Sustainability Report 2023

PEOPLE MAKE PLACES

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We are placemakers

People and places have been at the heart of our business for more than 120 years. As a leading global facility services company, we provide safe, clean, enjoyable and sustainable places for people all over the world. We are driven by the actions of our people – our placemakers. They make a positive impact by connecting people and places to make the world work better.

At a glance, our business is straightforward. Cleaning workplaces, preparing and serving meals, maintaining technical installations, greeting guests, designing floor plans.

But whether we are looking after the environments that help hospitals heal patients, allow businesses to boost productivity, or let airports smoothly transfer passengers, our impact is greater than the sum of our services.

We are one of the world's leaders in integrated facility management – with over 350,000 placemakers operating in more than 30 countries. This means our business has global reach and a significant impact on people and places.

Becoming the sustainability leader in our industry

Through our services, we let customers focus on doing what they do best, helping them generate value and impact for their business. Through the way we design and deliver these services, we also create value for our placemakers, their families, and the societies and planet we are all a part of.

Supported by strong governance, we provide safe and inclusive work places so our placemakers can thrive. In turn, they shine for us – meeting our customers' needs across segments and geographies and ultimately helping us become the sustainability leader in our industry.

Building on our values we serve our customers to the highest standards through motivated and trained people in safe and inclusive workplaces. Each of our placemakers is able to develop and thrive both personally and professionally by offering A Place to Be You. This ensures a personal touch to our service performance, which – when applied to our service products – allows our segmented approach to customer needs to bring true differentiation across our global platform. All this fuels the outcome of driving forward the purpose of each of our customers.

Caring for people, places and planet

We believe making the world work better starts with creating a fairer and more inclusive society. In many ways we act as a social incubator, making a true difference for our people, customers and the societies we operate in.

Our goal is to be a Company of Belonging. A business where our placemakers feel safe and empowered to be who they are, become what they want and be part of something bigger.

But making the world work better means nothing without a healthy planet. That's why we champion more sustainable workplaces, focusing on changes with the most positive and practical impact on the environment. And on changes that help our customers minimise their impact – by reducing their energy, carbon and water consumption and cutting down on food and other waste.

Everything we do and everywhere we do it, is rooted in our values of unity, honesty, responsibility, entrepreneurship and quality.

This report gives disclosures in line with section 99a of the Danish Financial Statements Act and forms part of the management's review in the ISS Group's Annual Report 2023.

Our purpose

Connecting **people** and **places** to make the world work better

Our promise

A sustainable business model that supports the world we live in

How we create value

We depend on

Placemakers
Our more than 350,000 trained, motivated and empowered placemakers. Given our self-delivery model they are the core enablers of our strategy

Technology and data
Providing insights and knowledge to develop outstanding customer solutions

Operational assets
An asset-light and cash generative business model with operational assets such as vehicles and cleaning machines, the majority of which are leased, as well as software

Relationships
Our business is built on strong partnerships with customers and suppliers as well as unions and governments across the globe

Capital
A strong and efficient balance sheet and liquidity position to support operational needs

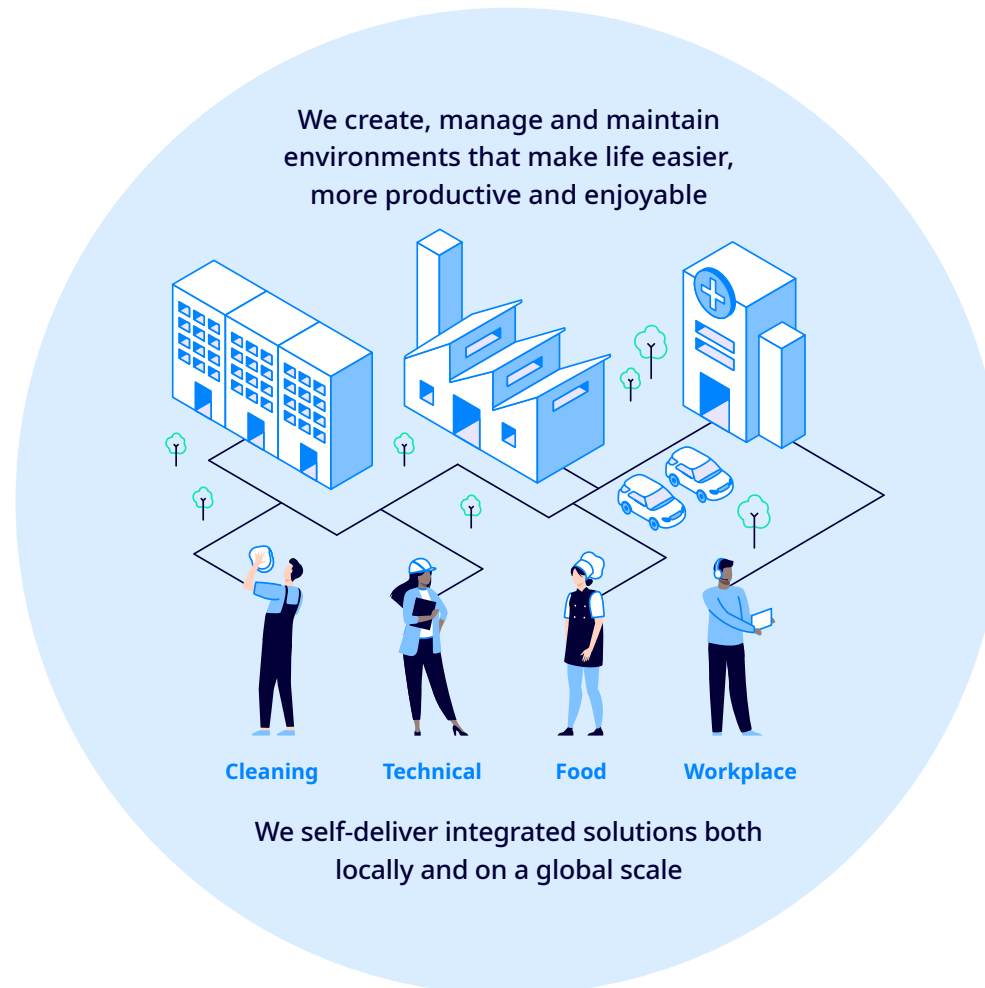### The ISS brand
Building on more than 120-years legacy as a people company working with a strong belief that people can and do make a difference

Consumables
Food, cleaning detergents, paper towels and uniforms are some of our major categories of consumables

Connecting people and places to make the world work better

We create, manage and maintain environments that make life easier, more productive and enjoyable

Cleaning **Technical** **Food** **Workplace**

We self-deliver integrated solutions both locally and on a global scale

We create value for

Our customers and users
As a strategic partner we drive user experience, efficiency and consistency with sustainable and compliant solutions at our customers' sites

Our placemakers
We aim to create places where every single individual is welcomed, embraced, and valued for being exactly who they are

Our shareholders
We deliver strong growth at attractive and sustainable margins combined with disciplined capital allocation

Society and the planet
We act as social incubators making a difference for peoples lives. We minimise the impact on the planet by reducing energy, carbon, water and waste

Our suppliers
Across a diverse supplier base we engage, develop and enhance mutually beneficial relationships ranging from global strategic partnerships to local micro niche suppliers

Letter

Building on recent years' operational and financial progress, ISS took several steps in unfolding the full potential of the OneISS strategy during 2023. Following the appointment of Kasper Fangel as Group CEO, a new and streamlined Executive Group Management (EGM) has reviewed and prioritised the strategic initiatives to bolster our operational and financial performance further. We also made good progress on our ambition to become the Company of Belonging and reduce our environmental impact.

Since the peak of the Covid-19 pandemic, office occupancy rates have increased. This reflects a gradual return-to-office trend as well as an increased desire by companies to strike the right balance in providing flexibility for their employees while maintaining the physical workplace as a cultural amplifier.

The hybrid working model means that office occupancy rates are still lower than before the pandemic. However, this has not resulted in a reduced demand for ISS's services and offerings. Customers are in fact reallocating their resources towards employees to create the workplace of the future, with high-quality, productive work environments that support innovation, collaboration, and cultural belonging.

These trends align well with our purpose of connecting people and places to make the world work better. Furthermore, they confirm that our OneISS strategy is the right way to cater for the current and future needs of our customers, as they increasingly focus on consolidating their supply chains and converging towards integrated facility management solutions.

ISS is thus well poised to support key account customers, who seek an integrated facility management partner to drive user experience, efficiency and consistency with solutions that are sustainable and compliant across their portfolio of workplaces.

Solid foundation for continued growth

In 2023, this underlying demand for our services manifested itself through a continued good commercial development and with customer retention rates at historic high levels.

Due to our relentless focus on creating value for our customers, ISS delivered a solid financial performance in line with our guidance for the year.

Organic growth for 2023 was 9.7% compared to 8.4% the year before. The increase was driven by price adjustments implemented across the Group and underlying volume growth due to increased activity levels at customer sites as well as higher office occupancy rates.

❝ With the new global management team in place and thanks to the combined efforts of our more than 350,000 dedicated and passionate place-makers, we are well underway in releasing the full potential of ISS.

Niels Smedegaard
Chair

Kasper Fangel
Group CEO

Throughout the year, ISS benefitted from increased customer activity levels and engagement. We were awarded several new contracts and extended and expanded a number of other contracts. The customer retention rate was 95%, a historic high level. This is the result of our investments in the commercial model, with increased segment expertise and a strict strategic focus on driving value through building and expanding long-lasting partnerships.

The operating margin before other items was 4.3% excluding the effect from hyperinflation in Türkiye compared to 4.0% in 2022. The margin continued to improve throughout the year driven by OneISS efficiencies and cost initiatives as well as improvements across a number of markets and large contracts. Excluding one-off costs related to the review of the OneISS strategic initiatives, margin was 4.6%.

In 2023, ISS continued to manage cost inflation tightly through price increases and operational efficiencies. As a result, the operating margin was generally unaffected by inflation.

Sharing excess capital with shareholders

Our solid financial results for 2023 mean that we are in a favourable position to share our excess capital with our shareholders. According to our capital allocation policy, the Board of Directors will at the annual general meeting propose a dividend for 2023 of 20% of adjusted net profit, corresponding to a dividend per share of DKK 2.3. Additionally, we have decided to initiate a share buyback programme of DKK 1.0 billion to be executed until 20 February 2025.

New CEO and sharpened strategic focus

The OneISS strategy defines our way of organising and aligning behind a set of principles and business processes that provide us with the ideal position to leverage our strategic differentiators and address key market demands.

Following the resignation of Jacob Aarup-Andersen, the Board announced Kasper Fangel as new Group CEO effective from 1 September. The appointment of a new CEO had no impact on the strategic direction of ISS. In September, we announced a new and streamlined Executive Group Management (EGM). The EGM was reduced from 13 to 9 members, enhancing agility and execution power to build a stronger, more robust ISS and drive operational and financial performance going forward.

During the autumn, the EGM reviewed the OneISS initiatives, launched in 2020. The review focused on ensuring that our initiatives generate the expected value to further improve execution, accelerate strategic development and continue to build a stronger and value-creating ISS. In 2024, we will continue to embed the OneISS strategy across the organisation, but as a result of the review we will prioritise fewer initiatives to make each remaining initiative more impactful.

Acquisition in Spain and divestment of ISS France

During 2023, we made several decisions to further strengthen our ability to deliver the best service offerings to our customers and to align our geographical footprint to continued future growth.

In Spain, we acquired Grupo Fissa, a reputable cleaning provider operating mainly in southern Spain. With this acquisition, we have strengthened ISS operations in the region and improved the service delivery for local key accounts. The acquired company operates cleaning contracts within healthcare and local prioritised segments. The acquisition has a strong strategic fit with the OneISS strategy and our stated ambition to remain #1 globally in cleaning.

In August, we announced the decision to divest ISS France. Due to inherent strategic challenges, difficult market conditions, and muted commercial development, the French business had not generated the expected financial improvements.

On 22 December 2023, ISS signed an agreement to divest ISS France to Onet SA, a French facility services company. We are comfortable that we have identified the best possible buyer who can drive the business forward to the benefit of the customers and not least our more than 15,000 dedicated placemakers in France. At the same time, we have established a strong partnership with the buyer that will allow us to continue to provide quality service solutions to existing and future global key account customers in France.

Championing sustainable workplaces

Contributing to a fair and more inclusive society as well as a healthy planet is ever more important for businesses in the world of today. At ISS, we focus our overall ambition of championing sustainable workplaces mainly through two important lenses: social and environmental sustainability. In the past couple of years, we have made bold commitments and seen good progress in both focus areas.

On environmental sustainability, we were proud to reach an important milestone when our near-term science-based emissions target was validated by the Science Based Targets initiative (SBTi) in 2023. Additionally, through our own operations, we saw clear results from our efforts in reducing our climate impact.

Among other things, we have electrified around 2,500 of our entire global fleet of approximately 20,000 vehicles. And in our food business, where we serve around one million meals per day, we have managed to reduce the amount of food waste by 30% from a 2019-baseline. These are good steps towards reaching our overall target of delivering full scope net zero carbon emissions by 2040.

On social sustainability, we have a clear ambition to be the Company of Belonging, honouring our heritage as a people company for more than 120 years. Through our ambition, we want to ensure that every placemaker can be who they are, become what they want and be part of something bigger.

A safe working environment is a key part of our people promise and central to the OneISS strategy. Tragically, we experienced five fatalities in 2023. This devastating loss has deeply impacted our organisation, prompting us to intensify our mitigating measures. We have strengthened our root cause analysis processes to make sure we always fully understand why incidents happen and that we know how to remedy the immediate causes. We have also dived deeper into accident causes, made fundamental changes to how we operate and shared lessons across the whole Group.

In 2023, we focused on sharpening the road map towards reaching our bold signature objectives on introducing living wages across our industry, providing certified qualifications and increasing the respect and recognition of our placemakers.

Releasing the full potential of ISS

2023 was a year in which we confirmed our overall strategic direction, aligning how we respond to the global megatrends that we and our customers are facing. Changing customer needs, AI and new technologies as well as a global economy running at a slower pace are all factors that call for a much more agile and robust ISS.

With the new global management team in place and thanks to the combined efforts of more than 350,000 dedicated and passionate placemakers, we are well on our way to releasing the full potential of ISS.

OUR APPROACH

Acting on Sustainability

Our ambition is to be the sustainability leader in our industry. We believe we are in the right position, with the right strategy and right set up to deliver on this ambition.

As a global company, ISS has an active role to play in helping to solve some of the world's most pressing problems. Given our size and reach, we are well positioned to make a positive contribution to sustainable development.

The best way we can do that is by championing sustainable workplaces and protecting the environment, in this way making the world a better place for our placemakers, our customers and partners, and the societies we're all a part of.

A clear focus, backed by action

Sustainability isn't a separate discipline at ISS. It's intrinsic to the way we work. It's woven into the strategy for our business. And it's embedded in every decision we make.
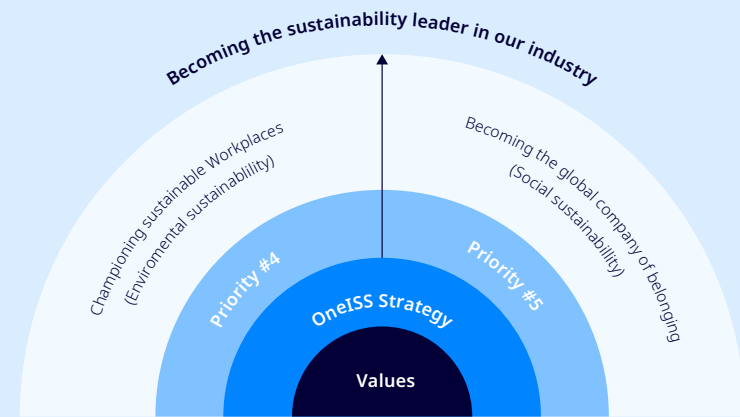
Our OneISS strategy brings together our strategic aspirations and unfolds into five specific strategic priorities – two of which are around environmental and social sustainability.

When prioritising efforts on environmental and social sustainability, we focus on things most material to our business and where our resources are best targeted and spent to have the greatest impact.

Coming into 2023, we had already defined the key initiatives and signature moves that would bring us closer to meeting our sustainability ambitions and commitments. So our focus this year has been on execution – turning these plans into actions on the ground.

We execute our plans using **a sustainability framework**, which is based on the key principles established by the UN Global Compact and the four pillars of Governance, People, Planet and Prosperity. It comes to life through foundational principles and policies that – in turn – inform our standards, manuals, guidelines and work instructions, all of which direct activities across ISS.

Our approach to sustainability

Becoming the sustainability leader in our industry

Championing sustainable Workplaces (Enviromental sustainablility)

Becoming the global company of belonging (Social sustainability)

Priority #4

Priority #5

OneISS Strategy

Values

Sustainability framework

Policies[1]	ISS Code of Conduct ISS Sustainability Policy ISS Corporate Governance Policy ISS Global People Standards ISS Safety Rules ISS Supplier Code of Conduct ISS Supply Chain and Procurement Policy ISS Tax Policy	
Foundation	Purpose	Connecting people and places to make the world work better
	Values	Unity, Honesty, Entrepreneurship, Responsibility, Quality
	Strategy	OneISS

[1]   Pleaser refer to p. 51-52

Our five strategic priorities
Sharpened focus on execution

Commercial momentum and segment leadership	Brilliant operating basics	Service products built on leading technology platforms	Environmental sustainability	Safe, diverse and inclusive workplaces

Risk and opportunities

Our double materiality assessment gives us a deeper understanding of sustainability risks and opportunities. We use these insights to inform our strategy.

The EU Corporate Sustainability Reporting Directive (CSRD) came into force on 1 January 2024. For companies like us, it is now mandatory to perform a double materiality assessment, using the European Sustainability Reporting Standards (ESRS) as our methodology.

The new reporting standards will drive consistency and transparency in corporate sustainability performance. For us, carrying out a double materiality assessment on corporate sustainability performance identifies the sustainability areas we will be reporting on.

But the real value of the new standards – which we are already seeing – is that it helps us to validate and, if necessary, recalibrate our sustainability focus and efforts towards the risks, impact and opportunities most material to us.

Carrying out our double materiality assessment

The double materiality assessment identified 12 topics as material of which 8 are social topics, 2 are environmental topics and 2 are governance topics. Our material topics are already subject to significant focus either as an integrated part of our operations or through dedicated initiatives. As such, the outcome of the double materiality assessment has not revealed blind spots.

It did however become clear that there are areas and topics where either knowledge levels or practices will need to be improved. Our due diligence activities – particularly relating to human rights – are shaped by how we operate our business and by our strong values. Turning our practices into documented procedures is an improvement area across our own operations and our value chains. Areas where our understanding needs to evolve include among others biodiversity, micro-plastic and the opportunity aspects of sustainability.

Our key stakeholders and how we engage	
Placemakers	Relations with line manager Employee and safety committees Annual appraisal Daily Teamboard talks MyISS and MyVoice
Customers	Regular performance reviews Ongoing dialogue and ad hoc workshops Customer surveys End-user surveys Account Development Plan
Shareholders	Investor meetings Roadshows Capital Markets Day Quarterly results calls Announcements and releases
Suppliers	Continuous dialogue throughout the year Workshops Business review meetings Site-based performance management meetings
Unions	National and international works councils Ongoing dialogue with unions and placemaker representatives Quarterly European Works Council meetings Semi-annual UNI meetings
Media and NGOs	Multi-channel and platform dialogue with media and NGOs on an ongoing basis

2023 Double Materiality Assessment

Materiality thresholds

● Highly material / *mandatory reporting*

● Material / *mandatory reporting*

● Less material / *optional reporting*

● Not material / *optional reporting*

Topics

🅔 Environment

🆂 Social

🅖 Governance

The financial risk to ISS (y-axis)

ISS' impact on the environment and people (x-axis)

Matrix contents (by cell):

Row at level 4:
- 🆂 Information-related impacts for consumers and/or end-users: Privacy
- 🆂 Other work-related rights (Own Workforce)
- 🆂 Other work-related rights (Value Chain)
- 🅖 Corporate culture
- 🆂 Working conditions: Health & Safety (own workforce)
- 🆂 Working conditions (Own Workforce)
- 🆂 Working conditions (Value Chain)

Row at level 3:
- 🆂 Information-related impacts for consumers and/or end-users: Access to (quality) information
- 🆂 Personal safety of consumers and/or end-users: Health & Safety
- 🅖 Management of relationships with suppliers including payment practices
- 🅔 Climate change mitigation
- 🆂 Equal treatment and opportunities for all (Own Workforce)

Row at level 2:
- 🅔 Impacts and demand dependencies on ecosystem services
- 🅖 Political engagement
- 🆂 Communities' economic, social and cultural rights
- 🅔 Energy
- 🅔 Substances of concern
- 🅔 Waste and resource outflows related to products and services
- 🆂 Equal treatment and opportunities for all (Value Chain)
- 🅖 Corruption and bribery
- 🅖 Protection of whistle-blowers
- 🅔 Resources inflows, including resource use

Row at level 1:
- 🅔 Impacts on the state of species
- 🅔 Substances of very high concern
- 🅔 Climate change adaptation
- 🅔 Impacts on the extent and condition of ecosystems
- 🆂 Social inclusion of consumers and/or end-users
- 🆂 Rights of indigenous people
- 🆂 Communities' civil and political rights
- 🅔 Direct impact drivers of biodiversity loss
- 🅔 Water and marine resources
- 🅔 Microplastics
- 🅔 Pollution of water, soil, living organisms and food resources
- 🅔 Pollution of air
- 🅖 Animal welfare

Our 2023 Double Materiality Assessment methodology

The double materiality assessment uncovers our inherent exposure to risks, impacts and opportunities from, and to our business, as well as along our value chain. It ignores any actions, initiatives, controls and efforts already in place and instead assesses where we should be focusing.

If the assessment's focus areas match ours it suggests that we're acting in line with our inherent exposures (although maybe not to the fullest extent possible). However, if it doesn't, it's an indication that we may have blind spots which we need to attend to – now or once we have mitigated more material exposures.

As specified by ESRS standards, we completed the assessment at a sub-topic level. We scored ourselves on a 1-4 scale, influenced by the principles we apply for operational and enterprise risk assessments, as well as statutory reporting and disclosure requirements.

We set the materiality threshold based on which topics would need sign off from Executive Group Management (EGM).

Twenty ISS functional subject matter experts across People & Culture, Operations, Procurement, Finance, Legal and Strategy carried out the assessment. It was validated by the four Executive Group Management members with functional sustainability responsibility. We used desktop exercises, workshops, validation processes and feedback loops.

The outcome of the double materiality assessment was anchored with the Executive Group Management Board and the Board of Directors in December 2023 and sounded with the European Works Council as a key stakeholder. The process was supported by recognised external consultants.

Our 2022 Stakeholder Materiality Assessment methodology

In 2022, we conducted a stakeholder materiality assessment across 24 sustainability topics using a low-high importance scale. We involved key internal stakeholders at executive and other management levels, support staff and placemakers, as well as external stakeholders like investors, customers,

suppliers, employee representative organisations and the European Works Council.

We ranked carbon emissions, occupational health and safety and ethical business practices as the most important topics. The process was supported by recognised external consultants.

Managing risks and opportunities

Sustainability-related risks and challenges are generally considered more tangible and easier to address than opportunities.

The double materiality assessment has given us a clear understanding of what it will take to overcome our sustainability-related challenges. But our opportunities are less obvious. We have identified some around improving conditions for our placemakers, improving corporate culture, and driving climate change mitigation – but we expect to add more.

Proactively managing risks is the same for sustainability as for any other business risk we face. So it is embedded in the way we work with risk generally across ISS, following a standardised procedure as a natural part of our business operations.

We consider sustainability risks and opportunities from four different perspectives:

1 Enterprise

This is our most holistic risk management process, which takes into account our overall risk landscape. We run a biannual global risk assessment process supported by Group Risk. There are more details on this on p 37-39 of the annual report.

For 2023, sustainability was identified as an enterprise risk. It is made up of negative risks, but also risks around not capitalising on opportunities that arise from being a business that is part of the solution to the global sustainability challenge.

2 Strategic

As we have already described, in 2023 we did our first double materiality assessment, building on last year's stakeholder materiality assessment. In

future, we expect to perform an in-depth double materiality assessment every two or three years and an annual high level review.

3 Topical or functional

Our social and environmental sustainability risk management processes are owned by their respective EGM committees. These processes are deployed as an integrated part of functional risk management activities in areas such as People & Culture, Operations, Commercial and Legal. It is important to note that these are not separate sustainability-focused risk processes but functional risk processes with sustainability aspects.

4 Operational

From an operational perspective, we consider sustainability risks and opportunities the same as any other business risk or opportunity – from individual customer site to country and Group level. Living and breathing operational sustainability risk management is closely linked to our training. You can find more information on this on p 23-24.

These four management perspectives inform each other. Collectively, they ensure we calibrate everything we do to mitigate sustainability risks and capitalise on opportunities.

2023 sustainability ratings

MSCI	AA
MORNINGSTAR SUSTAINALYTICS	14.1
S&P Dow Jones Indices	46
ecovadis	67 (Silver, 2023)
CDP	B-

Our 12 material and highly material topics

ESG category	Material topic	What it comprises in an ISS context	Impact description	Own operations/ value chain	Impact materiality	Financial materiality
	Health & Safety (Own workforce)	Practices and work environments that are safe and non-hazardous to the health and well-being of workers	Our service performance comprise certain elements of hazardous activities - either isolated or of a repetetive nature. Focus on preventing work-related accidents is important for securing the safety and well-being of our placemakers.	Own operations	4	4
	Working conditions (Own workforce)	Fair working conditions such as secure employment, adequate wages and freedom of association	Job positions in our service lines often have relatively low barriers of entry and offers attractive opportunities for people at the edge of labor markets. Without focus on ensuring proper working conditions, exploitation risk increases at the expense of individuals and the larger society.	Own operations	3.7	4
	Working conditions (Value chain)	Safe and fair working conditions such as secure employment, adequate wages, freedom of association and work-life balance	To some extent we engage subcontractors that perform same or similar services to us. At the same time we rely on our value chain for consumables within areas that traditionally are labor intensive and with low barriers of entry for job positions such as within food, clothing and distribution. Without focus on ensuring proper working conditions, exploitation risk increases at the expense of individuals and the larger society.	Value chain (upstream)	3.3	4
	Equal treatment and opportunity for all (Own workforce)	Environment of non-discrimination and equal opportunities	As a large global employer our commitment and active promotion of equal opportunities drives individual opportunity and financial value. Failing to do so - also in light of our workforce including less robust or vulnerable categories of people - will impact individual and societal prosperity as well as business and financial performance.	Own operations	3.3	3
	Information related impacts for consumers and/or end-users (Privacy)	GDPR and privacy practices related to customer end-user data	Our service performance touches and engages with millions of end-users every day and will regularly involve personal data of end-users either by contract or as a natural consequence of our services. Ensuring robust data privacy processes is necessary to avoid indivdual privacy harm as well as potential loss of business and cost exposure.	Value chain (downstream)	1.5	4
	Other work-related rights (Own workforce)	GDPR and privacy practices related to personal data of our placemakers	We employ more than 350,000 placemakers across the globe and will necessarily process personal data in this regard. Keeping personal data safe is not only part of our employer value proposition, but also a potential source of financial damage.	Own operations	1.5	4
	Other work-related rights (Value chain)	Practices and incidents in regard to e.g. child labor, forced labor and privacy	Working across industries in a diverse and large value-chain there is a need to uphold and enforce safeguards on basic work-related rights such as child and forced labour particularly where such industries are people intensive or have known displays of violations.	Value chain (upstream)	1.25	4
	Personal safety of consumers and end-users (Health & safety)	Safety and well-being of customer end-users as direct recipients of our services	Our operations may pose a risk to the personal health & safety of end-users especially around food safety, e.g. food poising from unsafe storage or preparation or allergic reactions from poor labelling, and shielding off of areas that are or have been serviced, e.g. wet floors and falling items.	Value chain (downstream)	2.25	2.25
	Climate change mitigation	Reducing or preventing GHG emissions	Facility services in general are not high emitting activities with the footprint from food services being the most significant. However, our absolute emissions do leave an impact and we need to pull at least our share of the weight in the global combat against climate change.	Own operations/ value chain	3.67	3.67
	Resource inflow including Resource use	Sustainable practices in regard to products and consumables purchased such as food and cleaning products	Consumption of consumables and materials etc. is a less protruding aspect of our service performance outside our food services. However, our absolute consumption and the embedded consumption within our supply chain is not negligible and can be challenging to move into circular practices.	Value chain (downstream)	3.33	1.5
	Corporate culture	Values, beliefs and norms that shape our behaviour and decision-making	A value based culture lays the foundation for fair and prosperous development by instilling the right behaviours and the right decisions.	Own operations	2.5	4
	Management of relationships with suppliers incl payment practices	Practices and policies in regard to interaction with suppliers	Engaging suppliers on fair terms - particularly where power positions are imbalanced - is critical for driving prosperity for value chain businesses and value chain workers as well as society at large.	Value chain (downstream)	3	2.25

CASE STUDY

Indigenous Peoples: Embracing Māori Culture and Identity at ISS New Zealand

In the heart of ISS New Zealand's operations lies a commitment not just to excellence in service, but to a deeper, more meaningful engagement with the cultural tapestry of the land. At the forefront of this commitment is our dedication to honoring and embracing Māori culture, the indigenous heartbeat of Aotearoa, into our workplace. This journey is encapsulated in the formation and ongoing work of our Māori Employee Advisory Group.

The Genesis of Integration

The Māori Employee Advisory Group was conceived as a bridge between traditional Māori culture and modern corporate practices. This innovative initiative brings together Māori employees from various departments to provide invaluable insights and guide the company on celebrating Māori culture across all business facets. The group's mission is to foster an increased sense of belonging among all employees and to ensure that our D&I strategies resonate genuinely with Māori values and perspectives.

Quarterly Conversations to Cultural Celebrations

Every quarter, the Advisory Group convenes to evaluate, propose, and track initiatives from ideation to implementation. These sessions are not just meetings but melting pots of cultural exchange, where traditional Māori practices and languages are woven into the fabric of our corporate identity. Through the guidance of a Māori Cultural Advisor, we delve deep into the realms of Te Reo and tikanga, enriching our leadership skills with culturally appropriate knowledge and practices.

Leadership, Loyalty, and Legacy

Our leaders are not just figures of authority but champions of cultural respect and trust, embodying the principle of manaakitanga – caring for the mana of others. This ethos is reflected in our approach to appointing a sponsor for this vital dimension of diversity, ensuring that our cultural strategy is not only endorsed but lived by every member of the ISS family.

The Strategy for Tomorrow

The collaboration between the Advisory Group, our Cultural Advisor, and external stakeholders marks the beginning of a long-term strategy aimed at embedding Māori culture into the very essence of ISS. This strategy is not a static document but a living, breathing commitment to accelerate cultural change and maximize the benefits for Māori engagement within our operations and beyond.

A Future Woven with Cultural Threads

As we move forward, the strides we have made in recognizing and integrating Māori culture into ISS New Zealand are only the beginning. Our journey of cultural integration and celebration is ongoing, driven by the shared experiences with our clients and the broader community. We are committed to enhancing our Māori recognition and engagement initiatives, ensuring that the rich tapestry of Māori culture not only enriches our workplace but also elevates our collective spirit towards a more inclusive and diverse future.

Sustainability targets

Sustainability targets							
	Target	Objectives	Target year	Outcomes in 2023	On trend	Focus in 2024	SDG
Environmental Sustainability	Net zero for scopes 1 and 2	Strategy and governance	2030	Decarbonisation management established in all countries to drive net zero journey. Implemented Watershed carbon management platform for launch in 2024.	✓	Define and deploy detailed climate transition plans by group and country and continue execution on current carbon initiatives.	8 12 13
		Fleet electrification with the commitment of electrifying 18,000 vehicles	2030	Added +1,000 electric vehicles taking our electrification ratio to 13.4% at the end of 2023.	✓	Continued electrification of our fleet viechles in 2024 aligned with the commitment of electrifying 18,000 vehicles by 2030.	8 12 13
	Net zero for scopes 1-3	Strategy and governance	2040	Decarbonisation management established in all countries to drive net zero journey and engage with site teams. First detailed climate transition plans developed for UK&I. Implemented Watershed carbon management platform for launch in 2024.	✓	Define and deploy detailed climate transition plans by group and country and continue execution on current carbon initiatives. Leverage Watershed carbon management platform across group, countries and customers.	8 12 13
		Energy Optimisation product		Building energy optimisation insights gained from UK team solutions with customers.	✓	Leverage UK insights across countries and customers.	8 12 13
		Pure Space Office		Pure Space Office introduced to a total of 14,429 customer sites across 25 countries resulting in estimated savings of 24,657,812 liters of water and 744,333 liters of chemicals in 2023 based on global user case.	✓	Continue roll-ouf of Pure Space Office with a target scope to reach all office sites sites in 2024. Roll out Pure Space Production launched in 2023 and introduce Pure Space Healthcare in Q2 2024.	8 12 13
		50% food waste reduction	2027	Food waste reduction reached 30% milestone against our 2019 baseline. Winnow is scaled to additional locations at the end of 2023, which together with our food waste behavior change program launched in 2022 is having impact.	✓	Continued execution on food waste initiatives.	8 12 13
		25% food emission reduction	2030	Emission reduction initiatives including focus on kitchen energy use and menu composition continued. Mapping of our food supply chain to Cool Food Pledge - results pending. Tangible reduction in food emissions at 5% lower emission per 1,000kcal.	✓	Leverage Watershed carbon management platform and Cool Food Pledge data to enable stronger and more frequent performance insights.	8 12 13

Sustainability targets

	Target	Objectives	Target year	Outcomes in 2023	On trend	Focus in 2024	SDG
Environmental Sustainability	Science-based target	Science-based target	2023	Our near term emission reduction targets were validated by the Science Based Targets initiative (SBTi). We will reduce scopes 1 and 2 by 46.5% and scope 3 by 27.5% by 2030 across 5 emission categories. A strong contribution to our net zero commitment.	✓	Define reduction levers as part of building climate transition plans by group and country.	8 12 13
Social Sustainability		100,000+ recognised qualifications	2025	Strong progress leading to 19,000 recognised qualifications being provided to placemakers during 2023 – beating our 2023 target by 4,000 recognised qualifications.	✓	26,000 recognised qualifications provided to placemakers and family members.	5 10 16
		Living wage		Established living wage benchmarks by country of operations and captured best practices across 147 customers. Pilots in two countries currently assessing the impact of living wage on our People KPIs.	✓	Finalise OneISS living wage benchmark and embed into our people processes.	5 10 16
		40% gender representation at corporate leadership level	2025	34.7% gender representation at corporate leadership level in 2023 – down from 36.4% in 2022.	✓	Continue our efforts to drive gender representation at corporate leadership level.	5 10 16

Sustainability governance

We link sustainability governance to our operating model. This helps us make sure the strategic direction we set translates into real action and actual impact at our customer's sites.

At ISS, we believe that the right decision-making power should sit at the right level of our organisation, with access to the right knowledge.

Depending on the perspective, we can take a sustainability-focused approach across topics, functions, segments, geographies and responsibility areas – or we can go for a functional, segment, customer or country directed approach where sustainability aspects are one among many considerations we balance.

Roles and responsibilities

Our operating model helps us to execute our sustainability activities – with clear ownership at all levels from Group to individual customer sites.

The Board of Directors and EGM decide on the direction of our sustainability strategy, and they regularly monitor progress against plans. Moreover, sustainability is a continual topic in meetings, just as fixed annual agenda items also make sure the subject gets more deeply discussed throughout the year. Please refer to p. 43-44 in our 2023 annual report.

The Environmental Sustainability Committee and Social Sustainability Committee (both EGM sub-committees) own our overall sustainability programme and sponsor functional sustainability initiatives. They also act as a direct, strong link to EGM and the Board of Directors. From 2024 we will merge these two committees into one ESG Committee.

Operations own our environmental sustainability priorities across the organisation and People & Culture own our social sustainability priorities. Group functions – supported by country and account-based teams – bring sustainability activities to life. They work with specialists and teams to drive forward key initiatives like decarbonisation and Diversity & Inclusion. Sustainability reporting is overseen by the Audit & Risk Committee.

Part of our day-to-day

Every day across the organisation, we make sure sustainability activities are an integral part of functional responsibilities. And we have done so for years.

Working with, and understanding our placemakers, our social responsibilities and our values is a regular part of everyday business. Just as we have also developed a shared language around our environmental activities – particularly on carbon and climate change.

We will never stop developing and deploying processes, concepts, products, tools and training to make our operations and value chain more sustainable. And to support our placemakers who play such a crucial role delivering our ambition to become our industry's sustainability leader.

Sustainability governance
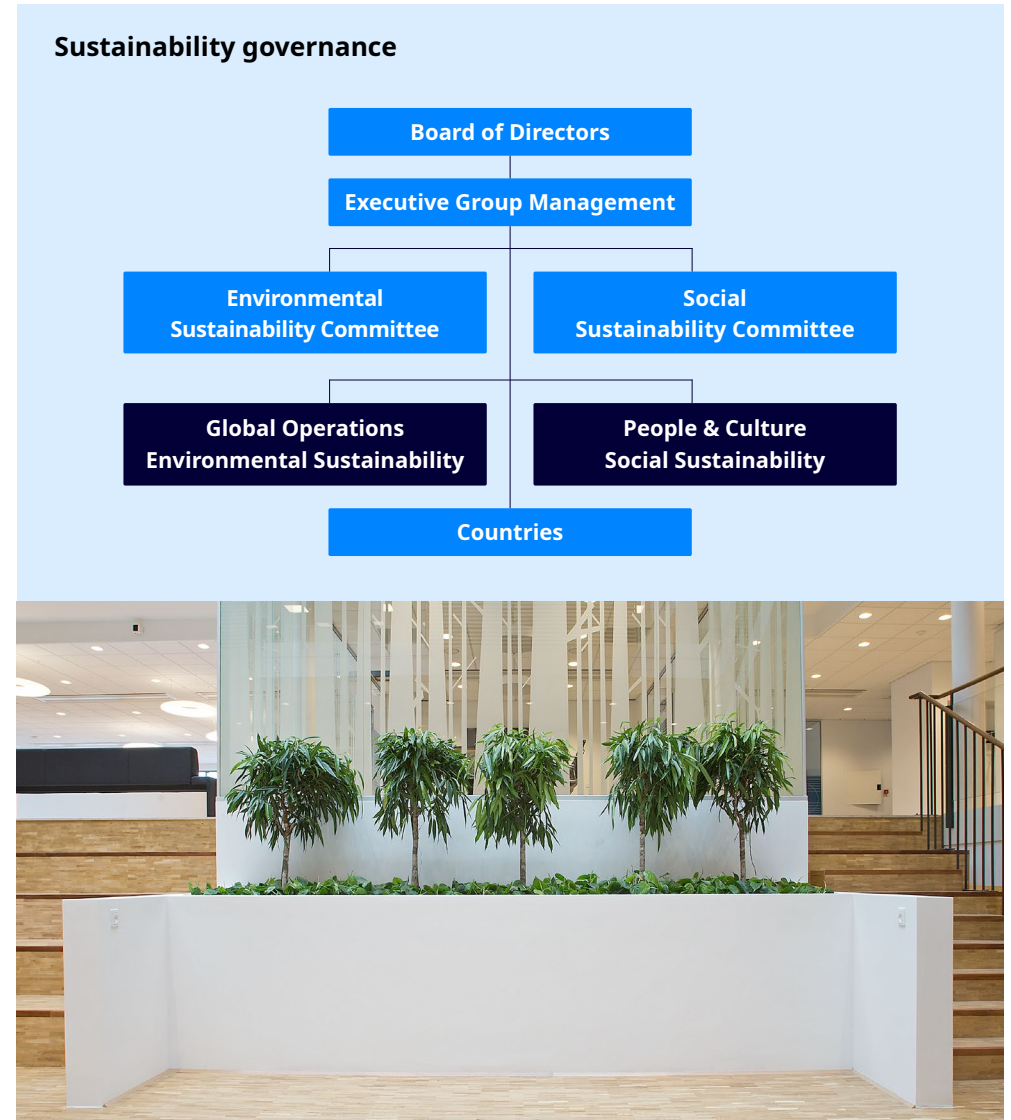
CASE STUDY

Driving environmental sustainability through supplier partnerships

Since scope 3 represents more than 95% of our carbon emission, we have successfully embedded environmental sustainability as a joint strategy with Diversey, the largest supplier partnership for Cleaning Machines, Cleaning Tools and Cleaning Chemicals. This makes Diversey support ISS in reaching the net-zero goal by delivering sustainable products and supporting initiatives that lead to a carbon footprint reduction around the globe within ISSs Cleaning Services. We have in 2023 established product specific emission data for chemicals, tools, textiles, and machines which helps gathering insights into today's emissions and define the core product range to be used to further reduce plastic and cardboard waste, chemical consumption, save resources like water and enable proper recycling of purchased goods, and reduce the environmental footprint to reach the SBTi (Sciences Based Target Initiative) targets. A governance structure has been put in place to agree on impactful initiatives, ensure an efficient implementation that is in line with the ISS carbon reduction plan and ensure proper tracking and calculation of the reduction achieved.

We have made good progress on several initiatives such as converted conventional Cleaning Chemicals to Eco-certified and Cradle to Cradle Certified™ plant-based detergents in two countries, which delivers 23% reduction in CO_2 emissions. We have rolled out new recyclable Cleaning Machines that increases productivity, reduces water and chemical consumption and with Li-Ion batteries that save up to 50% CO_2 due to longer battery lifetime. By implementing long lasting and efficient microfiber mops we have reduced water and chemical consumption with more than 37% on manual floor cleaning and implemented new floor pads that last longer and can be used without chemicals

Governance performance

Subject	Enabled by	Activities	Progress
Organisation	Operating model. Functional blueprints.	Our sustainability organisation and governance leverages our operating model. We continue to execute from a platform of clearly defined ownership at strategic, tactical and operational level with checks and balances in place through controlling and audit activities.	Operations and People & Culture drive sustainability execution across functions with Finance providing controlling and internal audit activities.
Priorities	Double materiality assessment. SBTi validation. Signature moves.	Performing a double materiality assessment serves regulatory and strategic purposes that together with SBTi validation of our near term emission reduction target brings substance to our net zero ambitions. Our signature moves within social and environmental sustainability were defined in 2022.	Obtained SBTi validation, performed our first double materiality assessment, continued execution on our signature moves.
Framework	ISS Standard on Governance of Group Policy Documents.	Our annual review cycle of policies supports our framework and proactive risk identification and mitigation.	In 2023, we updated key policies including our Corporate Governance Policy and our Sustainability Policy (previously named ISS Corporate Responsibility Policy).
Commitments	Sustainability Policy. Code of Conduct.	Commitments that align to our values, cultural ambition and strategic priorities are continuously considered to drive engagement towards internal and external stakeholders.	Broadening our TENT commitment to hire 1,000 refugees across Europe within next three years.

We want to become the sustainability leader in our industry

– executed through social and environmental sustainability

Social
Improve belonging
- Diversity
- Social mobility
- Health and safety

Environmental
Reduce carbon
- Energy
- Waste
- Materials

Social sustainability

ISS is part of something bigger. We can only succeed if the societies we do business in do too. And we can only grow if our people are safe, feel rewarded and free to be who they are.

SOCIAL SUSTAINABILITY

Creating a global Company of Belonging

Connecting people and places to make the world work better takes a culture that values differences, embraces personality and drives development. A company where people feel they belong. At ISS, that is our cultural ambition. To become the global Company of Belonging by 2025.

Our people are not only at the heart of our business. They *are* our business.

From the edge of the labor market to successful lifelong careers, ISS is a societal incubator that has provided – and will continue to provide – work opportunities for millions of people.

We want to make sure we welcome people who come and work for us – our 'placemakers' – into a workplace that values diversity, supports social mobility and ensures health and safety. An inclusive environment where everyone feels supported, secure and able to be themselves.

A culture nurtured for 120 years
Creating an environment where our placemakers feel they belong is integral to the culture we have nurtured for more than 120 years. It's also written into our OneISS strategy as part of our fifth Strategic area: *creating a safe, diverse and inclusive workplaces.*

Making sure our more than 350,000 placemakers feel that sense of belonging has a huge impact. Feeling accepted, empowered and valued for who you are drives engagement and motivation.

This translates into better experiences and outcomes for our partners and not least our customers – which is how we build long-lasting and value-creating relationships with all our stakeholders. And ultimately, this is how we achieve our purpose: *to connect people and places to make the world work better.*

That's why becoming the global Company of Belonging matters to us. It will make us a better place to work, a more sustainable business and a better contributor to the societies we serve.

Our promise to placemakers
Last year, we launched a new employee value proposition (EVP) – *A Place to Be You* – which we have continuously worked to implement this year.

It promises all current and future placemakers that ISS is a place where everyone, regardless of role or function can:
• Be who you are
• Become what you want
• Be part of something bigger

As such, the EVP not only puts a tight fit on our promise to current and future employees; it also works as the cultural enabler of the OneISS strategy and ultimately drives our ambition to be recognized as an employer of choice.

Turning ambition into action
Our three signature moves support our strategic priorities. They are purposeful and intentional promises to deliver better outcomes for our placemakers, their families, our partners and the communities in which we operate. Together, these signature moves will accelerate us on the journey to becoming the global Company of Belonging:

Living wage
We pledge to work together with policy makers, our customers and suppliers to increase the implementation of living wages across our industry.

Recognised qualifications
We commit to giving 100,000+ placemakers or their family members a recognised qualification by end 2025.

Respect and recognition
We partner with all stakeholders to demonstrate the value that all placemakers bring to our workplaces, striving for continued recognition and respect.

" **It's not just strategy that drives transformation, it is the people and how we do things. Our cultural ambition is to become the global company of belonging and we are bringing this to life and translating it into a promise to all our placemakers – a place to be you.**

Liz Benison
Group Chief People & Transformation Officer

On living wages

Fair pay is fundamental for any work relationship and an important part of good working conditions. We acknowledge that adequate wages may mean minimum wage level increases. That is why we are now working with policy makers, customers and suppliers to implement living wage benchmarks across our industry.

This year, we worked with an independent partner to calculate a living wage benchmark for each country we do business in. Then, where we needed to, we set local benchmarks reflecting differences in our placemakers' living costs. We also identified reference sites, capturing best practice and analysing 147 living wage accounts to more deeply understand the balance of costs and benefits.

Currently, we have pilots running in two countries to measure the impact of earning living wage on our people Key Performance Indicators (KPIs) – including employee turnover. We picked seven accounts to develop as case studies. Findings from the two already completed confirm over the longer term a strong positive correlation between salary increases and our people KPIs.

We know economic changes affect our employees' living costs. That's why we are completely committed to driving ahead with our living wage programme. In 2024, we will keep working to measure the number of employees in scope, and we will formally define and publish a company ambition to increase salaries.

In the coming months, we will continue to work with our independent partner to calculate living wage benchmarks through the year.

We will also be finalising the OneISS living wage blueprint, embedding living wage standards into our HR processes, concluding our two pilots and scaling up our programme.

On recognised qualifications

Personal development at work helps our placemakers realise their full potential. So today, we're working to provide recognised qualifications to them and their families.

We have committed to giving qualifications to more than 100,000 individuals by 2025. We're doing this through a mix of access to learning and development programmes that cover craft skills, competencies, life skills and leadership.

We now have a global definition of an ISS Recognised Qualification – a qualification which is accessible, inclusive and representative of the diversity in our workforce.

During 2023, we promised to give 15,000 placemakers this qualification. We also increased our capability to measure how many direct employees had gained an ISS Recognised Qualification. As a result, we have exceeded our target by almost a third – 19,000 people. This includes giving more than 850 talented individuals an apprenticeship or traineeship.

We are also running a number of in-country initiatives. For example, ISS UK&I offered employees who completed the ISS Pure Space Office cleaning training the chance to gain a widely recognised License to Practice.

In 2024, we're extending our ISS Recognised Qualification offer to ISS placemakers' families.

We are also further challenging ourselves to give 26,000 employees or family members a recognised qualification during 2024. This is an increase of close to 40% from 2023.

On recognition and leadership

In the past, essential workers often didn't get the respect they deserved in society. Fortunately, these roles are now more valued – politically and socially.

We are recognising and celebrating the achievements of our placemakers more than ever before. Not just to show them respect but to inspire our teams and drive our culture change.

We hope that by being recognised for the commitment and effort they put into their job, our people will enjoy their work more and stay in their jobs longer. That will drive more customer loyalty, revenue growth and better business performance.

The ISS Inspire Awards reflect our belief in the importance of creating a culture of recognition. It's made up of various awards across service culture, health & safety, sustainability and leadership. This is just one example of how we celebrate the exceptional work of our placemakers.

Our strategic approach to belonging creates value for all

Placemakers
Living wage and opportunities to grow

Partners
Fair and lasting relationships built on collaboration and trust

Investors
Positive brand impact attracting talented and diverse leaders, leading to better outcomes

Customers
More innovation, better service experiences and aligned values with ISS

Society
Sustainable growth and social mobility

CASE STUDY

Championing Equality: ISS Spain's Stand Against Gender Violence

In observance of the International Day Against Gender Violence, ISS Spain took a bold stand in 2022, reinforcing its commitment to creating a workplace free from discrimination and abuse. With an Equality Plan established in 2019, ISS Spain became a leader in the FM industry, advocating for safe, respectful work environments through a comprehensive Protocol Against Gender Workplace Harassment.

Our resolve was further demonstrated through wide-spread awareness campaigns. We used internal and external communication channels to not only raise awareness but also to provide actionable support for victims, aligning our efforts with global movements for gender equality.

In a poignant gesture of solidarity, ISS Spain distributed bracelets to all ISS placemakers in 2021. This act served as a global call to increase awareness and support for victims, tangibly representing our dedication to eradicating gender violence and fostering a culture of support and empowerment.

ISS Spain's unwavering efforts reflect the global ISS ethos: People Make Places. By championing gender equality and taking active steps to protect and empower, we create places where everyone is respected and violence is not tolerated.

Diversity, inclusion and belonging

Reflecting diversity, promoting inclusivity and making sure everyone at ISS feels that they belong is not just something we aim for. It's something we are acting on.

Our global Diversity, Inclusion & Belonging (DIB) strategy commits us to being proactive in reflecting diversity and promoting inclusivity across our business and at all corporate levels.

This is not only integral to the ambition of becoming a global Company of Belonging; as an international organisation, we also have a responsibility to reflect our surrounding communities and the local societies we work in. Finally, having a diverse workforce and an inclusive workplace culture reflects on our business results.

We drive our DIB strategy through five dimensions: Generation and Age; Pride; Gender Balance, Abilities and Cultures; and Race and Ethnicity. In 2023, we continued the work we started in 2022, defining specific DIB actions in all our countries, across these five dimensions.

The driving forces behind these initiatives are our dedicated Employee Resource Groups (ERGs). These are run by voluntary members of our workforce who want to make a difference to our DIB agenda through concrete actions and initiatives. Each ERG is supported by one or more senior or executive group management member.

As well as our ERGs, and to further support our work in each of the five dimensions, we partner with organisations like The Valuable 500, Tent, All4Youth alliance, Workplace Pride, ILO, Purple Space and The Diversity Council in Denmark.

In 2023, we ran two initiatives with the All4Youth alliance. We also strengthened ties with Tent – deepening our commitment to giving refugees more opportunities in the countries we do business in.

In the following pages, we present some of the key initiatives we've launched in each of the five dimensions, and we highlight how we'll continue to promote each area going forward.

Dimension 1: Generation and age
Partnering with secondary schools and various NGOs, this year ISS Hong Kong developed SHINE@ISS. This programme offers training, career opportunities and mentoring support to young people with special educational needs.

Students get three weeks of training to prepare them for the workforce – on topics like persistence, responsibility, communication skills, service mindset, and time and stress management. This is then backed up with on-the-job training and internal classroom training as well as on-site career mentors ready to provide support.

This year, as part of All4Youth alliance initiatives, we partnered with Junior Achievement on a project called HONOUR (Hiring Opportunities for Young Ukrainian Refugees) starting a pilot project in Germany to give opportunities to young Ukrainian refugees. We started by offering apprenticeship opportunities and shadowing opportunities. This program is now in progress.

In Poland, we hired 44 Ukrainian refugees through a separate program by the end of October 2023.

Dimension 2: Pride
This year, we performed benchmarking in different countries around pride and LGBTQIA+ inclusion, with Workplace Pride as our partner. The pride ERG and global DIB team will incorporate the findings into in-country LGBTQIA+ policies in the near future.

We launched an art exhibition during Pride month (June 2023), involving all countries and levels of our organisation. We wanted to engage every placemaker worldwide but especially in countries where being LGBTQIA+ is not always safe.

This was the first time in ISS history that we tailored a global DIB programme to LGBTQIA+ placemakers. But our Pride activities were open to everyone, allowing for all our placemakers to participate and have their voice heard, with the option of full anonymity to safeguard personal identity.

In 2024, we will:
- produce a comprehensive managers guide, covering all dimensions of LGBTQIA+
- create and communicate benchmark action plans in each country, offering support to local DIB leads through a pride mentor scheme;
- launch a global trans policy developed by trans placemakers; and
- create a targeted pride e-Learning suite to address the LGBTQIA+ community's unique and specific issues (working with partner The Learning Factory).

Dimension 3: Gender balance
Having a better gender balance brings greater innovation, improved organisational performance and better service to our customers.

To drive progress in this area, our goal is to bring more women into leadership roles – and keep them – and build a more inclusive environment where women feel they belong.

Our target is a 40/60% female to male balance in corporate leadership by 2025. We are making sure we'll achieve this through binding year-on-year progress targets and by tying part of executive pay to achieving specific DIB goals.

As well as setting and hitting targets, we have worked to remove whatever biases and barriers we find to make sure the ISS talent pipeline is gender balanced.

Gender balance 2023

Board

67%
Men
(four)

33%
Women
(two)

EGM

78%
Men

22%
Women

Corporate leadership

65%
Men

35%
Women
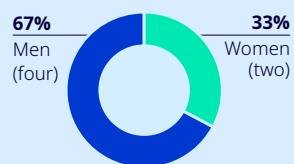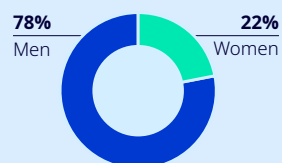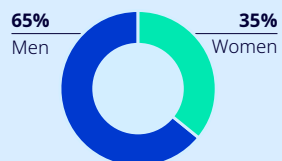
Competencies and diversity

The Board and EGM understand the importance of diversity at management level. They have implemented policies on competencies and diversity for Board and EGMB nominations to make sure we stay committed to picking the best candidates.

When selecting members for the Board and appointing EGM candidates, we emphasise:
- experience and expertise;
- diversity of gender and in broader terms; and
- personal characteristics matching our values and leadership principles.

To meet reporting rules on gender representation for the Board and other management levels according to Danish legislation as of 1 January 2023, the Group updated its "Competencies and diversity policy for the Board of Directors and other management levels of ISS A/S".

Board gender balance

The current gender representation among Board members is 33% women and 67% men (considered equal according to the Danish Business Authority's guidelines). The Board wants to maintain a gender representation of 40/60%. When we include employee representatives, 44% of the Board are women.

EGM gender balance

In our EGM, female representation is 22% in 2023 (2022: 31%).

Corporate leadership gender balance

As of 2023, the representation of women in corporate leadership roles is 34.7% (2022: 36%).

Dimension 4: Abilities

People with disabilities are often classified into a single group instead of being seen as individuals with different but valuable contributions to make. We work to ensure that placemakers with disabilities are recognised as individuals and get the chance to realise their potential.

That's why we are one of the 28 organisations signed to Generation Valuable, the Valuable 500's leadership up-mentoring programme for people with disabilities. The programme has members across four continents – other partici-pants include EY, Deloitte, HSBC and Roche.

Generation Valuable offers amazing leadership opportunities for people with disabilities to change the future makeup of the corporate C-suite, improving inclusion through systemic changes. It focuses on fostering new perspec-tives, deepening understanding, cultivating growth, and tackling the problems that talented people with disabilities often face moving up from middle management.

Our first cohort consists of 75 rising stars with at least five years of management experience.

In 2023, we also created a neurodivergence guide for managers and set up a digital accessibility strategy for the coming years.

For 2024, we will:
- build a plan for the abilities ERG to engage with more areas of our business;
- create a global e-Learning abilities module;
- celebrate and share more placemakers success stories; and
- continue supporting our digital accessibility strategic priorities.

Dimension 5: Cultures, race and ethnicity

A signification proportion of our placemakers belong to underrepresented communities. So we need to improve these communities visibility in our business.

This year, the cultures, race and ethnicity ERG secured our Group CEO's signature in support of Representation@ISS. This is a new initiative dedicated to helping manifest our organisation's aim: "To be socially sustainable in every country where we operate by becoming the global Company of Belonging."

Part of being a global Company of Belonging is making sure our leadership better reflects our operations' local demographics. So we are using our People & Culture team's talent management processes and signature objectives to:
- improve representation across our leadership functions;
- create clear and fair pathways for recruitment and professional development, and
- invest directly into our placemaker communities.

This year, through our work with Tent to support refugees, we also committed to:
- hiring 1,000 refugees in Europe over the next three years;
- mentoring 50 refugee women over three years in Spain and The Netherlands;
- recruiting 1,000 refugees or more across our North America business by the end of 2025; and
- mentoring 50 or more Hispanic refugees in North America over three years.

Learning, growing and developing

Helping our people learn, grow and develop is one of our cornerstones. It's how we make sure everything we do is done the right way, in line with our values, principles and ways of working. It is also how we foster an empowered and more purpose-driven workforce.

The learning programmes we run across ISS provide training for our placemakers, so they have the right skills and competencies to consistently exceed customers' expectations. They also cover vital areas like business ethics and health and safety.

We design and run all learning and training programmes ourselves, not through a third-party provider. This is our way of ensuring quality and consistency in skills and service delivery – in line with our culture and across all our locations.

Developing skills at all levels, and at all sites

Our placemakers begin learning right from the start of their ISS careers. From induction and onboarding to our advanced leadership programmes, we provided 3,577,755 hours of training across our organisation in 2023 (2022: 4,336,538). That equals around 10 hours (2022: 12) of digital and in-person training sessions per employee.

We offer a wide range of qualifications – from courses on technical competencies for frontliners to executive development for leaders. As well as the formal qualifications we offer, our core

development programmes give every placemaker a chance to grow through our personal effectiveness training catalogue.

Laying the path for career-long learning

This year, we delivered more than 100,000 Code of Conduct training sessions, embedding our fundamental values and principles deep and wide across ISS.

Our mid-level managers continued to participate in our flagship leadership development programme – Leading OneISS. The programme helps them display the right behaviours and culture when managing their teams and delivering our OneISS strategy. It also gives them insights into their leadership style, strengths and development areas.

To make sure we keep fostering the right culture, we also rolled out a digital Leadership Model Toolkit to build more consistent behaviors across the company.

Our Placemaker's Path learning and development programme equips our people with the skills they need to deliver great service to customers, be better leaders, develop in line with their aspirations and help us realise our ambition of becoming a global Company of Belonging.

We continued deploying Placemaker's Path this year in all our key global accounts and beyond. It's now delivered in all ISS countries, benefitting more than 75,000 placemakers for the whole of their ISS careers.

To strengthen our operational capabilities, this year we also grew our Key Account Manager Certification and Site Manager Certification pro-grammes. These programmes are now boosting our capabilities and helping us apply our scalable operating model in a more joined-up way.

In 2024, we will strengthen how we measure the effect of our training through our MyVoice employee survey. And we will develop extra mechanisms to help us reach every single employee with growth opportunities, across all our locations.

MyLearning – enhancing the employee learning experience

We want to be a technology leader in our industry. So we've continued to invest heavily in our Learning Management System, My-Learning. Today, it delivers practical, intuitive solutions for all our placemakers to give them better access to training opportunities, learning content and a raft of extra personal development material.

Our self-study MyLearning programmes develop management, personal impact and communica-tion skills, wellbeing, diversity as well as inclusion and digital literacy. In the last 12 months alone, our placemakers completed almost 900,000 MyLearning courses – from a total catalogue of 3,250 courses.

MyISS – fostering a stronger sense of belonging with tech

MyLearning is only one component of a broader suite of applications designed to support our placemakers. The suite's foundation is MyISS – our global employee platform and mobile app. Integrated with MyLearning and other tools, it provides easy, on-demand placemaker access to information, learning, development tools and feedback opportunities.

In 2023, we sped up our rollout of MyISS. It is now available to 125,000 placemakers in 13 countries. And by 2025, we aim for every placemaker to have access to it.

Digitally connecting our people in this way will create a single and truly global ISS community. It will give placemakers the tools and materials they need, make their work lives easier, and foster a stronger sense of belonging.

MyVoice – tracking progress towards becoming a global Company of Belonging

Following a successful pilot with 40,000 place-makers in 2023, we will be launching our new global employee survey – MyVoice – in 2024. This survey will help us better understand the effect of our people development agenda and better monitor our progress towards becoming the global Company of Belonging.

Supported by best-in-class employee experience technology and analytics, the survey is integrat-ed with MyISS. It will be boosted by extra interim pulse and lifecycle surveys – including some specifically focused on learning and develop-ment experiences and opportunities.

In this way, technology is helping us take our ability to listen and respond to our placemakers to new heights. This is not only vital part of our people strategy and cultural ambition; it also makes our people feel more respected, valued and empowered to make positive changes to their working environment.
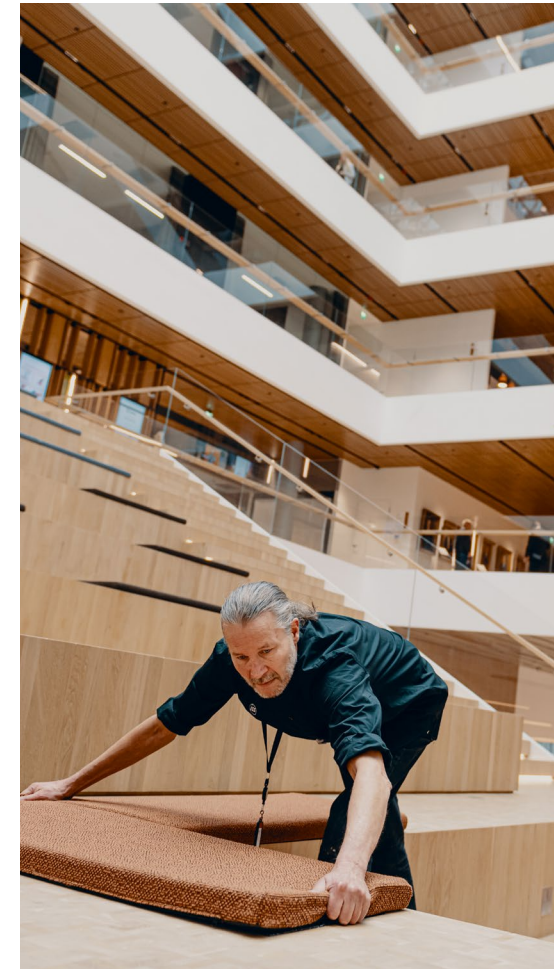
Health, safety and wellbeing for all

Keeping each other safe is our highest priority. It's integral to our values, key to our strategy and fundamental to being a Company of Belonging. We want all our placemakers to return home safely to their families after productive working days. That's why we never stop working to ensure safe work-places and practices.

We want ISS to be a workplace that is both physically and psychologically safe for all and we promote a culture where speaking up on inci-dents, risks or mistakes, is safe and with no fear of retaliation and suggestions, ideas, questions and concerns are welcomed.

Building a safety culture
Over the past few years we have invested a lot in developing our Health, Safety & Environment (HSE) management systems and platforms. But we also recognise we need to create a stronger safety identity and culture across ISS. To ensure that it can have the greatest influence on safety within our business, our Group Health and Safety function remains part of our Global Operations function.

Our new vision is to embed an enter-prise-wide, industry-leading safety culture and HSE management programme that prevents harm to placemakers, subcontractors and customers and protects the environments they maintain. The vision unfolds in our new long-term strategy to drive a stronger, more consistent HSE culture that we start to implement from the beginning of 2024 in a phased approach:

1 Activate – planning, research and analysis (the phase we are currently in)

2 Motivate – building momentum by engaging the workforce

3 Cultivate continued engagement to create sustainable change

This year our Global Safety Week Campaign launched foundational 'building defined behaviours' to keep each other safe. They encouraged placemakers to keep themselves, and those around them, safe by:
- knowing the rules
- actioning safety
- speaking up
- telling their story
- playing their part

Looking after our mental health is a daily practice that's just as important as our physical health. Leaders are encouraged to hold 'Mental Wellbeing Pauses' with their team to have a purposeful conversation about mental and emotional wellbeing. This helps to create an environment where everyone feels able to speak up and ask for help if they need it.

We are focusing on improvements in four core areas:

Culture
- Benchmarking
- Defining behaviours
- Improving communications
- Defining our 'culture journey'

People
- Consolidating certifications
- Simplifying Group Standards
- Redefining assurance
- Being clearer on our legal compliance

Process
- Defining resource levels
- Reducing role duplication
- Increasing competency
- Adjusting team structures

Technology
- Improving data quality
- Centralising reporting
- Improving our systems' usability
- Integrating systems

Keep each other safe

By making others aware

Keep each other safe

By actioning safety

Keep each other safe

By playing your part

Keep each other safe

By knowing the rules.
By actioning safety.
By making others aware.
By asking for help.
By playing your part.
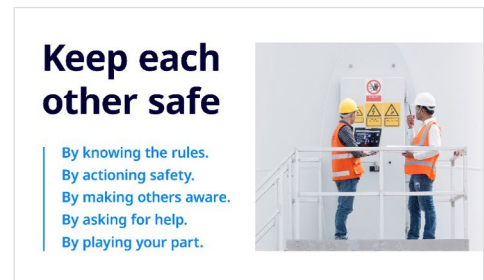
Systems and processes

Our Globally Certified HSEQ Management system is the backbone of our safety set up. It reflects the latest ISO standards, 45001 for Occupational Health and Safety Management Systems and 14001 for Environmental Management Systems. It is powered by a global technology platform called Velocity in which we log incidents, do audits and inspections and consolidate actions. The systems were recertified for a second four-year period in May 2022 by the global certification body, Det Norske Veritas (DNV). In 2023, we passed the latest surveillance audit with no major non-conformities.

The Global HSEQ Management system is supported by the ISS Group HSE Manual, the Group HSE Annual Action Plan (objectives, targets KPIs), the Group HSE Data Reporting Manual as well as the HSE Control Procedures and Standard Operating Procedures.

Risk management, due diligence and auditing

The way we manage the health and safety risks of our services varies by individual customer and site. We have a standardised Site Risk register to give us an overview of hazards and risks at global and local key account sites supported by a Site HSEQ Compliance Plan that maps risks in the gap between ISS and our customers. This helps us understand – and comply with – our own and customers' needs.

Every year, in line with our ISO45001 & 14001 commitments, our Group HSE team carries out a global assurance programme to make sure countries are following Group management standards and operational controls. The programme covers our country management HSE systems, procedures and sites and customers' sites and requirements.

In 2023, we carried out 7 internal country audits which represents 25% of the countries we operate in. In the past 3 years, we've assured 100% of our countries.

Intense focus on injuries and fatalities

Even with a global workforce of more than a third of a million people , a single fatality is too many. In 2023, we had five placemaker fatalities. In addition, a member of the public was fatally injured in a traffic incident caused by ISS personnel. This is heartbreaking. These tragedies have been felt across the organisation, and we've taken strong and immediate action to prevent such terrible events repeating themselves.

We have strengthened our root cause analysis processes to make sure we always fully understand why incidents happen and know how to remedy the immediate causes. We have also dived deeper into accident causes, made fundamental changes to how we operate and shared lessons across the whole Group.

Our enhanced processes have already helped teams to spot potential risks in customer environments that we hadn't previously identified or seen as significant. We'll use what we've learned to make both placemakers and our customers' end-users safer. This includes:

- engaging customers earlier to better understand any risks associated with their activities and agree effective controls;
- reviewing and improving our current processes for site hazard identification and risk assessment;
- enhancing our transition process to make sure we gather customers' site-related risks;
- including a customer's commitment to safety at the go/no go stage of any bid, and during ongoing contract reviews;
- making our risk assessment and minimum controls clearer, and applying them equally to all types of environment we operate in; and
- giving supervisory staff enhanced training and better hazard awareness.

Sharing lessons helps our entire customer base. For example, after an incident involving contact with a production conveyor belt in an Indonesian manufacturing environment, we shared root causes and lessons globally via a 'safety flash' to local operational teams. These teams worked with customers to review other manufacturing sites. And as a direct result, we identified and addressed identical risks in other locations.

In the country where three of the fatalities happened, our Group Head of HSE looked closely at the local safety culture and at whether local HSE management practices were being applied and embedded effectively. A number of big gaps were identified. A rectification plan is now in place with the EGM tracking progress.

Monitoring our accident performance

Our Lost Time Injury Frequency (LTIF) measures accidents per one million hours worked, or the equivalent to accidents per 500 people. For 2023 our LTIF was 3.1 compared to 2.9 in 2022. This is a 0.2%-points increase primarily driven by an increase in the number of incidents recorded.

While many factors impact LTIF performance, the return to office following the Covid crisis has seen accident rates increase.

The number of lost time injuries increased to 2,247 from 2,185 in 2022.

We know we still need to significantly improve our performance and our new strategy will be pushed hard to build a more consistent culture of safety across our business.

People performance

Subject	Enabled by	Activities	Progress
Employee engagement	Employee Value Proposition. MyISS. MyVoice.	Roll out of MyISS and MyVoice will improve our ways of engaging with placemakers.	Continued roll out of MyISS to 125,000 placemakers across 13 countries and pilot roll out of MyVoice to 40,000 placemakers.
Diversity, Inclusion & Belonging	Diversity, Inclusion & Belonging Policy. Global People Standards. Signature moves. Employee Ressource Group.	Strong activity across all five Employee Ressource Groups within Abilities, Gender Balance, Cultures, Race & Ethnicity, Pride and Generations & Age.	Corporate leadership gender balance at 34.7% (2022: 36.4%).
Learning & Development	MyLearning. Mandatory and voluntary training & development programs. Signature move.	Continued roll-out and improved accessibility to learning and development programs. Strong progress on the Recognised Qualifications signature move.	Placemakers received a total of 3,577,755 hours of training in 2023, a 17.5% reduction compared to 2022. Each placemaker on average received 10 hours of training during 2023 (2022: 12 hours). Out of the total of 3,577,755 hours of training in 2023, 299,103 related to support staff.
Labor rights	Code of Conduct. Global People Standards. UNI Global Union Agreement. Works councils.	We continue to support and promote labor rights such as freedom of association and the right to collective bargaining through our continued engagement with employee and labour representatives and organisations. Compulsory, forced and child labour remain key policy issues that ISS does not tolerate in our own operations or with our suppliers and business partners. Our strong Belonging agenda supports our commitment to combatting discrimination.	54% of our placemakers are covered by collective bargaining agreements – a solid improvement against last year's 51%. In 2023 countries reported 16 cases of discrimination (2022: 22) and we received 47 Speak Up reports regarding discrimination and harassment (2022: 25).
Health & safety	ISS Safety Rules. Group HSEQ and CR Action Plan. The ISS Group HSEQ Management Manual. The ISS Group HSEQ and CR Reporting Manual. HSEQ@ISS-IT system.	Awareness campaigns throughout the year. Recertification of HSEQ Management system Health, Safety and Environment training refreshed and rolled out.	112,403 dedicated training sessions within Health, Safety and Environment completed in 2023 (2022: 180,771). Lost Time Injury Frequency: 3.1 (2022: 2.9). Fatalities: 5 (2022: 1).

Environmental sustainability

Making the world work better means nothing if our footprint is too heavy on the planet. So our efforts are focused on making sure that we tread lighter. And helping our customers and partners do the same.

Making a positive difference to our planet

Our environmental goal is clear and ambitious. We want to be the most sustainable company in our industry, a champion of sustainable workplaces. It's not just about contributing to a healthier planet. Using energy, water, food and materials more responsibly also contributes to more efficient and profitable operations – for us and our customers and stakeholders.

The impacts of climate change, rising energy costs, resource scarcity and waste overload are affecting all of us. We aim to create long-term value for our business and our world by tackling our main environmental challenges and reporting on the impact of our activities regularly and transparently.

With the reach and impact of a company our size, and with the support of our 350,000 place-makers, we believe ISS can become the industry champion of sustainable workplaces.

To get there, we have made environmental sustainability a strategic priority – a fundamental building block of our overall OneISS strategy.

We aim to make a positive difference to the health of our planet through two different, but connected, approaches:

- **Sustainability in service** – this is the work we do to cut the environmental impact of our own service, which in turn affects our customers' impacts.
- **Sustainability as service** – these are the services and products we offer, directly advising and managing activities for customers that reduce their energy consumption.

Using 'sustainability in service' as a framework allows us to go through each of our key emission sources and articulate what we are doing or planning to do on each key area.

'Sustainability as service' allows us to target lower energy consumption (energy management, capital projects, workplace optimisation) in our customers' premises, without that affecting our own emission profile.

Turning approaches into action
In terms of our actual business operations, successfully delivering on these approaches means focusing on cutting carbon dioxide and greenhouse gas emissions. Our 2023 double materiality assessment confirms this is our main environmental challenge.

But it also means cutting back on our overall energy and materials consumption and on the amount of waste we generate – for ourselves, suppliers and customers. These are our focus areas because they are where we can have the biggest impact.

Every ISS placemaker has an important role to play in cutting carbon, energy, and waste as well as in utilising space, materials and assets more sustainably. That's why we continually focus on embedding environmental sustainability more deeply into our culture and into our services and daily practices through appropriate tools and training, letting it inform how we conduct ourselves at every level in the company.

Turning approaches into action also means committing resources to the job. In 2023, we dedicated significant resources to decarbonisation by appointing decarbonisation managers in each country. They are driving local initiatives and supporting the Group decarbonisation team by pushing forward enterprise-wide initiatives.

Our environmental sustainability commitments
Our overarching environmental sustainability commitment is to become net zero for scope 1 and 2 by 2030 and for scope 1-3 by 2040.

Back in 2022, we identified three signature moves to tackle key decarbonisation elements on our journey to net zero
- Electrifying our fleet by 2030
- Reducing greenhouse gas emissions from food by 25% in 2030
- Cutting food waste by 50% in 2027

This year, our short-term net zero targets were validated by SBTi. This is another major milestone reached and a solid indication that we are on the right path. But we still have a lot of work ahead of us. For 2024, we will be building even more robust decarbonisation transition plans at country and enterprise levels.

Accurately measuring decarbonisation
To track our decarbonisation progress better, we've invested in and implemented a global dedicated carbon management platform. This platform will drive methodology changes in the way we capture and calculate our CO_2 emissions for 2024.

For 2023, we have applied similar principles to the ones we used in 2022. But from 2024, our new platform will not only enable more reliable reporting but also – and more importantly – give us more detailed management insights into our decarbonisation performance. Finally, it will help to support our shift from mainly spend-based to activity-based emission data.

Understanding the sources of carbon emissions

Our carbon emission drivers can be split into three categories:
- **service specific**
- **service agnostic**
- **above service**

Service-specific drivers are things like food emissions that are almost exclusively linked to our food services. The same goes for cleaning machines and cleaning detergents almost exclusively linked to our cleaning services.

Service-agnostic drivers are emission sources that exist regardless of the type of service we offer. Examples of these are emissions from placemakers commuting to and from work, or emissions from uniforms.

Above-service drivers are emission sources from our management structures. They include our corporate offices, or vehicle emissions from site or account managers travelling between sites.

Being more carbon efficient

Managing our service emissions better means using the most emission-efficient resources in the most effective way.

We make sure we use resources efficiently through managing our supply chain, collaborating closely with our partners on cutting the carbon footprint of the goods and services we buy.

We also work to continuously improving and refining our own work processes and methods. For example, developing techniques for vacuum cleaning larger areas quicker is not only more cost effective but saves energy and equipment wear and tear. In turn, this cuts our scope 3 carbon emissions as well as the scope 2 and 3 emissions of our customers.

In 2024, we will have increased transparency into our carbon emissions from the new carbon management platform and more detailed local and global transition plans. This will give us more insights into our carbon emission drivers and help us target more areas to improve.

Our journey to net zero

We recognise the magnitude of the growing climate crisis. That's why we have set ambitious targets for our path to net zero, which we have had validated this year. We are also investing in technology that can deliver reliable data on carbon emissions across our value chain, so we can better monitor and track our progress.

Our net zero promise is strong and straightforward. We have committed to achieving net zero for scope 1 and 2 by 2030 and for scope 3 – our entire global supply chain – by 2040.

Both these promises are supported by science-based targets and are in line with the Paris Agreement's 1.5 degree scenario. This year, we received validation from the Science Based Target initiative (SBTi) that these targets are robust and achievable.

CO_2	Business activity	2023	2022
Scope 1 ~4%	Sources under our direct control, e.g., company vehicles, gas emissions and refrigerants	66,153 t. CO_2 eq.	69,581 t. CO_2 eq.
Scope 2 (market-based) ~1%	Consumption of purchased electricity, heating, cooling and steam.	7,594 t. CO_2 eq.	7,084 t. CO_2 eq.
Scope 3 ~95%	Supply chain, incl. purchased goods and services, and employee commuting (44)%.	1,550,214 t. CO_2 eq.	1,520,341 t. CO_2 eq.

Commitments	2023 outcome	Targets → 2025
Fleet electrify 18,000 vehicles by 2030	• Partnership with LeasePlan to reduce CO_2 • +2,500 vehicles electrified	• Continued progress on fleet electrification
Food CO_2 ↓ 25% by 2030	• CO_2 emissions per 1,000 kcal food served globally reduced by ~5% • Supply chain carbon analysed across our portfolio - results pending • Power Plant Programme – plant-based menu offerings through innovative recipe development, menu concepts and culinary training • Future 50 Foods – new plant-based recipes across our kitchens, globally	
Waste ↓ 50% by 2027	• Food waste reduced by 30% since 2019-baseline • Tracking food waste at 73% of our sites and 85% our transactions, globally • Winnows Food waste reduction system rolled-out to additional sites	• Continued scaling of Winnows system across sites and countries

Moving on scope 1 and 2

Fuel emissions from vehicles is by far our largest contributor to our scope 1 and 2 emissions, which is addressed with one of our three key environmental initiatives:

• **Fleet electrification** – we will electrify around 18,000 vehicles by 2030

We are doing well. By the end of 2023, we'd electrified 13.4% of our fleet, an improvement of more than 4 percentage points from 2022 and benefiting from our fleet partnership with LeasePlan.

Moving on scope 3

Our most carbon intensive service is food, accounting for around 70% of our emissions from purchased goods and services and therefore a natural target point for two of our three key environmental initiatives:

• **Food footprint** – we will cut emissions from food by 25% by 2030 and food waste by 50% by 2027

Today, our dedicated chefs and food staff work every day to prepare lower-emission menus. They are supported by strong focus on our food supply chain, working closely with food partners to find diverse, innovative and low emission alternatives as well as our work with the Cool Food Pledge.

Our scope 3 emissions relating to food increased in 2023 by 2% as a result of higher purchase volumes of food items.

Food waste on its own contributes very little to our food-related emissions. But when tackled in combination with food emission it illustrates our 'end-to-end' approach to managing challenges and helps us think more positively about resource use and circularity. We've made good progress in this area as well. We have scaled our global food waste reduction service products, and we are addressing behavioral change in our placemakers through for example awareness campaigns and competitions.

During 2023, we reached a milestone of 30% food waste reduction against our 2019 baseline putting us on the right track to meeting our 50% reduction target in 2027.

Tracking our journey
To become better at monitoring and tracking our way to net zero, we entered into a global partnership with Watershed in 2023. Their technology solution allows us to streamline how we measure scope 1, 2 and 3 emissions at Group, country, site and customer level. This gives us much better transparency and helps us generate more data-driven insights.

To encourage local ownership, local decarbonisation managers will be responsible for making sure the carbon management platform functions effectively at country level.

In 2024, we expect the first country and customer reporting, allowing us to analyse carbon performance for individual customers and our value chain emissions.

Reducing impact through products and services
Cleaning is our largest service in terms of activity, accounting for roughly 42% of our annual revenues. We are cutting the emissions relating to these services through productivity improvements, carbon optimised materials, and components such as plant-based chemicals developed in partnership with Diversey, a sustainable cleaning solutions company.

Our Pure Space Office product brings cleaning processes together with best practice to ensure more consistent delivery. We rolled out this product to 10,214 sites across 25 countries this year. The target is to implement it to all office sites in 2024.

Pure Space Office is already delivering strong results. So far, we have saved 38m litres of water and 1,263,503 litres of chemicals during 2022 and 2023. Besides the positive environmental impact, Pure Space Office also improves:
- **the quality of our cleaning** – via standard methods and training
- **productivity** – through optimal workflows and tailored tools
- **safety** – via tools to reduce contact with chemicals

Encouraging more sustainable commuting
Our 350,000 placemakers' daily commutes generate emissions for which we are accountable. Cutting those requires not only a change in individual behaviour but also in the accessibility and availability of good public transport.

"Just transition" is relevant to consider for a significant proportion of ISS' placemakers. Access to public transportation at affordable levels supports "just transition" and is an important lever to tackle emissions from employee commuting.

As our roll out of MyISS expands, our understanding of commute patterns can gradually increase through the feedback functionality. When fully rolled out in 2025 we will have the ability to influence commuting at a detailed level.

Managing our energy consumption
In 2023, our scope 1 emissions dropped by 5% to 66,153t CO_2e. We are starting to see the expected impact of switching fossil fuel vehicles to electric vehicles come through.

Our 2023 total scope 2 emissions (market-based) were 7,594t CO_2e, mainly from electricity consumption. The main energy source for our buildings and facilities is electricity. In 2023, the electricity consumption relating to our fleet was 3,131 MWh - more than double our 2022 electricity consumption for our fleet.

During 2023, we've seen more consumption captured by metered readings, but particularly for shared facilities there is some way to go.

This year, our renewable energy use accounted for 12,615 MWh equal to around 33% (2022: 37%) of our energy consumption. The decline against 2022 was due to lower energy consumption in countries with higher proportions of renewable energy.

We purchased 8,673 MWh in renewable energy in 2023 through recognized sources such as REC, GoI and PPA.

CASE STUDY

Adopting a more circular economy with Tork PaperCircle®

Tork PaperCircle® is an innovative recycling service for paper towels. Tork helps companies adopt a circular economy by collecting and recycling used hand towels locally into new paper products – turning waste into a resource.

Tork PaperCircle® is now active 14 European countries. The service collects hand towels after use in end customer washrooms and brings them back to nearby Essity mills, working with customers and logistics partners to manage the recovery of the hand towels. The journey started in 2017 at Essity with one mill in Germany and today with 6 entities all over western Europe.

In collaboration with Essity, ISS has begun implementing Tork PaperCircle at clients' facilities since 2021. The service is currently installed at 40 different locations where used paper towels are collected for recycling into new paper towels and other tissue products.

In 2023 ISS has collected 73.788 kg of hand towels to be recycled into new tissue products which means we have together contributed to potential CO_2e savings of 31.950 kg. CO_2e[1].

Tork PaperCircle® helps companies meet sustainability targets but not only. Essity conducted a survey[2] about office employees and an environmentally friendly office is becoming a must:

- **84%** of respondents do want to see a more environmentally friendly office
- **78%** think their employer could be doing more to turn the office into an eco-friendly place
- **60%** would like their employer to communicate better on sustainability in the workplace

Therefore, the service offered really makes a difference for customers and employees. Sustainability really becomes part of everyday routine to accelerate recycling and decrease incinerated waste.

[1] Potential CO_2e savings from recycling of used hand towels compared to incineration with energy recovery. Estimation based a third party verified life cycle assessment for EU average conditions, where avoided processes from alternative use of fresh fibers and energy were considered. Potential savings in kg CO_2e is calculated based on the result from the life cycle assessment and the collected weight reported to us. Estimate should not be used for carbon footprint calculations or reporting purposes.

[2] This web survey was conducted in the United Kingdom, Germany, France, Netherlands, Sweden, Denmark and Poland. Essity gathered insights from the general public, interviewing 12,000 respondents aged 18 - 55+. The research was carried out in March - April 2022 (for UK in Oct 2021).

Helping customers and communities reach net zero

Reaching net zero is a shared effort. We can make a material difference to our customers' carbon footprints through our sustainability services. Our unique combination of advisory, project management and maintenance services directly reduce energy usage in their facilities.

When we cut our own carbon footprint – decarbonising our service products, processes and materials – we make a significant contribution toward our customers' net zero targets. This in turn helps societies all over the world meet their carbon emission reduction goals too.

Most of these reductions will be scope 3 reductions for our customers. Although we will be able to create some efficiencies around the equipment we use – for example on vacuum cleaners and kitchen equipment – which will fall within our customers' scope 2.

Three ways of reducing carbon footprint

By taking advantage of our operating model and expertise across segments and sites, we can support our customers and society more widely in cutting the carbon footprint of buildings and operations.

We help customers' net zero efforts directly through priority sustainability services:

- **Advisory and monitoring:** Advising on energy management and optimisation based on monitoring and tracking of carbon emissions from workplaces.
- **Technical services and capital projects:** Leveraging existing capabilities in Technical Services and Capital Projects to reduce emissions from customers' portfolio of buildings.
- **Space management and optimisation:** Advising customers on space utilisation, including office redesign to reduce the number of carbon emitting buildings and reuse furniture.

Ensuring better management of energy – customer and company side

Our energy management services use new innovation and technology to help our customers become more sustainable businesses, while supporting their strategy and following local laws. We want to work together with them to increase efficiency while reducing energy, water and carbon footprints.

In 2023, our energy management services identified the eight activities on customer sites that would achieve the biggest, fastest and most long-lasting cuts in energy consumption:

- Water systems
- Boilers and steam systems
- Compressed air systems
- LED lighting
- Heating
- Ventilation and air conditioning
- Building management
- Solar and electrical distribution systems

Although we are an asset light organisation financially, we deploy and use thousands of operational assets as part of our day-to-day work (like cleaning machines).

Our technical services – particularly asset management – rely on us accurately tracking the lifecycles of these assets. This is so we can reduce energy consumption, manage maintenance cycles, increase usability and maximise life expectancy without compromising on safety or other risks.

In 2023, we launched a global partnership with a tech startup to use Internet of Things (IoT) technology to improve how we manage our own portfolio of assets.

We are taking advantage of the insights we've gained from this – and our asset management services – across thousands of customer sites to improve our technical service offer and support our customers' decarbonisation journeys.

Investing in better management of spaces

Space management is key part of our workplace management services. It focuses on optimising square metre use to meet our customers' (and their customers') needs.

Idle or inefficient space isn't carbon efficient and generates unnecessary operating costs for customers. Giving it a new purpose for our customers – or someone else – cuts carbon emissions from facility operations and avoids new emissions too.

Investments are often needed to realise the potential carbon emission benefits we find as part of our energy, technical, asset and space management services. For these types of projects, our project managers work with capital specialists to draw on internal resources and external contractors to complete the job in question.

From identifying the need through to completing the work, we provide end-to-end capabilities to help our customers achieve carbon emission cuts in their facilities.

Today, the drive to cut energy consumption in buildings is being fueled by more jurisdictions introducing building codes with minimum energy efficiency thresholds. Many companies will need big investments into 'energy renovations' of existing building portfolios. These climate change mitigations are a direct business opportunity for us.

Sharing carbon-cutting ideas across the organisation

Our placemakers hold the key to helping our customers' meet their net zero goals. We always aim to scale placemakers' local-level carbon-cutting ideas and initiatives across our operation, so other placemakers can benefit.

We achieve this through specific playbooks developed for inspiration and instruction:
- Placemakers Energy Savings Catalogue
- Workplace Idea Catalogue
- Energy Savings Idea Catalogue for Capital
- Energy Optimisation Playbook
- Space Optimisation Playbook

In 2023, we further strengthened sustainability engagement with, and among our placemakers through new training programmes and learning & development opportunities. We did this either by introducing brand new training or by embedding sustainability themes into existing training and development programmes.

Cage free eggs

ISS continue to focus on the responsible sourcing of its produce from a global network of supply chain partners. Despite continued challenges in the marketplace and supply gaps, ISS is committed to source cage free eggs for our shell and liquid eggs demand. In 2023 our total share of cage free eggs remained at similar proportion as that of last year. The cage free eggs purchase in Americas and Europe improved by 6-8 percentage points whereas in APAC we continue to maintain the purchase level despite cost pressures and supply gap. Regional Breakdown of cage free eggs in 2023 are in Americas – 87% (2022 - 81%) Europe 64% (2022 - 56%) APAC – 4% (2022 - 7%).

Building a more sustainable supply chain

Our impact on the environment comes mainly from our supply chain and the goods and services we buy. So collaborating with our suppliers is key to cutting our environmental footprint. We have set an ambitious target for scope 3 emissions: we want to be net zero by 2040. To make sure we reach it, we are working across our supply chain to incentivise carbon emission reductions and find new ways to reduce waste.

Around 95% of our carbon emission footprint sits within scope 3. So our ability to cut indirect emissions from our supply chain is key to hitting our net zero target.

For this reason, we have given more focus to sustainable procurement practices and supply chain management this year. So we are working closely with suppliers and partners across our supply chain to incentivise emission reductions. Helping them tackle carbon and other waste in their operation will reflect positively on our business in the future. And on the planet too.

While these longer-term ambitions will take time, they are just as important as operations directly in our control.

Assessing suppliers and partners

We have set ambitious goals for our environmental sustainability performance. But to deliver on them, we depend on partners and suppliers with the same mindset and willingness to play their part. It takes a village – or rather a value chain – to deliver real change.

We are guided by the belief that as stakeholders in the global community, we all need to participate and support where we can make the greatest difference.

So our main ask of suppliers and partners – current and prospective – is that they pick the areas where they know they can have the most impact and that they set ambitious goals. That is what we do ourselves. We believe it is fair to ask the same of them.

Rather than indiscriminately apply our own sustainability goals to suppliers and partners, we take a contextual approach to our evaluation. In practice, this means engaging with them to understand their individual sustainability context, assessing sector profiles, geographical activity profiles, economic profiles and work force profiles.

From this assessment, we derive typical contextual scenarios of impact materiality. We use these to help us decide whether their efforts help to bring us closer to reaching the reduction targets we've set for our value chain.

We do not treat sustainability criteria as hurdles. We may decide to engage with suppliers or partners who don't immediately demonstrate the appropriate level of sustainability ambition.

But if they demonstrate enough willingness to improve – with our help – we might very well engage. Obviously, this calls for careful monitoring of their performance. If progress is unsatisfactory, we will have to end the relationship.

Improving labour standards

We have also been acting on the plans we made in 2022 around governance. These include reviewing ethical business practices and anti-corruption, human rights and labour standards in our supply chain. We are also implementing more responsible procurement practices and minimum standards of supplier conduct and in the beginning of 2024 we adopted a new Group Supply Chain & Procurement Standard that also serves as our Environmental Supply Chain Sustainability Standard.

Planet performance

Subject	Enabled by	Activities	Progress
Scope 1 **Consumption and emissions**	Fleet electrification. Group Fleet Policy.	SBTi targets validated. Continued work towards fleet electrification through Vested® partnership with LeasePlan.	Fossil fuel consumption reduced by 2% for fuel and 28% for gas against 2022. 3,131 MWh electricity charged in electric and hybrid vehicles. Total of 2,622 hybrid and electric vehicles in our vehicle fleet of 19,612. Scope 1 emissions have reduced by 5% against 2022 and by 25% against our 2019 baseline.
Scope 2 **Consumption and emissions**	Energy management.	SBTI targets validated.	Electricity consumption of 26,641 MWh in 2023 (2022: 29,262 MWh). Heat consumption of 11,508 MWh in 2023 (2022: 13,445). Scope 2 emissions (location based) of 9,449t CO_2e. Scope 2 emissions (market based) of 7,594t CO_2e. In 2023 we purchased 12,615 MWh of renewable energy equal to 33% of our energy consumption.
Scope 3 **Emissions**	Energy management.	SBTI targets validated.	Scope 3 emissions of 1,550,214t CO_2e, a slight increase against 2022 primarily due to higher activity levels.
Food waste	Commitment to reduce food waste by 50% by 2027.	Global Winnow partnership.	Food waste reduced by 30% since 2019-baseline. Tracking food waste at 73% of our sites and 85% our transactions, globally. Winnows Food waste reduction system rolled out to additional sites.

Prosperity/ Governance

Driving sustainable change is done with heart and mind. Passion and intention. Our values and business principles need to provide the right foundation.

Governance, integrity and compliance

Our Speak Up Policy

Our Speak Up Policy is a fundamental element in our approach to responsible business conduct. It provides a safety valve for raising issues or concerns with ISS centrally and locally without fear of retaliation. This multi-channel platform is available for use by our placemakers, suppliers, business partners and other stakeholders.

Our Speak Up Policy and system for reporting concerns complies with the Danish Whistleblower Act, which implements the EU whistleblower directive in Denmark.

How it works

The Speak Up Policy is available on the global and all local ISS websites alongside our Code of Conduct and is translated into 26 languages. We promote it through our mandatory Code of Conduct training, on the Team Boards – which are available at all key account sites – and on office posters.

We also maintain a 'Responsible Business Conduct & Speak Up' website. It gives clear information to all stakeholders on how to raise a concern; what should be reported through the Speak Up system; the investigation process; and our commitment to the 'no retaliation against reporters' policy. The page features on all ISS country websites in the local language.

Reporting via the Speak Up system web application and telephone toll-free hotlines is hosted by third-party system provider, EQS. All electronic communication through this application is encrypted, and the reporter can decide to stay anonymous.

Reported concern	Our principles	Corrective actions
It was reported that the team leader presented behavior considered as violating ISS's Code of Conduct, employees were not treated with respect, instances of mobbing, disrespectful behavior, forcing to work after hours and during holidays, certain employees were discussed in font of other employees.	All colleagues must be treated with dignity, respect, fairness and inclusion. Any forms of discrimination and harassment are unacceptable at ISS and must be reported.	Allegations were substantiated. The employee no longer works for ISS. Additional support was given to the local team by engaging a new P&C business partner with aim of resolving local grievances in reactive manner.
A regular internal financial control discovered suspected cash embezzlement of management fees and other fees collected from occupiers at the site managed by ISS. The case was initially suspected by the local accounting team and subsequently confirmed during an unannounced cash count.	Employees must comply with the law, ISS Values and policies. Any action or behavior that pose a threat to the integrity of ISS will be investigated and employees will face consequences if the allegations are substantiated, up to warning and dismissal, in some cases followed by filing a police report against the person concerned.	We have filled a criminal complaint against the employee and implemented a mitigation plan to reduce use of cash on property sites.
A regular internal audit followed by Speak Up reports from employees discovered manipulation of the attendance records of ISS placemakers in order to reduce their entitlements for overtime payments.	Regardless of local practice, at ISS employees are compensated for all overtime as required by law, collective agreement and, where applicable, contractual agreement.	A number of corrective actions were presented including system & process improvements, a communications plan and the phase out of certain services. Enforcement via communication and completion of System & Process improvements noting the challenges faced with the current supplier of the time & attendance system. The grace period was requested to allow segment and account manager to self-disclose on further cases of non-compliance prior to enforcement of any disciplinary consequences.

Reports can also be made via dedicated email address or through other means (like post, direct meetings or calls). All inquiries are treated confidentially and in line with our Speak Up Policy. The web application and the local land lines and toll-free lines are localized for all 35 countries where ISS self-delivers services.

Who oversees it

The Group Internal Audit function oversees the central ISS Speak Up reporting system, reviews all reports received and carries out investigations in line with the Speak Up management protocol.

Our Business Integrity Committee (BIC) which comprises the Group General Counsel, Group Chief Financial Officer and Chief People & Transformation Officer, is monitoring the Speak Up process and supports ISS Group in maintaining a business environment committed to high ethical and moral standards.

In 2023, Group Internal Audit received 424 reports through our Speak Up system or alternative channels. This is an increase of ca. 16% from 2022, when there were 366 reports. 10% of all reports came through the staffed hotline implemented in 2022.

The Group Internal Audit investigates all alleged integrity matters often with the support of Local Internal Auditors in the ISS countries.

In 2023, 22 allegations of serious concerns involving integrity matters were reported to the BIC, of which 11 were fully or partially substantiated. The reported themes were allegations around employee embezzlement and behaviours in breach of the Code of Conduct, including discrimination and harassment.

Following the completion of the investigations, we have implemented 15 corrective actions, which resulted in 4 written warnings and 7 employees being exited from the company. In addition to the disciplinary consequences, we have implemented improvements and monitored recommended actions.

In 2023 12 reports included allegations around conflicts of interests. It is ISS policy on conflicts of interest that ISS employees must avoid any situation that involves or may involve a conflict between their personal interest and the interest of ISS. The above is embedded in our ISS's Code of Conduct and in the policies, standards and procedures aimed at early identification of all existing or potential conflicts. Once annually, the Audit and Risk Committee receives an update on the review of conflicts of interest declarations from senior executives in the ISS countries and the Group.

There were no reports on money laundering or insider trading in 2023.

Data Privacy at ISS Commitment to Data Privacy and Compliance Framework

At ISS, we recognize the paramount importance of data privacy and are steadfastly committed to safeguarding the personal data of our customers, employees, and business partners. Our approach is deeply rooted in a culture of respect and compliance, ensuring adherence to the highest standards of data protection and privacy. This commitment in 2023 is reinforced by the absence of substantiated complaints about Customer Data Privacy, reflecting our dedication to maintaining trust and confidence.

Central to our privacy framework is the ISS Group Data Protection Policy, a comprehensive

All reports by region in 2023

- **34%** Northern Europe & UK&I
- **31%** Asia and Pacific
- **17%** Americas
- **16%** Central & Southern Europe
- **2%** Germany & Partnership Organisations
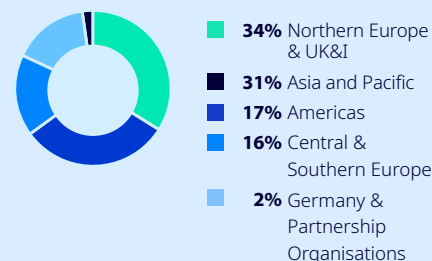
guideline delineating mandatory minimum requirements for collecting and processing personal data. This policy is a mandatory practice across our global operations, ensuring uniformity and consistency in our data privacy efforts. As a Binding Corporate Rules (BCR) company, ISS is at the forefront of implementing rigorous global privacy standards, demonstrating our unwavering commitment to protecting personal data wherever it is processed.

Privacy Governance, Protection, and Data Subject Rights

Our privacy governance framework includes an appointed ISS Group Data Protection Manager, ensuring comprehensive oversight and continuous compliance with global privacy regulations. We place utmost importance on respecting and complying with Data Subject Rights, empowering individuals with control over their personal data.

Our commitment extends to conducting comprehensive vendor privacy risk assessments, aligning our partners with our high standards. This proactive stance is a core element of our data protection strategy.

ISS has established efficient and comprehensive personal data breach procedures. Designed for immediate and effective response, these protocols encompass compliance with all applicable notification obligations under data protection regulations and, as applicable, our customer contracts.

Embedding Privacy and Continuous Improvement

At ISS, embedding privacy is at the core of our operations. We consistently implement Privacy by Design and Default across our business, integrating this principle into our services, operations, and software. Our proactive training and awareness initiatives focus on data protection, information security, and cybersecurity, fostering a culture of awareness.

To ensure unwavering adherence to privacy norms, ISS conducts regular compliance monitoring controls and audits. These measures not only reinforce our commitment to privacy but also demonstrate our proactive stance in identifying and mitigating any potential privacy risks.

Supplier compliance

We engage with new suppliers after we've completed a vetting process where suppliers are assessed for potential risks they pose to ISS and its customers' business continuity and brand reputation risks. All identified suppliers are assessed based on a series of compliance themes (such as legal & regulatory compliance requirements, compliance to social sustainability (i.e., Labor Practices and Health & Safety), country/geographical risks, environmental sustainability and compliance to brand reputation risks & Anti-bribery and Corruption practices assessment), and specific to the services provided.

Speak Up reports received per category	Number of reports[1]
Code of Conduct related concerns	42
Customer/Competitor Interaction	6
Data Privacy	4
Discrimination & Harassment	47
Fraud, Bribery, Corruption and/or misappropriation of assets	17
Health, Safety and Environment	12
Labour Law Compliance	34
People & Culture concerns	247
Other	15
Total number of reports	**424**

[1] If the report spanned different categories, it is shown as one, which was the most serious and significant

2023 internal audits

Audit type	Number of audits
Baseline audits	**12** (2022: 15)
Contract audits	**7** (2022: 3)
Risk-based audits	**9** (2022: 17)

As part of our risk profile evaluation, we eliminate suppliers that are not compliant to ISS's principal compliance requirements. Identified minor gaps are mitigated through action plans, contractual terms and conditions or assessed through annual vetting assessments where gaps are identified and closed in close cooperation with the suppliers. This ensures that supplier-related risks are mitigated and suppliers in ISS' supply chain are committed to the relevant minimum compliance requirements and standards of ISS.

We work closely with our key suppliers and business partners (including partners in partnership countries) to assess particular risk areas through due-diligence and annual sample-based audits. This includes assessment of compliance to ISS's governance and policy requirements around unethical behavior; freedom of association; workplace health and safety, conditions of employment and work; child labor; environmental protection; subcontracting, and financials and contract compliance. Through this collaboration, we look for more opportunities to raise the bar in partnership with these key suppliers and partners.

ISS manages high-risk suppliers including ISS partners through a well-defined end-to-end assurance process that manages the supplier relationship through Vetting, Contracting, Onboarding, on-going monitoring (performance reviews, incident management and annual sample-based auditing) and Exit management Process.

Human rights
Our commitment to protecting and promoting human rights is integral to our business. They are embedded in our values and foundational principles and described in the ISS Code of Conduct, and they direct the way we work across our global organisation. Our Code of Conduct applies to all ISS employees wherever we service our customers, interact with business partners and stakeholders and collaborate with our colleagues. To support induction and training globally in the ISS Code of Conduct, we have developed and translated into local languages a training programme dedicated to training of office and service placemakers, respectively.

Our commitment to human rights means that:

- **we** have zero tolerance for unethical behaviour such as corruption, bribery and money laundering or anti-competitive practices impairing free and healthy business competition
- **we** have zero tolerance for unethical labour practices including child labour, human trafficking and modern slavery
- **we** support and promote individual and collective human and labour rights including freedom of association, health & safety standards, decent working conditions and personal and data privacy, (including from surveillance)
- **we** act decisively to protect and preserve natural resources, the environment and our planet
- **we** provide grievance channels that can be used anonymously and provide access to the right remediation.

The insights we gain from these channels help us drive ethical behaviours and business improvements. They also ensure we create a culture where people can speak safely and with no fear of retribution. That sense of safety is fundamental to cultivating a sense of belonging – ultimately supporting our ambition of becoming the Global Company of Belonging by 2025.

Conducting human rights due diligence is shaped by the practices and legislation of the markets in which we operate. Our local operations establish due diligence practices that ensure compliance with requirements and commitments on human rights. As an example, in Germany the German Supply Chain Act prescribes among other the protection of human rights in global supply chains and establishes a number of specific requirements. In response to these requirements ISS Germany has:

- appointed a human rights officer to oversee compliance with the German Supply Chain Act and monitor risk management activities,
- assigned resources from legal, procurement and finance to support the human rights officer
- published a public statement on human rights detailing how ISS Germany and the human rights officer work with human rights: Available **here**
- conducted a risk analysis of 2,541 suppliers with support from external consultants on human rights and environmental risk. 95% of suppliers are categorized as "low risk, 5% of suppliers are categorized as "medium risk", no suppliers are categorized as "high risk".
- created an annual wheel for repeating the risk analysis
- mitigate risk from "medium" and "high" risk category suppliers through a detailed questionnaire on human rights strategy and human rights compliance

Pre-employment checks

Our Global People Standards require all country operations to establish appropriate pre-employment check procedures. All procedures shall meet local legal requirements as well as potential customer requirements. These procedures are aimed at mitigating the risk of

including persons in our workforce that may cause a safety risk to ISS and our customers or that are not allowed to take up employment with ISS for example as a result of being under-age or not holding valid work and residence permits. All local procedures shall meet specific criteria such as:

- Match names and birth dates to identification documentation.
- Obtain criminal records – or if not allowed, other appropriate confirmation check – for high-risk environments such as aviation sites and data centers.
- Keep records and documentation stored and updated as required by law.

Customer screening

We screen all active customers against sanctions compliance risk and adverse media exposure risk. The screening process is done by local teams in each country in our designated screening system where customer names are matched against applicable sanctions screening watchlists and adverse media lists. The process is repeated annually.

Tax compliance

More than 350,000 placemakers are employed by ISS globally. As citizens of societies and members of local communities, they benefit from access to infrastructure, education and health care to evolve and thrive. Taxes paid help fund the availability of the building blocks that support and develop stronger communities and societies.

We work to make sure our tax contribution – directly from us or indirectly through taxes paid by placemakers' salaries – is accurate and compliant. We are committed to following local and international tax legislation.

The ISS AI Program

In an era defined by rapid technological progress, ISS strategically integrates Artificial Intelligence (AI) to foster innovation and efficiency. AI holds rich opportunities to disrupt service operations, the way we derive insights, enhance customer experience, and optimize resource utilization as well as the daily assistance of our placemakers. ISS' strategic focus on responsible AI practices emphasizes ethical considerations, transparency, and individual privacy, positioning us as leaders in innovation and sustainability within the facility services industry.

ISS fully acknowledges that the variety of AI use cases entail numerous challenges and responsibilities. For mass adoption, it is imperative to prioritize ethical and responsible practices. We are convinced that organisations and policymakers need to collaborate to minimize algorithmic bias and uphold transparency and individual privacy.

Recognizing the transformative impact of AI on our global operations, we have taken a strategic leap by establishing a dedicated AI Program that directly reports into the Group Chief Information & Digital Officer. It serves as a hub for consolidating AI-related demands from our diverse array of countries and regions, fostering collaboration, and promoting knowledge exchange. The AI Program is also instrumental to curate and build a global AI portfolio that leverages in-house expertise in a way that it translates into scalable benefits.

AI potential for our industry

We see huge potential for using AI in the facility services industry. AI is already and will be further integrated into our digital products for example as chatbots for our placemakers, in our flagship product "Building on a Page" that use AI to provide customer's real estate and facility managers among other the possibility to generate prompt-based insights about their buildings.

When building and remodeling workplaces, AI can be a powerful tool for improving the accuracy of cost modelling and ensuring the efficacy of carbon reduction initiatives. AI-enabled waste sensors are an effective way for building owners to reduce waste-to-landfill from non-residential buildings. Workplace designers can use AI to monitor traffic flows and people movement patterns to design spaces that encourage crosspollination of ideas and collaboration. AI can identify patterns and correlations that help food teams design menus that maintain the difficult balance between efficiency, sustainability and waste reduction, as well as the nutritional needs and aspirations of diners. In talent management, AI serves as a tool for equity, dismantling biases and fostering inclusivity. Human bias is already embedded in companies' hiring practices. AI must not be an additional layer of partiality and discrimination – it must be designed and deployed to fight and eradicate this human flaw.

Information security aspects of AI

AI will enable attackers to mount new and more nuanced cyberattacks – alongside adoption of new technologies like AI, timely and agile employee education and awareness will remain a key priority for ISS. On the other hand, ISS is using cutting-edge AI tools to automatically detect and react to anomalies and incidents in the cyber sphere.

ISS' journey with AI harmonizes technology with humanity, advancing workplaces that are not just smart and efficient but also nurturing and inclusive. We follow the strict principle that AI is only deployed in the workplace, when it fosters social cohesion, increases people's creativity, or supports their wellbeing. The future promises an AI-integrated work environment where technology and humanity converge, creating spaces where people thrive, and businesses flourish. As we are entering this new era, we do not see AI as an end but as an opportunity to enhance our greatest asset – our people and the workplaces in which they thrive.

Prosperity performance

Subject	Enabled by	Activities	Progress
Access to remediation	Speak Up Policy and reporting platform.	During 2023, we evaluated the Speak Up Policy and system against local transpositions of the EU whistleblower directive in other European countries, around the material and personal scope of the transposition and requirement to establish local reporting channels. We'll continue our work on alignment and compliance with the EU whistleblower directive in ISS countries, including establishing local reporting channels if required by local law.	424 Speak up reports recieved in 2023 (2022: 366).
Tax transparency	Tax Policy.	Our Group Tax Policy supports our global tax practices and is a foundational element of our business conduct principles.	Group Tax Policy reviewed as part of annual review cycle.
Data protection	ISS Group Data Protection Policy, awareness campaigns and training requirements.	Global data protection awareness campaigns, including in connection with the 5 year anniversary of GDPR.	Data Protection E-Learning course was completed in 32,664 training sessions during 2023 taking the lifetime training sessions to around 150,000.
Information Security	ISS Global Information Security Policy, awareness campaigns and training requirements.	Training and awareness campaigns such as cybersecurity awareness month in October and targeted awareness campaign around use of public AI tools.	31,929 ISS Information Security training sessions completed.

IFRS reporting framework and Task Force on Climate-Related Disclosures (TCFD)

While the Task Force on Climate-Related Disclosures in October 2023 fulfilled its duties, we continue to support the principles established by the TCFD as now carried on and monitored within the scope of the IFRS Foundation.

Our sustainability strategy is anchored within our OneISS strategy and crystallised in two out of five strategic priorities executed within our overall sustainability framework as described on p. 6. Group-wide signature moves within environmental and social sustainability are supported by numerous locally defined and executed sustainability initiatives tailored to the local context.

The Board of Directors retain oversight of our key risks and risk management and considers climate-related risk as part of our enterprise risk management process (see annual report p. 37-39). Sustainability risk as a theme – including climate risk – is considered one of our key enterprise risks. The overall management responsibility for climate-related risk resides with the Executive Group Management and is executed through the Environmental Sustainability sub-committee who is responsible for assessing and managing climate-related risks and opportunities through functional, country and customer account teams. Climate-related risk is considered a business risk and is subject to the same risk processes and procedures otherwise employed in the Group.

Our climate risks and opportunities

In 2021 we conducted our first TCFD assessment and we have since then refined our understanding of our climate risk and opportunity exposure. Much is still to be learned and explored, but we believe that our current knowledge level allows us to begin to provide high level insights into the potential financial impact of climate change exposure.

Our main climate risk and opportunities are:

Type	Category	Risk/Opportunity	Description	Impact
Physical	**Acute**	**Risk**	Frequency and intensity of extreme weather events	Business disruption at customer sites
Physical	**Acute**	**Risk**	Frequency and intensity of extreme weather events	Placemakers unable to reach designated work place (e.g. due to physical blockage or sickness)
Physical	**Acute**	**Opportunity**	Frequency and intensity of extreme weather events	Disaster prevention and response activities such as clean-up and project work
Physical	**Cronical**	**Risk**	Temperature increase	Productivity loss at customer locations and among placemakers
Transition	**Policy**	**Risk**	Carbon tax	Increased cost from carbon tax imposed
Transition	**Policy**	**Opportunity**	Energy efficiency requirements	Buildings requiring energy efficiency upgrades to meet regulatory requirements
Transition	**Market**	**Risk**	Increasing stakeholder expectations	Deselection by stakeholders because of inability to meet sustainability expectations, which may impact us directly or indirectly e.g. inability to attract employees, inability to attract/retain customers and inability to attract/retain capital

How climate risks and opportunities impact our financial performance

Our business operations are closely linked with the physical locations of our customers. We create value and generate revenue by physically performing services at our customers' sites through our 350,000 placemakers.

We are not a high-emission industry and our risk exposure therefore centers around our customers' ability to continue their activities and our ability to continuously ensure that our placemakers are able to physically meet at their designated work place every day. We rely to some extent on consumables such as cleaning detergents, food, paper towels etc. and to a small extent on physical assets such as cars and own premises and while we do not disregard climate risk exposure associated with consumables and our physical assets, they are less dominant.

Physical climate risk

We consider the impact of climate risk under two scenarios that we believe provide a reasonable bookend approach.

SSP1 2.6 assumes a "Taking the green road" scenario and reflects a global outcome where emission reduction commitments similar to our own are generally realized and resulting in a likely moderate temperature increase stabilizing at around 1.8 degrees C by the end of the century. Socio-economic trends imply that more environmentally friendly practices are adopted by societies, with the focus shifting from economic growth to general well-being, and with increasing investments in education and health and decreasing inequality.

SSP5 8.5 assumes a "Taking the highway" scenario and reflects a continued global fossil-fuels dependency development leading to almost double CO_2 emission levels by 2050 compared to today and resulting in a likely temperature increase of 4.4 degrees C in 2100. Economic and social development benefit from investments in enhancing social and human capital that drive global economic growth.

For further details and impact descriptions please refer to the sixth assessment report (AR6) of the Intergovernmental Panel on Climate Change (IPCC).

In both scenarios we have modelled the financial impact of physical climate risk to our revenue generation. We use expected GDP impact by country or region from the effects of physical climate risk as a proxy for the impact on our revenue generation. Our historical revenue development does not correlate with GDP development due to portfolio changes resulting from winning and losing business and because of M&A activities. However, a key contributor to underlying revenue performance is wage inflation, which has a strong correlation with GDP development. Wages make up 60-70% of our cost base.

Both scenarios show a low impact from physical climate risk on our revenue and cashflow generation. The difference in the two scenario outcomes is mainly driven by higher expected output or productivity loss in higher temperature increase scenarios. Moreover, and on a very general basis our geographical exposure from our countries of operation provides for a relatively lower impact exposure though we recognize that averaging across large geographies such as US, India and China will not capture potential local variance.

| Year | Scenario | Temperature increase forecast | % change in annual revenue | Revenue impact | | | |
				Annual revenue impact on 2023 revenue (DKK m)	Compounded revenue impact from 2024 (DKK m)	Annual revenue impact assuming 5% annual revenue growth (DKK m)	Compounded revenue impact from 2024 assuming 5% annual revenue growth (DKK m)
2030	RCP 2.6	1.0 to 1.5°C	0.00%	0.87	6.11	1.07	7.51
	RCP 8.5	1.5 to 2.0°C	(0.04)%	(31.08)	(217.54)	(38.21)	(267.49)
2050	RCP 2.6	Below 2°C	0.00%	(1.08)	(29.03)	(2.84)	(76.55)
	RCP 8.5	2.0 to 3.0°C	(0.05)%	(39.92)	(1,077.91)	(87.44)	(2,360.75)
2100	RCP 2.6	Below 2.0°C	(0.01)%	(5.81)	(447.74)	(88.79)	(6,836.65)
	RCP 8.5	4.0 to 5.0°C	(0.06)%	(49.37)	(3,801.70)	(591.41)	(45,538.73)

| Year | Scenario | Temperature increase forecast | % change in annual cash flow | Cashflow impact | | | |
				Annual free cashflow impact (DKK m)	Compounded free cash flow impact from 2024 (DKK m)	Annual free cashflow impact assuming 5% annual revenue growth (DKK m)	Compounded free cashflow impact from 2024 assuming 5% annual revenue growth (DKK m)
2030	RCP 2.6	1.0 to 1.5°C	0.00%	0.03	0.18	0.03	0.23
	RCP 8.5	1.5 to 2.0°C	(0.04)%	(0.94)	(6.58)	(1.15)	(8.02)
2050	RCP 2.6	Below 2°C	0.00%	(0.03)	(0.87)	(0.09)	(2.30)
	RCP 8.5	2.0 to 3.0°C	(0.05)%	(1.21)	(32.59)	(2.62)	(70.82)
2100	RCP 2.6	Below 2.0°C	(0.01)%	(0.17)	(13.43)	(2.66)	(205.10)
	RCP 8.5	4.0 to 5.0°C	(0.06)%	(1.49)	(114.90)	(17.74)	(1,366.16)

Methodology: Estimated GDP impact is derived from the 2019 study on Long-Term Macroeconomic Effects of Climate Change by the International Monetary Fund focusing on temperature and precipitation effects in various RCP scenarios. Linear annual progression is assumed for multi-year periods. The annual organic growth rate of 5% is set at the mid-point of the long term 4-6% organic growth target for 2024 and beyond communicated at the 2022 ISS Capital Markets Day. Cash flow impact is calculated at the lowest profit margin rate target of 5% communicated at the 2022 ISS Capital Markets Day for 2024 and beyond and assuming a free cash flow conversion ratio of 60%.

The table uses 2023 revenue as baseline revenue and shows impact in no-growth and 5% growth scenarios.

Transition risk

We have also modelled our revenue generation exposure to transition risk with a view to understanding our overall risk exposure profile. By splitting our revenue into industry NACE codes, we can map our revenue generation against risk exposure by industry and gain insights into our portfolio exposure profile by applying a simplified "carbon-earnings-at-risk" approach.

Environmental Risk
(% revenue exposed)

■ **9%** High risk
■ **58%** Moderate risk
■ **33%** Low risk

Methodology: We use as a proxy for transition risk the S&P ESG 500 Risk Atlas that provides an environmental and social risk indicator by sector. Our 2023* revenue was broken down by 88 NACE codes and mapped to sector categories used by S&P.

*) Split calculated on June YTD 2023 numbers.

Less than 10% of our revenues are generated from industries with high exposure to environmental risk and around 33% is subject to low environmental risk. The majority of our environmental risk exposure to revenue generation sits with industries that are subject to moderate environmental risk.

We do not believe that our profitability or asset base is significantly exposed to climate risk, which is based on our general ability to pass on cost increases to customers as evidenced by our relative historic margin stability and on the fact that we are an asset light operation with low investment needs. The risk to cash flow generation is a result of the revenue generation risk described above.
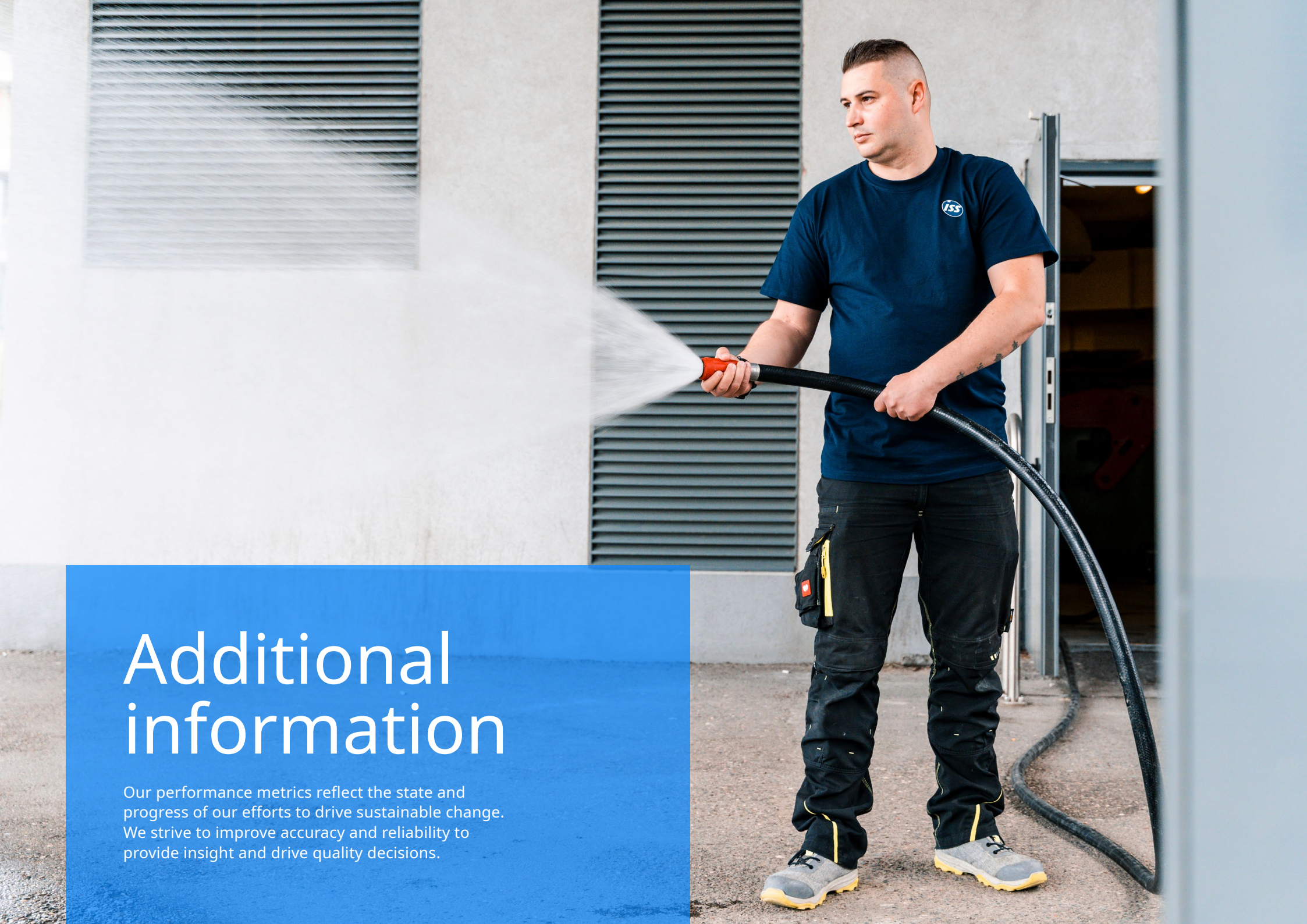
Additional information

Our performance metrics reflect the state and progress of our efforts to drive sustainable change. We strive to improve accuracy and reliability to provide insight and drive quality decisions.

EU Taxonomy reporting

Framework

The EU Taxonomy aims to provide a common framework to determine to what degree an economic activity can be classified as environmentally sustainable. The objective of the taxonomy is to increase transparency for investors, companies, and policymakers and thereby support channeling capital towards greener activities, preventing of greenwashing, and help companies become more sustainable.

The taxonomy presents six environmental objectives concerning climate change mitigation and adaptation, protection of water resources, circular economy, pollution prevention and protection of biodiversity. To be classified as environmentally sustainable, an economic activity must contribute substantially to at least one of the six objectives, and it must conduct business in a way that does not harm any of the objectives significantly. In 2021, a delegated act was adopted containing a catalogue of different economic activities and specifications of the technical screening criteria for the first two environmental objectives, climate change mitigation and climate change adaptation (environmental objective a. and b.). A delegated act specifying the final four environmental objectives, (the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems) was adopted in 2023. Therefore, the disclosure on EU taxonomy in the fiscal year 2023 will for the first time cover all six environmental objectives.

While overall knowledge and understanding of the EU taxonomy framework is increasing, the practical and operational implications remain challenging to navigate.

The EU Taxonomy in an ISS context

ISS is a workplace experience and facility management company. We primarily provide services and solutions to our customers within cleaning, food, technical services, front and back service support, workplace management and security.

The EU Taxonomy in its current form is directed towards the scope of activities of high emission industries such as manufacturing, transportation, energy and construction. As a workplace experience and facility management company, the overall activities of ISS do not fall within the targeted scope of the EU Taxonomy. We have previously reviewed our activities against climate change mitigation and adaptation criteria and during fiscal year 2023 we have for the first time also reviewed our revenue generating activities and our investment activities in relation to CAPEX and OPEX against the "Taxo4" areas: Protection of water resources, circular economy, pollution prevention and protection of biodiversity.

Our conclusion is that none of our activities can be considered taxonomy eligible or aligned under the "Taxo4" areas of protection of water resources, circular economy, pollution prevention and protection of biodiversity, and that part of our CAPEX investments are taxonomy eligible, but not aligned, under climate change

mitigation and adaption. We remain cautious in regard to meeting alignment criteria, particularly in regard to documentation requirements in regard to "do no significant harm" and "minimum safeguards" criteria.

Revenue

We have established that certain sub-components of our services could be considered taxonomy eligible and aligned as climate change mitigating activities. These relate to taxonomy defined activities under "Construction and real estate" and "Professional, scientific and technical activities" that we may undertake as part of our facility management, technical service and capital projects activities; more specifically a) activities within installation, maintenance and repair of energy efficiency equipment, b) installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings and c) energy management services.

Our revenue streams are organized in the service lines that best support our customers and recorded in accordance with IFRS 15. Extracting taxonomy relevant elements from these revenue streams is only possible at a level that invariably also includes non-taxonomy relevant activities. In accordance with IFRS 15 and as specified in item 22 of the Disclosures Delegated Act FAQ from the EU Commission we are not allocating revenue specifically between taxonomy and non-taxonomy eligible activities as they are integrated elements within our service products and not distinct in nature.

CAPEX

Our business model is asset-light and our overall investment need is therefore limited. The majority of our capitalized tangible assets are leased assets recorded in accordance with IFRS 16.

In accordance with Item 7.7. of the EU Taxonomy acquisition and ownership of buildings is a taxonomy eligible investment activity. Our understanding of Item 7.7 is that it mirrors the effects of IFRS 16, which effectively treats owned and leased assets on similar terms. On that background we believe that our CAPEX investments of DKKm 258 in leased assets in fiscal year 2023 relating to real property is a taxonomy eligible activity. At this stage we however cannot document that the technical screening criteria for taxonomy alignment are met.

Likewise, item 6.5 of the EU Taxonomy specifies that purchase and leasing of motorbikes, passenger cars and light commercial vehicles is a taxonomy eligible investment activity. On that background we believe that our CAPEX investments of DKKm 440 in leased assets in fiscal year 2023 relating to leased vehicles is a taxonomy eligible activity.

Our stated ambition is to fully electrify our vehicle fleet by 2030. Our fleet turn rate is approximately 3-5 years and we will therefore be able to gradually replace fossil fuel vehicles with electric vehicles in the ordinary course of our fleet management cycle and meet the 2030 target even if for a period of time we add new fossil fuel vehicles to the fleet due to sourcing

constraints or lack of required infrastructure. The investment need associated with our fleet is therefore managed organically as part of our fleet management and with the associated cost included as part of our ordinary operational budget and target setting and not subject to a dedicated CAPEX plan.

For the vehicle types in question, category M1 or N1 (As referred to in Article 4(1), point (a)(i) and (b)(i), of Regulation (EU) 2018/858), "substantial contribution" criteria* for climate change mitigation and "do no significant harm" criteria** apply. Ensuring compliance with alignment requirements at an "asset-by-asset" basis is challenging. We continue to work with our fleet partners in this regard, but we remain cautious, particularly in relation to "do no significant harm", and do not declare any part of our CAPEX as taxonomy aligned.

*"significant contribution" criteria require emission levels below 50gCO$_2$/km as defined in Article 3(1), point (h), of Regulation (EU) 2019/631.

**"Do no significant harm" criteria apply in regard to climate adaptation, circular economy and pollution, more specifically requirements around physical climate risk assessment in regard to climate adaptation, requirements around reusability, recyclability and recoverability and appropriate waste management measures for use-phase and end-of-life phase in regard to circular economy and pollution prevention requirements for example around engine and tyre noise levels in regard to pollution.

OPEX

Approximately 66% of our operating cost are employee cost, see note 1.3 of our 2023 annual report, with consumables and other operating expenses as the remaining part. As part of our other operating expenses we account for maintenance cost relating to our vehicle fleet, which is charged to us as part of our lease cost. We believe that the maintenance cost for our electric and hybrid vehicles could be considered EU taxonomy eligible and aligned as climate change mitigating activities. However, as the maintenance cost represent less than 1% of our operating expenses, it is considered immaterial to our business model.

On that background we are not declaring any part of our OPEX as taxonomy aligned.

Minimum Safeguards

As an overarching principle the EU Taxonomy requires business activities to be conducted in compliance with human rights. We are strong supporters and advocates of human rights and while we believe that we comply with the principles of the minimum safeguards, we are not comfortable that documentation is fully satisfactory. Efforts will continue during 2024 to strengthen our work within human rights.

See p. 66 for a description of our taxonomy-related accounting practices and taxonomy reporting templates.

*) Significant contribution" criteria require emission levels below 50gCO$_2$/km as defined in Article 3(1), point (h), of Regulation (EU) 2019/631.
**) Do no significant harm" criteria apply in regard to climate adaptation, circular economy and pollution, more specifically requirements around physical climate risk assessment in regard to climate adaptation, requirements regarding reusability, recyclability and recoverability and appropriate waste management measures for use-phase and end-of-life phase in regard to circular economy and pollution prevention requirements for example in terms of engine and tyre noise levels in regard to pollution.

Our policies

Code of Conduct

The ISS Code of Conduct is the overarching guidance for behaviour for anyone working for, supplying or representing ISS. It is part of our employment terms and is supported by mandatory e-learning based training modules for all staff. Available **here**

ISS Corporate Governance Policy

The ISS Corporate Governance Policy provides the framework for the mechanisms, processes and relations by which ISS is controlled and directed. It includes principles on for example ethical and responsible business conduct, corporate organisation and management and signature power and approval procedures.

ISS Sustainability Policy

The ISS Corporate Responsibility Policy includes among other things our commitment to aligning our strategy and business operations with the ten United Nations Global Compact principles on human rights, labour rights, environmental protection and anti-corruption. Available **here**

ISS Global People Standards

The ISS Global People Standards provide a systematic and consistent approach to managing our people and others providing services within our operational control and covers themes within human rights, labour practices, health and safety, legal compliance and supply chain management.

Examples of specific topics covered are recruitment, promotion and termination, discrimination, diversity & inclusion, appraisals, learning & development, employee relations, health, safety & working environment, remuneration, working hours, protection of families with children and the right to privacy.

ISS Group HSEQ Policy

The ISS Group HSEQ Policy provides our commitment and approach towards systematically working towards improving our health and safety, environment and quality practices across the organisation, e.g. through engaging with employees and suppliers (including sub-suppliers). Available **here**

ISS Diversity, Inclusion & Belonging Policy

The ISS Diversity, Inclusion & Belonging Policy provides a common global framework and governance to support our commitment to a global diversity, inclusion & belonging agenda in order to promote and drive a culture that actively values Diversity and Inclusion at all levels of the organisation and that provides an environment of equal opportunity. Available **here**

ISS Policy on Safeguarding Children and Vulnerable Adults

The ISS Policy on Safeguarding Children and Vulnerable Adults provides specific requirements on adoption of appropriate behaviours towards children and vulnerable adults encountered while performing our services.

ISS Speak Up Policy

The ISS Speak Up Policy provides a multi-channel platform for employees, business partners and other stakeholders to raise concerns – anonymously if desirable – covered by ISS policies and other breaches of applicable legislation, including the EU Whistleblower Directive and ensures that concerns are treated seriously and appropriately with protection against reprisals and retaliation for reporters. Available **here**

ISS Communication and Stakeholder Policy

The ISS Communication and Stakeholder Policy provides the principles we apply in our engagement with our stakeholders such as investors, analysts, customers, suppliers, business partners, employees unions, media, authorities, communities and society. Available **here**

ISS Escalation Policy

The ISS Escalation Policy ensures proper and timely escalation of serious incidents to appropriate levels of the organisation and sets a mandatory framework for establishing local emergency response plans modelled on the ISS Group Emergency Response Plan.

ISS Anti-Corruption Policy Statement

The ISS Anti-Corruption Policy Statement supported by the ISS Anti-Corruption Policy prohibits practices of corruption, bribery, facilitation payments and political contributions and demonstrates our zero-tolerance towards non-compliant behaviour by employees, suppliers and business partners. Available **here**

ISS Gifts and Entertainment Standard

The ISS Gifts and Entertainment Standard sets minimum requirements for giving and receiving gifts and for participating in entertainment with customers, suppliers and third parties. The standard contains clear monetary thresholds for how much ISS employees can spend and receive and restricts the offering of gifts and entertainment to public officials to an absolute minimum.

ISS Competition Law Policy

The ISS Competition Law Policy provides our commitment to competing on fair terms and on the merits of our services and ensures broad and general understanding of our policy commitment and its interaction with our business for all managers and employees.

ISS Sanctions Policy

The ISS Sanctions Policy sets out how ISS carries out its business in accordance with applicable sanctions laws in the countries in which we operate and what practices are employed for screening and vetting customers, suppliers, business partners and employees.

ISS Tax Policy

The ISS Tax Policy provides the foundation to ensure a common approach to the tax position within the ISS Group which ISS will apply to tax compliance, management reporting and settlements of income tax obligations and payments and includes areas such as governance, compliance, tax risk assessment and tax risk tolerance and transfer pricing. Available **here**

ISS Supplier Code of Conduct

The ISS Supplier Code of Conduct contains our key principles and requirements to our suppliers (including sub-suppliers), contractors and other providers of services with respect to responsible environmental, social, governance, including compliance and ethical, practices. Available **here**

ISS Supply Chain Policy

The ISS Supply Chain Policy provides our commitment to contribute to sustainable economic development and responsible business practices by adhering to procurement practices that are fair, responsible and sensitive to the needs of our stakeholders; selects suppliers in accordance with the ISS Supplier Code of Conduct; leverage our global purchasing power in favour of sustainable and cost efficient products and services; provide for interaction with our suppliers to innovate or improve products and services; and establishes close cooperation with suppliers recognised for sustainable and responsible business practices. Available **here**

ISS Global Information Security Policy

The ISS Global Information Security Policy supported by the ISS Global Information Security Standard provides the framework for ensuring information security across the organisation.

ISS Data Ethics Policy

The ISS Data Ethics Policy sets the ethical standard for the use of data within ISS based on the principles of the Charter of Fundamental Rights of the European Union and includes areas such as self-determination, human dignity, responsibility, equality and fairness, progressiveness, diversity & inclusion and accountability as well as dedicated principles in regard to artificial intelligence. Available **here**

ISS Group Data Protection Policy

The ISS Group Data Protection Policy supported by the ISS Data Breach Standard and the ISS Data Protection Binding Corporate Rules Policy sets out how ISS processes personal data and the compliance measures implemented to ensure that the processing of our customers', employees and business partners' personal data is secure and compliant. Available **here**

Management statement

Copenhagen, 22 February 2024

The Board of Directors and the Executive Group Management Board have today discussed and approved the Sustainability Report ("the Report") of ISS A/S for the financial year 2023. The Report represents our statutory statement on corporate social responsibility in accordance with section 99a of the Danish Financial Statement Act.

Further, the ESG – data supporting our performance reporting for People, Planet and Prosperity as presented on pages 59-60 have been prepared in accordance with the reporting principles stated on pages 56-58.

In our opinion, the Report in all material respects gives a true and fair presentation of ISS A/S' sustainability activities and results of the company's sustainability efforts in the reporting period, as well as a balanced presentation of ISS A/S' environmental, social and governance performance in accordance with the stated reporting principles.

Executive Group Management Board

Kasper Fangel
Group CEO

Board of Directors

| **Niels Smedegaard** | **Lars Petersson** | **Kelly Kuhn** |
| Chair | Deputy Chair | |

Søren Thorup Sørensen   **Ben Stevens**   **Reshma Ramachandran**

Signe Adamsen (E)   **Nada Elboayadi** (E)   **Rune Christensen** (E)

E = Employee representative

Independent Auditor's Assurance Report on the Environmental and Social data

To the stakeholders of ISS A/S

ISS A/S has engaged us to provide limited assurance on the performance data regarding Planet and People ("the Environmental and Social data") for the financial year 1 January - 31 December 2023 as presented on pages 59 to 60 in the Sustainability Report of ISS A/S.

Furthermore, we are engaged to provide limited assurance on the GRI content index for the period 1 January – 31 December 2023 being reported with reference to the Global Reporting Initiative (GRI) Standards as disclosed on pages 61 to 65 in the Sustainability Report.

Other than as described in the preceding paragraphs, which set out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability Report and accordingly, we do not express an opinion on this information.

Management's responsibility

Management of ISS A/S is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the performance data and information in the Environmental and Social data, ensuring it is free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective accounting policies for the preparation of the Environmental and Social data, for the overall content of the Environmental and Social data, and for measuring and reporting performance data in accordance with the Internal guidelines as described in the Reporting principles and compliance section included on pages 56 to 58 in the Sustainability Report.

Furthermore, Management of ISS A/S is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the GRI content index, ensuring it is free from material misstatement, whether due to fraud or error, and that it is prepared in accordance with the GRI Standards as described in the Reporting principles and compliance section included on pages 56 to 58 in the Sustainability Report.

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 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and in respect of the greenhouse gas emissions, in accordance with ISAE 3410 Assurance Engagements on Greenhouse Gas Statements, and additional requirements under Danish audit regulation, to obtain limited assurance about our conclusion. Greenhouse Gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

We are responsible for:
- planning and performing the engagement to obtain limited assurance about whether the Environmental and Social data, including the GRI content index, are free from material misstatement, whether due to fraud or error, and prepared, in all material respects, in accordance with the accounting policies;
- forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and
- reporting our conclusion to the stakeholders of ISS A/S.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

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.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement in the Environmental and Social data. To do so, we have:

- conducted interviews with data owners and internal stakeholders to understand the key processes and control activities for measuring, recording and reporting the ESG data;
- reviewed evidence on a selective basis to check that data has been appropriately measured, recorded, collated and reported;
- performed analysis of data, selected based on risk and materiality;
- made inquiries regarding significant developments in the reported data;
- considered the presentation and disclosure of the Environmental and Social data;

- assessed that the process for reporting greenhouse gas emissions data follows the principles of relevance, completeness, consistency, transparency and accuracy outlined in The Greenhouse Gas Protocol Corporate Standard Revised edition (2015) and The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and
- evaluated the evidence obtained.

Furthermore, we are required to plan and perform our work in order to consider the risk of material misstatement in the GRI content index. To do so, we have:

- checked that the GRI Standards disclosed in the GRI content index are those assessed by Management as relevant based on Management's materiality assessment, including that the references made are appropriate; and
- checked that the information referred to under Locations addresses the matters required by the relevant GRI disclosure requirement.

Our conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our at-tention that causes us not to believe that the performance data regarding 'People' and 'Planet' ("the Environmental and Social data") on pages 59 to 60 in the Sustainability Report for the year ended 31 December 2023, have been prepared, in all material respects, in accordance with the Reporting principles and compliance section included on pages 56 to 58 in the Sustainability Report.

Further, based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us not to believe that the GRI content index presented on pages 61 to 65 in the Sustainability Report for the year ended 31 December 2023, have been prepared, in all material respects, in accordance with the GRI standards as described in the Reporting principles and compliance section included on pages 56 to 58 in the Sustainability Report.

Copenhagen, 22 February 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Kirsten Aaskov Mikkelsen
State Authorised Public Accountant
MNE no 21358

Helena Broadbridge
Lead Reviewer

Reporting principles and compliance

Reporting scope and data quality

This report, the thirteenth comprehensive Sustainability Report prepared by ISS, covers activities and assets under our operational control in the calendar year 2023. For acquisition and divestments, data was included as of the acquisition or up to the time of divestment taking effect and not before or thereafter. We have restated Scope 3, Category 7 (Employee commuting) emission data for 2019 and 2022 due to a calculation formula error, which overstated total scope 3 emissions by 3% in 2019 and 2022.

In 2023, we have continued to strengthen our controlling and reporting processes as well as preparing for the upcoming requirements introduced with the EU Corporate Sustainability Reporting Directive and the associated ESRS reporting standards. We have also taken initial steps to introducing an internal control framework over ESG reporting taking inspiration from our approach to Internal Controls over Financial Reporting (ICOFR). This will be a multi-year process where we will focus on addressing key risks and weaknesses in the most material KPIs first.

On data quality we have seen some progress on moving to more activity-based data, particularly on energy and water consumption, but there is still long way to go. Our decarbonisation team has been working hard during 2023 to implement a dedicated carbon management system, which – when operational in 2024 – will allow gradual improvements in underlying data collection and a strengthening of our carbon performance management.

External principles and guidelines

We have designed our reporting to be in line with the GRI Standards by the Global Reporting Initiative (GRI), the world's most widely-used sustainability reporting framework. An overview of the GRI Standards disclosures included in this report can be found in the tables from page 61 onward. This is the statutory report under §99a of the Danish Financial Statements Act. For UNGC communication on progress we have for fiscal year 2022 switched to the new questionnaire-based method introduced by UNGC despite the significant technical platform difficulties experienced. In addition, it contributes to us meeting the requirements of the UK Modern Slavery Act.

Internal guidelines

As a basis for our reporting, we rely on our ESG Accounting Manual to provide reporting principles and rules to ensure a consistent basis for reporting. During 2023 we have consolidated multiple reporting manual sources into one, which will be reviewed and updated on an annual basis to specify the data that shall be available for monitoring performance and for reporting on key sustainability performance indicators at Group level.

We have only to a very limited extent introduced new reporting categories during 2023.

Corporate leadership covers the Board of Directors, the EGM, direct reports to the Board of Directors and the EGM, Country Leadership Teams and direct reports to Country leadership Team members. 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 placemakers and support staff. Placemakers are employees that provide services to customers whereas support staff is management and support functions. The turnover rate measures leavers (involuntary) and resignations (voluntary) relative to the total number of employees. People data is generally recorded and reported from people and/or payroll systems in countries.

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. Training hours are recorded in learning & development systems or calculated based on people and participation statistics. Absentee rate measures hours of absence reported as sickness relative to total hours paid.

Incidents of discriminations are the registered number of incidents of discrimination on grounds of race, colour, sex, religion, political opinion, national extraction, or social origin as defined by ILO. Fatality means an occupational injury or illness leading to the death of an employee, temporary worker, agency worker and contract personnel and personnel of contractors delivering our services and working under our operational control. On top of reporting within health & safety systems, information on fatalities is subject to parallel escalation requirements under our Escalation Policy.

Lost Time Injuries counts any work-related injury which leaves an employee (including own employees, temporary workers and contractor's employees working under our operational control) unfit for work for at least one full working day or shift leading to a lost workday(s). Exposure hours is the total number of working hours including paid overtime and training but excluding leave and sickness calculated from time sheets, payroll data or benchmarks and covers our own workforce as well as contractors working under our operational control. Lost Time Injury Frequency is the rate of Lost Time Injuries per million exposure hours.

Number of vehicles are all company vehicles that are 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 and company cars. Vehicle data including the type of vehicle is recorded in internal or external fleet management systems and asset registers, including IFRS16 management modules. 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. Accident data is recorded in our health & safety systems.

Energy consumption includes electricity, heating, cooling and steam at our own premises as well as electricity for our vehicles.

Scope 1 emissions comprise direct CO_2 emissions from sources owned or controlled by the ISS Group calculated in accordance with the Greenhouse Gas Protocol. It covers diesel, petrol and other fuels such as biofuels for our fleet of vehicles as well as natural gas consumption in our own buildings. Fuel consumption data is primarily collected as actual volume consumption from external fleet management partners. For vehicles not managed through external partners consumption data is calculated from actual volume consumption on petrol cards or extrapolated from spend or mileage data. Gas consumption is actual consumption from meter readings or utility invoices, lessor supplied data or extrapolated from statistical sources based on m^2 occupancy. Consumption data is multiplied with emission factors from DIN EN 16258 or Sphera LCA software (previously known as GaBi) for each fuel type.

Scope 2 emissions comprise indirect CO_2 emissions from electricity, heating, steam and cooling consumed in buildings leased or owned by the ISS Group as well as electricity consumed for electric vehicles. Emissions are calculated in accordance with the Greenhouse Gas Protocol. Consumption data is metered readings, supplier data or extrapolated from statistical sources and primarily based on m^2 occupancy. For electricity relating to electric vehicles consumption is based on actual charging consumption or estimates based on e.g. mileage. Market-based and location-based emissions are calculated using emission factors for electricity grid mix, residual grid mix, district heating mix and district cooling max from AIB (Association of Issuing Bodies) and Sphera LCA software (previously known as GaBi).

Scope 3 emissions comprise the 7 most material categories out of the 15 scope 3 categories specified by the Greenhouse Gas Protocol. The remaining categories are not applicable and therefore not reported on.

Purchased goods and services (category 1) include emissions relating to external supplier spend. Spend relating to capital goods and business travel is separately calculated in categories 2 and 6 Purchased goods and services emissions mainly relate to food purchased for our food services. Emissions from subcontracted services spend and cleaning services related spend activities together with food spend account for almost 99% of our category 1 emissions. Emissions are calculated from a mix of weight or quantity, direct spend and supplier data with extrapolations applied as necessary. Where emissions are not derived from primary source input, emission factors

applied are mainly derived from Agribalyse v3.0 2020 (relating to food), USEEIO v1.1 (relating to subcontracting) and Sphera Solutions GmbH (relating to cleaning).

Capital goods (category 2) include emissions from cleaning and kitchen machines used in connection with our service provisions. Emissions are calculated from direct spend relating to cleaning and kitchen machines multiplied with emission factors derived from USEEIO v1.1.

Fuel and energy related activities (category 3) include upstream emissions of purchased fuels and electricity, steam, heating and cooling as well as transmission and distribution losses. Consumption data is identical to what is used for our scope 1 and 2 Category 3 also includes emissions from fuel and energy consumption relating to our chauffeur services in India. Emission factors are applied from DIN EN 16258, Sphera LCA software (previously known as GaBi) and the International Energy Agency (IEA).

Waste disposal (category 5) includes waste disposal and water withdrawal relating to our leased or owned buildings. Waste disposal is calculated on the basis of the number of support staff per country and the average weight of waste generated per person per year split into four waste streams to which emission factors are applied derived from Sphera Solutions GmbH. Water related emissions are based on actual consumption data of water withdrawal or estimated based on occupancy rate or m^2 to which IPCC AR5 GWP100 emission factors are applied.

Business travel (category 6) includes emissions related to air and train travel as well as hotel accommodation and is based on travel distance, transportation type and accommodation length data supplied by our travel agency to which emission factors are applied from Sphera Solutions GmbH. For India and China extrapolation calculations were applied using the characteristics of Indonesia as the extrapolation base.

Employee commuting (category 7) includes travel to and from the work place for ISS employees. Due to our significant number of employees, our employee commuting emissions are sizeable at approx. one third of our scope 3 emissions. Calculations are based on actual number of employees per country split into placemakers and support staff and with different assumptions applying to full-time and part-time employees. Placemakers are generally assumed to commute 5 days per week for 52 weeks per year. No adjustments are made for holiday, sickness or other absence on the assumption that a temporary worker will perform the commute instead. Support staff are assumed to commute 4 days per week to account for hybrid working patterns and work for 48 weeks per year to account for holiday and other absence. Travel distances and commute patterns are calculated on a regional basis and emission factors are derived from Sphera Solutions GmbH and DEFRA.

Use of sold products (Category 11) includes emissions from our use of cleaning equipment, kitchen equipment and technical equipment as part of our service performance. Emission

calculations are based on use cases for use of cleaning, kitchen and technical equipment and extrapolated based on equipment spend, equipment type and count or number of users. Emission factors applied are derived from Sphera LCA software (previously known as GaBi) and electricity grid mix from AIB (Association of Issuing Bodies).

End-of-life-treatment of sold products (category 12) includes emissions from cleaning chemicals, washroom products (toilet paper, hand towels etc.), cleaning tools, machine spare parts and food waste used or generated as part of our service performance. Key supplier data is used to calculate consumption amounts from spend data and extrapolated to the remainder of spend in this category. Food waste is calculated using a fixed statistical assumption on the weight of food purchase. The EU-28 emission factor for commercial waste in municipal waste incineration plant is applied to consumption data across the category.

Changes and future outlook

From 2023, we have introduced more granular fuel consumption reporting to better capture sustainable fuel sources. We have also worked intensively on implementing a dedicated carbon management platform (Watershed), which will become operational in the beginning of 2024 and provide a stronger and more robust carbon management approach, including better carbon reporting capabilities. The EU Corporate Reporting Sustainability Directive has had intense focus

during 2023 and with our first double materiality assessment performed in 2023 we are well positioned on what we need to report on for fiscal year 2024. Extensive work still remains on the robustness of the activities that will be subject to reporting requirements.

Our performance

This section presnet our key performance indicators and results for 2023. Objectives and targets for 2024 are communicated on p. 12-13.

We report on our performance within three areas:

People: Safe working conditions and human rights

Planet: Reducing our impact on the environment and climate

Prosperity: Compliance with sound business standards

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

2) 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.

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

Financial highlights in 2023

78,681
Revenue (DKKm)

9.7%
Organic growth

4.2%
Operating margin

352,749
Number of employees

People

	2023	2022	2021	2020	2019
Number of employees (end of period)	352,749	351,053	354,636	378,946	471,056
Full time %	77	77	76	75	77
Part time % 1)	23	23	24	25	23
Average number of employees	349,086	352,792	362,789	428,949	483,539
Total workforce *)					
Placemakers	327,548	332,562	333,102	357,021	444,914
% Placemakers	93	95	94	94	94
% Male	51	53	52	52	52
% Female	49	47	48	48	48
Support staff	25,222	18,491	21,535	21,926	26,144
% Support staff	7	5	6	6	6
% Male	57	55	56	57	58
% Female	43	45	44	43	42
Turnover (based on average number of employees)					
% All employees	33	33	30	33	35
% Placemakers	34	33	31	34	36
Male	35	35	32	37	38
Female	32	32	30	30	34
% Support staff	21	23	18	17	21
Male	21	22	19	18	22
Female	22	23	18	17	21
Hours of training	3,577,755	4,336,538	4,124,191	3,749,859	6,515,900
Placemakers	3,278,652	4,111,267	3,910,577	3,523,217	6,205,799
Support staff	299,103	225,271	213,614	226,642	310,100
Absentee rate %	2.9	3.0	2.8	2.5	2.1
Incidents of discrimination	16	22	14	16	12
Fatalities	5	1	5	3	3
Lost Time Injury Frequency (LTIF) 2)	3.1	2.9	2.7	2.5	2.8
Exposure hours (million hours) 3)	732	759	725	849	986
Number of LTIs 2)	2,247	2,185	1,979	2,117	2,763
Number of vehicles	19,612	18,029	18,393	24,309	20,571
Number of full electric and hybrid electric vehicles	2,622	1,606	-	-	-
Number of vehicle accidents	2,640	3,122	2,483	2,640	3,390

*) Reporting dimensions result in a minimal difference of 21 employees in total people and workforce reporting.

Planet

	2023	2022	2021	2020	2019
Fuel consumption (million litres)	25.6	26.2	27.4	30.3	38.6
Diesel consumption	18.9	23.6	-	-	-
Petrol consumption	6.5	2.6	-	-	-
Other fuel consumption	0.2	-	-	-	-
Gas consumption (MWh)	1,818	2,519	2,557	-	2,708
Energy consumption (MWh)	38,683	43,362	34,136	29,133	39,903
Electricity	26,641	29,262	22,906	29,133	39,903
hereof electricity for vehicles	3,131	1,243	-	-	-
Steam	97	134	-	-	-
Heat	11,508	13,445	11,018	-	-
Cooling	438	521	212	-	-
Business Travel (km)	57,662,609	54,897,221			
Air travel	45,885,762	44,968,651			
Train travel	11,776,847	9,928,570			
Water consumption (m³)	130,192	105,769	145,948	207,071	307,758

	2023	2022	2021	2020	2019
Scope 1 emissions (t CO₂e)	66,153	69,581	71,726	70,084	88,722
Scope 2 emissions location-based (t CO₂e)	9,449	10,250	8,120		12,549
Scope 2 emissions market-based (t CO₂e)	7,594	7,084	11,838	7,390	10,556
Scope 3 emissions (t CO₂e)	1,550,214	1,520,341			1,631,811
- Cat 1 - Purchased G&S	710,897	692,291			711,751
- Cat 3*⁾ - Fuel- and energy related	20,450	17,106			21,954
- Cat 7**⁾ - Employee commuting	480,207	473,939			543,421
- Cat 11 - Use of sold products	262,834	264,055			259,937
- Cat 12 - End-of-life treatment of sold products	56,028	55,420			71,978
Other categories	19,798	17,530			22,770

*⁾ Includes emissions from chauffeur services provided in India through a full-service subcontractor with 3,362 vehicles calculated from consumption of 3.1m liter diesel, 0.8m liter petrol, 2.6m liter other fuel and 1,255 MWh of electricity.
**⁾ Due to a calculation formula error category 7 emissions for 2019 and 2022 have been adjusted downwards by 56,739tCO2e (2019) and 49,080tCO2e (2022).

Prosperity

	2023	2022 *⁾	2021	2020	2019
Revenue (millions DKK)	78,681	73,838	71,363	70,752	77,698
Operating profit before other items (millions DKK)	3,348	2,947	1,776	(3,203)	3,252
Net finance costs (millions DKK)	607	384	656	549	703
Taxes paid (millions DKK)	428	422	528	666	513
Employee costs (millions DKK)	49,607	46,201	46,369	46,082	48,937
Income tax paid by employees (millions DKK)	12,286	12,647	11,849	12,160	12,903
Number of Speak Up cases	424	366	337	285	299

*⁾ In 2023, France was presented as discontinued operations in the financial statements. Comparatives for 2022 are restated.

GRI disclosures

The following tables provide 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. ISS A/S has reported the information cited in this GRI content index for the period 1 January – 31 December 2023 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	Cover and Annual Report p. 117-118 and back cover
	2-2 Entities included in the organisation's sustainability reporting	P. 56 and Annual Report p. 104
	2-3 Reporting period, frequency and contact point	Annual reporting frequency, reporting period 1 Jan to 31 Dec 2023, release date 22 Feb 2024, contact details on back cover
	2-4 Restatements of information	P. 56
	2-5 External assurance	P. 54
	2-6 Activities, value chain and other business relationships	P. 3 and Annual Report p. 10, 17, 20 and 30-31
	2-7 Employees	P. 59
	2-8 Workers who are not employees	P. 59 – Contractor workers included in exposure hours calculations
	2-9 Governance structure and composition	P. 14 and Annual Report p. 42-44
	2-10 Nomination and selection of the highest governance body	Annual Report p. 42-44
	2-11 Chair of the highest governance body	Annual Report p. 45
	2-12 Role of the highest governance body in overseeing the management of impacts	P. 14 and Annual Report p. 42-44
	2-13 Delegation of responsibility for managing impacts	P. 14 and Annual Report p. 42-44
	2-14 Role of the highest governance body in sustainability reporting	The Board of Director approves the Sustainability Report as part of the annual reporting, see Annual Report p. 43
	2-15 Conflicts of interest	Annual Report p. 45-46 and 101
	2-16 Communication of critical concerns	P. 39-40
	2-17 Collective knowledge of the highest governance body	Annual Report p. 42-43 and Corporate Governance Report
	2-18 Evaluation of the performance of the highest governance body	Annual Report p. 42-43 and Corporate Governance Report
	2-19 Remuneration policies	Remuneration Policy, Annual Report p. 42-43 and 93-94 and Remuneration Report
	2-20 Process to determine remuneration	Remuneration Policy, Annual Report p. 44 and 93-94 and Remuneration Report
	2-21 Annual total compensation ratio	71 based on average rather than median compensation. Note that part of Kasper Fangel's 2023 remuneration was as Group CFO.
	2-22 Statement on sustainable development strategy	P. 5

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-23 Policy commitments	P. 6, 16, 21, 41-42 and 51 and the Sustainability Policy
	2-24 Embedding policy commitments	P. 14 and 40-42
	2-25 Processes to remediate negative impacts	P. 39-40
	2-26 Mechanisms for seeking advice and raising concerns	P. 7 and 39-40
	2-27 Compliance with laws and regulations	No fines or non-monetary sanctions incurred
	2-28 Membership associations	Dansk Industri
	2-29 Approach to stakeholder engagement	P. 3, 7, 9 and 36
	2-30 Collective bargaining agreements	P. 27
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P. 7-10
	3-2 List of material topics	P. 10
	3-3 Management of material topics	P. 9
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report p. 14
	201-2 Financial implications and other risks and opportunities due to climate change	P. 45-47 and Annual Report p. 56
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report p. 97-99
	201-4 Financial assistance received from government	Annual Report p. 62
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not available
	202-2 Proportion of senior management hired from the local community	Annual Report p. 45-47 specifies the nationalitiy of directors and senior management
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	N/A
	203-2 Significant indirect economic impacts	P. 7-10
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	P. 36, exact spend data not available
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	100%
	205-2 Communication and training about anti-corruption policies and procedures	P. 39 and 51
	205-3 Confirmed incidents of corruption and actions taken	Zero
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Zero
GRI 207: Tax 2019	207-1 Approach to tax	P. 42 and 51 and Annual Report p. 90-92
	207-2 Tax governance, control, and risk management	P. 42 and 51 and Annual Report p. 90-92
	207-3 Stakeholder engagement and management of concerns related to tax	P. 42 and 51 and Annual Report p. 90-92
	207-4 Country-by-country reporting	N/A

GRI STANDARD	DISCLOSURE	LOCATION
GRI 301: Materials 2016	301-1 Materials used by weight or volume	N/A
	301-2 Recycled input materials used	N/A
	301-3 Reclaimed products and their packaging materials	N/A
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	P. 60
	302-2 Energy consumption outside of the organisation	P. 60
	302-3 Energy intensity	3.7 (MWh energy to revenue in mDKK), p. 59-60
	302-4 Reduction of energy consumption	P. 60
	302-5 Reductions in energy requirements of products and services	P. 12, 31-32, 37 and 60
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P. 8, 12, 15, 32 and 60
	303-2 Management of water discharge-related impacts	N/A
	303-3 Water withdrawal	P. 59
	303-4 Water discharge	N/A
	303-5 Water consumption	N/A
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	N/A
	304-3 Habitats protected or restored	N/A
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P. 60
	305-2 Energy indirect (Scope 2) GHG emissions	P. 60
	305-3 Other indirect (Scope 3) GHG emissions	P. 60
	305-4 GHG emissions intensity	$21gCO_2e$ per DKK 1 of revenue (Scope 1-3) – p. 60
	305-5 Reduction of GHG emissions	P. 60
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	N/A
	306-2 Management of significant waste-related impacts	12, 31-33, 36-37 and 43
	306-3 Waste generated	N/A

GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-4 Waste diverted from disposal	N/A
	306-5 Waste directed to disposal	N/A
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P. 40 – 100%
	308-2 Negative environmental impacts in the supply chain and actions taken	P. 40-41, we have not identified negative environmental impacts in our supply chain that require specific action
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P. 59
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	As a minimum benefits meet local legislation requirements
	401-3 Parental leave	As a minimum parental leave entitlement meets local legislation requirements
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	As a minimum in accordance with local legislation requirements
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P. 25-26
	403-2 Hazard identification, risk assessment, and incident investigation	P. 25-26
	403-3 Occupational health services	P. 25-26
	403-4 Worker participation, consultation, and communication on occupational health and safety	P. 7 and 25-26
	403-5 Worker training on occupational health and safety	P. 27
	403-6 Promotion of worker health	P. 26-27 and 40, local employment terms may provide access to health services. Personal health data is treated in accordance with our Group Data Protection Policy
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P. 25-26
	403-8 Workers covered by an occupational health and safety management system	P. 25-26
	403-9 Work-related injuries	P. 26 and 59
	403-10 Work-related ill health	P. 26 and 59. In 2023, 111 work-related ill health incidents were recorded
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P. 27
	404-2 Programs for upgrading employee skills and transition assistance programs	P. 13 and 18-19 and Annual Report p. 32-33
	404-3 Percentage of employees receiving regular performance and career development reviews	100%
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P. 59 and Annual Report p. 35 and 42-47
	405-2 Ratio of basic salary and remuneration of women to men	N/A
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P. 39-41

GRI STANDARD	DISCLOSURE	LOCATION
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P. 10, 36 and 40-42
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	P 10, 36 and 40-42
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	P. 10, 36 and 40-42
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	P. 23, our Code of Conduct is a mandatory part of all employment contracts and supported by localised e-learning modules completed in more than 100,000 sessions in 2023
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	N/A
	413-2 Operations with significant actual and potential negative impacts on local communities	None, p. 7-10
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P. 40-41, all new suppliers are screened
	414-2 Negative social impacts in the supply chain and actions taken	P. 40-41, we have not identified negative social impacts in our supply chain that require specific actions
GRI 415: Public Policy 2016	415-1 Political contributions	Zero
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	P. 7-10 and 25-26
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	N/A
	417-2 Incidents of non-compliance concerning product and service information and labeling	N/A
	417-3 Incidents of non-compliance concerning marketing communications	N/A
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

EU Taxonomy accounting practices

In accordance with article 10, paragraph 1 of the Delegated Act of 6th of July 2021, which specifies the content and presentation to be disclosed, ISS will disclose the proportion of our turnover, CAPEX and OPEX that relates to Taxonomy-eligible and Taxonomy-aligned economic activities.

Taxonomy-eligibility and Taxonomy-alignment

Taxonomy eligibility states the share of ISS' turnover, CAPEX and OPEX, which are covered by the Taxonomy delegated acts. Taxonomy-eligibility therefore only states the proportion of ISS' economic activities that are described in the Taxonomy Regulation's delegated acts. Taxonomy-alignment states whether these Taxonomy-eligible economic activities qualify as environmentally sustainable as described in the Taxonomy Regulation's delegated acts. Taxonomy-eligibility is expressed with three KPIs that are calculated as the part of turnover, CAPEX and OPEX considered to be Taxonomy-eligible (numerator) divided by ISS' total turnover, CAPEX and OPEX (denominator). Taxonomy-alignment is expressed with three KPIs that are calculated as the part of turnover, CAPEX and OPEX considered to be Taxonomy-aligned (numerator) divided by ISS' total turnover, CAPEX and OPEX (denominator). Descriptions of the KPIs are provided below.

KPI for turnover

ISS is a workplace experience and facility management company. We primarily provide services and solutions to our customers within cleaning, food,

technical services, front and back service support, workplace management and security. Certain sub-components of our services are included in the list of economic activities. However, we are not able to separate Taxonomy-eligible and taxonomy-aligned turnover from Taxonomy-non-eligible and Taxonomy-non-aligned turnover. The total turnover of ISS for fiscal year 2023 is DKKm 78,681 as stated on p. 51 in the 2023 annual report.

KPI for CAPEX

Total CAPEX is defined as ISS' additions of tangible and intangible assets determined at cost (except for acquisition-related brands and customer contracts which are recognised at fair value at the acquisition date) and are shown in note 2.6 and 3.1 in the 2023 annual report. Intangible assets at DKKm 315 include additions of goodwill, customer contracts, capitalised software and other intangible assets. Tangible assets at DKKm 394 mainly relate to production equipment, hardware equipment and other equipment. The denominator also includes the value from additions of long-term leased assets and right of use assets at DKKm 908 including those that support taxonomy-eligible activities taking the total CAPEX denominator to DKKm 1,617. The numerator includes economic activities that are taxonomy-eligible in accordance with items 6.5 and 7.7 of the delegated acts. These are specified in note 2.6 to the 2023 annual report as additions of properties in an amount of DKKm 258 and additions of vehicles in an amount of DKKm 440. At this stage we are not able to document compliance with the Taxonomy-alignment criteria of the delegated acts.

Specification of taxonomy-eligible KPIs

Turnover

Economic activities (1)	Proportion of turnover
A. Taxonomy-eligible activities	
Turnover of Taxonomy-eligible activities (A)	0%
B. Taxonomy-non-eligible activities	
Turnover of Taxonomy-non-eligible activities (B)	100%
Total (A+B)	**100%**

CAPEX

Economic activities (1)	Proportion of CAPEX
A. Taxonomy-eligible activities	
CAPEX of Taxonomy-eligible activities (A)	43%
B. Taxonomy-non-eligible activities	
CAPEX of Taxonomy-non-eligible activities (B)	57%
Total (A+B)	**100%**

OPEX

Economic activities (1)	Proportion of OPEX
A. Taxonomy-eligible activities	
OPEX of Taxonomy-eligible activities (A)	0%
B. Taxonomy-non-eligible activities	
OPEX of Taxonomy-non-eligible activities (B)	100%
Total (A+B)	**100%**

KPI for OPEX

OPEX is defined as direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to day-to-day servicing of assets of property, plant and equipment. Our taxonomy-eligible OPEX costs are immaterial and we do not declare any part of our OPEX to be taxonomy-eligible.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure 2023

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity or) (20)	Category ('transitional activity)' (21)
		DKKm	%	%	%	%	%	%	%	y/n	y/n	y/n	y/n	y/n	y/n	y/n	Percent	Percent	E	T
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities																				
N/A		-																		
Turnover of environmentally sustainableactivities (Taxonomy-aligned) (A.1)		-	0%																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
N/A		-																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%																	
Total (A.1 + A.2)		-	0%																	
B. Taxonomy-non-eligible activities																				
Turnover of Taxonomy-non-eligible activities (B)		78,681	100%																	
Total (A + B)			100%																	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activites – disclosure 2023

Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year N (18)	Taxonomy-aligned proportion of CapEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity (21)
		DKKm	%	%	%	%	%	%	%	y/n	y/n	y/n	y/n	y/n	y/n	y/n	Percent	Percent	E	T
A. Taxonomy-eligible																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
N/A		-																		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.1)																				
Property additions, right-of-use		258	16%																	
Vehicle additions, right-of-use		440	27%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		698	43%																	
Total (A.1 + A.2)																				
B. Taxonomy-non-eligible activities																				
CapEx of Taxonomy-non-eligible activities (B)		919	57%																	
Total (A + B)		1,617	100%																	

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure 2023

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		DKKm	%	%	%	%	%	%	%	y/n	y/n	y/n	y/n	y/n	y/n	y/n	Percent	Percent	E	T
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
N/A		-																		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
N/A																				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%																	
Total (A.1 + A.2)		-	0%																	
B. Taxonomy-non-eligible activities																				
OpEx of Taxonomy-non-eligible activities (B)		73,964	100%																	
Total (A + B)		73,964	100%																	