

2016

CORPORATE RESPONSIBILITY REPORT



– An integral part of our business strategy





IULIA-GEORGIANA MANOLE
ISS Romania

OUR BUSINESS MODEL

CUSTOMERS WANT

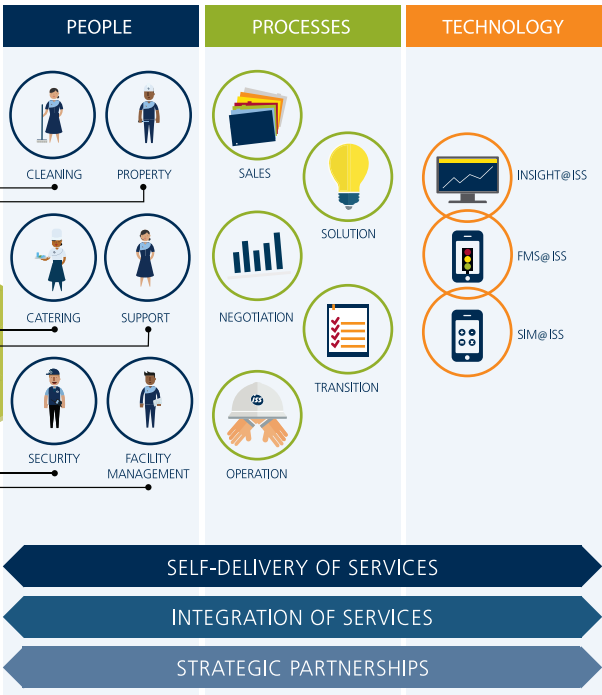
- TO **FOCUS** ON THEIR CORE BUSINESS
- TO ENSURE **COMPLIANCE**
- TO **SAFEGUARD** THEIR BUSINESS
- TO **MAXIMISE UPTIME** OF THEIR FACILITIES
- TO **MANAGE RISK**
- TO **PROTECT THE VALUE** OF THEIR ASSETS
- CONVENIENCE** AND CONSISTENCY
- SUSTAINABLE/TRANSPARENT **COST SAVINGS**
- END-USER **SATISFACTION**



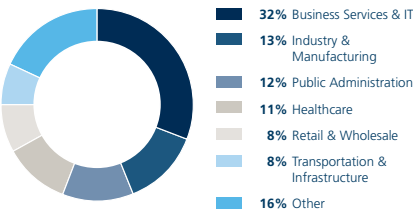
Our business model is based on creating value for our customers by allowing them to focus on their core business. **We service and maintain their facilities**, helping to create workplaces that are pleasant, safe and nurturing for their employees and visitors.

Focusing on our **selected customer segments**, we offer a leading value proposition based on our philosophy of **self-delivery** of our chosen services. Moreover, we are able to provide multiple services to customers through an **Integrated Facility Services (IFS)** solution. This allows us to drive convenience (one point of contact), productivity and cost efficiency.

ISS DELIVERS VIA

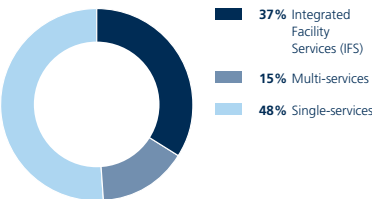


CUSTOMER SEGMENTS



Diversified customer portfolio

DELIVERY TYPE

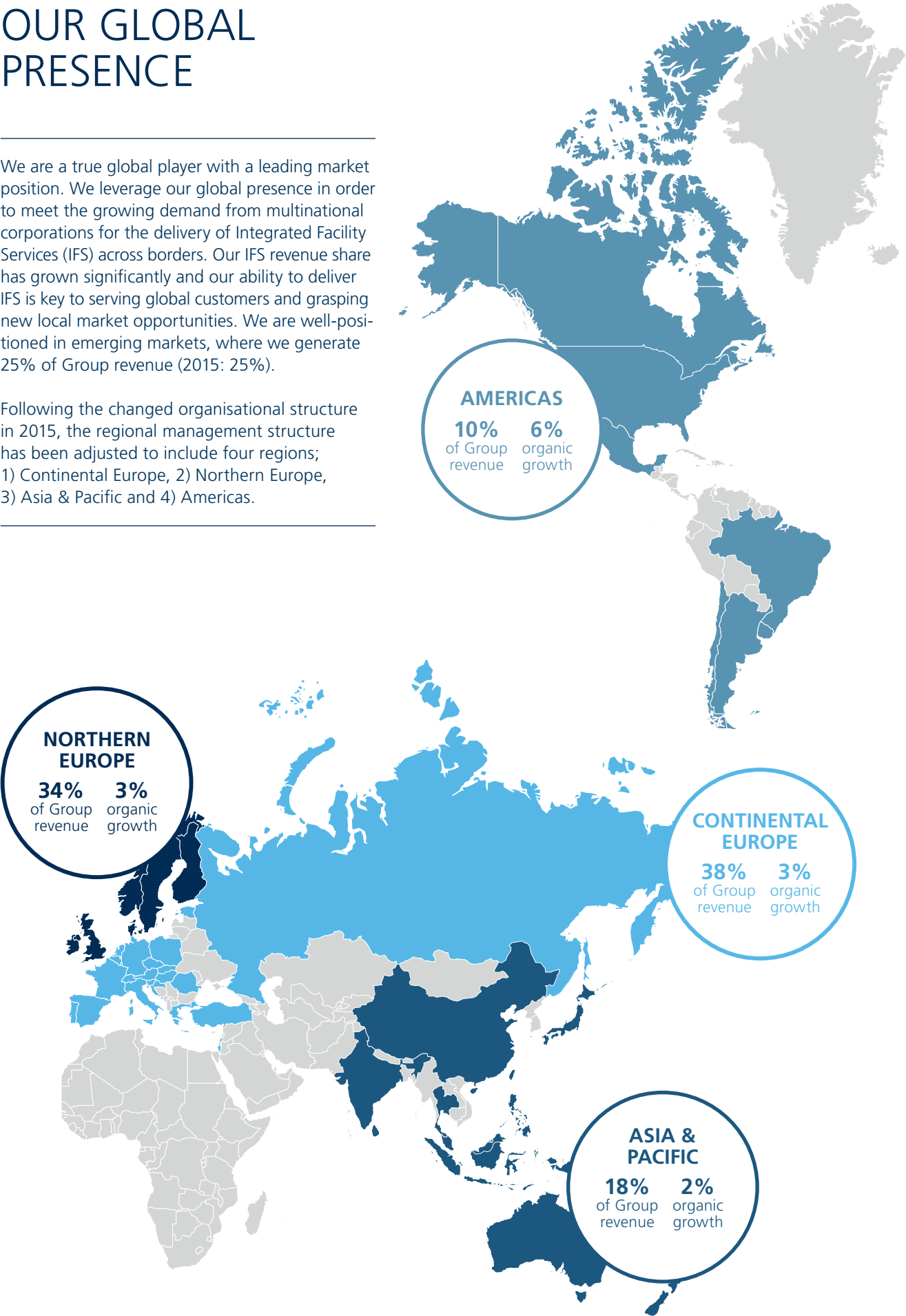


Increasing IFS share (37%)

OUR GLOBAL PRESENCE

We are a true global player with a leading market position. We leverage our global presence in order to meet the growing demand from multinational corporations for the delivery of Integrated Facility Services (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 25% of Group revenue (2015: 25%).

Following the changed organisational structure in 2015, the regional management structure has been adjusted to include four regions; 1) Continental Europe, 2) Northern Europe, 3) Asia & Pacific and 4) Americas.



REGIONAL PERFORMANCE

Continental Europe

30.1 DKKbn
revenue
38%
of Group



Revenue by country (DKK million)

Switzerland	5,251	Czech Republic	384
France	4,731	Greece	323
Spain & Portugal	4,635	Poland	226
Turkey	2,783	Slovakia	224
Belgium & Luxembourg	2,615	Slovenia	177
Germany	2,474	Estonia	173
Israel	1,824	Hungary	143
Austria	1,761	Russia	130
Netherlands	1,676	Romania	115
Italy	450		

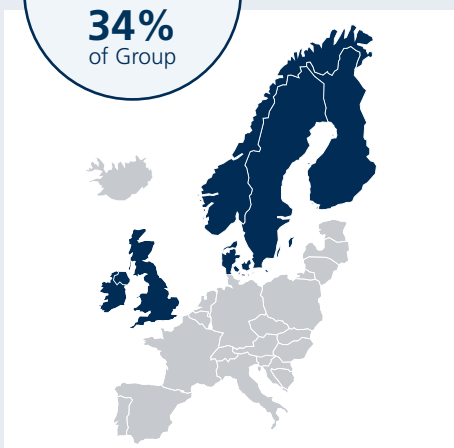
155,911
Employees

32%
of Group employees

3%
Organic growth

Northern Europe

26.5 DKKbn
revenue
34%
of Group



Revenue by country (DKK million)

UK & Ireland	11,801	Denmark	3,500
Norway	3,901	Iceland	142
Finland	3,623	Greenland	28
Sweden	3,520		

79,401
Employees

16%
of Group employees

3%
Organic growth

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Asia & Pacific

14.6 DKKbn
revenue
18%
of Group



Revenue by country (DKK million)

Australia & New Zeland	3,896	Taiwan	375
Hong Kong	2,381	Philippines	310
Singapore	1,912	Malaysia	118
Indonesia	1,733	Japan	109
Thailand	1,345	Brunei	39
India	1,299	Other countries – Asia	16
China	1,073		

204,047
Employees

41%
of Group employees

2%
Organic growth

Americas

7.9 DKKbn
revenue
1%
of Group



Revenue by country (DKK million)

USA & Canada	4,680	Argentina	365
Brazil	1,038	Uruguay	114
Chile	979	Other countries	
Mexico	649	– Latin America	60

54,667
Employees

11%
of Group employees

6%
Organic growth

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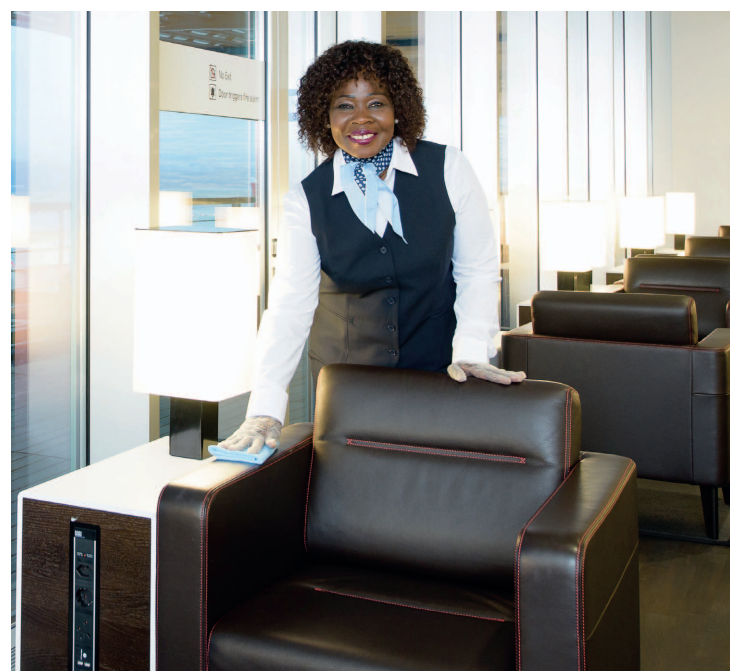
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THERESE JOSE STEFFEN GBOGA – ISS Switzerland

LETTER TO OUR STAKEHOLDERS

In 2016, the global macroeconomic environment remained challenging. However, ISS had a good year. We continued to deliver a resilient and steady performance. We saw organic revenue growth of 3.4%, we increased our operating margin to 5.8% and maintained a strong cash conversion of 98%. We grew net profit (adjusted) to DKK 2.87 billion and maintained our strong cash flow which allowed us to distribute an extraordinary dividend of DKK 4.00 per share to our shareholders in November 2016. This was in addition to the ordinary dividend of DKK 7.40 per share paid out in April 2016.

We operate in a market where customers demand that the costs associated with operating their facilities continually decrease. At the same time, they expect us to improve the experience of their employees, their customers and their users when using the facilities and its services. To address this market backdrop, we have a differentiated value proposition. Not simply delivering services but providing outcomes to customers that meet their needs and focus on supporting their purpose, whether it is a hospital helping patients get well or a bank focused on providing a pleasant and safe working environment while maintaining compliance with regulatory obligations, and all in a cost effective manner.

To achieve this value proposition, we focus on service performance through clear, inspiring leadership of our own engaged and capable employees. Our employees are supported by the right training and tools that allow them to provide a positive and efficient service experience. We offer an integrated set of services, which allows us to provide an even more cost effective solution delivered by one point of contact. The strength of this value proposition is evident in the strong demand for Integrated Facility services (IFS), which continued to

bolster our results in 2016. Our revenue generated from IFS now represents 37% of Group revenue. Global Corporate Clients revenue increased 19% in 2016 in local currencies and now accounts for 11% of Group revenue.

Engaged colleagues driving customer satisfaction

Our strategy, The ISS Way, is built on customer focus and the premise that investing in the engagement and capabilities of our employees will drive a positive customer experience.

Our employees perform the services at customer sites, so the service quality delivered, including the conduct and behaviour of every single employee, is critical to how we support our customers. We have 494,233 colleagues providing an outstanding experience to our customers around the world and they are at the core of our success. Our strength lies in the diversity that number embodies, and we will continue to celebrate that in all the countries in which we operate. We are strong believers in The Power of the Human Touch.

To support this strategy, we continued sharpening our focus on talent in the year. We introduced the ISS Leadership

Competency Framework to guide all of our core people processes. We accelerated our leadership training and continued to roll out training programmes, including Key Account Manager Certification (KAMC) with 565 certifications to date and Service with a Human Touch, which is now live in 47 countries and implemented on 512 key accounts.

Our customer Net Promoter Score (cNPS) has increased to 43 from 37 in 2015 – the fourth consecutive year of improvement. This is testimony to the on-going success of our strategy implementation, not least customer segmentation, which has better aligned our organisation with the needs of our customers. It is also a consequence of our people and talent initiatives, which have improved our employee Net Promoter Score (eNPS) to 59 – the fourth consecutive year of improvement. We strongly believe in the benefits of being an attractive employer and we were recognised as best employers in Switzerland and Austria. Our reputation as a responsible employer is vital to the long-term success of our company.

We signed multiple new contracts during the year. This included Bombardier and John Crane in North America, Royal Mail and Hitachi Rail in the UK, Heineken in the Netherlands and Northern Health in Australia. We also won contracts with Mitsui Fudosan Group in Taiwan, the Jakarta Airport in Indonesia and Rolls-Royce in Asia and America.

Responsible corporate citizen

We take great pride in being a socially responsible company. During 2016, ISS Israel was rated in the country's top CSR community, ISS Indonesia won a Corporate Image Award and ISS Denmark won the 2016 CSR People Prize for social responsibility. These are excellent proof points of not just our role in the socie-

ties where we operate, but also being a responsible and reliable partner to our customers. A safe working environment is also a key part of our value proposition to our people and our customers. We are committed to ensuring that each of our colleagues get home well to their families and friends after a safe working day at ISS.

Unfortunately, we had six work related fatalities in 2016. This is both unacceptable and regrettable. Each of the six fatalities had a profound impact on families, colleagues and friends and we extend thoughts and sympathy to each of them.

Speak up

We are committed to conducting our business in accordance with the law and high ethical standards. This commitment to business integrity is non-negotiable. In 2016, we have re-launched our whistle blower system under the name 'Speak up' in order to increase awareness and ensure that our employees feel encouraged to raise their concerns without fear of retaliation. We also introduced a telephone hotline in addition to the 'Speak

up' website. The number of reports this year are on the same level as 2015. Going forward, we would like to see more reports and we will continue our efforts to encourage our employees and stakeholders to speak up.

Continued commitment to UN Global Compact

We remain committed in our support of the United Nations (UN) Global Compact as we have been since 1999. We continuously align our strategy and operations with the ten principles of the UN framework. During the last two years, we have specifically focused on strengthening our due diligence systems in order to implement the 'Protect, respect and remedy' framework in accordance with UN Guiding Principles on Business and Human Rights.

New reporting guidelines

This report reflects the new requirements of the Danish Financial Statements Act concerning Corporate Responsibility reporting. In ISS, we welcome the increased focus on transparency and the principle of 'knowing and showing' the full scope of our non-financial responsibilities.

Yours faithfully



Jeff Gravenhorst
Group Chief Executive Officer



**Lord Allen
of Kensington CBE**
Chairman

OUR BUSINESS MODEL

This chapter describes the ISS business model and how it impacts our employees and customers as well as the environment and societies in which we operate.

We operate in a market where customers demand that the costs associated with their buildings and facilities continually decrease while the user experience increases. Our business model and strategy are designed to deliver on our ultimate goal of shareholder value creation on the basis of this market backdrop.

OUR VISION

‘We are going to be the world’s greatest service organisation’

Our ambition encompasses more than just geographic regions or industries. We intend to be the leading service organisation overall, globally. Our values – honesty, responsibility, quality, entrepreneurship – and leadership principles are not remarkable in themselves, but they are remarkable because of the extent to which we strive to honour them and instil them in our people. Because our business model is built on self-delivery, the behaviour and attitudes of each of our employees is central to what we offer our customers – service with a human touch.

To achieve our vision we must meet our customers’ needs by offering reliability, responsiveness, convenience, and cost-effectiveness. In fact, we strive to go beyond that by delivering outcomes that meet their often unspoken needs, helping to create work places that are pleasant, safe, and nurturing for their

employees and visitors, as well as for the ISS employees who represent us there. In this way, we can support our customers in achieving their goals.

The spirit of our approach is articulated in our mission statement:

Service performance facilitating our customers’ purpose through people empowerment

At its core, our mission statement tells a story of a differentiated value proposition. Not simply delivering services but providing outcomes to customers and focusing on how we support their purpose, whether it be a hospital helping patients get well or a bank focused on providing a pleasant and safe working environment while maintaining compliance with regulatory obligations. All in a cost effective manner. And finally, a mission built on the empowerment of our nearly 500,000 people globally giving them the flexibility to deliver an exceptional customer experience through an approach rooted in our values and attitude and supported by robust processes and tools.

These factors form the foundation of our value proposition at the centre of which is our self-delivery model.

Risk related impacts

Health and safety

We are one of the largest private employers in the world and our employees are our most valuable resource. The health and safety of our people is a top priority to us. While the hazards at a work place will exist, we work on eliminating or reducing the risk to our employees to an acceptable level. The hazards at our work places may include moving equipment, chemicals, electricity, working at heights, and confined spaces. The risk is the possibility that harm such as injury, illness and fatality might occur when exposed to these types of hazards. Good health and safety management requires

the identification and assessment of risks arising from activities and the implementation of control measure to eliminate or reduce these risks to an acceptable level. Unfortunately, we have accidents at our work places, even severe and fatal ones. We continue our rigorous efforts to improve our safety performance and to create a strong and vibrant safety culture. Effective risk management starts with a commitment to health and safety from our Executive Group Management. This visible commitment is demonstrated by their individual Personal Safety Action Plans. Among other key performance indicators, we continuously track the frequency and severity of accidents and have also embedded Lost Time Injury Frequency as a part of the bonus scheme for the Executive Group Management. Read more about how we work to create a strong safety culture on page 19.

The environment and climate

Cleaning services represent 50% of our commercial offerings. The water, energy and chemicals used to perform these services constitute our main impact on the environment and climate. An additional impact comes from our own activities from the use of cars and air transport as well as energy consumption in our offices.

We manage our environmental impact and greenhouse gas emissions through a strategic focus on efficient operations and energy reductions. Read more about how we manage our impacts on the climate and the environment on page 30.

Customers and society

Through the services we provide, we indirectly impact our customers and the societies in which they operate. Thus, our focus on risk related impacts is not only limited to our own employees but also include our customers and society in general. As our services are increasingly becoming an integral part of our customers’ value streams, there is a risk of causing a

disruption of our customers' operations and/or brand damage, if operational procedures or contract requirements are not complied with.

To minimise these risks and improve our value proposition, in 2016, we continued to focus on our five strategic GREAT initiatives: (1) empowering people through leadership, (2) optimising our customer base, (3) ensuring fit-for-purpose organisational structures, (4) establishing broad-based IFS readiness, and (5) striving for excellence. GREAT enables these benefits by ensuring that the above unit organisation (from business unit to corporate headquarters) acts as a highway for the implementation of our strategy and is focused on supporting the delivery of our value proposition on the customer site.

Corruption and bribery

Finally, corruption and bribery constitute risks that impact societies in which we operate and also to ISS, our values and brand. Given the diversity of people and cultures and the number of employees, we are constantly aware of the risk of foul play. Corruption and bribery are illegal and against our core values (Honesty, Entrepreneurship, Responsibility and Quality). Our business integrity is non-negotiable and has long been part of our Code of Conduct. In cases of non-compliance, all involved employees, regardless of responsibilities and management rank face disciplinary actions, including discharge and legal proceedings. Read more about our anti-corruption policy and practices on page 34.

Opportunity related impacts

As one of the world's largest private employers, we integrate so many different cultures and nationalities as well as people with mental and physical disabilities, social challenges or little or no academic schooling. We also employ a rising number of refugees to our work force in many countries around the world.

The integration of this great diversity we know impacts individuals positively on a personal level because they otherwise would have difficulties finding employment. In addition, our multicultural and

diverse workforce stands out as an inspiration and an example to business communities as well as government authorities and political legislators that diversity is a prerequisite for financial growth and business resilience, and not a burden on society.

Labour and human rights

Labour rights and work place standards are part of the ISS Code of Conduct. Through training we aim to make sure our employees understand their rights, including the right to receive an adequate wage and be paid overtime as well as on-time payment. We also raise awareness around human rights as well as international labour rights, including child labour, freedom of association, discrimination and harassment.

If we can embed an understanding of these international rights in every employee, it is our hope that they not only speak up if their rights for some reason are not met within ISS but are also able to stand up for these rights when they move on to jobs and positions outside our organisation. This way we aspire to support and promote the International Labour Organisation's (ILO) conventions as well as UN Guiding Principles on Business and Human Rights for the benefit of individuals as well as societies.

Good business practices

As mentioned, bribery and anti-corruption are at the top of our Code of Conduct agenda. We train and require our employees to practice fair and transparent business conduct and to stand up to our values and principles when interacting with customers, suppliers and authorities. When we are able to demonstrate good and fair business practices, we minimise company risks. Moreover, as we operate in countries and cultures where unethical business conduct is widespread, we can serve as a positive example and contribute to building a fairer and more transparent local business community.

Education

We offer jobs to people with little or no academic skills. We employ them in our company by offering the training needed to fulfil their functions and become part

of the ISS family as they move onto other functions. During their employment at ISS, our employees raise their competencies and skills, enabling them to pursue a career within ISS – that is always our hope – or to look for new opportunities outside our organisation. Doing so, they leave with enhanced qualifications and opportunities for raising their standard of living. This added value creation is not only for the benefit of their families but also for the development of the local community.

Managing our risks and even turning some of these into opportunities for ISS and the societies in which we operate can only be achieved through highly engaged and motivated employees with the right training and education. This is why we invest heavily in training programmes for all level of our organisation. You can read more about our efforts on page 16 in this report.

OUR APPROACH

Corporate Responsibility is vital to delivering on our overall value proposition and vision. Learn more about how we define our material issues and how we govern our work on these.

Knowing what is important to us and society

Our 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, protect their brand, handle their risks and deliver facilities management services as an integrated part of their operations. Corporate Responsibility (CR) is increasingly important to our customers and thus they expect an upright and consistent performance on these issues from their partners. They rely on us to effectively manage health,

safety and environmental risks, manage labour law as well as local and international regulations with reference to ILO conventions and UN Guiding Principles on Business and Human Rights.

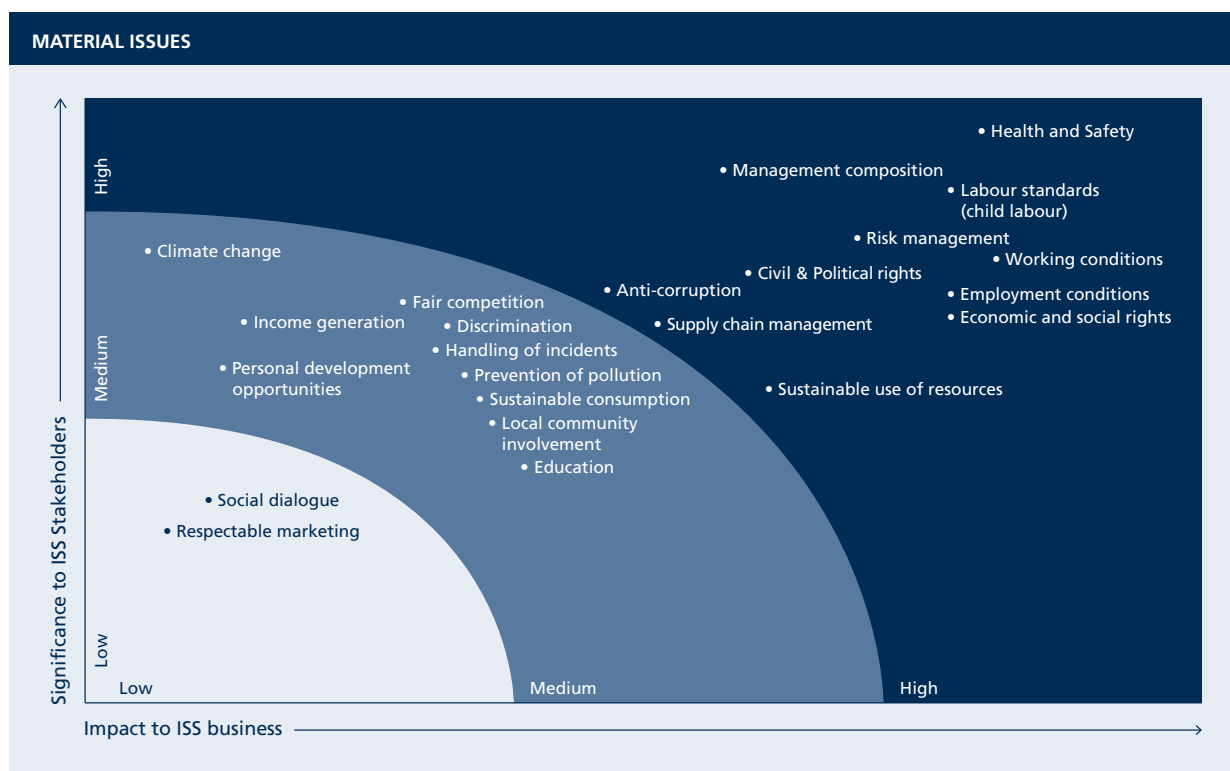
Furthermore, since the launch of the 17 UN Sustainable Development Goals in September 2015, companies around the world are increasingly looking at how their business can help solve global challenges. Thus we cannot fulfil our value proposition nor enable future growth without embracing the management principles of CR. Knowing our most material issues directs our CR efforts and helps us focus our reporting on what is most important to our business and stakeholders.

We assess the importance of different issues to our business, our most important stakeholders as well as society in general. We base this assessment on our understanding of their interest in

and influence on our business gained through ongoing engagement. We have identified our employees, customer and investors as our main stakeholders.

As in previous years, we conducted a materiality assessment during 2016. Health and safety as well as good business practices remain our most material issues. We interviewed key internal stakeholders represented by the following Group functions: Legal, People and Culture, Risk management, Internal Audit, Marketing, Communications, Strategy, Health, Safety, Environment and Quality (HSEQ) and Corporate Responsibility (CR). The findings from the interviews were validated and confirmed through presentations at internal leadership training. See the materiality overview on this page.

During 2016, we have focused on following through on the findings of our due diligence review carried out in 2015 in relation to the UN Guiding Principles





OMAR CEFERINO, CARLOS
AZNAR AND VICTOR DE LOS RIOS
ISS Spain

on Business and Human Rights (UNGP) framework. From this due diligence process, we found three main areas we needed to address: strengthening the requirements for protecting mothers, ensuring the mechanism for employees to voice their concerns is known in our workforce, and the right to privacy. One of our main actions to address the first point was the development of the new ISS Global People Standards to provide a systematic and consistent approach to managing our employees. These Standards, that replaced the International Human Resource Standards from 2011, were launched in July for countries to implement in their operations. As part of the process of ensuring that our employees across the world knew of our mechanism to voice concerns, we re-launched the 'Whistle blower' system as the 'Speak Up' system. Please read more about this on page 34. Finally on the third point, we have during the second half of 2016, updated our information security policy to increase the focus on protection of personal data. This is further supported by our implementation of the data protection policy securing a safe and transparent processing and transfer of personal data.

Stakeholder engagement

We strive to act in line with our values: honesty, responsibility, quality and entrepreneurship whenever we engage with our stakeholders.

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.

Monitoring customer satisfaction

We conducted our annual Customer Experience surveys, as we have done every year since 2012. The findings of the survey guide us in our efforts to deliver on our value proposition and fulfil our vision to be the greatest service organisation in the world.

We invited 7,188 customers across 44 countries to participate, and received a response rate of 82%. Responses cover

STAKEHOLDER ENGAGEMENT	
Employees	Employees are invited to share thoughts and opinions through a global Employee Engagement survey. See page 18.
Customers	We carry out a Customer Experience survey to gauge customer satisfaction. See "Monitoring customer satisfaction" on this page.
Investors	During 2016, we had a close dialogue with the market through, among others, company announcements, press releases, road shows, investor conferences, conference calls, website and other direct communication.
Unions	We have constructive interactions with works councils, unions and employee representatives. See page 26.
Suppliers	We engage with suppliers both to manage risks in the ISS supply chain management and to develop partnership. See page 11.
Media and NGOs	We communicate with media and NGOs particularly in Denmark and most other countries in Western Europe. In 2016, we received around 1,100 media requests at Group level, which was around the same high level as 2015 (when the company relisted on the stock exchange). The interest goes for international and local Danish media alike.

close to 80% of Group revenue. We asked our customers to respond to 25 questions covering both functional and emotional aspects of the relationship. The customer Net Promoter Score (cNPS), the consolidated indicator for customer experience, has improved for the fourth consecutive year to 43.2, reflecting our continued efforts to drive customer focus, especially within our key accounts. The performance was supported by our efforts to implement account development plans and the on-going roll-out of our training programmes Key Account Manager Certification (KAMC) and Service with a Human Touch (SWAHT). In addition, our continuing efforts under our strategy execution model, GREAT, to drive customer focus has proven to support our cNPS growth.

How we govern

Corporate Responsibility

ISS A/S is a limited liability company operating under Danish law. 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.

Group Health, Safety, Environment and Quality (HSEQ) and CR has the responsibility for driving strategy, monitoring and reporting on HSEQ 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 HSEQ manager in each country is responsible for implementing the Group strategy for HSEQ 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 HSEQ and CR based on the HSEQ and CR Reporting Manual. Group HSEQ and CR reviews the performance and works with countries in achieving the Group goals.

Policies, due diligences and management tools

While the ISS Vision forms the basis for everything we do, we have developed a set of policies and standards to guide the integration of CR into all aspects of the ISS. We seek to uphold due diligence and stay vigilant by extensive training and internal communication, independent

internal controls and implementing appropriate policies and standards.

Currently, the following policies and standards apply:

- Our Code of Conduct (CoC) which establishes the key principles that apply to all operations and behaviour of all employees. Among other things, the CoC includes 'Anti-corruption and bribery' as well as work place standards covering ILO Conventions.
- The Corporate Responsibility Policy covers our commitment to the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights and in terms of climate change our commitment to reducing greenhouse gas emissions.
- The Supplier Code of Conduct (SCoC) states our commitment to the UN Human Rights Declaration and ILO Conventions as well as our key principles of social, environmental ethical business behaviour. All suppliers must comply with the SCoC.

Furthermore, our responsible business practices include:

- Business ethics: Anti-corruption policy and Speak up policy.
- Health, Safety, Environment and Quality (HSEQ) practices include our HSEQ policy and HSEQ Manual.
- Labour and Human Rights practices include the ISS Global People Standards.

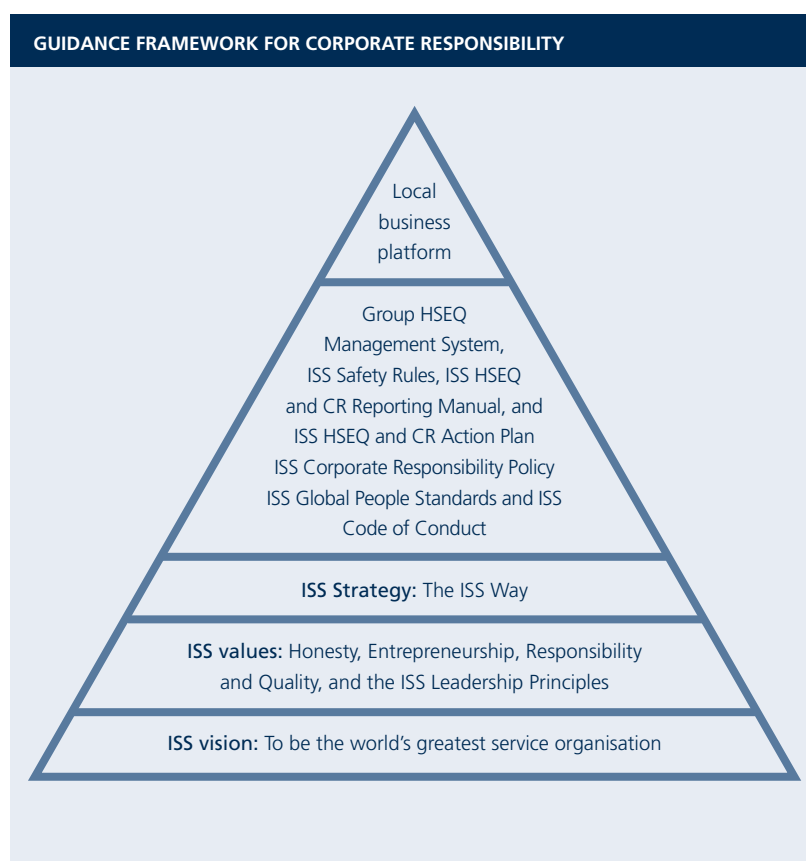
By the end of 2016, the inclusion of Lost Time Injury Frequency into our management bonus programme had been in force for three years. The inclusion has strengthened safety awareness and engagement, not only on a management level but throughout the organisation.

Internal controls

High business integrity and ethical standards are critical to the success of ISS in achieving a position as a global leader in the field of facility services. An integral part of the service we deliver centres around customer security and trust. We operate inside the walls of our customers and they depend on us to effectively manage their risks in terms of health and safety and environment (HSE), Human Rights and Labour Rights. Also, CR related issues in general are becoming increasingly monitored by media, NGOs and states worldwide.

Group Internal Audit (GIA) carries out an elaborate set of assurance activities to monitor our performance on business integrity and good business practices.

Directly involving the countries, GIA in 2016 performed an internal controls self-assessment which covered almost the entire revenue of the company. The self-assessment covers three main scope areas (see figure on page 10) 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 and communicates the 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 risk areas. This audit embeds Corporate Responsibility issues such as the Code of Conduct, anti-corruption, health and safety, child labour and working hours. In 2016,
- A contract audit programme which assesses the internal controls and contract compliance for key customer contracts. This standardised programme 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 standardised audit programmes designed to perform detailed assessment of the controls and com-

pliance for individual risk areas or control measures on country level. The scope of the programme covers payroll, HR and HSE including over-time, timely payments and child labour as well as travel and entertainment expenses, the catering business and the accounting-to-reporting process.

In addition to the standardised programme, internal audit controls are carried out on country level as well. Local internal audit functions have been established and trained in 20 of the largest countries to ensure further assurance coverage within the Group, using standardised programmes to ensure consistence in the work performed. In 2016, all local internal audit functions have performed audits of payroll as well as key account contracts.

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.01. Systems, interfaces and configuration					B.02. Month-end procedures and accounting					B.03. Payroll					B.04. Invoicing and accounts receivables					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																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											

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.

2016 performance

GIA performed more than 83 assurance assignments during the year. With reference to the assurance activities described above, GIA carried out 27 baseline audits on country level and 24 contract audits. Furthermore, 32 risk-based focused audits were performed covering key 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 local compliance with global policies can be improved through increased use of global standardised systems and processes. While progress has been made for delegation of authority as well as due diligence of sub-contractors and third parties, these areas still need improvement.

The audits of payroll related controls found that working hours is still 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 third party screening procedures are a vital part of our overall risk management. These audits strengthen our risk mitigation processes related to service delivery to global corporate clients in locations with no direct ISS presence. They focus on sub-contractors' service capabilities and performance, legal compliance as well as compliance with ISS Anti-corruption Policy and ISS Supplier Code of Conduct. In addition, the audits assess risks associated with third party contracts as well as due diligence in relation to corruption and bribery and training in ISS and customer HSE policies, standards and guidelines.

Group HSEQ and CR also performs audits against the ISS Global People Standards, the Group HSEQ Manual, the ISS Safety Rules and the ISS Code of Conduct. In 2016, we carried out 24 audits. Main findings included inconsistencies in implementation of the Permit to work system, mandatory inspections, and site risk registers.

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.

A responsible supply chain

The main CR risks associated with our 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 work place 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 2016, as part of our work wear project, three site audits were carried out at factories in Indonesia and India. The main findings related to fire safety, electricity safety and quality and the suppliers in question completed the corrective actions agreed.

Driven by the growth in IFS revenue from Global Corporate Clients and key accounts, we have experienced increased

risk awareness and growing demand for risk transfer from our customers. As a consequence, we strengthened and structured our management of suppliers during 2016. This included the initial implementation of Achilles, a third party due diligence system, that will be able to detect contractors with increased risk potential to us, our customers or society in general. We will partner with our suppliers to roll out Achilles with a pilot in two countries during the latter half of 2017 and will vet our supplier base to determine that our suppliers live up to our standards and values.

Understanding the key risks outsourced to third parties is an increased market trend which we honour by securing that adequate risk controls are in place when our clients outsource to us.

UK Modern Slavery Act Transparency Statement

Our policy is to ensure that slavery and human trafficking are not taking place in any part of our business and in any part of our supply chain. This is consistent with our Code of Conduct, Corporate Responsibility Policy, our Supplier Code of Conduct and our Global People Standards. Our Global People Standards cover, among other areas, Pre-employment checks, forced and compulsory labour, and child labour. We conduct internal audits to verify our Standards to manage these risks. We recognise that certain categories of our supply chain carry a higher risk of child or slave labour and we therefore require self-assessments and carry out audits to verify labour standards and performance.

OUR PERFORMANCE AND TARGETS

This section presents our key performance indicators and results against objectives and targets for 2016. Objectives and targets for 2017 are also communicated here.

We report on our performance within three areas:

PEOPLE, PLANET, and PROFIT.

PEOPLE			
	2016	2015	2014
Number of employees	494,233	504,816	510,968
– Full time %	74	74	73
– Part time % ¹⁾	26	26	27
Total workforce			
<u>Front line</u>	469,625	479,951	485,074
– % Front line	95	95	95
– % Male	50	49	51
– % Female	50	51	49
<u>White collar</u>	24,608	24,865	25,894
– % White collar	5	5	5
– % Male	53	55	57
– % Female	47	45	43
Turnover			
% All employees	43	43	44
<u>% Front line</u>	45	44	46
– Male	48	46	48
– Female	41	42	46
<u>% White collar</u>	20	20	21
– Male	20	20	21
– Female	20	20	21
Hours of training ²⁾	6,454,887	6,692,883	5,912,982
– Front line	6,128,555	6,349,210	5,584,132
– White collar	326,332	343,673	328,850
Absentee rate %	2.0	1.8	1.7
Incidents of discrimination	18	14	10
Fatalities	6	7	7
Lost Time Injury Frequency (LTIF) ³⁾	4.7	5.4	5.8
Exposure hours (million hours) ⁴⁾	994.5	997.5	1,009.1
Number of vehicles	20,945	20,856	19,307
Number of vehicle accidents	3,445	3,563	3,797

PLANET

	2016	2015	2014
Electricity consumption (MWh.) ⁵⁾	48,861	54,600	56,301
Electricity emissions (Scope 2) (tonnes CO ₂ eq.)	13,848	18,626	19,887
Electricity costs (million DKK)	52.2	55.6	51.2
Fuel usage (million litres)	46.0	46.6	43.3
Vehicle emissions (Scope 1) (tonnes CO ₂ eq.)	106,353	107,647	100,120
Business Travel emissions (Scope 3) (tonnes CO ₂ eq.)	17,556	14,287	15,691
Water consumption (m ³) ⁶⁾	292,800	331,169	440,268

PROFIT

	2016	2015	2014
Revenue (million DKK)	79,137	79,579	74,105
EBITA (million DKK)	4,566	4,533	4,150
Net Finance costs (million DKK)	486	709	1,296
Taxes paid (million DKK)	871	867	1,082
Staff costs (million DKK)	50,851	51,900	48,849
Income tax paid by employees (million DKK) ⁷⁾	12,859	13,180	12,316

Financial highlights in 2016

REVENUE - MILLION DKK

79,137

ORGANIC GROWTH

3.4%

CASH CONVERSION

98%

OPERATING MARGIN

5.8%

NUMBER OF EMPLOYEES

494,233

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

²⁾ Training hours corrected for 2015 from 6,639,891 to 6,692,883 due to incorrect data from a reporting country.

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

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

⁵⁾ Please see explanation on page 32 for the decrease.

⁶⁾ Please see explanation for decrease on page 32.

⁷⁾ Income tax paid by employees comprises estimated employment taxes, social charges and contributions paid either by ISS or directly by employees.

For additional information, please see Reporting Principles and Compliance on page 40.

MELISA ACER
ISS Turkey



Performance against objectives and targets for 2016

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 2016	PERFORMANCE 2016	TREND
Fatalities	0	We saw six fatalities. See page 19	☹️
Lost Time Injury Frequency	Reduce 60% compared to 2010 to below 5	LTIF decreased by 65% from the baseline value of 13, to 4.7 in 2016	😊
Lost Work Hours	Reduce 55% 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 2016, we have reduced emissions from our leased cars (g/km) by 5% compared to the baseline figure in 2014	😊
Audits with CR content	In at least 20% of countries where we operate	The scope of internal audits in more than 30% of countries included the ISS Code of Conduct, the ISS Safety Rules, child labour and working hours	😊
Employee engagement	To conduct an annual engagement survey with a response rate target of 75% of eligible employees	The survey covered 45 countries and was offered in 53 languages. Once again, the response rate increased to arrive at 73.2%, up from 71.5% in 2015	😊

Objectives and targets for 2017

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 2017 is to reduce LTIF by 70% relative to our baseline figure in 2010 to below 4.
3. Related to the LTIF are Lost Work Time (LWT) as a result of lost time incidents. The Group target for 2017 is a reduction of 65% per 1,000 exposure hours relative to the baseline figure in 2014.
4. Reduce the emissions from our leased cars (gm/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 20% of countries where we operate.
6. To conduct an annual employee engagement survey with a target to offer at least 75% of eligible employees the opportunity to respond to the questionnaire by the end of 2017.

PEOPLE – OUR MOST VALUABLE RESOURCE

Great leadership can bring out the true value embedded in our strategy. It is the root of our people's engagement and the desired customer experience, and what differentiates us.

We seek to empower our employees through leadership and training, and we work every day to manage health and safety, labour and human rights risks in our operations.

Being one of the largest private employers in the world and directly impacting the lives of nearly 500,000 employees every day come with great opportunities to inspire and empower each and every one to unleash their full potential and grow, on a professional as well as a personal level.

At the same time, we must keep our employees safe and protect their labour and human rights. Providing a strong safety culture and an understanding of basic rights, we provide the platform for people to learn and grow.

Unleashing the Power of the Human Touch

Our people are our true source of competitive advantage, and the proof point of our ability to deliver against our value proposition is every single interaction between one of our people and a customer.

ISS comprises many different cultures and nationalities as well as people with mental and physical disabilities, social challenges or little academic schooling. Also, we include a rising number of refugees to our work force around the world. To us, the right mind set and attitude of a potential employee is generally more important than the academic papers.

We have an inherent belief that great service moments can be architected through a consistent recipe of the right ingredients of the right people with a common purpose and the right attitude that are:

- inspired and supported by the right leadership;
- equipped with the right skills and tools to perform; and
- engaged and empowered to create memorable service moments.

The quality and consistency of our leadership is the biggest single driver of our ability to truly unleash the Power of the Human Touch and why we continue to invest in the development of our leaders through our key Group wide programmes – all within the ISS University.

To ensure that ISS continuously has the right organisational competencies, in 2016 we also developed the ISS Leadership Competency Framework. This Framework provides an architecture to ensure alignment of the leadership competencies required for success for our leaders. It makes effective leadership in ISS more tangible, observable and measurable. Our new Leadership Competencies will guide the way we perform and develop as leaders for successful execution of our strategy. The new competencies will be embedded in all our key people processes, ensuring we recruit, assess and develop all leaders in ISS against common standards and common behaviours.

ISS University

The ISS University is the Group wide learning academy representing our leadership development programmes which are delivered both globally, regionally and locally and always to consistent standards. The ISS University is structured to enhance

ISS RECEIVES TWO EUROPEAN CLEANING & HYGIENE AWARDS

European Cleaning Journal recognises ISS for its excellence in employee relations, training, diversity, and inclusion. On 29 September, ISS won recognition for its excellence in cleaning service at the inaugural European Cleaning & Hygiene Awards. ISS Global was awarded the prize for Commitment to and Investment in Training for its Service with a Human Touch Programme. Additionally, ISS Spain won the Workforce – Excellence in Employee Relationships, Training, Diversity & Inclusion, Rewards Programmes for its "Una Sonrisa Más" (One Smile More) Foundation. The foundation supports projects that create employment opportunities for people in developing countries.

our leadership capability across three core dimensions:

- Strategic leadership – building an intimate understanding of our strategy and our key performance drivers;
- People leadership – building the self-awareness of our leaders and supporting them in leading their people;
- Business leadership – equipping our leaders with the business understanding and skills they need to effectively lead their specific part of the business, for example key account leaders, commercial leaders, finance leaders etc.

A critical building block of the ISS University is our Key Account Manager Certification Programme – a modular development programme shape as one standard and focused on Account Leaders of our

Class room training received in 2016

FRONT LINE EMPLOYEES

13 HOURS PER EMPLOYEE

WHITE COLLAR EMPLOYEES

13 HOURS PER EMPLOYEE

strategic priority Key Accounts across the world.

Our Key Account Managers are key to successful execution of our strategy and hold complex general management roles; are profit accountable, customer accountable and accountable for leading large and diverse teams often across multiple customer sites.

The programme was launched late 2013, but 2016 was the year in which it truly went global; it is well underway in Northern and Continental Europe, it

went live in Asia Pacific in May, and in the Americas in September. At the end of 2016, 565 certifications have been issued under the programme, touching on more than 500 of our largest key accounts across the globe. The setup we currently have in place to roll out and support the implementation is expected to ensure that more than 1,000 Key Account Managers will be certified by the end of 2017.

Leadership Mastery Programme – spotting future leaders

In parallel to the significant focus on development of current leaders, we are also looking ahead, and building our pipeline of future leaders through our International Management Trainee programme. This programme is targeted at university graduates and we select the brightest and the best through a rigorous assessment process.

Our trainees go through an 18 months programme, including an international assignment, before taking up their first line appointment. The programme started in Europe in 2013, has gone from strength to strength, and we have had 95% retention rate to date.

The benefits of the programme are two-fold; we are building our global employer brand in the external marketplace, whilst at the same building a sustainable talent pipeline for the future.

THE ISS UNIVERSITY

- Leadership programmes
- Business programmes
- On-boarding



ISS AUSTRALIA LAUNCHES CUSTOM-BUILT APP FOR EMPLOYEE ENGAGEMENT, LEAVE, AND ROSTER MANAGEMENT

Following a successful trial period, ISS Australia has launched a Facility Management industry first, with the creation of a custom-built app, called MyISS, to give all field-based employees mobile access to their payroll, rosters, and annual leave data, as well as company information.

ISS has a large employee base, approximately 11,000 across Australia, and most of the employees are based on customer sites rather than in an office. This presents some unique challenges for engaging with employees and managing paper-heavy workflows, such as ensuring ISS has accurate, up-to-date information and making sure employees have access to the latest pay information and rosters. For example, a chef at a mine site, a cleaner at a hospital, or an Aviation Protection Officer at an airport do not use a computer as part of their daily role and so cannot easily be reached via e-mail or company intranet.

ISS RESEARCH ON EMPLOYEE ENGAGEMENT AND CUSTOMER EXPERIENCE AWARDED

In competition with other leading global companies, ISS won two first prizes at the European Workforce Analytics Awards. Together with external advisor proacteur, ISS received the prizes for a research paper documenting the positive link between employee engagement and customer experience. The white paper demonstrates the importance of having motivated employees, who understand how they can deliver on the value proposition originally promised and how they are part of bringing the customers' purpose to life. The ISS case was built on more than 500,000 employee data sheets combined with 20,000 customer questionnaires linked to approximately 2,500 actual contract specific data. This analysis documents the close link between having engaged employee, which in turn provides satisfied customers, which provides for profitability and growth. It secured ISS the overall prize as well as the 'people's choice' award at the European Workforce Analytics Summit.

Engaged and inspired people

Employee engagement is critical for our ability to service our customers – engaged and motivated employees have a direct impact on the customer experience of our services.

For this purpose we survey our employees on how engaged and motivated they are in working for ISS, and more importantly what we can do better to drive engagement of our people.

In 2016, we carried out our fifth global employee engagement survey. The survey covered 45 countries and was offered in

53 languages. Scope has been expanded every year since its inception, and in 2016, 241,487 employees responded. Once again, the response rate increased to arrive at 73.2%, up from 71.5% in 2015. The survey revealed an overall employee engagement of 4.5 (2015: 4.4) out of a possible 5. As part of the survey we also measure our employees' willingness to recommend ISS as an employer (eNPS). For the fourth consecutive year, the score improved from 56.4 in 2015 to 59.2 in 2016.

As a specific focus towards engaging our frontline employees, we have imple-

mented the Service with a Human Touch (SWAHT) programme, which has been running since 2013.

This is a key strategic game changer driving a cultural change in ISS, communicating our mission and translating customer value propositions into concrete service behaviours for thousands of service professionals.

SWAHT is now operational in 48 countries, with 600 accredited trainers, more than 70,000 trained employees across 512 customer accounts.

We will continue our work to improve engagement, which in turn increases the overall sense of purpose of our people in the delivery of our services. Furthermore, we see a clear correlation between employee engagement scores and customer satisfaction, making them key drivers of financial and operational performance.

Employee retention

The longer an employee stays with ISS, the more engaged he or she becomes. Furthermore, we have found that retention is higher on contracts within our integrated facilities services solutions. A greater sense of purpose and ability to develop and grow professional and personal competencies makes for stronger engagement, increased

GLOBAL EMPLOYEE ENGAGEMENT SURVEY RESULTS

Overall engagement

4.5 (4.4)

Capability

4.5 (4.4)

Motivation

4.4 (4.4)

Pride

4.4 (4.3)

Retention

4.4 (4.4)

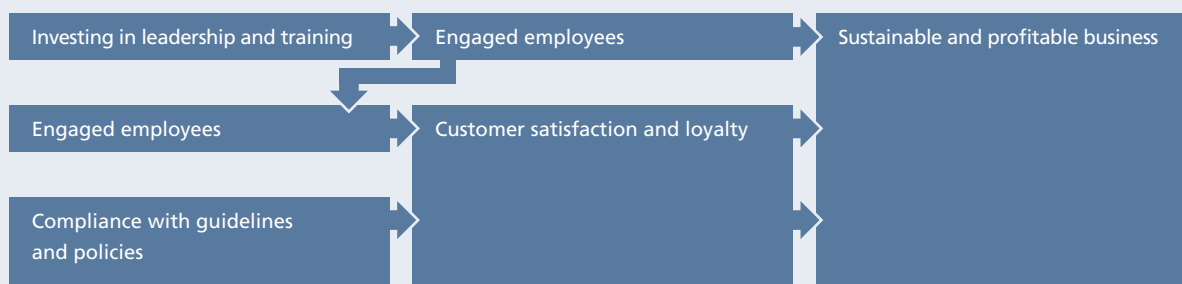
1

5

73.2%
Response rate



CORRELATIONS DRIVING GOOD BUSINESS



motivation and, not least, better quality of service.

In 2016, 74% of employees were employed full time (30 hours or more per week), the same as in 2015. Employees employed for more than one year made up 68% of the workforce, the same as in 2015. 30% of employees have been with us for more than five years. Employee turnover was 43%, the same as in 2015. Our absenteeism rate was 2.0%, up from 1.8% in 2015.

Employee retention remains a challenge as jobs in our industry tend to be temporary or used as supplementary income. To retain our employees, we offer full time and day time work as well as jobs with greater variation and professional challenges. Furthermore, we continuously improve career development opportunities and promote teamwork and skills development.

Health and safety

We are committed to ensuring that each one of our people go home well to their families and friends after a safe working day at ISS. Safety has to become second nature to all of us. We have a responsibility for each and every one of our employees and we do our utmost to continuously improve our health and safety culture. Furthermore, our responsibilities also include the health and safety of our customers as we work side by side with them on a daily basis. If we instigate a strong safety culture amongst ourselves, this will also have a positive impact on our customers.

Fatalities

Regrettably we had six work related fatalities in 2016. We are deeply affected by each of these fatalities and we will not consider our efforts adequate until all fatalities are eliminated. In 2015, seven fatalities occurred.

Four of the six fatalities were vehicle related, one was security related and one was a working at height incident. Three of the fatalities were employees, two were members of the public and one was a contractor. The fatalities occurred in Mexico, Sweden, Thailand, India, Indonesia and Brazil.

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. As part of ensuring that a fatality is being given the focus in terms of an investigation and senior management commitment in country, new procedures concerning the investigation will be implemented in 2017.

Improving the personal safety of our people

The Lost Time Injury Frequency (LTIF) arrived at 4.7, compared to just over five in 2015. Thereby, we have reduced our LTIF by 65% since our 2010 baseline of 13.

Lost Work Hours (LWH) is an important indicator of the general health and well-being of our employees. It is also closely

linked to both operational and financial gains. LWH decreased by 55% compared to the 2010 baseline, well exceeding our target of 45% reduction.

The Total Reportable Cases Frequency (TRCF) arrived at 8, a decrease of 65% compared to the 2010 baseline value of 23.

Overall, we see a continuous improvement on the personal health and safety of our employees since 2010. We contribute this result to our systematic approach established through a long-term safety strategy, anchored in our global safety organisation as well as in the management bonus programme. Additionally, the global reporting system enables us to monitor and analyse how we are doing and instigate actions accordingly.

Risk and due diligence

We perform services with different personal health and safety risk profiles. For example, the job risk profile of our cleaning staff, in general, is low, while employees employed in technical services operate under a slightly higher risk profile. At the same time, we also manage health and safety risks in relation to the industry in which we operate as some have a higher risk profile than others. For example, while an incident in an office environment could potentially impact the personal safety of the office staff, an incident in a nuclear power plant could, in a worst case scenario, potentially impact the lives of millions of people.

CHRISTIAN KLEMMING-SCHMIDT
ISS Denmark



This is why great service performed by engaged and inspired employees with the right training and skills is not only vital to the growth of our business and the satisfaction of our customers but also to the health and safety of the societies and environments in which we operate.

Safety action plans and training

We have an ongoing focus on addressing vehicle-related incidents which make up a disproportionate share of fatal accidents involving ISS staff. The HSE strategy has a stated vision '100'*. This requires action from all parts of the ISS organisation and, each year, we build and distribute a Group HSEQ and CR Action Plan with actions for each country to implement. Additionally, a new e-learning module on Driver safety was rolled out during 2016 to reinforce the behaviours we would like to embed in our organisation.

Furthermore, individual country management each year develops a Personal Safety Action Plan (PSAP) with objectives and targets for each member of the country management team. This encourages and allows for management to show their visible safety commitment and leadership through actions.

What we did in 2016

See something, say something

We re-launched our whistle blower system under the name 'Speak Up'. This channel is open to all stakeholders – employees, customers, vendors etc. Thus, Speak Up is an important tool in our efforts to promote both honesty, transparency and ethical business practice and to improve our health and safety procedures. We depend on our employees to be our eyes and ears and report systematic breaches of our policy and procedures, however insignificant they might seem.

As part of our promotion and implementation of 'Speak Up', we rolled out the campaign 'See something, say something' across the Group. The campaign encouraged employees to report on actual health, safety and security incidents as well as potential incidents as these enable us to identify and address

ISS NETHERLANDS JOINS PARTNERSHIP TO STRENGTHEN THE INTEGRATION AND EMPLOYMENT OF REFUGEES

ISS Netherlands has partnered with the Refugee Talent Hub – a non-profit effort led by ISS customer Accenture along with other corporations, public agencies, and NGOs – to support and accelerate the acceptance, integration, education and employment of refugees in the Netherlands. The first traineeships and full positions at ISS were launched on the Refugee Talent Hub's digital platform at the end of November.

The Hub platform is based on an application where a smart algorithm matches refugees with employers, such as ISS, which provide professional opportunities, training, and support. Based on applicants' professional profiles, the system identifies skills gaps and provides refugees with access to training that will fill those gaps. The Hub also aims to reduce the processing time of asylum requests and offers applicants support through mentorship and networking.

potential high risk areas. The promotion will continue in 2017. We aim to increase awareness of health and safety business practices not only within our own company but also contribute to increased awareness amongst our customers.

Training for a strong safety culture

We continued our quarterly 'Me and You' safety campaigns in all the countries in 2016, focusing on Slips, trips and falls, electrical safety, working at heights, and driving safely. The campaign uses posters produced by Group HSEQ and CR that are translated into more than 20 languages.

We performed bi-monthly safety inspections for all our large global key accounts during 2016. The audits build accountability and transparency as results are reported directly 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.

Furthermore, during 2016, we updated the HSEQ manual that forms the foundation of our HSEQ Management system in compliance with the new ISO 9001 and 14001 standards. The Manual will be rolled out across the Group in 2017. As part of our global certification programme, our Global headquarters were audited by Det Norske Veritas GL to the new Manual and issued a certificate.

Human rights

We believe that human rights constitute the foundation of healthy, fair and truly sustainable economic as well as societal growth; businesses prosper in societies where human rights are upheld.

Our 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 also part of the Advantage programme, which provides training for top and middle management.

Risk and due diligence

According to UN Guiding Principles on Business and Human Rights (UNGPR), human rights risks are defined as a corporation's potential to adversely impact the human rights of e.g. their employees, the communities in which they operate and their supply chain. This risk approach supplements our corporate risk management where we assess legal, financial and operational risks in order to identify risks related to our value proposition and future growth as well as to protect our reputation and brand.

Human rights due diligence assessment

As a global corporation, we are well aware of the potential of adverse impact on human rights. During 2015, we conducted a human rights due diligence self-assess-

* 1: We aim to be number 1 in our industry;

0: We operate with 0 fatalities at our work places; and

0: We incur 0 serious incidents and occupational injuries at our work places.

ment to better understand our potential involvement as a result of our business operations and value chain. The assessment also identified where we have the greatest potential to cause, contribute or where we could be linked to severe human rights impacts. As a result, we identified three main areas: child labour, forced labour and right to privacy in terms of personal information and privacy of individuals. We addressed these areas by strengthening the requirements in the ISS Global People Standards for each of these three areas. In addition, these requirements will also be part of the control self-assessment carried out by Group Internal Audit (please see page 9).

Managing the risks facing vulnerable people

We manage our risks according to the risk profile of the industry as well as the type of service we provide. Furthermore, we have identified risk categories reflecting the vulnerability of the people we interact with. ISS is a key contributor in providing safe environments for ISS' customers and their users. It is therefore important that ISS performs its services in a way that supports and promotes safe environments.

While ISS in its service performance is generally not in a care or trust position of primary caretakers such as doctors, nurses and teachers, ISS recognises that certain individuals or groups of individuals require increased awareness and attention to protect against potential abuse and that appropriate measures shall be taken to safeguard the needs of such individuals or groups. ISS considers "vulnerable adults" to be persons of majority age who by reason of mental or physical conditions, age or illness are unable to take care of themselves or to protect themselves against significant harm or exploitation.

Thus, we have adopted a policy on safeguarding children and vulnerable people in 2014. The policy emphasises that ISS staff and 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. At the end of the day, cleaning a hospital room with patients just out of surgery is just as much about how the cleaning is performed as it is about the

actual cleaning itself. We train our people in their ability to behave and perform the service according to the situation and the people they interact with.

Part of our implementation strategy of this policy includes an animated film to communicate the content of the policy and its implementation. The film is available in seven languages. Furthermore, we have also included it as part of the training to top management, the Advantage programme. In addition, new requirements of the policy are included in our Global People Standard.

What we did in 2016

Safeguarding children and vulnerable people

We continued the implementation of our Safeguarding Children and Vulnerable People policy to ensure that all countries adopt appropriate procedures and conduct the necessary training. This includes recruitment and vetting procedures for staff assigned to positions with exposure to children or vulnerable adults as well as training and induction programmes ensuring awareness of appropriate behaviour and knowledge of policies and procedures. The policy also covers our sub-contractors as we expect them to adhere to appropriate behaviour, procedures and training no less strict than our own staff.

Reinforcing human rights

During 2016, we continued to deploy our commitment to UN Guiding Principles on Business and Human Rights (UNGP). Among others things, we amended the CR policy to include our commitment to the UNGP and reinforced the implementation of the policy across the Group. An overview of the updated UN Guiding Principles assessment is shown on pages 24 and 25.

As mentioned, we identified issues which hold the greatest potential to cause, contribute or be linked to severe human rights impacts based on the results of the self-assessment we conducted during 2015. We addressed these issues in our new Global People Standards that were launched for implementation in countries in July.

HSE DAY CONDUCTED AT CUSTOMER SITES IN SINGAPORE

As part of its continuous effort to increase Health, Safety and Environment (HSE) awareness amongst ISS staff and customers, ISS Singapore organised a HSE Day at a hospital site in Singapore. The HSE Day was held on 29 September, and targeted all the ISS staff working at Changi General Hospital (CGH) and St Andrew's Community Hospital (SACH). ISS has been serving CGH since April 2012 and SACH since March 2007. Services include cleaning, technical services and landscaping. CGH is an award-winning hospital with over 1000 beds caring for a community of 1.4 million people in eastern Singapore. In April 2005, SACH moved to a purpose-built 11-storey, 200-bed hospital, in Simei, and became the first community hospital to be located next to an acute-care general hospital – CGH.

ISS put up game booths and activities related to the ISS Safety Rules, 'Slips, trips and falls', Infection control, Terminal cleaning, Hand hygiene, 3Rs (Reduce, Reuse, Recycle), Health wellness and Facade cleaning (working at heights).



Overview of the updated UN Guiding Principles assessment

HUMAN RIGHT	RELEVANT TO ISS	INCLUDED IN ISS GOVERNANCE
Right to Self-Determination (Indigenous Peoples Rights)	Yes	Code of Conduct, Global People Standards
Right to Non-discrimination	Yes	Code of Conduct, Global People Standards
Right to work	Yes	Global People Standards
Right to equal pay for equal work	Yes	Global People Standards
Right to a living wage (minimum wage)	Yes	Global People Standards
Right to safe and healthy working conditions	Yes	HSEQ Management System, ISS Safety Rules
Right to equal opportunity for everyone to be promoted	Yes	Global People Standards
Right to rest, leisure and paid holidays	Yes	Global People Standards
Right to form and join trade unions and the right to strike	Yes	Global People Standards
Right to social security, including social insurance	Yes	Global People Standards
Right to protection of mothers before and after childbirth	Yes	Global People Standards
Right to children's young people's protection from exploitation (no child labour)	Yes	Global People Standards
Right to adequate food and its fair distribution	Yes	Global People Standards
Right to adequate clothing	Yes	Global People Standards
Right to adequate housing	No	
Right to water and sanitation	Yes	Global People Standards
Right to health	Yes	HSEQ Management System, ISS Safety Rules
Right to education	Yes	Global People 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	HSEQ Management System, ISS Safety Rules
Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment	Yes	Global People Standards

HUMAN RIGHT	RELEVANT TO ISS	INCLUDED IN ISS GOVERNANCE
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	Global People Standards
Right to liberty and security of person	Yes	Global People Standards
Rights of detained persons to humane treatment	Yes	Global People Standards
Right not to be subjected to imprisonment for inability to fulfil a contract	No	
Right to freedom of movement	Yes	Global People 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	Global People Standards
Right to freedom of thought, conscience and religion	Yes	Global People Standards
Right to freedom of opinion	Yes	Global People Standards
Right to freedom of expression	Yes	Code of Conduct, Speak Up policy and system
Right to freedom of information	Yes	Global People Standards
Right to freedom from war propaganda	No	
Right to freedom from incitement of racial, religious or national hatred	Yes	Global People Standards
Right to freedom of peaceful assembly	Yes	Global People Standards
Right to freedom of association	Yes	Global People Standards
Right to protection of the family and the right to marry	Yes	Global People Standards
Right to protection of the child and right to acquire a nationality	Yes	Global People Standards, Policy on safeguarding children and vulnerable adults
Right to participate in public affairs	Yes	Global People Standards
Right to equality before the law, equal protection of the law, and rights of non-discrimination	Yes	Global People Standards
Rights of minorities (Culture, religious practice and language)	Yes	Global People Standards

Labour rights and employee relations

We consider our employees to be our most valuable asset. 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 as well as respecting and promoting labour rights as part of our human rights commitment.

Risks and due diligence

The management of employee conditions and supply chain risk are rising up the global business agenda as compliance with international standards grows in importance worldwide.

As we operate a global company with nearly 500,000 employees and managing a vast number of sub-contractors and suppliers every year we are well aware of our labour rights related risks. While we are directly responsible for the working conditions and labour rights of our own employees we are also linked in some way or another to these same rights when it comes to the employees of sub-contractors and suppliers.

Each employee has a value of his or her own. This value is the foundation of our commitment to respect and promote labour rights. Furthermore, safe, fair and good working conditions can also be linked to lower employee turnover and better quality of service.

Strengthening labour rights through collaboration

We seek to work with private sector partners as well as civil society and labour organisations to promote labour rights both globally and locally. Since 2003, ISS has been part of an agreement with UNI Global Union, an international network of national labour organisations. The agreement mutually commits both parties to work in favour of human rights, and decent working conditions including



The Apple Award Programme is ISS' reward and recognition initiative which has been created to recognise our exceptional people who make a difference for our customers and helps them facilitate their purpose. At the Top Management Conference (TMC) held at Orlando, USA, three Apple Award finalists were invited to participate at the TMC. The Apple Award Finalists are chosen based on the yearly Apple Award Winners from each country. At TMC, one of the finalists is awarded and celebrated as the Global Apple Award winner. In 2016, Srikumar Madhavan from ISS India, Marcela Ramešová from ISS Czech Republic and Roy Osarogiagbon from ISS United Kingdom & Ireland were the finalists and Roy Osarogiagbon was awarded as the Global Award winner. Roy is one of the Train Litter Pickers at Stratford tube station where his job, as part of a team, is to clear all rubbish and newspapers from the trains when they turn around at Stratford station (every two minutes in rush hour!).

It is the way in which Roy engages with the commuters on the train which has earned him his recognition – not only in the eyes of the management teams in ISS but also by the client and independently by members of the travelling public. Stories making it into the daily paper and on to Facebook and Twitter. He really brightens people's days and lifts the experience and image of travel on the Underground – adding genuine value to the client. Roy has found his Apple!

health and safety. The commitment stretches beyond our own company into industries and the communities where we operate. We are obligated to support the UNI's 12 fundamental principles based on the International Labour Organisation's (ILO) conventions. The principles

include freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

This is an important part of ISS's commitment to labour rights. As part of the agreement, we manage labour rights on the foundation of shared goals:

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

The overriding purpose is to create 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.

Competitive advantage through diversity

We embrace and encourage diversity in its broadest sense as we recognise that our diverse workforce gives us a key competitive advantage. 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, 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 adopted a target in 2014 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 two women to the Board in 2015, the target was achieved, and the Board set a new target of reaching at least 40% women on the Board by 2020. Currently, there are 33% women on the Board of Directors. Aligned with the competency and diversity policy for Board nominations, the Board proposed the election of Ben Stevens at the 2016 annual general meeting (replacing Jo Taylor), which was supported by the shareholders.

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 our Diversity Policy, 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 and tabling the matter of women in leadership at ISS

WOMEN IN THE WORKFORCE

TOTAL IN ISS

49%

for discussion at least once a year at the EGM level.

Furthermore, we ensure strong representation of women in various ISS leadership development and graduate programmes across the Group and at the global head office. The amount of women at management level at the global head office increased slightly in 2016 compared to 2015 and gender diversity remains a focus area in 2017.

All discrimination claims investigated

In line with the ISS Code of Conduct and the Global People standards, ISS takes all claims of discrimination seriously.

18 incidents were filed, investigated and followed up with legal authorities in the countries in scope. Out of the 18 incidents, six were deemed to be without legal merit and ten are still pending.

What we did in 2016

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 on the next page.

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 2016, the focus of the annual meeting was an update on GREAT, which is the vehicle for bringing The ISS Way, our strategy, to life. Other subjects on the agenda of this two-day assembly were an update on the ISS work wear, Employee Engagement, Health and Safety, People & Culture and a session for questions to management represented by Regional CEO, Jacob Götzche.

Investing for results

2016 was the final year of our UNI-collaboration project ‘Clean up Cleaning’ in Mexico City. The project has focused on 2 key areas: bringing transparency to the public procurement process in Mexico City: and educating workers in a “know your rights” campaign which would ensure at least country minimums are being complied with. ISS contributes with an annual amount of 100,000 Euro. During 2016, the procurement policy, increasing emphasis

GLOBAL SERVICE INDUSTRY ASSOCIATIONS HONOUR ISS WITH SOCIAL RESPONSIBILITY AWARD

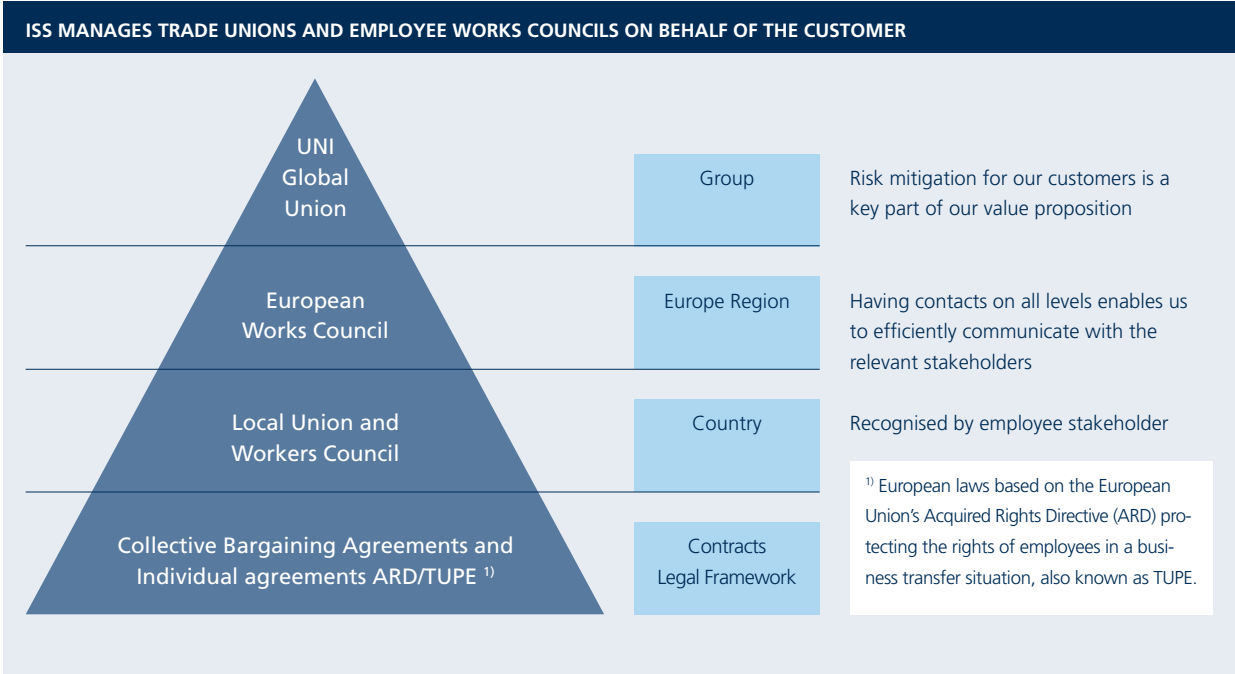
International Association of Outsourcing Professionals and Information Services Group (ISG) honoured ISS as the winner of its fourth annual (IAOP) Global Outsourcing Social Responsibility Impact Award at an event in Lake Buena Vista, Florida, on 16 February.

In addition to the award, ISG will make a cash donation of USD 5,000 in the name of ISS to its chosen charity, Fedcap, and ISS will double this donation making Fedcap the recipient of a total of USD 10,000.

IAOP and ISG established the award in 2012 to recognise service provider excellence in Corporate Social Responsibility. The winner demonstrates exemplary leadership in, and ongoing commitment to, activities that foster community involvement, fair operating and labour practices, respect for human rights, attention to environmental impacts, consumer issues, and good governance.

on workers’ conditions and benefits, was rolled out. At this stage, the project has trained approximately 2,600 janitors from numerous cleaning companies in both the private and public sector.

During 2017, a similar project in a different region of the world will be discussed and assessed with UNI.



Overview of 2016 people performance

PEOPLE ACTION AREAS	TOOLS APPLIED	ACTIVITIES IN 2016	PERFORMANCE IN 2016
Health and safety	<ul style="list-style-type: none"> ISS Safety Rules Group HSEQ and CR Action Plan The ISS Groups HSEQ Management Manual The ISS Group HSEQ 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: 6 Lost Time Injury Frequency: 4.7 Decrease in lost work hours compared to 2010 baseline: 65%
Employee engagement	<ul style="list-style-type: none"> Engagement survey 	<ul style="list-style-type: none"> Survey performed 	<ul style="list-style-type: none"> 241,487 employees responded Survey available 53 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 Key Account Manager Certification (KAMC) Leadership training programmes 	<ul style="list-style-type: none"> 38,059 supervisors completed the Service with a Human Touch programme, 263 completed the KAMC programme, 23 people graduated the Leadership Mastery programme Front line employees received 6,128,555 hours of class room training in 2016, compared to 6,349,210 hours in 2015. This is equal to over 13 hours per person in 2016. Subjects included health and safety, technical training, management, language training, leadership and supervisory, IT, security and fire prevention. White collar employees had 326,332 hours of training in 2016, compared to 343,673 hours in 2015 and equal to over 13 hours per employee
Human rights and resources	<ul style="list-style-type: none"> ISS Global People 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 Business and Human Rights 	<ul style="list-style-type: none"> As a result of our due diligence assessment, we made changes to our CR policy, the ISS Global People Standards European Works Council conference Continued UNI Global Union collaboration

PLANET – MANAGING OUR IMPACTS

The global environment and climate are changing radically. This affects our health, environment, economy and general well-being. In ISS, we manage our impacts on the climate and environment through the design of processes and equipment we use, and through the portfolio of services we offer to our customers.

The main impacts on the environment and climate from our own activities come 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 50% of our commercial offerings. We recognise that our success and future growth require us to carry out our operations in an environmentally and climate friendly way. This is part of the ISS Way.

Risk and due diligence

Credible and effective management of environmental and climate-related risks is part of our Value Proposition to our customers. Therefore, we have adopted a systematic approach to achieve continuous improvement in quality and performance.

ISS manages these matters as critical business activities, sets standards and targets for improvement, and measures, appraises and reports on performance. We also continuously look for ways to reduce the environmental impact of our operations and services.

We manage two different risk categories: the impact of our own operations and services and the impact of our customers. The latter is gradually proving to be a new business opportunity as our customers increasingly seek to improve their performance and impact on the

ISS TAIWAN RECEIVES ENVIRONMENTAL PROTECTION AWARD



The Taipei City Environmental Protection Bureau has recognised ISS Taiwan for its efforts in environmental responsibility. The award was first established this year, and ISS was one of the first companies to ever receive this environmental recognition.

ISS Taiwan received the award due to its commitment and active engagement in recycling and waste management at the facilities they manage. ISS Taiwan effectively assisted residential facilities with monthly reporting of the amount of recycled material such as paper, plastics, and cardboard on the Environmental Protection Bureau's website.

environment and climate. You can learn more about how we seek to reduce the impact of our customers further down in the section.

We did not identify any significant non-compliance with environmental laws and regulations in 2016.

Reductions through Cleaning Excellence

In ISS, we apply 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%.

By moving to sustainable solutions, we can calculate the following based:



Water: 500,000 litres



Waste: 40,000 kg.



GHG Emissions:
85,000 kg CO₂ eq.

These solutions:

- reduce over-consumption by providing precise dosage;
- reduce waste packaging;
- reduce water consumption by up to 50%;
- allow machines to clean up to 50% longer on one tank fill;
- eliminate time-consuming set-up and preparation;
- reduce transport and storage costs as the products are highly concentrated.

Supplier assessment and vetting

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.

In 2016, we additionally initiated the planning phase of our new supplier due diligence system, Achilles. The system will improve our ability to vet, manage and control our supplier base. Brand protection and risk control are key value propositions that we provide to our customers. The proposed solution will enable us to achieve this objective by establishing a global database of suppliers.

Reducing the impact of our customers

As we operate the sites of our customers on a daily basis, we often come to know their sites better than they do. In recent years, we have increasingly used this knowledge to add a new value proposition to business: helping our customers manage and reduce their impacts. We offer our customers extensive expertise and experience, primary within critical environment, infrastructure, and tech sectors.

In order to pursue this new business opportunity, we have set out to improve our expertise and profile further. As a result, we acquire new companies that enable us to offer energy saving and other environmental services. During 2016, we took over the former E.ON FM subsidiary EVANTEC in Germany. The acquisition is another important step in further expand-

ISS DENMARK WINS 2016 CSR PEOPLE PRIZE FOR SOCIAL RESPONSIBILITY

ISS is recognised for its innovative approach and longstanding commitment to advancing corporate social responsibility among companies. ISS Denmark has been awarded the CSR People Prize 2016 for actively using its size and position to raise awareness of corporate social engagement, according to the prize jury. The award was presented by HRH Prince Joachim of Denmark at a conference in Copenhagen.

According to the jury behind the CSR People Prize, ISS has distinguished itself through its long-term efforts to include a variety of vulnerable groups in the labour market. ISS also uses its size and market position to create new models, methods, and knowledge for how other companies can work with and extend their social responsibility.

Among its many efforts, ISS works actively to help integrate refugees into the labour market as well as psychologically vulnerable young people who have difficulty getting started with an education. The unifying goal is to help large groups of people get a job or an education. ISS has also developed a business case demonstrating that there are clear financial benefits from fostering diversity among employees.

ing competences within technical and building services to help our customers improve their environmental and climate-related impacts.

Innovations with suppliers

We continuously work with suppliers to develop and test new tools and processes that will reduce the environmental impacts from our services. Since 2015, we have focussed our efforts on innovation projects with our suppliers. These projects continued during 2016. The highlights for 2016 are:

- Diversey – Cleaning without chemicals (Ionized water): Electrolyzed Water is used for cleaning without chemicals. Essentially, the electrolysis of water and salt develop into acidic and alkaline solutions. The product will neutralize when recombined in the drain and the product is non-toxic and eco-friendly.
- The 3M Easy Trap system: Traps up to 8 times more dirt, dust and sand than both conventional flat fringed cotton dust mops; no need for water; made of 60% recyclable material.
- Glovac – An eco-friendly glove system: The system creates a vacuum that fits the gloves to the hands. By using the Glovac gloves, fewer bacteria are transferred to employees' hands. Furthermore, it is eco-friendly because there

is a decrease in the number of single-use gloves needed.

CO₂-neutral global headquarters

Since 2013, ISS headquarters have participated in a climate partnership programme with the Danish energy supplier DONG Energy. The programme combines reduction initiatives with investments in renewable energy sources. In 2016, ISS further reduced headquarter electricity consumption through improvements and efficient use of the ventilation system and continued use of the surveillance system. We have reduced our consumption by over 11% since we moved to our new headquarters. The savings achieved from these were applied towards the purchase of 582.9 MWh renewable energy certificates (RECS). With these certificates we have fully offset electricity consumption from our headquarters' building and we can report zero CO₂ emissions from our facility for the third consecutive year.

Carbon Disclosure Project

We reported again into the Carbon Disclosure Project. 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.

What we did in 2016

HSEQ Manual updated

We introduced a Health, Safety, Environment and Quality Manual (HSEQ) in 2011 to ensure we measure, monitor and continuously reduce our environmental impacts. During 2016, we updated our HSEQ Manual to reflect the new requirements of ISO 9001 and ISO 14001. The Manual will be rolled out across the Group during 2017.

Reducing the impact of our own offices

Since 2014, participation in the ISS Green Offices Programme has been mandatory for our own offices. We continued to roll out the programme during 2016. The programme is designed to reduce the environmental impact of our own offices. As with most of our training, we acknowledge that results can only be achieved through our people and thus the Green Office Programme focuses on behavioural change. The right training can instigate new behaviour and habits leading to more efficient use of resources and waste disposal. To become certified, at least 80% of employees must attest their active participation in reduction measures, required

ISS AWARDED BRONZE MEDAL IN DOW JONES SUSTAINABILITY INDEX

ISS has once again been included in Dow Jones' Sustainability Index 2016, as one in only four Danish companies that each year rank on DJSI based on their corporate sustainability assessment. Dow Jones and their collaborative partner, RobecoSAM, develop the index based on the participating companies' answers to 80-120 industry-specific questions that relate to environmental, economic, and social factors. All values in the assessment scale range from zero to 100, with 100 representing the highest achievement. ISS successfully improved on its company sustainability score from last year.

In the environmental dimension of the assessment, ISS scored the industry best of 82 on operational eco-efficiency, the world average score for DJSI members was just 60 in the same category. ISS scored consistently higher than the industry average on both environmental and economic factors, which is an improvement from last year's results.

by the checklist. We work through certification on three levels, bronze, silver and gold. By the end of 2016, 189 certifications have been issued to ISS offices (19 gold, 22 silver and 148 bronze) compared to 144 in 2015. We also offered the certification to client offices as a value proposition.

In 2016, we reduced our electricity consumption at our own offices from

54,600 MWh to 48,860 MWh. In addition, we reduced our water consumption from 331,169 m³ in 2015 to 292,800 m³ in 2016. These reductions were a result of consolidating offices in countries, moving to new energy efficient buildings and the impact of behaviour change amongst our employees through the ISS Green Offices Programme.

Overview of 2016 planet performance

INDICATOR	IMPLEMENTATION	2016 ACTIVITIES	2016 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 decreased from 107,647 tonnes CO ₂ eq. in 2015 to 106,353 tonnes CO ₂ eq. in 2016
CO ₂ emissions from business travel	We encourage more online meetings to reduce air travel in particular	1. Use of webinars	Emissions from business travel increased from 14,287 tonnes in 2015 to 17,556 tonnes in 2016. 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	Reduction of 40,000 kg. waste Reduction of 500,000 litres water consumed. Reduction of 85,000 kg. CO ₂ eq. in GHG emissions
Electricity (own)	Mandatory certification according to the ISS Green Offices Programme	Implementation of awareness and behaviour changing measures	In 2016, we consumed 48,860 MWh of electricity compared 54,600 MWh in 2015
Water (own)	Mandatory certification according to the ISS Green Offices Programme	Implementation of awareness and behaviour changing measures	In 2016, we consumed 292,800 m ³ water, a decrease from 331,169 m ³ in 2015



BETTY KEUNG
ISS Hong Kong

PROFIT – ENSURING GOOD BUSINESS PRACTICES

We strive to be the world's greatest service organisation. We are ambitious and competitive but we compete on fair terms and on the merits of our services. Our business integrity is non-negotiable. We aim to lead our employees by living our values and demonstrating the right behaviours.

In this section we describe how we perform and manage risks related to business performance and integrity, including our management of and approach to corruption and bribery.

2016 financial performance

Our strategic initiatives have supported healthy organic growth and margin improvements. This resulted in the highest profit level in ISS history.

Group revenue for 2016 was DKK 79.1 billion, a slight decrease compared to 2015. Organic growth was 3.4%, while the impact from currency effects and acquisitions and divestments, net, reduced revenue by 3% and 1%, respectively.

Organic growth was mainly driven by good performances in emerging markets as well as contract launches and strong demand for IFS, projects and non-portfolio work in the Continental Europe and Northern Europe regions as well as in the USA.

Operating profit before other items amounted to DKK 4,566 million in 2016 for an operating margin of 5.8% (2015: 5.7%), the third consecutive year of improvement in spite of the difficult market conditions in certain European countries.

With the growth in IFS revenue from Global Corporate Clients and key accounts, we experience growing risk awareness

and demand for risk transfer, operational risk management and risk control compliance from our customers. At the same time, the complexity of our service delivery is increasing, as our services are increasingly being integrated into our customers' value streams. This is for instance relevant for our customers in the banking or pharmaceutical industry, as we often manage critical infrastructure such as data centres or production facilities.

To support sound operational risk management and contract compliance, we have initiated the roll-out of a Contract Risk and Compliance tool for selected key accounts. By the end of 2016, the tool had been implemented for 120 accounts. The roll-out will continue during 2017.

Business ethical risks – zero tolerance

We are constantly alert to the risk of foul play given the number of employees and countries we operate in. Corruption and bribery is illegal and against our core values (Honesty, Entrepreneurship, Responsibility and Quality), which are fundamental to how we operate our business.

Employing nearly 500,000 people worldwide, we acknowledge however that we cannot always prevent non-compliant behaviour. Thus, we monitor and ensure that each case of non-compliance gets escalated and treated seriously. We firmly believe in following up quickly on these matters in line with our values and zero tolerance policy on unethical behaviour that defines our culture and what we stand for. Performing services inside the facilities we need to earn the trust of our customers every day and therefore a firm stand on values and good behaviour is a must for our business and employees.

Training in ethical business conduct – and setting a good example

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 and sensitive concerns can be reported through the 'Speak Up' system. A Business Integrity Committee, consisting of our Group CFO, Group Chief People & Culture Officer, Group General Counsel and our Head of Group Internal Audit, reviews all material integrity issues including those reported through the Speak Up system. Read more about 'Speak Up' further down in this section.

We train our employees to comply with our values and Code of Conduct when interacting with customers and business partners whether public or private. When we are able to demonstrate good and fair business practices we minimise compliance risks. Moreover, when operating in countries and cultures where unethical business conduct is widespread we can serve as a positive example and contribute to building a fairer and more transparent local business community.

'Speak Up' system

Our Whistle blower system was re-launched under the name 'Speak Up' during 2016. The system serves 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 employees and stakeholders and available on our corporate and local websites of our country subsidiaries and for more than 90% of our employees reporting options are available in their own language. All concerns raised are treated confidential and the person reporting may choose to be anonymous. In addition to reports in writing a report can also be made on a hotline as part of the Speak Up system.

Depending on the nature of the matter raised, the reports are either escalated for discussion by the ISS Group's Business

Integrity Committee (BIC) or forwarded to the relevant local departments for further investigation and action. Of the reports in scope, 12 cases were escalated to the BIC in 2016 for further discussion and investigation. The BIC reviews each case when it is received and decide on the appropriate action to be taken. This will involve investigations by Group Internal Audit and external consultants. 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.

Recruitment of right leadership is critical. Motivating, engaging and training employees to comply with our values and set a positive example for ethical behaviour amongst their ISS colleagues and within their local community depend on leadership from local, regional and Group management levels. In ISS, we support and promote leaders who can drive results but also enable and grow a strong ethical culture and commitment.

This is why ISS places so much value and commits a substantial amount of resources on the recruitment and vetting procedures of middle and top managers. During 2017 we will continue our efforts in this area and will roll out an on-boarding e-learning module designed for all new white collar employees. This module represents the next step in our journey towards enabling good business practices.

Customer contract 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 management, some by regional managers. This is an important process to manage our risks – financial or reputational – and these processes are enforced rigidly. We manage our customers' contracts risks through the risk assessment tool, CRAM and we continuously adjust the scope of our processes to target key categories of contracts and to understand our contract base.

What we did in 2016 'Speak Up'

Our Whistle blower system has been running since 2013. During 2016, we decided to improve and expand the system

A GREEK GIFT

In recent years, several tax cases have emerged in our Greek business that date back many years, and in many cases even from before ISS became owner of the businesses. The cases concern sponsorship contributions to certain sports clubs in Greece that have been deducted in the annual tax returns and which subsequently have been disputed as non-tax deductible costs by the Greek tax authorities. During the dispute with the tax authorities it came out that the tax authorities via access to bank accounts of former employees were able to establish that a significant part of the money paid as a sponsorship contribution to a sports club was subsequently repaid to the private bank accounts of the former employees. None of the employees involved in these wrongful acts in previous years are employed by ISS in Greece. Based on the information received via the tax audit ISS has commenced a lawsuit against the former owner and manager of one of the business units where these practices occurred.

and re-launch it under a new name as we depend on our employees to be our eyes and ears and report systematic breached of our policy and procedures, however insignificant they might seem. Thus, 'Speak Up' stems from our ambition to increase awareness and encourage all our employees and stakeholders to raise their concerns without fear of retaliation. We also introduced a telephone hotline in addition to the Speak Up website.

Going forward, 'Speak Up' will be an important tool in our efforts to promote both honesty, transparency and ethical business practice and we hope to see more reports coming in.

Addressing issues reported in 'Speak Up'

In 2016, we received 107 'Speak Up' reports through the system or through other communication channels of which 12 cases were escalated to the ISS Group's Business Integrity Committee (BIC) for further investigation. As in previous years, the majority of reports concern local human resources issues, which are outside the scope of the 'Speak Up' policy.

These reports were forwarded to the relevant local departments for further investigation and action.

The 12 cases that were escalated to the ISS Group's Business Integrity Committee (BIC) for further investigation concerned matters of conflict of interest, violations of Group Accounting Policy, misappropriation of funds and kick-backs.

Code of Conduct e-learning course

ISS is committed to conducting its business in accordance with the law, our values and the highest ethical standards. Our Code of Conduct sets out our behavioural standards for servicing our customers, interacting with business partners and stakeholders and working with our colleagues. In 2016, we developed a Code of Conduct e-learning training module with the following objectives:

- Support on-boarding of white collar employees in ISS and to ensure that we have a common and systematic approach to Code of Conduct training;
- Create awareness of our Core Values and the Code of Conduct amongst our employees;
- Instil and reinforce our strong company culture;
- Fulfil compliance requirements of customers, authorities and stakeholders of ISS as part of our Value Proposition.

The e-learning course covers Personal Conduct, Anti-Corruption & Bribery, Competition Law, ISS Global People Standards, Corporate Responsibility and Speak Up Policy. The course ends with a final quiz that course participants need to pass with 80% correct answers in order to obtain a certificate.

The e-learning module will be rolled out in a phased approach in 2017 to relevant employees.

RAÚL PINTO CHAPARRO
ISS Chile



Overview of 2016 business integrity framework and activities

SUBJECT AREA	POLICIES AND TOOLS	IMPLEMENTATION	ACTIVITIES 2016
Behaviour by anyone working for, supplying or representing ISS	Code of Conduct established in 2003 and revised in 2013. Areas covered: Personal Conduct of Employees; Anti-Corruption and Bribery; Compliance with Competition Laws; Business Partner Relations; Work place Standards; Corporate Responsibility	Code of Conduct is referenced in all documentation of contractual relationships: suppliers, customers and employees	Developed e-learning training module that will be rolled out in 2017
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 2016, 430 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 the training programme: <ul style="list-style-type: none"> ISS Advantage (leadership). Training repeated every three years 	2016 was a year where we repeated training in anti-corruption according to our three-year cycle. Therefore, a total of 1,149 people completed training in anti-corruption in 2016 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	Whistle blower system established in 2013. 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 was re-launched in 2016 as the 'Speak Up' system and is open to all our stakeholders and available on our corporate website	We received 107 reports through the 'Speak Up' system in 2016. The vast majority were matters that did not meet the eligibility criteria (serious and sensitive concern) to be processed under the Whistle blower policy. The Business Integrity Committee investigated 12 matters in 2016

INDEPENDENT AUDITOR'S ASSURANCE REPORT

To Management and broader stakeholders of ISS A/S

We have reviewed the 2016 Corporate Responsibility Report ('the report'), which covers ISS's global activities from 1 January to 31 December 2016, to provide limited assurance that:

- all "People" data, "Planet" data, and "Income tax paid by employees" on page 12 and 13 in the report, have been stated in accordance with the reporting criteria;
- the report has been prepared in accordance with the requirements of sections 99a and 99b of the Danish Financial Statements Act (FSA) and the requirements of UN Global Compact Policy on Communicating Progress principles;
- the report has been prepared in accordance with the reporting criteria defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 4 (GRI G4: In Accordance – Core level).

We express a conclusion providing limited assurance.

Management's 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 in the report are free from material misstatement.

Deloitte Statsautoriseret Revisions-partnerselskab 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.

We performed our on-site review at the ISS A/S Head Office in Denmark in December 2016 and in February 2017. 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.

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 requirements of sections 99a and 99b of the Danish Financial Statements Act (FSA) and the requirements of UN Global Compact Policy on Communicating Progress;
- 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 not to believe that:

- all “People” data, “Planet” data, and “Income tax paid by employees” on page 12 and 13 in the report, have been stated in accordance with the reporting criteria;
- the report has been prepared in accordance with the requirements of sections 99a and 99b of the Danish Financial Statements Act (FSA) and the requirements of UN Global Compact Policy on Communicating Progress;
- the report has been prepared in accordance with the principles and reporting criteria defined in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 4 (GRI G4: In Accordance – Core level).

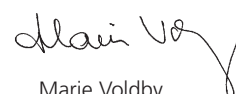
Copenhagen, 21 February 2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No. 33 96 35 56



Kirsten Aaskov Mikkelsen
State-Authorised Public Accountant



Marie Voldby
Lead Reviewer

Auditor's Observations regarding the GRI Reporting Principles

Materiality and sustainability context

This report reflects ISS's ongoing commitment to ensuring responsible business practices and to the steady expansion of corporate initiatives to uphold its governance and risk management approach. The topics presented align with Management's understanding of ISS's material Corporate Responsibility risks and the global sustainability context in which ISS operates. ISS continues to look to international standards such as ISO 26000 and SA8000 for benchmarking its performance.

examples of how ISS has responded to their concerns. The company's 2016 Global People Standards, leadership programmes, and re-launch of its whistle-blower system exemplify the commitment to ensuring globally consistent standards and mechanisms for engagement.

Accuracy and reliability

ISS continues to strengthen its internal data collection and control procedures, e.g. through increased frequency of reporting environmental and safety data, which is resulting in improved data quality. We continue to find Management to be highly committed to ongoing improvement of data accuracy and reliability.

Comparability, completeness and timeliness

Quantitative information is presented such that stakeholders may analyse changes in performance over time against targets, and reporting principles drawn from the Group Health Safety and Environment and Corporate Responsibility Data Reporting Manual are clearly explained. The boundary and publication date of the report is the same as the annual report, providing timely disclosure to all stakeholders on ISS's Corporate Responsibility performance. Within the reporting boundary and scope defined by the report, we have not found any significant omissions of important information.

Recommendations to Management

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

- When transitioning to the new GRI Standards in 2017, consider validating an updated materiality assessment with external stakeholders.
- In next year's report, consider showing more directly how ISS's operations contribute towards realising the UN Sustainable Development Goals, and how the company's business objectives tie into selected global goals.
- Consider making a number of governance documents available on the global company website to address the increased public interest from e.g. investors, analysts and observers in ISS's Corporate Responsibility performance.

Clarity and balance

The report provides a transparent and balanced presentation of the company's 2016 Corporate Responsibility performance, highlighting challenges and dilemmas faced within its own operations and the broader facility services industry.

Stakeholder inclusiveness

The report presents a concise overview of stakeholder engagement activities undertaken globally and locally in 2016, especially with employees and customers, and provides relevant

REPORTING PRINCIPLES AND COMPLIANCE

This report, the sixth comprehensive Corporate Responsibility report prepared by ISS, covers activities under our operational control in the calendar year 2016. The scope is all countries and assets that are under ISS operational control and include all employees (ISS employees, temporary workers and contract personnel). Our employee engagement survey was offered to employees that have worked for at least three months and work at least 10 hours a week and were not on leave of absence. In 2016, 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. We have implemented a mandatory HSE@ISS-IT system for countries to report and investigate incidents in a systematic approach. 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 tables 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.

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. In addition, it fulfils the requirements of the UK Modern Slavery Act.

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

Number of employees are the total number of headcount full-time and part-time averaged over the 12 month reporting period. Full-time employees are defined as employees who work a minimum of 30 hours a week for ISS. Number of employees are specified into front-line and white collar employees.

Hours of training are hours spent by internal and external trainers and hours spent by participants while preparing and participating. This includes any training participation, paid or unpaid, as a result of employment within ISS.

Incidents of discriminations are the number of incidents of discrimination on grounds of race, colour, sex, religion, political opinion, national extraction, or social origin as defined by ILO.

Number of vehicles are all company vehicles: a vehicle that is owned or leased by the company and provided to an employee in order to carry out the

requirements of their work i.e. to meet a particular business need, including pool vehicles. Personal company cars are excluded.

Number of vehicle accidents are any "contact" made between a vehicle and another vehicle, person or other object, regardless of whether there is property damage or personal injury, but **excluding**:

- damage to vehicle while it is parked in a legitimate parking area;
- environmental damage (e.g. hail storms, damage from wind, etc.);
- vandalism, break-ins; or
- stone chips.

Electricity consumption was calculated from utility invoices or meters. Fuel consumption was calculated using fuel purchases e.g. invoices from the supplier. Business travel emissions were calculated from data received from travel agencies and where this was not possible, emissions were calculated on flight type (short haul, medium haul, long haul), passenger kilometres travelled and emission factors from recognised bodies.

The source for emission factors for electricity and fuel was the International Energy Agency's CO₂ emissions from fuel combustion (2016 edition).

Changes and future outlook

As we have done in 2016, we will continue on improving the quality of our data in 2017. In 2016, we started calculating environmental data four times a year, an increase from two times a year. In 2017, we will increase the reporting of safety data from quarterly to monthly.

HATICE CIFTCI
ISS Belgium



GRI AND UNGC COMPLIANCE TABLES

GRI Disclosures

The following tables provides an overview of the GRI standard disclosures included in the report. The tables shows the indicator, the topic and the page (s) the topic is covered in the report.

GENERAL STANDARD DISCLOSURES

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

ORGANISATIONAL PROFILE

G4-3	Organisation's name	Inside cover
G4-4	Primary products and services	Inside cover
G4-5	Headquarter location	Inside cover
G4-6	Number of countries where ISS operates and countries with significant operations	Inside cover
G4-7	Ownership nature and legal form	Annual Report
G4-8	Markets served (geographic breakdown, sectors, types of customers and beneficiaries)	Inside cover
G4-9	Scale of organisation	Inside cover
G4-10	Employee numbers	Inside cover
G4-11	Percentage of employees covered by collective bargaining agreements	27
G4-12	Supply chain description	11
G4-13	Significant changes in operations, capital structure or suppliers during the reporting period	Annual Report
G4-14	Precautionary approach or principle	30
G4-15	External commitments	Annual Report
G4-16	Memberships of associations	Annual Report

GENERAL STANDARD DISCLOSURES

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		PAGE
G4-17	List of company entities and exclusions	Annual Report
G4-18	Process for defining the report content and implementation	6
G4-19	List of material aspects	6
G4-20	Report aspect boundary internally	6
G4-21	Report aspect boundary externally	6
G4-22	Effect of and reason for restatements	13
G4-23	Significant changes from previous reporting in terms of scope and aspect boundaries	40

STAKEHOLDER ENGAGEMENT

G4-24	List of stakeholder groups engaged by the organisation	8
G4-25	Basis for identification and selection of stakeholders engaged	6
G4-26	Approach to stakeholder engagement	8
G4-27	Key topics raised through stakeholder engagement and company response	6, 8

REPORT PROFILE

G4-28	Reporting period	40
G4-29	Date of most recent previous report	2015
G4-30	Reporting cycle	40
G4-31	Contact point	Back cover
G4-32	GRI reporting option, content index and external assurance reporting	40
G4-33	Assurance	38, 39

GOVERNANCE

		PAGE
G4-34	Governance structure and responsibilities	8

ETHICS AND INTEGRITY

G4-56	Values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	9
G4-58	Reporting mechanisms	8, 9

JONATHAN HAMILTON
ISS United Kingdom



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, 31
	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, 30, 31, 32
	Mitigation of environmental impacts	G4-EN27	32
Compliance	Significant fines and sanctions	G4-EN29	30
Supplier Environmental Assessment	New suppliers screened	G4-EN32	11
	Negative impacts identified	G4-EN33	11
Labour/Management Relations	Notice periods for operational changes	G4-LA4	28
Occupational Health and Safety	Work-related injuries, fatalities, etc.	G4-LA6	12, 15, 19
	Risk of occupational diseases	G4-LA7	21
	Health & Safety in formal union agreements	G4-LA8	26, 28
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
Diversity	Diversity of employees and governance bodies	G4-LA12	27
Supplier Assessment for Labour Practices	New suppliers screened	G4-LA14	9, 11
	Negative impacts identified	G4-LA15	9, 11
Non-discrimination	Incidents and corrective actions	G4-HR3	27
Freedom of Association & Collective Bargaining	Violations of rights	G4-HR4	24, 26, pages 37-39 of the Group Annual Report 2016
Child Labour	Risk and measures taken	G4-HR5	9, 11
Forced Labour	Risk and measures taken	G4-HR6	9, 11
Assessment	Operations assessed for human rights	G4-HR9	21, 22, 29
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	34, pages 37-39 of the Group Annual Report 2016
	Communication and training	G4-SO4	34, 35, 37
	Incidents and actions taken	G4-SO5	34, 35
Product Responsibility	Customer satisfaction	G4-PR5	8

United Nations Global Compact (UNGC)

The following table provide an overview of the UNGC principles and the page (s) the principle is covered in the report.

UNITED NATIONS GLOBAL COMPACT (UNGC)		
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.	8, 21
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;	26
Principle 4	The elimination of all forms of forced and compulsory labour;	9, 11, 29
Principle 5	The effective abolition of child labour; and	9, 11, 29
Principle 6	The elimination of discrimination in respect of employment and occupation.	27
ENVIRONMENT		READ MORE ON PAGE
Principle 7	Businesses should support a precautionary approach to environmental challenges;	30
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	30
Principle 9	Encourage the development and diffusion of environmentally-friendly technologies.	31
ANTI-CORRUPTION		READ MORE ON PAGE
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	34, 35

SOLEHUN HERMANTO
ISS Indonesia





IFRAH MUHAMED
ISS Denmark

Share your opinion

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

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