

The cover features a large, circular graphic composed of two interlocking hands, one dark blue and one light blue, forming a ring. Inside the ring, the title 'CORPORATE RESPONSIBILITY REPORT 2014' is written in a bold, dark blue, sans-serif font. Below the title, the subtitle '— continuous improvements in support of our vision' is written in a smaller, lighter blue font. The background is a light blue sky with white clouds. At the top of the ring, a group of seven diverse people in various uniforms (chef, construction, retail) are standing. To the left of the ring, there are stylized illustrations of a wind turbine, a modern building, and a stack of papers. To the right, there are green bushes and a dark blue geometric shape.

CORPORATE RESPONSIBILITY REPORT 2014

— continuous improvements
in support of our vision





KAFSATU FOTU

Cleaning Professional, ISS New Zealand

ISS at a glance

What we do...

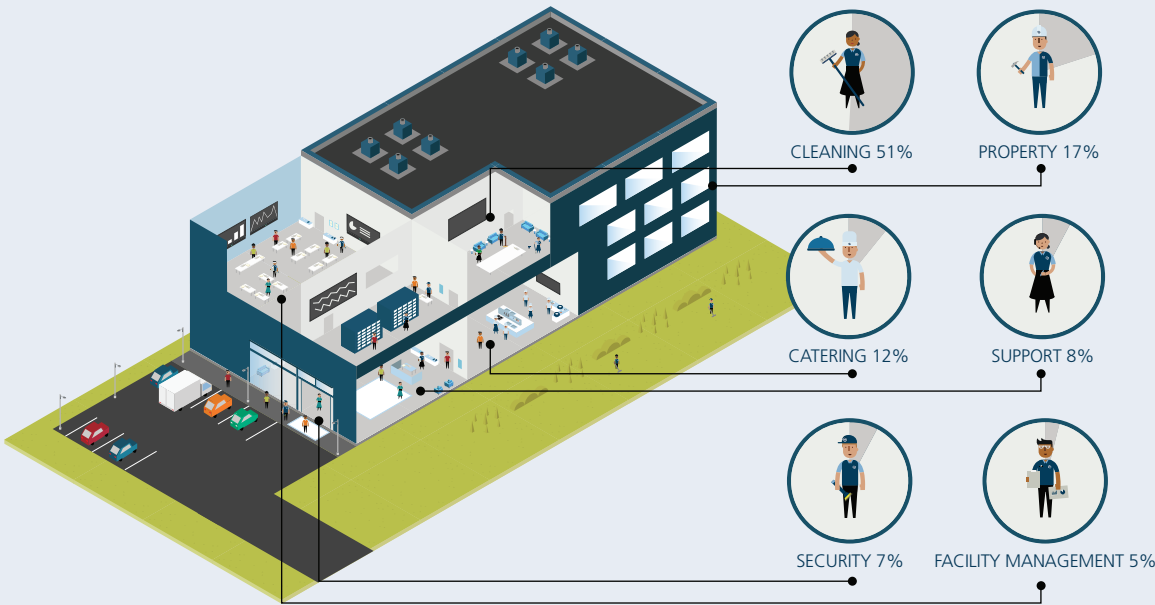
OUR BUSINESS MODEL

ISS's business model is based on creating value for our customers by taking over their non-core **facility services** and allowing them to focus on what they do best. Focusing on our **selected customer segments**, we offer leading value propositions based on our philosophy of **self-delivery** of our chosen services.

OUR VALUE PROPOSITION

Service performance
facilitating our customers' **purpose**
through **people empowerment**

OUR INTEGRATED FACILITY SERVICES (IFS) MODEL



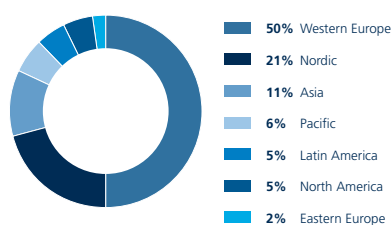
% of Group revenue

Our vision

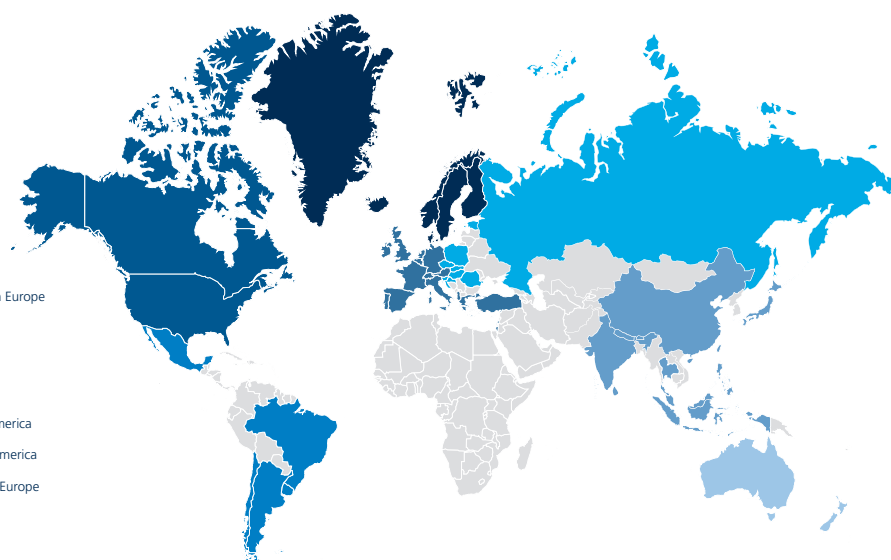
"We are going to be the world's greatest service organisation."

where...

GLOBAL PRESENCE



% of Group Revenue



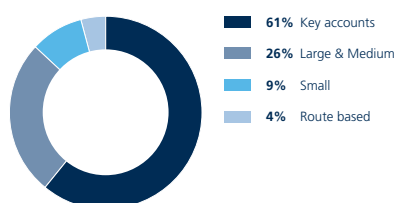
DKK 74 billion
Group revenue

510,968
employees

77
countries

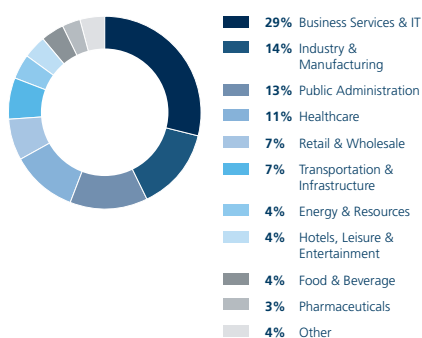
for whom and how ...

CUSTOMER TYPE



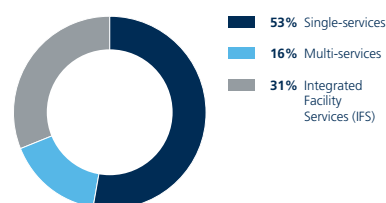
Focus on larger customers

CUSTOMER SEGMENTS



Diversified customer portfolio

DELIVERY TYPE



Increasing IFS share (31%)

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Letter to Our Stakeholders

ISS made significant progress in 2014. We demonstrated the resilience of our business model through robust financial results. We accelerated the implementation of our strategy, added many new customers and, through the successful listing on Nasdaq Copenhagen in March, welcomed thousands of new shareholders. We made improvements within Corporate Responsibility and, for the second straight year, ISS was named the world's best outsourcing provider by the International Association of Outsourcing Providers.

We generated resilient organic growth, while improving our operating margin and ensuring strong cash conversion, in spite of difficult macroeconomic conditions throughout the year. We strengthened the focus on our core service offerings and on improving the customer experience and employee engagement whilst also generating significant benefits through a number of strategic initiatives.

Going public

The successful IPO in March was an important step in our journey towards becoming the world's greatest service organisation as it created a strong foundation for our future growth. The resilience and attractiveness of our business model was a major factor in our successful return to Nasdaq Copenhagen, and we are determined to deliver on the trust that our investors have placed in us.

As planned, we used the proceeds from the IPO to significantly reduce our leverage. This, along with a successful refinancing, served to significantly strengthen our financial position. We are

now classified as an investment grade company and, as a result, we were able to issue bonds of EUR 1.2 billion at very competitive pricing.

At the annual general meeting, we will propose a dividend for 2014 of DKK 4.90 per share of DKK 1, equivalent to a pay-out ratio of approximately 50% of Profit before goodwill impairment and amortisation/ impairment of brands and customer contracts.

Engaged colleagues, valued customers

Our 510,968 colleagues and our thousands of valued customers around the world continue to be the most important factors behind the success that we enjoy in the enormous USD 1 trillion market in which we operate.

We express our gratitude to all our employees for their dedication and to our customers for the trust they have put in ISS.

Our global customer and employee surveys have shown further improvement over the year, and we recorded our

best ever scores for employee engagement as well as customer experience.

Around 207,000 (61%) of our surveyed employees and most of our major customers participated. Our employee engagement improved in all regions, on average from 4.3 to 4.4 (on a scale of 5). Employees' readiness to recommend ISS as an employer (known as the Net Promoter Score) increased significantly to 46 (from 31). In an industry with inherently high employee turnover, the ability to attract the very best people is becoming increasingly important in order to win in the marketplace. We continue to carry out a range of initiatives to strengthen the relationship between employees and ISS even further.

Similarly, the satisfaction of our customers is crucial to our growth in all segments, from single services to multi-services and IFS. In 2014, we managed to further develop the IFS offering and grow the business through several contract extensions, expansions and wins with customers, including HP, Vattenfall, Molson Coors, Bankia and the Norwegian Defence Forces. IFS grew by 10% and now represents 31% of our total revenue.

Solid performance in 2014

In 2014, we took further significant strides in key parameters within corporate responsibility. We continue to take initiatives to improve our performance in corporate responsibility such as increased training and awareness campaigns. As a result, we improved our Lost Time Injury Frequency by 55% and reduced the Lost Work Time by almost 45% over the past five years. Our absentee rate decreased from 1.9% to 1.7% during 2014.

Unfortunately, seven of our employees lost their lives due to work-related accidents. This is both deeply regrettable and unacceptable. Each of these fatalities had profound impact on families, colleagues and friends and we extend our thoughts and sympathy to them. Six of the seven fatalities were vehicle related. In 2014, we took new initiatives to address the challenges with vehicle related incidents such as campaigns and implementing a Driver Safety Handbook. Safe driving will be a continued focus for us in 2015.

Continued commitment to UN Global Compact

On human rights, labour rights, environmental protection and anti-corruption, we have made a strong commitment as a signatory and supporter of the United Nations Global Compact since

its inception in 1999. We remain committed to aligning our strategy and operations with the ten Global Compact principles.

Furthermore, we respect, support and promote human rights and support the ambitions stated in the United Nations Universal Declaration of Human Rights and the Core Conventions of the International Labour organisation.

In recent years, we have also strengthened our control environment and governance including our supply chain. Looking ahead, we will strive to further improve our performance within Corporate Responsibility with particular attention to eliminating fatalities at our work places.

Yours faithfully



**Lord Allen
of Kensington CBE**
Chairman



Jeff Gravenhorst
Group Chief Executive Officer

Our Approach

Being the world's greatest service organisation requires a solid commitment to Corporate Responsibility. This section draws up the links between our value proposition, our business strategy, The ISS Way, and our corporate responsibility efforts.

Reaching our vision with the aid of Corporate Responsibility

To achieve our vision to be the world's greatest service organisation, we are working through five strategic themes that will help us accelerate our progress. (see box).

ACCELERATING THE ISS WAY – GREAT

Our strategy, The ISS Way, is all about focusing our organisation on the most significant levers ensuring that we can deliver successfully on our value proposition.

GREAT is our primary vehicle for accelerating our strategy implementation, hence constitutes a principal driver moving us towards realising our vision of becoming the world's greatest service organisation. Within **GREAT** there are five overall themes, and each entails critical strategy implementation initiatives.

The five themes are:

- 1) Empowering people through leadership;
- 2) Optimising our customer base;
- 3) Fit for purpose organisation;
- 4) IFS strategy; and
- 5) Striving for excellence.

Further elaboration on the five themes can be read on the following pages.

The goal is to enable the consistent delivery of our value proposition¹, which is *Service performance facilitating our customers purpose through people empowerment*.

Corporate Responsibility is critical to delivering on our overall value proposition and is embedded in each of the five strategic themes. The exact links to the themes are illustrated on the next page.

Why is Corporate Responsibility a core part of the Value Proposition?

ISS takes over on-site facility services that are non-core for our customers. However, the actual delivery of the service is only part of the value we contribute. The elements of our value proposition actually assist customers in living up to their specific purposes and priorities, e.g. when a customer in the oil and gas industry requires us to deliver reliable and consistent health and safety compliance given the hazardous environments in which they work.

OUR VALUE PROPOSITION Service performance facilitating our customers' purpose through people empowerment

Our self-delivery model is a fundamental component to successfully delivering our value proposition to the customer. It allows us to address core customer needs such as risk transfer, brand protection, flexible delivery and integration

"Corporate Responsibility is central in accelerating the ISS Way"

JOSEPH NAZARETH

Head of Health,
Safety and Environment
and Corporate Responsibility

of services. With our own front line employees, we can establish a common corporate culture, brand, values, processes and procedures to lead the way in service performance that facilitates our customers' purposes.

From a corporate responsibility perspective, this means credible and effective risk management of health, safety and environment (HSE), and labour law management in compliance with local and international regulations and customer requirements. These include child labour, freedom of association, discrimination, harassment, paying the right wages and paying the wages on time.

Materiality

We are able to present and work from an overview of the company's most important stakeholders at Group level, based on our understanding of their interest in and influence on our business.

The overall employees, customer and investors are our main stakeholders, and there is also clarity on which issues

¹⁾ Read about our value proposition in more detail in the ISS Group Annual Report 2014.

GREAT strategic themes and Corporate Responsibility work that supports them

STRATEGIC THEME	CR DELIVERY
 <p>Empowering through leadership Leadership is our key strategy enabler. Great leaders extract the value embedded in The ISS Way by establishing a sense of purpose and driving alignment.</p>	<p>Initiatives to keep employees healthy and safe, free of discrimination and with fair conditions for labour contribute to a sense of purpose.</p>
 <p>Transforming our customer base We must make conscious choices with respect to our customer focus to deliver a unique and compelling value proposition.</p>	<p>Customers require effective and credible risk management, including risks related to safety, labour conditions and influencing human rights positively. Our initiatives within these areas allow ISS to claim consistency in managing these risks.</p>
 <p>Fit for purpose organisation Transforming our customer base will require organisational changes. Over time, we will migrate from a service-based to a customer-based organisation model. By extracting synergies, sharing best practices, enabling the deployment of excellence and balancing group standardisation with local adaption, we can optimise the delivery of our value proposition.</p>	<p>Our adjusted organisation structure provides a better “highway” for the deployment of our HSE culture and processes.</p>
 <p>Ready to deliver Integrated Facility Services (IFS) Our ability to self-deliver the services needed to run a facility as a “one stop shop” for customers locally, regionally and globally, is at the core of our differentiated value proposition.</p>	<p>Our group-wide systematic approach to HSE and CR enables us to ensure consistency across services and locations, contributing to our customers’ performance on their HSE and CR targets.</p>
 <p>Striving for excellence To become the world’s greatest service organisation, we must identify and implement relevant excellence initiatives per site in an aligned and standardised way.</p>	<p>By applying global policies and standards e.g. safety, anti-corruption and supplier code of conduct across all our markets, Corporate Responsibility contributes to the service performance we aspire to.</p>

are most important to us, i.e. most material to business continuity and reputation in the future of ISS. In this respect, health and safety as well as fair business practices stand above and beyond all other issues.

The full picture can be seen in the materiality matrix below, and is reflected in the focus and priorities of the 2014 corporate responsibility report.

As a process of validation, the conclusions of the stakeholder review were presented at three regional meetings for HSE managers and during internal leadership training in 2014, a process that confirmed the original conclusions.

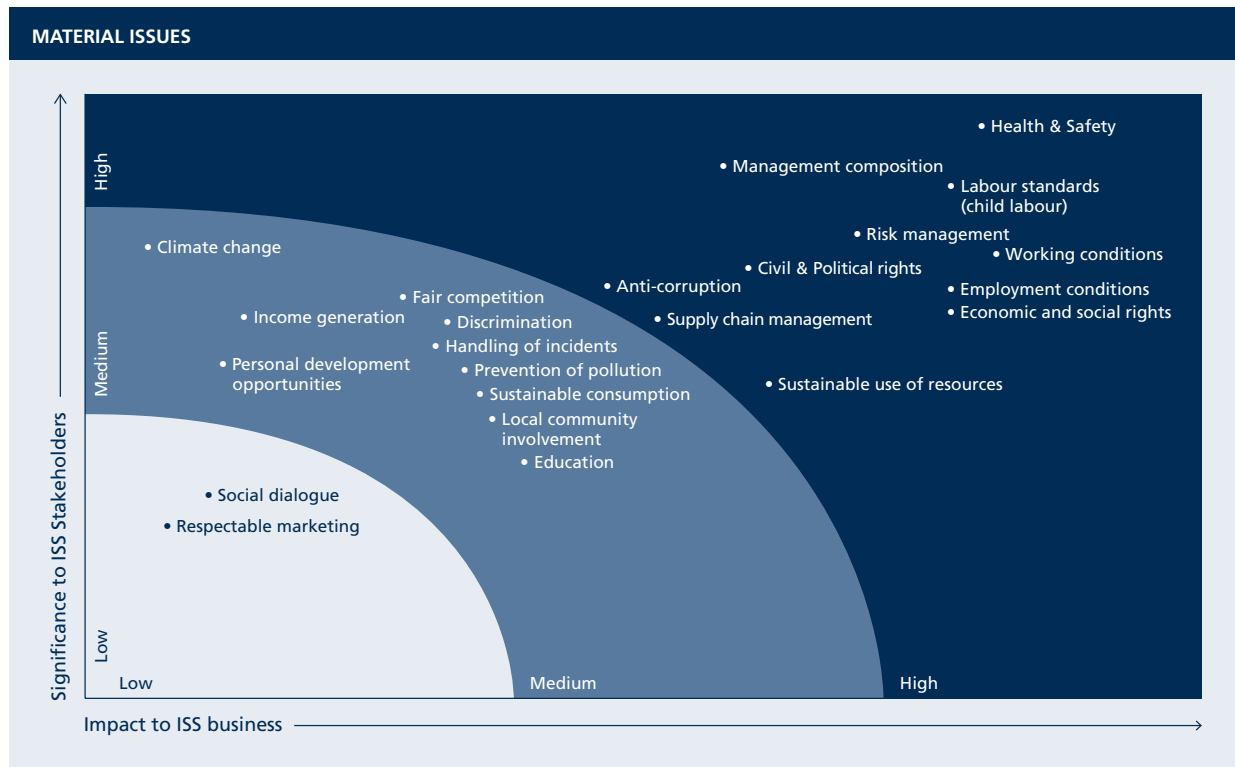
It is most likely, however, that individual ISS countries experience a variation. As we did in 2012, we have reviewed the materiality assessment in December 2014 and January 2015 with an internal stakeholder and materiality assessment exercise making relevant adjustments to ensure that our view of risks and our stakeholders' expectations are up-to-date and accurate. Participants in this process were representatives of the following Group functions: Legal, Human Resources, Risk Management, Internal Audit, Marketing, Communications, Strategy, and HSE and CR. Our review of the materiality assessment showed movement of some areas that have now become more important to our

stakeholders and on our business such as Management composition and Supply Chain management.

Stakeholder engagement

In our relationships with stakeholders, we need to show consistency in our values and commitments, as we do in other strategic engagements. We must be open and honest and reflect fairness and respect. We must speak with one voice regardless of geography and culture.

We engage both at Group level and in each of the countries where we operate. The table on the next page shows Group stakeholder engagement types and examples from 2014.



Stakeholder engagement

STAKEHOLDER	ENGAGEMENT	2014 EXAMPLES
Employees	Employees are invited to share thoughts and opinions through daily contacts with their immediate management, as well as through a corporate Employee Engagement survey.	We carried out our third corporate Employee Engagement survey (EES) in 2014, and 207,545 employees (61% response rate) in 46 countries responded to the survey. The survey was offered in 52 different languages. We also see an increase in the use of social media as a tool for engaging with employees. We have more than 80,000 Facebook friends and employees use this channel to raise and resolve issues. The ISS Group monitors these conversations to be able to respond swiftly and appropriately, if necessary, by passing on information to local management.
Customers	We have regular contacts with all customers. Furthermore, we carry out a Customer Experience survey to gauge customer satisfaction.	We carried out our Customer Experience survey (CES) for the fourth time. We invited nearly 7,300 customers to participate and almost 5,700 did, equal to 78.2%. The lead indicator for the status of the customer experience is the net Promoter Score and we once more improved this score. CES is driven by tangible factors like "Delivering our service at a high standard" and "Focus on improving the way we work".
Investors	We are committed to maintaining a constructive dialogue and a high level of transparency in our communication with the market to ensure a fair and efficient pricing of our shares.	During 2014, we had a close dialogue with the market through, among others, company announcements, press releases, road shows, investor conferences, conference calls, website and other direct communication.
Unions	We have constructive interactions with works councils, unions and employee representatives. In case of operational changes that could substantially affect employees, for example in a divestment or during any transfer of employees (ISS takes over an operation or hands over an operation), ISS follows the legislative framework governing the operation such as European Union directives, national legislation on Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and Acquired Rights Directive (ARD) as well as collective agreements in the specific industry. This also means ISS does not have a globally mandated notice period for the change but follows the timeline as legally required and with due consultation with the bodies representing the employees (Union, workers councils or representatives).	In June 2014, we hosted the annual European Works Council conference with participants from 20 countries, representing over 49% of our employees. The meeting's overall theme was 'Improving your workplace'. We have also continued our commitment and dialogue under our global agreement on human rights and working conditions with UNI Global Union. Read more on page 25. Throughout the year, we work on issues raised by unions locally. Some examples from 2014 are the use of biometrics, wages, and zero-hour contracts in the EU.
Suppliers	We engage with suppliers both to manage risks in the ISS supply chain management and to develop partnerships.	We have implemented our Supplier Code of Conduct and received 85 self-assessment questionnaires in 2014. We performed two supplier audits resulting in recommendations for improvements in the communication of policies to the supplier's employees and improvements to the induction given to new employees.
Media and NGOs	We have regular contact and open lines of communication with media and NGOs, particularly in Denmark.	More than 1,250 media requests were responded to by head office in 2014, representing a growth of more than 300% in the first half of the year. This growing interest, driven by financial media in particular, as a result of this year's IPO, was also evident in the international media.

JESSIE KANDALKER
Pastry Chef, ISS Israel



Governance

ISS A/S is a limited liability company incorporated and operating under Danish law. As is current practice in Denmark, management powers are distributed between our Board and our Executive Group Management Board (the EGM), which has the Group CEO, Group CFO and two Group Chief Operating Officers (COOs) as members.

Our EGM carries out the day-to-day management, while our Board supervises the work of our EGM and is responsible for the overall management and strategic direction.

In close alignment with the EGM, Group HSE and CR has the responsibility for driving strategy, monitoring and reporting on HSE and CR and works with responsible persons in regions, the countries and corporate functions.

In each country, a designated HSE manager is tasked with implementing the Group strategy for HSE by integrating this into the country business strategy. The status of the actions that are part of this strategy are followed up during the regional business review. Countries report on their performance to Group HSE and CR based on the HSE and CR Reporting Manual. Group HSE and CR reviews the performance and works with countries in achieving the Group goals.

GUIDANCE FRAMEWORK FOR CORPORATE RESPONSIBILITY



Please refer to the ISS Group Annual Report for an overview of Corporate Governance.

Guidance framework for Corporate Responsibility in ISS

Corporate responsibility in ISS is managed in accordance with governance docu-

ments prepared by the ISS Group, with the ISS Vision forming the basis for everything we do and ending in specific manuals for implementing and reporting on Health, Safety and Environmental issues.

Safety is part of bonus performance

As part of governing performance, ISS employs a bonus programme for management. In 2014, we included three new areas as performance related: employee engagement, customer experience and safety in the form of lost time injury frequency.

This change serves as an indication of the importance of these areas to the future of our business and our commitment to engaging and protecting our many employees. People are our only resource for sustainable competitiveness and growth, and making key employee-related indicators part of management's performance-related bonus programme will ensure even higher attention to these vital leadership areas.

HSE AND CR GOVERNANCE



New policies in 2014

We developed and approved two new corporate policies in 2014 on the subjects of:

1. Escalation of serious incidents; and
2. Safeguarding children and vulnerable adults.

The Escalation policy was prepared to further strengthen the reporting and escalation of serious incidents from contracts over countries to regions and headquarters. The Escalation policy codified established practices into policy. It describes which issues need to be passed up through the chain of command and at what speed.

The policy is complemented by a Group Emergency Response Plan that in more detail describes how serious incidents

are to be managed at Group and local levels. We will roll out the policy through training in 2015.

The policy on safeguarding children and vulnerable adults is described on page 24 in the People section of this report.

Our Control Environment

We apply an elaborate set of internal controls to monitor implementation of, among other things, HSE and CR requirements. A number of improvements to this control environment were accomplished in 2014.

In 2014, we finalised the expansion and implementation of a strengthened internal audit organisation to ensure control and transparency in all business activities with a focus on the internal control environment across the countries where ISS operates through fully owned companies

and on application on internal controls related to the operation of our largest cross-border IFS contracts.

Furthermore, we strengthened the internal audit organisation through investment in data analysis competencies and implementation of a policy that mandates the establishment of a local internal audit function across the largest country organisations where it did not exist. In June 2014, we organised the first training seminar for this group of people.

Further innovation in internal audit system

Our customers and investors must trust that risks are adequately managed by ISS, which includes having transparent systems for oversight. We also have clear indications that better control environments create higher business margins. To reap these benefits, we employ a

SELF-ASSESSMENT CATEGORIES

20

categories for self-assessment

New in-depth audit guidelines were implemented in 2013. These guidelines now structure the control self-assessments that all countries are required to complete annually.

The assessments are based on a catalogue of 20 control categories split into three main areas: Governance and Compliance, Business Support and Contract Life cycle.

A. Governance and Compliance					B. Business Support					C. Contract Lifecycle														
A.01. Code of Conduct	A.02. Leadership	A.03. Corporate Governance	A.04. Competition	A.05. Anti-corruption	Financial reporting					B.05. Tax	B.06. Treasury	B.07. Procurement	B.08. IT	B.09. HSE and CR	B.10. Risk management	C.01. Sales	C.02. Solution	C.03. Negotiation	C.04. Transition	C.05. Operation				
					B.01. Systems, interfaces and configuration	B.02. Month-end procedures and accounting																		
						B.04. Invoicing and accounts receivables																		
																					B.03. Payroll			

After assigning responsibility to relevant managers for each category, Group Internal Audit (GIA) sends an online survey to each manager. When answered, GIA collects and analyses the data and improvement possibilities.

detailed system of internal controls. Countries representing more than 95% of Group turnover submit control self-assessments that form the basis of internal audit activities. The self-assessment includes governance, financial and operational controls and compliance of safety issues. Smaller countries respond to a scaled-down version of the self-assessment.

Results of the self-assessments and audits are reported to Group Internal Audit who analyses and communicates results to Country, Regional and Group Management and the Audit Committee.

New in 2014, was the establishment of a baseline audit programme with a view to ensure a strong foundation for the internal control environment with focus on 70 key controls distributed on the categories in the control self-assessment tool employed by ISS (see model on the previous page). One of the primary key controls is compliance with the ISS Code of Conduct. Finally, an audit report dashboard, which provides an overview of country performance comparing control self-assessments with auditor findings, was developed making audit outcomes easily comparable across countries.

Audit performance in 2014

We carried out 74 internal audits in 2014, of which 15 applied the newly developed baseline audit programme. The global assessment score in 2014 indicates that key controls are generally implemented; however, additional formalisation is needed in parts of the business. We also find that working hours continue to be a challenge in many emerging markets. In many cases, we find that local expectations and customs are not aligned with working hours regulations. We also need to see formalisation of the risk management organisation in some locations.

The baseline audit programme embeds corporate responsibility issues such as the Code of Conduct, anti-corruption, health

and safety, child labour and working hours. In 2014, we exceeded our target of carrying out audits of at least 20% of countries in which we operate.

Furthermore, Group HSE and CR performs audits against the ISS International HR standards, the HSE Manual, the ISS Safety Rules and the ISS Code of Conduct. Nineteen such audits were performed in 2014, showing a significant progress in implementation of Group policies and processes in our operations.

Training for local internal audits

From 2015, there will be a greater focus on carrying out local internal audits and site inspections. The inspections will be carried out by our onsite operational staff and documented in the HSE@ISS-IT system to evidence compliance with customer requirements. This process is facilitated by training to ensure consistency of the expectations and process of these audits. The first such training was conducted in December 2013 in Latin America and followed up with training in 2014 in the Asia Pacific region and Latin America region that included a practical session where the participants of the training carried out an audit.

Integrity in our supply chain

HSE and CR are a critical part in the supplier selection for our supply chain. The main HSE and CR risks associated with the supply chain are related to human rights (child labour, wages), labour practices (health and safety, work time/overtime, freedom of association) and environment (water, chemicals and waste). These risks are mitigated by ensuring that all suppliers understand and sign the Supplier Code of Conduct and all suppliers complete a self-assessment questionnaire (SAQ). In 2013, in order to ensure strict HSE and CR compliance, ISS adopted a Supplier Code of Conduct which covers the areas of workplace standards, health and safety, compensation and working hours, freedom of

WORK WEAR – A SUPPLIER RISK MITIGATION EXAMPLE

A work wear project being run by Group Procurement is just one of the examples of where HSE and CR are so critical, due to the risks associated with the manufacturing of garments. The work wear project has mitigated the risks by ensuring that:

- Prospective suppliers were asked about human rights, labour practices as well as environmental issues, and those showing signs of non-compliance were deselected. In the final round of supplier selection, the suppliers were required to submit their Corporate Responsibility Policies that were reviewed and reference checks done;
- When approved, the work wear supplier had to sign the Supplier Code of Conduct as part of their contract and complete the Self-Assessment Questionnaire. The contract provides ISS with the right to terminate the contract immediately if the supplier is in any breach of HSE and CR related issues. Upon implementation of the contract, site audits are conducted to ensure compliance;
- In addition to the above, any manufacturing of garments or accessories that is not done by the suppliers themselves needs to be documented and names of the manufacturers supplied to ISS. Copies of the latest manufacturers' audit reports will be sent to the ISS work wear project team who will analyse them together with the ISS Head of HSE and CR. This will lead to site inspections including audits.

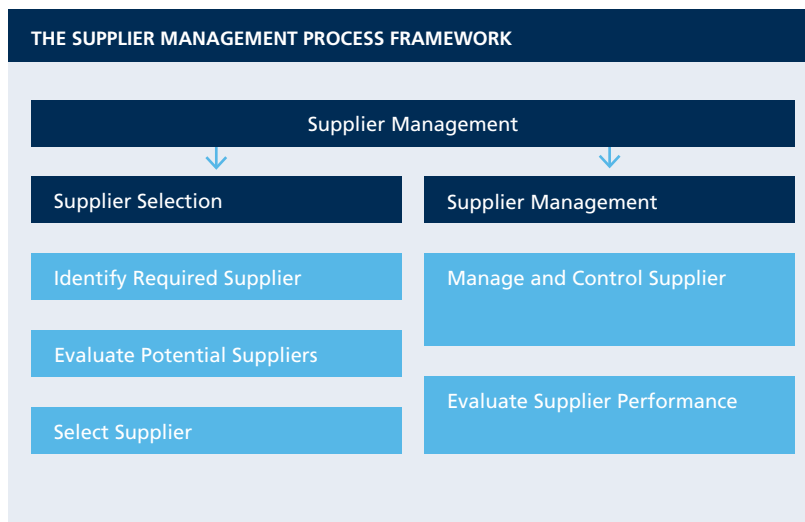
association and collective bargaining, forced and compulsory labour, child labour, non-discrimination and harassment, and environment. To date, all contracts that are concluded by Group Procurement include the Supplier Code of Conduct that has to be understood and signed by the contracting supplier. The SAQ is based on a range of issues including labour, human rights and environmental criteria that are then evaluated.

ISS also hires sub-contractors to perform customer-facing activities on behalf of ISS, where special local and/or commercial reasons deem it relevant.

With the purpose of strengthening risk mitigation processes related to service performance to global corporate clients in areas with no ISS presence, a new programme was implemented in 2014, which enables a thorough due diligence of subcontractors. The programme focusses on subcontractors' service capabilities and performance, legal compliance as well as compliance with ISS anti-corruption and ISS Supplier Code of Conduct policies. In addition, the programme focuses on risks associated with third party contracts through clear governance and sign-off on third party contractual risks.

Awards and Recognitions

The ISS Group and ISS countries around the world receive awards from peers and stakeholders for their performance and initiatives within the areas of health,



safety and environment and corporate responsibility. Below is a non-conclusive list of awards from 2014.

- **Group:** IAOP and ISG Global Outsourcing Social Responsibility Impact Award
- **Estonia:** Corporate Social Responsibility Initiative of the Year Award at the Swedish Business Awards 2014
- **Greece:** Gold at Health & Safety Awards
- **UK:** Award for Outstanding Delivery of Telefónica UK's Sustainability Objectives 2014
- **UK:** Foodservice Cateys, Educating and BIFM Awards (5 awards)
- **UK:** Social Responsibility (CSR) Team award at the Business Charity Awards
- **India:** Asian CSR Leadership Awards (1st runner up)
- **UK:** 3 stars in Business in the Community 2014 Corporate Responsibility Index
- **France:** French Unemployment Office's Trophy of Employment.



ISS Greece wins Gold at Health & Safety Awards



ZIRAHOVIC BOBAN
Technician, ISS Austria

Our Performance and Targets

Our key performance indicators and results against objectives and targets for 2014 are presented on this page. Objectives and targets for 2015 are also communicated here.

We report on our performance within three areas:

PEOPLE, PLANET, AND PROFIT.

PEOPLE			
	2014	2013	2012
Number of employees	510,968	533,544	534,273
– Full time %	73	74	73
– Part time% ¹⁾	27	26	27
Total workforce			
<u>Front line</u>	485,074	503,300	503,304
– % Front line	95	94	94
– % Male	51	51	51
– % Female	49	49	49
<u>White collar</u>	25,894	30,244	30,969
– % White collar	5	6	6
– % Male	57	58	57
– % Female	43	42	43
Turnover			
% All employees	44	52	50
<u>% Front line</u>	46	53	51
– Male	48	58	n/a
– Female	46	48	n/a
<u>% White collar</u>	21	23	23
– Male	21	24	n/a
– Female	21	22	n/a
Hours of training ²⁾	7,678,707	6,564,880	4,819,716
– Front line	7,349,857	6,152,385	4,377,634
– White collar	328,850	412,495	442,082
Absentee rate %	1.7	1.9	2.1
Incidents of discrimination	6	11	10
Fatalities	7	6	7
Lost time Injury Frequency (LTIF) ³⁾	6	7	8
Exposure hours (million hours) ⁴⁾	1,009.1	1,011.7	970.2
Number of vehicles	19,307	21,909	22,741
Number of Vehicle Accidents	3,797	4,476	5,685

PLANET

	2014	2013	2012
Electricity consumption (Mwh) ⁵⁾	56,301	85,744	93,723
Electricity emissions (tonnes CO ₂ eq.)	18,293	22,818	28,121
Electricity costs (million DKK)	51.2	74.0	86.2
Fuel usage (million litres)	43.3	55.72	52.97
Vehicle emissions (tonnes CO ₂ eq.)	100,120	128,806	122,449
Business Travel emissions (tonnes CO ₂ eq.)	15,691	12,328	14,782
Water consumption (m ³) ⁵⁾	440,268	549,256	586,849

PROFIT

	2014	2013	2012
Revenue (million DKK)	74,105	78,459	79,454
EBITA (million DKK)	4,150	4,315	4,411
Net Finance costs (million DKK)	1,296	2,270	2,726
Taxes paid (million DKK)	1,082	933	885
Staff costs (million DKK)	48,849	51,234	52,071
Income tax paid by employees (million DKK) ⁶⁾	12,316		

Financial highlights in 2014

REVENUE - MILLION DKK

74,105

ORGANIC GROWTH

2.5%

CASH CONVERSION

98%

OPERATING MARGIN

5.6%

NUMBER OF EMPLOYEES

510,968

¹⁾ Defined as employees working an average of less than 30 hours per week for ISS.

²⁾ Hours of training corrected for 2013.

³⁾ A LTI is defined as any work-related injury which prevents that person from doing any work after the incident i.e. any work related injury which results in a person being unfit for his/her work for at least one full working day or shift. The LTIF is based on 1 million exposure hours. This includes contractors under ISS operational control.

⁴⁾ Exposure hours include contractors working under ISS operational control.

⁵⁾ Please see explanation on page 29 for the decrease.

⁶⁾ Income tax paid by employees comprises estimated employment taxes, social charges and contributions paid either by ISS or directly by employees.

SANNI VEPSÄLÄINEN
Cleaning Professional, ISS Finland



Performance against targets and objectives for 2014

SUBJECT	TARGETS 2014	PERFORMANCE 2014	TREND
Fatalities	0	We saw seven fatalities. See page 20.	☹
Lost Time Injury Frequency	Reduce 50% compared to 2010 to below 6.5.	LTIF decreased by 55% from the baseline value of 13, to 6 in 2014.	☺
Lost Work Time	Reduce 45% compared to 2010.	The number of Lost Work Time per 1000 exposure hours reduced by 45%.	☺
Electricity emissions (tonnes CO ₂ eq.)	Seek to establish baseline.	Electricity decreased due to awareness and behaviour programmes and divestments.	☺
CO ₂ emissions from leased cars (g/km)	Reduce by 15% within four year lease period.	In 2014, we have reduced emissions from our leased cars (g/km) by 15.1% over the 4 year leased period.	☺
Audits with CR content	In at least 20% of countries where we operate.	The scope of internal audits in 15 countries, 30% of countries in which we operate, included the ISS Code of Conduct, the ISS Safety Rules, child labour and working hours.	☺
Employee engagement	Offer survey participation to 400,000 in 50 countries.	We offered 339,659 employees, nearly two-thirds of our workforce, in 46 countries, the opportunity to express their opinion of working for ISS. This is an increase from 2013, where 335,000 employees were given the opportunity. Around 207,000 of our employees responded to the survey.	☺

Objectives and targets for 2015

The focus of our objectives and targets are related to people as our business is based on our employees. We set targets and carry out audits to ensure the organisation's focus remains on these subjects.

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 Injury Frequency (LTIF), the Group target for 2015 is to reduce LTIF by 60% relative to our baseline figure in 2010.

3. Related to the LTIF are Lost Work Time (LWT) as a result of lost time incidents. The Group target for 2015 is a reduction of 45% per 1,000 exposure hours relative to the baseline figure in 2010.

4. To carry out audits that include Corporate Responsibility areas in at least 20% of countries where we operate.

5. To conduct an annual employee engagement survey with a target to have offered 400,000 of our employees the opportunity to respond to the questionnaire by the end of 2015.

Our People – safe, engaged and with a purpose

This section describes how providing jobs, safety and training for more than half a million employees is a responsibility ISS takes seriously, and how committed efforts in these areas enhance our business performance.

For every 15,000 people in the world, there is one ISS employee. With over 510,000 people working for us, ISS is the fourth largest private employer in the world. Including the people depending on wages and salaries paid by ISS, we impact the lives of more than two million people. At the same time, we are able to facilitate the right to work by offering employment and opportunities to people who may have few documented skills and qualifications.

At the same time, everything we do in our business depends on the actions of the more than 510,000 people working for us. As a service company, they are our main asset, our customer touch

WHY ARE PEOPLE ISSUES MATERIAL FOR ISS?

- We must positively influence the basic human right to having a safe and secure work environment.
- We must provide conditions for employees in compliance with labour laws and conventions.
- Working for ISS potentially improves people's labour market value and options.
- By offering employees engaged leadership instilling purpose, and training, we also further our business.
- Assuming and mitigating people-related risks is a core element in our value proposition.
- Mitigating risks through improved health and safety performance reduces costs related to e.g. injuries.

point and our only way to fulfil our value proposition promise we make to customers. It is the actions of our people that will enable us to reach our vision.

Class room training received in 2014

FRONT LINE EMPLOYEES

>15 HOURS PER PERSON

WHITE COLLAR EMPLOYEES

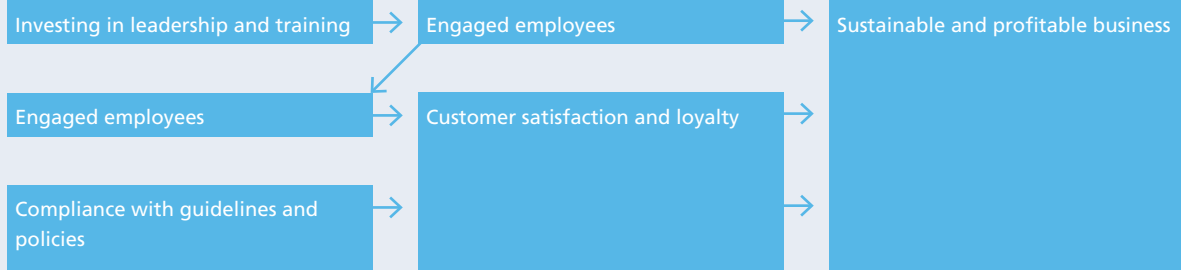
>13 HOURS PER PERSON

Key correlations in driving our business

In recent years, we have developed a growing understanding of how to create an environment facilitating the growth of our business. There are three correlations which we have seen confirmed several times:

- Leadership and training furthers engagement;
- Employee engagement leads to higher profits;
- Compliance with health and safety rules and guidelines leads to higher profits.

CORRELATIONS DRIVING GOOD BUSINESS



Overview of People focus areas in 2014

The table below shows governance, activities and performance for the focus

areas in people-related issues in 2014.

ACTION AREA	GOVERNANCE AND TOOLS	2014 ACTIVITIES	2014 PERFORMANCE
Health and safety	<ul style="list-style-type: none"> ISS Safety Rules Group HSE and CR Action Plan The ISS Groups HSE Management Manual The ISS Group HSE and CR Reporting Manual 	<ul style="list-style-type: none"> Personal safety action plans for individual management members Inclusion in bonus performance programme Campaigns Driver safety emphasis 	<ul style="list-style-type: none"> Fatalities: 7 Lost Time Injury Frequency: 6 Lost Work Time decreased by 45% compared to the baseline.
Employee engagement	<ul style="list-style-type: none"> Engagement survey 	<ul style="list-style-type: none"> Survey 	<ul style="list-style-type: none"> The four measures of employee engagement show a steadily high level well above 4 (on a 5 point scale). Turnover decreased to 44% compared to 52% in 2013.
Leadership and training	<ul style="list-style-type: none"> Development programmes 	<ul style="list-style-type: none"> Service with a human touch-training programme Leadership training programmes Acorn programme launched 	<ul style="list-style-type: none"> 250 supervisors completed the Service with a human touch programme, 18 people graduated the Leadership Mastery programme, and 25 finished the Acorn programme. Front line employees received 7,349,857 hours of class room training in 2014, compared to 6,152,385 hours in 2013. This is equal to over 15 hours per person in 2014. Subjects included health and safety, technical training, management, language training, leadership and supervisory, IT, security and fire prevention. White collar employees had 328,850 hours of training in 2014.
Human rights and resources	<ul style="list-style-type: none"> ISS international human resources standards Diversity policy Formalised union and works councils cooperation 	<ul style="list-style-type: none"> New policy on working with vulnerable groups added to HR standards Continued use of tools to improve female representation in ISS management European Works Council conference, continued UNI Global Union collaboration and local negotiations 	<ul style="list-style-type: none"> There were no major non-compliances with the International HR standards. We have a diverse workforce; 51% of our front line workers are male while 49% are female.

Health and Safety

Progress on almost all safety indicators

The total lost time injury frequency (LTIF) for ISS fell to 6 from 7 in 2013. This 55% reduction exceeded our target of a 50% reduction in LTIF from our 2010 baseline of 13.

Related to LTIF is the number of lost work hours due to injuries. The number of lost work hours decreased by 45% compared to the 2010 baseline. Any improvement in this number affects our business directly, as even a modest decrease has material positive operational and financial impact. In terms of Total Reportable Cases Frequency (TRCF), the Group target for 2014 was to reduce our TRCF by at least 45% from the baseline in 2010. TRCF decreased by 56% from the baseline value of 23, to 9.2 in 2014.

Our dedication to driving our safety risks to zero remains, and can be confirmed by stronger leadership and governance in the area of health and safety, among other things, through the implementation of the 2010 HSE Management Manual and the ISS Safety Rules. The inclusion of safety as part of the bonus programme also emphasises the importance of commitment from leaders.

In addition, in our operations, there are no work categories or specific jobs where there is a high risk or incidence of communicable diseases. In special cases where for example there is a potential for asbestos or an outbreak of the H1n1 virus, risk assessments and special control measures are taken. As a consequence of the Ebola virus, Group HSE sent out two Health Alerts regarding transmission of the virus, the risks, prevention and travel to and from Ebola affected countries.

In addition, as part of our proactive risk management, we developed a value proposition for our customers regarding hand hygiene to prevent spreading germs at the workplace and creating a healthier working environment. Creating a healthier workplace can lead to reduced absenteeism and higher productivity. In the flu (influenza) season and the challenges with the

Ebola virus, hand hygiene is an important prevention measure recommended by health authorities. With our strategic partners such as GoJo and Diversey, ISS can provide hand hygiene and cleaning solutions for our customers for their workplaces.

Fatalities and operating vehicles closely linked

In 2014, regrettably seven people were involved in accidents with fatal outcomes while performing a job for ISS, one more than in 2013. We cannot be satisfied until such accidents stop occurring in our operations. We will continue to work toward this goal. This is the HSE Vision.

Of the seven incidents, three occurred in India, one each in Iceland, Finland, Thailand and the Philippines. Four of the incidents were in Security activities, two in Cleaning activities, and one was a sub-contractor carrying out technical services. Six of the fatalities in 2014 were vehicle related.

Each fatality and serious injury is reported to the EGM within 24 hours of occurrence and local management carries out an investigation determining the root cause of the incident and the corrective actions to be taken to prevent similar incidents in the future.

As vehicle safety had been a challenge also in 2013, we ran a special focus campaign in February 2014, as part of the Global Safety Campaign, on driver safety where we launched the ISS Driver Safety Handbook. The Driver Safety Handbook provides guidance and best practice tips for safer driving. It covers authorisation to drive, the vehicle, your state of mind and your behaviour. The objective is to have all these four areas in check prior to taking charge of the steering wheel.



AUTHORISATION TO DRIVE;



THE VEHICLE;



YOUR STATE OF MIND;



YOUR BEHAVIOUR.

Lost Time Injury Frequency

REDUCTION IN LTIF SINCE 2010

55%

In 2014, Group HSE issued three Global Safety Flashes. The three Safety Flashes covered the influence of alcohol and drugs in operations, vehicle related fatalities and the fatality involving our sub-contractor. Safety flashes disseminate important information on incidents and potential hazards and the lessons learnt from them that can help prevent incidents occurring elsewhere in the organisation.

Safety governance is strong

Each year, we send out a Group HSE and CR Action Plan with actions for each country to implement as part of their country action plan. These actions address the challenges we have faced in the previous 12 months.

In 2014, we again asked the countries to develop a Personal Safety Action Plan (PSAP) with objectives and targets for each member of a country management team. We believe that in line with our Leadership Principles, our management teams should demonstrate their commitment in this area through visible actions. The PSAPs followed the requirement in 2012 for countries to develop a 'Drive to Zero' action plan as an integral part of their country's strategy. The implementation of PSAPs has helped raise awareness in each country management team. In many countries, the PSAPs are now being implemented further down in the organisation.

Campaigning for awareness

In support of the countries' safety work, Group HSE and CR provides a number of tools to raise safety awareness and disseminate knowledge on how to create a zero-incident environment. One example is how the ISS Safety Rules, that are a mandatory part of our training of front line employees, have been communicated. To address the challenge of the many languages our employees speak across the world, we continue the roll out of our award winning animation film covering each of the ten safety rules. The film was sent to every country to use for their training. Each clip covers a specific rule

embedding the key messages we want our employees to understand and the animations are widely used across the countries.

Similarly to previous years, we conducted three 'Me and You' campaigns in 2014, to create awareness and sustain focus on particularly relevant health and safety risks. The campaigns focused on manual lifting, personal protective equipment, healthy lifestyles, working alone, driver safety, working at heights and 'slips, trips and falls'. Posters produced by Group HSE are translated into more than 20 languages.



Employee Engagement

Value for business from engagement

With the importance of employee engagement to ISS's business, we conduct an annual survey of just this subject, in fact

the world's largest such survey. As in 2013, our 2014 target had been set to include 400,000 employees in the survey, but again we discovered factors that make this target unattainable. Firstly, only people who have finished their probationary period of 6 months can participate in the study, and with jobs in our industries often used as seasonal, short-term or supplementary employment, the number of eligible participants is reduced. Secondly, the mere number of operating sites on which our employees work makes complete outreach a challenge.

As such, we are satisfied with our Employee Engagement survey (EES) where 339,659 employees had the opportunity to respond. The survey was offered in 52 different languages.

We measure both the employee net promoter score (eNPS) and four measures for employee engagement. The eNPS developed positively compared to 2013. The score was 46 and more than 50% of our employees are now promoters of ISS. Our aim is to increase our promoter base in the coming years. The four measures of employee engagement show a steadily high level well above 4 (on a 5 point scale) and we are confident in concluding that ISS employees are motivated to deliver and feel capable to fulfil their roles.

Length of employment is important

A main factor in driving employee engagement is length of employment. At the same time, this is a continuous

Employee Engagement survey

INVITED FOR THE SURVEY

339,659 EMPLOYEES

VISION AND POLICY

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:

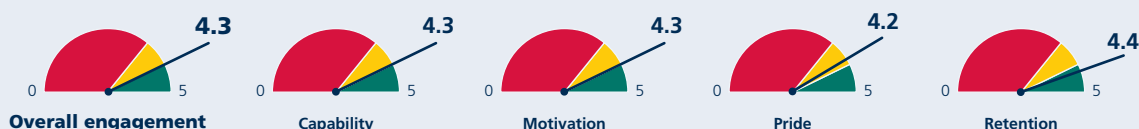
- Have a systematic approach to HSE management designed to ensure compliance with the law and achieve continuous improvement;
- Measure, review and report performance and set targets for improvement;
- Investigate incidents to determine their root causes and take appropriate corrective actions;
- Require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

GLOBAL EMPLOYEE ENGAGEMENT RESULTS

2014



2013



EMPLOYEE ENGAGEMENT AND BEHAVIOURAL CHANGE – THE CRUCIAL ROLE OF THE SUPERVISOR



ISS has published a white paper focusing on how engaged employees are more productive, more customer-focused and more loyal – concluding that companies with high levels of employee engagement are more profitable, according to a number of studies over the past two decades.

In the white paper 'Employee engagement – the crucial role of the supervisor', the author describes how employee engagement can play an especially important role in improving business outcomes. A considerable body of research has found evidence that engaged employees are more productive, more profitable, more customer-focused and more loyal.

The white paper concludes that the measures designed to develop the interpersonal relationships between frontline service employees and their immediate managers and supervisors were the most important drivers for behavioural change and for employees feeling more engaged at work.

The white paper is available at: http://www.publications.issworld.com/ISS/External/issworld/White_papers/Employee_engagement/

challenge for ISS, as we are part of an industry where jobs are often used as temporary or supplementary income. Measures we employ to retain employees and reduce absenteeism are, for example, to offer more full-time and daytime work, jobs with greater variation in tasks, career development opportunities and programmes to promote teamwork and skills development.

In 2014, 73% of employees were employed full-time (working 30 hours or more a week), down from 74% in 2013. Employees with more than one year of service constituted 69%, an increase from 68% in 2013. 26% of our employees have more than five years of service. Our turnover rate in 2014 decreased to 44%, compared to 52% in 2013. This main

influence is still the tight labour supply in emerging markets where our business is growing. We are addressing the issue of turnover by introducing Programmes such as Service With The Human Touch (please see page 23 for more details).

Our absenteeism rate in 2014 was 1.7%, a decrease from 1.9% in 2013.

Training to work with a purpose
ISS's ambition is that each of our employees understand their purpose and the importance of their contribution. If we achieve this, we create the empowerment needed for people to release what we have called 'the power of the human touch'.

To this end, we are rolling out a training programme titled "Service with a human

SECURING THE RIGHT GOVERNANCE IS ABOUT RELENTLESS COMMUNICATION AND TRAINING

Main programmes	Selected examples	Level in the organisation
<ul style="list-style-type: none"> • Top management conference • Leadership mastery programme • Advantage programme • Performance Appraisals • Mandatory governance • e-learning programmes 	400 senior leaders addressing the strategic objectives and direction of the company	Top Management
<ul style="list-style-type: none"> • Advantage programme • Performance Appraisals • Apple Awards 	More than 150 participants annually to the Advantage programme for managers	Middle Management
<ul style="list-style-type: none"> • Local management programmes • Performance Appraisals • Apple Awards ¹⁾ 	Country training in service excellence, processes and leadership to enhance employee skills and encourage staff mobility	Supervisors
<ul style="list-style-type: none"> • Local training programmes • Performance Appraisals • Service with a Human Touch 	Employee recognition programmes driving motivation and sense of purpose	Front line

¹⁾ By understanding our customer's needs, our people learn how to add value to their customers through their services they perform – we call this 'finding your Apple'. To recognise employees who have found 'their apple', we have launched the Apple award programme.

touch” for front line employees. This programme works to create global consistency in the way frontline employees are capable of recognising customer needs and signals, as well as in the way employees are trained, coached and recognised.

It is our firm belief that empowered employees not only deliver better services, but also create higher engagement and make people choose to remain employed by ISS.

Leadership and training

The importance of leadership

Quality leadership is another critical factor in creating the solid and sustainable business we aspire to in our vision: We want to be the world's greatest service organisation.

For this reason, we provide leadership training and development programmes for managers at all levels of the organisation, as presented in the illustration at the left.

Training with a purpose

Each of our training programmes provides our employees with the essential understanding of the key elements of our strategy and gives them tools relevant in their daily work. Ensuring that our leaders are equipped to communicate the strategy and engage the organisation is a key focus area for leadership development; and equally that they have the tools and

SERVICE WITH A HUMAN TOUCH: A STRATEGIC LEVER

With the daily delivery responsibility to our customers and interaction with frontline employees, our supervisors play an important part in carrying out our strategy. As such, it is essential that their conduct is consistent with the business fundamentals of The ISS Way and that they are able to instil these fundamentals in their teams.

Furthermore, relatively high frontline employee turnover is a natural part of our business and therefore it is essential that we have continuity at supervisor level by investing in them and providing a clear career progression path.

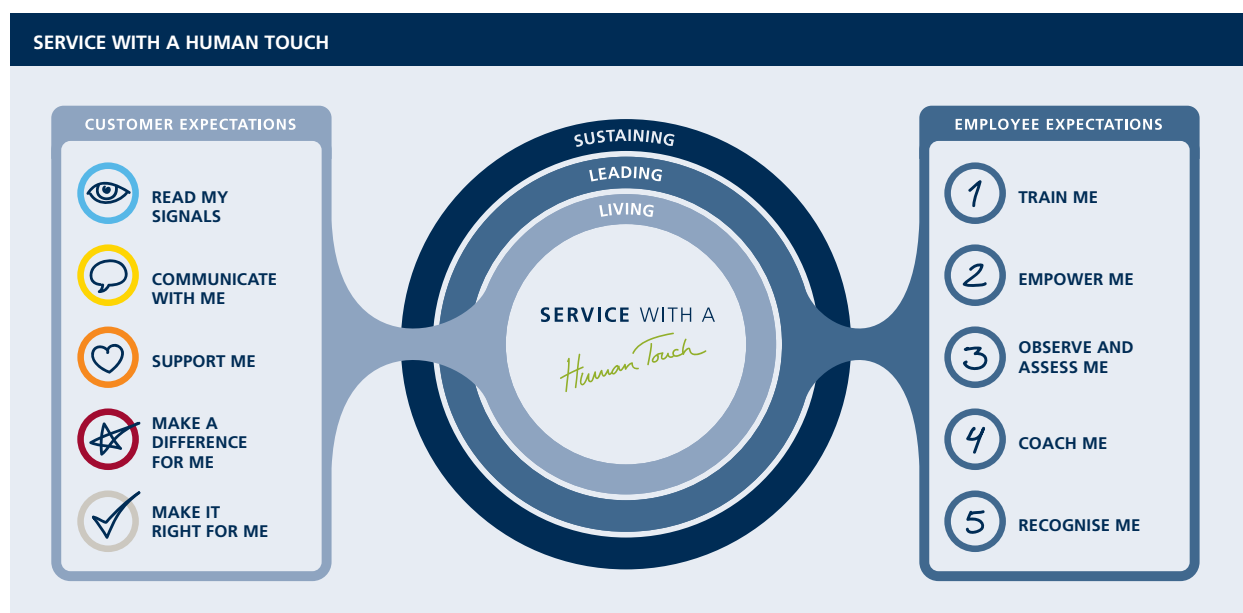
skills necessary for financial and operational follow-up.

Fundamentally, all the programmes revolve around the same themes, although adjusted to match the target group in question, e.g.:

- **Leadership Mastery programme**, a comprehensive five-module programme for selected top leaders, the focus is on personal leadership development and behaviour, developing a team as

well as securing a deep understanding of our strategy and facilitating a greater understanding of customers and employees.

- **The Advantage programme**, where members of Group management present and discuss 'The ISS Way', the Group strategy. This is a very important induction programme for managers starting in ISS where all key business disciplines are being taught including compliance and CR.
- **The Value Proposition programme**, a hands-on workshop focussed on creating the most effective pattern for presenting value and motivating buyers.
- **The Acorn programme**, targeting talented managers with the aim of developing them into the best IFS Key Account Managers. The programme is built up around three modules with focus on understanding and working with complex commercial models and operational excellence in a global environment including focus on intercultural aspects and communication.
- **Service with a Human Touch (SWAHT)**, a programme for supervisors seeking to engage and motivate and spur them on to provide exceptional service to both the customers and their teams. The programme creates awareness



ISS EMPLOYEES RESCUE TWO HUMAN LIVES IN SLOVAKIA



Two ISS employees helped save the lives of two workers at US Steel factory in Slovakia. On June 12th, a serious accident occurred when two US Steel employees working in Košice, Slovakia, fell from a height of 10 metres into a dark shaft, landing in a waste canal. Five men working closely to the shaft, two of whom were ISS employees, Lubomír Ševčík and Róbert Šándor, immediately went into the two-meter deep shaft to help the two injured and unconscious men.

Finding the two men was not easy - the muddy water, broken parts of the scaffold and lack of lighting made it very difficult, especially as one of the men was almost completely buried under the pieces of broken scaffold. However, the brave employees did not give up until they had pulled out the two men.

After rescuing the two men, ISS employee Lubomír Ševčík, used his first aid skills to resuscitate the two workers until further help arrived. When the rescue team arrived, getting the two men out of the narrow shaft proved to be a problem. The ISS employees once again showed great initiative and Róbert Šándor helped the firefighters pull out the two wounded men.

around the importance of meeting and exceeding customer expectations, enables our people to clearly understand their purpose in helping to build the world's greatest service organisation, and it empowers our people to use their initiative and to make a difference by creating those winning moments for our customers.

In 2014, we had 18 participants graduate from the Leadership Mastery programme and 25 from the Acorn programme and we aim to have a similar or slightly higher attendance for 2015. The SWAHT programme was rolled out to approximately 250 supervisors in 2014 and in 2015, there will be an expected attendance of approximately 1,000 supervisors. Other than the Leadership Mastery programme, all of the above programmes are run by our internal training facility, ISS University, which also trains and certifies regional and country managers to run programmes in local languages, providing further leadership training.

Human Rights and Human Resources

Human rights embedded

The commitment to respect human rights is part of the ISS Code of Conduct which in turn is part of the terms of employment for all employees. Training in human rights issues and related risks are part of the top and middle management training programme, Advantage.

Human rights are also part of the ISS International Human Resources Standards¹⁾. In 2014, a new policy was integrated into these on working in environments with children and vulnerable people as part of our continuous improvement. Treating people with respect is a fundamental leadership principle in ISS and this Policy is a reflection hereof.

Policy on safeguarding children and vulnerable people

One of ISS's key contributions is to provide safe environments for our customers and their users, and we must always ensure that we perform our services in a way that supports and promotes safe environments. With this new policy

we have established minimum requirements that may be supplemented by additional customer safeguards or local legal requirements.

The policy emphasises that ISS staff and ISS subcontractors, who perform services in risk environments while children or vulnerable adults are present, must adopt appropriate behaviours, follow defined procedures and undergo required checks to ensure that services are performed in a safe and non-threatening environment.

Implementation activities will begin in 2015, securing that all ISS countries adopt appropriate policies and procedures and conduct necessary training to ensure that ISS staff and ISS subcontractors adhere to this Policy. This includes recruitment and vetting procedures for staff assigned to positions with exposure to children or vulnerable adults, training (including annual brush-up) and induction programmes ensuring awareness of appropriate behaviour and knowledge of policies and procedures, and appropriate procedures ensuring that subcontractors adhere to no less strict policies, procedures and training than ISS staff.

Other ISS focus areas that involve human rights considerations are diversity, labour rights/employee representation as well as possible cases of discrimination.

Recognising diversity

As one of the world's largest private employers and with operations in our 48 countries, we are committed to fostering, cultivating and preserving a culture of diversity and inclusion. With more than 510,000 employees, ISS embraces and encourages diversity

¹⁾ Our International Human Resources Standards cover the following areas: recruitment, compulsory and forced 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 and managing sickness and absenteeism.

in its broadest sense, including age, gender, ethnicity, nationality, culture, language, religion, physical ability, education and skills.

At ISS, we recognise that our diverse workforce gives us a key competitive advantage and we consider our employees to be our most valuable asset. Diversity makes ISS creative, productive and an attractive place to work. We recognise the importance of promoting gender diversity at management levels. When making appointments to management level positions at ISS, we are committed to selecting the best person for the job based on qualifications, experience and competencies, while also considering other factors, such as diversity.

In order to promote, facilitate and increase the number of women in management level positions at ISS Global Headquarters, we continue leveraging our Diversity policy which defines a number of objectives. Our initiatives include:

- Ensuring that female candidates are identified for vacant positions;
- Developing succession plans aiming at identifying female successors;
- Tabling the matter of women in leadership at ISS for discussion at least once a year at the Executive Group Management Board and Group Management Board levels.

Furthermore, we ensure that women are adequately represented in various leadership development programmes as well as in graduate programmes across EMEA and at the ISS global head office.

To support our commitment to gender diversity the Board has adopted a target of increasing the number of women on our Board elected by the general meeting from one to at least two members at the annual general meeting at the latest in 2017. The Board seeks to identify female candidates when nominating new board members, but remains committed to always selecting the best candidate for the position. Presently, the Board has

one female board member elected by the general meeting who is not standing for re-election due to the age limitation of 70 years in our Articles of Association.

Working with unions on human rights

ISS holds an agreement with the international network of national labour organisations – UNI Global Union – covering all our employees where UNI cooperates with a locally based union. The agreement commits both UNI and ISS to work to secure fundamental human rights and working conditions – at the workplace, in our industry and in the community. It secures ISS support of UNI's 12 fundamental principles based on the international labour organisations' (ILO) conventions, and it constitutes an important part of our commitment to human rights.

The agreement also entails measures to create a level playing field including an obligation of UNI to disclose and work against companies evading tax payments and social security contributions or in other ways disregarding basic standards in the service industry.

As part of the agreement, ISS co-finances a UNI-run project in Mexico to improve tender processes in the service industry, including working with the local government to ensure minimum wage. We donate Euro 100,000 per year, and have donated an additional 3,500 Euro in 2014 to support accelerated progress resulting in a new commitment from the Mexico City Ministry of Labor and Employment Promotion to guarantee and regulate employment rights of cleaning staff. The plan is to develop a new procurement policy in 2015 so as to normalise these services and fix employment conditions, granting that procurement has so far only focused on cost and neglected oversight of workers' conditions and benefits.

Working with unions

We work at all levels of the organisation to manage relations with employee representatives. Dedicated frameworks for dialogue and collaboration at all levels of the organisation exist, as seen in the figure.

WOMEN IN THE WORKFORCE

TOTAL IN ISS

49%

FEMALE MANAGERS IN ISS DENMARK

47%

THE ISS AND UNI GLOBAL AGREEMENT

The agreement is based on a set of shared goals:

- Fair competition and the highest possible standards in the service industry;
- Foundations for financial growth and strengthening of the ISS service delivery;
- A balanced achievement of financial success on one hand, and secure and adequately paid jobs on the other.

Furthermore the agreement covers:

- Employment is freely chosen;
- Child labour is not used;
- Freedom of association and the right to collective bargaining are respected;
- The right to represent workers;
- Living wages;
- Hours of work are not excessive;
- Working conditions are decent;
- Respect for others at work;
- Education and Training;
- Employers' obligations are respected;
- Respect for the environment.

Our employee relations for our European operations are dealt with through the European Works Council. This consists of quarterly meetings between management and union representatives and an annual meeting for all union members and a number of management representatives.

In 2014, the annual meeting focus was on 'Improving your workplace'. The meeting included a session on the Employee Engagement Survey, a presentation of the 'Work wear procurement' project and questions to management represented by the Group CFO, Heine Dalsgaard.

All discrimination claims investigated

The number of incidents of discrimination decreased from 11 in 2013 to 6 incidents in 2014. In line with the ISS Code of Conduct and the International HR standards, ISS takes all claims of discrimination seriously. All incidents of discrimination that were filed were investigated and followed up with the appropriate local legal authorities in the country. Each time an employee filed a claim with the local legal authority, ISS responded with a position paper on ISS's understanding of the facts. After due review, most of the incidents filed were dismissed by the country's legal authority as being without legal merit.

ISS ESTONIA: PROJECT TO RECRUIT PEOPLE WITH DISABILITIES



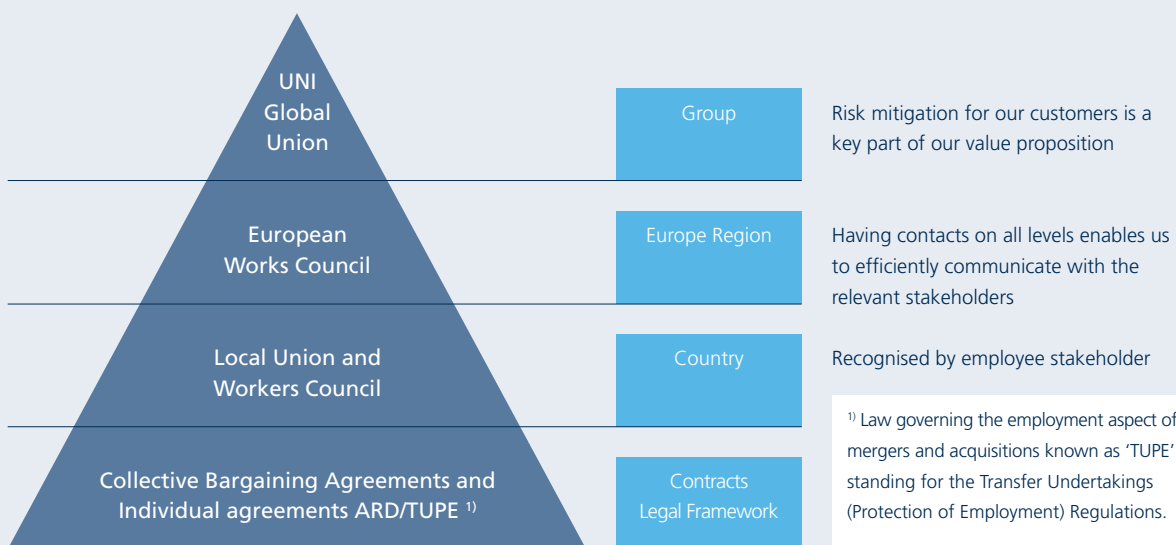
In Estonia, there are 100,379 people with disability or special needs: about 42% of them are currently employed; 63% of unemployed would like to work.

The main objective of the project was to create benefits and changes in society through employment of people with disabilities or special needs. To do that ISS Estonia offers employment opportunities in ISS, job related training for job seekers and training for our supervisors to work with people with special needs or disabilities.

To achieve this, ISS Estonia collaborated with different public organisations, such as Estonian Unemployment Fund, NGO Abikäsi (helps people with disabilities to find a job), Tallinn Support Centre JUKS and Astangu Vocational Rehabilitation Center (training institutions) and The Estonian Chamber of Disabled People, to offer jobs for people with disabilities in ISS.

Today there are about 200 employees (approximately 12% of company's workforce) with disabilities working in ISS Estonia. This has resulted in an increase of tolerance and awareness among our employees, customers and society.

ISS MANAGES TRADE UNIONS AND EMPLOYEE WORKS COUNCILS ON BEHALF OF THE CUSTOMER



¹⁾ Law governing the employment aspect of mergers and acquisitions known as 'TUPE' standing for the Transfer Undertakings (Protection of Employment) Regulations.



TOUFIHK TOUTOUH
ISS Denmark, Winner of an Apple Award

Our Planet – less impact from activities

WHY IS THE ENVIRONMENT A MATERIAL ISSUE FOR ISS?

- As a global company, we have a role to play in reducing the environmental impact of human activities.
- As signatories to the UN Global Compact we are committed to working on reducing our impacts.
- Specifically, ISS handles chemicals as we deliver our services, creating risks to the environment and human health.
- There are business opportunities in managing environmental impacts: we can offer e.g. supply chain management to our customers and reduce costs through lower consumption of water and electricity.

By implementing measures to increase operational efficiency, ISS can contribute to reducing our environmental impact. Through partnerships and sound business practices, we also positively influence our customers' impact.

We concentrate our efforts to reduce the environmental impact of our activities by focusing on the efficient use of cars and air transport, and of the energy, water and chemicals we use for cleaning. Cleaning services constitutes 51% of our business and is where the majority of consumption takes place.

We measure, monitor and take initiatives to reduce our emissions and the impact on our climate, working through our environment management systems. Our HSE Manual, which was introduced in 2011, enables us to systematically manage the impacts from our activities. This manual is integrated in other environmental management systems applied and certified by some of our countries.

We did not identify any significant non-compliance with environmental laws and regulations in 2014.

The table at the right shows how we work as well as our 2014 activities and performance.

Reducing our impact

Zero emissions from ISS Global headquarters

As climate partner with DONG, a Danish energy company, we are reducing our energy consumption and promoting the use of renewable energy. As part of this partnership, we have purchased Renewable energy certificates (RECS) from the wind farm at Horns Rev2, built and run by DONG Energy. In 2014, ISS purchased 553.8 Mwh RECS. This has fully offset electricity consumption at our headquarters, and we can report zero CO₂ emissions from these facilities in 2014.

Offsetting CO₂ emissions from our headquarters was made easier by our energy surveillance system, Smart Flex. The system enables us to monitor the consumption of power, heat and water. The system consists of a number of wireless meters that monitor consumption 24/7 for specified consumption sources such as the ventilation and cooling systems. Please see an example of the dashboard on page 30.

The Smart Flex web portal gives an intuitive overview of the resource consumption, providing reports and alarms when consumption exceeds pre-set limits. This allows us to detect inconsistencies and take actions to improve our consumption. For example, we have adjusted the ventilation system, producing savings of over 11% a year.

ASPECT	INDICATOR	IMPLEMENTATION	2014 INITIATIVES	2014 PERFORMANCE
Transport	CO ₂ emissions from leased cars	Work to reduce through leasing of more environmentally friendly cars and driver behaviour.	<ol style="list-style-type: none"> 1. Driver Safety handbook. 2. Driver Safety campaign. 3. Leasing of more fuel efficient vehicles. 	We reached our target for reducing emissions from leased cars by 15% in four years beginning in 2011. Compared to the baseline figure of 172 g/km in 2010, this figure was 146 g/km in 2014, a decrease of 15.1%. We attribute our success to safe driving training, global awareness campaigns and including environmental criteria for the selection of our leased cars.
Transport	CO ₂ emissions from business travel	Less business travel through more web meetings.	<ol style="list-style-type: none"> 1. Introduction of Lync, a platform for unified communications including online meetings, instant messaging, audio and video calls, availability info, and sharing capabilities. 2. Travel Policy. 	Emissions from business travel increased from 12,328 tonnes in 2013 to 15,691 tonnes in 2014. We are emphasising more of online meetings, thus limiting air travel.
Chemicals	Consumption	Supplier collaboration for environmentally friendly products and materials that are recyclable, ergonomic, reduce the usage of water and electricity, reduce emissions, waste and storage and can extend the life of the cleaning. The solutions also offer improved cost in use and productivity.	Further integration of an IT tool to propose environmentally friendly solutions.	15 % of chemicals used are eco-certified.
Electricity (own)	Consumption	Implementation and certification according to the ISS Green Offices Programme. The core content of the programme aims to influence efficient use of resources as well as employee engagement and awareness.	Mandatory implementation of the ISS Green Offices Programme in all ISS countries.	In 2014, we consumed 56,301 Mwh of electricity compared to 85,744 Mwh in 2013. The decrease is partly due to divestments in 2014. Targeted efforts to reduce consumption, e.g. more efficient offices and the ISS Green Offices Programme have resulted in this improvement by employee engagement and changing behaviour.
Water (own)	Consumption	Implementation and certification according to the ISS Green Offices Programme. The core content of the programme aims to influence efficient use of resources as well as employee engagement and awareness.	Mandatory implementation of the ISS Green Offices Programme in all ISS countries.	In 2014, we report 440,268 m ³ consumed, a decrease from 549,256 in 2013. The decrease is partly due to divestments in 2014. We are addressing consumption of water through global awareness campaigns and the implementation of the ISS Green Offices Programme.

NEW ELECTRIC VEHICLES FOR EURO-TUNNEL AND ISS AT COQUELLES SITE



Eurotunnel and ISS, a long-standing partner of the Eurotunnel Group have mutually agreed to increase their electric vehicles. There are now 31 "green" vehicles that will be used by employees of both companies. ISS, with 160 employees at the Coquelles site, will replace 11 of its 25 vehicles with Renault Zoé. Additional charging stations have been installed to make a supply of electricity available to different areas at the extensive Euro-tunnel site (7 stations are available over 650 hectares).

Both partners are thus continuing to reduce the impact of their activities on the environment and improve their carbon footprint. As a result, in March, The Carbon Trust Standard renewed Eurotunnel's certification for its policies and solutions in terms of reducing its carbon footprint.

Finally, we contributed to the Carbon Disclosure Project for the third time in 2014. The CDP is an annual survey, of how well the world's largest companies manage and report on risks and opportunities related to climate change. For our 2014 CDP Supply Chain response, ISS received a disclosure score of 83 out of a possible 100, where the CDP Supply Chain Average was 53.

Reducing customers' impact

Over decades, ISS has developed a documented processes and a management approach called 'Cleaning Excellence'.

The goal is to optimise quality, planning, efficiency and workflows. To that end, 'Cleaning Excellence' combines working methods and tools with procurement processes and cost optimisation based on best practices. As part of the contract, ISS staff identifies potential improvements in terms of both the service delivery and environmental impacts.

Analyses have shown that customers with Cleaning Excellence contracts can achieve reductions in the use of detergents by 75%, water consumption and disposal can be reduced by up to 70%. Nearly 15% of the products we use for

our daily cleaning needs are eco label certified according to the European Union requirements. We also adhere to other officially approved eco labels around the world.

Environmental management in our supply chain

The ISS Supplier Code of Conduct requires suppliers and sub-suppliers to always ensure compliance with all applicable environmental laws and regulations. It signals as well our intention to seek out and favour suppliers that include environmental impact considerations in their work.

ISS has worked with cleaning materials supplier Diversey in developing an IT tool to provide a cleaning methodology using products and materials in alignment with our Green Cleaning practices. This simple and user friendly tool allows our operational employees to recommend alternate solutions to our customers that incorporate environmentally friendly products and materials that are recyclable, ergonomic, reduce the usage of water and electricity, reduce emissions, waste and storage and can extend the life of the surfaces. The solutions also offer improved cost in use and productivity.

DASHBOARD SHOWING RESOURCE CONSUMPTION AT ISS GLOBAL HEADQUARTERS





EVY PESI
Cleaning Professional, ISS Belgium

Our Profit – integrity and stronger controls

WHY IS BUSINESS INTEGRITY MATERIAL TO ISS?

- Our business integrity is non-negotiable and strong business ethics are part of our DNA and core values for more than 100 years of service.
- As signatories to the UN Global Compact, we are committed to combat the use of corruption, extortion and bribery wherever we do business.
- We believe that operating our business in accordance with laws and regulations is not only sound business but it also serves to protect our customers from unwanted risks.

We describe how we perform and manage risks related to business performance and integrity, by presenting an overview of our financial performance, highlighting our principles and activities related to business integrity in 2014.

2014 – a focus on profitable growth

In 2014, we delivered resilient organic growth, an improved operating margin and a strong cash conversion – in spite of a challenging macroeconomic environment in Europe. We made notable progress in our customer segmentation and procurement savings initiatives that supported increased margins. The successful IPO allowed us to refinance and repay an extensive part of our debt leading to a significantly improved capital structure.

Group revenue amounted to DKK 74.1 billion compared with DKK 78.5 billion in 2013. The organic growth of 2.5% was driven by continued strong performances in emerging markets and the Pacific region as well as in the integrated facility service (IFS) business in general. All regions, apart from Eastern Europe, delivered positive organic growth rates with Latin America and Pacific reporting double-digit performances.

IPO's influence on financial profile

During 2014, the financial profile of ISS changed substantially. In March 2014, the shares of ISS were successfully listed on NASDAQ OMX Copenhagen. At the

same time, a new unsecured senior facility was put in place, consisting of bank loans with 10 banks and Kirkbi of EUR 2,850bn (3Y and 5Y maturities). This financing together with the proceeds of the IPO was used to fully repay the relatively expensive pre-IPO financing including senior secured facilities, a securitisation of trade receivables programme and various bonds. In November 2014, the shortest maturities of the bank refinancing were replaced by the issuance of bonds (EMTNs) at historical low interest rates for a BBB-company in 5 and 10 year maturities.

ISS was upgraded to Investment Grade following the IPO by both Standard and Poor's and Moody's, assigning corporate ratings of BBB-/Stable (S&P) and Baa3/Stable (Moody's).

The refinancing exercises carried out in 2014 has reduced annual interest expenses by approximately DKK1.1bn. The refinancing ensures a comfortable maturity profile with no short-term maturities, a good combination of bank and bond debt, and locked in rates at attractive levels on a material proportion of our debt.

FS Invest Sarl II (EQT and GS PIA) had an ownership of 48% at the time of the IPO, but through two additional sell-downs of shares they have reduced their ownership to approximately 19% at the date of this report.

Stronger financial oversight

In recent years we have strengthened our control processes and systems, to minimise the risk of fraud and non-compliant behaviour.

This has included establishing regional financial oversight teams, automated reporting, a standardised ERP platform, local filing of financial reports audited by global auditing firms as well as increased interfacing and controls between our internal reporting systems.

The implementation of these initiatives are now well progressed and we believe that they are having the desired risk mitigating effects.

Immediate and sustained action against wrongful behaviour

The stronger controls are to a certain degree the result of cases in Latin America in 2012, where we discovered that our control environment was not sufficiently developed to support the business expansion in certain countries. This resulted in accounting losses in Mexico and in Uruguay where issues emerged following the discovery of prior years' accounting misstatements. Besides strengthening our internal controls, we also completed management changes in both countries and pursued the former management with legal remedies available.

These cases are examples of how we enforce our values and pursue wrongful behaviour with zero tolerance.

Creating awareness and fostering a compliance culture

In ISS, we work to strengthen our management of business integrity through clear policies and guidelines, standardised tools and training activities for all relevant employees. Our goal is to create awareness of business integrity danger

zones. Steering clear of potential risks requires constant vigilance that in turn depends on our people having a good understanding of both the general landscape and potential pit falls.

We train our managers through E-learning systems and courses about business integrity and compliance in order to raise awareness and to enable them to spot wrong behaviour. We encourage matters to be reported. Serious matters can be reported through the Whistle blower reporting system available on the ISS websites. A Business Integrity Committee reviews all material integrity issues including those reported in the Whistle blower system.

The table on the next page creates an overview of our framework and 2014 activities in areas related to business integrity.

ISS DENMARK HELPS YOUNG PEOPLE ON SOCIAL SECURITY GET AHEAD



ISS Denmark, DSB and the Municipality of Høje Taastrup have developed a project to help young people on social security get education and a stepping stone into the labour market.

One in five young people in Denmark are neither enrolled in education nor in employment. In autumn 2013, ISS teamed up with DSB (the Danish State Railways) and the Municipality of Høje Taastrup to develop and implement the project 'Education Clarification in practice'. It is a project to help get more young people in education or work through short internships in different companies. Both ISS and DSB have provided available internships. Of the 19 young people who completed the course, 13 have now begun an education or started in a job – and two of those have signed student contracts with the company where they were interns. The project is also a good example of how local authorities and private sector partnerships can accomplish an important task.

Business integrity framework

SUBJECT	POLICIES AND TOOLS	IMPLEMENTATION	2014 ACTIVITIES
Behaviour by anyone working for, supplying or representing ISS	Code of Conduct established in 2003 and most recently revised in 2013. Areas covered: <ul style="list-style-type: none"> • Personal Conduct of Employees; • Anti-Corruption and Bribery; • Compliance with Competition Laws; • Business Partner Relations; • Workplace Standards; • Corporate Responsibility. 	Referenced in all documentation of contractual relationships: suppliers, customers and employees.	Included position on conflict of interest, i.e. that an employee is obliged to disclose a potential conflict of interest, and updated reference to the Whistle blower system.
Competition law	Competition law guidelines from 2008, revised in 2014 and Competition Law policy adopted in 2014. Concerns risks such as: <ul style="list-style-type: none"> • information sharing with competitors; • market behaviour which might be perceived as price fixing; • guidelines for participation in industry associations; • how to handle inspections by authorities. 	Policy communicated and e-learning based training offered to relevant staff.	Policy rolled out in 2014, to all top managers including all Country Managers and Country Chief Financial Officers. In 2014, 708 people completed E-learning based competition law training including all top managers at ISS (approximately 400 managers).
Anti-corruption	Building on the ISS Code of Conduct, the ISS Anti-Corruption Policy was established in 2010. It states: <ul style="list-style-type: none"> • ISS is against any form of corruption and bribery and is committed to combat such practices; • ISS competes for business on fair terms and solely on the merits of its services; • Regardless of local practice, any personal payments, kickbacks or bribes between ISS and customers, suppliers or public servants are strictly prohibited; • 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. 	E-learning training programme available in six languages. Training of relevant staff, both as stand-alone requirements and as part of two training programmes: ISS Advantage (leadership) and Negotiation Process Framework (contract management).	A total of 879 people completed training in anti-corruption in 2014 including all top managers at ISS (approximately 400 managers).
Contractual risks	Established Negotiation and Contract Process Framework and contract risk assessment tool, CRAM.	Web-based tool to assess contract risks. Applied in the contract approval process.	Rolled out implementation of the tool and a centralised approach for large customer contract approvals.
Raising complaints or concerns	Whistle blower system established in 2012. It is a reporting channel for raising serious and sensitive concerns guaranteeing all persons making complaints in good faith protection from reprisals or retaliation.	The system is open to all our stakeholders and available on our corporate website.	This has been part of the baseline audit programme to increase awareness. We received 88 complaints through the whistle blower system in 2014. The vast majority were matters that did not meet the eligibility criteria (serious and sensitive concern) to be processed under the whistle blower policy. The Business Integrity Committee investigated six matters in 2014.



THOMAS KOCH
Gardener, ISS Switzerland

Independent Review Statement

To Management and broader stakeholders of ISS A/S

We have reviewed the 2014 Corporate Responsibility Report ('the report') to provide limited assurance on the text and data therein. The report covers ISS's global activities from 1 January to 31 December 2014. Management of ISS A/S is responsible for collecting, analysing, aggregating and presenting the information in the report. Our responsibility is to express a conclusion based on our engagement with Management and in accordance with the agreed scope of work.

Scope of work

We have conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit regulation. Our task was to obtain limited assurance that the group level data and text in the report are presented in accordance with the reporting practice described and the information reported by countries and group functions. Compared to a reasonable assurance engagement, our work has been limited primarily to inquiries of group personnel as well as analytical procedures to ascertain the quality of underlying processes for data collection, analysis and consolidation.

Our scope of work also included a review of the report against the requirements of sections 99a and 99b of the Danish Financial Statements Act (FSA), the UN Global Compact Policy on Communicating Progress, the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 4 (In Accordance – Core).

We performed our on-site review at the ISS A/S Head Office in Denmark in January and February 2015. We have not performed site visits or interviewed external stakeholders. We have not performed any assurance procedures on baseline data, any economic or financial data (including GRI Indicator G4-EC1) or forward-looking statements, such as targets and expectations, or individual case stories disclosed in the Report. Consequently, we draw no conclusion on these statements.

Methodology

Considering the risk of material error, we planned and performed our work so as to obtain all information and explanations necessary to support our conclusion. We used the ISS Group Health Safety and Environment and Corporate Responsibility Data Reporting Manual and other internal reporting manuals together with GRI reporting criteria as an appropriate basis for our engagement. Our procedures included the following:

- Reviewing ISS's processes for determining material issues to be included in the report and challenging the material text statements in the report.
- Reviewing the processes, tools, systems and controls for gathering, consolidating and aggregating data at group level and performing analytical review procedures and obtaining additional explanations of data performance from both group functions and from selected country sites.
- Interviewing management staff across various group functions, including internal audit and accounting.

- Inspecting internal and external documentation (including policies, action plans, and media coverage) to verify the extent to which they support the information included in the report.
- Evaluating the overall presentation of the report, including consistency of information.
- Reviewing the report for adherence to the GRI principles for defining report content and ensuring report quality and the G4 disclosure requirements.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the 2014 Corporate Responsibility Report, in all material respects, has not been prepared in accordance with the stated reporting criteria. However, the input of certain environmental data from country sites continues to need improvement to ensure greater quality and reliability. We confirm that the report complies with sections 99a and 99b of the Danish FSA, and it conforms to the requirements for a UN Global Compact Communication on Progress as well as the GRI's G4 'In Accordance – Core' level.



Observations

Materiality and sustainability context

The report content reflects the strategic relevance of ISS's corporate responsibility activities to the business and the on-going efforts of the Company to manage its material corporate responsibility risks by building a strong governance and risk management structure. The Company continuously looks to international principles against which to benchmark its performance, working with standards such as the ISO 26000 on social responsibility and the SA8000 pertaining to labour and human rights.

Accuracy and reliability

In 2014, ISS further strengthened its internal data collection and control procedures, especially regarding environmental data. As a result of an increase in frequency of environmental data collection, there has been an improvement in the data quality. However, without comprehensive verification of data input, we are unable to conclude on the extent of error in the environmental data. ISS Management is highly aware of this and committed to continuous improvement of data quality in the future.

Completeness and timeliness

The boundary and publication date of the report is the same as the annual report, providing timely disclosure to stakeholders of the Company's corporate responsibility performance. Within the reporting boundary and scope defined by the report, we have not found any significant omissions of important information.

Opportunities for Improvement

We have submitted a number of observations and recommendations to Management of ISS, which include:

- Continued focus on improving the accuracy and reliability of environmental data collection.
- Continued strengthening of the control environment for the Company's supply chain/procurement activities.

Clarity and balance

The report provides a transparent and balanced presentation of the Company's results, highlighting challenges and dilemmas within its performance.

Stakeholder inclusiveness and responsiveness

The report describes the range of stakeholder engagement activities undertaken and how the Company has responded to stakeholders' information and engagement needs. The introduction of three new performance indicators into Management's bonus scheme (employee engagement, customer experience, and safety in the form of Lost Time Injury Frequency) signals a strong commitment from top management to maintain its focus on these key stakeholders.

Copenhagen, 11 March 2015

Deloitte

Statsautoriseret Revisionspartnerselskab


Anders Dons,
State Authorised Public Accountant


Helena Barton,
Lead Reviewer

Reporting Principles and Compliance

This report, the fifth comprehensive Corporate Responsibility report prepared by ISS, covers activities under our operational control in the calendar year 2014. In 2014, we have not added new data parameters. For divestments, data was included up to the time of the divestment taking effect and not thereafter. We have focused on improving the quality of our data. To improve the quality of data, we have implemented a mandatory HSE@ISS IT system, in countries to report and investigate incidents in a systematic approach. In addition, we started calculating the environmental data two times a year. The development of data can be explained in a number of countries due to divestments that have taken place during the year. To further ensure improvements in the quality of data, we have also held webinars with countries to explain the data parameters. However, we are on a journey of continuous improvement in terms of quality of our data.

External principles and guidelines

We have designed our reporting to be in line with G4 Sustainability Reporting Guidelines by the Global Reporting Initiative (GRI), the world's most widely used sustainability reporting framework. We have chosen to be in accordance with the 'Core' option. An overview of the GRI standard disclosures included in this report can be found in the table on the following pages.

We have also used the ISO Standard ISO 26000 Guidance on Social Responsibility and the Danish Standard DS 49001 'Social responsibility management system – Requirements' as a basis of our analysis and reporting. ISO 26000 provides guidance on the underlying principles of social responsibility, recognising social responsibility and engaging stakeholders, the core subjects and issues pertaining to social responsibility and on ways to integrate socially responsible behaviour into the organisation. The standard emphasises the importance of results and improvements in performance on social responsibility. The Danish Standard DS 49001 is a management system standard based on the principles, subjects and issues and stakeholder engagement described in ISO 26000.

In addition, we also work with the principles of SA8000 pertaining to labour and human rights. The SA8000 Standard is a tool for implementing international labour standards to protect employees.

This is the statutory report on corporate social responsibility cf. §99 a and §99 b of the Danish Financial Statements Act.

The reporting furthermore serves to fulfil our obligation to communicate on progress (CoP) as required by the UNGC.

Internal guidelines

As a basis for our reporting, ISS developed a Group HSE and CR Report-

ing Manual in 2010 to provide reporting principles and rules to ensure a consistent basis for reporting. This Manual is reviewed and updated yearly.

The principles are derived from generally accepted accounting and reporting principles 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 other entities 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

In 2014, we started capturing lost time due to occupational injuries in hours (previously in days). As we have done in 2014, we will continue on improving the quality of our data in 2015.



FACILITY SERVICES TEAM,
ISS Global Headquarters

GRI and UNGC Compliance Tables

GRI content index

GENERAL STANDARD DISCLOSURES

STRATEGY AND ANALYSIS		PAGE	EXTERNAL ASSURANCE
G4-1	Letter to our Stakeholders	2	Yes

ORGANISATIONAL PROFILE

G4-3	Organisation's name	Inside cover	Yes
G4-4	Primary products and services	Inside cover	Yes
G4-5	Headquarter location	Inside cover	Yes
G4-6	Number of countries where ISS operates and countries with significant operations	Inside cover	Yes
G4-7	Ownership nature and legal form	Annual Report	Yes
G4-8	Markets served (geographic breakdown, sectors, types of customers and beneficiaries)	Inside cover	Yes
G4-9	Scale of organisation	Inside cover	Yes
G4-10	Employee numbers	Inside cover	Yes
G4-11	Percentage of employees covered by collective bargaining agreements	7	Yes
G4-12	Supply chain description	11	Yes
G4-13	Significant changes in operations, capital structure or suppliers during the reporting period	Annual Report	Yes
G4-14	Precautionary approach or principle	28	Yes
G4-15	External commitments	Annual Report	Yes
G4-16	Memberships of associations	Annual Report	Yes

GENERAL STANDARD DISCLOSURES

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		PAGE	EXTERNAL ASSURANCE
G4-17	List of company entities and exclusions	Annual Report	Yes
G4-18	Process for defining the report content and implementation	4	Yes
G4-19	List of material aspects	6	Yes
G4-20	Report aspect boundary internally	7	Yes
G4-21	Report aspect boundary externally	7	Yes
G4-22	Effect of and reason for restatements	14	Yes
G4-23	Significant changes from previous reporting in terms of scope and aspect boundaries	38	Yes

STAKEHOLDER ENGAGEMENT

G4-24	List of stakeholder groups engaged by the organisation	7	Yes
G4-25	Basis for identification and selection of stakeholders engaged	6	Yes
G4-26	Approach to stakeholder engagement	6	Yes
G4-27	Key topics raised through stakeholder engagement and company response	7	Yes

REPORT PROFILE

G4-28	Reporting period	38	Yes
G4-29	Date of most recent previous report	2013	Yes
G4-30	Reporting cycle	38	Yes
G4-31	Contact point	Back cover	Yes
G4-32	GRI reporting option, content index and external assurance reporting	38	Yes

GOVERNANCE

		PAGE	EXTERNAL ASSURANCE
G4-34	Governance structure and responsibilities	9	Yes

ETHICS AND INTEGRITY

G4-36	Values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	9	Yes
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GENERAL STANDARD DISCLOSURES

ASPECTS IN G4	SHORT DESCRIPTION OF INDICATOR (SEE G4 DOCUMENTS FOR PRECISE TITLE)	G4 INDICATOR	PAGE	EXTERNAL ASSURANCE
Economic Performance	Direct economic value generated and distributed	G4-EC1	14	Yes
Energy	Energy consumption within organisation	G4-EN3	14	Yes
	Reduction in energy requirements	G4-EN7	14	Yes
Water	Water withdrawal	G4-EN8	14	Yes
Emissions	Direct GHG emissions (scope 1)	G4-EN15	14	Yes
	Energy indirect GHG emissions (scope 2)	G4-EN16	14	Yes
	Other indirect GHG emissions (scope 3)	G4-EN17	14	Yes
	Reductions of GHG emissions	G4-EN19	14	Yes
	Mitigation of environmental impacts	G4-EN27	28	Yes
Supplier Environmental Assessment	New suppliers screened	G4-EN32	7	Yes
	Negative impacts identified	G4-EN33	7	Yes
Compliance	Significant fines and sanctions	G4-EN29	28	Yes
Transport	Impacts of transportation	G4-EN30	29	Yes
Occupational Health and Safety	Work-related injuries, fatalities, etc.	G4-LA6	13	Yes
	Risk of occupational diseases	G4-LA7	20	Yes
	Health & Safety in formal union agreements	G4-LA8	25	Yes
Training and Education	Hours of training	G4-LA9	14	Yes
	Longterm skills management	G4-LA10	23	Yes
	Career development reviews	G4-LA11	It is mandatory for all employees; however, we cannot report on all completed data as some are completed on hard copies and registered in files and we are still working on collecting the data.	Yes

SPECIFIC STANDARD DISCLOSURES

ASPECTS IN G4	SHORT DESCRIPTION OF INDICATOR (SEE G4 DOCUMENTS FOR PRECISE TITLE)	G4 INDICATOR	PAGE	EXTERNAL ASSURANCE
Supplier Assessment for Labour Practices	New suppliers screened	G4-LA14	7	Yes
	Negative impacts identified	G4-LA15	7	Yes
Labour/Management Relations	Notice periods for operational changes	G4-LA4	7	Yes
Diversity	Diversity of employees and governance bodies	G4-LA12	24	Yes
Non-discrimination	Incidents and corrective actions	G4-HR3	26	Yes
Freedom of Association & Collective Bargaining	Violations of rights	G4-HR4	24	Yes
Child Labour	Risk and measures taken	G4-HR5	10	Yes
Forced Labour	Risk and measures taken	G4-HR6	10	Yes
Security Practices	Security personnel trained	G4-HR7	10	Yes
Assessment	Operations assessed for human rights	G4-HR9	10	Yes
Supplier Human Rights Assessment	New suppliers screened	G4-HR10	7	Yes
	Negative impacts identified	G4-HR11	7	Yes
Human Rights Grievance Mechanisms	Register of grievances	G4-HR12	34	Yes
Anti-corruption	Operations assessed for risks	G4-SO3	33, 34	Yes
	Communication and training	G4-SO4	33, 34	Yes
	Incidents and actions taken	G4-SO5	33	Yes
Product Responsibility	Customer satisfaction	G4-PR5	21	Yes

UNITED NATIONS GLOBAL COMPACT

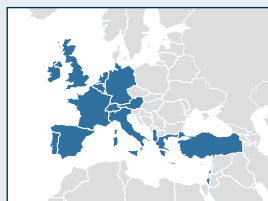
HUMAN RIGHTS		PAGE
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and;	2, 24
Principle 2	Make sure that they are not complicit in human rights abuses.	9, 24

LABOUR STANDARDS		READ MORE ON PAGE
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	24, 25
Principle 4	The elimination of all forms of forced and compulsory labour;	9, 10, 11, 24
Principle 5	The effective abolition of child labour; and	9, 10, 11, 24
Principle 6	The elimination of discrimination in respect of employment and occupation.	26

ENVIRONMENT		READ MORE ON PAGE
Principle 7	Businesses should support a precautionary approach to environmental challenges;	28
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	28
Principle 9	Encourage the development and diffusion of environmentally-friendly technologies.	28

ANTI-CORRUPTION		READ MORE ON PAGE
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	33, 34

Regional performance



Western Europe

Revenue by country

United Kingdom	27%	Germany	5%
France	14%	Israel	5%
Spain	11%	Austria	4%
Switzerland	11%	Ireland	1%
Belgium & Luxembourg	7%	Portugal	1%
Turkey	7%	Greece	1%
Netherlands	5%	Italy	1%

% of total Western Europe revenue

195,139
Employees

38%
of Group employees

37,318 DKKm
Revenue

50%
of Group revenue

6.2%
Operating margin

0%
Organic growth



Nordic

Revenue by country

Norway	30%	Denmark	20%
Finland	25%	Iceland	1%
Sweden	24%	Greenland	0%

% of total Nordic revenue

35,329
Employees

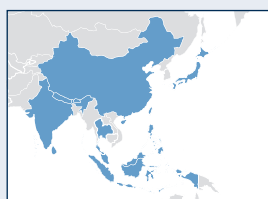
7%
of Group employees

15,449 DKKm
Revenue

21%
of Group revenue

7.5%
Operating margin

2%
Organic growth



Asia

Revenue by country

Hong Kong	22%	Taiwan	4%
Singapore	17%	Philippines	2%
Indonesia	15%	Japan	1%
India	14%	Malaysia	1%
Thailand	13%	Brunei	1%
China	10%		

% of total Asia revenue

186,009
Employees

36%
of Group employees

8,221 DKKm
Revenue

11%
of Group revenue

7.3%
Operating margin

8%
Organic growth


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Revenue by country

Australia	93%
New Zealand	7%

% of total Pacific revenue

4,444 DKKm
Revenue

6%
of Group revenue

5.0%
Operating margin

10%
Organic growth

Pacific

13,937
Employees

3%
of Group employees



Revenue by country

Brazil	44%	Argentina	11%
Chile	22%	Uruguay	3%
Mexico	19%	Other countries	1%

% of total Latin America revenue

3,597 DKKm
Revenue

5%
of Group revenue


4.8%
Operating margin

10%
Organic growth

Latin America

48,160
Employees

9%
of Group employees



Revenue by country

USA	97%
Canada	3%

% of total North America revenue

3,477 DKKm
Revenue

5%
of Group revenue

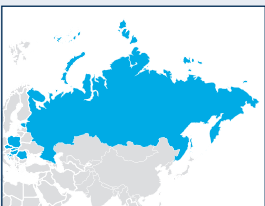
3.6%
Operating margin

1%
Organic growth

North America

14,426
Employees

3%
of Group employees



Revenue by country

Czech Republic	24%	Hungary	9%
Poland	14%	Estonia	9%
Slovakia	14%	Russia	9%
Slovenia	11%	Croatia	1%
Romania	9%		

% of total Eastern Europe revenue

1,597 DKKm
Revenue

2%
of Group revenue

6.8%
Operating margin

(0)%
Organic growth

Eastern Europe

17,808
Employees

3%
of Group employees



KENNETH MORBECH
Service Technician, ISS Denmark



Share your opinion

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

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