In the U.S., Kelly complies with state and federal law regarding the employment of minors in all 50 states, the District of Columbia, and Puerto Rico. Additionally, we have stated in agreements with partners and suppliers, as well as in our Supplier Code of Conduct, that in our global operations, it is mandatory to comply with all applicable child labor laws, including those relating to minimum age limits, limitations of working hours, and prohibition against certain types of work. Kelly thoroughly vets its placement of minors and does not permit the placement of minors in certain high-risk jobs, including manufacturing and warehouse positions: Working/labor conditions
	409- Forced or compulsory labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Kelly has a zero-tolerance policy against any form or human trafficking and related activities, including any form of unlawful employee harassment, retaliation, forced or compulsory labor, sex trafficking, child labor, or any type of peonage: Working/labor conditions . All Kelly employees have an "at-will" employment relationship. In our operations worldwide, we have implemented global practices to guarantee labor working standards through the Supplier Code of Conduct. UK Modern Slavery Transparency Act statement
	412- Human Rights assessment	Operations that have been subject to human rights reviews or impact assessment	We have not implemented a human rights assessment. However, we have stated global policies on human rights, including a human trafficking and slavery statement, to ensure compliance with our suppliers and partners. We are developing a supplier risk assessment platform that would deliver current human rights status in our operations worldwide. This information would help us define risk areas and address plans: <a <a="" and="" businesses:="" community="" disadvantaged="" engagement="" engagement"="" for="" href="Engagement" improve="" investment,="" local="" minority,="" our="" small,="" social="" support="" through="" to="" volunteering,="">Engagement We have structured our corporate volunteer program to channel all volunteering activities: Engagement Kelly has developed a disaster recovery program to be ready for and respond to situations such as natural disasters as well as safety and security concerns, which may be critical to our employees and their families, as well as to the viability of the company: Disaster recovery

GRI: Standard	Disclosure number	Standard disclosure title	Kelly response		
Social standards (continued)					
	414- Supplier social assessment	New suppliers that were screened using social criteria	Our global suppliers commit to conducting business with the same high level of accountability to which we hold our operations, by signing the Supplier Code of Conduct. We conduct due diligence to all our suppliers through our Supplier Chain Enablement Team, which analyzes supplier risk assessments as well as the planning process for the enhancement of their performance. The team monitors all new and current suppliers against pending non-compliance requirements: Supply chain accountability		
		Negative social impacts in the supply chain and actions taken	The supplier risk assessment program does not include a social impact risk assessment. However, we are planning to implement a new supplier risk assessment platform in the next two years to monitor and identify negative social impacts within the supply chain and to address actions that enhance performance and overcome difficulties in regions of risk.		
	415- Public Policy	Political contributions	The company Code of Business Conduct and Ethics prohibits the use of company property, equipment funds, or other resources to make direct or indirect political contributions, unless certified approval by the Company's general counsel is given: Code of Conduct		
	416- Customer health & safety	Assessment of the health & safety impacts of product and service categories	We assist our customers in preparing the workplace for our employees through our Global Safety and Health Program. The program includes a pre-assignment risk assessment, worker training, and analysis of incident report, which analyzes safety at workplaces with respect to OSHA's regulations and recommendations: Occupational health & safety. Health & safety liabilities and responsibilities are shared with our customers. Our products and services do not represent health & safety impact as we manage talent. We don't have any record of non-compliance for the reporting period resulting in fines or warnings: Supply chain accountability		
	418- Customer Privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Kelly has not received any notice or complaint from outside parties or regulators regarding breaches of its customers' privacy during the reporting period. In 2018, we implemented a standardized procedure that complies with the General Data Protection Regulation (GDPR). This process was communicated through mandatory trainings to all employees and suppliers. We also implemented a GDPR Data Privacy agreement in the Supplier Code of Conduct: Code of Conduct		

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GRI: Standard	Disclosure number	Standard disclosure title	Kelly response
	101- Clause 3.2	Reasons for omission	This report has been made according to the GRI Standards CORE option. This option indicates that a report contains the minimum information needed to understand the nature of the organization, its material topics and related impacts, and how these are managed. Therefore, the following disclosures are not applicable for reporting.
			(102-22) Composition of the highest governance body and its committees
			(102-23) Chair of the highest governance body
			(102-24) Nominating and selecting the highest governance body
			(102-25) Conflicts of interest
			(102-26) Role of highest governance body in setting purpose, values, and strategy
			(102-27) Collective knowledge of highest governance body
			(102-28) Evaluating the highest governance body's performance
			(102-29) Identifying and managing economic, environmental, and social impacts from the highest governance body
			(102-30) Effectiveness of risk management process
			(102-31) Review of economic, environmental, and social topics
			(102-33) Communicating critical concerns
			(102-34) Nature and total number of critical concerns
			(102-35) Remuneration policies for highest governance
			(102-37) Stakeholders' involvement in remuneration
			(102-38) Annual total compensation ratio
			(102-39) Percentage increase in annual total compensation ratio
			(304) Biodiversity
			(308) Supplier environmental assessment
			(410) Security practices
			(411) Rights of indigenous people
			(417) Marketing and labeling
			(419) Socioeconomic compliance
	101- Clause 3.4	GRI notification of use of standards GRI	This report has been registered to GRI at its website: www.globalreporting.org/standards



(f) (in) (iii) (ii