



CORPORATE RESPONSIBILITY REPORT 2015

– integrated in our strategy
to achieve our vision





JOHN GALLO
ISS Australia

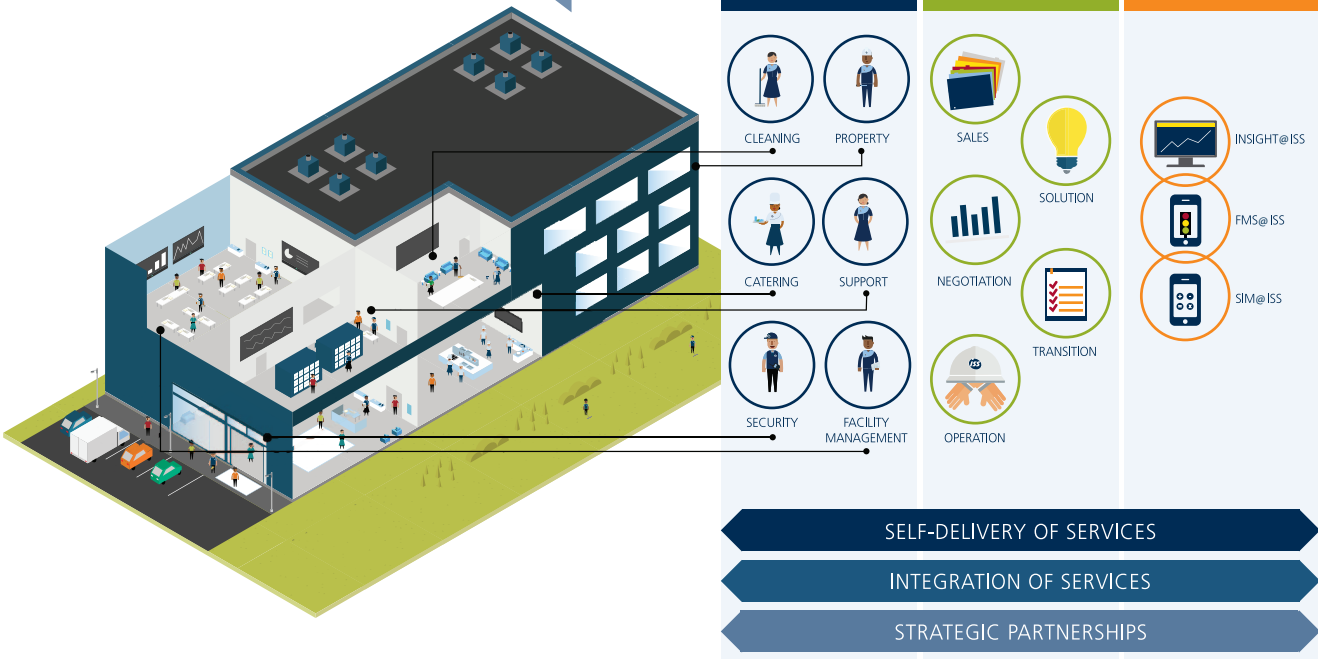
OUR BUSINESS MODEL

CUSTOMERS WANT

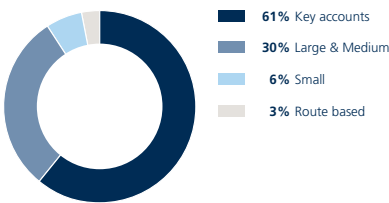
- TO **FOCUS** ON THEIR CORE BUSINESS
- TO ENSURE **COMPLIANCE**
- TO **SAFEGUARD** THEIR BUSINESS
- TO **MAXIMISE UPTIME** OF THEIR FACILITIES
- TO **MANAGE RISK**
- TO **PROTECT THE VALUE** OF THEIR ASSETS
- CONVENIENCE** AND CONSISTENCY
- SUSTAINABLE/TRANSPARENT **COST SAVINGS**
- END-USER **SATISFACTION**

Our business model is based on creating value for our customers by allowing them to focus on their core business. **We service and maintain their facilities**, ensuring that they are safe, efficient and pleasant places for our customers to pursue their own purpose. Focusing on our **selected customer segments**, we offer a leading value proposition based on our philosophy of **self-delivery** of our chosen services.

ISS DELIVERS VIA

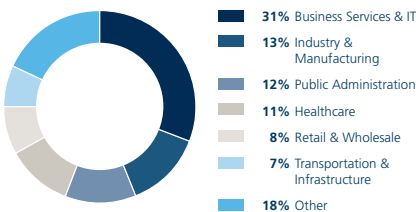


CUSTOMER TYPE



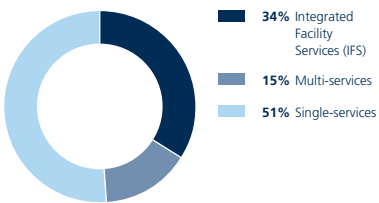
Focus on larger customers

CUSTOMER SEGMENTS



Diversified customer portfolio

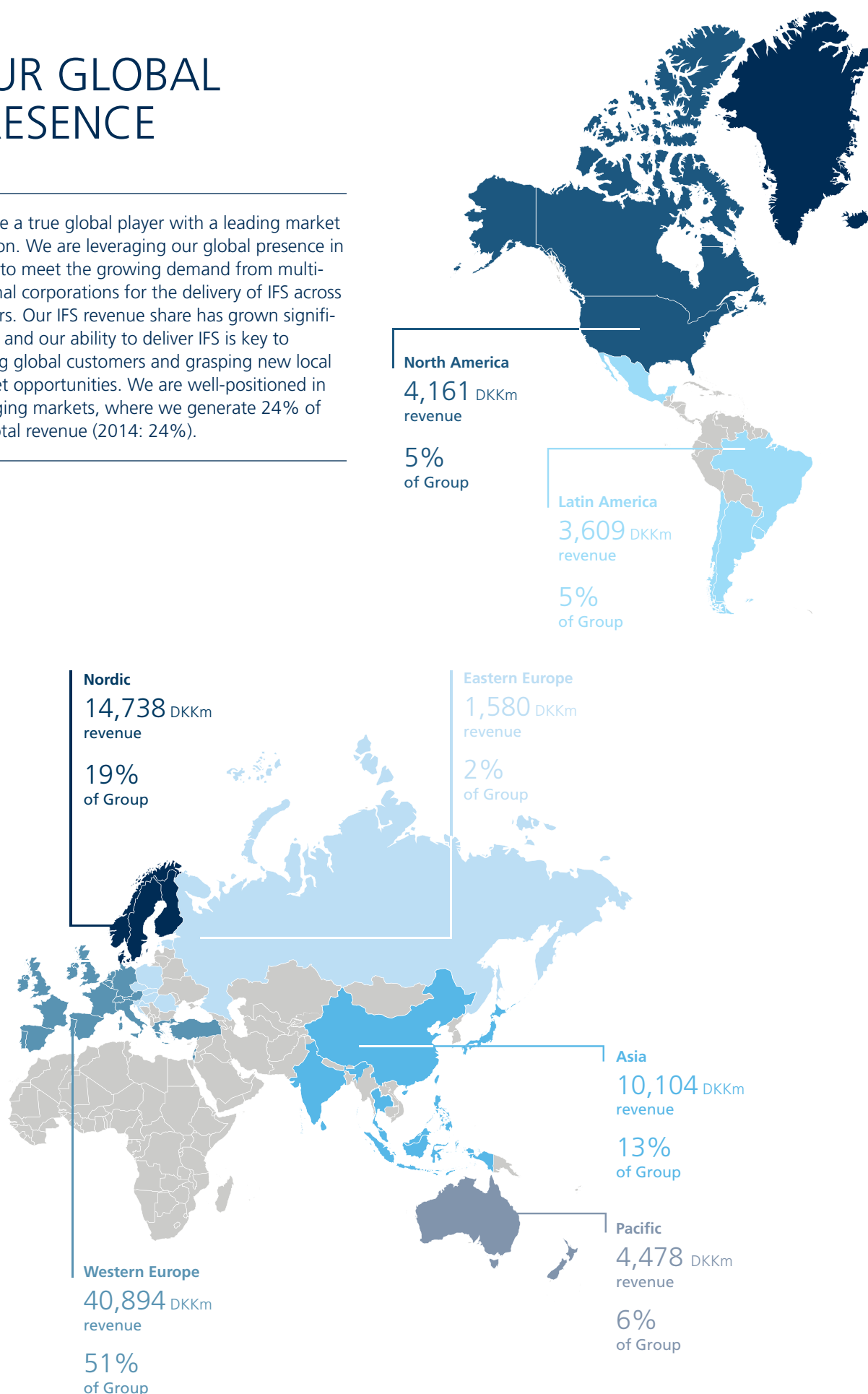
DELIVERY TYPE



Increasing IFS share (34%)

OUR GLOBAL PRESENCE

We are a true global player with a leading market position. We are leveraging our global presence in order to meet the growing demand from multinational corporations for the delivery of IFS across borders. Our IFS revenue share has grown significantly and our ability to deliver IFS is key to serving global customers and grasping new local market opportunities. We are well-positioned in emerging markets, where we generate 24% of our total revenue (2014: 24%).



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LETTER TO OUR STAKEHOLDERS

Our focus at ISS is to create shareholder value and this informs every aspect of our strategic direction. In 2015, we grew our Profit before amortisation/impairment of acquisition-related intangibles by more than 50% from DKK 1,816 million to DKK 2,785 million, leading to a significant increase in operating cash flow for the year.

Our 2015 financial performance reflects a year of significant achievements for ISS, demonstrating the value of our strategic direction and our sustainable business model. Through effective execution of our strategy and our defined value proposition, our highly engaged teams around the world improved customer experience and won many new contracts on an international, regional and local scale.

In a challenging global economic environment, we improved our operating margin, generated strong organic growth and maintained our high cash conversion, enabling us to further reduce debt.

Once again, the quality of our customer offering was recognised in top ratings from the International Association of Outsourcing Providers. We have entered 2016 in a strong position to take advantage of the huge potential in the estimated USD 1 trillion global market for outsourced facility services.

Engaged teams and satisfied customers

Our 504,816 colleagues who provide an outstanding experience to our customers around the world, are at the core of our success. Each and every day, our motivated and capable colleagues deliver services, enhancing the work environments of our customers to benefit their businesses.

Our teams build strong, long-term relationships with our customers.

We strongly believe in the benefits of being an attractive employer. In an industry with fierce competition for talent and high staff turnover, our reputation as a responsible employer is vital to the long-term success of our company.

We are proud that our employee engagement scores in 2015 were maintained at a high level of 4.4 on a scale of 1 to 5. We are delighted that 227,195 employees responded to our survey, a response rate of 72%, up from 67% in 2014. Our employee Net Promoter Score, which shows employees' willingness to recommend ISS as an employer, increased by 10 points to 56.4.

This positively affected our customer satisfaction levels, with our Customer Net Promoter Score increasing to 36.7.

Integrated Services Expansion

One of the cornerstones of our strategy is to meet customers' demand for the bundling of services. Our integrated facility services (IFS) offering is particularly attractive to major customers who look for a high-value, low-risk service. Our IFS offering makes it simpler and more effective for them to receive all the services they need at a uniform quality

level across the board, delivered by a single provider.

In 2015, revenue from IFS continued to grow through new contracts and expansion of existing relationships, including UBS in the United Kingdom, Huawei in China, Danske Bank in the Nordics and Eastern Europe, the Danish State Railways (DSB) and numerous other significant partners. IFS now represents 34% of Group revenue, and we expect continued growth in demand in coming years.

Solid performance in 2015

In 2015, we made significant progress 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 60% and reduced the Lost Work Time by 55% over the past five years. Unfortunately, seven of our colleagues lost their lives in 2015 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.

In 2015, we took new initiatives to address the challenges with vehicle related incidents such as campaigns and developing an E-Learning module on driver safety. In addition, we also developed a Toolbox Talk Calendar that aims at raising awareness and safety performance by encouraging operational teams to discuss two key topics each month. We continued with our Global 'Drive to 100' campaigns covering Health, Safety and Environment throughout the

year to ensure we maintain our focus on these areas in our operations.

Ensuring integrity

In 2015, we received 144 Whistleblower reports. As in previous years, the majority of the reports concern local human resource issues. Of the reports in scope, 14 cases were escalated to the ISS Group's Business Integrity Committee in 2015 for further investigation.

We would like to see more reports coming in from our employees and stakeholders, as a way of ensuring the integrity of our business behaviour. In 2015, we investigated the establishment of more options for reporting via telephone and app-technology to widen the choices. We will implement new initiatives in 2016.

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 2015, we carried out an assessment of our level of compliance with the United Nations' Guiding Principles for Business and Human Rights (UNGPs). You can read more about the assessment in this Report.

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 and aligning with the UNGPs.

Yours faithfully



**Lord Allen
of Kensington CBE**
Chairman



Jeff Gravenhorst
Group Chief Executive Officer

OUR APPROACH

Corporate Responsibility (CR) is an important factor in achieving the ISS vision and strategic goals. This chapter describes links between CR and our business priorities, what our material issues are and how we govern our work on these issues.

ISS is an integrated facilities management provider working on five continents and with direct representation in 77 countries. Our business services customers with operations in an equal number of countries. Our vision is to be the world's greatest service organisation, and to achieve this through the value proposition shown on this page. In essence, this value proposition obliges us to ensure our customers

can concentrate on pursuing their goals and objectives as we perform non-core activities for their business, and at the same time protect their brand, handle risks on their behalf and deliver the facilities management services needed with flexibility and as an integrated part of their operations.

OUR VALUE PROPOSITION

Service performance facilitating our customers' purpose through people empowerment

Deep connections into the field of Corporate Responsibility are necessary to deliver on this. We must credibly and effectively manage risks in terms 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 wages on time.

We see Corporate Responsibility becoming increasingly important for our customers as they strive to improve their own business performance and make a positive impact on society. Leading global companies expect a consistent CR performance from their partners, and this is often a key factor in winning and retaining contracts for ISS.

Our strategy execution: GREAT

GREAT articulates and dictates the drivers that will close the gap to the consistent delivery of our mission and value proposition. How do we do this? How do we

OUR STRATEGY: GREAT



EMPOWERING PEOPLE 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. Initiatives to keep employees healthy and safe, free of discrimination and with fair conditions for labour contribute to a sense of purpose.



TRANSFORMING OUR CUSTOMER BASE

We must make conscious choices with respect to our customer focus to deliver a unique and compelling value proposition. 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.



FIT FOR PURPOSE ORGANISATION

Transforming our customer base will require organisational changes 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. Our adjusted organisational structure provides a better "high-way" for the deployment of our HSE culture and processes.



READY TO DELIVER 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. 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.



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. 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.



JOAO TAVARES
ISS Portugal

touch both minds and hearts and move us towards our vision? In 2015, we continued to focus on our five strategic initiatives, which are the principal drivers moving us towards realising our vision and exploiting our scale benefits.

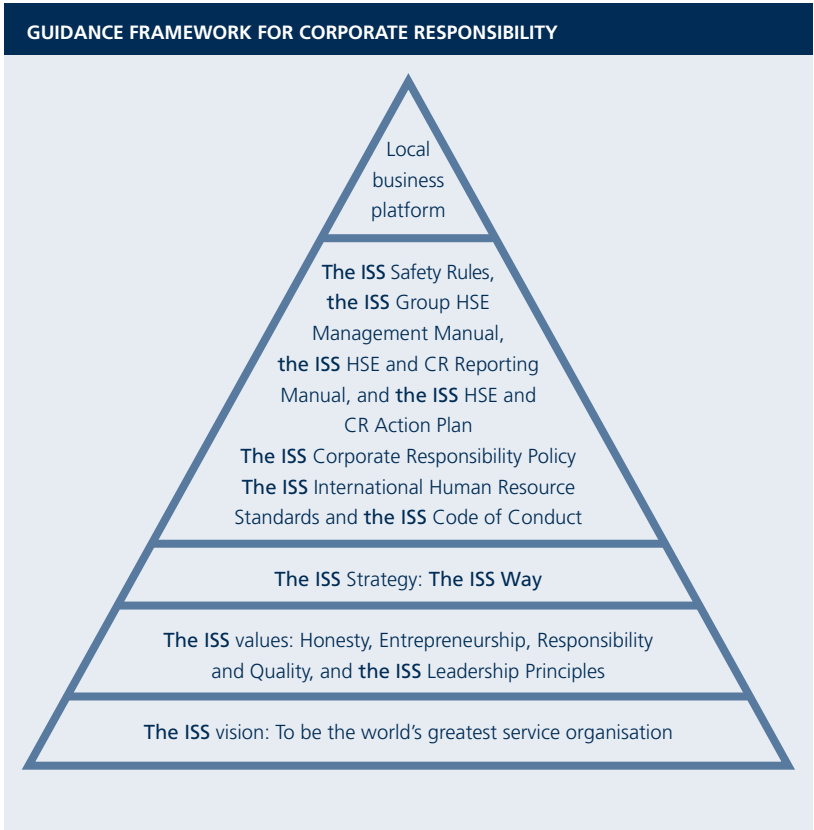
Our Corporate Responsibility efforts support each of these themes. Please see page 4 for an overview.

Materiality: knowing what is important to us

To guide our reporting focus and validate the focus of our Corporate Responsibility efforts, we assess the importance of different issues to our business and our most important stakeholders. We base this assessment on our understanding of their interest in and influence on our business. We have identified our employees, customer and investors as our main stakeholders.

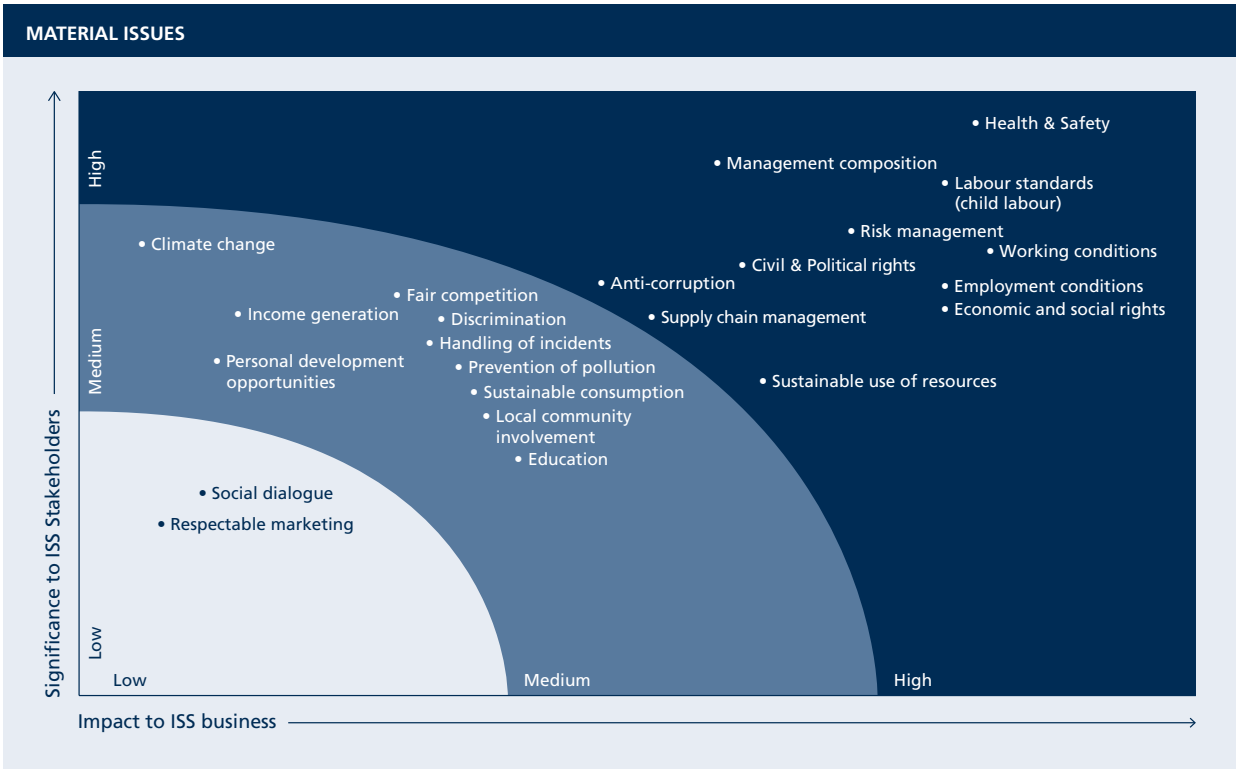
In line with previous years' assessments, the most material issues are health and safety as well as fair business practices. The successful management of these are essential to both business continuity and reputation of ISS.

In December 2014 and January 2015, we conducted a materiality assessment exer-



cise with internal stakeholders, ensuring timeliness and accuracy. Participants represented the following Group functions: Legal, Human Resources, Risk

Management, Internal Audit, Marketing, Communications, Strategy and HSE and CR.



At the last review, we concluded that the areas of Management composition and Supply Chain management had become more important to our stakeholders and on our business. The conclusions of the materiality review were validated through presentations at internal leadership training in 2015, a process that confirmed the original conclusions. A new session will be conducted during 2016.

The full picture can be seen in the materiality matrix on page 6.

Stakeholder engagement

Our approach to stakeholder engagement is to be consistent with our values and commitments and across geographies and cultures. We strive to act in line with our values: honesty, responsibility, quality and entrepreneurship.

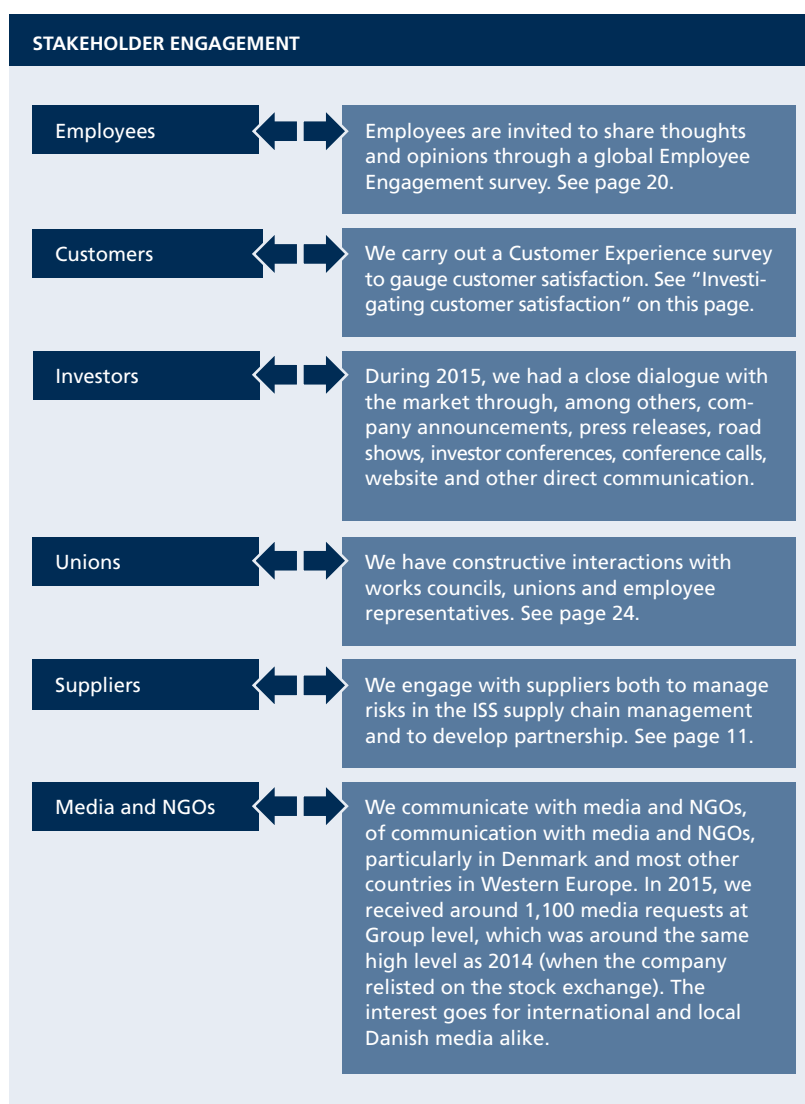
We engage both at Group level and in each of the countries where we operate. An overview of our stakeholder engagement is shown in the adjacent table and examples of our engagement are available throughout the report.

Investigating customer satisfaction

Since 2012, we have conducted annual Customer Experience surveys, to gauge our success in achieving our vision of being the greatest service organisation in the world. In 2015, 82.7% of the 7,600 potential respondents participated. The Net Promoter Score, the consolidated indicator for customer experience, has improved. The main drivers of satisfaction are the relationship with the key contact and that we manage risks effectively, while customers find that we could improve on the information contained on the invoices.

How we govern Corporate Responsibility

Incorporated as a limited liability company and operating under Danish law, ISS A/S follows current practice where management powers are distributed between the Board of Directors and the Executive Group Management Board (the EGMB). The members of the EGMB are the Group CEO and Group CFO and form the management registered with the Danish Business Authority. The Group has a wider Executive Group Management (the EGM) which comprise nine



Corporate Senior Officers of the Group in addition to the EGMB.

In 2015, we de-layered and strengthened the organisational structure to drive customer focus, deliver faster decision making and further cost efficiencies. Two new global roles were created. First, a new Group Chief Operating Officer role, which drives customer retention and the delivery of operational excellence to key account customers in partnership with the regional and country organisations. Second, a new Group Chief Commercial Officer role, which drives commercial capabilities, new sales, and key account customer growth, sharpening our attention on our regional and global sales pipeline.

Group HSE and CR has the responsibility for driving strategy, monitoring and

reporting on HSE and CR. The function works in close alignment with the EGM and collaborates with counterparts in regions and the countries as well as with other corporate functions.

A designated HSE manager in each country is responsible for implementing the Group strategy for HSE by integrating it into the country business strategy. 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.

Management tools

A set of governance documents prepared

by Group HSE and CR exists to guide the integration of CR into the business. While the ISS Vision forms the basis for everything we do, the work is in practice guided by specific manuals for implementing and reporting on Health, Safety and Environmental issues.

Another important tool in managing CR across the group is the inclusion of safety,

in the form of Lost Time Injury Frequency, in the bonus programme for management. By the end of 2015, this bonus parameter had been in force for two years, and our experience is that safety awareness has increased in our management both at Group and country levels.

Building on the strengthening of our Escalation policy in 2014, which deals

with the reporting and escalation of serious incidents from contracts over countries to regions and headquarters, we have in 2015 rolled out a Group Emergency Response Plan for serious incidents. We held webinars with countries to explain the objectives and the contents as part of the rollout.

AWARDS AND RECOGNITION



**JUAN PAULO MENDOZA AND
PAULINA SÁNCHEZ SANTOS**
ISS Mexico

Every year, the ISS Group and ISS countries around the world are awarded recognition 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 2015.

- **ISS Group** won the IAOP and ISG Global Outsourcing Social Responsibility Impact Award.
- **ISS Mexico** won a Corporate Responsibility Award, called Dignified Job, for best practices in personnel care within construction and cleaning. The award acknowledges good practices in salaries, labour responsibility and legal accomplishments.
- **ISS Australia** won twelve awards at the Customer Service Institute of Australia's (CSIA) 2015 Service Excellence Awards including seven individual employee awards, the Large Organisation Award for New South Wales and the Training Organisation Award for Queensland.
- **ISS Greece** received four safety- and people-related awards. The awards highlight the company's innovative workplace practices.
- **ISS Austria** won the Gold Award for recruitment awarded annually by the bureau BEST RECRUITERS, who perform the largest independent recruitment study in Germany, Austria and Switzerland. ISS Austria was announced the winner in the category 'Services', and achieved an overall second place among the 500 companies surveyed.
- **ISS France** received a prestigious award from the oil company Exxon-Mobil, for outstanding safety performance at the refinery of Notre-Dame de Gravenchon in Le Havre as ISS has had zero safety accidents at the site since April 2005.
- **ISS Australia** won the Sarina Russo Award for 'National Employer of the Year, acknowledging ISS's support for unemployed and disadvantaged Australians.

Internal controls for good business practices

The monitoring of good business practices, among these HSE and CR requirements, is carried out through an elaborate set of assurance activities, which are performed by the Group Internal Audit (GIA) function.

In 2015, GIA continued the process of performing a self-assessment covering almost the entire revenue of the company. The self-assessment covers three main scope areas (see figure below) comprising 20 key control categories, including governance, financial and operational controls and compliance with safety rules and policies. While the self-assessment is performed by all country organisations, the smaller countries respond to a scaled-down version of the self-assessment. The self-assessments are reported to Group Internal Audit who analyses

HOW GIA WORKS

Group Internal Audit is independent of the Executive Group Management Board, and operates under a charter approved by the Board of Directors and reports – in addition to the Group CFO – directly to the Audit and Risk Committee. The committee has six annual meetings.

Audit findings and follow-up on progress to resolve them is also provided to country and regional management, representatives of ISS's executive management and the independent Group auditor.

and communicates results to Country, Regional and Group Management and the Audit and Risk Committee.

Furthermore, the key element in GIA's work is an internal audit framework consisting of three elements:

- A baseline audit programme that assesses the internal controls and compliance across 70 key control activities, with a view to ensure a strong foundation for the internal control environment across all key control categories. This audit embeds Corporate Responsibility issues such as the Code of Conduct, anti-corruption, health and safety, child labour and working hours. Again, in 2015, we exceeded our target of carrying out audits with Corporate Responsibility content of at least 20% of the countries in which we operate.
- A contract audit programme which assesses the internal controls and contract compliance for key customer

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 Lifecycle.

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.03. Payroll	B.04. Invoicing and accounts receivables											

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.

SANNA SAARELA
ISS Finland



contracts. This standardised programme was developed in 2015 and includes both key controls from the baseline programme and detailed controls related to compliance with contract terms and conditions. In terms of Corporate Responsibility, this audit programme includes an assessment of the controls and processes for e.g. employee screening, training of new hires and performing of preventive maintenance programmes for critical equipment.

- Risk-based focused audit programmes designed to perform detailed assessment of the controls and compliance for individual risk areas or control measures. These are designed for country-level audits. In 2015, GIA developed the programme for audits of payroll, HR and HSE including overtime, timely payments and child labour. In 2016, GIA will expand the areas of scope covered by the standardised audit programme to include the areas of travel and entertainment expenses, the catering business and the accounting-to-reporting process. The impact of developing a standardised audit programme is further strengthened by the work performed by the internal auditors employed in the individual ISS countries. Local internal audit functions have been established in 20 of the largest countries to ensure further assurance coverage within the Group, using the standardised programme to ensure consistence in the work performed. Accordingly, in 2016 all local internal audit functions will perform audits of payroll and at least five key account contracts.

Performance in 2015

In line with the target for 2015, GIA performed more than 85 assurance assignments during the year. GIA performed 38 baseline audits in individual countries and 23 contract audits. Furthermore, 16 risk-based focused audits were performed covering internal control areas related to the quality and effectiveness of financial reporting and related systems and processes.

The key findings from these audits were that the overall quality of the internal control environment is satisfactory, but that clarity in delegation of authority as

well as due diligence of sub-contractors and 3rd parties need improvements, just as the local annual payroll audits need more focus.

As in previous years, we find that working hours continue to be a challenge in many emerging markets, where local expectations and industry practices are not always aligned with the working hours regulations.

Due diligence of sub-contractors and 3rd parties was a new audit focus area that was introduced in 2014 and found continued use in 2015. The purpose of this audit focus is to strengthen risk mitigation processes related to service delivery to global corporate clients in locations with no direct ISS presence. The audits focus on sub-contractors' 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 assessment of risk management associated with third party contracts through clear governance and sign-off on third party contractual risks. In terms of Corporate Responsibility, the audits focus on key due diligence risks including corruption, risk assessment of the sub-contractors, screening and approval of their employees and training in ISS and customer HSE policies, standards and guidelines.

Group HSE and CR also performs audits against the ISS International HR standards, the Group HSE Manual, the ISS Safety Rules and the ISS Code of Conduct. In 2015, 36 such audits were performed, where the findings included Group man-

datory HSE inspections were not being fully implemented, corrective actions were not being monitored or followed up for closure, and Tool box talks were not being planned or carried out.

A responsible 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 ISS Supplier Code of Conduct and all suppliers complete a Self-Assessment Questionnaire (SAQ). The SAQ is based on a range of issues including labour, human rights and environmental criteria that are then evaluated.

The ISS Supplier Code of Conduct covers the areas of workplace standards, health and safety, compensation and working hours, freedom of association and collective bargaining, forced and compulsory labour, child labour, non-discrimination and harassment, and environment.

In 2015, as part of the new work wear project, 13 SAQs were submitted by potential suppliers and this was followed up by three site audits. The main findings from the SAQs and the audits were regarding fire safety, personal safety and the environment. The findings are monitored to ensure closure of the gaps identified.

THE SUPPLIER MANAGEMENT PROCESS FRAMEWORK



OUR PERFORMANCE AND TARGETS

Our key performance indicators and results against objectives and targets for 2015 are presented on this page. Objectives and targets for 2016 are also communicated here.

We report on our performance within three areas:

PEOPLE, PLANET, and PROFIT.

PEOPLE			
	2015	2014	2013
Number of employees	504,816	510,968	533,544
– Full time %	74	73	74
– Part time % ¹⁾	26	27	26
Total workforce			
<u>Front line</u>	479,951	485,074	503,300
– % Front line	95	95	94
– % Male	49	51	51
– % Female	51	49	49
<u>White collar</u>	24,865	25,894	30,244
– % White collar	5	5	6
– % Male	55	57	58
– % Female	45	43	42
Turnover			
% All employees	43	44	52
<u>% Front line</u>	44	46	53
– Male	46	48	58
– Female	42	46	48
<u>% White collar</u>	20	21	23
– Male	20	21	24
– Female	20	21	22
Hours of training	6,639,891	5,912,982	6,564,880
– Front line ²⁾	6,149,122	5,584,132	6,152,385
– White collar	490,769	328,850	412,495
Absentee rate %	1.8	1.7	1.9
Incidents of discrimination ³⁾	14	10	11
Fatalities	7	7	6
Lost Time Injury Frequency (LTIF) ⁴⁾	5	6	7
Exposure hours (million hours) ⁵⁾	997.5	1,009.1	1,011.7
Number of vehicles	20,856	19,307	21,909
Number of vehicle accidents	3,563	3,797	4,476

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

²⁾ The front line training hours for 2014 has been corrected to 5,584,132 from 7,349,857 due to an error in country reporting in 2014.

³⁾ Incidents of discrimination corrected for 2014 from 6 to 10.

PLANET

	2015	2014	2013
Electricity consumption (MWh.) ⁶⁾	54,600	56,301	85,744
Electricity emissions (tonnes CO ₂ eq.) ⁷⁾	18,626	19,887	22,818
Electricity costs (million DKK)	55.6	51.2	74.0
Fuel usage (million litres)	46.6	43.3	55.72
Vehicle emissions (tonnes CO ₂ eq.) ⁸⁾	107,647	100,120	128,806
Business Travel emissions (tonnes CO ₂ eq.)	14,287	15,691	12,328
Water consumption (m ³) ⁹⁾	331,169	440,268	549,256

PROFIT

	2015	2014	2013
Revenue (million DKK)	79,579	74,105	78,459
EBITA (million DKK)	4,533	4,150	4,315
Net Finance costs (million DKK)	709	1,296	2,270
Taxes paid (million DKK)	867	1,082	933
Staff costs (million DKK)	51,900	48,849	51,234
Income tax paid by employees (million DKK) ¹⁰⁾	13,180	12,316	

Financial highlights in 2015

REVENUE - MILLION DKK

79,579

ORGANIC GROWTH

4.4%

CASH CONVERSION

99%

OPERATING MARGIN

5.7%

NUMBER OF EMPLOYEES

504,816

⁴⁾ 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.

⁵⁾ Exposure hours include contractors working under ISS operational control.

⁶⁾ Please see explanation on page 32 for the decrease.

⁷⁾ Electricity emissions corrected for 2014 from 18,293 to 19,887.

⁸⁾ Please see explanation for increase on page 33.

⁹⁾ Please see explanation for decrease on page 32.

¹⁰⁾ Income tax paid by employees comprises estimated employment taxes, social charges and contributions paid either by ISS or directly by employees.

JIANG JIA YUN
ISS China



Performance against objectives and targets for 2015

Our most material issues are also the ones most directly supporting our

strategy and are related to health, safety and environment as well as monitoring of labour conditions for our employees. We set targets and carry out audits to

ensure the organisation's focus remains on these subjects.

SUBJECT	TARGETS 2015	PERFORMANCE 2015	TREND
Fatalities	0	We saw seven fatalities. See page 21.	☹️
Lost Time Injury Frequency	Reduce 60% compared to 2010.	LTIF decreased by 60% from the baseline value of 13, to 5 in 2015.	😊
Lost Work Hours	Reduce 45% compared to 2010.	The number of Lost Work Hours per 1000 exposure hours reduced by 55%.	😊
CO₂ emissions from electricity	Seek to establish baseline.	Electricity decreased due to awareness and behaviour programmes and divestments.	😊
CO₂ emissions from leased cars (g/km)	Reduce by 15% within four year lease period starting in 2014.	In 2015, we have reduced emissions from our leased cars (g/km) by 2% compared to the baseline in 2014.	😊
Audits with CR content	In at least 20% of countries where we operate.	The scope of internal audits in 15 countries, more than 30% of countries 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 344,900 employees, nearly two-thirds of our workforce, in 46 countries, the opportunity to express their opinion of working for ISS. 71% chose to make fully use of this option.	😊

Objectives and targets for 2016

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 2016 is to reduce LTIF by 60% relative to our baseline figure in 2010 to below 5.
3. Related to the LTIF are Lost Work Hours (LWH) as a result of lost time incidents. The Group target for 2016 is a reduction of 55% per 1,000 exposure hours relative to the baseline figure in 2010.
4. Reduce the emissions from our leased cars (g/km) from 2014 over the leasing period of 4 years by 15%.
5. To carry out audits that include Corporate Responsibility areas in at least 30% of countries where we operate.
6. To conduct an annual employee engagement survey with a response rate target of 75% of eligible employees.

PEOPLE – THE KEY TO OUR SUCCESS

The promise we make to our customers can be fulfilled only through our people. This section explains how we ensure capabilities and risk management in terms of health and safety. We also take a closer look at ISS's potential human rights impacts.

The sheer size of the ISS workforce is impressive. More than 500,000 people work for ISS, which means that for every 15,000 people in the world, there is one ISS employee. We are the fourth largest private employer in the world, and through the work we provide and salaries we pay, we impact the lives of more than two million people.

Our business results hinge on the actions of our employees. They deliver the services and embody the value proposition we make to our customers: that they can pursue their purpose and goals while we assume facilities management responsibilities and risk management related to these.

In 2015, ISS renamed its Human Resources department to 'People and Culture', which more aptly describes how we work and our routes of influence. We aim to engender a purpose in each of our employees working for us and are looking at enhancing focus on our leadership education and role models to make sure our employees have a clear sense of direction and empowerment in their work.

Everything points to leadership

Motivation, engagement and training of employees as well as understanding the customers' expectations are proven drivers of performance in facilities management (see text box). Each and all of these drivers depend on leadership, including safety leadership.

RESEARCH CONFIRMS IMPORTANCE OF EMPLOYEE ENGAGEMENT

In 2015, ISS published a white paper on the links between customer experience and employee engagement. Three main conclusions stand out and support the key correlations stated in this chapter. These conclusions are:

1. Employee engagement correlates strongly with customer experience. The more engaged the employees, the more likely it is that customers will be satisfied with the service provided – even to a level where they will actively recommend the service provider to others.
2. The primary drivers behind customer experience are:
 - Motivation and engagement of service staff;
 - Amount of training and quality of service staff;
 - Knowledge of, and the ability to act on, customer expectations.
3. Customer experience (as measured by the Net Promoter Score) is closely linked to contract profitability. The more likely the customer is to recommend a service provider, the more profitable the contract.

The study is built on large and unique data sets comprising service employee engagement scores, customer experience scores, customer "profit & loss" data, and user experience surveys.

The intricate relationships between leadership, engagement, customer satisfaction and compliance with guidelines and policies are shown in the graphic on page 18.

In 2015, we continued to invest in leadership at all levels of the organisation. We

Class room training received in 2015

FRONT LINE EMPLOYEES

13 HOURS PER EMPLOYEE

WHITE COLLAR EMPLOYEES

20 HOURS PER EMPLOYEE

will develop further measurements of our leadership through assessments and surveys, tracking developments in employee and customer Net Promoter Scores as well as Lost Time Injury Frequency, sickness, turnover among other benchmarks.

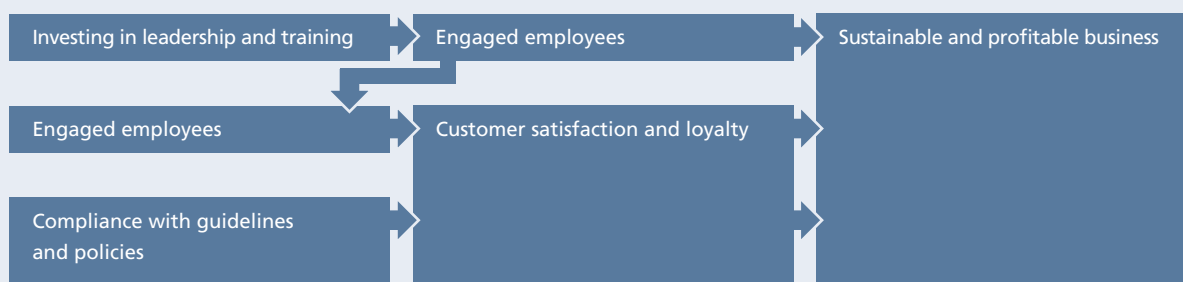
Leadership is a key strategy enabler on the journey to becoming GREAT. Equipping our leaders to communicate the strategy and engage the organisation is of primary importance to leadership development.

Since the launch of The ISS Way in 2008, we have invested heavily in leadership programmes at various levels of the organisation: the Leadership Mastery programme for top management, begun in 2013, the Acorn programme for Key Account Managers, and the Service with a Human Touch programme (SWAHT) for supervisors and frontline employees. These programmes provide an essential understanding of the key elements of our strategy and provide tools relevant to leaders and employees in their daily work. In addition to these, we have progressed in deploying the Key Account Manager programme (KAM-C) in order to strengthen our key account capabilities.

In 2015, we accelerated leadership training in a number of countries in line with our strategic focus on IFS. We are setting minimum standards aimed at reaching a total alignment of the leadership programmes in all of our countries, building a common on-boarding mechanism for managers, and developing a



CORRELATIONS DRIVING GOOD BUSINESS



LEVEL	TRAINING WITH A PURPOSE	MAIN PROGRAMMES
Top management	<p>Ensuring that we support our leaders sufficiently to act as ambassadors of our Leadership Principles and behaviours is a key priority.</p> <p>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.</p>	<ul style="list-style-type: none"> • Top Management Conference (TMC) • Leadership Mastery programme • Advantage programme • Mandatory governance E-learning programmes • Performance appraisals <p>Example: 400 senior leaders addressing the strategic objectives and direction of the Group once a year at the TMC.</p>
Middle management	<p>Accelerating middle managers' induction and future performance by introducing them to the strategy so they can communicate it and engage the organisation. Managers are taught key business disciplines including compliance and CR and they are given relevant tools they can use in their day-to-day work.</p>	<ul style="list-style-type: none"> • Advantage programme • Performance appraisals <p>Example: The Advantage programme has more than 150 participants annually.</p>
Supervisors/ Key Account Managers (KAM)	<p>Ensuring that all employees support a purpose-led service culture and alignment to global standards of operations is key.</p> <p>Focus is on country-based training in service and operational excellence, processes and leadership to enhance employee skills and encourage staff mobility.</p>	<ul style="list-style-type: none"> • Local management training programmes • KAM-C programme • Acorn programme • Service with a Human Touch (SWAHT) • Performance appraisals • Apple Awards • HSE E-learning programmes <p>Example: Approximately 4,500 supervisors completed the SWAHT programme in 2015.</p>
Frontline employees	<p>By understanding our customer's needs, our people learn how to add value to their customers through purpose-led service culture – we call this “finding your apple”.</p> <p>Subjects included HSE, operational and technical training, management, language training, leadership and supervisory, IT, security and fire prevention.</p> <p>To recognise employees who have found their apple, we have launched the Apple Award.</p>	<ul style="list-style-type: none"> • Local training programmes • Service with a Human Touch (SWAHT) • Apple Awards • HSE E-learning programmes • Performance appraisals <p>Example: Frontline employees received 6,149,122 hours of classroom training in 2015.</p>

common approach to hiring and personnel assessment. This work has been ongoing throughout the second half of 2015 and is expected to show results in 2016. Further, we continued our roll-out of SWAHT, which is a suite of training workshops and activities that have been specifically designed by ISS for ISS to engage and motivate frontline employees and supervisors, and spur them on to provide exceptional service both to our customers and to each other.

Training for business performance

We offer training opportunities for employees and leaders on the key elements of our strategy and the tools they need to fulfil it in a number of programmes addressing different audiences (see overview on opposite page).

These are:

- **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.

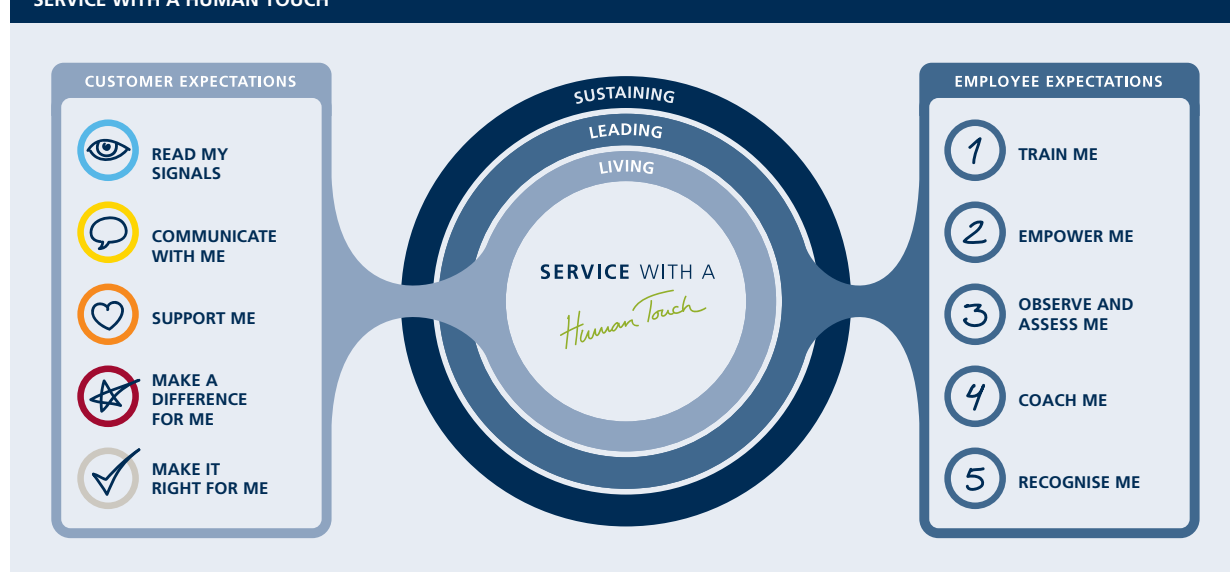
- **The Advantage programme**, where members of Group management present and discuss 'The ISS Way', the Group strategy. This is a very important induction programme for managers starting in ISS where all key business disciplines are taught including compliance and CR.
- **The Value Proposition programme**, a hands-on workshop focussed on creating the most effective model for presenting value and motivating buyers.
- **The Acorn programme**, targeting talented managers with the aim of developing them into the best-integrated facilities management 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, motivate, and spur them on to provide exceptional service to both the

customers and their teams. The programme creates awareness around the importance of meeting and exceeding customer expectations, enables our employees to clearly understand their purpose in helping to build the world's greatest service organisation, and it empowers our employees to use their initiative and to make a difference by creating those winning moments for our customers. It aims to create consistency in the way frontline employees are empowered to recognise customer needs and signals, as well as in the way employees are trained, coached and recognised by supervisors.

All these programmes, except Leadership Mastery, are run by our internal training facility, ISS University. This entity also trains and certifies regional and country managers to run programmes in local languages, thus extending the reach of our leadership training.

In 2015, 21 participants graduated from the Leadership Mastery programme and 70 from the Acorn programme, in line with our targets of similar or slightly higher attendance than 2014. The roll out of the SWAHT programme continued in

SERVICE WITH A HUMAN TOUCH



2015 and more than 31,300 service professionals have completed the programme since it was launched in 2013.

Linking back to the data analysis published in 2015 and described earlier, this confirmed our expectation that if our Service with a Human Touch-training delivers, it will result in higher customer satisfaction and as such improved business performance.

Monitoring engagement

As already established, the level of engagement felt by our employees is a key driver in our pursuit of business success. We conduct one of the world's largest engagement surveys by a private employer annually.

In 2011, we introduced a global Employee Engagement Survey (EES). We intentionally use the same questions for all respondents to compare the results globally.

The survey provides managers at all levels with specific information about their employees, allowing them to address the causes of low engagement and improve each individual's sense of engagement. The survey revealed an overall employee engagement of 4.4 (2014: 4.4) out of a possible 5.

We monitor both overall engagement (employee Net Promoter Score (eNPS)) and four measures for employee engagement. The eNPS developed positively compared to 2014 and increased by 10 points to 56. Our aim is to increase our promoter base in the coming years. The four measures of employee engagement show a constant high-level, well above 4 (on a 5 point scale).

The scope has been expanded every year since its inception and in 2015, the survey was sent to 344,900 employees and had a response rate of 71.5%, an improvement from last year's 66.6%. The survey is produced in 52 languages, making it possible for more than 90% of the participants to complete in their first language. Only 20,900 of the potential participants have an email address and the remaining will complete the survey on paper or receive information on how to access the survey with their paychecks.

While our survey target once again in 2015 was to reach 400,000 employees with the survey, it has become clear that this is not achievable as to be eligible for the survey, an employee needs to be employed for at least three months. This requirement reduces the number of participants eligible for the survey by approximately 70,000 employees. Furthermore, employees working fewer than 10 hours per week and employees on leave are not included.

For 2016, we aim for a response rate of 75% of the eligible employees.

The longer they stay, the more they engage

Looking at the results from all of our employee surveys, we have learned that length of employment drives engagement.

In 2015, 74% of employees were employed full-time (working 30 hours or more a week), compared to 73% in 2014. Employees employed for more than one year made up 68% of our workforce com-

pared to 69% of our workforce in 2014, and 30% of our employees have been with ISS for more than five years. Our staff turnover rate in 2015 decreased to 43%, compared to 44% in 2014. Our absenteeism rate in 2015 was 1.8%, an increase from 1.7% in 2014. Staff turnover is still highly influenced by the tight labour supply in emerging markets where our business is growing. Furthermore, employee retention remains a challenge as jobs in our industry are often used as temporary or supplementary income.

We employ different measures to inspire employees to stay on with ISS. One is the Service with a Human Touch programme (see page 19). Other measures are offering more full-time and daytime work, jobs with greater variation in tasks, career development opportunities and programmes to promote teamwork and skills development.

As the share of our business made up by integrated facilities services solution grows, we have also found that employee

WHAT IS COMPANY DAY?



Company Day is an ISS initiative where managers are encouraged to work at one of the company's 200,000 customer sites, alongside their colleagues who operate on the front line. This process demonstrates ISS's commitment to getting closer to its customers' businesses, to understand their needs and gain first-hand experience of their organisation.

Every year, for one day, our managers get to perform just some of the job roles carried out by their colleagues, and this gives them a strong understanding of the opportunities and challenges their colleagues face on a day-to-day basis.

This supports our Value Proposition where we promise to understand our customers' businesses and industry, and Company Day is the perfect platform to discover just what is involved at the front end, for our customers and employees.

retention is higher on these contracts. This supports the claim that a greater sense of purpose and expansion of roles and responsibilities makes for stronger employee engagement, increased motivation and, not least, better quality of service.

Health and Safety Continuous improvements in personal safety

The Lost Time Injury Frequency (LTIF) for ISS fell to just over 5 from 6 in 2014. This is almost a 60% 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 55% compared to the 2010 baseline, in line with our target of a 45% reduction. When we are able to reduce this number, we are certain to make both operational and financial gains (see example from Hong Kong)

We also monitor the number of Total Reportable Cases Frequency (TRCF), and the Group target for 2015 was to reduce TRCF by at least 55% from the baseline in 2010. TRCF decreased by over 60% from the baseline value of 23 to just under 9 in 2015.

Improvements can be attributed to the highly systematic approach established in our HSE strategy and applied since 2010 with an established HSE management manual, continuous awareness raising, a global reporting system and the inclusion of safety indicators in the management bonus programme.

The Group HSE manual is being updated to comply with the new ISO standards

FINANCIAL BENEFITS FROM IMPROVED SAFETY PERFORMANCE IN HONG KONG

For the past three years, ISS's Hong Kong business has seen a 30% decrease in amounts claimed from insurance due to work-related injuries.

This has helped ISS Hong Kong stay resilient against increasing work injury insurance rates in the region due to claims made soaring over the past 10 years. Where companies in manpower intensive industries in general claim to be under pressure from rising cleaning rates, ISS Hong Kong has managed to negotiate a modest reduction in the 2015 rates.

and will be rolled out across the Group in the first half of 2016.

Focus on E-learning

In 2015, an HSE E-learning module targeted at ISS supervisors was developed and rolled out to re-enforce the culture and behaviours we want at ISS. In the coming year this will be translated into a number of different languages.

In addition, as part of the ongoing focus on addressing car-related accidents which has made up an disproportionate share of fatal accidents involving ISS staff, the development of an E-learning module on Driver safety was initiated in 2015. This E-Learning module will be launched in early 2016.

Fatalities in 2015

During ISS operations in 2015, seven people lost their lives in accidents with fatal outcomes. This is by no means in line with the ISS HSE Vision of zero accidents. Each of these accidents is deeply regrettable and we will continue to push for the total elimination of these occurrences.

Two of the fatal accidents took place in Indonesia, two in Thailand, one in Denmark, one in Hong Kong and one in France. Three fatalities were related to security activities, three to cleaning and one to property services. One fatality in 2015 was vehicle related and involved a member of the public.

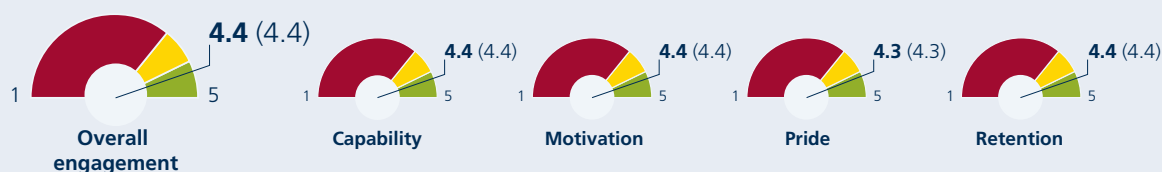
Each fatality and serious injury is reported to our top management within 24 hours of occurrence and local management carries out an investigation determining the root cause of the incident and the corrective actions to be taken to prevent similar incidents in the future.

Safety action plans

As part of the HSE strategy, we have a stated goal called "Drive to Zero". This requires action from all parts of the ISS organisation and, each year, we build and distribute a Group HSE and CR Action Plan with actions for each country to implement. In the past 3 years we have furthermore asked country management to develop a Personal Safety Action Plan (PSAP) with objectives and targets for each member of a country management team. This encourages and allows for management to show their safety commitment and leadership through actions.

GLOBAL EMPLOYEE ENGAGEMENT RESULTS

2015 (2014)





KATIE MCAVOY
ISS UK

Tools and communication for awareness

Group HSE and CR issued one Global Safety Flash in 2015. The Flash was sent out because of two fall related fatalities that occurred within a few weeks. The idea behind a safety flash is to disseminate important information on incidents, potential hazards and the lessons to help prevent similar accidents.

As in previous years, we ran quarterly 'Me and You' safety campaigns in all the countries in 2015, focusing on Slips, trips and falls, Working at heights, Electrical safety and Driving safety. The campaign uses posters produced by Group HSE and CR that are translated into more than 20 languages.

Furthermore, to drive safety awareness into business operations we have distributed a set of Tool box talk desk calendars, where particular subjects are defined as subjects for conversation each week. These calendars are available in 14 languages.

For all our large global key accounts, we have initiated bi-monthly safety inspections in 2015. These are performed by our operations staff using standardised templates prepared by Group HSE and CR. The audits are helpful in creating accountability and transparency as results are reported into ISS's global IT-based HSE system. At the same time the audits provide documentation that we are living up to the HSE requirements included in contracts.

Human rights

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 Advantage programme, which provides training for top and middle management.

In 2015, we conducted a human rights due diligence assessment. The process and outcomes of this is presented on the following pages.

At this point in time, we have focussed activities for safeguarding of children and vulnerable people, diversity, labour rights/employee representation as well as possible cases of discrimination.

Safeguarding children and vulnerable people

ISS must always perform our services in a way that provides safe environments for our customers and their users. To this end, we created a policy on safeguarding children and vulnerable people in 2014, which we were actively implementing in business processes in 2015.

The policy emphasises that ISS staff and ISS sub-contractors, 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.

We produced an animated film to communicate the content of the policy and its implementation, available in 7 languages. Furthermore, we have also included this as part of the training to top management, the Advantage programme.

Implementation activities started in 2015 to ensure that all ISS countries adopt appropriate policies and procedures and conduct necessary training to ensure that ISS staff and ISS sub-contractors adhere to this policy. This includes recruitment and vetting procedures for staff assigned to positions with exposure to children or vulnerable adults, training and induction programmes ensuring awareness of appropriate behaviour and knowledge of policies and procedures, and appropriate procedures ensuring that sub-contractors adhere to no less strict policies, procedures and training than ISS staff. In addition, new requirements covering Safeguarding Children and Vulnerable Adults were also included in the International Human Resources Standards.

In 2015, because of security threats across the world, ISS also initiated a country-by-country assessment of ensuring the pre-employment checks of employees in countries to reaffirm the importance of safety for our employees and our customers and their facilities.

Competencies and diversity

As one of the world's largest private employers and with operations in 48 countries, we are committed to fostering and cultivating a culture of diversity

and inclusion. With more than 504,000 employees, ISS embraces and encourages diversity in its broadest sense. 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.

The Board and the EGM recognise the importance of promoting diversity at management levels and have implemented policies regarding competencies and diversity in respect of Board and EGM nominations according to which we are committed to selecting the best candidate while aspiring to have diversity in gender as well as in broader terms such as international experience.

Emphasis is placed on:

- Experience and expertise (such as industry, risk management, finance, financing, strategy, international business, labour force management and HR, management and leadership);
- Diversity (including age, gender, new talent and international experience) as well as diversity of perspectives brought to the Board or the EGM; and
- Personal characteristics matching ISS's values and leadership principles.

In support of 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 not later than at the 2017 annual general meeting. With the election of Cynthia Mary Trudell and Claire Chiang to the Board in 2015, both of whom have extensive and diverse management experience and competencies, that target has been achieved, and the Board has now set a new target of reaching at least 40% women on the Board by 2020.

In terms of international experience, the Board aims at all times to have sufficient international experience at all management levels taking into account the size and activities of ISS. The Board considers that it has diverse and broad international experience. The EGM is considered to have the necessary international experience

if half of its members have international experience from large international companies. Presently, all members of the EGM have international experience.

In order to promote, facilitate and increase the number of women in management level positions at ISS's global head office, we continue leveraging the Diversity Policy adopted by our direct subsidiary ISS World Services A/S which employs the global head office employees (ISS A/S does not have any employees), which defines a number of initiatives. Our initiatives include ensuring that female candidates are identified for vacant positions, developing succession plans aiming at identifying female successors as well as tabling the matter of women in leadership at ISS for discussion at least once a year at the EGM level. 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.

The appointment of Michelle Healy as Group Chief People & Culture Office in April 2015 to the EGM shows our commitment to promoting gender diversity at executive management level. The amount of women at management level at the ISS Global head office increased slightly in 2015 compared to 2014 and gender diversity remains a focus area in 2016.

Collaborating with unions on human rights

Since 2003, ISS has been part of an agreement with UNI Global Union, an international network of national labour organisations. It is a mutually binding agreement committing both parties to work in favour of human rights and decent working conditions. The commitment stretches beyond our own company into industry and the communities where we operate. ISS, on its part, is obligated to support the UNI's 12 fundamental principles based on the International Labour Organisation's (ILO) conventions. This is an important part of ISS's commitment to human rights.

ISS AUSTRALIA ANNOUNCES FORMAL COMMITMENT TO EMPLOY INDIGENOUS AUSTRALIANS



ISS Australia has pledged over 1,000 jobs for Indigenous Australians, through a partnership with the Australian Government. The partnership is part of the Commonwealth's new Employment Parity Initiative, which harnesses the goodwill of Australia's largest employers to hire Indigenous employees to help them increase their Indigenous workforce to a 3% employment parity, getting 20,000 more Indigenous Australians into private sector jobs by 2020. ISS Australia has launched their first ever Reconciliation Action Plan (RAP) as a formal commitment to Indigenous Australians and provides stretch targets for their business across the key areas of Relationships, Respect and Opportunities.

As part of the agreement, a set of shared goals is agreed:

- 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.

WOMEN IN THE WORKFORCE

TOTAL IN ISS

51%

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.

The overriding purpose is the creation of a level playing field. It leads to an obligation on the part 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.

Investing for results

With a Euro 100,000 annual contribution, ISS also co-finances a UNI-run project in Mexico City to improve tender processes in the service industry, including working with the local government to ensure minimum wage. A new procurement policy was initiated in 2015 with increased emphasis on workers' conditions and benefits. This work has been ongoing during 2015 and the project has also trained approximately 1,200

STÉPHANE PAVION
ISS France



janitors from numerous cleaning companies in both private and public sector.

The project in Mexico City will enter into its final year in 2016 and build a similar project in a different region of the world. Future projects will be discussed and assessed together with UNI.

Managing labour relations

In line with our respect for human rights, we believe in the right for our employees to organise and negotiate collectively. We collaborate with employee representatives at many levels of our organisation, with structured and dedicated approaches for each. See figure below.

We manage our employee relations for our European operations 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.

The annual meeting with participants from 20 countries, represent over 49% of our employees.

In 2015, the focus of the annual meeting was on implications for employees of the GREAT project, which is the vehicle for bringing The ISS Way, our strategy, to life. Other subjects on the agenda of this two-day assembly were new ISS work wear, Employee Engagement, Health and Safety,

ISS FRANCE LAUNCHES ENDOWMENT TO PROMOTE SOLIDARITY



ISS France has established the endowment fund ISS Solidaire as part of its contribution to society. The fund will work in collaboration with French charity organisations.

ISS Solidaire has, as a first, partnered with the French charity organisation, Restos du Coeur (Restaurants of the Heart), by donating EUR 10,000. The donation enables Restos du Coeur to give out 10,000 meals to the most vulnerable members of society. ISS Solidaire will launch several projects in partnership with Restos du Coeur, starting at the 96 ISS offices in France.

At Christmas, the ISS fund was used to support sick children at the Institut Gustave Roussy through a donation to the association "Tout le Monde Chante Contre le Cancer" (Everyone Sings against Cancer).

Human Resources, and a session for questions to management represented by the Group COO, Henrik Andersen.

All discrimination claims investigated

In line with the ISS Code of Conduct and the International HR standards, ISS takes all claims of discrimination seriously. 25 incidents were filed, investigated and followed up with legal authorities in the countries in question. For each of these, ISS produces a position paper describing the outcomes of ISS's analysis of the facts.

In the end, 14 incidents were settled and 11 were deemed to be without legal merit.

Human rights due diligence assessment

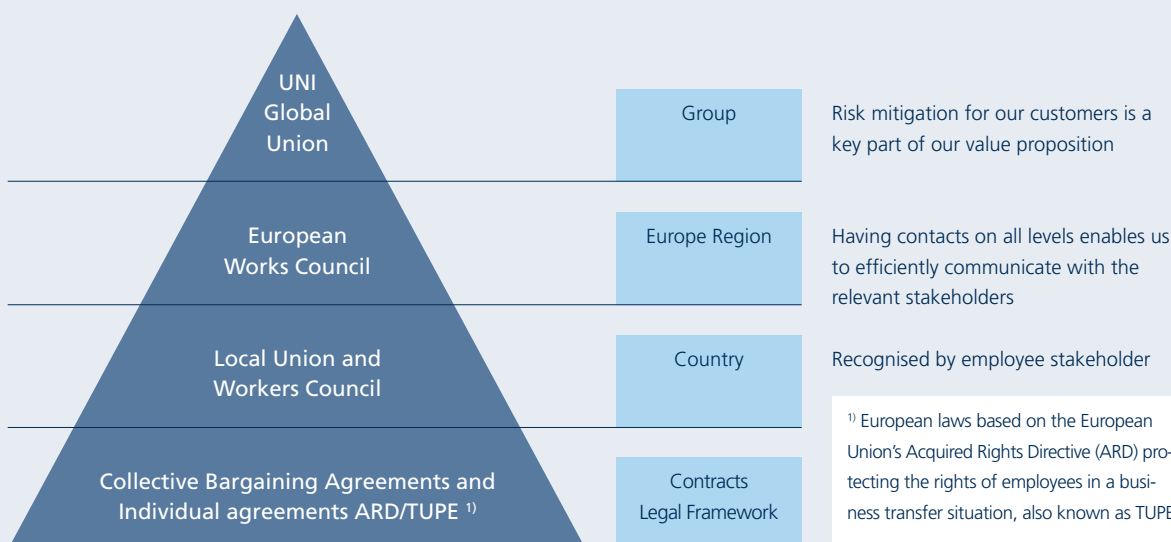
In 2015, Group HSE and CR performed an assessment of ISS's current level of compliance in terms of inclusion of human rights in our governance and management documents. The assessment was based on the United Nations' Guiding Principles (UNGPs) for Business and Human Rights, which provides companies with an international and authoritative human rights framework.

ISS and the UNGPs

In essence, the UNGPs ask companies to do three things.

Commit – by creating a policy that outlines the company's intended actions in

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



¹⁾ European laws based on the European Union's Acquired Rights Directive (ARD) protecting the rights of employees in a business transfer situation, also known as TUPE.

Overview of 2015 people performance

PEOPLE ACTION AREAS	TOOLS APPLIED	ACTIVITIES IN 2015	PERFORMANCE IN 2015
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 HSE@ISS-IT system. 	<ul style="list-style-type: none"> Personal safety action plans for individual management members Campaigns. 	<ul style="list-style-type: none"> Fatalities: 7 Lost Time Injury Frequency: 5 Decrease in lost work time compared to 2010 baseline: 55%
Employee engagement	<ul style="list-style-type: none"> Engagement survey. 	<ul style="list-style-type: none"> Survey performed. 	<ul style="list-style-type: none"> 344,900 employees reached. Survey available in 52 languages. Four aggregate measures show continuous high performance with scores above four on a five point scale.
Leadership and training	<ul style="list-style-type: none"> Training and development programmes. 	<ul style="list-style-type: none"> Service with a Human Touch-training programme Leadership training programmes Acorn programme. 	<ul style="list-style-type: none"> 4,500 supervisors completed the Service with a Human Touch programme, 21 people graduated the Leadership Mastery programme, and 70 finished the Acorn programme. Front line employees received 6,149,122 hours of class room training in 2015, compared to 5,584,132 hours in 2014. This is equal to 13 hours per person in 2015. Subjects included health and safety, technical training, management, language training, leadership and supervisory, IT, security and fire prevention. White collar employees had 490,769 hours of training in 2015, up 49% from 2014 and equal to 20 hours per employee.
Human rights and resources	<ul style="list-style-type: none"> ISS international Human Resources standards (HR Standards) Diversity policy Formalised union and works council's co-operation. 	<ul style="list-style-type: none"> Human rights due diligence assessment performed in accordance with the United Nations' Guiding Principles on human rights and business. 	<ul style="list-style-type: none"> As a result of our due diligence assessment, we are working on our changes to our CR policy, the International HR Standards and the ISS Supplier Code of Conduct. Audits showed no major non-compliances with the International HR standards. European Works Council conference. Continued UNI Global Union collaboration.

their work to respect human rights. This policy must, amongst others, be publicly available, approved by the highest level of management in your company and describe what you expect from employees and business relationships.

The ISS Code of Conduct, revised in 2013, adopted by the Board of Directors expresses our commitment that ISS respects, supports and promotes human rights as stated in the United Nations Declaration of Human Rights and the Core Conventions of the International Labour Organisation. In addition, ISS states in the International Human Resources standards that ISS is committed to supporting and respecting human rights throughout our workforce. It is also the intent to reinforce our commitment by amending the ISS CR policy in 2016.

Implement – by identifying potential or actual negative impacts on the human rights of your stakeholders. This is referred to as ‘human rights due diligence’. The

outcome of this exercise should be public statements of intended actions to mitigate these adverse impacts.

See an overview of the ISS due diligence assessment on the following pages. In conclusion, ISS governance and audit system provides coverage of the majority of suggested responsibilities in the UNGPs. In some areas we need to make additions to our governance documents to ensure that we cover all aspects included in the UNGPs. In several areas we will need to investigate if our coverage and governance is sufficient. These follow-up actions are set to be completed during 2016-2017.

React – in cases of adverse impacts on human rights, recognition of these and possible offers of compensation should be offered. At the same time, prevention measures should be implemented. Finally, you must establish a mechanism for employees to voice their concerns and give you feedback on your efforts.

COMPLEX DEVELOPMENTS IN INDONESIA

In relation to a cleaning contract at a school in Indonesia, six ISS employees were convicted in 2015 in a case of alleged abuse. We have taken note of the court's ruling but do not share the court's view of the evidence presented. In support of our former employees' human rights, we continue to support their legal defense and financially support their families. We do so as an expression of our values and sense of responsibility for our employees.

The case has touched ISS management deeply, because of the very serious allegations and because of the plight of the people working for us. It led to the development of the policy for safeguarding children and vulnerable people, both established in 2014.

HECTOR PEÑA
ISS CHILE



Overview of the UN Guiding Principles assessment

HUMAN RIGHT	RELEVANT TO ISS	INCLUDED IN ISS GOVERNANCE	FOLLOW-UP ACTIONS
Right to Self-Determination (Indigenous Peoples Rights)	Yes	Code of Conduct, International HR Standards	Positive; please see story about ISS Australia on page 24.
Right to Non-discrimination	Yes	Code of Conduct, International HR Standards	
Right to work	Yes	International HR Standards	
Right to equal pay for equal work	Yes	International HR Standards	
Right to a living wage (minimum wage)	Yes	International HR Standards	
Right to safe and healthy working conditions	Yes	HSE Management System, ISS Safety Rules	✓
Right to equal opportunity for everyone to be promoted	Yes	International HR Standards	✓
Right to rest, leisure and paid holidays	Yes	International HR Standards	✓
Right to form and join trade unions and the right to strike	Yes	International HR Standards	
Right to social security, including social insurance	Yes		✓
Right to protection of mothers before and after childbirth	Yes		✓
Right to children's young people's protection from exploitation (no child labour)	Yes	International HR Standards	
Right to adequate food and its fair distribution	Yes		✓
Right to adequate clothing	Yes		✓
Right to adequate housing	No		
Right to water and sanitation	Yes	International HR Standards	
Right to health	Yes	HSE Management System, ISS Safety Rules	✓
Right to education	Yes	International HR Standards	
Right to take part in cultural life	No		
Right to benefit from scientific progress	No		
Right to material gains from inventions	No		
Moral rights of authors (protection of copyrights)	No		
Right to life	Yes	HSE Management System, ISS Safety Rules	✓
Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment	Yes	International HR Standards	

HUMAN RIGHT	RELEVANT TO ISS	INCLUDED IN ISS GOVERNANCE	FOLLOW-UP ACTIONS
Right to free, prior and informed consent to medical or scientific experimentation	No		
Right not to be subjected to slavery, servitude or forced labour	Yes	Code of Conduct, International HR Standards	
Right to liberty and security of person	Yes		✓
Rights of detained persons to humane treatment	Yes		✓
Right not to be subjected to imprisonment for inability to fulfil a contract	No		
Right to freedom of movement	Yes	International HR Standards	
Right of aliens to due process when facing expulsion (seeking asylum)	No		
Right to a fair trial	Yes	Code of Conduct	✓
Right to be free from retroactive criminal law	No		
Right to recognition as a person before the law	No		
Right to privacy	Yes		✓
Right to freedom of thought, conscience and religion	Yes		✓
Right to freedom of opinion	Yes		✓
Right to freedom of expression	Yes	Code of Conduct, Whistle-blower policy and system	
Right to freedom of information	Yes		✓
Right to freedom from war propaganda	No		
Right to freedom from incitement of racial, religious or national hatred	Yes		✓
Right to freedom of peaceful assembly	Yes	International HR Standards	
Right to freedom of association	Yes	International HR Standards	
Right to protection of the family and the right to marry	Yes		✓
Right to protection of the child and right to acquire a nationality	Yes	International HR Standards, Policy on safeguarding children and vulnerable adults	
Right to participate in public affairs	Yes		✓
Right to equality before the law, equal protection of the law, and rights of non-discrimination	Yes	International HR Standards	
Rights of minorities (Culture, religious practice and language)	Yes		✓

PLANET – MANAGING OUR IMPACTS

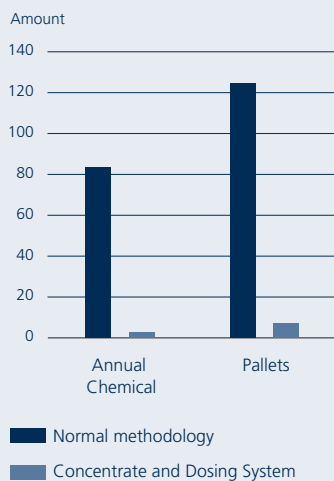
CLEANING EXCELLENCE – CASE STUDY

ISS applies a documented process and management approach called 'Cleaning Excellence'.

It combines working methods and tools with procurement processes and cost optimisation, and obligates ISS staff to identify potential improvements in terms of both the service delivery and environmental impacts.

We know from experience that Cleaning Excellence contracts can achieve reductions in the use of detergents by 75%, water consumption and disposal can be reduced by up to 70%.

An example is moving to concentrate and using a dosage system for preparing cleaning products. In the UK, we have moved one of the product lines to this process. This has resulted in less stock being delivered (62%), reduction in over use of the product and increased safety. This has led to reduction in CO₂ by 94% and a reduction in waste (packaging) by over 93%.



ISS manages our activities' environmental impact through a focus on efficient operations in our own and our clients' facilities. We are increasingly moving towards certification of our facilities and practices to the benefit of our customers.

The main environmental impacts from our own activities comes from the use of cars and air transport, energy consumption in buildings and the use of energy, water and chemicals in delivering our cleaning services, which constitute 51% of our commercial offerings. An overview of our activities and 2015 performance is in the table at the right.

We did not identify any significant non-compliance with environmental laws and regulations in 2015. We reported again into the Carbon Disclosure Project ISS received a disclosure score of 95 out of a possible 100, compared to a CDP average score of 60. The assessment also looks at actions in the reporting year that contribute to climate change mitigation, adaptation and transparency. The performance scores are expressed as bands (ranging from A to E, where A is the highest). ISS received a B where the CDP supply chain average was D.

Moving towards global certification

We introduced an HSE Manual in 2011 that ensures that we measure, monitor and continuously reduce our environmental impacts. In 2015, we have collaborated with Det Norske Veritas (DNV GL) to work towards global certification of activities in the HSE Manual and our HSE standard. By the end of the year, activities representing approximately 65% of ISS revenue had been certified. DNV GL

will further improve our value from certification by applying their value adding audit approach Risk Based Certification® in every audit for ISS.

Expanding the Green Offices Programme

Since 2014, participation in the ISS Green Offices Programme has been mandatory for our own offices. The programme is designed to reduce the environmental impact of our own offices.

We work through certification on three levels, bronze, silver and gold. By the end of 2015, 144 certifications have been issued to ISS offices (13 gold, 19 silver and 112 bronze). We have also offered the certification to client offices as a value proposition.

For each level there is a checklist of compliance items. To become certified at least 80% of employees must attest their active participation in reduction measures, required by the checklist. Certificates are administered by the country head of HSE in collaboration with Group HSE and CR.

In terms of programme content, the focus is on behavioural change as it relates to efficient use of resources and waste disposal.

No emissions from our Global headquarters

ISS headquarters participates in a climate partnership programme with the Danish energy supplier DONG Energy. The programme combines reduction initiatives with investments in renewable energy sources. In 2015, ISS progressed further on reducing our headquarter consumption by over 68 Mwh through improvements and efficient use of the ventilation system and the continued use of our energy surveillance system, Smart Flex. The savings achieved from these were applied towards the purchase of 584.9 MWh renewable

Overview of 2015 planet performance

INDICATOR	IMPLEMENTATION	2015 ACTIVITIES	2015 PERFORMANCE
CO ₂ emissions from leased cars	Reductions achieved through leasing more fuel efficient cars and changes in driver behaviour.	1. Driver Safety E-learning 2. Continued leasing of more fuel efficient vehicles.	Vehicle emissions increased due to acquisition of Technical Services in the UK and first year reporting of ISS Kloak Service in Denmark.
CO ₂ emissions from business travel	We encourage more online meetings to reduce air travel in particular.	1. Use of webinars 2. ISS Travel policy.	Emissions from business travel decreased from 15,691 tonnes in 2014 to 14,287 tonnes in 2015. We continue to encourage online meetings to limit travel.
Chemicals	We collaborate with suppliers to develop and test environmentally friendly products and materials that also offer reduced costs in use and increased productivity.	Further integration of an IT tool to propose environmentally friendly solutions.	We have increased our use of eco-certified chemicals to 18% in 2015 from 15% in 2014.
Electricity (own)	Mandatory certification according to the ISS Green Offices Programme.	Implementation of awareness and behaviour changing measures.	In 2015, we consumed 54,600 MWh of electricity compared 56,301 MWh in 2014.
Water (own)	Mandatory certification according to the ISS Green Offices Programme.	Implementation of awareness and behaviour changing measures.	In 2015, we consumed 331,169 m ³ water, a decrease from 440,268 in 2014.

ISS UK COOKING BUS PROMOTES GREAT FOOD CULTURE IN SCHOOLS



ISS UK has teamed up with charities 'Focus on Food' and 'School Food Matters' to bring the joys of cooking to school pupils, cooks and teachers across the London Borough of Redbridge.

'Focus on Food' is a charity that supports people to develop skills for healthier futures. Their Cooking Buses – travelling kitchen classrooms – visit schools and come with a specialist team of people to train teachers and teach children essential cooking skills. As well as getting kids cooking first hand, the Cooking Bus visits are also designed to provide adults with the skills and knowledge required to teach pupils about food. Eleven ISS school cooks took part in sessions that gave them the skills required to set up and run afterschool cooking clubs in their schools. Teaching staff, who run cooking or afterschool clubs also participated in the events.

energy certificates (RECS). With these certificates we have fully offset electricity consumption from our headquarter building and we can report zero CO₂ emission from this facility in 2015.

Innovations with suppliers

We continuously work with suppliers to develop and test new tools and processes that will reduce the environmental impacts from cleaning. In 2015, we focused on green innovation projects such as:

- The Diversey SURE comprehensive range of cleaning products is plant based and 100% biodegradable designed to deliver superior professional results while being safe for people and kind to the environment. The products are made with environmentally friendly ingredients from renewable resources.
- The 3M stone floor protector system, where we have applied this process to floors in our headquarters. The benefits of the floor protector system is that it features environmentally friendly components, and creates a high traction gloss that can help reduce slips, trips, and falls.
- The Pureti Clean and Fresh glass cleaner that keeps the glass cleaner longer, makes it easier to keep clean, and destroys harmful VOCs and odor molecules in the air.

Further to our collaborations, we require our suppliers and sub-suppliers to comply with the ISS Supplier Code of Conduct that states that compliance with all applicable environmental laws and regulations must be assured.

ISS has worked with our strategic 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.

MARHLON GRAY
ISS UK



PROFIT – ENSURING GOOD BUSINESS PRACTICES

AN EXAMPLE OF A BUSINESS INTEGRITY CASE IN 2015

Our Swiss business was involved in a case of allegations of collusion over the market for tunnel cleaning. Only three providers of this service existed in the country and the level of interaction between these companies was deemed to be of a degree where these would be a violation of competition laws. However, as ISS had alerted authorities to this situation, we were only made to pay court costs. We immediately provided training for everyone involved in this part of our business on appropriate behaviour in relation to competitors.

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 2015.

2015 financial performance

Our strategic initiatives have supported healthy organic growth and margin improvements for the second consecutive year. This resulted in the highest revenue and profit levels in ISS history.

Group revenue improved DKK 5 billion to DKK 79.6 billion in 2015. Organic growth was 4.4%, driven by a continued strong performance in emerging markets, large contract launches in Europe and our Integrated Facility Services (IFS) business in general. All regions delivered positive organic growth rates with Germany, Switzerland and Turkey as the principal drivers, supported mainly by IFS contract launches including Vattenfall and Swisscom.

Operating profit before other items amounted to DKK 4,533 million in 2015 for an operating margin of 5.7% (2014: 5.6%), the second straight year of improvement in spite of the persistently challenging macroeconomic environment in Europe and certain emerging markets.

Driven by the growth in IFS revenue from global corporate clients (now at 9% of Group revenue) and key accounts, we experience increased risk awareness and growing demand for risk transfer from our customers. To support assessment of the operational risk exposure on major contracts, we have rolled out an

operational risk assessment tool. Furthermore, a global risk & compliance service function has been established within Global Operations to support risk mitigation and compliance on major contracts.

A coherent framework for good practices

We manage the business integrity of ISS through clear policies and guidelines, standardised tools and training activities for all relevant employees.

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 Whistleblower reporting system available on the ISS websites. A Business Integrity Committee reviews all material integrity issues including those reported in the Whistleblower system.

In 2015, we reviewed our corporate governance policy for ISS legal entities as part of our business integrity framework. It defines terms for organisation, approval thresholds, values, conflicts of interests, top management employment terms, expense account approvals, management and board composition, escalation guidelines and confidentiality agreements. It describes the hierarchy of policies and how to adopt these using the tools provided. It is targeted towards high-level management levels of each country in our organisation. The first edition of this policy was established in 2010, and has now been aligned and updated.

Improved risk management

Customer contracts over a certain monetary value are subject to approval by the Board of Directors transaction committee, others by our executive group manage-

ment, some by regional managers. This is an important process to manage of our risks – financial or reputational – and these processes are enforced rigidly.

As part of the continuing work to improve our customer contract approval processes for large customer contracts, we have decided to broaden the scope for ISS's contract risk assessment tool, CRAM. This is a step to continuously adjust the scope of our processes to target key categories of contracts and to understand our contract base. We have further taken steps to align different approval processes to improve risk management and informed decision making, whilst maintaining the agility and entrepreneurship of ISS.

We have additionally improved the tool to facilitate the interaction between changing customer demands and the development of internal functions to ensure that ISS can continue to meet the increasingly sophisticated needs of our global customers.

Addressing issues reported in our Whistleblower system

In 2012, we launched the ISS Whistleblower system. It continues to serve as a reporting channel for raising serious and sensitive concerns, guaranteeing protection from reprisals or retaliation for all persons who make complaints in good faith. The system is open to all our stakeholders and available on our corporate website and for more than 90% of our employees reporting options are available in their own language.

In 2015, 144 Whistleblower reports were received through the system or through other communication channels. As in previous years, the majority of reports concern local human resources issues, which are outside the scope of the Whistleblower policy. These reports

are forwarded to the relevant local departments for further investigation and action. Of the reports in scope, 14 cases were escalated to the ISS Group's Business Integrity Committee (BIC) in 2015 for further investigation. The BIC followed a procedure whereby the BIC will discuss the nature of each case when it is received and decide on the appropriate action to be taken. This will involve consultations with country, regional or Group management, and in some cases engaging either GIA or external consultants in investigations of the matters. The cases are not closed until they have been addressed or investigated to the satisfaction of the BIC, following which this will be noted in the minutes of the BIC meeting.

An illustrative example of how the Whistleblower system works in practice is the case of the verbal abuse by an ISS security guard on a subway train in Taiwan. On the evening of November 11, 2015, a well-known contributor to 'You Tube' who had recorded a serious and unacceptable verbal abuse by an ISS security guard uploaded a video on 'You Tube' that quickly spread. ISS received 50 reports through the Whistleblower system that enabled ISS to react quickly and take disciplinary action against our employee in question.

We would like to see more reports coming in from our employees and stakeholders, as a way of ensuring the integrity of our business behaviour. In 2015, we investigated the establishment of more options for reporting and in 2016 we will implement a telephone reporting system.

The table on the next page provides an overview of our framework and 2015 activities in areas related to business integrity.

ISS DENMARK AND DANISH RED CROSS PROVIDE RELIEF FOR DISADVANTAGED FAMILIES



DANISH
RED CROSS

ISS Denmark holds an annual ISS Holiday Camp. The tradition consists of volunteers from ISS and Danish Red Cross providing families with an unforgettable stay with lots of enjoyable activities, support, and new friendships. In recent years, the number of disadvantaged children living under conditions where they are not thriving is increasing. Since there is a need for additional measures for these children and their families, ISS Denmark has again arranged the ISS Holiday Camp in collaboration with Danish Red Cross. ISS provides disadvantaged children and their families with a break from their ordinary lives, in addition to giving them the opportunity for enjoyable experiences with other families with children.

The participants consist of both disadvantaged and vulnerable families with children, ISS families and volunteers. During the three days, the programme featured various activities and entertainment with everything from a twist bread barbecue to waterslides, games, songs and various surprises. The objectives are to provide disadvantaged families with a much-needed holiday experience, while at the same time, giving them the opportunity to build relationships and personal as well as professional networks.

Business integrity framework and activities in 2015

SUBJECT AREA	POLICIES AND TOOLS	IMPLEMENTATION	ACTIVITIES 2015
Behaviour by anyone working for, supplying or representing ISS	Code of Conduct established in 2003 and most recently revised in 2013. Areas covered: Personal Conduct of Employees; Anti-Corruption and Bribery; Compliance with Competition Laws; Business Partner Relations; Workplace Standards; Corporate Responsibility.	Code of Conduct is referenced in all documentation of contractual relationships: suppliers, customers and employees.	Began redesigning approach to on boarding of employees including induction to the ISS Code of Conduct.
Competition law	Competition Law policy adopted in 2014. Concerns risks such as: 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.	In 2015, 659 people completed E-learning based competition law training, from a targeted audience of leadership, sales and procurement that might have an impact in this area.
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). Training repeated every third year.	2015 was a year where we repeated training in anti-corruption according to our three-year cycle. Therefore, a total of 2,100 people completed training in anti-corruption in 2015 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.	Revised our large customer contract approval process and established threshold for approval escalation.
Access to remediation	Whistleblower 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.	We received 144 reports through the Whistleblower system in 2015. The vast majority were matters that did not meet the eligibility criteria (serious and sensitive concern) to be processed under the Whistleblower policy. The Business Integrity Committee investigated 14 matters in 2015. We investigated the establishment of more options for reporting via telephone and app-technology to widen the choices.



THANAKRIT NATEANONG
ISS Thailand

INDEPENDENT REVIEW STATEMENT

To Management and broader stakeholders of ISS A/S

We have reviewed the 2015 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 2015.

Management responsibility

Management of ISS A/S is responsible for collecting, analysing, aggregating and presenting the information in the report ensuring that data are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion based on our engagement with Management and in accordance with the agreed scope of work. We have conducted our work in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit regulation to obtain limited assurance about whether the selected CR data are free from material misstatement.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by FSR – Danish Auditors (Code of Ethics for Professional Accountants), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Considering the risk of material error, we planned and performed our work to obtain all information and explanations necessary to support our conclusion.

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 November 2015 and in January and February 2016. We have not performed site visits or interviewed external stakeholders. We have not performed any assurance procedures on baseline data, economic or financial data, except for reported "Income tax by employees". We have not performed assurance procedures on forward-looking statements, such as targets and expectations, or on 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 2015 Corporate Responsibility Report, in all material respects, has not been prepared in accordance with the stated reporting criteria. 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 ISS's ongoing commitment to ensuring responsible business practices and to the steady expansion of initiatives to support a strong governance and risk management approach. The topics and performance results presented in the report are aligned with the leadership team's priorities for addressing material Corporate Responsibility risks and are framed within the overall organisational strategy and in a broader sustainability context. ISS continues to look to international standards such as ISO 26000 and SA8000 against which to benchmark its performance.

Completeness and timeliness

The boundary and publication date of the report is the same as the annual report, providing timely disclosure to all stakeholders on 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.

Clarity and balance

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

Stakeholder inclusiveness and responsiveness

The report presents the range of stakeholder engagement activities undertaken and provides relevant examples of the company's responses to issues at a global level as well as local engagements. The company appears committed to ensuring global, consistent standards for e.g. human resources and investing in leadership development. The company monitors and updates its policies and practices in line with increased stakeholder expectations and international principles around e.g. human rights due diligence (UN Guiding Principles on Business and Human Rights) and the handling of privacy and security risks.

Accuracy and reliability

We have found significant improvements in data quality, following several years of investment in strengthening internal data collection and control procedures, particularly around environmental data. We have found the Management of ISS to be highly committed to continuous improvement of data accuracy and reliability.

Opportunities for Improvement

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

- Based on results of the human rights due diligence assessment, consider further development of an ISS framework for managing human rights;
- Continue implementing the anti-corruption compliance system to obtain greater assurance around related risks;
- Consider developing a formal and systematic Group-level approach to community involvement e.g. in education;
- In future reporting, consider showing how ISS's operations contribute towards realising the UN Sustainable Development Goals and how the company's business objectives tie into the global goals.

Copenhagen, 1 March 2016

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No. 33 96 35 56


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 2015. In 2015, 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 Reporting 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 2015, we will continue on improving the quality of our data in 2016. In 2016, we will start calculating environmental data four times a year, an increase from two times a year.



WILLIAM PALLE AND HIRMET ELEZI
ISS Denmark

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G4-30	Reporting cycle	42
G4-31	Contact point	Back cover
G4-32	GRI reporting option, content index and external assurance reporting	42

GOVERNANCE

		PAGE
G4-34	Governance structure and responsibilities	7

ETHICS AND INTEGRITY

G4-36	Values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	6, 7
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GENERAL STANDARD DISCLOSURES

ASPECTS IN G4	SHORT DESCRIPTION OF INDICATOR (SEE G4 DOCUMENTS FOR PRECISE TITLE)	G4 INDICATOR	PAGE
Economic Performance	Direct economic value generated and distributed	G4-EC1	13
Energy	Energy consumption within organisation	G4-EN3	13
	Reduction in energy requirements	G4-EN7	13
Water	Water withdrawal	G4-EN8	13
Emissions	Direct GHG emissions (scope 1)	G4-EN15	13
	Energy indirect GHG emissions (scope 2)	G4-EN16	13
	Other indirect GHG emissions (scope 3)	G4-EN17	13
	Reductions of GHG emissions	G4-EN19	13
	Mitigation of environmental impacts	G4-EN27	32
Supplier Environmental Assessment	New suppliers screened	G4-EN32	11
	Negative impacts identified	G4-EN33	11
Compliance	Significant fines and sanctions	G4-EN29	32
Transport	Impacts of transportation	G4-EN30	32
Occupational Health and Safety	Work-related injuries, fatalities, etc.	G4-LA6	21
	Risk of occupational diseases	G4-LA7	21
	Health & Safety in formal union agreements	G4-LA8	24
Training and Education	Hours of training	G4-LA9	13
	Longterm skills management	G4-LA10	19
	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.

SPECIFIC STANDARD DISCLOSURES

ASPECTS IN G4	SHORT DESCRIPTION OF INDICATOR (SEE G4 DOCUMENTS FOR PRECISE TITLE)	G4 INDICATOR	PAGE
Supplier Assessment for Labour Practices	New suppliers screened	G4-LA14	9, 11
	Negative impacts identified	G4-LA15	9, 11
Labour/Management Relations	Notice periods for operational changes	G4-LA4	26
Diversity	Diversity of employees and governance bodies	G4-LA12	23, 24
Non-discrimination	Incidents and corrective actions	G4-HR3	26
Freedom of Association & Collective Bargaining	Violations of rights	G4-HR4	24, 26
Child Labour	Risk and measures taken	G4-HR5	9, 11
Forced Labour	Risk and measures taken	G4-HR6	9, 11
Security Practices	Security personnel trained	G4-HR7	9, 11
Assessment	Operations assessed for human rights	G4-HR9	27
Supplier Human Rights Assessment	New suppliers screened	G4-HR10	11
	Negative impacts identified	G4-HR11	11
Human Rights Grievance Mechanisms	Register of grievances	G4-HR12	37, 38
Anti-corruption	Operations assessed for risks	G4-SO3	38
	Communication and training	G4-SO4	38
	Incidents and actions taken	G4-SO5	38
Product Responsibility	Customer satisfaction	G4-PR5	7

UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS		PAGE
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	3
Principle 2	Make sure that they are not complicit in human rights abuses.	7, 23

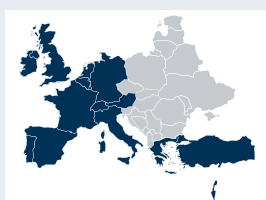
LABOUR STANDARDS		READ MORE ON PAGE
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	24
Principle 4	The elimination of all forms of forced and compulsory labour;	9, 11, 27
Principle 5	The effective abolition of child labour; and	9, 11, 27
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;	32
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	32
Principle 9	Encourage the development and diffusion of environmentally-friendly technologies.	34

ANTI-CORRUPTION		READ MORE ON PAGE
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	36, 37

REGIONAL PERFORMANCE

Western Europe



Revenue by country (DKK million)

United Kingdom	11,896	Israel	1,826
Switzerland	5,174	Netherlands	1,731
France	4,794	Austria	1,647
Spain	4,198	Ireland	622
Turkey	2,787	Portugal	483
Belgium & Luxembourg	2,494	Italy	407
Germany	2,435	Greece	400

190,753
Employees

38%
of Group employees

40,894 DKKm
Revenue

51%
of Group revenue

6.2%
Operating margin

4%
Organic growth

Nordic



Revenue by country (DKK million)

Norway	3,944	Denmark	3,116
Finland	3,753	Iceland	130
Sweden	3,708	Greenland	87

34,142
Employees

7%
of Group employees

14,738 DKKm
Revenue

19%
of Group revenue

7.5%
Operating margin

1%
Organic growth

Asia



Revenue by country (DKK million)

Hong Kong	2,316	Taiwan	364
Singapore	1,694	Philippines	255
Indonesia	1,511	Malaysia	107
Thailand	1,357	Japan	107
India	1,221	Brunei	40
China	1,114	Other countries	18

190,306
Employees

38%
of Group employees

10,104 DKKm
Revenue

13%
of Group revenue

7.3%
Operating margin

11%
Organic growth

Pacific



Revenue by country (DKK million)

Australia	4,217
New Zealand	261

12,407

Employees

2%

of Group employees

4,478

DKK

Revenue

6%

of Group revenue

5.0%

Operating margin

5%

Organic growth

Latin America



Revenue by country (DKK million)

Brazil	1,310	Argentina	501
Chile	944	Uruguay	97
Mexico	690	Other countries	67

44,178

Employees

9%

of Group employees

3,609

DKK

Revenue

5%

of Group revenue

4.8%

Operating margin

5%

Organic growth

North America



Revenue by country (DKK million)

USA	4,012
Canada	149

15,355

Employees

3%

of Group employees

4,161

DKK

Revenue

5%

of Group revenue

3.6%

Operating margin

0%

Organic growth

Eastern Europe



Revenue by country (DKK million)

Czech Republic	393	Hungary	144
Slovakia	232	Romania	141
Poland	225	Russia	118
Slovenia	179	Croatia	-
Estonia	148		

17,502

Employees

3%

of Group employees

1,580

DKK

Revenue

2%

of Group revenue

6.8%

Operating margin

2%

Organic growth



ELENA MITEVSKA
ISS Croatia

Share your opinion

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

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