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Front page: The ISS Values

Honesty: MOSES AMOAKEHENE, FRANCE
Entrepreneurship: INÊS COSTA, PORTUGAL
Responsibility: NINA ARSIH, INDONESIA
Quality: BRAHIM ELHAZMIR, DENMARK

Letter from the Executive Group Management

As a leading global provider of facility services, with operations in established markets such as those in Western Europe and in emerging markets, ISS influences the lives of many people. By the end of 2010, ISS had more than 500,000 employees, making us one of the largest private employers in the world. At ISS, our successful performance is based on the day-to-day efforts of our employees, who together ensure that we reach our strategic goals. We would like to express our warm gratitude to all our employees for their dedicated work. We are conscious that our size bestows on us a sizable corporate responsibility particularly in the area of human capital.

ISS has management teams in 50 countries and operations in an additional 13 countries. Our global footprint includes operations in Western Europe; the Nordic region; Asia; the Pacific region; Latin America; North America and Eastern Europe. We deliver services to our customers mainly through the use of our own employees (self-delivery). We believe that the ability to self-deliver enables us to provide our customers with several benefits including direct control over and accountability for resources employed as well as the ability to standardise the service delivery and assess and manage risk related to specific contracts in a manner we would not be able to if we relied mainly on subcontractors.

"As a signatory to the United Nations Global Compact, we are committed to aligning our strategy and operations with the ten Global Compact principles on human rights, labour rights, environmental protection and anti-corruption. ISS respects, supports and promotes human rights as stated in the United Nations Declaration of Human Rights and the Core Conventions of the International Labour Organisation."

Corporate Responsibility is a journey and while our behaviour has been responsible throughout our more than 100 years of history, we are dedicated to continually improving our performance in this area. In 2010, we have taken many

steps in strengthening our foundation in support of our continuous commitment to the UN Global Compact.

We are proud to present our first ISS Corporate Responsibility Report where you can read more about these initiatives; our approach to Corporate Responsibility, our Governance, our initiatives in People, Planet, Profit and Partners areas, our performance and our objectives and targets.

We seek to enforce our sense of purpose through our corporate responsibility efforts and examples of these can be found in the postcards throughout the Report.

In terms of reporting, this is a first step in our journey. In the coming years, we aim to build upon this report by augmenting our data both in terms of scope and quality.

We strongly believe that the long term success of our company depends on the balance of social, environmental and economical aspects of our business. Being an integral part of our business strategy, the ISS Way, our efforts in these areas will provide us engaged employees, enhanced customer experience and boost business growth.

Yours faithfully



Jakob Stausholm

Group Chief Financial Officer

Jeff Gravenhorst

Group Chief Executive Officer

About ISS

ISS is one of the world's largest commercial providers of facility services, operating in over 50 countries in Europe, Asia, Pacific, North America and Latin America. ISS has a diverse customer base of public and private sector customers.

With more than 520,000 employees, we are one of the largest private employers worldwide. The vast majority of our employees serve in the front-line delivery of services.

Through a network of local operations, ISS offers Facility Services on an international scale. It is our ambition to develop partnerships with our customers enabling them to focus attention and resources on their core business by outsourcing a broad range of support services to ISS.

ISS' strong market position is maintained through a continuous focus on following our vision:

"Lead facility services globally by leading facility services locally"

Our history

ISS has operated in the service industry for more than a hundred years. The ISS Group was founded as a small Danish security company in 1901 and began offering cleaning services in 1934. The first subsidiary outside Denmark was established in 1946, and overseas expansion began in 1973. The company has grown to have a turnover of 74 billion Danish kroner in 2010.

Organisation

ISS' head office is in Copenhagen, Denmark. ISS maintains a decentralised organisational structure under which its country operations are separately organised and act with a significant degree of autonomy. Country management is supported by a strong regional management structure providing strategic direction, managerial support and financial control.

Ownership

ISS A/S is fully owned by FS Invest II Sarl, which in turn is indirectly owned by funds advised by EQT Partners and Goldman Sachs Capital Partners.

WHAT IS FACILITY SERVICES?

Facility Services covers a range of services:

- **Cleaning services** – office cleaning, industrial cleaning, specialised cleaning, washroom services and more;
- **Office support services** – reception services, internal moves, helpdesk/call centre internal services & logistics and more;
- **Property services** – building maintenance, technical maintenance, pest control services, damage control, landscaping and more;
- **Catering services** – company restaurants, canteen services, vending machine services, events & conference dining and more;
- **Security services** – access control, manned guarding, alarm response, surveillance systems and more;
- **Facility management services** – on-site management of facility services, change management, space management, consulting and more.

ISS offers three models for providing services:

- **Single service**, where the customer buys just one of the components listed above;
- **Multi service**, where the customer buys two or more of the components listed above;
- **Integrated facility services**, where ISS takes over all, or most of, the facility functions at the customer's premises.



BUSINESS SERVICES & IT
FERENC JOBA, HUNGARY

The ISS Approach to Corporate Responsibility

ISS influences the lives and livelihood of many people through providing employment and training as well as providing safe and healthy work environments for millions of employees and customers in the facilities we service.

We recognise that our long-term sustainable business success depends on a high level of corporate responsibility, as we face global challenges such as deprivation of the natural environment, poverty, illiteracy, water shortages and urbanisation. In all areas ISS can be part of finding and implementing solutions to the global challenges.

We have adopted the principles-based approach to Corporate Responsibility (CR), thus contributing to sustainable development as defined by the international community. This principles-based approach effectively integrates universally accepted principles into the way we do our business. They are embedded in our Values, our Code of Conduct, our strategy, The ISS Way and our Leadership Principles.

Our commitment to the UNGC

ISS has made a strong commitment as a signatory and supporter of the United Nations Global Compact (UNGC) since its inception in 1999. In line with the membership regulations, we are committed to aligning our strategy and business operations with the ten principles on human rights, labour rights, environmental protection and anti-corruption.

As such, Corporate Responsibility for ISS means our commitment to contributing to a sustainable economic development and responsible business practices by:

Labour & Human Rights

- Giving people an opportunity to enter the labour market;
- Working with our employees and the local community and society at large in improving employees' lives in ways that support sustainable development and our business;
- Ensuring fair and equal treatment and no discrimination or harassment;
- Respecting employee's right to collective bargaining and the right to join trade unions;
- Supporting introduction of minimum wages and compliance with working time regulations;
- Avoiding use of child labour as well as forced or compulsory labour.

WHAT IS A PRINCIPLES-BASED APPROACH?

The Principles-Based Approach was recommended by the UN Global Compact (UNGC) summit 2007. It requires for corporations, in their corporate strategy and in their corporate responsibility initiatives, to select guiding principles drawn from and aligned with internationally and politically agreed priorities.

These are commonly based on the UNGC's ten principles in the areas of human rights, labour, environment and anti-corruption, which enjoy almost universal consensus. These in turn are derived from: The Universal Declaration of Human Rights; The International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; The Rio Declaration on Environment and Development; and The United Nations Convention against Corruption.

A Principles-Based Approach is said to ensure that corporations contribute to sustainable development as defined by the international community, and not by the current 'corporate responsibility fashion', changing media focus, or issues campaigns. This approach secures a long-term basis for corporate responsibility strategies.

Health, Safety & Environment (HSE)

- Providing proper working conditions including a safe working environment for our employees;
- Managing our business activities in an environmentally responsible way.

Business Ethics

- Conducting our business in a lawful manner;
- Competing for business on fair terms and solely on merits of our services;
- Combating corruption and bribery;
- Carrying out our activities according to principles of good corporate governance;
- Ensuring that the social, environmental and ethical commitments of ISS are reflected in dealings with customers, suppliers and other stakeholders.

Corporate responsibility is sound business

Accountable and transparent systems as well as track records within corporate responsibility are, in many ways, progressing to become what is expected of professionally managed companies.

The diffusion of corporate responsibility as part of corporate management is, however, very uneven in terms of industries, and the facilities management industry has not been a front runner on this agenda. This leaves ISS with room to create a positive effect on our competitive situation through focussed efforts in corporate responsibility.

Corporate Responsibility is therefore in alignment with our strategic cornerstones:

1. **Customer focus:** We build sustainable partnerships with our customers who value our approach in how we deliver our services in for example an environmentally friendly way;
2. **People management:** We excel in managing our people by managing our HSE risks in our operations and provide opportunities for development;
3. **Integrated Facilities Services Strategy:** By integrating our service deliveries into our customer's organisation, we can also create value for our customers in helping them reduce their risks in the corporate responsibility area;
4. **Multi-Local Approach:** Our global framework in managing health, safety, environment, labour practices, human rights and anti-corruption allows us leverage a systematic approach to these areas regardless of location.

Corporate responsibility and our value chain

The implementation of the ISS Value Chain as a management tool is an integral part of the Group's strategy process in implementing the ISS Way. We believe that value is created through dedication in each link of the Value Chain, and that corporate responsibility activities support the links in the Value Chain:

Business Platform: Our corporate responsibility commitment, strategy and performance are important aspects of the Business Platform in determining what to do and what not to do. The choices made in the business platform must be aligned with our commitment to the ten principles of the UNGC.

Service Concept: The purpose of the service concept process is to convert the needs of our customers into concrete and attractive service offerings. Global challenges deeply embedded in corporate responsibility can inspire business opportunities such as 'Green Cleaning'. Extended stakeholder engagement activities will also provide more sources for market understanding.

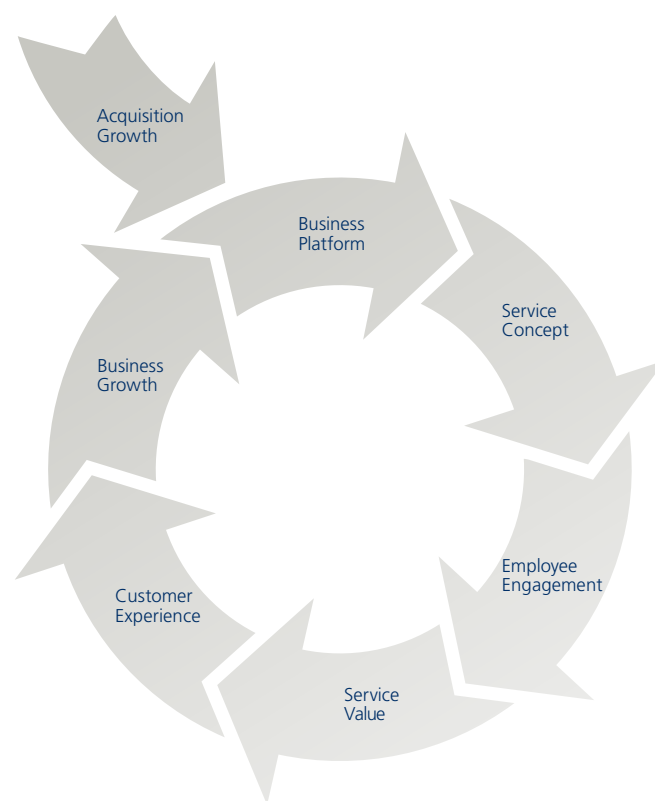
Employee Satisfaction: To have satisfied customers, you need capable and engaged employees motivated

by being part of a strong team and capable through training. Research clearly shows that in companies that focus on corporate responsibility, employees find it provides a sense of purpose and a source of pride.

Service Value: Our customers may have different needs but they all request a consistent service product. Our Group Health, Safety and Environment Management system supports a systematic approach in delivery of our services.

Customer Experience: A positive customer experience will be supported by capable, engaged and motivated ISS team members. In line with research, we believe our focus on corporate responsibility will provide our employees with a sense of purpose that will contribute to a positive customer experience.

Business Growth: Our corporate responsibility performance may inspire customer's trust in our company leading to increased business opportunities.



THE ISS VALUE CHAIN

In other words: Corporate Responsibility makes sound business sense. In addition to our corporate responsibility initiatives being coherent with our Values, our Code of Conduct, our strategy, the ISS Way and our Leadership Principles, we trust the results of our initiatives will also provide us a competitive advantage as:

- Our solid Health, Safety and Environment and Corporate Responsibility performance will make us a preferred partner;
- By being proactive in managing risks, ISS can demonstrate understanding of an issue and address it through our efforts;
- It will lead to resource preservation and hence cost savings;
- It will build our reputation, helping us attract, motivate and retain our employees;
- By building our reputation and brand, it will provide new business opportunities.

LEADERSHIP PRINCIPLES

The leadership principles describe the way leadership is performed at ISS. In combination, they serve as a guideline and a benchmark for leaders and help us bring out the full potential of our employers. They translate our Values into actions and describe behaviour that characterises a successful leader within our company. In other words, it is the framework for the way we do business. The nine Leadership Principles are:

1. In ISS we put the customer first;
2. In ISS we have passion for performance;
3. In ISS we encourage innovation;
4. In ISS we treat people with respect;
5. In ISS we lead by example;
6. In ISS we lead by empowerment;
7. In ISS we develop ourselves and others;
8. In ISS teamwork is at the heart of our performance;
9. ISS is one Company with shared values, one brand and one strategy.

Our materiality process

In 2009, ISS, with the help of an external consultant, PricewaterhouseCoopers, conducted a materiality assessment to identify those human rights, labour

practices, environmental and Anti-Corruption issues of greatest significance to our stakeholders and our future success topics in accordance with the United Nations Global Compact (UNGC).

ISS' seven regions were assessed based on the following parameters:

- Attention towards corporate responsibility related risks;
- Identification of risks;
- Immediate assessment of whether identified risks at group as well as local level are sufficiently mitigated under the guidance of current policies, procedures and management systems.

The Report contained:

- A generic risk assessment for a selection of corporate responsibility indicators for countries where ISS has significant activities;
- A gross list of potentially relevant corporate responsibility related issues based on a review of what competing countries have chosen to report on – combined with the general scope of corporate responsibility reporting;
- A consolidated, prioritised list of corporate responsibility issues and topics identified by key personnel in the global ISS.

Three proactive focus areas

In summation, the result of this process was the determination of three focus areas where ISS holds a unique position to contribute, and which support our overall business vision and business strategy, The ISS Way:

- Facilitating the Right to work;
- Non-discrimination, equal opportunities and diversity;
- Access to education.

On page 10, three postcards from around the world show examples of how we work within these proactive focus areas.

PRIORITISED CORPORATE RESPONSIBILITY ISSUES IN ISS ARE:

LABOUR RIGHTS	HUMAN RIGHTS	ENVIRONMENT	ANTI-CORRUPTION
<ol style="list-style-type: none"> 1. Health & Safety 2. Work time & overtime 3. Harassment 4. Security 5. Responsible sourcing 6. Privacy 7. Living wage 	<ol style="list-style-type: none"> 1. Freedom of association and collective bargaining 2. Child labour 3. Discrimination 	<ol style="list-style-type: none"> 1. Systematic environmental management 2. Chemicals 	<ol style="list-style-type: none"> 1. Systematic anti-corruption management <ul style="list-style-type: none"> - Gifts and entertainments - Price fixing - Kick-backs - Use of agents



HEALTH CARE
DANIELA MEYER, SWITZERLAND

Working within three focus areas

Supporting the right to work

Australia: Including indigenous people



In 2010, a new co-operation between ISS Australia, the Australian Government and major indigenous organisations around Australia made ISS a leader in the employment and training of Indigenous Australians.

ISS started by committing 45 jobs for Indigenous Australians, a number growing to 140 people over the past 12 months. This outcome is based on close collaboration with some of Australia's leading indigenous associations:

- The Australian Employment Covenant, an initiative aimed at securing 50,000 sustainable jobs for Indigenous Australians, backed by employers, the government and indigenous people. ISS has pledged a total of 70 jobs to this initiative.
- Supporting the GenerationOne movement dedicated to the elimination of poverty and disadvantage to all Indigenous Australians.
- Strong partnerships with job service providers who assist in referring Indigenous Australians to ISS.

ISS' experience is being spread to other sectors. Recently ISS was invited by the Australian Government to participate in a selective employer forum to identify ways of removing barriers to employment in the Resources and Mining Sector.

Supporting access to education

Finland: ISS partners with Skills



ISS Finland has entered a partnership with the Skills Finland organisation, supporting an annually occurring event, which focuses on competition, training and coaching in different vocational skills for young professionals. At the same time, students get a chance to prove their worth, thereby showing themselves as possible job candidates at ISS Finland and other companies.

ISS Finland is one of the three main partners in the Skills Finland event, supporting the event financially and providing judges in categories where ISS has the best know-how. By working with other companies in the service industry the focus on education becomes greater, and the quality and attractiveness of vocational education and training will be improved.

In 2010, ISS Finland also supported the TaitajaPLUS event, where students with special needs compete in different vocational skills, striving to become experts in their field. TaitajaPLUS aims at improving vocational education, raising the awareness of vocational skills for these students, and connecting the competitors with potential employers.

Supporting non-discrimination

Not just jobs but careers in ISS Denmark



ISS Denmark is focused on helping minorities access the labour market and has been working for several years to provide job and career opportunities for immigrants and increase the number of immigrants in management positions.

In just two years from 2007 to 2009, ISS Denmark went from 93 managers with immigrant background to 195, and the goal is to reach 250 in 2011. Making this possible, is a training programme directed at immigrants on management tools and leadership.

In 2010, ISS Denmark received the 'Mangfoldighed i Arbejdslivet' (MIA) Award ('Diversity in Working Life') from the Danish Institute for Human Rights. This award is given to Danish companies that make extraordinary efforts to create workplaces that are both diverse and broad by nature. An extract from the basis for giving the award to ISS Denmark says:

"ISS is determined to make diversity an established part of the company. Both by ensuring equal opportunities for all, but also in terms of making diversity a potential business resource. The awareness of working with diversity and especially the many great initiatives and results led to the panel of judges electing ISS Denmark winner of the MIA Award 2010."

ISS Denmark has 9,000 employees of which about 40% are immigrants, coming from more than 130 different countries, whereas immigrants constitute only 8% of the Danish labour force. This makes ISS Denmark one of the country's most diverse places to work.

Initiatives undertaken

As a result of the report, a number of adjustments and additions to the ISS Corporate Responsibility framework had to be developed, which led to the following strategic initiatives in 2010:

- Establishment of a Group function for Health, Safety and Environment and Corporate Responsibility;
- Development of Group Health, Safety and Environment Policy, Vision and Manual;
- Self-Assessment Questionnaire to Suppliers on Corporate Responsibility issues;
- Development of an Anti-Corruption Policy;
- Updating the Code of Conduct to include a more specific human rights policy as required by UNGC; and including a mechanism for reporting breaches (read more in ISS and Profit);
- Development of a whistleblower policy and system, and filing and application with the Danish Data Protection Agency for approval (read more in ISS and Profit);
- Updating of the International Human Resources Standards, which set a minimum standard for treatment of our employees, in line with the UNGC (read more in ISS and People);
- Approval and roll-out of the ISS Corporate Responsibility Policy;
- Development of Environmental Management System guidance notes;
- Instigation of a corporate risk management project to identify the largest corporate risks. The project has been testing expectations and tools at corporate and country level, respectively, and scanned the environment for risks in the corporate responsibility arena.

These initiatives are described in more detail elsewhere in the report.

Engaging with stakeholders

ISS works in a web of interactions with internal and external stakeholders. We believe that our legitimacy is highly dependent on how we are perceived by our key stakeholders and local communities in which we operate.

While we recognise that communication must be sensitive to local customs, we endeavour to communicate with one voice to all stakeholders and in all geographies to support our aspiration to lead our industry globally as one company with one culture and one brand.

It is our policy to be open and honest in both good times and bad, and to treat our stakeholders with fairness and respect.

We aim to create value for our key stakeholders, and we want to listen and respond to relevant stakeholders who have an interest in our company.

We have been actively engaged with all of our primary stakeholders, i.e. those who have a direct effect on or are directly affected by our business, in 2010:

- **Employees** – with whom we engage on a daily basis. For the first time, in 2010 we conducted Corporate Employee Engagement Surveys (EES). Read more on page 23.
- **Customers** – where we interact daily as well. In 2010 we tested a customer experience survey system, which provided us with many insights on our customers' experiences. In 2011, all countries must perform customer experience surveys for 80% of total turnover (equal to approximately 20% of the customers). As follow-up to the customer experience survey, actions plans must be prepared for each customer, KPIs must be produced and reported on twice annually.
- **Users** – who work at the facilities we manage but are not involved in the decision to have ISS as a provider. We also tested an User Satisfaction survey concept for the daily user of the services provided by ISS in 2010.
- **Unions** – with whom we engage locally, regionally and globally to improve standards for employees and to make sure any issues are dealt with appropriately and consistently. Read more on page 33.
- **Suppliers** – where we have begun implementation of a self-assessment questionnaire in 2010.
- **Investors** – who are at present limited to two private equity companies, with whom Executive Group Management meet on a regular basis.

A group of other stakeholders, external groups who influence stakeholders' perceptions of our company exist, e.g. media and NGOs. We engage with these groups as necessary but specifically in terms of corporate responsibility.



BUSINESS SERVICES & IT
CAROLINA PEREZ, SWEDEN

Governance

ISS has a two-tier management structure consisting of the Board of Directors and the Executive Group Management (EGM). The Board of Directors regularly reviews the Group's corporate governance in relation to the Group's activities, business environment and statutory requirements. A set of specific corporate governance guidelines for the ISS Group has been adopted by EGM and subsequently implemented by all regional and local entities.

We strike a balance between autonomy and alignment. We operate with strong local leadership and autonomy to ensure timely responses to local operational demands and to benefit from knowledge of local labour and business conditions. We also develop and implement the overall Group fundamental policies and strategic directions to enable us to exploit best practices and leverage our geographical footprint. We are disciplined and use tight financial controls.

Governance and business conduct principles

All operations in ISS must adhere to the following fundamentals:

- **Compliance with law** – a fundamental implying always operating in accordance with local laws and regulations.
- **The ISS Corporate Values** – the guiding principles of how ISS conducts its business which each manager is expected to understand and follow.
- **The ISS Code of Conduct** – each manager is responsible for managing the ISS business in compliance with our code of conduct, and for ensuring that employees are aware of and adhere to the same principles. The Code of Conduct has been updated in 2010 to ensure alignment with the UNGC, and will be distributed first to office-based employees, (white collar workers), followed by front-line employees. The Code of Conduct is considered part of the terms on which all employees accept employment in ISS.
- **Compliance with ISS Group policies** – falls under the responsibility of ISS regional and country management. The operations of ISS must comply with policies and guidelines designed by the ISS Group functions, and document their implementation. As part of the work to build a solid foundation, most of our policies related to corporate responsibility have been revised or developed in 2010, and their implementation and testing will begin in earnest in the years 2011-12.
- **The ISS Leadership principles** – which integrate the human aspect of the ISS Way. These nine principles – Put the customer first, Passionate about performance, Encourage innovation, Treat people with respect,

Lead by example, Lead by empowerment, Develop ourselves and others, Teamwork is at the heart of our performance, and One company, one brand, one strategy – define the leadership style ISS expects from each of the managers in the company.

Corporate governance policies and procedures take into account the Danish Companies Act, the Danish Financial Statement's Act, and the Danish Venture Capital and Private Equity Association's guidelines for responsible ownership.

HONESTY
We respect

ENTREPRENEURSHIP
We act

RESPONSIBILITY
We care

QUALITY
We deliver

We are further committed to corporate responsibility as a signatory and supporter of the United Nations Global Compact since its inception in 1999.

Governance of corporate responsibility

In order to integrate corporate responsibility throughout the ISS Group, corporate responsibility is anchored in the Executive Group Management comprised of the CEO and CFO.

While Executive Group Management is ultimately responsible for ISS Corporate Responsibility activities, Group Health, Safety and Environment and Corporate Responsibility (Group HSE and CR), is responsible for the development of the ISS Group's Corporate Responsibility strategy, including Health, Safety and Environment.

Group HSE and CR works with other Group functions and Regional CEOs and Country Managers in implementing the strategy in our operations and countries. Countries in the ISS Group report on corporate responsibility aspects as part of the annual reporting process thus contributing to the overall ISS Group Corporate Responsibility reporting.

Providing a management framework

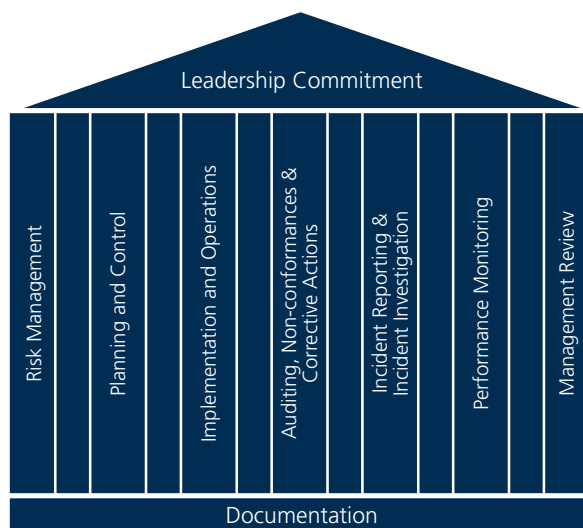
We consider health, safety and environment a top priority. This is embedded in our leadership principles. We strive to protect the personal health and safety of our workforce, recognising that healthy business performance is delivered through healthy people and safe processes and equipment. We recognise that our success and our future require us to carry out our operations in a safe and environmentally conscious way. This is part of the ISS Way.

We therefore require a systematic approach to health, safety and environmental management in order to achieve continuous improvement in quality and performance. ISS needs to manage these matters as critical business activities, set standards and targets for improvement, and measure, appraise and report on our performance.

The ISS Group Health, Safety and Environment (HSE) Manual is the framework by which each Country shall develop effective HSE management to support our Values, Code of Conduct, HSE Vision, and Policy. The objective is to create a consistent approach to HSE across the Group.

However, the success of our HSE culture is dependent on every individual and leader in the company. Each has the responsibility to eliminate their risk behaviour and that of others. We all have a part to play in:

- Managing our HSE risks systematically;
- Learning from our collective experiences in order to continually improve our HSE performance;
- Being Ambassadors by promoting and driving a strong HSE culture.



In December 2010, Group HSE and CR sent an ISS Group HSE and CR Action Plan to countries. The objective of this Group HSE and CR Action Plan are targets and actions to:

- Improve our HSE and CR culture;
- Improve our HSE management systems;
- To monitor our HSE and CR performance.

The Action Plan contained Group targets and actions for 2011 and also a road map for targets in the next five years.

THE ISS VISION AND POLICY FOR HSE

Our HSE vision is called '100'.

- **1:** We aim to be number **1** in our industry and recognised as an industry leader in the way we deliver health, safety and environmental performance;
- **0:** We operate with **0** fatalities in our workplaces; and
- **0:** We incur **0** serious incidents and occupational injuries at our workplaces.

Our HSE Policy is to:

- Have a systematic approach to HSE management designed to ensure compliance with the law and achieve continuous improvement;
- Measure, review and report performance and set targets for improvement;
- Investigate incidents to determine their root causes and take appropriate corrective actions;
- Require our suppliers to manage their HSE in line with this policy;
- Include HSE performance in the appraisal of staff and reward accordingly.

External review of new Group HSE manual

The Group HSE manual was based on four international standards, (OHSAS 18001, ISO14001, ISO 22000 and ISO 9001), and part of its development consisted of a third party review (by Det Norske Veritas), which compared the manual to the above mentioned standards and company activities.

“The corporate HSE manual represents a milestone in ISS’ HSE work. In DNV’s opinion, the HSE Manual provides a good corporate and integrated framework for national management systems and for all service areas (Facility Management, Property Services, Cleaning Services, Catering Services, Office Support and Security Services). It covers all main requirements in ISO 9001, ISO 14001, OHSAS 18001 and ISO 22000. The HSE manual is presented in a way that on a national level will help ISS to implement an integrated approach for managing quality, food safety, environment and occupational health and safety.”

Main conclusion from the Det Norske Veritas pre-assessment report

By the end of 2010 all but two countries¹ had performed a self-assessment based on the manual identifying gaps between their systems and the Group requirements, and prepared an action plan to close these gaps. Full compliance with the manual is required by the end of 2011.

Furthermore, from 2011 periodic business reviews of each country, performed by Regional CEOs, will include HSE and CR subjects and the Country’s progress in meeting their Action Plans. To facilitate this process, Group HSE held in 2010 two Regional HSE meetings in Copenhagen, Denmark and Sao Paulo, Brazil with the HSE heads from sixteen countries representing the Latin America, Central and Western Europe regions to develop a common understanding of the Group strategy and to share best practices. These Regional meetings will continue to be held in 2011 in order to facilitate this common understanding.

One of the key elements in the Group HSE manual is a Management Review. From 2011 onwards, Country Management will be required to carry out at least one Management review of the suitability, adequacy and effectiveness of the Country’s HSE Management system annually.

Internal audits

Countries are also required to establish and maintain an internal audit programme and carry out periodic audits of the Country’s HSE management system at least once a year, in order to:

- Determine whether the HSE management system is effectively implemented;
- Identify areas for improvement, leading to continuous improvement in HSE management.

To complement the country’s internal audits, Group HSE and CR will also with Group Internal Audit carry out audits in 2011 on corporate responsibility issues.

The Internal Audit function at group level is a key element in ensuring business compliance across the Group. While the primary role of the function has been monitoring financial compliance, the Internal Audit function will also play an important role going forward in monitoring compliance of Human Rights and Labour Practices. In 2010, the function carried out 54 assignments covering 38 countries. Audits in fourteen countries carried out by Group Internal Audit covered:

- Documented hiring procedures;
- Procedure for segregation of duties in the payroll process;
- Approval procedures for time, attendance and payment to ensure that employees are paid the correct amount and how they are paid.

Compliance mechanisms

Our commitment to corporate responsibility has been communicated to suppliers, major customers and our employees. Also, when we acquire new companies and enter new markets and joint venture opportunities, we actively promote the ISS Code of Conduct.

We have a zero tolerance approach to significant breaches of the Code of Conduct and have, when necessary, terminated contracts with employees when they were found to behave in breach of the Code of Conduct.

In 2009, a Group Business Integrity Committee was established, consisting of the Group CFO, Head of Group Legal, Head of Group HR, Head of Group Internal Audit. The Committee is responsible for investigating reports of possible significant breaches of the Code of Conduct throughout the Group.

The Committee is authorised by the EGM to monitor fraud controls and fraud losses; decide how to investigate fraud suspicions and suspected non-compliance with laws, ethical standards and the ISS Code of Conduct; and to direct appropriate actions in response to investigation results.

Within the scope of its responsibilities, the Committee has authority to obtain any information required from employees, officers and external parties. The Committee has authority to request audits, and when deemed appropriate to secure investigation of issues or concerns.

¹⁾ Ireland, and Russia

Our Performance and Targets

We report on our performance within three areas: People, planet, and profit. At this stage of our reporting journey, we do not have data or targets for the partner area.

PEOPLE	2010	2009	2008
Number of employees	522,700	485,847	472,801
-Full time %	73%	71%	69%
-Part time ¹ %	27%	29%	31%
Total workforce			
-Front-line	471,925		
- % Male	48%		
- % Female	52%		
-White collar	44,037		
- % Male	52%		
- % Female	48%		
Turnover			
- % All employees	54%	39%	49%
- % Front-line	58%	41%	51%
- % Male	50%	N/a	N/a
- % Female	50%	N/a	N/a
- % White collar	16%	16%	24%
- Male	58%	N/a	N/a
- Female	42%	N/a	N/a

PEOPLE	2010
Hours of training	
-Front-line	2,605,633
-White collar	382,255
Absentee rate	2.3%
Incidents of discrimination	48
Fatalities	5
Lost time Incident Frequency (LTIF) ²	11
Exposure hours (million hours)	908.6
Number of Vehicle Accidents	5,574

PLANET	2010
Electricity consumption	91,995 MWh
Electricity emissions	30,710 tonnes CO2 eq.
Electricity costs	76.2 Million DKK
Vehicle emissions ³	72,924 tonnes CO2 eq.
Business Travel emissions ⁴	3,660 tonnes CO2 eq.
PROFIT	2010
Revenue	74,073 Million DKK
Net Finance costs	2,566 Million DKK
Taxes paid	697 Million DKK
Staff costs	47,990 Million DKK

¹⁾ Defined as employees working an average of less than 25 hours per week for ISS

²⁾ A Lost Time Incident (LTI) is defined as any work related injury or occupational illness which results in a person being unfit for his/her normal duties for more than 24 hours any day after the injury. The LTIF is based on 1 million exposure hours

³⁾ Covers 13,824 leased vehicles comprising 74% of the fleet

⁴⁾ Covers emissions from Business travel from Group, Australia, Chile, Denmark, France, and Philippines



PUBLIC ADMINISTRATION
JOHN PETERSEN OG MURAT GÜZEL, DENMARK

Objectives and targets for 2011

1. In accordance with the HSE Vision, our first priority is to prevent fatalities at our work places. Our Group target is 0.
2. In terms of Lost Time Incidents Frequency (LTIF), the Group target for 2011 is to reduce LTIF by 25%.
3. Related to the LTIF are Lost Work Days (LWD) as a result of lost time incidents. The Group target for 2011 is a reduction of 15%.
4. In terms of Total Reportable Cases Frequency (TRCF), the Group target for 2011 is to reduce our TRCF by at least 25%.
5. At least one yearly Management review by Country management of the suitability, adequacy and effectiveness of the Country's HSE Management system.
6. Systematically measure the carbon emissions across the Group from electricity in 2011.
7. Reduce the emissions from our leased cars (gm/km) from 2011 over the leasing period of 4 years by 15%.
8. All Countries translate the ISS Code of Conduct in their local languages in 2011 and to make this available during the induction for every employee.
9. All countries must carry out a customer experience survey to customers representing 80% of revenue in 2011.
10. To conduct an annual employee engagement survey with a target to have offered 250,000 of our employees to respond to the questionnaire by the end of 2012.
11. To have a minimum of 350 of our Top Managers across the Group take the E-learning modules on Anti-Corruption and Competition laws in 2011.
12. To carry out audits on least 20% of countries we operate in regarding compliance with Child Labour and working time regulations.



HEALTH CARE
SITI CHOTIJAH, INDONESIA

ISS and People

– Creating a great place to work

As a service provider, people are at the heart of ISS' business. Most of our over 520,000 employees serve in the front line of our business and they are our most valuable resource.

The ISS Code of Conduct clearly calls for ISS to secure and protect the personal health and safety of our workforce. It also protects our employees' right to fair and equal treatment and freedom of association and collective bargaining. It further states that we do not use forced labour or employ children, and that we offer adequate wages and training opportunities as well as respect employee privacy and protection of personal data.

A workforce of our size involves great responsibility. Managing our risks in terms of our employees' health and safety is a business requirement, demanded by our customers and required by our investors. But first and foremost, our employees deserve we take this responsibility seriously.

Rules for safety

The vast majority of people employed by ISS actually clean, guard, prepare meals, etc. This is why sound safety rules are so important. In 2010, we initiated the development of the ISS Safety Rules, which are intended to align behaviours in carrying out daily tasks. The rules cover:

- Stopping unsafe work;
- Permit to Work;
- Energy isolation;
- Electrical safety;
- Confined space entry;
- Driving safety;
- Working at heights;
- Housekeeping;
- Manual Handling;
- Working with Chemicals.

The Rules were launched on September 1, 2010.

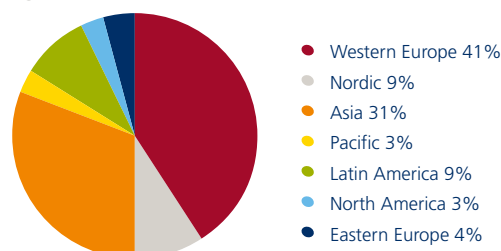
Campaigns were carried out in individual countries to ensure commitment to these rules, e.g., inclusion in internal communication documents, management meeting agendas, publications on intranets and development of posters.

"To make this launch a success and to ensure buy in within your country, I would ask you to be active in this campaign by personally knowing the Safety Rules and also discussing them within your leadership team and organisation."

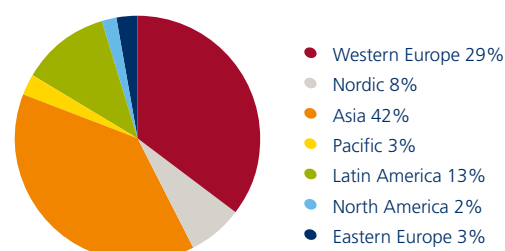
Jeff Gravenhorst, CEO in a message to all ISS Country Managers launching the safety rules.

EMPLOYEES PER REGION

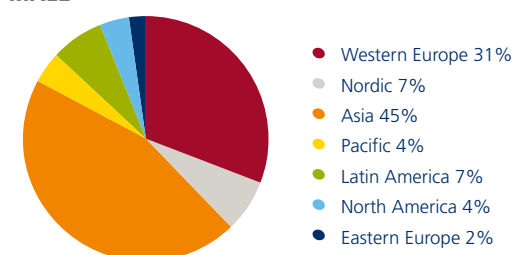
TOTAL



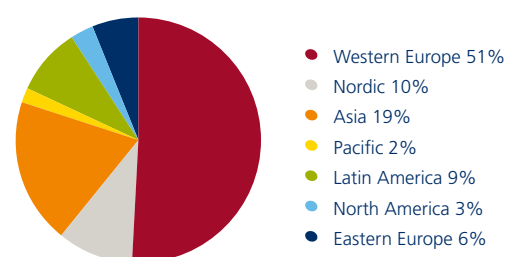
FULL TIME



MALE*



FEMALE*



*based on average number of employees in 2010

Health and Safety performance 2010

In 2010, we unfortunately had five fatalities at our workplaces. This is unacceptable and we are personally saddened by each of these fatalities. Our business is based on our human capital and the safety of our employees is therefore paramount.

Each of these fatalities has been investigated to determine the root cause of the incident and corrective actions have been taken to prevent similar incidents from occurring again. In order to learn from these unfortunate incidents, in 2010, we have strengthened our requirements for incident investigations to:

- Understand what caused the incident;
- Prevent the incident from occurring again;
- Prevent similar incident occurrences;
- Improve the operation of the facility and the organisation.

Our Lost time Incident Frequency based on incidents per 1 million exposure hours across the Group was 11 in 2010. In order to achieve our HSE vision, we have set targets for reducing this significantly over the next few years, beginning with a 25% reduction in 2011. We expect

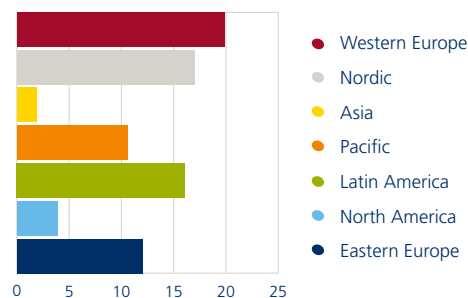
that the implementation of the Group HSE Management system and the ISS Safety Rules will improve our overall performance.

FATALITIES



LOST TIME INJURY FREQUENCY

PER REGION



An overview of fatalities in 2010

LOCATION	DATE	SERVICES	YEARS WORKED	DESCRIPTION
Greece	March 10	Security	2 years	Employee was working as a guard at a university controlling vehicles at the parking lot. He was found dead in the university premises after sliding down stairs and hitting his head.
Argentina	March 18	Cleaning	10 months	Employee was walking on a plant's tinplate roof, when he stepped on a glass fibre panel and fell through it, falling approximately six metres. He died instantaneously.
Denmark	September 20	Cleaning	38 years	Employee was cleaning the outside of a window from an inside office using a telescopic rod. Employee lost balance and fell 6.4 m to the street below. Employee was given first aid but was declared dead upon arrival at the hospital.
Singapore	November 4	Landscaping	3½ years	Employee was found lying on the grass dizzy and disoriented. Employee was taken to the shelter to rest. The Employee subsequently suffered a heart attack and passed away prior to arrival of the ambulance.
France	November 15	Landscaping	4 years	A team of 3 employees were felling trees on the edge of a river. One of the employees was driving an articulated loader vehicle and had loaded a tree from the bank and was driving the vehicle when the vehicle rolled over, crushing our employee. Our employee died at the scene of the accident.

Aligning through strong Human Resources standards

The purpose of the ISS International Human Resources (HR) standards is to align HR procedures. The ISS HR Standards are rooted in the ISS Way and constitute the basis for effective HR Management across the ISS Group and build a solid foundation for our business growth, as well as projecting us as a professional service provider.

In 2010, a review of our Human Resources Standards against our commitment to the UNGC was performed. It showed that we needed to further strengthen the standards in the areas of Human Rights, Forced and Compulsory Labour, Child Labour, Working Hours and Anti-Corruption. As a result, we have updated our HR standards, and the updated standards also clarify the requirements on country managements, and set minimum standards for compliance. With this process completed we have established a foundation for our businesses to build on.

ELEMENTS INCLUDED IN OUR INTERNATIONAL HR STANDARDS

- Recruitment
- Forced and compulsory labour
- Child Labour
- Working Hours
- Discrimination, harassment and abuse
- Remuneration, Benefits and Incentives
- Employee Appraisals and Reviews
- Training and Development
- Health and Safety
- Succession Planning
- Motivation and Loyalty
- Employee Relations
- Managing Sickness and Absenteeism
- Reporting and Monitoring

In the future we will be securing integration of the standard through training, leadership development and other human resources tools. This will most likely happen as a continuing effort to integrate leadership principles and strengthen leadership capabilities, by integration into the employee engagement survey, and the design of leadership self-assessments. We will also be working on monitoring compliance, presumably as part of the internal audits already performed.

Holding on to employees

The service industry in general has high levels of employee turnover because the industry is often considered suitable for short-term or secondary employment. We pursue a number of strategies to reduce turnover among blue-collar employees, including arranging for more full-time and daytime work. We also seek to enhance employee engagement and provide multi-tasking jobs, encourage career development opportunities and design programmes to promote teamwork and skills development.

YEAR ENDED 31 DECEMBER

	2010	2009	2008
Employee length of service:			
Share of employees with less than one year of service	39%	36%	35%
Share of employees with one to five years of service	38%	40%	38%
Share of employees with more than five years of service	23%	25%	26%

In 2010, the share of full-time employees (working 25 hours or more a week) rose to 72%. This indicator is important, as, on average, full-time employees develop stronger ties with ISS. The distribution of employee seniority (in years) provides another perspective for employee loyalty within ISS. In 2010, approximately 61% of the Group's employees had been with ISS for more than one year compared to 62% in 2009. The decrease was due to the growth in our workforce from 2009 to 2010.

We need engaged people

An important tool in retaining employees is the creation of an engaging work environment. The ISS Human Resources vision "to be the preferred employer in our industry" supports the business strategy by focusing on: upgrading leadership and management capabilities, enhancing customers' service experience, integrating acquired businesses, and ensuring competitiveness through cost efficiencies.



Employee Engagement is where every level of the organisation is staffed with people who can and will deliver services in a way that strengthens the customer's experience of service value.

EMPLOYEE ENGAGEMENT SURVEY QUESTIONS

1. I feel able to do my job well
2. I am motivated to contribute more than is expected of me at work
3. I feel proud to work for ISS
4. How likely is it that you would recommend ISS to others as a good place to work
5. Expressed intention to continue working at ISS



PHARMACEUTICALS
ROKIA KALTÉ, FRANCE

Structured surveys

ISS is, in many ways, a people management company. We have always believed that our customers are satisfied if our employees are satisfied and engaged in their work. We have, however, not consistently employed the tools to prove this correlation.

We began the work necessary to clearly establish the link between engaged employees and satisfied customers in 2010. We have tested an employee engagement survey on 4,500 employees in Portugal and more than 30,000 in the Nordic countries, with between 45% and 76% of employees responding.

Measured on a scale from zero to five, the average result of the surveys was 4.2 – 4.3, implying that our employees in these countries indeed are engaged and happy to work for ISS.

We want to roll out the employee survey to more countries and have set a target to offer 250,000 of our employees the opportunity to respond to the questionnaire by the end of 2012.

Extensive training activities

Another way of securing our employees' satisfaction with their ISS employment is training and development. This was supported by findings in the 2010 employee satisfaction survey, our first, which found that units where training had been very high on the agenda in the past year, the engagement survey score was higher.

Initiatives on training were taken in 2010, with fourteen countries audited on training by Group Internal Audit and thirteen countries establishing training programmes for employees.

We need many different sets of skills to deliver on our promises to customers, and our ability to train and develop employees therefore remains one of the cornerstones of the ISS human resources strategy.

The philosophy is to offer tailored training at all functional levels to enhance employee skills and encourage upward mobility. Training ranges from induction, basic skills training through middle management programmes to sponsorship of a Global Talent programme.

Much attention is devoted to developing the first management layer e.g. team leaders, supervisors and contract managers, who are responsible for the immediate staff and customer contacts. Most training is conducted at ISS academies and training facilities in national and local operations.

In addition to the training provided in the countries and on a regional level, we have established the ISS University, an in-house education centre in Copenhagen, to educate

and train our managers and executives. Most of these training programmes were developed exclusively at ISS University, while others were designed in cooperation with institutions, such as Stanford University, International Institute for Management Development, Henley Management College and INSEAD Business School.

In 2009 and 2010, more than a thousand senior managers and specialists attended workshops and programmes at ISS University. Pursuant to our strategy, ISS Academy was launched as an ISS University initiative to foster knowledge sharing and skills development related to integrated facility services. As part of the ISS University philosophy, regional and country managers are being certified to run ISS Academy programmes locally in local languages, which will facilitate the flow of knowledge to our employees.

Additionally, in order to implement strategic initiatives, such as Cleaning Excellence and the integrated facility services concept, ISS University continues to develop key specialists and train-the-trainers. This is supplemented by local initiatives.

CERTIFIED OUTSOURCING PROGRAMME

As a leading advocate for the outsourcing profession, ISS has developed a Certified Outsourcing Program (COP) in collaboration with International Association of Outsourcing Professionals (IAOP). The program is tailor made for ISS and our Sales Managers, who are meeting the everyday outsourcing challenges and needs for understanding what's behind.

The background for the program is that we continue to see a positively development within the outsourcing industry. Whether it is within IT, production or outsourcing of internal facility services the market is getting more matured. The customers' goal is not just cost savings but a dynamic and continuous transformation that keeps them healthy and competitive.

Equal opportunities

Thanks to our corporate culture, and aided by language courses and adapted training materials, ISS is an employer of choice for many immigrants and ethnic minorities. In all regions, but especially in countries such as Belgium, Denmark, France, Norway, Sweden and the United Kingdom, ISS is among the largest employers of ethnic minorities.

The ability to attract immigrants and ethnic minorities is partly due to the nature of many of our jobs requiring little prior training or formal certification of skills, something which has often been out of reach to members of these groups. It is, however, also very much due to a conscious effort to secure all people a chance for a productive



INDUSTRY & MANUFACTURING
PEDRO JOSÉ DA SILVA, BRAZIL

membership of the society in which they live, the right to work and access to education. We have an important role to play, locally and internationally, in giving attention and providing solutions to the challenges involved in global migration, urbanisation and employability.

Employee relations

Employee and trade union relations are a natural part of a people-centred business such as ISS. The corporate policy of involvement and dialogue is applied locally in country operations. In the last five years, we have not experienced any material disruption to our business as a result of strikes, work stoppages or other labour disputes.

Nearly 50% of our employees are in Europe and are generally members of trade unions, and employee and trade union relations, consequently, are a high priority for us. In 1995, we established our European Works

Council (EWC) as an in-house forum for dialogue between management and employee representatives across Europe.

The agenda for meetings in EWC includes the structure, financial situation, and development of the Group, the current situation and probable trends of employment. Discussions also involve the introduction of new working methods and processes, training and health & safety issues, provided that such issues may affect the interest of the employees of the ISS Group in more than one country in Europe.

The EWC agreement was renewed in 2009 for four years and allows for up to 30 employee representatives to participate in an annual EWC meeting at our headquarters. A total of 22 representatives from 16 countries took part in the EWC dialogue in 2010.

NETHERLANDS: WORK-TRAINING FOR PEOPLE WITH DISABILITIES



Together with three NGO partners, we have launched the Wajong project, offering work-training to young people with disabilities which will aid their entrance into the labour market. Participants receive classes, work experience and personal coaching, with ISS Netherlands providing training in various facility services. When the participants have completed their training, ISS Netherlands is motivating its customers to allow ISS to employ young people from the Wajong project at their premises.

SINGAPORE: JOBS FOR PEOPLE WITH DISABILITIES



We collaborate with Singapore National Employers' Federation to redesign cleaning jobs to fit people with disabilities. Since May 2009, we have hired a total of 13 people with disabilities and they now work at the National University Hospital as cleaners. Everyone needs motivation to do a good job, and we identify and reward the best performer among the 13 employees at the Hospital.

ISS and the Planet

– Considering the environment in the way we work

Our environmental policy is stated in our Code of Conduct: ISS is committed to continuously reducing the adverse environmental effects of its operations.

The main environmental impacts from ISS' operations derive from our cleaning services and consist of use of chemicals as well as water and energy consumption. We also emit CO₂ through the use of cars in our operations and travel activities.

In general, there are two ways in which ISS can influence the extent of our impacts: through the design of processes and equipment we use, and through the portfolio of services we offer to our customers.

As part of the Group HSE and CR Action Plan, we will be running an environmental campaign in 2011 to raise awareness of our environmental impact and on how we can all take measures to reduce this. As a pilot project, we will also investigate further reducing our energy consumption at our head office. We are presently working with an external partner looking at projects which will lead to energy savings and reductions.

Less impact from cleaning

With 52% of ISS' revenue originating from our cleaning services, this part of our business is where we have the greatest possibility to reduce our environmental footprint.

The International Facilities Management Association (IFMA) estimates, that a minimum of 2.7 million tonnes of cleaning chemicals are consumed annually in the performance of cleaning tasks, and misuse and overuse due to lack of training is very common.

For a number of years, ISS has worked to reduce the number of chemicals we use for cleaning, and to design processes which can reduce water consumption. Since 2009, we have taken this work one step further and developed a cleaning service offering named 'ISS Green Cleaning'.

The concept is based on the principles of 'Cleaning Excellence', also developed by ISS, the application of which already results in significant reductions in use of water and cleaning substances.

Taking this one step further, 'ISS Green Cleaning' offers customers a cleaning concept using and procuring certified and environmentally friendly chemicals, employees educated in greener cleaning, and day time cleaning, which saves energy from eliminating night time lighting

and heating. In fact, according to IFMA, studies have shown that daylight cleaning reduces the amount of energy needed to illuminate a commercial office building by 4 to 8% annually.

ISS is increasingly searching for solutions to reduce our environmental impact from our operations. In 2010, ISS partnered with one of our suppliers, Tennant, on the use of their ec-H₂O technology. This technology eliminates the use of chemicals for normal daily cleaning. In addition, the technology also significantly reduces water consumption and CO₂ emissions. ISS and Tennant have carried out pilot projects at several of ISS customer sites and the results from these pilot projects have proven the effectiveness and saving potentials. As a result, ISS has purchased over 275 machines with the ec-H₂O technology in the second half of 2010. The potential savings from the use of the 275 machines is an estimated yearly reduction of 100 tonnes CO₂ and approximately 11 million litres of water when compared to conventional machines.



Reduce, reuse, recycle

Water is recognised as a critical resource as the availability of freshwater per capita is steadily decreasing across the world. We have learned from our Cleaning Excellence programme to use less water, reuse equipment and tools that improve indoor air quality and benefits the outside environment. The benefits are:

- Detergents reduced by 75% over 1 year;
- Water consumption and disposal reduced by up to 70% with technologies like the use of micro fibres;
- Reuse cleaning solution and increase productivity with Cleaning Excellence;
- 95% of our chemical packaging is recyclable.



BUSINESS SERVICES & IT
LENA MAGNUSSON, SWEDEN

Aiming for leadership

In a broader sense, ISS Green Cleaning wants to affect the entire process of creating a healthy environment for the people who work and visit the facilities managed by us. It is our firm belief, that as our customers' need to demonstrate their commitment to running a sustainable business grows, ISS can offer a hand.

ISS is uniquely positioned to deliver this leadership in greener facilities management, as we have worked for decades to develop documentation of processes, supplier relationships and a structured management approach securing uniform services worldwide.

Less impact from pest control

ISS provides pest control services to more than 250,000 private and over one million residential customers in 30 markets. Our overall strategy is to monitor and prevent the infestation of pests. However, as the nature of this business implies the use of pesticides and other toxic substances, we have taken a number of initiatives to reduce the adverse environmental effect of our work:

- In all markets, we adhere to as a minimum the guidelines set by the International Pest Control Association, which advocate use of the least polluting product available. In markets with regulation we will only use products which have been approved locally.
- In situations which would previously have required fumigation, a process in which pesticides are used that are often very harmful to the surrounding environment, we have altered our practices and recommend the use of heat treatment, which has no repercussions for the surroundings.
- In all best practice models for the procedures we apply to perform our services, it is clearly stated that we must use the product which does the least harm to surroundings. One example is combating rodents, where using anything but the mildest product could cause both rodents' resistance to the toxics used, and the transfer of toxic residue to other animals, which might later be used for human consumption.

Limiting our own footprint

In 2010, our efforts were bolstered with the implementation of the HSE policy, and Group HSE Manual. Many ISS operations are already certified in accordance with environmental standards such as ISO 14001, LEED, Green Seal etc., but the new governance framework will secure a more uniform standard across our operations.

WHAT IS GREEN CLEANING?

At its outset, Green Cleaning essentially involved the use of environmentally preferable chemicals. Since then, the concept has evolved to include environmentally preferable tools, equipment and paper goods. Further, Green Cleaning incorporates not only the environmentally preferable products and how, when and where they are procured and used, but also on the health and safety of both cleaning personnel and building occupants, as well as daylight cleaning that leads to energy savings.

In North America particularly, Green Cleaning has become more formalised and accredited through methods available from e.g. the US Green Building Council's LEED suite of accreditations. Several ISS companies are certified according to these programmes.

IFMA recently released a guideline in which three stages of Green Cleaning programmes are described:

Stage One - includes the development of a clear Green Cleaning Policy, as well as the transitioning of certain products (i.e. chemicals and equipment) from traditional to green including training of cleaning professionals in their use.

Stage Two - in which the Green Cleaning Policy includes detailed information on how green processes will be utilised, managed and measured. Product selection now includes paper products, trash liners, hand soaps, and other cleaning materials, including microfiber. Alternative technologies are tested and implemented where appropriate.

Stage Three - involves using environmentally preferable products for all product categories, processes should be completely implemented to ensure the least impact, and all decisions should be made so they are clearly consistent with the principles of sustainability. A Stage Three program also demands collaboration and alignment of activities between the cleaning organisation and the customer.

TURKEY: THE ISS FOREST

We are in the process of creating an ISS Forest around the Ulkü village in Bursa, Turkey. The project aims to cover the amount of paper consumed in ISS Turkey, as well as generating environmental awareness among the employees. In November 2010, 1,200 new saplings were planted, joining the 1,250 small trees planted in 2009 by 1,250 volunteering ISS employees.





INDUSTRY & MANUFACTURING
PATRICIA MÜLLER & ERWIN WENGER, SWITZERLAND

NORWAY: CLEAN CATERING



ISS has opened the country's first canteen certified by the Nordic eco-label the 'Swan', examines the environmental effect of goods and services during the entire life cycle from raw ingredients till waste. To be certified, a canteen must ensure that all aspects of the operation are environmentally friendly, be it energy consumption, waste management, the use of chemical products or the use of organic foodstuff. All processes, including procurement, have to be documented, and continuous improvement must be demonstrated.

In 2010, ISS first began measuring our global footprint. Data for our environmental performance is currently limited to the CO₂ emissions from our car fleet and business travel. In 2011, however, we will begin to establish baseline data for our other main consumptions, electricity and water.

We realise that our car fleet and electricity used in offices are the main sources of emissions in ISS, and we are and will be directing many of our efforts to reduce our emissions from these two sources.

One of the main initiatives pursued was to reduce the CO₂ emissions stemming from car fleet. In 2010, we began the transition to energy efficient cars. ISS leases more than 18,000 cars worldwide, and 14% of these were changed according to the new practice last year. In the evaluation for the new leasing agreement, one of the four criteria used was energy and efficient labelling of the cars. In addition, fleet managers in our countries have also initiated car driver safety programmes that include reducing speed and hence fuel consumption.

ISS and Profit

– Business integrity is part of the brand-protection we deliver to our customers

Running a sustainable and profitable business is the primary objective of ISS, and 2010 proved another year in which our company improved its performance.

Our main objective is to improve our Operating Margin, which has been on average 5.8% per year from 2006 to 2010. We seek to improve operational efficiencies by increasing our local market positions and operational densities, as well as by implementing Group-wide excellence and best practice initiatives.

Another objective is to focus on organic growth through new sales and cross-selling of service solutions to both new and existing customers. We aim to continue to leverage our international market position and service offering in order to increase our local market positions and drive organic growth. We continue to work with a wide range of initiatives, including the further development of our Corporate Clients organisation, enhancing our focus on specific customer segments and implementing commercial planning processes and tools.

As part of this growth strategy, our objective is also to leverage our corporate responsibility performance to become a preferred partner for our customers and to develop this into a Value Proposition for our customers by helping them reduce their risks in this area.

Zero tolerance for unclean business

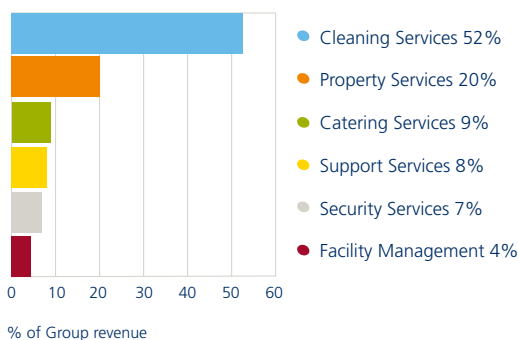
The practice of corruption and bribery is illegal, criminal and detrimental to businesses, institutions and governments and consequently harmful to all societies and individuals. Governments and organisations all over the world have recognised this a long time ago, and corruption is therefore a criminal offence in most jurisdictions.

Because it is against our core values (Honesty, Entrepreneurship, Responsibility and Quality), ISS has always had very strict rules against the practice of corruption and bribery in its business, and through the signing of the UNGC we are strongly committed to combat the use of corruption, extortion and bribery, wherever we do business.

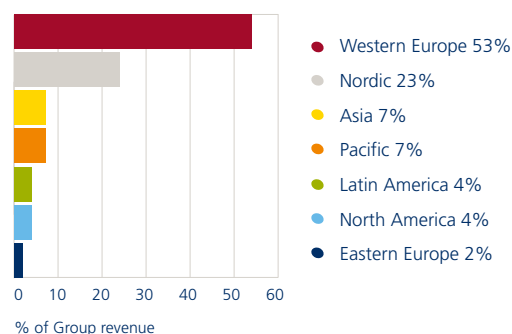
Corruption is also a key risk to our business, and in ISS, rules against corruption and bribery have for many years been part of the ISS Code of Conduct. These rules form part of the fundamental principle that ISS competes for business on fair terms and solely on the merits of its services.

REVENUE 2010

BY SERVICE



BY REGION



Our business integrity is non-negotiable and a vital part of the terms on which we hire and potentially give members of our staff notice to leave. And while we may operate in countries where the legal framework for anti-corruption is weak, the ISS Code of Conduct principle on anti-corruption still applies.

In 2010, as part of their auditing, Group Internal Audit has looked at whether the Code of Conduct has been translated in the local language and delivered to the employees. Of the 14 countries audited in this area, 11 have done so. To ensure that the Code of Conduct is available and understood by our employees, one item in the Group HSE and CR Action Plan requires all Countries to translate the ISS Code of Conduct into their local languages in 2011 and to make this available during the induction for every new employee.

Upgrading our anti-corruption work

In 2010 we bolstered our anti-corruption work, in line with a growing global focus on combating unclean business practices illustrated in particular by the increased enforcement of anti-corruption rules, not least by the US Government of the US Foreign Corrupt Practices Act, as well as by the passing of a new bribery act in the UK.

Our first action was to provide a set of Anti-Corruption guidelines, as part of The ISS Way. In November 2010, we launched an Anti-Corruption policy, which brought new demands for compliance by country managers.

During 2010, the Anti-Corruption policy was sent out to all country managers and Group Legal has reached out to all regions to explain the implications of the new policy, and to stress the importance of this in combination with our competition guidelines, which we updated in 2008. In 2010, 311 managers at all levels from 32 countries undertook some type of compliance training. We have also been developing E-learning based training and compliance programmes, and our target is to train all senior leaders, approximately 500 people by the end of the second quarter of 2011.

Management accountability strengthened

In 2010 we responded to three reported instances of management behaviour in conflict with our Values, Code of Conduct and Leadership Principles. In all three cases, accounting irregularity or unethical business practices at management level led to the dismissal of the implicated manager.

Since 2009, all our managers have to comply with our corporate governance guidelines. These guidelines focus among others on aligning management contracts, creating transparency on conflict of interest issues and the strengthening of governance of contracts and other commitments as well as the monitoring thereof.

A management representation letter is signed annually, stating that all country reporting is done accurately, fairly and according to the ISS Accounting manual. The letter now includes a section stating that this compliance does not only cover financial items but also Anti-Corruption and, in general, compliance with the ISS Code of Conduct.

For more about our corporate governance system, please see the annual report.

Whistleblower system submitted for approval

The development of a whistleblower policy and system was also carried out in 2010. Pending approval from the Danish Data Protection Agency, we expect the system to be functional and implemented by the end of the second quarter of 2011, at the latest.

ANTI-CORRUPTION IN THE ISS CODE OF CONDUCT

We have the following basic rules on Anti-Corruption to guide the behaviour of our employees:

- 1) ISS is against any form of corruption and bribery and is committed to combat such practices.
- 2) ISS competes for business on fair terms and solely on the merits of its services.
- 3) Regardless of local practice, any personal payments, kickbacks or bribes between ISS and customers, suppliers or public servants are strictly prohibited.
- 4) It is unacceptable to receive gifts or other gratuities from business partners – unless customary in the environment, of modest nominal value and serves a business purpose.

These rules form the basis of our Anti-Corruption Policy.

This system aims to:

- provide a possibility for employees, business partners and other stakeholders to raise serious and sensitive concerns;
- ensure that such concerns are treated seriously and appropriately, and
- reassure that any person raising a serious concern in good faith will be protected from reprisals or retaliation.

A complaint will be able to be filed online, using e-mail, telephone or ordinary post.

Each complaint or concern will be received by the Head of Group Internal Audit, who will record all reported complaints or concerns, consider the seriousness and credibility of the complaint or concern raised, and proceed accordingly in determining the appropriate action.

Some complaints or concerns may be resolved without requiring investigation. Others may be investigated by Group Internal Audit or external auditors, investigators and/or legal counsel may be engaged to assist in the investigation and analysis of the results thereof.

The conclusions of the investigation are submitted to the Audit Committee, established by the ISS Board of Directors. Depending on the gravity and magnitude of the violation, the report may be presented to the Board of Directors.



HOTELS, LEISURE & ENTERTAINMENT
BAHTIYAR GOLTAS, TURKEY

MEXICO: AN APPLE A DAY KEEPS CORRUPTION AWAY



An innocent image of an apple sewn onto the uniforms of cleaning employees in Mexico makes ISS' commitment to anti-corruption visible nationwide. The symbol also indicates that ISS has national labour market agreements with its employees, who all belong to unions and are included in social security registers. Changing business practices in Mexico has been a lengthy process and has also resulted in some lost customers. However, now, three years after ISS entered the Mexican marketplace, our socially responsible customers welcome our approach, which has often been a key factor in winning new contracts, particularly with large organisations. In a nutshell, this initiative has transformed anti-corruption into a business opportunity. The same clean business principles, though without the apple symbol, have also been adopted in ISS' South American operations in Brazil, Argentina, Uruguay and Chile.

SWEDEN: SUPPORT FOR HAND IN HAND ORGANISATION



In 2010, for the second year in a row, ISS Sweden donated SEK125,000 to the 'Hand in Hand' organisation that focuses on female entrepreneurship in countries such as India, South Africa, Afghanistan and Brazil. Women are helped to form self-help groups of 12-20 people and offered training in reading, writing and how to save money and open bank accounts. Women who complete the course are offered microcredit subsidies to start their own businesses or develop existing activities.

ISS and Partners

– Establishing long term partnerships as part of our strategy

Delivering our services to our customers implies ISS employees being present and visible at our customers' facilities and daily life. This requires a high level of trust and collaboration, between ISS and our customers, and between ISS and our suppliers and employees. This is integrated in our way of doing business. Below are a number of examples of how we attempt to strengthen our bonds to some of our stakeholders.

A responsible supply chain

As an industry leader, ISS has to ensure a responsible supply chain, thereby guaranteeing partners and business associates protection of their brand. This is accomplished by working together with global partners that have integrated sustainability throughout their businesses.

To progress against this aspiration, we have in 2010 developed a supplier questionnaire based on recommendations of the Danish Institute of Human Rights and the Confederation of Danish Industry. The questionnaire covers areas such as:

- the ISS Code of Conduct;
- Anti-Corruption;
- Legal Compliance;
- Forced Labour;
- Child Labour and Young workers;
- Non discrimination;
- Freedom of Association;
- Workplace Health and Safety;
- Conditions of employment of work;
- Security;
- Land Management;
- Accidents and Health;
- Company products;
- Environmental Protection.

As a first step, in 2010, the questionnaire was sent to ten main suppliers and twelve of the largest countries in terms of revenue, for distribution to their ten biggest suppliers. The response from the ten main suppliers shows that there are no major gaps between our suppliers' standards and the requirements in the questionnaire. In the next steps, this will progress to audits based on risk evaluations in 2011.

Improving employment standards

Since 2003, ISS has had a global agreement with Union Network International (UNI), committing itself to support 12 fundamental principles based on International Labour Organisation conventions. The agreement was renewed in 2009 with an increased focus on labour and the right to join a union. The agreement aims at enabling all ISS employees worldwide to be able to exercise rights to union membership and collective bargaining.

As part of the agreement, ISS and UNI created the Global UNI-ISS Foundation in 2009 with the purpose of monitoring and improving employment standards within the service industry globally. It ensures that the annual ISS donation of EUR 100,000 is invested in projects within the industry and countries in which ISS operates.

The agreement and collaboration has prompted UNI to name ISS as *'an employer that treats its workers well and is setting a good example for other global employers'*.

Partnership with Diversey

In 2010, ISS worked to develop a partnership with Diversey, a leading global provider of commercial cleaning and hygiene products, with whom ISS does a substantial amount of its sourcing.

Diversey's commitment to the climate is first in class. It is a member of WWF's Climate Savers programme, requiring continuous improvement in its carbon footprint. Diversey also has systems that reduce water consumption, waste generation and provide for safer working conditions.

The partnership aims to approach current and potential customers of ISS to suggest better solutions for water, energy and chemicals, making it convenient for customers to secure a reduction in their consumption of all three of these factors. So far ISS and Diversey have designed a pilot project where an energy and resource consumption audit of three customer sites will be carried out in the beginning of 2011.

NEW ZEALAND: JOINING THE CLEAN START ACCORD

We support an initiative called Clean Start, a campaign created by and for building service workers in the commercial property sector. Clean Start is about the sustainability of the service industry through the development and maintenance of good jobs for employees. It acts against the deterioration of work conditions for employees in especially the cleaning industry. The campaign focuses on fair hours, workloads, job security, treatment, leave, rights and pay for the workers.





PUBLIC ADMINISTRATION
ARNAL LASAT, IRELAND

UK: UNILEVER AND ISS JOIN FORCES FOR CHARITY



Unilever Foodsolutions sells two brands of tea, PG tips and Lipton, in 40 UK hospitals run by ISS Facility Services Healthcare. And in the three last months of 2010, 10% of the profit of what is likely to be more than 65,000 cups of tea sold will be donated to the local hospital in the area of Kenya where Unilever's tea estate is located. The donation will be used for improvements to the paediatric ward, cervical cancer screening, and to renovate the hospital theatre.

INDIA: EDUCATION OF DISADVANTAGED CHILDREN



ISS India has partnered with Bhumi Chennai, a NGO through which students and young professionals volunteer in educating and mentoring children from orphanages, slums and village community centres. ISS Catering Services recently sponsored food for an event involving more than 1,000 children and volunteers, and looks forward to work with them for future events. Bhumi is also active in the conservation of the environment.

Reporting principles and compliance

This report, the first comprehensive corporate responsibility report prepared by ISS, covers activities in the calendar year 2010.

We have once previously communicated on corporate responsibility from a Group perspective, in 2010, but have with this report taken a large step forward on our journey towards transparency and commitment to corporate responsibility. Our first communication did not include indicators and subsequent data, which means no re-statements or changes have been made to data collection, indicators or methods used for earlier reporting.

We have designed our reporting to be in line with level C in the Global Reporting Initiative, the world's most widely used sustainability reporting framework. This requires reporting on a minimum of 10 performance indicators as well as a set of profile disclosures. An overview of the GRI standard disclosures included in this report can be found in the table on the following pages.

Our annual reporting on our corporate responsibility activities and management is also in accordance with the "Danish Financial Statements Act (Accounting for CSR in large businesses)". The reporting furthermore serves to fulfil our obligation to communicate on progress (COP) as required by the UNGC. The data in this report covers ISS employees and their contractors and electricity consumption at ISS offices and own facilities such as central kitchens. The report does not cover our customers or electricity consumption at our customer sites. Items reported on in this report have been chosen based on our work to determine materiality in terms of corporate responsibility for ISS.

Guidelines

As a basis for our reporting, ISS developed a Group HSE and CR Reporting Manual in 2010 to provide reporting principles and rules to ensure a consistent basis for reporting.

The principles listed are derived from generally accepted accounting and reporting policies and include Relevance, Consistency, Transparency, Accuracy and Completeness. They are intended to guide data gathering and reporting to ensure that the reported information fairly presents our HSE and CR performance. The Group HSE Manual requires that Countries and others collecting data manage their HSE and CR data quality systematically as part of their management system.

In order to facilitate control and review of HSE and CR data, each reported parameter shall have an audit trail. An audit trail is a clear (documented) record of definitions, assumptions, aggregation, calculations and references that result in the final reported data.

The manual specifies the data that shall be available for monitoring performance and for reporting on corporate responsibility issues at Group level.

Changes and future outlook

This is the first step in our reporting and monitoring journey. In 2011, the Group HSE and CR Reporting Manual has been expanded to include more corporate responsibility data parameters with the overall objective of improving our data in both quality and quantity. In 2011, we will start reporting on occupational illness cases, fuel costs, fuel usage, electricity consumption, electricity costs, and total water withdrawal by source.

OVERVIEW OF GLOBAL REPORTING INITIATIVE (GRI) GUIDELINES AND UNITED NATIONS GLOBAL COMPACT COMPLIANCE

GRI Standard Disclosures

1.	STRATEGY AND ANALYSIS	SECTION IN REPORT
1.1	Foreword by CEO	Letter from the Executive Group Management
1.2	Description of key impacts, risks, and opportunities.	ISS and People, ISS and the Planet and ISS and Profit sections
2.	ORGANISATIONAL PROFILE	
2.1	Name of the organisation	About ISS
2.2	Primary brands, products, and/or services	About ISS
2.3	Operational structure of the organisation	About ISS
2.4	Location of organisation's headquarter	About ISS
2.5	Number of countries where the organisation operates	About ISS
2.6	Nature of ownership and legal form.	About ISS
2.7	Markets served	About ISS
2.8	Scale of the reporting organisation	About ISS
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Letter from the Executive Group Management ; Annual Report 2010
2.10	Awards received in the reporting period.	The ISS approach to corporate responsibility
3.	REPORT PARAMETERS	
3.1	Reporting period	Reporting principles and compliance
3.2	Date of most recent previous report (if any).	2010
3.3	Reporting cycle	Reporting principles and compliance
3.4	Contact point for questions regarding the report or its contents	Colophon
3.5	Process for defining report content	Reporting principles and compliance
3.6	Boundary of the report	Reporting principles and compliance
3.7	Specific limitations on the scope or boundary of the report	Reporting principles and compliance
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations etc.	Reporting principles and compliance
3.9	Data measurement techniques and the bases of calculations	Reporting principles and compliance
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Reporting principles and compliance
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Reporting principles and compliance

4.	GOVERNANCE, COMMITMENT AND ENGAGEMENT	SECTION IN REPORT
4.1	Governance structure of the organization	Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Governance
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Annual Report 2010
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Governance; ISS and Profit
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	The ISS approach to corporate responsibility (not required)
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	CEO message (not required)
4.14	List of stakeholder groups engaged by the organisation.	The ISS approach to corporate responsibility
4.15	Basis for identification and selection of stakeholders with whom to engage.	The ISS approach to corporate responsibility
5.	MANAGEMENT APPROACH AND PERFORMANCE INDICATORS	
EC1	Economic performance	Our Performance and Targets; Annual Report 2010
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	ISS and the Planet
EN16	Total direct and indirect greenhouse gas emissions by weight	Our Performance and Targets
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	ISS and the Planet
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	ISS and the Planet
LA1	Total workforce by employment type, employment contract, and region.	Our Performance and Targets; ISS and People
LA2	Total number and rate of employee turnover by age group, gender, and region.	Our Performance and Targets
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Our Performance and Targets; ISS and People
LA9	Health and safety topics covered in formal agreements with trade unions.	ISS and People
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	ISS and Partners
HR4	Total number of incidents of discrimination and actions taken.	Our Performance and Targets
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	The ISS approach to corporate responsibility; ISS and People
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	ISS and Profit
SO4	Actions taken in response to incidents of corruption.	ISS and Profit
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	The ISS approach to corporate responsibility

THE GLOBAL COMPACT PRINCIPLES

HUMAN RIGHTS		READ MORE ON PAGE
PRINCIPLE 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	3, 11 and 21
PRINCIPLE 2	make sure that they are not complicit in human rights abuses.	
LABOUR STANDARDS		
PRINCIPLE 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	11 and 21
PRINCIPLE 4	the elimination of all forms of forced and compulsory labour;	
PRINCIPLE 5	the effective abolition of child labour; and	
PRINCIPLE 6	the elimination of discrimination in respect of employment and occupation.	
ENVIRONMENT		
PRINCIPLE 7	Businesses should support a precautionary approach to environmental challenges;	6, 14 and 26
PRINCIPLE 8	undertake initiatives to promote greater environmental responsibility; and	
PRINCIPLE 9	encourage the development and diffusion of environmentally-friendly technologies.	
ANTI-CORRUPTION		
PRINCIPLE 10	Businesses should work against corruption in all its forms, including extortion and bribery.	6, 11, 15, 30 and 31

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Share your opinion

We welcome your feedback as it is an
important part of our dialogue with our
stakeholders.

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