

CORPORATE RESPONSIBILITY REPORT

> **20 17**





Facility Management, ISS Sweden

## OUR BUSINESS MODEL

CUSTOMERS WANT

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 providing services through our own engaged and capable employees **(self-performance)**. 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.

TRANSPARENCY IN BOTH COST AND DELIVERY

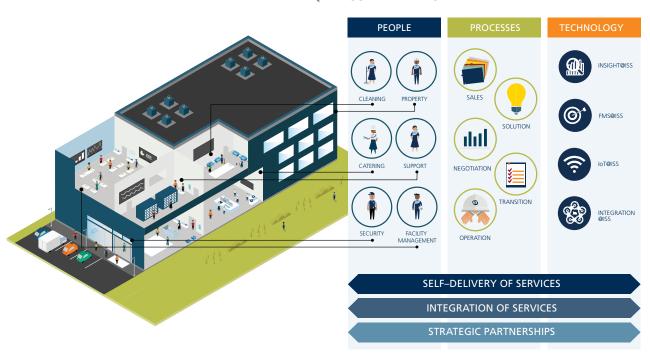
**COMPLIANCE** WITH THEIR REGULATORY

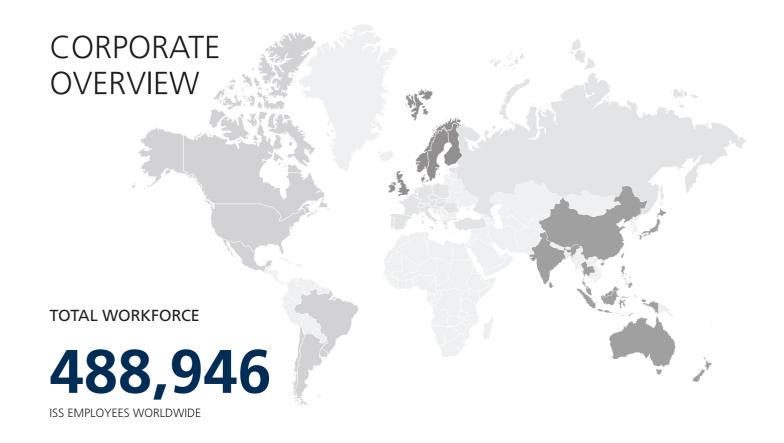
**CONSISTENCY** ACROSS SITES AND SERVICES

**EFFICIENCY** ALONGSIDE SUSTAINABILITY AND INNOVATION

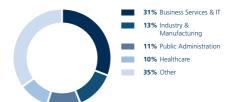
**END-USER SATISFACTION** DRIVEN BY GREAT EXPERIENCES

#### **ISS DELIVERS VIA**









#### KEY ACCOUNT SHARE



#### **IFS SHARE**



## REGIONAL PERFORMANCE

## Continental Europe



#### Revenue by country (DKK million)

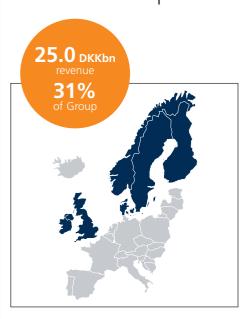
Switzerland	5,282	Austria	1,882
France	4,742	Netherlands	1,757
Spain & Portugal	4,655	SE Europe Cluster 1) 3)	1,293
Germany	2,931	Italy	479
Belgium & Luxembourg	2,726	Russia & Baltics 2) 3)	339
Turkey <sup>3)</sup>	2,700	Poland	255
Israel 3)	1.903		

154,222 Employees

32% of Group employees

3% Organic growth

## Northern Europe



#### Revenue by country (DKK million)

UK & Ireland	11,235	Finland 3	3,121
Norway	3,947	Iceland (diversted in 2017)	96
Denmark	3,423	Greenland (diversted in 2016	5) 0
Sweden	3 227		

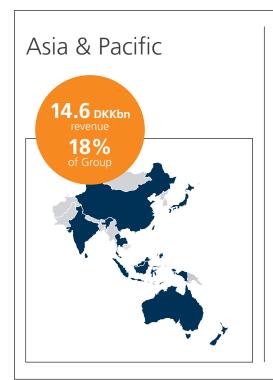
**73,920** Employees

15% of Group employees

3% Organic growth

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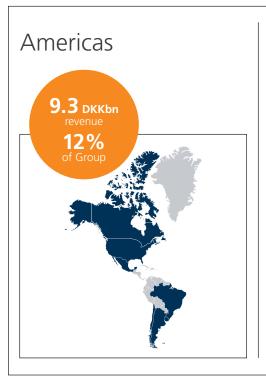


#### Revenue by country (DKK million)

Australia & New Zeland	3,670	Taiwan 3)	387
Hong Kong <sup>3)</sup>	2,353	Philippines 3)	342
Singapore 3)	2,056	Malaysia 3)	116
Indonesia 3)	1,830	Japan 3)	100
India 3)	1,468	Brunei 3)	36
Thailand 3)	1,407	Other countries – Asia 3)	13
China 3)	818		

206,646 Employees **42%** of Group employees

2% Organic growth



#### Revenue by country (DKK million)

USA & Canada	6,551	Other countries	
Chile <sup>3)</sup>	1,210	– Latin America 3)	68
Mexico 3)	751	Argentina 4)	0
Brazil 3)	733	Uruguay 4)	0

**53,921** Employees

11% of Group employees 6% Organic growth

- 1) South Eastern (SE) Europe Cluster includes the Czech Republic, Greece, Hungary, Romania, Slovakia and Slovenia.
- <sup>2)</sup> Includes Estonia and Russia.
- <sup>3)</sup> Emerging markets.
- <sup>4)</sup> Discontinued operations.

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## OUR STAKEHOLDERS

As our 2017 performance demonstrates, we remain a resilient and growing business focused on serving our customers, extracting value from our strategy, and investing in the long term.

2017 was a challenging year with headwind from currency conversion, short-term challenges in North America and Sweden, and continuous efforts to adapt our business to market conditions through strategic M&A, trimming the contracts portfolio and restructuring country organisations as part of the GREAT process. However, our underlying business performance was encouraging. We delivered a solid organic growth of 2.4%, stable operating margin of 5.7%, high cash conversion of 104%, and strong free cash flow of DKK 2.7bn. While net profit (adjusted) ended lower for the year, this was mainly driven by one-off non-cash items and discontinued operations. Our underlying earnings power remains strong and as such we propose an ordinary dividend of DKK 7.70 per share.

As in 2017, we continue to implement our growth strategy with large key accounts in 2018. The phasing in and phasing out of significant contracts may introduce some volatility in organic growth and operating margin during this transitional year, but long-term trends are positive. We remain confident in the ISS Way strategy – as evidenced by recent contract wins such as Deutsche Telekom and LEGO Group and the five-year extension to our partnership with Barclays.

#### Our focus on customers

At ISS, we support our customers' purpose by delivering great service moments. Our strategy is to provide bespoke solutions that make facilities run smoothly, whether they belong to key account or specialised services customers. For those in need of a single point of contact, we offer Integrated Facility Services (IFS), which eliminate the need for customers to manage a whole host of subcontractors. Another key strength is our ability to use global scale to ensure operational consistency across facilities, offer more cost-effective solutions, and introduce innovative concepts and tools that will add even more value to our customers.

Customer satisfaction serves as a key indicator of this strategy's success, and we regularly measure their engagement and loyalty. In 2017, our customer Net Promoter Score increased again (to 44 from 43 in 2016), making it the sixth consecutive year of improvement. We have also been recognised publicly for our focus on serving customers well: for the fifth year in a row, ISS achieved the highest possible rating on the International Association of Outsourcing Professionals (IAOP) Global Outsourcing Top 100 list – the industry's highest accolade.

We have signed several new key account customer agreements this year, including the largest in ISS history: an IFS contract with Deutsche Telekom from 2019 to 2029, covering approximately 9,000 sites across Germany, more than 6,000 employees and about 4% of Group revenue. In addition, we have extended our partnerships with Hewlett Packard Enterprise until 2021 (excluding the business that was spun-off through DXC Technology and HP Inc.) and Barclays until 2022. We also significantly expanded our contract with the Danish Defence, which represents the largest outsourced public facility services contract in Denmark. Finally, we kicked off operations with biotech company Shire in June 2017, a global agreement covering 23 countries. These all exemplify the long-term relationships we aim to cultivate with customers.

We focus on markets with significant future demand for facility services, especially those of importance to our existing key account customers. This has resulted in the divestments of businesses of less strategic importance, including ISS Greece and ISS Iceland. North America remains strategically important, and in April 2017 we completed the acquisition of Guckenheimer, a leading US catering company with an annual revenue of about DKK 2,300 million and 3,200 employees. We also acquired the Danish-based strategic workplace management consulting firm SIGNAL, which strengthens our ability to support our key account customers' efforts to use the workplace as a strategic tool to improve their business performance.

#### Investing in our people

At ISS, we recognise that our 488,946 people around the world are key to our success. Empowered employees make a difference – through the Power of the Human Touch – by providing outstanding service experiences that drive customer satisfaction. With that in mind, we have continued to invest in further engaging and empowering our people, for example, through our global training and career development programmes.

Our Global Management Trainee Programme now covers 26 countries, including in the Asia & Pacific region; another 435 key account managers completed our international Key Account Manager Certification, joining the 1,000 alumni in the programme so far; and we continued to roll out our Service with a Human Touch programme, training more than 70,000 service professionals across more than 700 key accounts.

To measure our employee satisfaction, we survey our people on their engagement and loyalty. In 2017, our employee Net Promoter Score increased to 62 from 59 in 2016 – the fifth consecutive year in which it has improved. The results provide us with insights into how we can continually improve ISS as a responsible and desirable employer. We are proud to see our efforts recognised in places like Austria, Germany and Switzerland, where ISS won best employer awards, as well as the UK, where the Facility Management Brand Survey voted ISS Top Service Provider as well as the FM company most people would like to work for.

#### Responsible employer and partner

We take great pride in being a socially responsible company – for our people, our customers, and the communities in which we operate. That is why we are proud that ISS has again been recognised as a sustainability leader within our sector by achieving a Bronze ranking in the 2017 Dow Jones Sustainability Index (DJSI). The ranking places us in the top 10% of the 44 global companies in the commercial services and supplies sector that are assessed under the DJSI framework.

A safe working environment is a key part of our value proposition to our people and our customers, and central to our corporate responsibility strategy. We regretfully had six fatalities in 2017. Despite these tragedies, our safety performance measured by Lost Time Injury Frequency has improved by over 70% since 2010, and we continue to invest in measures that strengthen our culture of workplace safety and safeguard all our people.

#### Looking ahead to 2018

We enter 2018 with a solid customer portfolio, a strong pipeline and firm confidence in our strategy. While current macroeconomic conditions are generally supportive, we are also prepared for challenges in certain key markets. At the beginning of the year, we simplified our management structure: several operating units were consolidated into larger functions to better reflect our clear focus on customers. In the months ahead, we will follow through on this strategic direction and continue to extract the benefits of volume, concepts and talent for our customers, empowering our people to keep doing what they do best – delivering exceptional service with a human touch. Thank you to all our 488,946 colleagues for the great work they do every day to take us towards becoming the world's greatest service organisation.

#### Our commitments

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 three 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.

In 2017, we revised our Corporate Responsibility Policy to show our commitment to the UN Guiding Principles for Business and Human Rights and, in terms of climate change, our commitment to reducing greenhouse gas emissions related to our operations.

#### New reporting guidelines

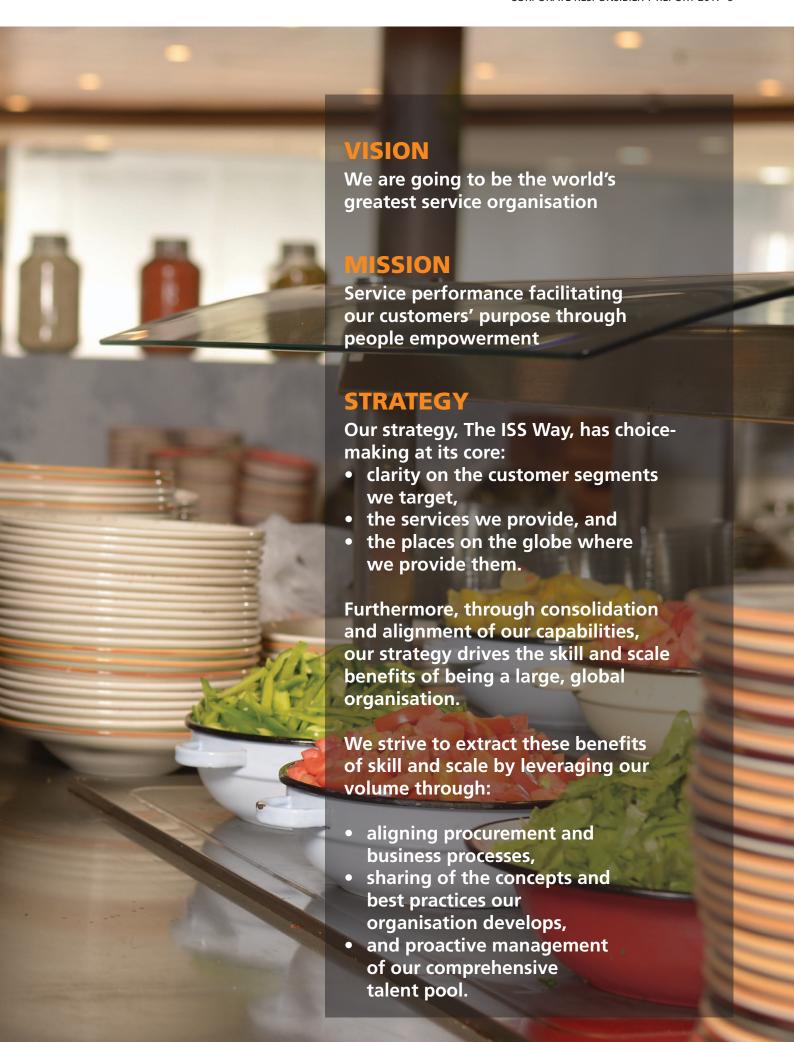
This report reflects the new requirements of the Danish Financial Statements Act concerning Corporate Responsibility reporting. In ISS, we welcome the increased focus on transparency and the principle of 'knowing and showing' the full scope of our non-financial responsibilities.

"A safe working environment is a key part of our value proposition to our people and our customers, and central to our corporate responsibility strategy"

Jeff Gravenhorst, Group Chief Executive Officer Lord Allen of Kensington CBE, Chairman









## **OUR APPROACH**

Being a responsible corporate citizen is our commitment to society, to our employees and our customers. We believe that responding to our main sustainability challenges is the way to create long-term value for our business, thus also for the global community.

Our contribution to sustainable development focuses on three main areas which are reflected in the structure of the report:

- People: Safe working conditions and human rights;
- Planet: Reducing our impact on environment and climate;
- Profit: Compliance with sound business standards.

This year's report contains several new elements to further explain our understanding of the engagement we have with, and the impact we have on our stakeholders and on society in general.

When the 17 UN Sustainable Development Goals (SDGs) were launched in 2015, they expressed the need for a more resilient and just international community. In ISS, we strongly support this transformation. Due to our global business scope, we feel compelled to contribute to solving some of the main sustainability challenges in the world today. On this page and the next page we explain how we address the seven SDGs relevant to our business. Sustainability principles are the foundation of future growth. In ISS, we aim to lead by example in our industry.

We operate in unstable regions with, in some cases, limited legislation and this provides challenges to our ISS global standards and our aim to positively influence the markets where we are present. Our approach to corporate responsibility has two elements. We believe we have to take good care of our employees and the environment. In addition, our value proposition obliges us to ensure that we deliver great service to our customers and that we protect their brand and reputation while working on their sites.

Our materiality assessment is key to the management of our responsibility across the entire value chain. The world is changing constantly and as a global business we need to stay alert to changes at many levels – from mega-trends to local culture. We interviewed key internal stakeholders as part of this process. The findings were validated and confirmed through internal and external presentation. Our materiality assessment was updated in 2017 and will be reviewed again next year. Please see the materiality graphic on page 8.

Our way of building a resilient business is based on our business fundamentals – vision, mission, values and strategy. This is complemented by a guidance framework of policies, rules and manuals with the signatory to the United Nations Global Compact as a pivotal point. How we embed this mindset in the business is described on page 7.

#### **SUSTAINABLE DEVELOPMENT GOALS**



#### SUSTAINABLE DEVELOPMENT GOAL 5 Achieve gender equality and empower all women and girls

As a multicultural company, ISS embraces and encourages diversity. Women count for nearly half of our workforce. Female representation in management, leadership development and graduate programmes have high priority and are progressing. The leverage of our Diversity Policy continues as we see more initiatives to identify female candidates and promote women. Our training programmes enforce and embed policies against harassment and discrimination.



#### SUSTAINABLE DEVELOPMENT GOAL 6 Ensure availability and sustainable management of water and sanitation for all

A main impact on the environment from our own activities is the consumption of water. We apply a documented process and management approach called Cleaning Excellence to reduce environmental impacts. Cleaning Excellence contracts can reduce the use of detergents by 75%, and water con-

sumption and disposal by up to 70%. Through our ISS Green Offices Programme, we change our behaviour to reduce our environmental footprint by using resources efficiently.



## SUSTAINABLE DEVELOPMENT GOAL 8 Promote sustained, inclusive and sustain-

Promote sustained, inclusive and sustainable economic growth, full and productive

#### employment and decent work for all

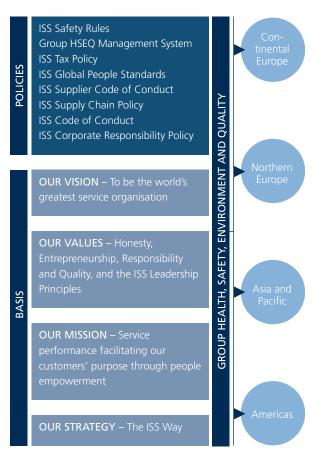
Minimum wages, the right to organise and a safe working environment are basic standards at ISS. As a dedicated people company, we invest significantly in developing employees at all levels of our organisation. Actions at many levels are continuously taken to eradicate injuries and fatalities. A zero tolerance of forced labour, child labour, modern slavery and human trafficking is strongly enforced in our operations through our governance controls including audits.



## SUSTAINABLE DEVELOPMENT GOAL 10 Reduce inequality within and among countries Being one of the largest private employers globally

with nearly 500,000 employees, ISS lays economic grounds for the life of many families and individuals around the world. We

#### **OUR FRAMEWORK FOR CORPORATE RESPONSIBILITY**



#### How we are building a resilient business

Our framework for corporate responsibility shows the origin of our mindset and how we embed our Group strategy locally. It is based on our business fundamentals – the vision and mission, our values and our business strategy: The ISS Way.

As a global business, a major task is to integrate the Group Strategy for Health, Safety, Environment and Quality (HSEQ) and Corporate Responsibility (CR) and related policies into our local operations. This effort is essential to reaching our business goals.

In each country, a designated HSEQ manager is responsible for implementing the Group strategy into the country business strategy. Countries report their performance to Group HSEQ and CR. Group HSEQ and CR is responsible for driving the strategy, monitoring and reporting on HSEQ and CR and works in close alignment with the Executive Group Management. By reviewing performance and actions, Group HSEQ and CR helps the countries achieve the common Group goals.

#### Key activities are:

- Ensuring a healthy and safe work environment;
- Driving a responsible supply chain;
- Reducing our environmental footprint;
- · Mitigating risks through internal education;
- Building strong leadership capabilities.

Policies are available at http://inv.issworld.com/policies.cfm

include a rising number of refugees in our workforce as well as people with mental and physical disabilities, social challenges or little academic schooling. Employees are offered the opportunity to advance their skills through education programmes leading to increased job opportunities.



#### SUSTAINABLE DEVELOPMENT GOAL 12 Ensure sustainable consumption and production patterns

Through our Cleaning Excellence programme, we aim to reduce the consumption of chemicals. We work with strategic suppliers to develop and test new tools and processes that will reduce the environmental impacts from cleaning. We focus on green innovation projects such as the Diversey SURE comprehensive range of cleaning products. They are plant based and 100% biodegradable designed to deliver superior results while being safe for people and kind to the environment.



## SUSTAINABLE DEVELOPMENT GOAL 13 Take urgent action to combat climate change and its impacts

ISS is committed to continuously reducing any negative impact

on the environment due to our operations, and at the same time work with customers to help them reduce their environmental footprint. We develop new innovative ways of reaching their targets. As we work at our customers' premises, we attain insight into their performance and use this knowledge to help our customers manage and reduce their impact.



#### SUSTAINABLE DEVELOPMENT GOAL 16 Promote peaceful and inclusive societies for sustainable development, provide access to

justice for all and build effective, accountable and inclusive institutions at all levels

Through our ISS Code of Conduct and the Global People Standards, we aim to eradicate all forms of discrimination and unethical behaviour. These policies form the basis of our learning tools and programmes, including an extensive onboarding course where all employees are trained in our way of working and our values. Corruption and bribery is illegal and against our values. Our 'Speak Up' system is promoted to allow employees to raise concerns on these matters.



## MITIGATING RISKS AND CHALLENGES

Mitigating risks is an embedded part of our corporate responsibility efforts. Risks can expose our business, harm people and damage the environment and climate. But managing risks can also create opportunities, not only for ISS, but also for people and the global society as such.

We see an increasing demand from our customers to help them improve their work environment and their impact on the climate. At the same time, we are strengthening our compliance requirements in our supply chain. Thus, combined with our own performance, we support the creation of a global level playing field in all relevant aspects of sustainability. We aim to achieve this by an ambitious and systematic approach; yet the challenges remain so our efforts must be seen as part of a continuous and proactive development.

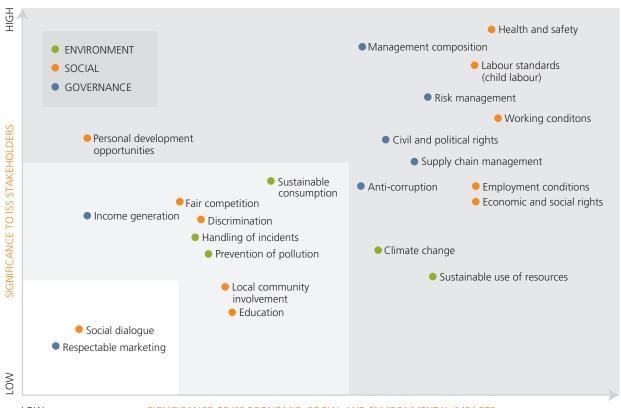
Our employees help us eliminate non-compliance when they report incidents through our 'Speak Up' system. The system is a reporting channel for raising serious and sensitive concerns, guaranteeing protection from reprisals or retaliation for all

persons who make complaints in good faith. You can read more about Speak Up on page 30.

We recognise our responsibility for mitigating risks in our role as employer, business partner and corporate citizen. We act on our knowledge and seek to do this in a constructive and transparent manner. In this overview, we present risks, impacts and actions related to the UN Global Compact principles on responsible business.

#### **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, zero tolerance for forced and compulsory labour, right to privacy, and child labour. We conduct internal audits to verify we manage these risks in our operations. We recognise that certain categories of our supply chain carry a higher risk of child or slave labour and we therefore in 2017 implemented the new Supply Chain Policy and ISS ProcurePASS.



#### ISKS IMPACT ACTION



Given the large and increasing number of employees around the world, complying with anti-corruption rules may pose a risk. Although bribery and corruption are illegal and against ISS policies, we acknowledge that we cannot always prevent breaches of rules or legislation.

Foul play by just one of our 500,000 employees somewhere in the organisation can seriously harm our company at a corporate level. Adverse effects could include financial costs, corporate liability, and reputational damages with the potential to destroy business opportunities. Corruption affects society by e.g. endangering the rule of law and destabilising economic growth.

Our global standards are part of the training for all ISS employees. Enforcing the anti-corruption and bribery rules requires constant focus and the commitment from our top management is unambiguous. Local management must work actively to implement the standards. We monitor and ensure that each case of non-compliance gets escalated and treated seriously.



Reducing our environmental footprint is a clear ambition in ISS. We manage two different risk categories: our own operations and our customers. As for our own operations, consistent reporting and coordinated initiatives remain a challenge. In relation to our customers, it is a challenge to pursue the highest standards on their behalf. With our global reach, improving resource productivity will have a significant impact on the environment by decreasing the use of water, energy and materials. When we transport our standards to customers' businesses, the impact will grow accordingly.

Based on a systematic approach we aim to achieve continuous improvement in quality and performance. We set standards and targets for improvements, and measure and report on our performance. Credible and effective management of environmental and climate-related risks are part of our value proposition to our customers.



As a global organisation our people have numerous interactions every day. This tests our ability to respect human rights, particularly in regions affected by instability and weak law enforcement. We have identified three main areas posing a risk: child labour, forced labour and right to privacy. They reflect the vulnerability of the people we interact with.

Breaching the rights of vulnerable people is double trouble: their exposed situation is worse, and feeling defenseless they may not claim their rights. Influenced by local sub-cultures, this could also impact people in general.

We recognise that certain individuals and groups require increased awareness and attention to protect against potential abuse. Our policy on safeguarding children and vulnerable people is being implemented via a thorough programme. It is part of our onboarding programme, training of top management and leaders and also included in our Global People Standard. Our work on privacy is detailed on page 29.



Our policy is to ensure that slavery and human trafficking are not taking place in any part of our business and our supply chain. We recognise that certain categories of our supply chain carry higher risk of child and slave labour. Here, we specifically seek to secure adequate risk controls.

People who become part of slavery or human trafficking usually do not know their rights. They are victims of a cruel business exploiting vulnerable humans. Apart from the human costs, the negative societal and economic consequences are significant.

ISS is committed to help eradicate slavery and human trafficking; hence we have a systematic and proactive approach to ensure this. We conduct internal audits to verify our standards to manage these risks. In relation to our supply chain, we require self-assessments and carry out audits to verify our suppliers' labour standards and performance.



The management of working conditions and supply chain risks are becoming more important as compliance with international standards grows. Operating in unstable regions with scarce legislation can be challenging to enforce ISS global standards which impose decent working conditions.

As we operate a global company with about 500,000 employees and managing a vast number of sub-contractors and suppliers every year, we directly or indirectly impact labour rights for a significant number of people.

Working with private sector partners as well as civil society and labour organisations, we seek to promote labour rights both globally and locally. We support the UNI Global Union's 12 fundamental principles and we manage labour rights on the foundation of these shared goals.



### **KEY SUSTAINABILITY EVENTS IN 2017**

## GOLD-WIN AS HUMAN CAPITAL LEADER

ISS France wins double gold at Human Capital Leaders' awards. For the first time in its history, ISS France obtained gold medals in two categories at Victoires des Leaders du Capital Humain's annual award ceremony. Human Capital Leaders honour the best human resource practices from French listed companies and subsidiaries of international companies.

## A SMART WORKPLACE FOR THE FUTURE

ISS Germany opens a new HQ dedicated to developing the workplace of the future. The new activity-based workspace is energy efficient and environmentally friendly and serves as a lab, where ISS will test new ways of working before passing on innovations to customers, experimenting with features such as face recognition and artificial intelligence.

## FUNDS FOR FAMILIES WITH SICK CHILDREN

At the Ronald McDonald HomeRide/ HomeRun charity event, ISS Netherlands raises EUR 28,000 by biking and running 700 km in 24 hours. ISS also served food and drinks for the 1200 participants along the route. The event focused on supporting children and families during difficult times and raised a total of about EUR 1 million for the Ronald McDonald House Charities.



March 2017 April 2017 May 2017

June 2017 July 2017

## SUPPORT TO INDIGENOUS START-UP

ISS Australia supports indigenous cleaning business start-up, Lockhart Asset Services, by sharing its facility services expertise. Through its Reconciliation Action Plan, ISS Australia has made formalised commitments to Aboriginal and Torres Strait Islander Peoples to provide employment opportunities and build stronger relationships with these communities.

## TOP RATING ON BEST OUTSOURCERS LIST

For the fifth year in a row, ISS achieves the highest rating on the IAOP Global Outsourcing top 100 list. This year, IAOP added super star recognitions for companies attaining the "all star" list for receiving a star in all five judging categories, and "sustained excellence" list for companies achieving the top 100 or top 20 lists for five years or more, both of which ISS lives up to.

## HELPING REFUGEES INTEGRATE INTO SOCIETY

The Danish community award 'Fællesskabsprisen' recognises an ISS project and an ISS employee for helping refugees get a job. The prize celebrates people and projects that strengthen the Danish community. The integration project 'Headstart' by ISS Denmark, Danish Red Cross and Danish union 3F, and an ISS employee Tina Skovmand Jensen win two of the awards.

ISS Switzerland wins the '2017 Best Employer Award', based on the largest annual employee survey in Switzerland. For the second year in a row, ISS participated in the benchmarking survey to assess the satisfaction and commitment of its own employees, and once again ISS was able to secure first place.

## BRONZE IN SUSTAINABILITY INDEX

ISS achieves a bronze ranking in the 2017 Dow Jones Sustainability Index. The ranking places ISS in the top 10% of the 44 global companies in the commercial services and supplies sector that are assessed under the DJSI framework. ISS was assessed across three dimensions: Economic, Environmental and Social.

## BEST PRACTICES AWARD IN FM

ISS Asia Pacific Pte Ltd is recognised with the 2017 Frost & Sullivan Best Practices Award for its achievements in Facilities Management Competitive Strategy Innovation and Leadership. Early in October, Frost & Sullivan, rewarded ISS for its focus on technological innovation and strategy in delivering optimal customer value.

August 2017 September 2017

October 2017 December 2017

## NEW APP TO EMPOWER PEOPLE

People-empowering ISS app wins Australian HR technology award. MyISS app provides employees with technology to make their working lives easier, providing access to pay information, rosters, company news, and much more. The award recognises ISS' leadership in the design and delivery of effective HR technology and practices.

## ADVANCING NORDIC SWAN ECOLABEL

ISS Sweden is certified with the Nordic Swan Ecolabel since 2014, and has now, as one of the first companies in Sweden, renewed the certificate in accordance with new, tougher requirements for eco-labeled cleaning service. The label involves e.g. using eco-labeled chemicals and dosing cleaning products properly.

## ISS INTRODUCES NEW SUPPLY CHAIN POLICY

ISS adopts a new Supply Chain Policy that applies to purchases of all goods and services throughout the ISS Group. This policy covers ISS' approach and commitment, compliance to local laws and regulations, sourcing of ethical and sustainable goods and equal rights and supplier diversity.



## **INCREASED TRANSPARENCY**

### TO MITIGATE SUPPLIER RISKS

Brand protection and risk control are two of ISS' key value propositions. While we at any given time account for the compliance of our own business, the supply chain poses a risk as we interact with approximately 75,000 regular products and services suppliers around the world.

We handle these risks by close relationships and an increased demand for transparency and compliance by suppliers. Thus we work systematically with risk assessment and supplier management.

We are ambitious and competitive but we compete on fair terms and on the merits of our services. Our business integrity is non-negotiable and one of our core values.

To support this commitment and to create social and environmental improvements for all our stakeholders, we have adopted the ISS Supply Chain Policy that applies to all purchases of goods and services throughout the ISS Group. We also seek to ensure alignment with the ISS Supplier Code of Conduct which defines our environmental and social requirements. Although ISS' strategy is self-delivery, our many suppliers across all countries and various categories reflect the client needs. This includes broad categories such as Cleaning, Food & Beverage, Technical Maintenance, Security, Support Services, Fleet and IT

and the supplier base spans from small local suppliers to large global companies.

The main CR risks associated with our supply chain are related to:

- Human rights;
- · Labour practices;
- · Work time/overtime;
- · Environment;
- · Information security.

To mitigate these risks, ISS has over the last three years significantly strengthened the global supply chain management approach:

- SUPPLY CHAIN POLICY A new ISS Supply Chain Policy is being implemented. It builds on and supports ISS' strong commitment to complying with the United Nations Guiding Principles on Business and Human Rights. Also, the revised ISS Supplier Code of Conduct (original from 2013) now emphasises our commitment to reducing our impact on Climate Change in our supply chain and includes new requirements for suppliers regarding Conflict of Interest and our Speak Up Policy.
- GLOBAL SUPPLY CHAIN AND PROCUREMENT
   ORGANISATION To strengthen the values and increase
   capabilities on all levels across countries, a global organisa tion was implemented for Supply Chain and Procurement.
   It now has representation in all the relevant senior manage-

#### SUPPLIERS ARE ONE OF OUR KEY STAKEHOLDERS WE ENGAGE WITH

#### **EMPLOYEES**

Relation with designated manager and invitation to our annual global Employee Engagement Survey.

#### UNIONS

Constructive interaction with international works councils, unions and employee representatives. Quarterly with the EWC and semi-annually with UNI.

#### CUSTOMERS

Ongoing dialogue to meet expectations and feedback from annual Customer Experience survey.

#### **SUPPLIERS**

Increased dialogue to ensure a responsible and strong supply chain to the benefit of both parties. This engagement is carried out on a continuous basis during the year.

#### **INVESTORS**

Close dialogue through e.g. road shows, conference calls, investor meetings and announcements.

#### **MEDIA AND NGOs**

Proactive and constructive communication with media and NGOs on a broad variety of platforms. ment forums and comprises of approximately 350 procurement professionals. In order to increase capabilities even further, a new Procurement Academy was launched in 2017 based on a full certification curriculum.

- SUPPLIER AND SPEND VISIBILITY To get global transparency on which business partners we deal with, the nature of the spend and what we procure, we have implemented a global platform (Sievo a Top Spend Visibility platform provider from Finland) integrating with and extracting data from ISS' more than 45 ERP and procurement systems globally. This also gives central insight to which suppliers support us on which customer sites.
- CONTRACT MANAGEMENT With Sievo, we implemented a global Contract Management system, where the procurement professionals share the supplier contracts, supporting documents, evidence, etc.
- SANCTION LIST SCREENING In 2017, we further implemented a global screening system to monitor a sanction list; we now screen all suppliers against government sanction lists for cases on corruption, fraud, child-labour, terror, etc.



Our approach has direct impact on our supplier base. In 2017 we terminated two contracts with suppliers due to non-compliance with our requirements.

During the assessment process other suppliers have chosen to withdraw their engagement with ISS because of unwillingness to participate in our solution. They are no longer part of our vendor ledger. Some suppliers, when requested by ProcurePASS, went back and increased their insurance coverage. All suppliers in Sievo (+99.5% of our spend) are now sanction list screened.

 LINE MANAGEMENT INTEGRATION – KPIs and yearly targets are now implemented in ISS' processes and management reporting tool Insight@ISS and thus integrated in Regional and Country Business Reviews. To support the Supplier Code of Conduct governance, the KPIs include: Spend under Contract, Spend with approved suppliers and Compliance with our Preferred Supplier programmes.

The ISS Supply Chain and Procurement organisation is an integral part of our business operations by delivering ongoing value through utilisation of sound Supply Chain practices.

## ENSURING A RESPONSIBLE SUPPLY CHAIN

ISS ProcurePASS (Procurement-Partner Assured Sourcing Solution) is a common, transparent solution for supplier compliance and approval across the countries ISS operates in.

#### WHY

ProcurePASS directly supports our customers' growing need for working with sustainable business partners as it enhances our valuable supplier relationships, compliance and quality standards. We aim at a transparent supply chain and assured adherence to the highest ethical standards as expressed in the ISS Supplier Code of Conduct.

#### **WHAT**

We collect a wider range of data about our suppliers and business partners. Our partner Achilles, a global supply chain risk management solution provider, supports existing and new suppliers. ProcurePass supports high-performing and risk-reduced delivery of our services.

#### HOW

ProcurePASS builds on a common ISS risk model and a three stage self-assessment questionnaire approach: from simple screening to enhanced screening with supplier audit. Registration to ProcurePASS is by invitation. All suppliers have an obligation to keep their information up-to-date. Annually all suppliers' risk level is re-evaluated as part of a standard renewal process operated by Achilles.

#### **NEXT**

After a successful pilot introduction in 2017 of Procure-PASS in Denmark and the United Kingdom with 1,500 suppliers the solution is now being rolled out throughout these countries and in the rest of the ISS markets.

#### **IMPACT ON SOCIETY**

ISS believes that more suppliers will adopt industry best practice and thereby contribute to higher standards within the areas of human, environmental and economic development.

#### **IMPORTANT FOR ISS**

We protect and develop our business on a sound basis when we operate as a responsible business partner. The mitigation of risks in our supply chain protects our brand and strengthens our relationships.











# PEOPLE EMPOWERMENT TO EXCEL

With around 500,000 employees in 50 countries, ISS is one of the largest private employers in the world. Through the work we provide and the salaries we pay, we affect the lives of more than two million people.

Our business results hinge on the engagement and actions of our employees. They deliver the services and embody the value proposition we make to our customers: They can pursue their purpose and goals while we assume responsibility for managing their facilities and the risk related to them.

But this is not just about tools, techniques, and processes. First and foremost, it is about how we empower people.

We drive profitable growth by ensuring that ISS has the leadership, talent, capabilities, and culture required for the excellent execution of our strategy and achievement of our vision.

Great leadership is key to bringing out the true value embedded in our strategy. It is the root of our people's engagement and the desired customer experience, and what gives us the strength that differentiates us.

We aim to empower our employees through dedicated leadership and development that allows them to enhance their personal and professional skills and competencies. We believe that the commitment and engagement of our people lie in our ability to let them unfold their full potential.

At the same time, we work intensely to create and manage a safe, healthy and resilient work environment where our employees thrive. We protect their human and labour rights, we provide an understanding of basic rights and we strive to build a strong safety culture.

#### The power of the human touch

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



It is our fundamental belief that great service moments can be architected by the right combination of people with a common purpose and the right attitude, who 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, which is why we continue to invest in developing our leaders across the Group through key Group-wide ISS University programmes.

To ensure that we continuously have the right competencies, we have developed the ISS Leadership Competency Framework, which in 2017 was established as the core of all our people processes from recruitment, to performance evaluation, to development and to succession planning. The Leadership Competencies – along with tools to help our people develop their skills – have been integrated in core processes globally and will continue to be rolled out in 2018.

Furthermore, in 2017 we launched the Leading the ISS Way programme. It targets all senior leaders embedding the ISS Leadership Competency Framework across our business.

#### **Building leadership capabilities**

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

standards. The ISS University is structured to enhance 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 (KAMC) – a modular development programme directed at account leaders of our key accounts across the world.

Focus in 2017 was to further sustain and maximise the effort of the programme in the future by engaging the leadership and support structures around our key accounts. At the end of 2017, more than 1,000 certifications had been issued under the programme, touching around 800 of our key accounts globally.

#### Advancing our leadership pipeline

Leadership is a key strategy enabler. Ensuring that our leaders are equipped to communicate the strategy and engage the organisation is a key focus area for leadership development. Our leadership programmes provide our employees with an essential understanding of the key elements of our strategy and give them tools relevant for their day-to-day work.

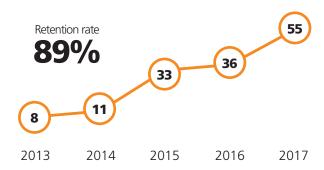
With that in mind, we have launched the ISS Leadership Mastery programme, a comprehensive five-module programme for selected executives. So far, 82 senior leaders have graduated

from the programme and in 2017, an additional 22 participants were accepted for the programme. Furthermore, we have already seen 32% of the alumni advance into new roles within ISS.

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

Our trainees go through an 18-month programme, including an international assignment, before being assigned to their first line appointment.

#### **BRINGING ON UNIVERSITY GRADUATES**



The benefits of the programme are twofold; it enables us to build a sustainable talent pipeline for the future, whilst at the same time building our global employer brand in the external marketplace.

#### THE ISS UNIVERSITY Leadership programmes Business programmes 148 trainees to date Service mindset On-boarding • 20-25 participants annually • Annual conference addressing the strategic objectives and direction of the Group 400+ senior leaders Key Account Manager Certification • 1,000+ certifications Around 800 key accounts Service with a Human Touch Leading Service with a Human Touch 47 countries 140,000+ trained employees 700 key accounts ISS Advantage • Senior manager induction programme • 150+ participants annually



#### Creating a sense of purpose

Employee engagement is critical for our ability to serve 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 2017, we carried out our sixth global employee engagement survey. The survey covered 44 countries and was conducted in 54 languages. Scope has been expanded each year since inception. In 2017, close to 320,000 employees were invited to participate, with 250,697 responding. Once again, the response rate improved, climbing to 78% from 72% in 2016.

The survey revealed an overall employee engagement of 4.5 out of a possible 5. As part of the survey, we also measure our employees' willingness to recommend ISS as an employer. For the fifth consecutive year, the score improved from 59 to 62 in 2016.

In response to the previous learnings from the survey, we continue the Service with a Human Touch programme, focusing on our frontline employees. This is a key strategic game changer driving cultural change. We will continue the work to continuously improve engagement, which in turn increases the overall sense of purpose of our people in the delivery of our services.

#### Challenged by employee retention

Retention of staff is a common challenge in our industry where jobs tend to be temporary or used as a supplementary income. In 2017, the employee turnover was 44% compared to 43% last year. Employees employed for more than one year made up 68% of the workforce (same as in 2016).

We know that the longer an employee stays with ISS, the more engaged he or she becomes. Substituting nearly one third of our staff every year requires many resources and we are committed to increase the retention in our operations. For this purpose, a new initiative was launched in 2017 offering



## HOW WE SET A STANDARD FOR MANAGING PEOPLE

Our Global People Standards provide a systematic and consistent approach to managing our employees. This includes placing the right employees in the right positions, and by doing so, maximising the current and future performance of our staff. The People Standards were launched in 2016. During 2017 countries carried out self-assessments against the requirements and developed action plans to close the gaps and in 2018 we will focus on a full implementation across the entire organisation. The People Standards set minimum requirements for the development and implementation of effective people management for ISS operations globally. In developing country-specific requirements, a country will always comply with local legislative requirements.

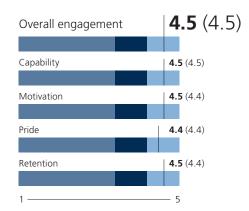
education beyond the direct needs of our business, such as leadership development, cultural awareness and soft skill training including the use of computer software.

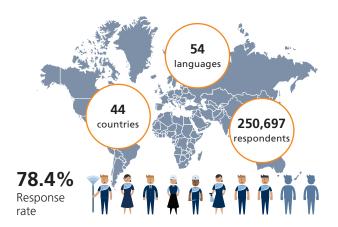
In this way, our employees can grow their skills and thereby expand their career opportunities. We believe that this chance to prosper leads to more motivation and people who feel recognised are more disposed to remain with ISS.

#### Labour rights

ISS has a long history of working with and conducting respectful dialogues with our employees. Our Global People Standards recognise the right of employees to form, join or refrain from joining trade unions of their choice, without fear of intimidation, discrimination, reprisal or harassment. We manage our employee relations for our European operations through the European Works Council (EWC). This consists of quarterly meetings between management and EWC representatives and an annual meeting between EWC leadership and all European

#### **GLOBAL EMPLOYEE ENGAGEMENT SURVEY RESULTS**





Union country works council representatives. The annual meeting with employee representatives from 20 countries represents over 49% of our employees. 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 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.

#### A thorough onboarding

Each week 4,000 people join ISS. In 2017, we continued to invest in developing our people at all levels of our organisation, people with the right capabilities and mindset to deliver on our vision. We aim to be the preferred place to work in our industry and we are well aware of our responsibility of welcoming our new colleagues in the best possible manner. A good introduction programme is a must and traditionally our operations have made a big effort of welcoming people. In 2017, we developed a new global onboarding programme template. In addition, we launched a global and mobile e-learning platform accessible for all employees.

The double benefit of this is that our employees quickly get a thorough understanding of our values and standards and thereby feel included and well-informed. This is combined with clear guidance so that they know what is expected of them and what services are to be done. As a result of this, our customers meet engaged and sound representatives of the ISS brand. We believe that engaged employees drive customer satisfaction which leads to improved financial results.



#### OUR PEOPLE & CULTURE POLICY\*

The objective of the ISS People & Culture Policy is to create a workplace:

- Where the ISS Values and the Leadership competencies are promoted and brought to life through our actions;
- Where employees can thrive, and develop their talents and capabilities;
- That contributes to a fair, diverse, and equitable work environment;
- That supports ISS in accomplishing our mission:
   Service performance facilitating our customers' purpose through people empowerment;
- That reinforces a systematic approach to ensuring compliance with the legal and customer requirements.
- \* As articulated in our Global People Standards

#### **PEOPLE - OUR WAY**

#### **AMBITION**

We want our employees to feel engaged and dedicated. Our aim is to employ and develop world-class, professional service staff and to build an engaging and empowering corporate culture.

#### **DRIVERS**

**Empowerment:** Through well-described responsibilities and goals, we strive to give our people a sense of purpose and personal accountability.

**Leadership:** Strong leadership competencies are key to unfolding our strategy.

#### **ENABLERS**

**ISS University:** Our group academy representing a comprehensive catalogue of leadership and business development programmes.

**E-learning:** A growing platform for professional and personal learning.

**Safety culture:** Managing a safe and healthy work environment is a top priority.

#### **IMPACT ON SOCIETY**

Due to the size of our company and our aim to improve work conditions, we contribute to raising the bar for individuals and families in the countries where we operate

#### **IMPORTANT FOR ISS**

As people are our most valuable resource we are responsible for providing a safe work environment with the opportunity for all to unleash their personal and professional potential

#### **WHAT'S NEXT**

We will continue our efforts to embed a sustainable safety culture balancing corporate and individual responsibilities. Our commitment to talent management and leadership development is irreversible and will expand as we embed it into our business planning.











**STAFF** 

**BOARD OF DIRECTORS** 

50% 33%

**EXECUTIVE GROUP MANAGEMENT** 

SENIOR LEADERSHIP

11% 22%

## **DIVERSITY**

#### INCLUSIVE WORK ENVIRONMENT THROUGH DIVERSITY

Being a global people business, ISS has a strong commitment to diversity of all dimensions. It lies in our DNA to embrace a diverse and inclusive workforce as we value different perspectives to drive innovation and engagement.

We believe that diversity makes us more productive and an attractive place to work. Hence, we also encourage others to include diversity in their businesses and thereby contribute to a more complete and sustainable global labour market.

Leading diverse teams is an integral part of our leadership training. ISS recognises its diverse workforce as a key competitive advantage, and we consider leadership as the main driver of unfolding the potential of our employees – our most valuable asset. The ability of our leaders, at all levels, to guide and motivate must be based on human understanding, respect and responsibility – what we term The ISS Way.

#### The positive effect of diversity

The effect of diverse leadership was emphasised by new research from ISS Denmark in 2017 showing that diversity has a positive impact on leadership development, especially within the fields of communication, relationship building and talent development. This conclusion follows earlier research from ISS proving that diversity positively impacts the bottom line.

ISS comprises many different cultures and nationalities as well as people with mental and physical disabilities, social challenges or little academic schooling. Also, we welcome a rising number of refugees to our work force around the world.

While diversity includes age, gender, ethnicity, nationality, culture, language, religion, physical ability, education, and skills, the distribution of male-female representation continues to have extra attention.

The Board and Executive Group Management (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 this 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 on experience and expertise – diversity – personal characteristics matching ISS' values and leadership principles. The Board has adopted a gender diversity target of having at least 40% women on the Board by 2020. Currently, 33% of our Board members are women. The target was not reached in 2017. The Board found that it in broad terms possessed a high level of diversity and did not nominate new Board candidates in 2017. In terms of international experience, the Board aims 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. The current members of the EGM have international experience. We recognise that a more balanced gender representation is crucial to reaching our vision.

#### Ensuring female representation

In 2017, we implemented a new recruitment process instructing that one out of three final candidates to our global management trainee programme and for management for senior positions needs to be female. This requirement complements other initiatives pointing at developing succession plans aiming at identifying female successors and tabling the matter of women in leadership at ISS for discussion at least once a year at the EGM level

#### Investigations of discrimination

In line with the ISS Code of Conduct and the Global People Standards, ISS takes all claims of discrimination seriously. 14 incidents were identified, investigated and followed up with legal authorities in the countries. Out of the 14 incidents, 5 were deemed to be without legal merit and 9 are still pending.

#### Flying the rainbow flag

We take pride in our diversity and throughout our organisation a broad variety of initiatives are taken to attract potential employees with the right mindset and attitude. For the first time, in 2017 we embraced the rainbow in support of Pride and LGBT by flying the flag at our headquarters and at several other locations. This celebration underlines our commitment to promoting a harmonious and dignified working environment.



# HEALTH and SAFETY

Our vision is to be incident free at our workplaces. This means ensuring that each of our nearly 500,000 employees go home to their families and loved ones in the same condition as they started their workday at ISS.

To drive this vision, we need to have a culture where safety is second nature; safety needs to be a natural part of our working culture. This requires the commitment from everyone, starting from our Executive Group Management (EGM) to our colleagues delivering our services to our valued customers.

In 2017, we have embedded this commitment throughout our organisation.

For example, at the Management level, our EGM have all signed Personal Safety Action Plans (PSAPs), and we start all our senior leadership meetings with a Safety Moment.

At middle management levels, we are also embedding PSAPs and create 'Safety Ambassadors' by asking our employees to be safety role models by, for example, holding the handrails when using the stairs, ensuring everyone uses their seat belts in the car and not holding their mobile phones while they drive.

At the operational sites, some of the actions include holding Toolbox Talks, Near Miss reporting and stopping unsafe work. 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**

We regretfully had six work-related fatalities in 2017. We are deeply affected by each of the fatalities and we have investigated each one of them to ensure we determine the root causes and take corrective actions to ensure they are not repeated.

The fatalities occurred in the United Kingdom, Thailand, India, Hong Kong and Belgium. Three of the fatalities were vehicle related, two were related to working at height and the one was working with plant and machinery. Five of the fatalities were our employees and one was a contractor.

As a result of the incidents, we have sent a Global Safety Flash for each of the three areas to the whole organisation to ensure we learn from the incidents and take preventive actions. As per our Group Escalation Policy, each fatality and serious injury is reported to our top management within 24 hours of occurrence.

#### Improving the personal safety of our people

The Lost Time Injury Frequency (LTIF) for 2017 was 3.5, down from 4.7 in 2016. This means, we have reduced our LTIF by over 70% since our 2010 baseline of 13.

Lost Work Hours (LWH) is an important indicator of the general health and wellbeing 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) was under 7.5, a decrease of over 65% compared to the 2010 baseline value of 23.

We have established and implemented a systematic approach in addressing our HSE risks across the organisation that has resulted in continuous improvement in our overall HSE performance over the last six years.

Our HSEQ Management system is the backbone of this improvement. The management system that was first implemented in 2010 was updated to reflect the new ISO standards in 2016 and was certified by our global certification partner, DNV GL, in February 2017. We have also focused on improving our reporting culture by reporting all incidents in our Global Reporting System and increasing the reporting of Near Miss incidents in our operations.

#### THE ISS SAFETY RULES COVER THE FOLLOWING ACTIVITIES



Stopping unsafe work



Permit to work



Energy isolation



Electrical safety



Working with chemicals



Housekeeping



Manual handling



Working at heights



Confined space entry



Driving safety

#### Risk and due diligence

We perform services with different personal health and safety risk profiles depending on our customers' activities and on the individual site. We have for example implemented a standardised Site Risk register that provides us an overview of the hazards and risks at a site. As part of our due diligence process to ensure we understand and comply with our customers' requirements, we have implemented a HSE Compliance Plan.

#### Safety action plans

We have an ongoing focus on addressing vehicle-related incidents, working at heights and slips, trips and falls. The HSE strategy has a stated vision '100' (see below). Each year, we build and distribute a Group HSEQ and CR Action Plan with actions for each country to implement as part of their Country HSEQ and CR Action Plan.

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 2017

Additionally, with our new learning management system, My-Learning (see page 32), we are rolling out the HSE E-Learning modules such as the ISS Safety Rules, HSE E-Learning, Office Safety and Driver Safety.

In 2017, we continued our quarterly 'Me and You' safety campaigns in all the countries 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 2017. The audits build accountability and transparency as results are reported directly into ISS' global IT-based HSE system. At the same time, the audits provide documentation that we are living up to the HSEQ requirements included in contracts.

Furthermore, during 2017, we also developed the Quality Management System (QMS) for the pharma sector. This QMS is under the overall HSEQ Management system and emphasises our commitment to our growth in this customer segment.

As part of our overall strategy to develop HSEQ and CR as a value proposition to our customers, in 2017, we started delivering HSEQ as a service at a global level. This demonstrates that we have developed the capabilities, and evidence to offer HSEQ and CR as a service to our exisiting and new customers.





#### THE PROJECT IS IN THREE PHASES

#### PHASE



- Goal setting Identification of career path with a plan to achieve it;
- Personal development Confidence, communication, time & stress management, grooming and corporate etiquette;
- · Customer servicing.

#### PHASE



- IT skills Learning basics of computer and MS office;
- Digital literacy Internet basics, banking Internet Banking, making transactions, online payments;
- Industry visits Exposure to industry standards.

#### PHASE



- Final evaluation based on the learning of phase 1 and phase 2;
- Case study A complete story of transformation (Video);
- Graduation ceremony.

#### CASE:

## FACILITATING SOCIAL MOBILITY

AMONGST THE ISS INDIA FRONTLINE STAFF

#### Objective and ambition

The project aims at creating an effective learning environment for the ISS frontline staff so as to break through the barriers of illiteracy and inadequate education considering their socio-economic state and challenging backgrounds. The major goal is to take the participants to the next level in terms of their work-life progression, which in turn gives them bigger opportunities to grow within ISS and also generates employment for the other participants who are family members.

#### What we do

The project is moving steps beyond the basics of ensuring justice and equality for working people and addresses challenges defined by the UN like youth unemployment, moving the world of work towards quality jobs and improving the lives of workers.

The programme comprises 72 hours of classroom training which moves right from setting expectations and drawing the big picture to mapping career paths and aspirations at the beginning and flows further covering 5 important aspects namely; Interpersonal skills, basic IT (Digital Literacy), customer centricity, supervisory skills and confidence which are major learnings of this programme. The other half of the programme covers non-classroom training of 228 hours that includes: Live Projects, Exposure Visits and Work Place Assignments.

More than 500 front line employees are part of the project that covers the following locations:

- EON Kharadi- Citi Bank and Barclays;
- Koregaon Park-Citi Bank;
- Hinjewadi- Barclays;
- Mumbai International Airport;
- Ghansoli- Reliance Corporate Park.

#### What we achieve

The participants have been highly interactive and have engaged throughout all the sessions conducted. The training methodology has been highly appreciated as trainers have used activities, games and interactive discussions as a primary mode of training. Many showed an interest in introducing this programme to their family members and this is now being arranged for their family members too.

#### Future plans

Based on the learnings form this project, we will look at developing this concept into a model that can be considered in other countries to develop and upskill our front line employees.

#### OVERVIEW OF 2017 PEOPLE PERFORMANCE

SUBJECT	ENABLED BY	ACTIVITIES	PROGRESS
Health and safety	<ul> <li>ISS Safety Rules</li> <li>Group HSEQ and CR Action Plan</li> <li>The ISS Groups HSEQ Management Manual</li> <li>The ISS Group HSEQ and CR Reporting Manual</li> <li>HSE@ISS-IT system</li> </ul>	<ul> <li>Personal safety action plans for individual management mem- bers</li> <li>Campaigns</li> </ul>	<ul> <li>Fatalities: 6</li> <li>Lost Time Injury Frequency: 3.5</li> <li>Decrease in lost work hours compared to 2010 baseline: 60%</li> </ul>
Employee engagement	• Engagement survey	Survey performed	<ul> <li>250,697 employees responded</li> <li>Survey available in 54 languages</li> <li>Four aggregate measures show continuous high performance with scores above four on a five point scale</li> </ul>
Leadership and training	Training and develop- ment programmes	<ul> <li>Service with a Human Touch</li> <li>Key Account Manager Certification (KAMC)</li> <li>Leadership training programmes</li> </ul>	<ul> <li>140,000 employees completed the Service with a Human Touch programme, 1,000 completed the KAMC programme, 23 people graduated the Leadership Mastery programme</li> <li>Front line employees received 6,561,432 hours of class room training in 2017, compared to 6,128,555 hours in 2016. This is equal to over 14 hours per person in 2017. Subjects included health and safety, technical training, management, language training, leadership and supervisory, IT, security and fire prevention. White collar employees had 339,906 hours of training in 2017, compared to 326,332 hours in 2016 and equal to over 13 hours per employee</li> </ul>
Human rights and Labour rights	<ul> <li>ISS Global People Standards</li> <li>Diversity policy</li> <li>Formalised union and works council's co-operation</li> </ul>	<ul> <li>Follow-up on human rights due diligence assessment performed in 2015, identifying 3 risk areas (see pages 9 and 29)</li> </ul>	<ul> <li>As a result of our due diligence assessment, we made changes to our CR policy and the ISS Global People Standards</li> <li>European Works Council conference</li> <li>Continued UNI Global Union collaboration</li> </ul>



## **PLANET**

#### REDUCING OUR IMPACT ON

## ENVIRONMENT AND CLIMATE

The environment and climate globally are changing radically. This affects our health, nature, economy and general well-being. In ISS, we manage our impacts on the environment and climate 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.

We did not identify any significant non-compliance with environmental laws and regulations in 2017.

At ISS, we are committed to reducing our impact on the environment and climate. There is increasing pressure for more transparency, engagement, and evidence of proactive environmental initiatives from key external stakeholders, e.g. customers and investors. In addition, there are expectations from employees for ISS to take a responsible position with regards to the environment and the climate.

Our choices are integrated with our overall business strategy to enhance our competitiveness advantage. At the same time, our environmental strategy must allow for flexibility and scalability in an evolving future. The foundation of our strategy is whatever we do, it must:

- be consistent with the ISS values;
- be consistent with ISS' ambition of operational excellence;
- enhance ISS' reputation;
- be substantive and not mere PR; and
- be manageable and measurable.

#### Going from Eco-Efficiency to Eco-Advantage

As a responsible company, ISS strives to comply with all evolving regulatory and customer requirements. In addition, we drive efficiencies in our operations that lead to cost reductions and risk mitigation that provides competitive advantage and increases the bottom-line. We achieve this through:

- a systematic approach to identify potentials for more efficient use of resources, lower emissions and optimise cost;
- proactive mitigation of environmental risk; and
- anticipation of our customers' needs.

Our strategy is clear. Our environmental strategic ambition is to go beyond 'Eco-Efficiency' to 'Eco-Advantage' with the aspiration to be recognised as an environmental leader and the creation of significant economic value by developing Value Propositions through environmental initiatives and activities. This will on top of cost reductions create incremental economic value and enhance competitiveness through:

- improvement of resource productivity (energy, water and material) and realisation of significant cost savings;
- better managing environmentally-driven business risk;
- enhancing ISS' reputation.

#### Our targets

In the last few years, we have improved the quality of our data reporting in this area through more frequent reporting and tighter quality control and we believe that the data correctly reflects the current footprint. We have established relative targets that are meaningful and achievable:

- Electricity consumption: 5% reduction (Mwh/revenue) over a period 2018-2021 based on 2017 baseline data;
- Car emissions from leased cars: 15% reduction (g/km) from 2014 over the leasing period of 4 years;
- Water consumption: 5% reduction (m3/ revenue) over a period 2018-2021 based on 2017 baseline data.

#### 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 environment and climate.

#### 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 continuously work with our customers to reduce their environmental impacts with processes and systems such as:

- The ISS Green Offices Programme: An office based programme designed to reduce the impact of offices and sites and daily work practices on the environment. By changing people's behaviour, we can reduce our environmental footprint by using resources efficiently and disposing our waste responsibly.
- Waste process: ISS can directly influence the environmental performance of our customers by managing waste from source using our onsite presence and influence over the supply chain. Our ability to integrate sustainable best practice into the heart of client organisations has seen us regularly achieve recycling rates in excess of 80% and zero waste-to-landfill targets.
- Audits: We can carry out energy and water audits to help identify resource consumption and wastage. This helps identify operational and resource consumption saving projects. We also support our customers in achieving or maintaining their ISO certification through the audit process.

#### **PLANET – OUR WAY**

#### **AMBITION**

Our environmental strategic ambition is to be recognised as an environmental leader advocating for more sustainable actions, measures and goals.

#### **DRIVERS**

Our environmental initiatives and activities are carried out through a systematic approach when we identify potentials for more efficient use of resources, lower emissions and optimise cost. We proactively mitigate environmental risk and anticipate our customers' needs.

#### **ENABLERS**

**Environmental Strategy:** Through our strategy we work towards our goals of reducing our GHG emissions, our use of water and waste production.

**Cleaning Excellence:** This is a documented process to identify potential improvements of both the service delivery and environmental impact. It can reduce the use of detergent and water significantly.

#### **IMPACT ON SOCIETY**

When we reduce our impact on the environment and climate we contribute to solving the global challenge of climate change and creating a sustainable world for future generations.

#### **IMPORTANT FOR ISS**

As people are our most valuable resource we are responsible for providing a safe and complacent work environment with the opportunity for all to unleash their personal and professional potential

#### WHAT'S NEXT

We will continue to work with our stakeholders (employees, customers and suppliers) in reducing our impact on the environment through behavioural change and developing solutions to reduce GHG emissions and resource consumption









## FOR OUR ISS GERMANY HEADQUARTERS





#### Objective and ambition

Germany is known for waste separation and ambitious energy goals. ISS Germany supports this and actively supports efficient environmental policy and efficient energy management. In its environmental and energy strategy, ISS Germany has set sustainability goals to ensure the protection of the environment, people and the future of the company. The Düsseldorf headquarters of ISS Germany is committed to concrete measures to implement this strategy.

#### What we do

When designing the new head office called "The LAB" in Düsseldorf, resource conservation and a reduction in energy consumption were taken into account right from the start.

Around 200 employees work in the German administration headquarters. In September of this year, employees were asked to commit to the sustainability principles set by ISS for the Gold Certificate under the ISS Green Offices programme. In the planning of "The LAB" technical requirements were taken into account, which use the innovative possibilities of Internet of Things, IoT: Around 500 sensors measure temperature, humidity, cleaning requirements and the level of soap dispensers.

As a result, only as much energy is spent on heat and cooling as necessary, and it is only cleaned as needed in places with

corresponding pollution. This reduces energy consumption and saves water and cleaning agents.

For the employees recycling-oriented waste separation and waste avoidance are a matter of course. Corresponding collection containers are available and reusable crockery is used in the ISS Nitro coffee bars.

In the "Open Office", ISS strives for the paperless office. If printouts are required, double-sided printing on recycled paper is recommended. If technically feasible, individual circuits are controlled electronically or switched off with a time switch.

#### What we achieve

The employees were sensitised by the new office concept for New Ways of Working: Less space, less energy, less resource consumption. This also influences the behaviour of employees regarding sustainability. The Düsseldorf head office was awarded the gold certificate of the ISS Green Offices programme in November 2017.

#### Future plans

The use of IoT, modern Internet technologies and artificial intelligence will be expanded in the future.

#### OVERVIEW OF 2017 PLANET PERFORMANCE

SUBJECT	ENABLED BY	ACTIVITIES	PROGRESS
CO <sub>2</sub> emissions from leased cars	Reductions achieved through leasing more fuel efficient cars and changes in driver behaviour	Driver Safety E-learning Continued leasing of more fuel efficient vehicles	Vehicle emissions decreased from 106,353 tonnes $CO_2$ eq. in 2016 to 96,664 tonnes $CO_2$ eq. in 2017
CO <sub>2</sub> emissions from business travel	We encourage more online meetings to reduce air travel in particular	Use of webinars	Emissions from business travel increased from 17,556 tonnes in 2016 to 18,217 tonnes in 2016. The increase was partly due to reporting from a Regional hub for the first time in 2017 and the acquisition of a catering company. 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	This has led to a reduction in 2017 of: 63,100 kg. waste; 861,000 litres water consumed; and 144,000 kg. CO <sub>2</sub> eq. in GHG emissions
Electricity (own)	Mandatory certification according to the ISS Green Offices Programme	Implementation of awareness and behaviour changing measures	In 2017, we consumed 48,554 MWh of electricity compared 52,781 MWh in 2016
Water (own)	Mandatory certification according to the ISS Green Offices Programme	Implementation of awareness and behaviour changing measures	In 2017, we consumed 301,818 m³ water, a decrease from 305,300 m³ in 2016; the increase is due to improved reporting



## PROFIT COMPETING ON FAIR TERMS

Every day our people have hundreds of thousands of touchpoints with our stakeholders, primarily customers and suppliers but also the financial community, regulators and competitors. We want these relations to be based on good business practices. This is why we have installed comprehensive measures to ensure the integrity of our business.

ISS is a competitive company as our ambition is to be the world's greatest service organisation. We want to achieve this by competing on fair terms and by using our impact to positively influence the global business environment through sound financial performance and compliance with our business integrity framework.

Our strategy, The ISS Way, is all about optimising the customer experience while driving cost efficiencies through the alignment of our organisation behind a set of common business fundamentals and scale benefits.

We are intent on creating value for our shareholders by maximising the cash flow growth from our business in a sustainable fashion over the short and longer term.

#### Tax policy focusing on honesty and responsibility

At ISS, we fully realise that for ISS to continue to grow sustainably, the local communities wherever we operate need to grow and benefit as well. The most important way ISS contributes to local communities is by providing jobs, income, training, social benefits and career opportunities. But we are aware that also our payments of tax and duties are important contributions to many communities around the world.

Paying our taxes timely and correctly is an integrated part of how we do business at ISS.

Our Tax Policy is built on our values and leadership principles with focus on honesty and responsibility. The foundation of our Tax Policy is our commitment to comply with all local and international tax legislation. Governance of the Tax Policy is carried out through yearly self-assessments followed by close dialog and Tax Review meetings with countries.

#### **PROFIT – OUR WAY**

#### **AMBITION**

We are a competitive business, but we want to compete on honest, fair and equal terms. We aim to create value for our customers by allowing them to focus on their core business.

#### **DRIVERS**

The ISS Way is all about optimising the customer experience while driving cost efficiencies through the alignment of our organisation behind a set of common business fundamentals and scale benefits.

#### **ENABLERS**

**Audit programmes:** A comprehensive set of assurance activities are conducted by Group Internal Audit to monitor our performance on business integrity and good business practices.

**Compliance:** The Code of Conduct is the overarching guidance for the behaviour by anyone working for, supplying or representing ISS. Building on this we have adopted policies on competition law and anti-corruption.

#### **IMPACT ON SOCIETY**

As ISS continues to be a prosperous and growing business we impact many communities around the world through compliant ways of working and by paying tax and duties timely and correctly.

#### **IMPORTANT FOR ISS**

We intend to create value for our shareholders by maximising the cash growth from our business in a sustainable fashion over the short and longer term.

#### **WHAT'S NEXT**

Retaining a healthy pipeline of a growing number of large, international customers, we will continue to deliver on a compelling value proposition. Together with our customers we will drive innovation and bring ISS' entire suite of value-creating concepts to life.



#### Governance structure explanation

ISS A/S is a limited liability company registered under Danish law and listed on the Nasdaq Stock Exchange. 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.



## **HANDLING** PERSONAL DATA WITH CARE

Since the adoption of the new EU General Data Protection Regulation, ISS has been preparing for the regulation that comes into force 25 May 2018. The Regulation will establish a uniform set of rules to be complied with across the EU. The Regulation aims at giving citizens control of their personal data and creating a high, uniform level of data protection.

To prepare ISS group entities to be in compliance with the Regulation, ISS has initiated a Data Protection Project with an aim to ensure compliance and raise awareness in the relevant ISS entities. This is done through town hall presentations, local project kick-off meetings, implementation follow-up and E-learning.

A key aspect of ISS' compliance initiative is also to establish a set of approved binding corporate rules on transfer of personal data between ISS entities.

During 2017, the European ISS entities have conducted a data mapping exercise to capture all the systems and processes involved in the processing of Personal Data and evaluated the compliance gaps based on the data mapping. ISS is currently in the process of implementing the compliance tasks in due time before May 2018.

ISS has established corporate data protection policies with underlying protocols, hereunder in particular the data breach protocol enabling ISS to act and respond to any breach or risk of breach to data protection.

Part of compliance is also the ability to document that policies and protocols are adhered to. ISS entities will therefore be

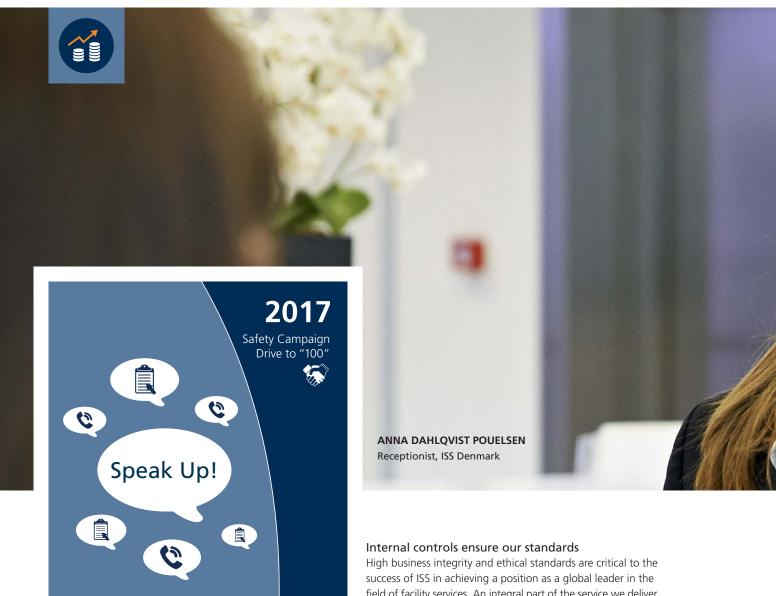
audited on a regular basis, and such audit will include testing the awareness of complaints and data breach procedures. Audits are carried out by Group Internal Audit, other internal specialists or by ISS external auditors.

The Group Data Protection Officer overlooks the internal audit activities performed by Group Internal Audit and provides advice to ensure that the audit activities address ISS' processing of Personal Data, including methods of ensuring that corrective and preventive actions will take place.

As part of ISS' data protection compliance programme and as part of the implementation of binding corporate rules, ISS has established training programmes for ISS managers and relevant employees with access to personal data.

It is important that ISS is both recognised and acknowledged for taking the safe-guarding of employees' and customers' personal data very seriously.

A new set of EU data protection rules fit for the digital era has been decided for all companies holding personal data of people residing in the EU, regardless of the company's location. The reform will enter into force on 25 May 2018.



#### Raising awareness about 'Speak up'

Speak up

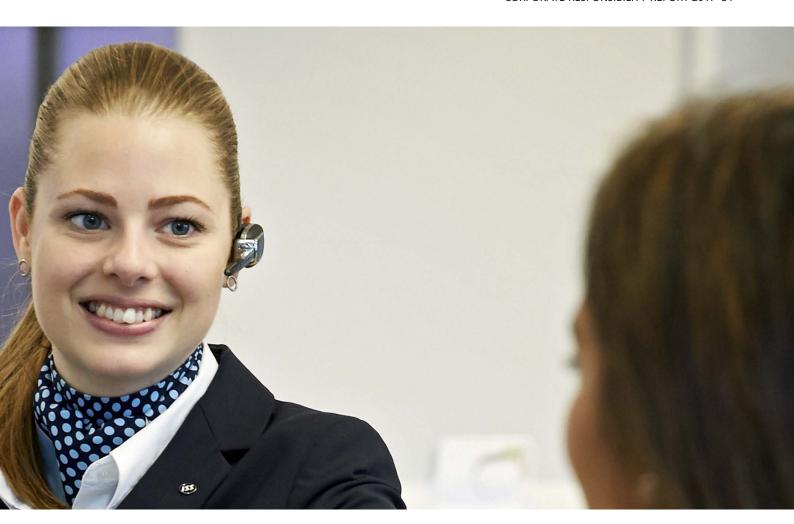
In 2017, we continued our efforts in raising awareness across the organisation about the 'Speak up' Policy and system. One of the topics of the Global Safety Campaign in February was 'Speak up', as the audience of these campaigns are primarily our front liners at our operational sites. This was one of the media we used to increase awareness of this platform for employees, business partners and other stakeholders to be able to raise serious and sensitive concerns that could have an adverse impact on the operations and performance of the business of ISS, and which, due to the nature of the concern, cannot be reported through the normal reporting lines.

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 centers 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.

Group HSEQ and CR also perform audits against the ISS Global People Standards, the Group HSEQ Manual, the ISS Safety Rules and the ISS Code of Conduct. In 2017, we carried out 18 audits. Main findings were:

- Insufficient control measures indentified for Risk Assessments;
- Incorrect use of the Permit to work (PTW) system;
- Lack of competencies required to carry out working at height tasks.



#### **AUDIT PROGRAMMES**

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 risks areas. This audit embeds CR issues such as Code of Conduct, anti-corruption, health and safety, child labour and working hours.

A contract audit programme which assesses the internal controls and contract compliance for key customer contracts. In terms of CR, the programme assesses 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 are providing assurance on the effectiveness of internal controls related to financial reporting and compliance with internal and external rules and regulations. This covers pay-roll, HR and HSE including over-time, timely payments and child labour as well as travel and entertainment expenses, and the accounting-to-reporting process.

# AUDITS COMPLETED 2017

32 baseline audits at country level

Induction programmes for the ISS Code of Conduct, Speak Up and other training programmes are incomplete for ISS employees and subcontractors; Lack of controls for compliance with Permit to work, maximum working hours and underage employees.

KEY FINDINGS 2017

17 contract audits

Subcontractor screening not carried out;
Employee screening as per customer requirements not documented;
Customer requirements for employee screening e.g. drug testing not carried out.

21 risk-based focused audits

Safety incidents and Near Misses not reported for 3rd parties; Safety incidents reported in HSE@ISS-IT system not complete.



# CASE:

# ISS CODE OF CONDUCT **E-LEARNING**

#### Objective and ambition

ISS has now finalised the development of the new Code of Conduct E-learning training module.

The purpose of the training module is to:

- Ensure a common and systematic approach to Code of Conduct training of white-collar employees in ISS;
- Create awareness of our Core Values and Code of Conduct amongst our employees and reinforce our strong compliance culture;
- Fulfil important compliance requirements of customers, authorities, and stakeholders of ISS as part of our Value Proposition.

#### What we do

Themes that are covered in the e-learning course are Personal Conduct, Anti-Corruption and Anti-Bribery, Competition Law, ISS Global People Standards, Corporate Responsibility and Speak Up Policy. The course ends with a final quiz of 15 questions which cover the course materials. The course participants need to pass 80% correct answers in order to obtain a certificate.

Key stakeholders at group, regional and country level have been involved in the development. In January 2017, the training module was tested on ISS employees working on the Barclays and Citi accounts. In addition, the Executive Group Management tested the final product on ISS' own Learning Management System (MyLearning) as part of the approval process.

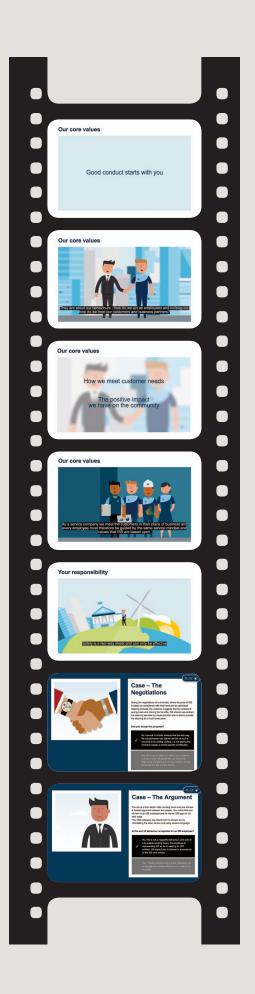
The training module was then rolled out to members of the ISS Board and to the 400 Top Management Conference participants. The E-learning module is now rolled out across ISS global on the My Learning platform.

#### What we achieve

In this initial roll out, we have now over 3,100 employees that have completed and passed the course and obtained a certificate. Employees will be required to do refresher training every 24 months.

# Future plans

The training module will be translated into 20 languages, namely, German, French, Spanish, Norwegian, Finnish, Swedish, Danish, Turkish, Simplified Chinese, Dutch, Indonesian, Hebrew, Thai, Hindi, Portuguese (Brazilian), Portuguese, Italian, Czech, Greek and Polish. The ambition is to have this module rolled out to as many levels in the organisation as possible.



# OVERVIEW OF 2017 BUSINESS INTEGRITY FRAMEWORK AND ACTIVITIES

SUBJECT	ENABLED BY	ACTIVITIES	PROGRESS
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	E-learning training module was rolled out in 2017 and translated into the main 20 languages of the Group
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 2017, 3,186 people completed the new Code of Conduct E-learning module
Anti-corruption	Building on the ISS Code of Conduct, the ISS Anti-Corruption policy was established in 2010. It states:  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:  ISS Advantage (leadership).  Training repeated every three years	In 2017, 3,186 people completed the new Code of Conduct E-learning module
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	'Speak Up' 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	In 2017, we initiated a project to roll out a telephone hotline for the 'Speak Up' system with local telephone numbers and local language. Team boards at Key Account sites include the 'Speak Up' Policy and telephone numbers	We received 166 reports through the 'Speak Up' system in 2017. The vast majority were local workforce matters such as complaints about frontline management, colleagues and wages that did not meet the eligibility criteria (serious and sensitive concern) to be processed under the Whistleblower policy. The Business Integrity Committee investigated 10 matters in 2017.



# INDEPENDENT AUDITOR'S ASSURANCE REPORT

To Management and broader stakeholders of ISS A/S We have reviewed the 2017 Corporate Responsibility Report ('the report'), which covers ISS' global activities from 1 January to 31 December 2017, to provide limited assurance that:

- all "People" data, "Planet" data, and "Income tax paid by employees" on page 38 and 39 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 the UN Global Compact Communication on Progress Policy;
- the report has been prepared in accordance with the principles and reporting criteria defined in the Global Reporting Initiative (GRI) Sustainability Reporting Standards (Core level).

We express a conclusion providing limited assurance.

#### Management's responsibility

Management of ISS 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. The ISS "Group Health, Safety, Environment and Quality (HSEQ) and Corporate Responsibility (CR) Data Reporting Manual" contains Management's defined reporting scope for each data type.

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

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

We performed our on-site review at the ISS Head Office in Denmark in December 2017 and in January 2018. 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 paid 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, Environment and Quality (HSEQ) and Corporate Responsibility (CR) Data Reporting Manual" and other internal reporting manuals together with GRI reporting principles and criteria as an appropriate basis for our engagement. Our procedures included the following:

- Reviewing ISS' processes for determining material issues to be included in the report and challenging the material text statements in the report;
- Reviewing the key 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 group functions:
- Interviewing management staff across various group functions, including internal audit, as well as reporting and data responsible personnel;
- Obtaining relevant, available company documentation (including policies and action plans) 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 the UN Global Compact Communication on Progress Policy;

 Reviewing the report for adherence to the GRI principles for defining report content and ensuring report quality, as well as the GRI Standards disclosure requirements.

#### Limited assurance 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 38 and 39 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 the UN Global Compact Communication on Progress Policy;

 the report has been prepared in accordance with the principles and reporting criteria defined in the Global Reporting Initiative (GRI) Sustainability Reporting Standards (Core level).

Copenhagen, 20 February 2018

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab Central Business Registration No. 33 96 35 56

Kirsten Aaskov Mikkelsen
State Authorised Public Accountant
MNE no 21358

Marie Voldby Lead Reviewer

#### Auditor's observations regarding the GRI Standards' Principles

#### Materiality and sustainability context

This report reflects ISS' ongoing commitment to ensuring responsible business practices and acknowledges the company's significant economic, environmental and social impact. The topics presented align with Management's understanding of ISS' material Corporate Responsibility risks. Furthermore, the report shows at a high level how ISS contributes towards the UN Sustainable Development Goals.

#### Comparability, completeness and timeliness

Quantitative information in relation to the material topics is presented such that stakeholders may analyse changes in performance over time. The boundary and publication date of the report are the same as the annual report, providing timely disclosure to all stakeholders on ISS' Corporate Responsibility performance.

#### Clarity and balance

The report provides a transparent and balanced presentation of the company's 2017 Corporate Responsibility performance, showing both positive and negative performance trends, highlighting challenges and dilemmas faced within its own operations and the broader facility services industry.

#### Stakeholder inclusiveness

The report presents material stakeholder engagement activities undertaken globally and locally in 2017, especially with employees, customers and suppliers, and provides relevant examples of how ISS engages with its different stakeholder groups.

#### Accuracy and reliability

Through ISS' reporting principles, procedures and controls, the company continues to promote accuracy and reliability across the group regarding Corporate Responsibility data and reporting. The transition to reporting in accordance with the new GRI Standards shows Management's commitment to continued refinement in this field

#### **Recommendations to Management**

We have no significant recommendations from our observations on the GRI Standards' Reporting Principles. We have communicated a number of minor recommendations for improvement to the management of ISS.



# REPORTING PRINCIPLES AND COMPLIANCE

This report, the seventh comprehensive Corporate Responsibility report prepared by ISS, covers activities under our operational control in the calendar year 2017. 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 2017, 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 the new GRI Standards 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 Standards disclosures included in this report can be found in the tables from page 42 onward.

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 contributes to us meeting the requirements of the UK Modern Slavery Act.

#### **Internal guidelines**

As a basis for our reporting, ISS developed a Group HSEQ 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 registered as 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 registered number of incident 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**:

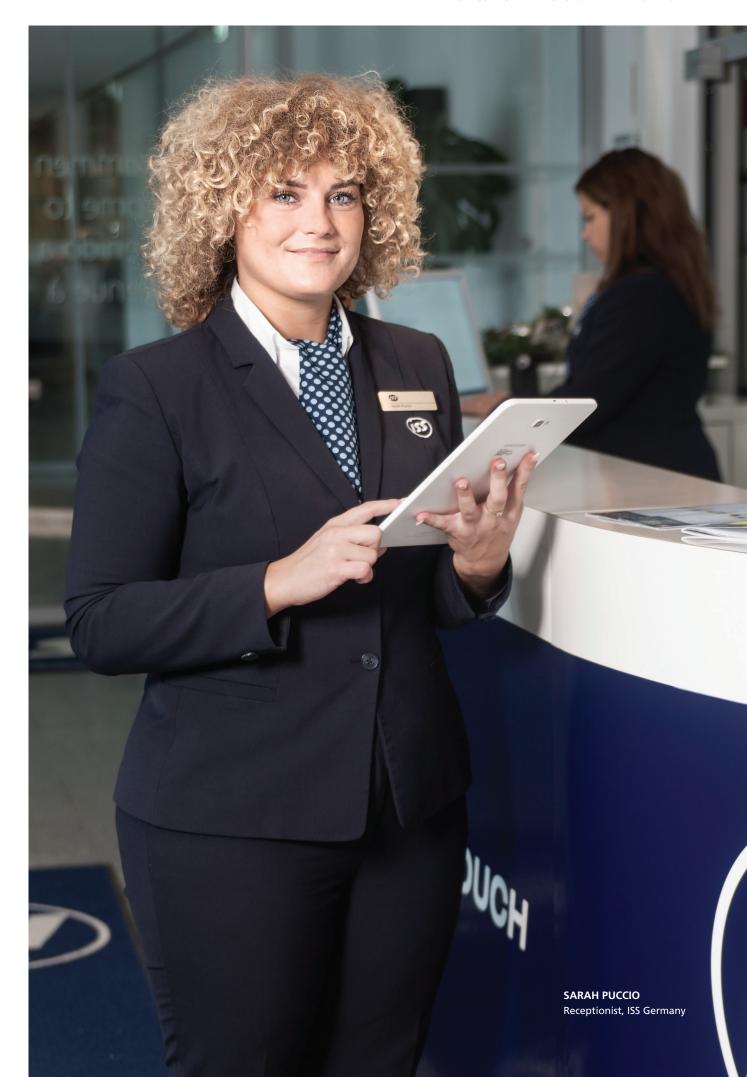
- damage to vehicle while it is parked in a legitimate parking area;
- environmental damage (e.g. hail storms, damage from wind, etc.);
- vandalism, break-ins; or
- · stone chips.

Electricity consumption is calculated from utility invoices or meters. Fuel consumption is calculated using fuel purchases e.g. invoices from the supplier. Business travel emissions are calculated from data received from travel agencies and where this is not possible, emissions are 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 is the International Energy Agency's  ${\rm CO_2}$  emissions from fuel combustion (2016 edition).

# **Changes and future outlook**

As we have done in 2017, we will continue on improving the quality of our data in 2018.





# **OUR PERFORMANCE AND TARGETS**

This section presents our key performance indicators and results against objectives and targets for 2017. Objectives and targets for 2018 are also communicated here.

We report on our performance within three areas:







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PLANET

PR∩FIT

<b>A</b>			
	2017	2016	2015
Number of employees	488,946	494,233	504,816
– Full time % – Part time % <sup>1)</sup>	76 24	74 26	74 26
Total workforce <u>Front line</u>	464,108	469,625	479,951
– % Front line	95	95	95
– % Male	51	50	49
– % Female	49	50	51
White collar	24,838	24,608	24,865
– % White collar	5	5	5
– % Male – % Female	55 45	53 47	55 45
- 70 Terriale	43		45
Turnover			
% All employees	44	43	43
% Front line	45	45	44
– Male	49	48	46
– Female	41	41	42
% White collar	21	20	20
– Male	22	20	20
– Female	20	20	20
Hours of training	6,901,337	6,454,887	6,692,883
– Front line	6,561,432	6,128,555	6,349,210
– White collar	339,906	326,332	343,673
Absentee rate %	2.0	2.0	1.8
Incidents of discrimination	9	18	14
Fatalities	6	6	7
Lost Time Injury Frequency (LTIF) 2)	3.5	4.7	5.4
Exposure hours (million hours) 3)	981.6	994.5	997.5
Number of vehicles	20,527	20,945	20,856
Number of vehicle accidents	3,515	3,445	3,563

	2017	2016	2015
Electricity consumption (MWh.) 4)	48,554	52,781	54,600
Electricity emissions (Scope 2) (tonnes CO <sub>2</sub> eq.) <sup>4)</sup>	16,498	16,563	18,626
Electricity costs (million DKK)	46.1	52.2	55.6
Fuel usage (million litres)	42.0	46.0	46.6
Vehicle emissions (Scope 1) (tonnes CO <sub>2</sub> eq.)	96,664	106,353	107,647
Business Travel emissions (Scope 3) (tonnes CO <sub>2</sub> eq.)	18,217	17,556	14,287
Water consumption (m³) 5)	301,818	305,300	331,169

Financial highlights in 201	17
REVENUE - MILLION DKK	
79,912	
ORGANIC GROWTH	
2.4%	
CASH CONVERSION	
104%	
OPERATING MARGIN	
<b>5.7</b> %	
NUMBER OF EMPLOYEES	
488.946	

	2017	2016	2015
Revenue (million DKK) 6)	79,912	78,658	79,579
EBITA (million DKK) 6)	4,516	4,543	4,533
Net Finance costs (million DKK) <sup>6)</sup>	538	465	709
Taxes paid (million DKK)	812	871	867
Staff costs (million DKK) <sup>6)</sup>	50,199	50,477	51,900
Income tax paid by employees (million DKK) <sup>7)</sup>	12,778	12,859	13,180

- <sup>1)</sup> Defined as employees working an average of less than 30 hours per week for ISS.
- <sup>2)</sup> 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.
- $^{\scriptscriptstyle 3)}$  Exposure hours include contractors working under ISS operational control.
- <sup>4)</sup> Electricity consumption and emissions corrected for 2016 due to incorrect reporting from two reporting countries.
- <sup>5)</sup> Water consumption corrected for 2016 due to incorrect reporting from a reporting country.
- <sup>6)</sup> 2016 adjusted for discontinued operations.
- 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 36.



# Performance against objectives and targets for 2017

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.

<b>A</b>				
	AMBITION	PROGRESS	NEXT	ON TREND
Fatalities	0	We saw six fatalities. See page 20	Our target is 0	х
Lost Time Injury Frequency	Reduce 60% compared to 2010 to below 5	LTIF decreased by 70% from the baseline value of 13, to 3.5 in 2017	Our target in 2018 is 3 or less	<b>√</b>
Lost Work Hours	Reduce 55% compared to 2010	The number of Lost Work Hours per 1000 exposure hours reduced by 60%	Our target in 2018 is a reduction of 65%	1
Employee engagement	To conduct an annual engagement survey with a response rate target of 75% of eligible employees	The survey covered 44 countries and was offered in 54 languages. Once again, the response rate increased to arrive at 78.4%, up from 73.2% in 2016	Move to electronic responses	<b>√</b>

	AMBITION	PROGRESS	NEXT	ON TREND
CO <sub>2</sub> emissions from electricity	Seek to establish baseline	A baseline was established: 16,498 tonnes CO <sub>2</sub> eq.	5% reduction (MWh/revenue) from 2018-2021	<b>-</b>
CO <sub>2</sub> emissions from leased cars (g/km)	Reduce by 15% within four year lease period based on 2014 data	In 2017, we have reduced emissions from our leased cars (g/km) by 6.5% compared to the baseline figure in 2014	Reduce by 15% within 4 year lease period based on 2014 data	<b>√</b>

	AMBITION	PROGRESS	NEXT	TREND
Audits with HSE and 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	In at least 20% of the countries where we operate	✓
Code of conduct e-learning	Embed the e-learning module in more levels of the organisation	Over 3,100 employees successfully passed new e-learning module	In 2018, aim for 10,000 employees	<b>√</b>



# GRI AND UNGC COMPLIANCE TABLES

# **GRI DISCLOSURES**

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

GRI 101 Foundation				
GRI 102 General disclosures	GRI Standard Number	Disclosure	Page number/comment	
	102-1	Name of the organisation	Inside cover	
	102-2	Activities, brands, products, and services	Inside cover	
	102-3	Location of headquarters	Inside cover	
	102-4	Location of operations	Inside cover	
	102-5	Ownership and legal form	Annual Report	
	102-6	Markets served	Inside cover	
	102-7	Scale of the organisation	Inside cover	
	102-8	Information on employees and other workers	Page 38	
	102-9	Supply chain	Page 12; Our Supply Chain includes over 75,000 suppliers covering categories such as Cleaning, Fleet, Subcontracting and Indirect spend	
	102-10	Significant changes to the organisation and its supply chain	Annual Report	
	102-11	Precautionary Principle or approach	Page 24	
	102-12	External initiatives	Annual Report	
	102-13	Membership of associations	Annual Report	
	102-14	Statement from senior decision- maker	Pages 2 and 3	
	102-15	Key impacts, risks, and opportunities	Pages 6-9	
	102-16	Values, principles, standards, and norms of behaviour	Page 7	
	102-17	Mechanisms for advice and concerns about ethics	Page 30	

GRI 102 General disclosures	GRI Standard Number	Disclosure	Page number/comment
	102-18	Governance structure	Pages 7 and 28
	102-19	Delegating authority	Page 7
	102-20	Executive-level responsibility for economic, environmental, and social topics	Page 7
	102-21	Consulting stakeholders on econo- mic, environmental, and social topics	Page 12
	102-32	Highest governance body's role in sustainability reporting	Page 2
	102-33	Communicating critical concerns	Page 30
	102-34	Nature and total number of critical concerns	Page 33
	102-35	Remuneration policies	Annual Report
	102-36	Process for determining remuneration	Annual Report
	102-40	List of stakeholder groups	Page 12
	102-41	Collective bargaining agreements	Page 16
	102-42	Identifying and selecting stakeholders	Pages 6 and 12
	102-43	Approach to stakeholder engagement	Page 12; we regularly meet with stakeholders (meetings, seminars, Investorday)
	102-44	Key topics and concerns raised	Pages 8 and 9
	102-45	Entities included in the consoli- dated financial statements	Annual Report
	102-46	Defining report content and topic Boundaries	Page 6
	102-47	List of material topics	Page 8
	102-48	Restatements of information	Pages 38 and 39
	102-49	Changes in reporting	Page 36
	102-50	Reporting period	Page 36
	102-51	Date of most recent report	2016
	102-52	Reporting cycle	Page 36

GRI 102 General disclosures	GRI Standard Number	Disclosure	Page number/comment
	102-53	Contact point for questions regarding the report	Back cover
	102-54	Claims of reporting in accordance with the GRI Standards	Page 36
	102-55	GRI content index	Page 42
	102-56	External assurance	Pages 34 and 35

GRI 200 Economic Standards – Material topics	GRI Standard Number	Disclosure	Page number/comment
	103-1	Explanation of the material topic and its Boundary	Page 28
	103-2	The management approach and its components	Pages 28 and 30; Annual Report
	103-3	Evaluation of the management approach	Pages 30 and 33
Economic Performance	201-1	Direct economic value generated and distributed	Page 15
Anti-corruption	205-1	Operations assessed for risks related to corruption	Pages 9, 30, 31 and 32
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Pages 30, 32 and 33; the Anti- corruption Policy has been communicated to 100% of all governance body members at Group, Regional and country levels. We do not report on the breakdown by employee categor region or business partner
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Page 33; we had 0 incidents related to corruption where contracts with business partners we terminated or not renewed; we had 0 public legal cases regardin corruption; we do not report the number of employees dismissed or disciplined
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	We have not been involved in any anti-trust issue or anti- competitive behaviour, and not monopoly practices

GRI 300 Environmental Standards – Material topics	GRI Standard Number	Disclosure	Page number/comment
	103-1	Explanation of the material topic and its Boundary	Page 24
	103-2	The management approach and its components	Pages 24 and 25
	103-3	Evaluation of the management approach	Page 27
Energy	302-1	Energy consumption within the organisation	Pages 36 and 39
Energy	302-3	Energy intensity	Based on: Revenue: 0.6076 MWh/mill. DKK Exposure hours: 49.46 MWh/ mill. exposure hours
Energy	302-4	Reduction of energy consumption	Pages 27 and 39
Water	303-1	Water withdrawal by source	Pages 36 and 39; we only report on municipal water supplies
Emissions	305-1	Direct (Scope 1) GHG emissions	Page 39
Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Page 39
Emissions	305-3	Other indirect (Scope 3) GHG emissions	Page 39
Emissions	305-4	GHG emissions intensity (Scope 1)	Based on: Revenue: 1.21 tonnes CO <sub>2</sub> eq./mill. DKK Exposure hours: 98.5 tonnes CO <sub>2</sub> eq./mill. exposure hours
Emissions	305-5	Reduction of GHG emissions	Pages 27 and 39
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Page 24
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Pages 12 and 13; 100% of new suppliers screened
Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	Page 13

GRI 400 Social Standards  – Material topics	GRI Standard Number	Disclosure	Page number/comment
	103-1	Explanation of the material topic and its Boundary	Page 14
	103-2	The management approach and its components	Pages 14, 15, 16 and 17
	103-3	Evaluation of the management approach	Page 23
Employment	401-1	New employee hires and employee turnover	Page 38; we do not report age group
Employment	401-3	Parental leave	The ISS Global People Standards:  • Ensure paid maternity leave in accordance with local legislative requirements;  • Provide women with the opportunity to access paid or unpaid maternity leave for a minimum of 12 weeks without risk of losing their employment
Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	We comply with European laws based on the European Union's Acquired Rights Directive (ARD) protecting the rights of employees in a business transfer situation, also known as TUPE
Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work- related fatalities	Pages 23 and 38; we do not repor by region or gender
Occupational Health and Safety	403-4	Health and safety topics covered in formal agreements with trade unions	Health and safety are covered in the agreements with unions. In addition, at the European Works Council meetings, health and safety is on the agenda
Training and Education	404-1	Average hours of training per year per employee	Page 38; we do not break down according to gender
Training and Education	404-2	Programmes for upgrading employee skills and transition assistance programmes	Pages 14, 15 and 22
Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	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 implementing a system to collect the data

GRI 400 Social Standards  – Material topics	GRI Standard Number	Disclosure	Page number/comment
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Page 19 and Annual Report
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Pages 19 and 38
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 12, 13 and 30
Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	Pages 8, 12 and 13; we have identified suppliers of work wear as the highest risk of child labour
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pages 8, 12, 13 and 31; we have identified suppliers of work wear as highest risk of forced or compulsory labour
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Page 31
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	Human rights training carried out as part of On Boarding for all employees, and training such as ISS Code of Conduct E-learning module and Advantage
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Pages 12 and 13; 100% of new suppliers screened
Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	Page 13
Public Policy	415-1	Political contributions	We do not contribute to political parties
Marketing and Labeling	417-2	Incidents of non-compliance concern- ing product and service information and labeling	We have not identified any non- compliance with regulations and/ or voluntary codes concerning products and service information and labeling
Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications	We have not identified any incidents of non-compliance with regula- tions and/or voluntary codes con- cerning marketing communications
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We have not identified any sub- stantiated complaints concerning breaches of customer privacy and losses of customer data



# United Nations Global Compact (UNGC)

The following table provides 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.	9, 12, 23
LABOUR STANDARDS		READ MORE ON PAGE
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	16, 46
Principle 4	The elimination of all forms of forced and compulsory labour;	9, 12
Principle 5	The effective abolition of child labour; and	9, 12, 31
Principle 6	The elimination of discrimination in respect of employment and occupation.	19
ENVIRONMENT		READ MORE ON PAGE
Principle 7	Businesses should support a precautionary approach to environmental challenges;	24
Principle 8	Undertake initiatives to promote greater environmental responsibility; and	24
Principle 9	Encourage the development and diffusion of environmentally-friendly technologies.	25
ANTI-CORRUPTION		READ MORE ON PAGE
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	28, 33





# **Share your opinion**

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

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