ank=20250617;20250617701978

Styrelsen och verkställande direktören för

ISS Palvelut Holding AB

Org nr 556764-3712

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2024

Innehåll:	sida
Förvaltningsberättelse	2
Resultaträkning	3
Balansräkning	4
Rapport över förändringar i eget kapital	5
Noter med redovisningsprinciper och bokslutskommentarer	6
Underskrifter	9

Undertecknad verkställande direktör i ISS Palvelut Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 9 juni 2025. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska disponeras.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Signatur
Namn: Gustaf Landin
Datum: 9 juni 2025
Ort: Stockholm

ank=20250616:20250617701979

Styrelsen och verkställande direktören för

ISS Palvelut Holding AB

Org nr 556764-3712

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2024

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ank=20250616701980

Förvaltningsberättelse

Allmänt om verksamheten
ISS Palvelut Holding AB har inte bedrivit någon verksamhet under året.

Bolaget, med säte i Stockholm, ingår i ISS-koncernen där moderföretaget ISS A/S är börsnoterat på NASDAQ Köpenhamn.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer
Bolaget bedriver inte någon egen verksamhet utan fungerar som holdingbolag och det finns därmed risker kopplat till dotterföretagets utveckling.

Utveckling av företagets verksamhet, resultat och ställning

Belopp i EUR	**2024**	**2023**	**2022**	**2021**	**2020**
Årets resultat	18 301	15 249	2 532	1 296	1 294
Balansomslutning	315 483 960	315 465 659	315 450 410	315 447 878	315 446 582
Eget Kapital	315 483 960	315 465 659	315 450 410	315 447 878	315 446 582
Soliditet	100,0%	100,0%	100,0%	100,0%	100,0%

Årets resultat som avser ränteintäkter har ökat 2023-2024 jämfört med tidigare år. Ökningen beror på det högre ränteläget under dessa år.

Förslag till disposition av företagets vinst
Styrelsen föreslår att fritt eget kapital, EUR 315 386 828, disponeras enligt följande:

Balanseras i ny räkning	315 386 828
Summa	315 386 828

Vad beträffar resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

ank=20250616;20250617019811

Resultaträkning

Belopp i EUR	*Not*	*2024-01-01 -2024-12-31*	*2023-01-01 -2023-12-31*
Resultat från finansiella poster			
Ränteintäkter och liknande resultatposter	2	18 301	15 249
Resultat efter finansiella poster		18 301	15 249
Resultat före skatt		18 301	15 249
Årets resultat		18 301	15 249

ank=20250616;20250617701982

Balansräkning

Belopp i EUR	*Not*	*2024-12-31*	*2023-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	3	315 021 089	315 021 089
		315 021 089	315 021 089
Summa anläggningstillgångar		315 021 089	315 021 089
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		462 871	444 570
		462 871	444 570
Summa omsättningstillgångar		462 871	444 570
SUMMA TILLGÅNGAR		315 483 960	315 465 659
EGET KAPITAL OCH SKULDER			
Eget kapital	4		
Bundet eget kapital			
Aktiekapital		97 132	97 132
		97 132	97 132
Fritt eget kapital			
Överkursfond		238 846 868	238 846 868
Balanserad vinst		76 521 659	76 506 410
Årets resultat		18 301	15 249
		315 386 828	315 368 527
Summa eget kapital		315 483 960	315 465 659
SUMMA EGET KAPITAL OCH SKULDER		315 483 960	315 465 659

ank=20250616;20250617019830

Rapport över förändringar i eget kapital

Belopp i EUR

	Aktie-kapital	Överkurs-fond	Balanserat resultat	Årets resultat	Summa eget kapital
Ingående balans 2024-01-01	97 132	238 846 868	76 506 410	15 249	315 465 659
Omföring resultat föregående år			15 249	-15 249	–
Årets resultat				18 301	18 301
Utgående balans 2024-12-31	97 132	238 846 868	76 521 659	18 301	315 483 960

ank=20250616;20250617701984

Noter med redovisningsprinciper och bokslutskommentarer

Belopp i EUR om inget annat anges

Not 1 Redovisningsprinciper

Allmänna redovisningsprinciper
Årsredovisningen har upprättats i enlighet med Årsredovisningslagen (1995:1554) och Bokförings-nämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Värderingsprinciper m m
Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Finansiella tillgångar och skulder
Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Redovisning i och borttagande från balansräkningen
En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor. En finansiell tillgång tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången har upphört eller reglerats. Detsamma gäller när de risker och fördelar som är förknippade med innehavet i allt väsentligt överförts till annan part och företaget inte längre har kontroll över den finansiella tillgången. En finansiell skuld tas bort från balansräkningen när den avtalade förpliktelsen fullgjorts eller upphört.

Värdering av finansiella tillgångar
Finansiella tillgångar värderas vid första redovisningstillfället till anskaffningsvärde, inklusive eventuella transaktionsutgifter som är direkt hänförliga till förvärvet av tillgången.

Finansiella omsättningstillgångar värderas efter första redovisningstillfället till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet på balansdagen.

Kundfordringar och övriga fordringar som utgör omsättningstillgångar värderas individuellt till det belopp som beräknas inflyta.

Finansiella anläggningstillgångar värderas efter första redovisningstillfället till anskaffningsvärde med avdrag för eventuella nedskrivningar och med tillägg för eventuella uppskrivningar.

Andelar i dotterföretag, intresseföretag och gemensamt styrda företag redovisas till anskaffnings-värde minskat med ackumulerade nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Värdering av finansiella skulder
Finansiella skulder värderas till upplupet anskaffningsvärde.

Skatt
Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock särredovisas inte uppskjuten skatt hänförlig till obeskattade reserver eftersom obeskattade reserver redovisas som en egen post i balansräkningen. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag.

ank=20250616:20250617019B5

Koncernbidrag
Koncernbidrag som erhållits/lämnats redovisas som en bokslutsdisposition i resultaträkningen. Det erhållna/lämnade koncernbidraget har påverkat företagets aktuella skatt.

Koncernuppgifter
ISS Palvelut Holding AB, med säte i Stockholm, är ett helägt dotterföretag till ISS Palvelut Holding Oy, org nr 2071865-0 med säte i Helsingfors, Finland. Bolaget ingår i en koncern där ISS Global A/S, reg nr 21 40 83 95, med säte i Köpenhamn Danmark, upprättar koncernredovisning för den minsta koncernen. Koncernredovisning för den största koncernen upprättas av ISS A/S, reg nr 28 50 47 99, med säte i Köpenhamn, Danmark.

De utländska moderföretagens koncernredovisningar finns att tillgå hos ISS A/S, Buddingevej 197, DK-2860 Søborg samt på adressen www.issworld.com.

Företaget som utgör moderföretag för en koncern med dotterföretag, enligt not Andelar i koncernföretag, upprättar ej koncernredovisning med hänvisning till undantaget i ÅRL 7:2 då företaget och dess samtliga dotterföretag omfattas av en koncernredovisning som upprättas av ISS A/S.

Närstående
Närståendetransaktioner
Bolaget har haft närståendetransaktioner på marknadsmässiga villkor med koncernbolaget ISS Global A/S.

Not 2 Ränteintäkter och liknande resultatposter

	2024-01-01 -2024-12-31	*2023-01-01 -2023-12-31*
Ränteintäkter, koncernföretag	18 301	15 249
	18 301	15 249

Not 3 Andelar i koncernföretag

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden		
Vid årets början	315 021 089	315 021 089
Redovisat värde vid årets slut	315 021 089	315 021 089

Specifikation av bolagets innehav av aktier och andelar i koncernföretag

2024-12-31

Dotterföretag / Org nr / Säte	*Antal andelar*	*Andel i %*	*Redovisat värde*
ISS Palvelut OY, 0906333-1, Helsingfors Finland	760 000	100,0	315 021 089
			315 021 089

ank=20250616:20250617701985

Not 4 Antal aktier och kvotvärde

	2024-12-31	*2023-12-31*
Antal aktier	1 000 st	1 000 st
Kvotvärde	97,132 EUR	97,132 EUR

Not 5 Disposition av vinst eller förlust

	2024-12-31	*2023-12-31*
Förslag till disposition av företagets vinst		
Till årsstämmans förfogande står följande vinstmedel:		
Överkursfond	238 846 868	238 846 868
Balanserade vinstmedel	76 521 659	76 506 410
Årets vinst	18 301	15 249
	315 386 828	315 368 527
Styrelsen föreslår att fritt eget kapital, EUR 315 386 828, disponeras enligt följande:		
Balanseras i ny räkning	315 386 828	315 368 527
Summa	315 386 828	315 368 527

ank=20250616:20250617701987

Carl-Fredrik Bjor
Ordförande
20250521

Gustaf Landin
Verkställande direktör

Maria Hultengren Larsson
Styrelseledamot

Maciej Wasek
Styrelseledamot

Vår revisionsberättelse har lämnats 2025-06-04

Öhrlings PricewaterhouseCoopers AB

Jeanette Sergel
Auktoriserad revisor

ank=20250616-20250617701988

Carl-Fredrik Bjor
Ordförande

Gustaf Landin
Verkställande direktör
2025-05-29

Maria Hultengren Larsson
Styrelseledamot

Maciej Wasek
Styrelseledamot

Vår revisionsberättelse har lämnats

Öhrlings PricewaterhouseCoopers AB

Jeanette Sergel
Auktoriserad revisor

ank=20250616:20250617701989

Carl-Fredrik Bjor
Ordförande

Gustaf Landin
Verkställande direktör

Maria Hultengren Larsson
Styrelseledamot
20250521

Maciej Wasek
Styrelseledamot

Vår revisionsberättelse har lämnats

Öhrlings PricewaterhouseCoopers AB

Jeanette Sergel
Auktoriserad revisor

ank=20250616:20250617701990

Carl-Fredrik Bjor
Ordförande

Gustaf Landin
Verkställande direktör

Maria Hultengren Larsson
Styrelseledamot

Maciej Wasek
Styrelseledamot
20250521

Vår revisionsberättelse har lämnats

Öhrlings PricewaterhouseCoopers AB

Jeanette Sergel
Auktoriserad revisor

ank=20250616;20250617019911

Revisionsberättelse

Till bolagsstämman i ISS Palvelut Holding AB, org.nr 556764-3712

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för ISS Palvelut Holding AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av ISS Palvelut Holding ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för ISS Palvelut Holding AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till ISS Palvelut Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Övrig upplysning

Revisionen av årsredovisningen för räkenskapsåret 2023 har utförts av en annan revisor som lämnat en revisionsberättelse med omodifierade uttalanden i Rapport om årsredovisningen.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för ISS Palvelut Holding AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

ank=20250617701992

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till ISS Palvelut Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den 4 juni 2025

Öhrlings PricewaterhouseCoopers AB

Jeanette Sergel
Auktoriserad revisor

ank=20250616:20250617:01993

Annual report 2024

ISS Global A/S

Buddingevej 197
DK – 2860 Søborg
Denmark
Tel.: +45 38 17 00 00
www.issworld.com
CVR 21 40 83 95

Annual report
1 January – 31 December 2024

Approved at the annual general meeting
On 11 April 2025

Bjørn Raasteen
Chair of the annual general meeting

ank=20250616;20250617701994

Content

Introduction to the ISS Global Group 3
Five-year overview 4
2025 outlook 5
Group results 6
Commercial development 9
Cash generation and free cash flow 11
Capital structure 12
Northern Europe 13
Central & Southern Europe 14
Asia & Pacific 16
Americas 17
OneISS strategy 18
Our people 21
Our business risks 24
Corporate governance 30
Diversity 35
Sustainability statement 37
Consolidated financial statements 86
Parent company financial statements 171
Management statement 187
Independent Auditor's Report 188
Independent auditor's limited assurance report on the Sustainability Statement 192
Forward looking statement 195

Management review
The Management review comprises pp. 3-85.

ank=20250617019955

Introduction to the ISS Global Group

An integral part of the ISS A/S Group

ISS Global A/S is indirectly, wholly owned by ISS A/S, a leading, global provider of workplace and facility service solutions, listed on Nasdaq Copenhagen. ISS Global A/S owns – directly or indirectly – the ISS Group's operating entities (together referred to as ISS, the Group or the ISS Global Group). In addition, ISS Global A/S operates as the ISS A/S Group's internal bank and holds the majority of its external funding. As part of its financing function, ISS Global A/S has entered into a Euro Medium Term (EMTN) Programme under which notes have been issued and admitted to trading on the Luxembourg Stock Exchange.

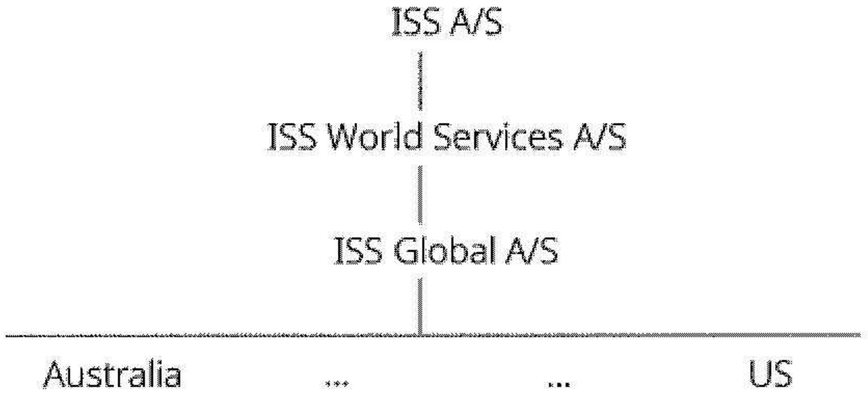
The ISS Global Group is an integral part of the ISS A/S Group. Thus, the strategic direction, implementation and overall management is determined by the Board of Directors of ISS A/S for the ISS A/S Group as a whole, rather than specifically for the ISS Global Group. Likewise, all operating, financing and investing activities are managed for the ISS A/S Group as a whole, rather than specifically for the ISS Global Group.

Governance

The management team of the ISS Global Group formally consists of the Board of Directors and Executive Management of ISS Global A/S registered with the Danish Business Authority. Since ISS Global A/S has no employees and no operating activities independently of the ISS A/S Group, the ISS Global Group relies on the management team of ISS A/S as well as on certain operational, management and administrative services being provided by ISS World Services A/S, ISS Global A/S's parent.

Impact on the Management review

Due to this Group structure, the sections OneISS strategy, Our people, Our business risks, Corporate governance and Diversity of the Management review, pp. 18–36, are described in the context of the ISS A/S Group.



Sustainability statement

From 2024, the Corporate Sustainability Reporting Directive (CSRD) requires us to report on environmental and social activities and impacts as well as how we incorporate sustainability in our governance framework. The new requirements have been adopted by the EU in a set of European Sustainability Reporting Standards (ESRS). We have prepared the Sustainability Statement in the Annual Report 2024 in accordance with ESRS.

The double materiality assessment (DMA) for the ISS A/S Group covers the Group's inherent exposure to sustainability-related impacts, risks and opportunities. None of the Group's identified material impacts, risks and opportunities are linked to activities exclusively or predominantly performed at the level of ISS A/S or ISS World Services A/S and the impact on metrics and performance for the Group from the activities at the isolated level of ISS A/S or ISS World Services A/S is negligible. Thus, DMA for the ISS Global Group is in all material aspects the same as for the ISS A/S Group.

In addition, strategic direction and targets, including in relation to sustainability matters, such as people targets and net zero commitments, are set for the ISS A/S Group as a whole with no separate targets or commitments for ISS Global A/S or the ISS Global Group. As an indirectly wholly owned subsidiary of ISS A/S, ISS Global is subject to the same governance principles and policies as applicable to the ISS A/S Group both in terms of business conduct, values and business ethics.

Due to this structure, the Sustainability statement, pp. 37-85, is described in the context of the ISS A/S Group.

ark=20250616;20250617701996

Five-year overview

(DKKm unless otherwise stated)	2024	2023	2022	2021	2020
Results					
Revenue, excl. IAS 29	*83,026*	*78,704*	*73,704*	*71,383*	*70,767*
Revenue	83,782	78,702	73,858	71,383	70,767
Operating profit before other items, excl. IAS 29	*4,889*	*4,198*	*3,840*	*2,920*	*(2,501)*
Operating profit before other items	4,877	4,150	3,811	2,920	(2,501)
Operating profit	3,538	2,881	2,602	1,628	(4,899)
Finance costs, net	(359)	(410)	(313)	(573)	(549)
Net profit from continuing operations	2,606	2,016	1,991	496	(5,262)
Net profit from discontinued operations	(59)	(1,725)	(36)	110	46
Net profit	2,547	291	1,955	606	(5,216)
Cash flow					
Cash flow from operating activities	3,527	3,284	3,020	3,221	(886)
Acquisition of intangible assets, property and equipment, net	(498)	(553)	(588)	(424)	(552)
Free cash flow, excl. IAS 29	*1,915*	*1,835*	*1,608*	*1,900*	*(2,143)*
Free cash flow	1,916	1,819	1,616	1,900	(2,143)
Financial position					
Total assets	49,553	44,766	43,564	40,357	40,134
Goodwill	15,920	15,121	15,853	15,063	15,093
Additions to property and equipment, right-of-use assets	1,432	1,298	1,104	1,164	1,120
Equity	10,030	7,126	7,026	4,246	3,195
Net debt	5,826	6,602	8,072	9,816	12,345

(% unless otherwise stated)					
Financial ratios					
Operating margin, excl. IAS 29	*5.9 %*	*5.3 %*	*5.2 %*	*4.1 %*	*(3.5)%*
Operating margin	5.8 %	5.3 %	5.2 %	4.1 %	(3.5)%
Equity ratio	20.2 %	15.9 %	16.1 %	10.5 %	8.0 %
Organic growth	6.3 %	9.7 %	8.4 %	2.0 %	(6.6)%
Acquisitions/divestments, net	1.0 %	0.5 %	(5.8)%	(0.5)%	(0.2)%
Currency adjustments	(0.8)%	(3.6)%	0.9 %	(0.6)%	(2.1)%
Total revenue growth	6.5 %	6.6 %	3.5 %	0.9 %	(8.9)%

For definitions, see p. 170.

ank=20250616;20250617019697

2025 outlook

In 2024, ISS completed a wide-ranging review to update the OneISS strategy to drive further growth in the years to come. The strategic direction remains unchanged, but the updated strategic priorities are set to release the untapped potential for ISS, including a reduction in the size of Executive Group Management of ISS A/S leading to shorter decision times.

The outlook for 2025 assumes that macroeconomic and geopolitical uncertainties remain elevated, at the same time making ISS's business model more relevant than ever.

The execution of the OneISS strategy through our updated strategic priorities continues and will support the commercial growth agenda, enable further cost efficiencies and ensure continued high focus on driving shareholder value.

The outlook is excluding any effects of hyperinflation (IAS 29).

Organic growth

4 – 6%

(2024: 6.3%)

Organic growth is expected to be 4-6% for 2025 driven by price increases across the Group to offset cost inflation and protect operating margins. As we focus on growing with our customers, and see high activity levels at our customers' sites, we expect volume growth to be positive. We also expect net new wins to be a positive contributor and the bid pipeline to develop positively in 2025. Impact from projects and above-base work is expected to contribute negatively to growth given the extraordinarily high levels in Q4 2024 driven by the hurricane response and restoration work in the US.

Operating margin[1]

> 5.5%

(2024: 5.9%)

Operating margin is expected to be above 5.5% as we continue to invest in future growth opportunities. Across the Group, we expect to see further operational improvements and efficiencies, including scale benefits. Our focus is on increasing nominal operating profit before other items and thereby driving increased shareholder value.

[1] Based on operating profit before other items

Free cash flow

> DKK 2.2 billion

(2024: DKK 1.9bn)

The expectation for free cash flow is based on an underlying free cash flow of above DKK 2.4 billion. However, adjusted for DKK 0.2 billion in prepayments for services not yet rendered and receivables paid before due date, the reported free cash flow is expected to be above DKK 2.3 billion for 2025. Assuming payments withheld by Deutsche Telekom (DTAG) in 2024 are received in 2025, reported free cash flow is expected to be above DKK 2.9 billion, refer to p. 7 for further on DTAG.

Other revenue impacts

Acquisitions and divestments, net

~ 0.5%-point (positive)

Based on acquisitions and divestments completed by 28 February 2025 (including in 2024).

Foreign exchange rates

~ 1%-points (negative)[2]

Based on current exchange rates, excluding any effects of hyperinflation (IAS 29).

[2] The forecasted average FX rates for 2025 are calculated using the actual average FX rate for January 2025 and the average forward FX rates (as of 17 February 2025) for the remaining eleven months of 2025

Outlook 2024

Follow up

	Organic growth	Operating margin	Free cash flow
Annual report 2023	4 - 6%	> 6%	> DKK 1.7bn
H1 2024	5 - 6%	> 6%	> DKK 1.7bn
Actual 2024	6.3%	5.9%	DKK 1.9bn

The outlook should be read in conjunction with Forward-looking statements, p. 195 and Our business risks, pp. 24–29.

For Definitions, see p. 170.

ank=20250616;20250617701998

Group results

In a world marked by macroeconomic uncertainty, ISS continued to deliver operational and financial progress in 2024. This was not least due to successful implementation of price increases and higher activity levels at customer sites, but also broad-based efficiency improvements and cost reductions from the continued execution of the OneISS strategy as well as notable improvements in the UK and on the Deutsche Telekom contract. As a result, we delivered improved operating results for the fourth consecutive year and achieved our financial targets for all three financial KPIs.

Revenue

Group revenue was DKK 83.8 billion, an increase of 6.5% compared with 2023. Organic growth was 6.3%, the impact from acquisitions and divestments, net was 1.0%, whereas currency and other effects were negative 0.8%, including the impact of hyperinflation in Türkiye of 1.0%.

Organic growth momentum slowed down over the year as expected from 6.0% in Q1 to 4.8% in Q3, but then picked up in Q4 ending at 8.3%, largely driven by projects and above-base work, including the significant hurricane response and restoration work performed in the US.

Price increases contributed around 6.1% to organic growth of which around half was related to price increases implemented in Türkiye. Across the Group, cost inflation remained relatively high, though decreasing compared to 2023, predominantly driven by adjustments to minimum wages and collective agreements. We continued to successfully mitigate this effect through implementation of price increases to customers in accordance with contractual terms.

Volume growth contributed around 0.5%-point to organic growth driven by a combination of increased activity levels at customer sites and expansion of contracts with existing customers, mainly in Northern Europe and Asia & Pacific.

Net contract wins were supported by significant start-ups in Q2 with Defra in the UK and the Danish Building and Property Agency in Denmark. However, as a result of deliberate exits of contracts in 2023 and 2024, most notably in Americas and Asia & Pacific, growth was negative by around 1%-point.

Revenue from projects and above-base work accounted for 16% (2023: 16%) of Group revenue and contributed around 1% to organic growth for the Group. This impact was mainly driven by Americas, due to the hurricane response and restoration work in the US as well as broad-based growth in Northern Europe.

Revenue from key account customers grew organically by 6.1%, mainly resulting from price increases, increased activity levels at customers' sites and customers' investments in workplaces. Key accounts accounted for 71% of Group revenue in 2024 (2023: 71%).

All regions contributed to the positive organic growth in 2024. Central & Southern Europe reported double-digit growth mainly due to price increases and volume growth in Türkiye. In Northern Europe growth was largely driven by increased activity levels at customers' sites and start-up of contracts in the UK and Denmark. Asia & Pacific was mainly supported by solid growth in Australia and Singapore offset by a decrease in projects and above-base work as demand for Covid-19 related work ceased in 2023. In Americas, growth was held back by the deliberate contract exits in 2023 and 2024, especially with an industry and manufacturing customer in the US, though offset by price increases and significant above-base work related to the hurricane response and restoration work.

Revenue

(DKKm)	2024	2023	Organic growth	Acq./ div.	Currency & other adj.	Revenue Growth
Northern Europe	31,328	29,324	6%	(0)%	1%	7%
Central & Southern Europe	27,159	24,807	11%	4%	(6)%	9%
Asia & Pacific	14,403	14,229	2%	(0)%	(1)%	1%
Americas	9,407	9,605	0%	-	(2)%	(2)%
Other countries	767	783	(5)%	-	3%	(2)%
Corporate / eliminations	(38)	(44)	-	-	-	-
Group, excl. IAS 29	**83,026**	**78,704**	**6.3%**	**1.0%**	**(1.8)%**	**5.5%**
Group	**83,782**	**78,702**	**6.3%**	**1.0%**	**(0.8)%**	**6.5%**

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Operating profit before other items

Operating profit before other items amounted to DKK 4,877 million for an operating margin of 5.8% (2023: 5.3%). Excluding the effect from hyperinflation in Türkiye (IAS 29), operating profit before other items was DKK 4,889 million leading to an operating margin of 5.9% (2023: 5.3%).

The increase in operating margin was broad-based and driven by continued operational improvements, efficiencies and cost savings initiatives across the Group. Furthermore, operating leverage from the higher revenue impacted margin positively. In addition, margin benefitted from certain one-off income in Asia & Pacific, though partly offset by non-recurring costs at corporate level.

On the Deutsche Telekom contract and in the UK, operational and financial improvements continued during the year, and thus both contributed to the Group's margin enhancement. Despite solid improvement in 2024, both remained dilutive to the Group operating margin. For the Deutsche Telekom contract, the arbitration process initiated by ISS regarding certain contractual disagreements progressed according to plan. The final oral hearing in the arbitration proceedings is scheduled to take place in mid July 2025 as further described in the right-hand column.

Inflation rates generally decreased compared to 2023, however, continued to impact our cost base, mainly due to increasing minimum wages and collective wage agreements. ISS has strong and well-embedded processes in place, and price increases were implemented in line with contractual agreements. Combined with operational efficiencies, the effect from inflation was, like previous years, mitigated, and the operating margin was largely unaffected.

From a regional perspective, margin improvements were broad-based, with all regions delivering margin increases compared to last year, largely achieved through realisation of OneISS efficiencies and operating leverage from the higher revenue.

Deutsche Telekom AG

In July 2019, ISS and Deutsche Telekom AG (DTAG) commenced the 10.5-years FM contract under which ISS delivers integrated facility services to more than 8,000 DTAG sites across Germany. In the early stages of the contract, financial performance was negatively impacted by a complicated IT migration and operational challenges which led to a material cost overrun. Subsequently, ISS Germany has worked intensely on improvements and has strengthened the operational and financial performance of the contract. However, the contract remains structurally challenging and performance is dilutive to the Group operating margin.

As previously informed, ISS and DTAG have certain contractual disagreements. In December 2022, ISS has initiated the establishment of an Arbitration Tribunal under the German Institute of Arbitration (DIS) to decide on these disagreements. The final oral hearing in the arbitration proceedings is scheduled to take place in mid July 2025.

In the proceedings, ISS and DTAG have exchanged claims against each other. ISS has claimed remuneration for services performed. DTAG has disputed the claims and is withholding certain payments to ISS related to the services delivered.

Central & Southern Europe contributed most to the improvement, driven by generally solid developments, most significantly in Switzerland and Türkiye, and continued operational improvements on the Deutsche Telekom contract. Northern Europe benefitted from general efficiencies and margin improvements across the region, in particular Denmark and Finland, as well as continued progress in the UK. In the Americas, margin improvements were achieved across the region, mainly as a result of deliberate exits of contracts in 2023 and 2024 in the US. In Asia & Pacific margin increased due to continued operational efficiencies and positive effects from certain one-off items in Australia and Singapore.

Operating profit before other items

(DKKm)	2024		2023	
Northern Europe	1,803	5.8%	1,572	5.4%
Central & Southern Europe	1,867	6.9%	1,487	6.0%
Asia & Pacific	1,032	7.2%	875	6.1%
Americas	547	5.8%	489	5.1%
Other countries	30	3.9%	48	6.1%
Corporate / eliminations	(390)	-	(273)	-
Group, excl. IAS 29	**4,889**	**5.9%**	**4,198**	**5.3%**
Group	**4,877**	**5.8%**	**4,150**	**5.3%**

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Other income and expenses, net

Other income and expenses, net was an expense of DKK 151 million (2023: expense of DKK 90 million), mainly due to a reassessment of the contingent consideration related to the disposal of the 40% minority stake in ISS Türkiye in 2021 and an additional loss related to the divestment of Specialized Services in the US in prior years.

Operating profit

Operating profit was DKK 3,538 million (2023: DKK 2,881 million), and thus grew 23% compared to 2023.

Finance income and costs, net

Finance costs, net amounted to DKK 359 million (2023: DKK 410 million) including a non-monetary gain of DKK 86 million relating to hyperinflation restatement (IAS 29) in Türkiye (2023: DKK 87 million). Excluding the impact of IAS 29, finance costs, net were DKK 445 million (2023: DKK 497 million). The decrease was primarily due to higher interest income on the proceeds from the bonds issued in May 2024 until repayment of the bonds maturing in December 2024. Furthermore, foreign exchange losses decreased DKK 72 million, primarily due to TRY depreciating 11% against DKK (2023: 39%). These were partly offset by an increase in interest expenses on borrowings driven by issuance of new EMTNs in May 2024 and increased interest rates throughout 2024.

Income tax

Income tax amounted to DKK 573 million (2023: DKK 455 million), resulting in an effective tax rate of 18.0% (2023: 18.4%). The effective tax rate was favourably influenced by interest limitation rules and release of valuation allowances on deferred tax assets in Germany, whereas hyperinflation adjustments (IAS 29) in Türkiye impacted negatively.

Net profit from discontinued operations

Net profit from discontinued operations was a loss of DKK 59 million (2023: loss of DKK 1,725 million) and related to the loss generated in ISS France up until the divestment was completed on 9 April 2024.

Net profit

Net profit was DKK 2,547 million (2023: DKK 291 million).

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Commercial development

In 2024, ISS successfully extended several long-standing and strategically important customer relationships such as the global contract with Barclays and the contract with Nordea in the Nordics. We also extended and expanded several local and regional key account contracts across the Group. Despite the loss of a customer in the UK in the Business Services & IT segment, and some deliberate exits of non-accretive contracts, especially in Americas and Asia & Pacific, our retention efforts secured a customer retention rate in 2024 of 93% (2023: 95%).

Furthermore, ISS won three large new key account contracts in the UK, the most significant win being the 7-year contract, with a 3-year extension possibility, with the Department of Work and Pensions (DWP). Annual revenue of the contract is expected to be around DKK 1.2 billion or 1.4% of Group revenue. Under the contract ISS will be delivering IFS across more than 800 sites in the UK starting from October 2025. Mobilisation of the contract was initiated in October 2024 and is progressing according to plan. In addition, across the Group we secured wins of several smaller and mid-sized local IFS contracts.

While we are pleased with the retentions secured and the specific contracts won during the year, we acknowledge that the level of new contract wins has been disappointing. In response, we reviewed elements of our strategy late 2024 leading to updated strategic priorities in December, one being "Customer-centric growth". Through this we will amplify our focus on targeting the right customers with unique selling propositions.

As a consequence, we have re-prioritised our global customer segments and will focus our global expertise on customers operating in knowledge-based industries:

- Financial services
- Professional services
- Technology
- Life Sciences

This is where greater value is placed on our people, including social sustainability, as that is driving engagement and consistent exceptional service experience to our customers. Thus, our self-delivery model will provide us with a competitive advantage and become a key differentiator in the market going forward.

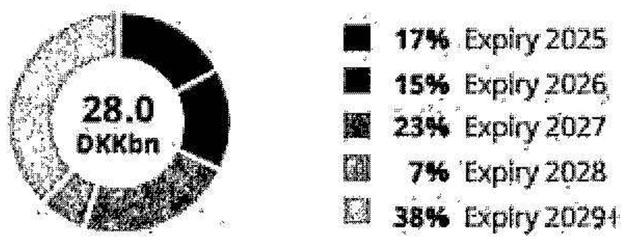
To maximise growth, we will continue to pursue growth opportunities in local markets outside our global segments based on local capability and market profile. Please refer to OneISS strategy, p. 18 for further background.

Contract maturity

The majority of our key account contracts have initial terms of three to five years. A significant share of revenue is consequently up for renewal every year.

In 2024, revenue from large key accounts was DKK 28.0 billion or 33% (2023: 33%) of Group revenue. Going into 2025, contract revenue of DKK 4.8 billion (6% of Group revenue) is up for renewal (adjusted for renewals up until 20 February 2025).

Maturity
– large key accounts (>200 DKKm)



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2024 contract developments [1]	Countries	Segment	Term	Effective
Wins				
Healthcare customer	UK	Healthcare	5 years	Q2 2024
North London Mental Health Hospital	UK	Healthcare	5 years	Q3 2024
Aviation customer	Finland	Transportation & Infrastructure	4 years	Q4 2024
Industry & Manufacturing customer	Türkiye	Industry & Manufacturing	3 years	Q1 2025
Department for Work and Pensions	UK	Public Administration	7 years	Q4 2025
Extensions/expansions				
Healthcare customer	Türkiye	Healthcare	3 years	Q4 2023
Industry & Manufacturing customer	Global	Industry & Manufacturing	2 years	Q1 2024
Energy & Resources customer	Sweden	Energy & Resources	2 years	Q1 2024
Nordea	Nordics	Business Services & IT	5 years	Q1 2024
Healthcare customer	Singapore	Healthcare	5 years	Q1 2024
Banking customer	Spain	Business Services & IT	3 years	Q1 2024
Banking customer	Switzerland	Business Services & IT	6 years	Q2 2024
Barclays	Global	Business Services & IT	5 years	Q2 2024
Nestlé	Australia	Food & Beverage	2 years	Q2 2024
Healthcare customer	UK	Healthcare	6 mths	Q2 2024
Tan Tock Seng Hospital Pte Ltd	Singapore	Healthcare	1 year	Q3 2024
Energy & Resources customer	Australia	Energy & Resources	5 years	Q3 2024
Retail customer	UK	Retail & Wholesale	1 year	Q3 2024
Professional Services customer	UK	Business Services & IT	5 years	Q4 2024
Roy Hill Holdings	Australia	Energy & Resources	5 years	Q4 2024
Pharmaceutical customer	Belgium & Lux.	Pharmaceuticals	5 years	Q4 2024
Public Administration customer	Austria	Public Administration	5 years	Q4 2024
Banking customer	Global	Business Services & IT	7 years	Q4 2024
Healthcare customer	UK	Healthcare	15 mths	Q1 2025
Real Estate customer	Hong Kong	Real Estate	2 years	Q1 2025
BHP Nickel West	Australia	Energy & Resources	1 year	Q1 2025
Airport Authority	Hong Kong	Transportation & Infrastructure	3 years	Q1 2025
Industry & Manufacturing customer (Scope reduction)	Global	Industry & Manufacturing	5 years	Q1 2025
NSW Whole Of Government - PARENT	Australia	Public Administration	1 year	Q1 2025
Canberra Health Services	Australia	Healthcare	3 years	Q1 2025
Banking customer	Global	Business Services & IT	5 years	Q1 2025
Healthcare customer (Scope expansion)	US	Healthcare	5 years	Q1 2025
SA Health	Australia	Healthcare	2 years	Q1 & Q2 2025
Swisscom AG	Switzerland	Information and Communication	7 years	Q2 2025
Exits/losses				
Healthcare customer	Türkiye	Healthcare		Q1 2024
Professional Services customer	UK	Business Services & IT		Q2 2024
Industry & Manufacturing customer	US & Canada	Industry & Manufacturing		Q4 2024
Banking customer	Mexico	Business Services & IT		Q4 2024

[1] Annual revenue above DKK 100 million

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Cash generation and free cash flow

Free cash flow

Free cash flow amounted to DKK 1,916 million (2023: DKK 1,819 million). The increase was mainly driven by the positive operating profit performance stemming from the general margin improvement. The tight management of working capital was maintained but the high revenue growth meant that changes in working capital were an outflow. Furthermore, lower investments in software and equipment contributed positively though partially offset by an increase in additions of right-of-use assets compared to 2023.

Cash flow from operating activities

Cash flow from operating activities was DKK 3,527 million (2023: DKK 3,284 million), mainly driven by the improved operating profit before other items and reduced outflow from changes in provisions, though partly offset by a negative impact from changes in working capital and higher tax payments.

Changes in working capital was an outflow of DKK 408 million (2023: inflow DKK 219 million) mainly related to increasing trade receivables due to revenue growth, including in Türkiye, where payment cycles are longer than the Group average, as well as due to adverse effects of Deutsche Telekom withholding certain payments relating to the ongoing contractual dispute. This was partly offset by an inflow related to changes in payables, which decreased compared to 2023 where a positive effect was achieved through general optimisation of supplier payment terms. Utilisation of factoring increased slightly to DKK 1.53 billion (2023: DKK 1.45 billion) as a result of increasing revenue from key account customers, where invoices, in accordance with Group policy, are eligible for factoring.

Changes in provisions, pensions and similar obligations were an outflow of DKK 377 million (2023: outflow of DKK 473 million), primarily due to ordinary payments related to pensions and similar obligations, restructuring projects initiated in prior years and payments related to certain legal claims and disputes.

Interest paid, net amounted to DKK 246 million (2023: DKK 261 million), which was largely in line with 2023.

Income tax paid was DKK 424 million (2023: DKK 394 million) equalling a cash tax rate of 13.3% (2023: 15.9%).

Cash flow from investing activities

Cash flow from investing activities was an outflow of DKK 1,412 million (2023: DKK 892 million).

Acquisitions was an outflow of DKK 510 million (2023: DKK 373 million), primarily related to the acquisitions of Grupo BN in Spain, gammaRenax in Switzerland and Bluebridge in Belgium.

Divestments was an outflow of DKK 350 million (2023: inflow DKK 25 million) comprising divestment-related costs as well as cash and cash equivalents in the divested balance sheet of ISS France. The divestment was completed on 9 April 2024, see further details in *note 3.4 Discontinued operations and divestments.*

Investments in intangible assets, property and equipment, net, of DKK 498 million (2023: DKK 553 million) was equal to 0.6% (2023: 0.7%) of total revenue. The decrease was partly due to timing effects of investments, but also due to a lower level of software investments in line with the refocusing of the Group's IT strategy.

Cash flow from financing activities

Cash flow from financing activities was an outflow of DKK 1,329 million (2023: outflow of DKK 1,328 million).

Proceeds from issuance of bonds of DKK 3,696 million related to the Group's issue of EMTN bonds in May 2024 for a principal amount of EUR 500 million. The facility replaced the EUR 300 million EMTN bonds that matured in December 2024.

Repayment of bonds amounted to DKK 2,237 million and related to the repayment of the EUR 300 million EMTNs maturing in December 2024 mentioned above.

Repayment of lease liabilities was DKK 951 million (2023: DKK 778 million), increasing mainly due to new lease agreements (vehicles and equipment) for start-up of new customer contracts in 2023 and 2024.

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Capital structure

The ISS Global Group is indirectly wholly owned by ISS A/S and is therefore part of the ISS A/S Group. Group Treasury manages financing activities and capital structure centrally for the ISS A/S Group as a whole. The ISS Global Group's financing activities and capital structure are not assessed independently of the ISS A/S Group.

The Group's liquidity position remained strong in 2024, driven by the solid free cash flow generation. As a result, the Group's liquidity reserves increased to DKK 12.8 billion at 31 December 2024 (2023: DKK 12.1 billion), see note 4.5 to the consolidated financial statements.

On 29 May 2024, the Group successfully issued a 5-year EMTN bond for a principal amount of EUR 500 million with a nominal interest rate of 3.875%. The net proceeds were used for repayment of the EUR 300 million EMTN bond that matured in December 2024 as well as for general corporate purposes.

EUR 500 million of EMTN bonds will mature in July 2025. In the first half of 2025, the Group will evaluate different financing options. Except for this, ISS has no material short-term debt maturities.

At 31 December 2024, net debt amounted to DKK 5.8 billion (2023: DKK 6.6 billion), an decrease of DKK 0.8 billion mainly due to free cash flow generation partly offset by an increase in receivables from companies within the ISS Group.

Equity

At 31 December 2024, equity was DKK 10,030 million (2023: DKK 7,126 million), equivalent to an equity ratio of 20.2% (2023: 15.9%).

The increase was largely due to net profit of DKK 2,547 million and hyperinflation restatement of equity in Türkiye of DKK 477 million.

For a complete overview of the development in other comprehensive income in 2024, see 4.1.7, Other comprehensive income.

ISS Türkiye

Partnership with Actera

As part of the acquisition of Rönesans in September 2021, ISS agreed to partner with Actera, a leading Türkiyish private equity company, to support and partly fund the acquisition. Actera brought in-depth expertise in the Türkiyish market, a strong operational track record and became minority shareholder owning 39.9% of the shares in ISS Türkiye.

Furthermore, management of ISS Türkiye acquired 10% of the shares in ISS Türkiye, while ISS continued to be the controlling shareholder.

Under the structure, which has now entered into its fourth year, ISS Türkiye has seen strong growth and improved market position, impacted by hyperinflation and commercial momentum.

The shareholders' agreement between ISS, Actera and management establishes the rights and obligations of the parties, including rights and restrictions on transferring shares, such as right of first refusal, drag along rights from Q4 2024 and right to explore a potential Initial Public Offering (IPO).

In line with the terms of the shareholders' agreement, Actera has initiated a dialogue to explore their potential exit options. These options include a number of scenarios, one of which is an IPO of the Türkiyish entity.

At the annual general meeting to be held on 11 April 2025, the Board of Directors will propose a dividend to ISS World Services A/S for 2024 of DKK 5,600 million (2023: DKK 0 million).

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Northern Europe

The market

ISS holds a market-leading position across the region of generally mature and competitive markets with a relatively high outsourcing rate and IFS market maturity. The largest country in the region is the UK, contributing around 40% of revenue.

Key customer segments include Office-based customers in Financial Services, Professional Services and Public Administration; Production-based customers in Industry & Manufacturing; and Healthcare.

Commercial update

Our strategic focus on IFS and key account customers secured both new contract wins and extensions, and the commercial pipeline across the region remained robust. In the UK, ISS was awarded several new key account contracts, including the IFS contract with the Department of Work and Pensions (DWP) starting in October 2025. In addition, in Finland a significant contract with an aviation customer was awarded. With few exceptions, all large key account contracts with expiry dates in 2024 were successfully extended, often with increased scope, including our long-standing customer relationship with Nordea and the global contract with Barclays, which led to a retention rate of 94% (2023: 95%).

Financial update

Revenue increased to DKK 31,328 million in 2024 (2023: DKK 29,324 million). Organic growth was 6.4% and currency effects were positive 1%.

In 2024, organic growth was largely due to price increases being successfully implemented across the region to mitigate cost inflation. In addition, growth was supported by underlying volume growth from customers' increased activity levels along with positive impacts from startup of new contracts, most significantly Defra in the UK and the Danish Building and Property Agency in Denmark.

Revenue from projects and above-base work was maintained at a high level with positive organic growth of 8.9% for the year, and accounted for 20% (2023: 19%) of revenue for the region.

Key events 2024

- Successful extension and expansions of several key account customers, including our long-standing customer relationship with Nordea for an additional 5 years
- Solid commercial momentum resulting significant new key account wins, most notably the IFS contract with the Department for Work and Pensions in the UK
- Successful start-up of Defra in the UK and the Danish Building and Property Agency in Denmark
- Accelerated the finance shared service journey and initiated transition activities across additional countries (Denmark, Sweden, Finland and the Netherlands)

All countries, except Norway, generated positive organic growth with the UK being the most significant contributor. In the UK, the primary factor was the launch of Defra and other significant new key accounts, expansions with existing customers and good momentum in projects and above base work. Denmark contributed positive organic growth mainly due to launch of the Danish Building and Property Agency contract, which became fully operational in 2024, an increasing activity levels at existing customers' sites. In Belgium, growth was also driven by increased activity levels with key account customers as well as from startup of new contracts.

Operating profit before other items was DKK 1,803 million (2023: DKK 1,572 million), for an operating margin of 5.8% (2023: 5.4%). Margin improvements were broad-based, though most significant in Denmark, Finland and the UK, mainly due to continued operational efficiencies and operating leverage from higher revenue. Despite the improvement, the UK continued to be dilutive to the Group operating margin, and management continues to implement initiatives to further strengthen operational and financial performance in 2025.

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Central & Southern Europe

The market

Central and Southern Europe comprises several key markets, where we hold leading market positions, including Switzerland, Spain, Austria and Türkiye. Most of the markets are developed, but with significant differences in IFS market maturity and macroeconomic environment.

Key customer segments include Office-based customers in Information & Communication and Financial Services; and Production-based customers in Industry & Manufacturing and Pharmaceuticals; and Healthcare.

Commercial update

The commercial development was solid and the pipeline of new business opportunities remained attractive. Healthcare continues being a prioritised segment within the region with significant new wins (annual revenue < DKK 100 million) in 2024, primarily in Spain and Switzerland, though also an exit from a contract in Türkiye due to unfavourable commercial terms. 2024 was further an important year from a retention perspective, where we successfully extended and renewed our partnerships with some of the largest customers in the region leading to a retention rate of 95% (2023: 97%).

M&A update

Two bolt-on acquisitions were made in the region in 2024 to strengthen our market position. In Switzerland, the acquisition of gammaRenax strengthened our country-wide footprint adding scale predominately within cleaning and technical services in prioritised customer segments and added around 0.6% to Group annual revenue. In Spain, the acquisition of Grupo BN further strengthened our business platform, predominantly within cleaning, and will add around 0.4% to Group annual revenue. Both acquisitions have strong strategic fits to our existing business platforms and enables further value creation from operational and back-office synergies. Integration of the acquired businesses is progressing according to plan with benefit realisation in line with expectations.

Key events 2024

- Successful contract extension and retention of some of the largest customers in the region
- Strong new wins in H2 2024 with 3 large contracts (annual revenue between DKK 50 million and 100 million)
- Acquisition of gammaRenax and Grupo BN, and successful integration with benefit realisation in line with expectations
- Deutsche Telekom – continued operational improvements and final oral hearing in the arbitration proceedings scheduled to take place in mid July 2025

Financial update

Revenue increased to DKK 27,159 million in 2024 (2023: DKK 24,807 million) excluding effects of IAS 29. Organic growth was 10.9% most significantly driven from price increases in Türkiye. Acquisitions and divestments, net increased revenue by 4% related to acquisitions in Switzerland and Spain, whereas currency effects reduced revenue by 6%.

In 2024, organic growth in the region was primarily driven by strong growth in Türkiye as a result of high cost inflation mitigated through the implementation of price increases. However, the vast majority of countries contributed with positive growth in the year, mainly due to price increases being successfully implemented to offset the effects of cost inflation. Price increases impacted organic growth positively by 11.8%, whereas volume growth was slightly negative. Net contract wins were also slightly negative, impacted by a few deliberate contract exits with unfavourable commercial terms.

Throughout the year, the region maintained double-digit organic growth. The trend was in line with expectations, however, declining due to a tougher comparison base from 2023, where inflation levels and associated price increases were higher, mainly due to an additional increase of minimum wages in Türkiye in mid 2023.

In addition, the region continued benefitting from high demand for traditional projects and above-base work from key account customers which accounted for 16% (2023: 18%) of revenue in the region.

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Operating profit before other items amounted to DKK 1,855 million (2023: DKK 1,439 million) for an operating margin of 6.6% (2023: 5.8%). Excluding the impact of hyperinflation (IAS 29), operating profit before other items was DKK 1,867 million (2023: DKK 1,487 million) corresponding to an operating margin of 6.9% (2023: 6.0%). The majority of countries continued to be accretive to Group margin, and the improvement in operating margin was broad-based, though most significantly driven by Türkiye and Switzerland.

Profitability improvement on the Deutsche Telekom contract was also solid as a result of continued implementation of improvement initiatives. The arbitration process initiated by ISS regarding certain contractual disagreements progressed according to plan. The final oral hearing in the arbitration proceedings is scheduled to take place in mid July 2025, see p. 7 for further information.

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Asia & Pacific

The market

The region comprises a mix of developed markets including Australia & New Zealand, Hong Kong and Singapore, as well as developing markets such as Indonesia, India and China. ISS has a strong presence in the region and holds a market-leading position in several countries.

Key customer segments include Office-based customers in Financial Services and Public Administration; Production-based customers in Industry & Manufacturing; Healthcare, Aviation, and Energy and Resources.

Commercial update

In 2024, we sharpened our "bid-no-bid" process to go only after selective bids in alignment with our strategic focus. Our commercial pipeline remained solid across the region, and we secured a number of important new wins in our prioritised segments, primarily in Singapore, Australia and India. Retention rate was 95% (2023: 93%) as we successfully retained and, in some cases, expanded the scope of the vast majority of contracts up for renewal across local prioritised segments like Public Administration, Energy and Resources, Aviation and Office Based clients.

Financial update

Revenue increased to DKK 14,403 million in 2024 (2023: DKK 14,229 million). Organic growth was 2.4%, whereas currency effects reduced revenue by 1%. Overall growth in 2024 was held back due to a strong focus on labour-related compliance in particular relating to overtime hours and pay rates in addition to driving a sustainable and accretive margin. This resulted in the exit of several customer contracts across the region.

Key events 2024

- Successful renewal of the vast majority of the largest contracts up for renewal, most notably in Australia
- Solid margin uplift due to focus on labour-related compliance and driving sustainable and accretive margins.
- Secured ongoing government grants in Singapore

Portfolio revenue grew organically by 4.5% with modest growth across most countries, except in India, Hong Kong and Indonesia for reasons highlighted above. Projects and above-base work reduced by 14.6%, mainly in Pacific, Hong Kong and Singapore as Covid-19-related above-base work completely ceased by mid 2023. Demand for projects and above base work was also impacted by global key contract losses in 2023, though partially mitigated by certain local key account customers, particularly in China and Indonesia.

Operating profit before other items increased to DKK 1,032 million (2023: DKK 875 million), corresponding to an operating margin of 7.2% (2023: 6.1%). The margin uplift reflects our strategy to drive growth with a sustainable and accretive margin. In addition to improving customer contribution through a combination of price increases and productivity initiatives, we have improved efficiency and productivity of our country and regional support functions resulting in improved operating leverages. Furthermore, the region benefitted from ongoing government grants being secured in Singapore as well as certain one-off items in Australia.

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Americas

The market

The Americas consists of the mature North American market as well as Mexico and Chile. North America is the world's largest FM market, accounting for around 30% of the global outsourced FM market. Compared to other regions, food services account for a larger share of revenue, whereas healthcare customers account for a lower share. Given our limited market share, North America represents a significant opportunity for growth.

Key customer segments include Office-based customers in Technology and Financial Services, as well as Production-based customers in Industry & Manufacturing and Life Sciences.

Commercial update

During the second half of 2024, Americas secured a significant expansion of an existing contract with a Healthcare customer in the US with expected startup early 2025. However, deliberate contract trimming caused several contract exits, including a significant industry and manufacturing customer in the US. As a result, the retention rate decreased to 85% (2023: 91%).

Financial update

Revenue decreased to DKK 9,407 million in 2024 (2023: DKK 9,605 million). Organic growth was 0.4% while currency effects impacted growth negatively by 2.4%.

In 2024, organic growth was negatively impacted by deliberate contract trimming in North America leading to net contract wins of (7.3)%. This reduction was, however, mitigated by projects and above-base work growing organically by around 50%, mainly due to the significant hurricane response and restoration work performed by the US in Q4, which included re-establishing infrastructure and facilitating the setup of an employee support centre. Furthermore, across the region, price increases continued to be implemented to offset the effects of cost inflation and wage increases, and thereby contributed positively to the organic growth.

Key events 2024

- Significant hurricane response and restoration work performed in the US in Q4
- Deliberate contract trimming with several contract exits, including a significant industry and manufacturing customer in the US
- Win of a Business Services & IT customer in the US (< DKK 100 million annual revenue)
- Loss of a banking customer in Mexico (exit delayed to Q1 2025)

Revenue from projects and above-base work accounted for 17% (2023: 12%) of the revenue in the region, mainly due to the US. Continued demand for additional services in Mexico also impacted positively. Portfolio revenue declined organically by 6.0%, primarily driven by the deliberate contract exits and losses, mainly the above-mentioned industry and manufacturing customer in North America in Q2 2024.

From a country-perspective, organic growth was negative in the US, whereas both Mexico and Chile reported positive organic growth. The strategic focus on IFS and key account customers progressed and demand from key accounts was more robust and resilient compared to the rest of the customer base. Furthermore, across the region, we saw a development with increases across existing customers.

Operating profit before other items was DKK 547 million (2023: DKK 489 million), corresponding to an operating margin of 5.8% (2023: 5.1%). The margin increase was mainly driven by the deliberate contract exits from customers in the US in 2023 and 2024. In addition, margin benefitted from efficiencies and operational improvements across the region.

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OneISS strategy

While our strategic direction remained unchanged, in 2024 we completed a wide-ranging review to refresh and update our strategic priorities, aimed at unlocking ISS's full potential.

The OneISS strategy was launched in 2020 and during the last four years, ISS delivered margin and growth recovery, turned around challenging markets and contracts, completed the strategic divestment programme, made selective acquisitions and maintained a high retention rate. However, the fact remains that our growth in the last few years has been largely driven by return to office and inflation, while the level of new contract wins has been disappointing.

Our strategy and our focus remains on growing Integrated Facility Services (IFS) and single-service cleaning across our business to increase market share and drive profitable growth. The aim of the updated strategic priorities is to maximise value creation and unlock ISS's full potential.

Playing to our strengths

ISS currently holds an estimated 1% global market share; an exciting opportunity for further growth. The updates we have made to our strategic priorities will position us to play to our strengths and capture a larger share of the market.

Our 2024 strategy refresh is underpinned by a thorough review, and reflected lessons learned from our recent growth performance. Taking into account the shifting trends in market dynamics driven by a range of factors including global economic, geopolitical and labour market changes, as well as our experience of operating with the OneISS strategy since its launch in 2020.

As part of the review, we took a detailed look at how the changes and trends in selected focus segments are evolving current and future customer goals, challenges and needs.

This highlighted that customers specifically look for positive impacts in three areas when engaging with a service partner:

- **Efficiency and standardisation/price**
  Optimising customers' costs while managing risks and compliance

- **Customer experience**
  Delivering exceptional employee experiences for our customers

- **Sustainability**
  Delivering on carbon emission targets and support social progress

All three customer priorities are important, however, ISS's global reach and expertise, coupled with our unwavering focus on workplace and quality of customer experience through our self-delivery model, is what sets us apart from our competitors. According to a 2023 Gallup survey, low engagement in the workplace costs an estimated 9% of global GDP. We can help current and future customers address this through consistently providing their people with exceptional employee experiences.

Updated strategic priorities

Following our strategic review, we sharpened our focus from the five OneISS priorities, launched in 2020, to three updated priorities addressing the top customer needs. The three priorities will be mobilised and executed through eight Group-led transformation initiatives, see the box on the next page.

Implementing with pace and quality

In January 2025, changes to the Executive Group Management (EGM) were announced to best position ISS to implement the refreshed strategy, reducing it to five members. This move aligned ISS's organisational structure at a senior leadership level, reducing complexity and creating a smaller, more agile leadership team, with a more empowered organisation.

New Group Commercial and Revenue function

Our strategic review confirmed the importance of customer centricity and being laser focused on the segments and customers we pursue to drive growth across our entire portfolio. Carl-Fredrik Langard-Bjor leads this newly created function with responsibility for

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growth and all revenue levers across the business, driving the strategic priority around **Customer centric growth**.

Powered by technology

Since the launch of OneISS, we have made signific ant progress across our global technology organisation, centralising and strengthening critical technology services and cybersecurity as well as launched new customer-facing products. Going forward, our technology focus shifts from industry leadership to enabling our business with technology. Liz Benison leads this as Group Chief People & Technology Officer to further develop our technology infrastructure as well as driving the strategic focus on the people agenda under the strategic priority around **Leading frontline employer**. Read more about the latter in Our people, pp, 21-23.

All countries under one Group COO

Troels Bjerg leads the new COO function which all countries will report into, clustered by geographies. This approach has been designed to help the countries remain close to all Group functions and support execution of the strategy, and driving a consistent performance management culture across the enterprise, i.e. our strategic priority **Efficiency**.

Updated global segments

We have prioritised four global segments where ISS can play to its strengths, focussing our global expertise on delivering exceptional employee experiences for our customers. In these segments, companies operate in knowledge-based industries where greater value is placed on being able to attract and engage talent to succeed:

- Financial services
- Professional services
- Technology
- Life Sciences

To maximise growth across ISS's entire portfolio, countries will continue to pursue growth opportunities outside of the four global segments, based on local capability and market profile. This builds on our global experience that some segments are unique to certain markets and are best managed at a country level, e.g. healthcare, which is very locally driven through national systems and policies.

This flexible approach will enable us to unlock scale synergies in the four global segments, while at the same time pursuing attractive growth opportunities based on competitive strengths locally.

3 global priorities, 8 initiatives



Customer centric growth

Group Commercial Operating model
to drive new wins and internationalisation of accounts

Segment-focused service products
to evolve unique selling proposition to global segments



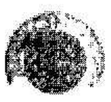
Leading frontline employer

Digital recruiting
to hire the best people most effectively

Digital onboarding and engagement
to support people in delivering leading service experience

Social sustainability
to be enabler of social mobility

People Data and Analytics
to deliver people insights to managers, leaders and P&C



Efficiency

Workforce management
to establish service cost competitiveness

Finance shared service center
to do the same better with less overhead costs

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Uniting our colleagues behind a new mission

To unite the organisation around delivering exceptional customer experiences, we launched a new mission at the end of 2024 that links our daily work to the value we create for our customers: We make space for people and businesses to thrive.

By supporting the complex, day-to-day operations of facilities, we help businesses focus on their core activities. This underscores a commitment to understanding and adapting to the unique needs of different customers. But the value is more than freeing up time, because we are result-oriented and play an active part in making employees and businesses thrive.

Next steps – 2025 and beyond

In 2025, we will sharpen our execution and focus on implementing the refreshed strategy with oversight from a dedicated transformation team. All eight initiatives are underpinned by business plans including key milestones, targets and key-performance indicators (KPIs) to monitor progress and track the expected benefits delivering a return on investment.

Working with our country teams, we will strengthen local growth plans and develop country implementation plans for each of the eight initiatives.

Our mission

We make space for people and businesses to thrive

"We make space" refers to the physical spaces, but also a mental space - a deeper understanding of how to make people resourceful, instead of just viewing them as a resource.

"for people and businesses" reflects that the success of businesses are completely dependent on the people working there.

"to thrive" is the goal that fuels engagement. For people, for profit, and for purpose – social and environmental.

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Our people

ISS has a legacy of over 120 years as a people-focused company. Caring for our people is deeply rooted in our DNA, as they are the foundation of our business and our greatest driver of success.

Today, we have more than 325,000 dedicated employees who deliver value to our 40,000 customers worldwide. We call our employees 'placemakers,' acknowledging that everyone contributes to creating great places for our customers. The majority – over 300,000 – work directly on-site at our customers' facilities. These placemakers create tangible value by providing quality, efficient services and workplace experiences, enhancing safety and well-being for our customers' employees every day.

For many of our placemakers, ISS represents their first entry into the job market. Across our regions, spanning the globe from China to Chile to Norway, we employ individuals often from underrepresented groups in society, including those from socio-economically disadvantaged backgrounds, displaced individuals, and people with disabilities. By offering them a role at ISS, we provide opportunities they might not easily find elsewhere. This impact creates a positive ripple effect on families and the communities we serve.

This is why social sustainability is at the heart of ISS and the area where we can make our greatest impact. We see it as a significant responsibility, and by doing good, we also do well for our business. We strengthen our success in attracting and retaining employees, and when our placemakers are happy, they are motivated to deliver exceptional service experiences for our customers. Finally, we provide our customers with unique opportunities to support their own social sustainability agendas.

This is also why physical and mental safety and well-being is a key element of our new strategic priorities. Specifically, we aim to become the world's Leading frontline employer.

Four new people areas

To become the world's leading frontline employer, we will maintain a steadfast focus on delivering an exceptional people experience throughout the entire people journey – from recruitment to employment, development, and retention.

Additionally, this exceptional people experience will be integrated into our social sustainability agenda and embedded in the daily execution of our Employee Value Proposition (EVP): **A Place to Be You**, which comprises three promises to every single person who works for us today – and to every single person who wants to join us: At ISS, you can be who you are, become what you want, and be part of something bigger.

Recognising that the world is changing, with workforce shortages in many markets, and a global workforce increasingly becoming more purpose-driven, we will accelerate our people and social sustainability initiatives in four key areas. Our main ambition with these initiatives is to improve the quality of our people processes, empowered by data-driven insights and solutions, resulting in reduced costs and higher employee retention. In 2025, we will define specific targets and KPIs for each initiative.

1. People and data analytics

A world-class people experience relies on data-driven decisions. We will establish a streamlined, essential data system providing automated, high-quality insights on key metrics such as retention and absence rates.

2. Digital recruitment

Optimising recruiting and onboarding is essential to ISS. With currently around 120,000 new hires annually, this drives high recruitment and training costs. A new Talent Acquisition Centre will enhance talent attraction, supported by an AI-driven platform.

3. Digital onboarding and engagement

To enhance employee engagement, we will integrate our digital engagement and feedback platforms, MyVoice and MyISS. This integrated platform will be accessible on our placemakers' mobile devices, with continuous tracking of engagement as a key feature.

4. Social sustainability

The exceptional people experience will also be deeply integrated into our social sustainability

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agenda and embedded in the daily execution of our EVP. Our fourth priority includes three new components:

1. Social Value Portal
We want to measure our social impact through a new Group collaboration with the UK company Social Value Portal. As the importance of delivering measurable social value to our customers and communities grows, the purpose of this partnership is to capture the monetary value of our social contributions. By leveraging the expertise and methodology of Social Value Portal, we will, for instance, be able to quantify the societal value of hiring people with disabilities in a local community.

2. Sustainable income
Building on our 'signature objective' of advancing the implementation of living wages across our industry, we will now explore additional sustainable income initiatives, such as faster access to earned income, securing more stable working hours, and enhancing financial literacy among our placemakers.

3. Education
As education is a key driver of social change and employee engagement, we have committed to continuing our signature objective of providing 100,000 placemakers and their family members with certified education by 2025. Together with partners, we aim to add an additional 250,000 by 2030.

Driving social sustainability through our Employee Value Proposition

Our EVP is deeply rooted in our social sustainability agenda and reflects our aim for a culture where everyone feels valued and respected, and where everyone is treated fairly and equally. This includes creating an environment where everyone can be their true authentic selves and be valued for exactly who they are – no matter their age, gender, physical or mental health, cultural background or sexuality. As part of this, we want to give people the opportunity to make an impact on their own personal development, as well as customer's successes and societies at large.

Our commitment to empowering our people and providing equal opportunities for all individuals is unwavering. In 2024, we advanced our commitments and goals in various areas, see to the right and the next page.

Looking ahead

In 2025, we will continue working with policymakers, customers, and suppliers to implement living wages across our industry, alongside our new commitment to exploring further sustainable income initiatives. Additionally, we will strengthen our efforts to provide qualifications for our placemakers and enhance leadership quality. We firmly believe that these initiatives – combined with our commitment to creating exceptional people journeys for everyone – will lead to improved engagement and retention.

Be who you are
Fair compensation and benefits In 2022, we committed to the 'signature objective' of increasing the implementation of living wages across our industry through joint efforts with policymakers, customers, suppliers, and other key stakeholders. Numerous surveys along with our own data demonstrate that fair remuneration not only fosters a sense of belonging and makes employees feel valued but also drives positive outcomes in productivity, engagement and retention. For progress in 2024, see our Sustainability statement, S1-4, p. 54 and S1-5, p. 58.

Diverse and inclusive workplaces We aim for an inclusive culture where everyone feels valued, engaged and respected, and where everyone is treated fairly and equally. Therefore, our diversity, inclusion, and belonging (DIB) efforts are focused on empowering our placemakers to contribute their unique skills and perspectives.

Our DIB strategy is built around five dimensions of diversity: abilities, gender, generations & age, pride, and cultures, race & ethnicity. Within gender, we have set a target to achieve 40% gender balance at corporate leadership level by 2026. For a status on gender balance within the Executive Group Management, Corporate Leadership and the Board of Directors, see pp. 35-36.

We are also proud of the continued impact of our Employee Resource Groups (ERGs) – voluntary groups led by our placemakers – that drive our inclusion and belonging agenda through concrete DIB activities, see p. 56 for 2024 activities.

Health & Safety As a vital part of living up to our people promise, our entire health and safety agenda is pivotal for us to make our placemakers feel they belong in a company where respect and protection of their physical and mental wellbeing is

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a key essential for all. Our approach and key actions to prevent accidents and promote safety behaviours are described in detail in our Sustainability statement, see S1-4, Health & Safety, p. 54. In addition, our Health & Safety metrics are disclosed in S1-14, p. 60.

Become what you want

Development and training are fundamental to supporting our placemakers' unique dreams and journeys and helping them achieve their full potential. We are committed to creating opportunities for underrepresented groups and enhancing the social mobility of all our placemakers and their family members.

Our second 'signature objective' focuses on providing 100,000 placemakers and their family members with a recognised qualification by 2025. By 2024, we have achieved 73,000, keeping us well on track to meet our target, and together with partners we aim to add an additional 250,000 by 2030. For further details, see our Sustainability statement, S1-4, pp. 54-57 and S1-5, p. 58.

Education, development, and learning are essential for everyone, at all levels, to drive both individual and business success. In 2024, we continued or leadership training in various areas. Additionally, we continued the implementation of our digital learning and communications platforms; MyLearning and MyISS. For an overview of our learning and development programmes, see our Sustainability statement, S1-4, pp. 54-57.

Be part of something bigger

We offer our placemakers the opportunity to belong to an ISS community of over 325,000 people globally. We also provide them with chances to contribute to our customers' success and the wider communities.

Increasingly, we are seeing that customers prioritise social sustainability as a key lever in driving success. Several of our major contract wins and extensions in 2024 included social sustainability requirements. With the great diversity of our placemakers and our self-delivery model, we are uniquely positioned to support our customers in their social agenda.

Key indicators for success

We measure a wide range of social sustainability and people initiatives on an ongoing basis. However, our two key indicators of success are employee engagement and retention.

Employee engagement

In 2024, we launched the most extensive employee survey ever conducted at ISS: the MyVoice Global Survey. More than 150,000 placemakers across ISS shared their thoughts and feedback, resulting in a 54% participation rate.

We are proud to announce that, as an organisation, we achieved an engagement score of 74%. This score reflects the overall level of engagement among the placemakers who responded, capturing their sense of belonging, intention to stay with ISS, willingness to recommend ISS as a workplace, and – importantly – their belief that providing honest and confidential feedback will lead to positive change.

Based on the survey feedback, leaders will collaborate with employees to create plans aimed at making ISS an even better place to work.

Employee turnover

We operate in a high-churn market, a trend unlikely to change. However, we aim to improve retention long-term, benefitting our customers through more consistent, high-quality service and reduced recruitment and onboarding costs.

Employee turnover was 32% in 2024 (2023: 33%). We are committed to improve this development, and countries are proactively working with how they attract, recruit, onboard and further develop employees. The learnings from our countries and our global MyVoice survey will support our focus to improve the employee turnover in 2025 and beyond.

Fatalities and LTIF

In 2024, we tragically experienced one fatality and Lost Time Injury Frequency (LTIF) was 2.9. Health and safety is a key priority for us, and we are continuously striving to improve our efforts to prevent serious accidents. In 2024, we initiated further mitigating actions: We conducted our first Global Health Culture survey, followed by focus groups with placemakers worldwide to assess our safety culture and establish a baseline, with a safety culture improvement plan set to begin in 2025. We also introduced 'safety stand-downs' led by the Group CEO for all leaders to address serious incidents.

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Our business risks

At ISS, we perceive risk management as an enabler for value creation, while at the same time being essential for protection of value. The aim of our risk management activities is to ensure that opportunities and risks are balanced appropriately.

Our risk management activities are aimed both at strategic risks posing a threat to achieving our long-term business objectives, e.g. from evolving market trends or customer needs, and at operational risks arising from our operational characteristics, which potentially impact our business performance in the short to medium term.

As a provider of integrated facility services, our services are often deeply integrated into our customers' value streams causing risk of disrupting their operations, if effective risk management is not applied. Thus, in addition to managing risks in our own processes, we play a significant role in our customers risk management.

Addressing risks from market developments

Hybrid work models / return-to-office

The debate around returning to office has intensified in recent years and many businesses are navigating return-to-office programmes. In 2024, we continued to see a shift toward more on-site work, with many companies implementing return-to-office mandates. At the same time some employees continue to advocate for maintaining the workplace flexibility gained during the pandemic. These trends represent both risks and opportunities for ISS, and we continue to work closely with customers to enhance the workplace experience, ensuring our services meet the evolving needs of our customers and the workforce. With our updated strategic priorities launched in December 2024, we believe that we are even better positioned to meet this evolving need.

Wage inflation

Uncertainty over price levels and global economic growth remained high representing a continued risk to our business. While goods and services price growth slowed, wage inflation remained high, reaching peak values in some regions. As a result, inflation management remained a priority in the year, and we continued to successfully utilise contractual terms of our customer contracts to implement price increases and/or scope adjustments to mitigate the increasing operating costs.

Labour shortage

In certain geographies we experience pressure on availability of labour, which among other things is fuelled by demographic changes like aging societies and migration. This pressure contributes to increased employee expectations that go beyond remuneration and encompass wider social responsibility requirements. We continue to monitor local labour markets and take action to shape our employee value proposition to meet local market expectation. In 2024, we made progress in developing a sustainable wage initiative and launched the updated strategic priority Leading frontline employer, which we see as key mitigants to the social sustainability risks we are facing.

Emerging technology

We continue to observe the rapid development in technology fields that have the potential to disrupt and influence the facility management industry. Our ability to successfully understand and incorporate these technologies into our service offering as well as our own business processes will be crucial in maintaining our competitive advantage. While adoption rates in the industry as a whole remain low, we continue to develop our IT and commercial capabilities to leverage these opportunities in the future. We perceive technology as a key enabler of our strategic goals and will as such play a vital part in all of our three updated strategic priorities.

2024 operational risk agenda

Health & Safety

The health, safety and wellbeing of our employees, customers and visitors to the facilities we manage remains a priority and a key risk area. In 2024, we continued the drive for improvements through launch of a new Group Health & Safety strategy which includes the introduction of stronger standards, a new assurance framework, improved training and more robust risk assessment practices.

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Sustainability

Our ability to deliver on our sustainability goals and support our customers in their journey remains one of our key risks. In 2024, we restructured our ESG governance framework to better coordinate our strategic initiatives across all three domains. We also updated our strategic priorities and launched Leading frontline employer embedding our activities in the social sustainability domain. Furthermore, in the environment space, we took steps to implement a systematic approach to carbon reporting and continued to implement standard requirements and transition plans throughout our business.

Regulatory compliance

In recent years, we have observed an increase in activity from a number of regulatory bodies. We expect this trend to continue with the implementation of regulations for CSDDD and AI on the horizon. Many regulations, such as NIS 2.0 or DORA, impact us indirectly with compliance being driven by our customers who are directly impacted by these regulations. We are constantly making efforts to identify such cases and demonstrate our compliance.

Group key risks

As part of our annual process, we have reviewed and refined the Group's key risks to reflect the main exposure that may potentially impact the achievement of our OneISS strategic priorities.

Our list of Top 10 risks remains consistent with those we reported in 2023. This highlights, that our overall risk profile remains stable. Nevertheless, we have been evolving our understanding of the key drivers behind those risks as well as required mitigating actions. The following pages outline those details.

- Strategic transformation
- Emerging technology
- Data collection and analysis
- Health and safety
- Contract management
- People management
- Regulatory compliance
- IT Security
- Sustainability
- Macroeconomic and political environment

Our exposure to financial risks is disclosed in note 4.3 to the consolidated financial statements.

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	Strategic transformation	Emerging technology	Data collection and analysis
What	Failure to execute the ongoing OneISS strategic transformation, aimed at enhancing the operating model, strengthening competitiveness and driving financial results	Risk that ISS will not be able to sufficiently leverage rapidly emerging, new technologies (e.g. AI), leading to missed opportunities related to potential productivity gains and/or deployment of new services	Risk that ISS will not be able to leverage data, related both to internal processes and delivered services, to obtain meaningful insights enabling new or improving existing service offering, as well as meeting client requirements for data and actionable insights
Driver	Continued execution of the OneISS strategic transformation, that spans across the global organisation. Scale of the transformation, which covers multiple cross-functional projects, impacting a wide range of processes, IT systems, frameworks and operating models, bears the inherent complexity	Complex nature of emerging technology not yet widely applied across the FM industry could result in insufficient speed of adoption	Lack of structured and available data due to the broad and differing methods of service delivery to our customers across our global organisation
Mitigation	• EGM strategy refresh completed and leading to updated strategic priorities in December 2024 • Operation of a dedicated Transformation Office in the EGM structure • Continued execution of priority projects, incl. clear road maps for implementation • Constant monitoring of risks within the transformation projects	• Governance structures and a collaboration framework between IT, Commercial and Operations functions • Strengthening of internal technology development capabilities (incl. Tech Centre in Porto) • Collaboration with well-established global technology partners to enhance understanding of emerging technologies and the benefits they may have to our service offering	• Governance structures and collaboration framework between functions • Customer engagement and employee satisfaction cross-survey data analysis • Improved account-level financial data platform • Revision of product life cycle process, that ensures data insights are embedded into the service development process

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	Health and safety	Contract management
What	Failure to design and implement, within our internal processes and service delivery, sufficient health and safety mechanisms that would prevent incidents affecting either our placemakers or customers	Failure to identify, assess and manage key risks and opportunities in customer contracts, throughout entire contract lifecycle (incl. bid / solutioning phase), thus adversely impacting profitability, leading to operational or regulatory non-compliance or suffering financial loss or reputational damage
Driver	The wide range of services, often manual activities, provided by our placemakers in customer workplaces across the globe, including high-risk environments and services	Diversity of ISS's service portfolio translates to a variety of contractual arrangements with customers. As the complexity of delivered services grows, so does the complexity of contractual requirements and ultimately – inherent risk of failure in contract management
Mitigation	• Development of a new Global H&S Strategy with full implementation in 2025, including a new 3-year cultural improvement programme and improved training interventions • Continued promotion of a strong, positive safety culture across our organisation • Continued executive-level support and funding of new strategy • Implementation of a revised Group H&S Standard with enhanced control requirements and new assurance framework	• Standardised commercial bid process, including governance structure and procedures that involve variety of subject matter experts across the organisation • Standardised contract transition model, incl. internal certification programme for transition experts • Review of our standardised bid to operations process and identification potential improvements to be designed and implemented in 2025 • Standardised service delivery policies, including contractual obligations management • Strengthened cross-country cooperation for global key accounts • Strengthened governance of partnership country organisation

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	People management	Regulatory compliance	IT Security
What	Risk that ISS will not be able to attract and retain the right people in order to maintain operations and meet our customer obligations	Failure to comply with applicable laws and regulations, incl. labour law, data protection and cybersecurity regulations and required licenses and permits which may lead to regulatory, operational, and reputational losses	ISS being target of cyber attacks leading to business disruption and/or disclosure of ISS and/or our business partners' data
Driver	Peak wage inflation and labour-shortage in certain geographies as well as increased expectations towards employers, beyond simple remuneration and encompass wider social responsibility requirements. Demographic changes, fuelled by aging society and migration, will further limit availability of key talent in certain regions	ISS operates a wide variety of services across a multitude of geographies which require differing levels of regulatory compliance which, in some cases, are growing in complexity. Consequently, there is a greater risk of regulatory non-compliance if both adequate and effective control measures are not implemented and maintained	• State sponsored attacks due to geopolitical tensions • Double extortion attacks, where criminals not only compromise the infrastructure with ransomware, but also demand payment for not selling or publishing acquired data
Mitigation	• Launch of new strategic priority Leading frontline employer, including continued development of operating model for people processes to enhance employee experience, supported by dedicated tools and internal platforms • Re-launch of people engagement survey, covering over 325,000 global employees, to better identify their needs and shape our employer value proposition • Development of the sustainable wage pledge • Development of tailor-made recruitment plans for specific countries and/or regions • Continued implementation of DIB strategy	• Strengthening of functional expertise to build compliance-focused culture • Implementation of robust compliance framework and standardised, global approach towards monitoring and ensuring compliance with laws and regulations • Compliance-related projects targeting specific future regulatory requirements impacting ISS's business • Monitoring of upcoming regulatory changes and initiatives	• Continued build-out of maturity of security operations, including proactive vulnerability and threat discovery capabilities • 24/7 SOC team with detect and response capabilities • Cyber risk function driving ownership and actions on identified areas of vulnerability • Cyber awareness campaigns on an ongoing basis • Integration of IT security into business processes, including commercial and operations, to support the security agenda of both ISS and customers

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	Sustainability	Macroeconomic and political environment
What	Risk that ISS will not be able to deliver on own sustainability goals and targets and will not be able to support customers' Net Zero journey	Unstable and/or unfavourable economic, financial and/or currency conditions, as well as political environment and instability
Driver	• Environmental impact is driven primarily by carbon emissions, 95% of which are within Scope 3 • Social impact is inherent to the ISS business model, that relies on 325,000+ placemakers to deliver our services • Governance dimension is driven by the complexity of international, multi-cultural markets ISS operates in	Service delivery in a multitude of countries globally requires us to consider political and macroeconomic environment both on global and local markets. External drivers, i.e. persistent geopolitical tensions, hybrid warfare, supply chain disruptions, inflationary pressures and economic slowdown might directly or indirectly impact service delivery and its profitability
Mitigation	• Restructuring of ESG governance framework and ownership to support cross-functional collaboration • Design and implementation of sustainability reporting framework • Development of the living wage pledge • Code of conduct policy and speak-up • Defining science-based targets and transition plans including paths to achieve them • Implementation of a carbon management tool allowing for tracking, monitoring and reporting • Integrating carbon management into our service products, incl. reduction of GHG emissions from food and reduction of food waste	• Enhancing macroeconomic and political risk analysis in the commercial bid process when considering involvement in new markets • Monitoring of macroeconomic indicators and political environment in existing markets • Implementation of standards governing inflation approach in our contracts • Implementation of minimum requirements in contracts with suppliers and subcontractors • Crisis management structures both on group and local levels • Business Continuity Management framework • Physical Security function managing physical security threats

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Corporate governance

Transparency, constructive stakeholder dialogue, sound decision-making processes and controls are key aspects of our corporate governance for the benefit of ISS and our stakeholders.

The management team of the Group formally consists of the Board of Directors and the Executive Management of ISS Global A/S registered with the Danish Business Authority. Since ISS Global A/S has no operating activities of its own, the Group relies on the management team of ISS A/S, the ultimate parent company in Denmark. As a subsidiary of ISS A/S, ISS Global A/S is subject to the same corporate governance policies applicable in ISS A/S. Corporate governance of the ISS Global Group is therefore built on corporate governance of the ISS A/S Group, including the management team, and descriptions in this chapter should be seen in this context.

Framework

The Board of Directors (the Board) continuously reviews and develops the Group's corporate governance framework and policies in response to the Group's strategic development, activities, business environment, corporate governance recommendations and statutory requirements.

Management

Management powers are distributed between our Board and our Executive Group Management Board (the EGMB). No person serves as a member of both corporate bodies. Our EGMB carries out the day-to-day management, while our Board supervises the work of our EGMB and is responsible for the overall management and strategic direction.

The members of the EGMB are the Group CEO and the Group CFO. Together, they form the management registered with the Danish Business Authority. The Group has a wider Executive Group Management (the EGM), whose members are three Corporate Senior Officers in addition to the EGMB.

In the review of our governance structure on pp. 33-34, we have outlined the primary responsibilities of the Board and the EGM as well as 2024 activity by Board committees.

New Group CFO and EGM changes

On 3 June 2024, Mads Holm took up the position as Group CFO and member of the EGMB registered with the Danish Business Authority.

On 9 January 2025, the EGM was reduced to five members to successfully implement the strategic priorities. Consequently, Agostino Renna (former Chief Commercial and Communication Officer), Markus Sontheimer (former Chief Information and Digital Officer) and Celia Liu (former CEO of Central and Southern Europe) left ISS after a transition period. As part of the changes, three of the existing EGM members had changed responsibility:

- Carl-Fredrik Langard-Bjor took up the position as Chief Commercial & Revenue Officer
- Liz Benison took up the position as Chief People & Technology Officer
- Troels Bjerg took up the position as Group Chief Operating Officer (COO)
- On 31 January 2025, Sam Hockman (former Group Chief Operating Officer) left ISS.

Board composition

The Board currently consists of ten members, seven elected by the general meeting and three elected by and among the employees. (GOV-1 §21(a)).
Board members elected by the general meeting stand for election each year. Changes to the Board following the annual general meeting on 11 April 2024 as well as changes made during the year are described in the box on p. 32.

Employee representatives are elected on the basis of a voluntary arrangement regarding Group representation for employees of ISS World Services A/S as further described in the Articles of Association. Employee representatives serve for terms of four years. Two of the current employee representatives joined the Board after the annual general meeting in April 2023 and one of the current employee representatives was elected at a Supplementary Election held on 3 December 2024. (GOV-1 §21(b)).

All board members are independent, except for the employee representatives. (GOV-1 §21 (e)).

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Board evaluation

In 2024, the Board performed its annual evaluation of the Board's performance with assistance by an external advisor. Each member of the Board and the Group CEO and CFO answered bespoke online questionnaires and participated in in-depth personal interviews.

The evaluation included evaluating the strategy development and implementation; risk awareness, monitoring and reporting; cooperation with and evaluation process of CEO and executive management; board composition and dynamics; on- and off-boarding; meeting structure and effectiveness; contribution of committees and Deputy Chair; evaluation of the Chair; and evaluation of the contribution of each board member (GOV-1 §23 / §23 (a)).

The results were reviewed by the Nomination Committee and discussed at the Board meeting in December 2024, where the external advisor also attended and provided feedback. The individual member's contribution was subsequently reviewed as part of individual meetings held between the Chair and each member.

Overall, the Board was evaluated by the external advisor to be very well-functioning and generally highly effective, with a collaborative and inclusive environment led by the chair.

The evaluation identified a few focus areas to strengthen the Board's performance and value contribution further during 2025: i) sharpen focus on high-priority strategic topics and implementation, while minimising time spent on less critical issues and ii) enhanced focus on pre-read material and presentations to leave sufficient time for discussion and ongoing feedback.

For further details, see response to recommendation 3.5.1 of the 2024 Statutory report on Corporate Governance.

Assurance

The independent auditor audits the Group's financial statements and expresses a reasonable assurance opinion. No opinion or conclusion is provided for the Management review, except for the Sustainability statement. The independent auditor conducts a limited assurance engagement on the Group's Sustainability statement and expresses a limited assurance conclusion.

Group Internal Audit (GIA) is responsible for providing an objective and independent assessment of the effectiveness and quality of the internal controls through delivery of the internal audit plan approved by the Audit and Risk Committee (ARC). GIA operates under a charter, which is reviewed and approved annually by the ARC.

The internal audit plan for 2024 was prepared based on the outcome of the Group Risk review and incorporated audits covering the areas of financial reporting controls, internal controls on ISS's largest strategic key accounts, the control environment in ISS country organisations, information technology and compliance (internal and external regulations).

GIA monitors the actions of management to address observations made on the internal control environment to ensure control gaps are resolved adequately. Regular reports on the status of open observations are made to both the EGM and ARC.

Speak Up (whistleblower)

Our Speak Up Policy is a fundamental element in our approach to responsible business conduct. Information regarding the Speak Up system, including detailed run-through of the process, can be found in our 2024 Sustainability statement in G1-1, p. 81.

Data ethics

The Group's Data Ethics Policy (the Policy) describes ISS's approach to data ethics and aims to encourage our placemakers and partners, to have an active involvement in data ethical questions and to raise concerns ensuring continuous development of the guiding principles. The Policy as per section 99d in the Danish Financial Statements Act, adopted by the EGM and the Board and subject to annual review, is described in S4-1, Policies on p. 66.

Governance Report of ISS A/S

The report includes a transparent description of our governance structure, the main elements of our internal controls related to financial reporting and a detailed description of our position on the Danish Corporate Governance Recommendations. The report is available here:
Corporate Governance Report 2024

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Board changes

- At the annual general meeting on 11 April 2024, Henriette Hallberg Thygesen was appointed as new board member.
- On 12 August 2024, Nada Elboayadi stepped down as employee-elected board member.
- On 3 December 2024, Tove Møller Eriksen was elected as employee-elected board member.
- On 9 January 2025, Henrik Lind and Jens Bjørn Andersen were nominated as new board members for election at the annual general meeting on 11 April 2025. Jens Bjørn Andersen was nominated as new Deputy Chair. Søren Thorup Sørensen has decided not to seek re-election at the 2025 annual general meeting.

Meeting attendance	Board	Audit & risk	Remuneration	Transaction	Nomination
Niels Smedegaard, Chair	11/11		4/4	5/5	3/3
Lars Petersson, Deputy Chair	11/11			5/5	
Kelly Kuhn	11/11		4/4		3/3
Søren Thorup Sørensen	10/11	7/7			
Ben Stevens	11/11	7/7		5/5	
Reshma Ramachandran	11/11		4/4		3/3
Henriette Hallberg Thygesen [1]	8/10	5/6			
Signe Adamsen (E)	11/11				
Rune Christensen (E)	11/11				
Tove Møller Eriksen (E) [2]	1/1				
Left in 2024:					
Nada Elboayadi (E) [3]	0/5				

[1] Joined the Board on 11 April 2024
[2] Joined the Board on 3 December 2024
[3] On leave from December 2023 and left the Board on 12 August 2024

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Board of Directors

The Board is responsible for the overall management and strategic direction of the Group, including:

- strategy plan, including sustainability strategy and targets (GOV-1 §22 (d))
- financial projections
- determining appropriate qualifications, experience and competences of the Board and EGMB (GOV-1 §22 (d))
- appointing EGMB members
- supervising the activities of the Group
- reviewing the financial position and capital resources to ensure that these are adequate

The Board reviews the Group's share and capital structure on an ongoing basis. The Board believes the present share and capital structure serves the best interests of both the shareholders and ISS as it gives ISS the flexibility to pursue strategic goals, thus supporting long-term shareholder value combined with short-term shareholder value in accordance with the capital allocation policy.

The Board receives monthly financial reporting and is briefed on important matters in between board meetings.

The Board held 11 meetings in 2024.

2024 Board committee activities

Audit and Risk Committee (ARC)
Held 7 meetings in 2024 and continued its focus on:

- evaluating the external financial and ESG reporting, material accounting policies and significant accounting estimates and judgements related to e.g. impairment tests, divestments, deferred tax and revenue and related customer receivables
- reviewing and monitoring the Group's risk management, internal controls, Speak Up (whistleblower) system and business integrity matters
- monitoring the Group Internal Audit function
- evaluating the Financial Policy, the Dividend Policy and the Group Tax Policy
- monitoring and considering the relationship with the external auditor and the external assurance provider in respect of ESG reporting, reviewing the audit process and the long-form audit report, and recommending on appointment of external auditor and external assurance provider in respect of ESG reporting

Remuneration Committee
Held 4 meetings in 2024 and continued its focus on:

- reviewing the remuneration policy/guidelines on incentive pay
- recommending the remuneration of Board and EGMB members and approving remuneration of EGM

Nomination Committee
Held 3 meetings in 2024 and continued its focus on:

- assisting in ensuring that appropriate plans and processes are in place for the nomination of candidates to the Board and the EGMB
- evaluating the composition of the Board and the EGMB
- recommending nomination or appointment of Board, EGMB and board committee members

Transaction Committee
Held 5 meetings in 2024 and continued its focus on:

- reviewing and making recommendations on certain large acquisitions, divestments and customer contracts
- following and considering large transactions, including reviewing pipeline and ISS's procedures
- reviewing material new financing, refinancing or material variation of existing financing and proposals for equity or debt issuance

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Executive Group Management

The EGM is responsible for the day-to-day management, including:

- developing and implementing strategic initiatives and Group policies
- designing and developing the organisational structure
- monitoring Group performance
- managing ESG activities as reflected in our Sustainability Policy
- evaluating and executing investments, acquisitions, divestments and large customer contracts
- assessing whether the Group has adequate capital resources and liquidity to meet its existing and future liabilities
- establishing procedures for accounting, IT organisation, risk management and internal controls
- the EGM has established a number of committees; Sustainability[1] (see p. 55), Remuneration, Business Integrity and Disclosure

Country leadership

Responsible for the implementation of the strategy on country level and managing the business in accordance with Group policies and local legislation, including managing operations in their market. Country leadership teams are set out under each relevant country at www.issworld.com

[1] From February 2025 the Sustainability Committee will be organised as an operational committee headed by the Group Chief People & Technology Officer rather than an EGM committee. The annual wheel for EGM meetings now includes at least quarterly sustainability updates.

Governance structure

Shareholders of ISS A/S

- Exercise their rights at the annual general meeting (AGM)

Board of Directors

- 7 AGM elected members (100% independent)
- 3 employee representatives

Board committees

- 4 committees

Executive Group Management Board

- Group CEO & Group CFO registered with the Danish Business Authority (the EGMB)

Executive Group Management (EGM)

- A wider EGM comprising 3 Corporate Senior Officers in addition to the EGMB

Country leadership

- Country managers of 25 countries

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Diversity

The Board and the EGM of ISS A/S recognise the importance of promoting diversity at management levels and have implemented policies regarding diversity in respect of Board and EGM nominations according to which we are committed to selecting the best candidate. When considering qualifications, experience and competencies, emphasis is (based on a recommendation from the Nomination Committee) placed on:

- experience and expertise;
- diversity of gender, age and nationalities as well as in broader terms; and
- personal characteristics matching ISS's values and leadership principles.

The overall relevant experiences and competencies for board members are included in the ISS A/S Competencies & Diversity policy, available here

The specific competencies for each board member are listed on pp. 47-48 in the Annual Report of ISS A/S, including the specific ESG competencies marked with the letter "E" for Environmental, "S" for Social and/or "G" for Governance. The competencies for each board member are annually reviewed, including competencies within our sustainability- related material impacts, risks and opportunities. Expertise within business conduct is included in the special competence identified as Corporate responsibility & sustainability.

In terms of nationalities, 60% of the EGM members were Danish, 20% British and the remaining 20% were Norwegian. (GOV-1 §21 (d)).

In our Board, 44% of the members were Danish, 14% Swedish, 14% British, 14% Swiss and the remaining 14% were American. (GOV-1 §21 (d)).

The Group Diversity, Inclusion & Belonging policy, available here

Gender

Gender balance is, and has always been, a vital part of our Diversity, Inclusion and Belonging (DIB) agenda. As part of our DIB strategy, we have defined a target of achieving at least 40% gender balance at corporate leadership levels by 2026. Our actions to reach our target for corporate leadership are further described in our Sustainability statement, see S1-5, Gender balance, p. 58 and S1-9, Diversity metrics p. 60.

In our EGM, the female representation decreased to 20% following the changes to the management team as of 9 January 2025, see p. 30. At 31 December 2024, female representation was 25% (2023: 22%). (GOV-1 §21 (d)).

In our Board, the female representation was 43% (elected by the annual general meeting of ISS A/S) and 50% including employee representatives. (GOV-1 §21 (d)).

A status on gender balance for the Board at 31 December 2024 is provided on the next page, together with diversity in terms of nationality and special competencies.

To promote, facilitate and increase the number of women in corporate leadership, we continue leveraging our DIB policy, which defines a number of initiatives, e.g.:

- our recruitment policy, requiring that we shortlist at least one female candidate in all internal and external searches for vacant positions
- develop succession planning with the aim of identifying gender balanced successors by building and developing balanced pipeline
- engage with comparative companies and external bodies promoting women in leadership as well as engaging with our Gender Balance Employee Resource Group (ERG).

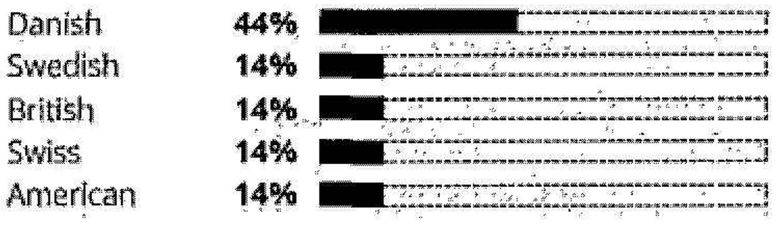
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Board[1]

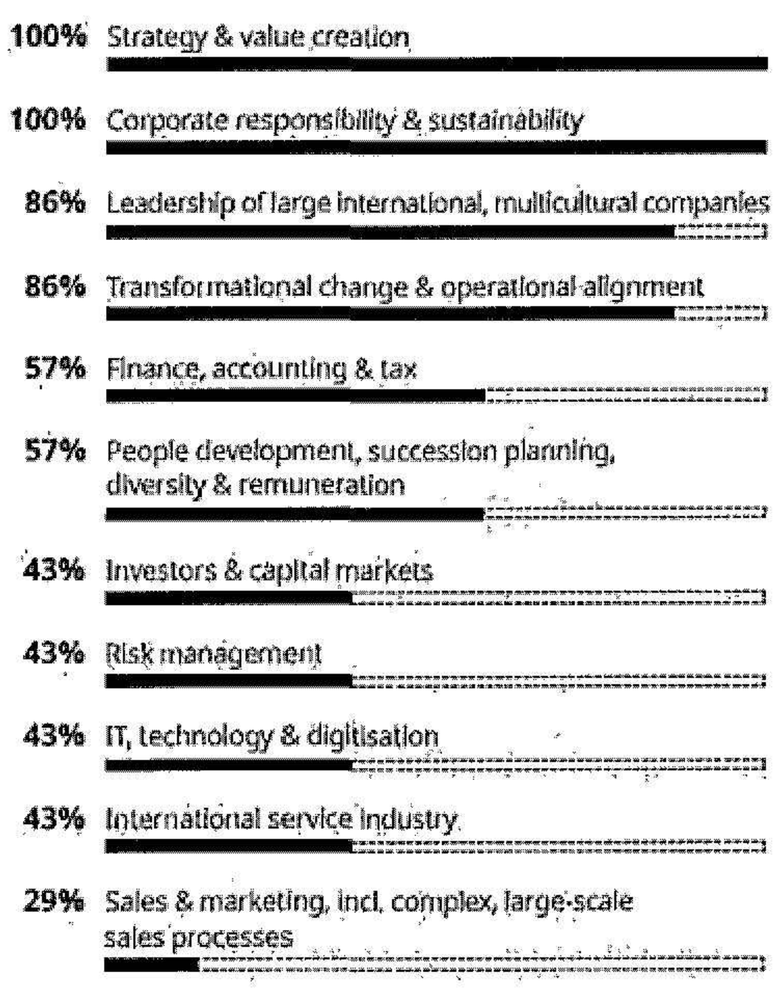
Female representation

43% **50%** incl. employee rep.

Nationalities



Special competencies



[1] Board members elected at the annual general meeting of ISS A/S.

ISS Global A/S

The Board of Directors (the Board) of ISS Global A/S is responsible for annually determining the appropriate qualifications, experience and competencies required of the Board and the Executive Management of ISS Global A/S in order for the Board and the Executive Management to best perform their tasks, taking into account ISS Global A/S's needs and the existing composition of these boards.

The Board and the Executive Management recognise the importance of promoting diversity and consider both competencies and diversity in respect of Board and Executive Management nominations according to which we are committed to selecting the best candidate.

The management team of ISS Global A/S consists of the Executive Management, comprising one member employed by ISS World Service A/S (the parent of ISS Global A/S) and the Board, whose members are employed by either ISS A/S or ISS World Services A/S. As ISS Global A/S has no employees, the company has not implemented separate policies in accordance with section 107d.

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Sustainability statement

ESRS 2 General

Creating value through sustainability	38
Disclosure requirements in ESRS covered by the Sustainability statement	39
Governance	40
Strategy	43
Impact, risk & opportunities management	49

Social

How we create value	51
ESRS S1 – Own workforce	52
Reporting principles for Social	62
ESRS S2 – Workers in the value chain	64
ESRS S4 – Consumers and end-users	66

Environment

How we create value	67
ESRS E1 – Climate change	68
Reporting principles for Environmental	73
EU taxonomy	75
Reporting principles for EU taxonomy	76
EU taxonomy Annex II: Revenue	77
EU taxonomy Annex II: CapEx	78
EU taxonomy Annex II: OpEx	79

Governance

How we create value	80
ESRS G1 – Business conduct	81
Reporting principles for Governance	83

Other

List of datapoints that derive from other EU legislation	84

Sustainability statement

Introduction

The Sustainability statement is prepared in accordance with European sustainability Reporting Standards (ESRS) and is part of the Management review.

Disclosures related to Environmental, Social and Governance (ESG) are included in this section.

As ISS is a people business, we have chosen to present the disclosure requirements related to "Social" before the requirements for "Environment".

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General

Creating value through sustainability

As a leading, global provider of workplace and facility services with 325,000+ employees and 40,000+ customers in ~30 countries, where we self-deliver our services, ISS impacts people, societies, and the environment.

As a facility service provider, our 'product' is our people, which means that our climate footprint is relatively low compared to companies in many other industries. Still, we take full responsibility for mitigating climate change and are committed to pursuing our net-zero ambitions while supporting our customers' environmental goals.

It is in the social domain, however, where we can make the greatest sustainability impact.

Sustainability is embedded in our strategy, values, business practices, and decision-making, and we are strongly committed to making a positive difference through ambitious efforts – both within our organisation and in close collaboration with customers and suppliers.

We contribute to people and communities by offering safe and inclusive workplaces where everyone is respected for who they are, is fairly compensated, and has opportunities to advance their social mobility. This is the right thing to do and essential for success: engaged people deliver better services and customer experiences.

Through data-driven insights and hands-on expertise, we help our customers improve efficiency, adopt sustainable practices, and achieve their environmental goals. At the same time, our self-delivery model and dedicated workforce support our customers in advancing their social progress.

In this section

Disclosure requirements in ESRS covered by the Sustainability statement	39
Governance	40
Strategy	43
Impact, risk & opportunities management	49



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Disclosure requirements in ESRS covered by the Sustainability statement

ESRS 2	General	Page
GOV-1	The role of the administrative, management and supervisory bodies	40
GOV-2	Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies	40
GOV-3	Integration of sustainability-related performance in incentive schemes	41
GOV-4	Statement on sustainability due diligence	41
GOV-5	Risk management and internal controls over sustainability reporting	41
BP-1	General basis for preparation of the sustainability statement	42
BP-2	Disclosures in relation to specific circumstances	42
SBM-1	Strategy, business model (SBM) and value chain	43
SBM-2	Interests and view of stakeholders (link to strategy and business model)	44
SBM-3	Material impacts, risks and opportunities (IRO) and their interaction with strategy and business model	44
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	49
IRO-2	Disclosure requirements in ESRS covered by the undertakings sustainability statement	50

ESRS S1	Own workforce	Page
S1-1	Policies related to own workforce	52
S1-2	Processes for engaging with own workers and workers' representatives about impacts	53
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	53
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	54
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	58
S1-6	Characteristics of the undertaking's employees	58
S1-7	Characteristics of non-employee workers in ISSs own Workforce	59
S1-8	Collective bargaining coverage and social dialogue	59
S1-9	Diversity metrics	60
S1-10	Adequate wages	60
S1-12	Persons with disabilities	60
S1-13	Training and skills development metrics	60
S1-14	Health and safety metrics	60
S1-16	Remuneration metrics (pay gap and remuneration ratio)	61
S1-17	Incidents, complaints and severe human rights impacts	61

ESRS S2	Workers in the value chain	Page
S2-1	Policies related to workers in the value chain	64
S2-2	Processes for engaging with workers in the value chain and workers' representatives about impacts	64
S2-3	Processes to remediate negative impacts and channels for workers in the value chain to raise concerns	64
S2-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to workers in the value chain, and effectiveness of those actions	64
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	65

ESRS S4	Consumers and end-users	Page
S4-1	Policies related to consumers and end-users	66
S4-2	Processes for engaging with consumers and end-users and workers' representatives about impacts	66
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	66
S4-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	66
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	66

ESRS E1	Environment	Page
E1-1	Transition plan for climate change mitigation	68
E1-2	Policies related to climate change mitigation and adaptation	69
E1-3	Actions and resources in relation to climate change policies	69
E1-4	Targets related to climate change mitigation and adaptation	71
E1-5	Energy consumption and mix	71
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	72
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	72
E1-8	Internal carbon pricing	72

ESRS G1	Governance	Page
G1-1	Business conduct policies and corporate culture	81
G1-2	Management and relationship with suppliers	82
G1-3	Prevention and detection of corruption or bribery	82
G1-4	Confirmed incidents of corruption or bribery	83
G1-6	Payment practices	83

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ESRS 2

General

Our services are performed by people at the sites of our 40,000+ customers on a daily basis. It is therefore no surprise that our sustainability impacts, risks and opportunities (IROs) are skewed towards social aspects. We take shared responsibility across the organisation for managing our sustainability IROs, but the weight of our support structures indicates the depth or "overall materiality" of social, environmental and governance aspects.

Governance

GOV-1

Management

The Board of Directors (the Board) retains overall oversight of sustainability matters while Executive Group Management (the EGM) is responsible for the day-to-day management of sustainability activities as reflected in our Sustainability Policy.

The Audit & Risk Committee, a sub-committee to the Board, exercises oversight responsibilities relating to business conduct and internal controls over sustainability reporting.

Management oversight of sustainability activities is primarily exercised by the EGM through the Sustainability Committee, a sub-committee of the EGM chaired by the Group Chief People & Technology Officer. The Business Integrity Committee chaired by the Group CFO exercises managerial oversight of business conduct matters.

Our Group Head of Environment, Social Sustainability and Governance is overall responsible for coordination of the operational execution of our sustainability strategy as defined by the Board and EGM. Day-to-day management responsibilities of sustainability activities are delegated and integrated into each relevant functional pillar. Environmental matters are the overall responsibility of Operations headed by our Group Chief Operating Officer, social matters are the overall responsibility of Group People & Culture headed by our Group Chief People & Technology Officer and governance matters are the overall responsibility of Group Legal headed by our Group General Counsel.

We embed our sustainability activities in our service performance through four Sustainability Service Line Boards headed by the Global Head of Cleaning, Technical Services, Food and Workplace respectively and with country and functional representation to ensure enterprise-wide engagement.

Managing our material impacts, risks and opportunities does not necessarily follow strict organisational design principles, but require adaptation to how management and oversight is best exercised and executed in our context. Functional management responsibilities for each material topic is described together with the material topic.

Key ESG metrics are consolidated and reported internally on a quarterly basis through ESG Controlling & Reporting as part of the Finance function headed by the Group CFO.

Targets may be defined as part of managing functional sustainability responsibilities, but does not follow a defined process. Our essential sustainability related targets are endorsed by the EGM.

Appropriateness and availability of sustainability related skills and expertise is assessed and evaluated in the same way as any other required or desired skillset or expertise. Our build out of global functions on Sustainability, Decarbonisation, Diversity, Inclusion & Belonging and ESG Controlling reflect the outcome of our ongoing assessment and evaluation process and links directly to our material impacts, risks and opportunities. For a description of the Board's competency assessment please refer to p. 35.

GOV-2

Addressing sustainability matters

The Board is informed of sustainability matters on a recurring basis. In 2024, 11 of specific sustainability related matters were transacted at board meetings while matters relating to ESG reporting were transacted in three Audit & Risk Committee meetings in addition to business conduct matters being addressed at each meeting.

The EGM is informed of sustainability matters on a recurring basis. In 2024, 27 of specific sustainability related matters were transacted at EGM meetings. The Sustainability Committee, a sub-committee to the EGM, has a fixed quarterly meeting cadence supplemented by ad hoc updates.

ESG governance structure

Management
- Board of Directors (Board), the Audit & Risk Committee and the Executive Group Management (EGM), see pp. 33-34

Sustainability committee
- LGM committee
- Chaired by the Group Chief People & Technology Officer

Sustainability committee activities
- Oversight of the sustainability strategy, targets and initiatives
- Tracking progress of ESG targets and provide relevant guidance
- Reviewing panel for proposed ESG initiatives and investments
- Identifying/mitigating sustainability impacts, risks and opportunities
- Facilitating key stakeholders, incl. customers, employees, investors and regulatory bodies to promote transparency
- Reviewing sustainability-related policies for EGM approval

Head of Sustainability
- Day-to-day management of ESG activities

E: Group Chief Operating Officer (Group COO)
S Group Chief People & Technology Officer
Group General Counsel

Our Sustainability Policy is available here

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Governance (continued)

Information is generally provided by the functional E, S or G lead supported by internal and external experts. Ongoing management updates on material sustainability related impacts, risks and opportunities follow information flow cycles decided within the relevant functional area.

Impacts, risks and opportunities relating to sustainability matters are not considered differently from other impacts, risks and opportunities pertaining to ISS' business.

The following material impacts, risks and opportunities related to sustainability were addressed directly or as part of overarching themes during 2024 by the Board, the EGM and the Sustainability Committee:

Health & safety, climate change mitigation, working conditions, equal treatment & opportunities for all, corporate culture and corruption/bribery.

GOV-3

ESG and incentive schemes

Sustainability-related targets are embedded as part of our short-term incentive programme (STIP) with a 15% weight as approved by the Board Remuneration Committee.

Climate-related incentives:
- 4.7% absolute carbon emission reduction
- Development of climate transition plans

Social incentives:
- Gender balance progress
- Living wage progress
- 26,000 recognised qualifications
- Customer value propositions
- Health & safety

Governance incentives:
- Policy and standard compliance levels

These objectives are applicable to senior employees across ISS, including the executive leadership teams in all countries as well as the EGM.

GOV-4

Statement on due diligence

Core elements of due diligence	Sustainability statement
Embedding due diligence in governance, strategy and business model	Strategy p. 43 and p. 48
Engaging with affected stakeholders in all key steps of the due diligence	Overall stakeholder engagement p. 44, Customers p. 44, Employees p. 52-53, Labour organisations p. 53, Value chain workers p. 64, Suppliers p. 82
Identifying and assessing adverse impacts	Double materiality assessment p. 49, Customer engagement survey p. 49, MyVoice survey, Safety Survey and Diversity Census p. 53, Supplier vetting p. 64-71
Taking action to address adverse impacts	Actions in regard to employees p. 54-57, value chain workers p. 64-65, end-users p. 66 and climate p. 69-70
Tracking the effectiveness of these efforts and communicating	Internal management reporting p. 40-41, Speak-up channel p. 81

GOV-5

Risk management and internal controls

Sustainability reporting is a product of input derived from numerous internal and external sources across functions and geographies and relies on systems and processes ranging from locally bespoke and autonomous solutions to being globally aligned and system integrated. The fragmented nature of data sources together with the – compared to financial reporting – relative immaturity of the sustainability reporting discipline are key risk areas.

We generally look to adopt same or similar internal control processes for sustainability reporting as for financial reporting though we recognise that there is a significant gap to be caught up over the coming years. The sustainability reporting landscape still evolves at a fast pace, and we therefore also have to balance the need for building robust controls for the current state with sufficient agility to adapt to changing requirements.

We generally apply a "domain data ownership" principle across the Group. The function responsible for a particular sustainability matter is also responsible for the data necessary for performance management hereof and for maintaining appropriate controls.

Key sustainability metrics are reported and consolidated following the same structure as our financial reporting process and within the same consolidation system - OneStream.

Data for our key sustainability metrics is compiled country-by country by the local functional owners and furnished to a designated ESG Controlling & Reporting function in each country for local controlling and uploading to our global consolidation system. Global controlling is subsequently performed by Group ESG Controlling & Reporting applying a set of pre-defined materiality thresholds and interdependency indicators.

In 2023, we defined an initial simplified internal control framework for ESG reporting that was piloted during 2024 on key sustainability metrics (employee turnover, sickness rate and Lost Time Injury Frequency). It takes an end-to-end process approach by metric and assesses and prioritises risks on the basis of mitigation impact and effort to mitigate. We are currently considering how to adapt our internal control framework following the learnings from our pilot phase. Findings are shared within the Global ESG Controlling & Reporting and with the Audit & Risk Committee.

Fundamental metrics and KPIs on people and safety are reported monthly as part of the ordinary financial reporting cycle. On a quarterly basis management reporting on ESG performance is provided to the Sustainability Committee.

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BP-1

Basis of preparation

The sustainability statement is consolidated following the Group's accounting policies disclosed in its consolidated financial statements, unless otherwise specified in the accounting policies within each topical ESRS disclosure. We have defined operational control in accordance with the ESRS. In the event of acquisitions or divestments, the sustainability statement is following the same principles as the financial statements.

We include disclosures on material impacts, risks and opportunities in our upstream and downstream value chain in accordance with the outcome of our Double Materiality Assessment and describe value chain coverage of our policies, actions and targets where applicable. Metrics for Scope 3 emissions and Lost-Time Injury Frequency includes value chain data.

We have not omitted classified or sensitive material information nor any material information on grounds that it constitutes intellectual property, know-how or the results of innovation.

Principles and compliance

Scope and data quality

In 2024, preparations for reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the associated ESRS reporting standards have been extensive and while a foundation has been laid we expect ongoing changes as practices and principles develop across reporters, industries, regulators and assurance providers.
On data quality improving our carbon emission tracking has been a priority that the implementation of our dedicated carbon management platform – Watershed – will address. It will become fully operational in 2025, slightly later than planned.
Our reporting units are our countries. The reporting methodology applied country-by-country depends on the system and process landscape of each country and our consolidated reporting will therefore often span different reporting methodologies. ISS France was divested in the beginning of April 2024. We include the performance of ISS France up to and including March 2024 for metrics internally reported at the time of divestment. Several metrics mandated by ESRS were introduced only after the French divestment which is not included for such metrics. Performance in France is included in average employees (S1-6), employee turnover (excl. deaths and retirements) (S1-6) and average training hours (S1-13). Further, France is included in energy consumption (E1-5) and Scope 1-3 emissions (E1-6) except for consumption and emissions relating to diesel and petrol, which is insignificant. France is by definition not included in "end-of-period" metrics. Across our operations we have only a single joint venture operation in Spain, which is insignificant and not adjusted for.

External principles and guidelines

With the introduction of the CSRD effective as of 1 January 2024 we have aligned our reporting practices accordingly. Our reporting meets the ESRS reporting standards issued with Commission Delegated Regulation (EU) 2023/2772 and is made with reference to the GRI Standards as a result of the interoperability between ESRS and GRI. We report on our UN Global Compact commitment through the designated reporting platform.

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. In 2024, we have introduced reporting principles covering ESRS mandated reporting requirements that supplement the sustainability performance reporting we have been disclosing for many years as part of our annual reporting taking our total internal datapoint reporting from around 75 to around 125 with certain items being disaggregations of already reported datapoints.

Actual measurement of underlying data is not always possible. The ESG Accounting Manual provides guidance that reporting units can apply as the basis for reporting.

BP-2

Specific circumstances

Where specific circumstances apply in regard to deviation from mandated time horizons, use of value chain estimations, sources of estimation and outcome uncertainty, changes in preparation or presentation of sustainability information and reporting errors in prior periods, disclosures will be made together with the relevant disclosure requirement or with its applicable accounting policy disclosures.

People and social metrics are measured without estimates except for non-employees (S1-7), training hours (S1-13), exposure hours for non-employees and contractor employees (S1-14), gender pay gap and remuneration ratio (S1-16) and certain gender breakdowns. For E1-5 and E1-6 a low proportion of fossil fuel consumption is estimated typically based on spend or travel distance and a medium proportion of other energy consumption is estimated based on m^2 or building types. For E1-6 a large proportion of scope 3 emissions is subject to assumptions and estimates. Governance metrics are measured without estimates.

Phase-in and incorporation by reference

We have made use of phase-in options for S1-11, S1-15 and E1-9.

In presenting the sustainability statement, ESRS disclosure requirements incorporated by reference to other sections of the Annual Report include:

- GOV-1: Information related to the Board of Directors and the Executive Group Management (20a and c and 21) on pp. 30-36 and pp. 47-48 in the Annual report of ISS A/S.

Incorporation by reference: Information that is mandatory to disclose as part of the ESRS and which has been placed outside of the Sustainability Statement has been clearly marked as such. It is presented by underlining it in blue and adding the reference as: ESRS-X §X.

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Strategy

SBM-1

Strategy, business model (SBM) and value chain

We are a global provider of outsourced facility services. Our own operations comprise cleaning services, catering services, technical services, security services, reception services and workplace services that we provide to businesses and public customers as integrated facility services or as stand-alone cleaning services. Our overall targeted customer segments are financial services, professional services, technology and life-science as well as customer segments that in a local market context are desirable to pursue such as healthcare services in several countries. This constitutes our downstream value chain.

As a service organisation we are people intensive and rely less on products and resources for our service performance. With few exceptions our services do not require high pre-existing skill levels to perform and we are therefore attractive to and employ a significant proportion of our workforce from unskilled or below market-average skilled people groups. Providing opportunity to work and grow can have a significant positive impact on our employees individually and for their families as well as for social mobility in societies. At the same time, less skilled people groups are generally more vulnerable to exploitation and its resulting negative impacts.

Our strategic decision is to self-perform rather than subcontract services. We believe that having a direct employment relationship with our workforce is a culture driver that enhances service performance and supports our ability to increase our positive people and societal impacts and minimise our potential negative impacts. We are present with self-delivery capabilities in around 30 countries across Europe, Asia, Pacific, North America and Latin America. In addition, we have partnership establishments in around 30 countries providing services to global customers. During 2024 we divested our business in France.

The facility services industry is inherently asset and resource light and our environmental impact from carbon emissions is driven more by our absolute scale than by its intensity, which is underpinned by the fact that our strategic choice to self-deliver services drives one of our main carbon emission sources; employee commuting.

Our supply chain and upstream value chain can roughly be divided into three groups: i) Goods and products used in our service performance such as food, cleaning detergents and equipment, paper towels and vehicle fleet, ii) subcontracted facility services that are same or similar in nature to what we provide and iii) temporary staff to supplement our own workforce.

Our main supply chain sustainability input relates to our scope 3 emissions and we are working with key supply chain members on enhancing the availability of primary data.

We do not perform fossil fuel activities, chemical production activities, controversial weapons activities or tobacco activities.

Our main sustainability-related goals are linked to our material people and environmental impacts. We aim to enhance our positive people impact and minimise our potential negative people impact by aspiring to become the leading frontline employer.

Our sustainability-related goals transcend markets and geographies. Very broadly speaking we will be able to impact societies and markets with lower levels of social and public support systems more positively from our social sustainability-related goals. Our environmental sustainability goals will impact markets and geographies depending on our local activity levels and service mix.

Employees [1]

(Headcount)	2024 End of period	2024 Average
Northern Europe	65,042	65,881
Central & Southern Europe	106,218	103,744
Asia & Pacific	125,208	126,938
Americas	28,376	29,630
Other	1,639	5,346
Total	**326,483**	**331,539**

Revenue [1]

(DKKm)	2024	%
Office-based	33,273	40%
Production-based	19,256	23%
Healthcare	12,199	14%
Other	19,033	23%
Total	**83,761**	**100%**

NACE codes above 10% of Group revenue

CSC00 – Manufacturing
CSJ00 – Information and communication
CSK00 – Financial and insurance activities
CSQ00 – Human health and social work activities

[1] Revenue and number of employees differ from the disclosures in the consolidated financial statements as the Sustainability statement is described in the context of the ISS A/S Group, see Introduction to the ISS Global Group, p. 3.

Placemakers/Support staff

(Headcount)	2024 End of period	%
Placemakers	304,913	93%
Support staff	21,570	7%

Number of employees in EEA countries

(Headcount)	2024 End of period	%
Total employees in EEA countries	87,984	27%

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Strategy (continued)

SBM-2

Stakeholders

Engagement with stakeholders is organised in appropriate forums at the appropriate organisational level considering the purpose of the engagement and its participants. Feedback loops, escalation principles and reporting lines aim to ensure that the outcome of engagement is filtered appropriately and informs and influences considerations and decisions at the right level of the organisation, including at the level of the EGM and the Board.

From time to time we will engage with key stakeholders in dedicated stakeholder impact sessions to ensure that their views are mapped, understood and considered by us. In 2022, we conducted a stakeholder materiality assessment across 24 sustainability topics using a low-high importance scale. We involved key internal Subject Matter Experts 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. The outcome shows a strong correlation with key impacts, risks and opportunities identified in our 2023 Double Materiality Assessment.

Our 2024 customer engagement survey has directly influenced the outcome of the strategy refresh exercise we completed in December 2024 and is a good example of stakeholder engagement having strategic impact.

Placemakers

We use the term "placemakers" for our own employees. When required by context "placemakers" mean service performing staff sometimes referred to as "frontline" employees, and "support staff" means managerial or other support staff sometimes referred to as "white-collar" employees.

People, value-chain and end-users

Our strategic decision to self-perform our services provides us with line-of-sight within our organisational and managerial boundaries. We define, execute and control our management approach and response, which enables us to better mitigate negative impacts and enhance positive impacts to our workforce.

Through our interactions and business relationships with our supply chain members we may indirectly impact supply chain workers.

Our commitment to ethical business practices encompasses respect of privacy rights towards our own employees, customer end-users and others that we engage with as part of our activities. Just as we remain vigilant with third parties needing to process personal data of our own employees, we generally experience that our customers take great interest in ensuring that privacy rights of their employees, our end-users, are respected.

Key stakeholders and how we engage

People	Day-to-day engagement with line managers, employee and safety committees, annual appraisal, daily teamboard talks, townhall meetings, MyISS and MyVoice, including our People Engagement Survey
Customers	Regular performance reviews, ongoing dialogue and ad-hoc workshops, customer surveys, end-user surveys, Account Development Plan
Shareholders	Investor meetings, roadshows, annual General Meeting, Capital Markets Day, Quarterly Investor Calls, announcements and releases
Suppliers	Continuous dialogue throughout the year, workshops, business review meetings, site-based performance management meetings, training sessions
Unions	National and international works councils, ongoing dialogue with unions and local employee representatives, quarterly European Works Council meetings, semi-annual UNI meetings
Media	Multi-channel and platform dialogue with media and NGOs on an ongoing basis

SBM-3

IRO and interaction with SBM

Our main impacts, risks and opportunities (IRO) relate to people in our workforce and in our value chain. Our 11 material impacts, risks and opportunities are provided in the overview on p. 45 and described in the following.

The material impacts to our own workforce are mainly a result of industry characteristics, including the relative low-skill profile of our services and its job positions. Self-performing our services and a strong values foundation are strategy and business model aspects directly influencing our people impacts.

Our own workforce

Sometimes referred to as frontline employees or blue-collar workers our service performing placemakers are generally more exposed to our material impacts in regard to occupational health & safety, pressure on working conditions and equal treatment and opportunities. This employee category generally has lower skill requirements though it varies by service line, job type and service environment, but also the greatest potential for benefitting from positive impacts in regard to for example upskilling. Approximately 93% of our employees are servicing placemakers. Temporary workers engaged through temp agencies supplement or substitute our service performing placemakers.

We provide our services globally. Broadly speaking, people impacts are the same regardless of geography, but the intensity of impacts are affected by for example the regulatory climate, social welfare systems and cultural aspects of each jurisdiction. Our continued engagement with our placemakers and employee representatives at all levels of the organisation are important contributors of perspective and insight to areas or aspects of our operations and practices capable of causing harm or having positive influence on our placemakers.

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Our 11 material impacts, risks and opportunities

ESG	Topic	What	Impact, risks & opportunities	Effect				Own operations/ value chain
	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, of a repetitive nature or from specific customer environments. Focus on preventing work-related accidents is important for securing the safety and well-being of our placemakers.	IR	(-)	S	A	Own operations
	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 labour markets. Without focus on ensuring proper working conditions, exploitation risk increases at the expense of individuals and the larger society.	IR	(+)/(-)	S	A	Own operations
	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 labour 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.	IR	(-)	S	A	Value chain (upstream)
♡	**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.	IR	(+)/(-)	S	A	Own operations
	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.	R		S		Value chain (downstream)
	Other work-related rights (Own workforce)	GDPR and privacy practices related to personal data of our placemakers	We employ more than 325,000 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.	R		SML		Own operations
	Other work-related rights (Value chain)	Practicies and incidents in regard to e.g. child labour, forced labour 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.	R		S		Value chain (upstream)
🌿	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.	IR	(-)	SML	A	Own operations/ value chain
	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.	R		S		Own operations
🏛	**Corruption and bribery**	Fair and transparent business practices	Principles around fair business practices are fundamental for prosperous societies. Regulatory frameworks and market perception can drive significant financial consequences where instances of corruption and bribery occur.	R		S		Own operations
	Management of relationships with suppliers, including 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.	I	(-)	S	A	Own operations/ value chain (upstream)

(+)/(-) = Positive/negative SML = Short, medium, long term A/P = Actual/potential

"S" indicates that effects may materialise in the short term
"M" and "L" indicates that effect may materialise only beyond the short term

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Strategy (continued)

Value chain workers

It is a key strategic choice for us to primarily self-deliver our services and our impact on value chain workers is affected by this decision. Yet we still rely on a robust supply chain for goods and services associated with our service performance.

Our supply chain can largely be split into two categories. One part is the traditional supply chain that supplies goods and services that form part of our own service performance such as manufacturers of cleaning detergents and equipment, uniforms and food producers. The other category is our subcontractors that generally perform services of a same or similar nature as our own facility services. We engage with subcontractors for facility services that do not form part of our own self-delivery portfolio, for example pest control and lift and escalator maintenance. We also engage with subcontractors for performance of services within our own service portfolio in local markets where our self-delivery capabilities do not fully extend.

We do not by design distinguish between the two supply chain categories, but we believe that our ability to drive impact is more fluent or intrinsic in regard to subcontractors because we understand and acknowledge the context of our subcontractors as colleagues within the facility service industry and therefore often exposed to similar IROs as we are whereas workers in the traditional supply chain category are exposed to typical impacts associated with their respective industry and geography.

This materialises in the material impacts identified for our supply chain workers in relation to working conditions and other work-related rights that pinpoints occupational health & safety for our subcontractors driven by the same factors as for ourselves. It does not identify child labour or forced labour as concrete impact areas, but recognises its generic risk character within our supply chain. The latest ILO reports identifies child labour as predominantly centered around agriculture whereas forced labour is mostly present within the industry sector and the service sector.

We generally have access to a diverse supply chain and we are not dependent on any single monopolistic supply chain member. Further, we have not identified material impacts for value chain workers in our downstream value chain.

Our approach towards mitigating potential negative impacts – as explained below – centers around our due diligence activities where certain elements in regard to training will have a particular impact on subcontractor workers in reducing the risk of occupational health & safety incidents.

As a business-to-business operation we engage with public and private customers and through them with their employees as our end-users. Our service engagement frequently requires access to and processing of personal data of end-users for example food allergies relevant to our food services and contact details relevant for our reception services. Other of our service activities such as cleaning services are generally not dependent on personal end-user data.

We generally do not process or have access to very sensitive personal data of our end-users that would have significant harmful consequences for end-users if inappropriately managed.

There is a significant financial and reputational risk associated with not appropriately managing personal data of our end-users. It violates the trust with affected customers and taints our reputation in the market. Regulatory requirements such as those following from the General Data Protection Regulation (GDPR) can also lead to significant fines being imposed. Moreover, mitigating measures may be costly to implement to rectify weaknesses.

Health & safety (Own workforce)

While the nature of the services that we perform is generally not dangerous, the scale of our operations as well as specific hazardous environments imply that accidents and incidents do occur leading to physical or psychological harm for our employees. It will be a risk to our ability to attract and retain employees, if we are not able to provide safe work environments.

Health & safety has been a key priority for us for many years and we continue to strengthen our organisation and practices to drive an even stronger safety culture. In 2024, we introduced "safety-stand-downs" for all leaders across the Group hosted by the Group CEO to address serious safety incidents. Despite our best efforts, we are unlikely to completely eliminate health & safety accidents and incidents.

We manage health & safety related IROs through a dedicated global Health & Safety function organised within our Operations function headed by our Group Chief People & Technology Officer.

Working conditions (Own workforce)

Job positions in our service lines often have relatively low barriers of entry and offers attractive opportunities for people at the edge of labour markets. Without focus on ensuring proper working conditions, exploitation risk increases at the expense of individuals and the larger society, which may negatively impact our ability to attract and retain our workforce.

Our commitment to providing proper working conditions is a natural extension of our values. It is codified in our Code of Conduct and embedded in detail in our Global People Standards. Our Living Wage priority is a key action for us to drive working condition improvement.

We manage working condition related IROs to our own workforce through our global People & Culture function headed by our Group Chief People & Technology Officer.

Working conditions (Value chain – upstream)

Though we perform the majority of our services with our own workforce, we do rely on subcontractors to perform facility services of same or similar nature as ours either because it is part of services that we manage on behalf of customers or because it sits outside of our service offering in a specific market. Impacts from working conditions including health & safety aspects of subcontracted services are largely similar to those from our own service performance and the negative impacts for such value chain workers are not materially different from what our own workforce is exposed to. At the same time, we rely on our value chain for consumables within areas that traditionally are labour intensive and with low barriers of entry for job positions such as within food, clothing and distribution where exploitation risk and improper working conditions may exist at the expense of individuals and the larger society.

Our Supplier Code of Conduct sets standards for our suppliers to meet in terms of working conditions including occupational health & safety. These have been revised and re-launched in 2024 and is supported by supplier engagement activities in our Supply Chain & Procurement function.

We address working condition related IROs to our value chain workers through our value chain engagement managed by our global Procurement function within our Operations function headed by our Group COO in close cooperation with particularly our People & Culture and Legal functions.

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Strategy (continued)

Equal treatment and opportunity for all (Own workforce)

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. We acknowledge that interaction and dependencies between people will cause positive and negative friction and we are unlikely to succeed in creating only positive experiences for all. But we continue to strive for providing work environments where tolerance, empathy and care are important guardrails.

Our Code of Conduct and our Global People Standards establish our commitment to equal treatment and opportunity for all. We have focused our efforts within our five most important diversity & inclusion dimensions and established dedicated global Employee Resource Groups (ERGs) for each dimension. We have set targets for gender balance at our corporate leadership levels, and we are ambitiously pursuing our goal of providing recognised qualifications for 100,000 employees and their families to drive additional opportunity for personal growth and prosperity. The target was recently updated to add an additional 250,000 recognised qualifications by 2030.

We manage working condition related IROs to our own workforce through our global People & Culture function headed by our Group Chief People & Technology Officer.

Information-related impacts (Value chain – downstream)

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 individual privacy harm as well as potential loss of business and cost exposure.

Our continued efforts to minimise the risk of negative impacts is anchored in our Data Ethics Policy that provides overall requirements for the use of data in ISS based on the Charter of Fundamental Rights of the European Union. It is supported by our Data Protection Policy and our Global Information Security Policy.

We manage IROs related to information security through our Global Information Security function within our Global IT, Digitalisation and Services function headed by our Group Chief People & Technology Officer.

Other work-related rights (Own workforce)

We employ approx. 325,000 employees across the globe and will necessarily process personal data in this regard. Keeping personal data safe and ensuring appropriate personal privacy is not only part of our employer value proposition, but also a potential source of financial damage.

Our continued efforts to minimise the risk of negative impacts is anchored in our Data Ethics Policy that provides overall requirements for the use of data in ISS based on the Charter of Fundamental Rights of the European Union. It is supported by our Data Protection Policy and our Global Information Security Policy.

We manage IROs related to information security through our Global Information Security function within our Global IT, Digitalisation and Services function headed by our Group Chief People & Technology Officer.

Other work-related rights (Value chain upstream)

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.

Our Supplier Code of Conduct sets standards for our suppliers to meet in terms of work-related rights. These have been revised and re-launched in 2024 and are supported by supplier engagement activities in our Supply Chain & Procurement function.

We manage IROs in regard to other work-related rights for our value chain workers through our value chain engagement managed by our global Procurement function within our Operations function headed by our Group Chief Operating Officer in close cooperation with particularly our People & Culture and Legal functions.

Climate change mitigation

Facility services in general are low carbon emitting activities with the footprint from food services being the most significant. However, despite our limited relative impact, we recognise the importance of combining climate advocacy with climate action and demonstrate to stakeholders how we pull our share of the weight in the global combat against climate change.

We have anchored our position on climate change in our Sustainability Policy underpinned by the ambitious Net Zero targets for scope 1-3 we have set and work towards. As ~95% of our carbon emissions are within scope 3 we work closely together with our key supply chain partners to ensure credible and tangible reductions.

Our carbon emission insights have been significantly improved during 2024 with our new global carbon management platform Watershed that is close to being fully operational, which is an important stepping stone in moving our climate transition plan into a cohesive form in 2025.

We manage IROs related to climate change through our global Decarbonisation team within our Operations function headed by our Group COO.

Corporate culture

A value based culture lays the foundation for fair and prosperous development by instilling the right behaviours and the right decisions. We touch and impact thousands of people every day in our direct operations and activities and through our indirect activities. We make mistakes every day that lead to harm for impacted people and the environment, but we are adamant on continuously seeking to improve by ensuring transparency and safety for information to flow that allow us to take improvement action.

Our fundamental values and beliefs are anchored in our Code of Conduct that forms the basis for mandatory training for all employees.

We manage IROs related to corporate culture through our global Legal function headed by our Group General Counsel in close cooperation with particularly our Group Internal Audit function.

Corruption & bribery

Corrupt business practices undermine the stability and prosperity of societies and impairs fair competition. With business engagements counting thousands of customers and suppliers the risk of improper behaviour is real. One of our fundamental values is "Honesty" and our stance on and against corrupt business practices directly reflects this value.

Our public ISS Anti-Corruption and Anti-Bribery Policy Statement by our Group CEO is supported by our Anti-Corruption Policy leaves no doubt around our commitment to combat corrupt practices.

We manage IROs related to corruption and bribery through our global Legal function headed by our Group General Counsel in close cooperation with particularly our Group Internal Audit function.

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Strategy (continued)

Management of relationships 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. We have a large network of suppliers of all sizes across the globe with whom we can exert influence to drive positive change.

Our supply chain relationships are governed by our Supply Chain Policy and our Supplier Code of Conduct.

We manage IROs related to our supplier relationships through our value chain engagement managed by our global Procurement function within our Operations function headed by our Group COO in close cooperation with particularly our Group Finance function.

Current financial effects

Our operating cost, operating margins and cash flows are impacted by our efforts to mitigate negative sustainability-related impacts and enhance positive sustainability-related impacts. Costs mainly relate to:

1) People resources at group, country and account level fully or partly engaged in sustainability-related activities
2) Training activities
3) IT systems

Our sustainability activities are integrated into our functional operations. It is not possible to separate cost and effect from ordinary business activities on the one hand and "excess" efforts in regard to sustainability-related impacts on the other hand. This is because our most material IROs relating to sustainability to a large extent are inherent business imperatives that we tackle because of its business importance and not because of a particular sustainability focus. Our efforts to reduce food waste makes our resource use more efficient, which saves cost. That is a business imperative for us as a low margin business. It also reduces our carbon footprint. Just as an example.

We are asset-light by nature and do not consider the carrying amounts of our asset or liability base to be at significant risk of material adjustments from material sustainability-related risks and opportunities.

Future financial effects

Considering our mitigating efforts we do not anticipate any material financial effect in the short, medium or long term of our material sustainability-related risks and opportunities identified with our 11 defined IROs. We have not identified any significant need for investment or resource funding for specifically addressing our material sustainability-related risks and opportunities over and above what is as part of our ordinary investment and resource planning.

Future financial effects of our material sustainability-related risks and opportunities are associated with a high degree of uncertainty, particularly in regard to environmental aspects.

Strategy resilience

Our strategy and business model is reviewed each year as part of our ordinary business cycle. The process is anchored with the Board and is informed by annual strategy reviews by country and region, which links into our planning. On a quarterly basis the EGM reviews our strategy execution and its resilience towards external factors. Our bi-annual enterprise risk cycle informs the strategy review process and highlights current and evolving themes of importance for the strategy review process. Sustainability-related IROs forms part of our enterprise risk cycle and is further supported by the annual work around our double materiality assessment. We believe that this approach ensures preparedness, responsiveness, adaptability and learning in our strategy and business model making it overall resilient, including resilient to sustainability-related IROs. Our recent strategy refresh completed in December 2024 reconfirms our strategic focus on environmental and social sustainability. Our resilience analysis was conducted as a desktop exercise using publicly available publications.

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Impact, risk & opportunities management

IRO-1

IRO and interaction with SBM

Our double materiality assessment uncovers our inherent exposure to sustainability-related IROs 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. We completed the assessment at an IRO level as mandated by the ESRS standards and 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).

We conduct a full double materiality assessment process in accordance with ESRS every 2-3 years – latest in 2023 where 20 ISS functional subject matter experts across People & Culture, Operations, Procurement, Finance, Legal and Strategy carried out the assessment, which covered our business activities and – where relevant – value chain business activities. No site specific assessments or analysis were performed on own or customer sites and no standardised methodologies, assumptions or tools were used. It was validated by the four EGM 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 (the EGMB) and the Board of Directors (the Board) in December 2023 and sounded with the European Works Council as a key stakeholder. The process was supported by recognised external consultants and drew on the results of our 2022 Stakeholder Materiality Assessment covering internal and external stakeholders such as investors, customers, suppliers, employee representative organisations and the European Works Council.

In 2024, we performed a refresh exercise that resulted in smaller adjustments to the IROs identified and scored in 2023 mainly that "Resource inflow" moved out of the scope of material topics and "Corruption and bribery" moved into the scope of material topics. IROs in regard to water, biodiversity and pollution were not assessed as material. The results of the refresh exercise have been anchored with the ESG Committee, the EGM and the Board in December 2024.

Our methodology assesses negative impacts based on their severity and likelihood and positive impacts on their scale, scope and likelihood.

Sustainability-related risks and opportunities are not assessed differently from other risks that we are subject to and we generally do not consider risks and opportunities related to sustainability impacts to be of higher or lower importance than other business risks and opportunities. We are still learning how to fluently embrace sustainability-related topics and we are in this learning process exercising increased focus and attention to understand and adapt.

We are not employing a separate or dedicated lens to sustainability-related aspects. Sustainability-related IROs are business aspects that we strive to integrate into ordinary business processes rather than consider a stand-alone discipline. As an example, our enterprise risk management framework considers sustainability risks on an equal footing with any other enterprise risk.

Physical climate risk

Our business operations are not high-emission activities and are closely linked with the physical locations of our customers' sites and their ability to continue operations. We rely mostly on our placemakers and only to a limited extent on consumables and physical assets due to our asset light business nature. The climate risk exposure associated with these assets are less prominent.

We are exposed to physical climate-risk from the frequency and intensity of extreme weather events (acute), particularly heavy rain, floodings and storms/hurricanes as well as temperature increase (chronical). It may impair our ability to perform continued services, but also provides business opportunities from additional work, for example clean-up after rain and floodings, that we can meet with our existing setup.

Transition climate risk

The need for taking decisive climate action is clear and we acknowledge our responsibility to address our carbon emission footprint and to advocate action. Our dependencies on external factors – in particular the need for development of infrastructure and technology solutions and the lack of clarity on how cost implications are balanced to ensure a "just transition" – leave us exposed to transition risk from stakeholder expectations (market). Potential introduction of carbon taxes (policy) is also a transition risk to us, which is however generally mitigated by our ability to pass on cost increases.

In regard to our downstream value chain we have modelled the transition risk profile of our customer categories and from that concluded that our revenue base is not exposed to significant transition risk from this perspective. On the contrary the transition need in our downstream value chain represents a business opportunity for us in regard to demand for our energy management services and technical services.

Resilience analysis

In December 2021 we concluded our first climate-related resilience analysis covering climate-related impacts, risks and opportunities across our upstream, downstream and own operations. It was conducted through interviews and workshop sessions with key internal Subject Matter Experts combined with desktop research facilitated and supported by external consultant experts. Since then, we have made minor refinements particularly in 2023 when we modelled potential financial impact of climate risk and opportunities for the first time. Our resilience analysis covers a low-carbon (SSP1 2.6) and a high-carbon scenario (SSP5 8.5) in the short (1 year), medium (2-5 years) and long (5+ years) term.

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 realised and resulting in a likely moderate temperature increase stabilising 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).

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Impact, risk & opportunities management (continued)

The outcome of the climate-related resilience analysis has informed our strategy resilience analysis described on p. 48 and left a tangible imprint in our strategic priorities around environmental sustainability, including our Net Zero commitments.

Our choice of scenarios intends to provide an understanding of climate change exposure in more outlier scenarios to serve as guardrails for our considerations, including considerations on climate-related financial impact.

We will expand on our scenario-based analysis as part of our further transition plan development.

Our ongoing process to identify and assess climate-related impacts, risks and opportunities (IROs) is not different from any other business area and our risk management activities on functional and enterprise level capture climate-relate aspects as well. The responsibility is formally anchored with our dedicated Decarbonisation team under the functional ownership of our Group COO and our annual wheel for enterprise risk assessment and double materiality assessment ensures regular intervals at which considerations, changes and developments on climate-related IROs are consolidated and reported to senior stakeholders including the EGM and the Board.

Understanding climate IROs and the interaction with our strategy and business model in various scenarios has evolved significantly in recent years and underpinned that our identified operational decarbonisation levers are not significantly impacted by different climate scenarios. There is still a long way to go until we navigate climate aspects fluently throughout the business. Each iteration of our processes around climate IROs reduces uncertainties and moves us closer to a shared language and contextual understanding.

IRO-2

Disclosures covered by ISS's sustainability statement

We disclose information on material IROs that we consider to be material and relevant for stakeholders or that is prescribed by the relevant ESRS standards. Materiality is judged by reference to the size and nature of the information item. The deciding factor is whether the omission or misstatement could, individually or collectively, provide a materially incorrect basis for stakeholders acting reasonably to understand the sustainability-related context of the activities of the Group.

We acknowledge that ESRS standards intend to drive transparency across disclosers. Where data or information is available at negligible effort, our materiality assessment is influenced by standard setters transparency objectives, and we may therefore report slightly broader than strictly mandated by ESRS. Practices on disclosure levels are expected to develop and align over the coming years when the first iterations of ESRS reporting are digested. Our disclosure practices are likely to be impacted by these developments.

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♡ Social

How we create value

As a leading, global provider of workplace and facility services, our 'product' is our people.

With over 325,000 employees worldwide, and assuming each has five family members, we impact around two million people daily. This brings both responsibility and opportunities.

A large portion of our workforce consists of individuals from underrepresented groups, including those from disadvantaged backgrounds, displaced persons, and people with disabilities. By offering roles at ISS, we provide opportunities they might not find elsewhere, creating a positive ripple effect on families and communities.

Our focus is on safe, inclusive workplaces where everyone is respected, fairly compensated, and has opportunities for social mobility. At the same time, we collaborate with our customers to support their social efforts.

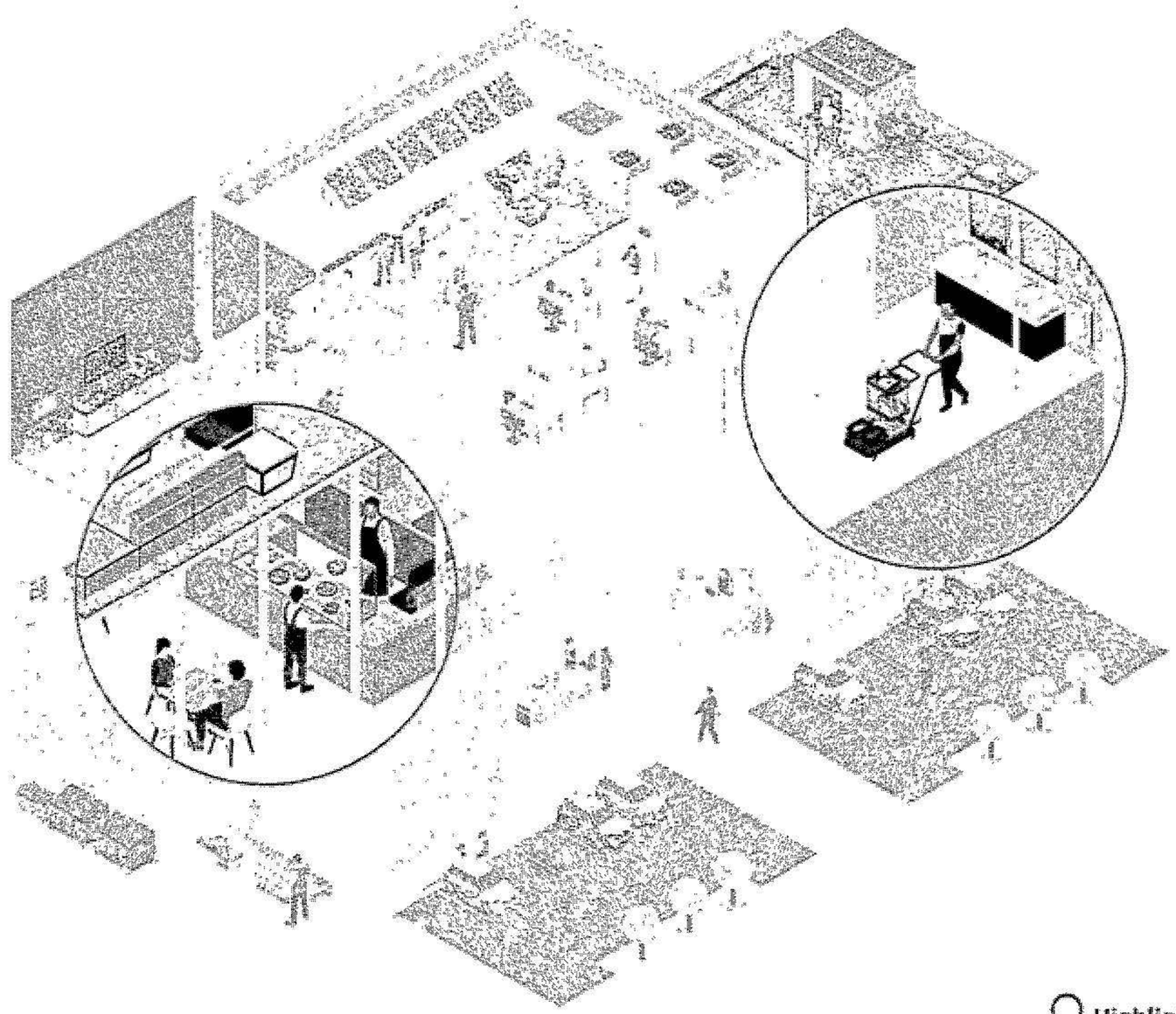
Our social ambitions provide purpose for everyone, and our social profile is a unique market differentiator.

Striving for becoming the Leading Frontline Employer embodies our approach to continuing and enhancing our positive people impact and protecting against potential negative impact.

In this section

ESRS S1 – Own workforce	52
Reporting principles for Social	62
ESRS S2 – Workers in the value chain	64
ESRS S4 – Consumers and end-users	66

For Basis of preparation related to the standards above, see p. 42.



Highlighted areas

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ESRS S1

Own workforce

Impact, risk & opportunities management

S1-1

Our people policies

We are a people business and our most critical resource is our placemakers. Our approach and practices towards our placemakers have the ability to positively or negatively impact their lives and we are committed to providing a safe and inclusive environment.

Policies

Our industry and business characteristics makes our people impact the most material of our sustainability impacts, which reflects directly in our people policy framework that moves from higher level commitments and principles in our Code of Conduct to detailed policies and principles aimed more specifically at our material impact areas with our Global People Standards focused towards working conditions and equal treatment, our ISS Group HSEQ Policy focused towards occupational health & safety and our ISS Diversity, Inclusion & Belonging Policy focused on equal opportunity.

Our fundamental promises to and requirements for our placemakers are anchored in our **Code of Conduct**. It is available in 22 languages and sets requirements to the personal conduct of all placemakers and provides fundamental principles that we will abide by in our people practices including commitments on upholding the United Nations Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the ten Principles of the UN Global Compact and the Core Conventions of the International Labour Organisation. It directly addresses child labour, forced labour and trafficked labour. Our Code of Conduct is supported by several policies most notably our Global People Standards, our Diversity, Inclusion & Belonging Policy and our Group HSEQ Policy.

All placemakers are required to take mandatory Code of Conduct training to ensure that the basic principles are known and understood.

The **Global People Standards** provide a systematic and consistent approach to managing our people and others providing services under our direction 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.

In 2024, we did a major update to our Global People Standards particularly in regard to our living wage commitment and living wage benchmarks as well as our commitment to upholding and promoting human rights in all aspects of our operations.

The **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.

The **Group HSEQ Policy** provides our commitment and approach towards systematically improving our health and safety, environment and quality practices across the organisation, e.g. through engaging with employees and suppliers (including sub-suppliers). It is supported by our HSEQ Management System Manual which is aligned to ISO 9001, 14001 and 45001 and delivered through global minimum management and operational standards.

Engagement

We engage with our placemakers on a daily basis as part of our service performance and management activities, including on material matters in regard to health & safety, working conditions and equal opportunities. As a principle in our Global People Standards employee appraisals are conducted at least annually for all placemakers and we actively support and promote indirect engagement through labour organisations or workplace representation whether established as a matter of law or not.

Friction is a natural consequence of people interaction and we have thousands of episodes each year that are managed and resolved and remedied as a natural part of our management activities. Any episode or incidents that cannot be resolved through ordinary management channels can be raised through our Speak Up system, see G1-1, p. 81.

Alignment to policy commitments

Our policies in regard to our placemakers are aligned with our human rights policy commitments, including the UN Guiding Principles on Business and Human Rights.

Our Code of Conduct and Global People Standards prohibit discrimination and harassment including discrimination based on cultural background and ethnicity, race, age, gender, gender identity, disability, sexual orientation, religious beliefs, language and education or other characteristics such as professional skills, working style, location and life experiences. Further, our Global People Standards prescribe equal opportunities as a principle to be respected in regard to recruitment, compensation, access to training, promotion, termination, and retirement.

We have in our Diversity, Inclusion & Belonging Policy committed to promoting and driving a culture that actively values diversity and inclusion and to achieve and maintain a workforce that broadly reflects the local communities in which we operate.

Group policies

Our policies mentioned in S1-1 are available at our corporate website (**www.issworld.com**) except for our Global People Standards. For internal stakeholders the policies, manuals and standards are available in our internal management system, Policy Hub.

Non-employees

The composition of our workforce is clearly affected by our strategic decision to self-deliver our services. We want to employ our workforce rather than rely on subcontractors. In case of employee absence we will strive to re-shuffle resources or tasks as this is often the most cost effective solution, which – as a low margin operator – we constantly need to keep front and center. We do however rely on temp workers through temp agencies or similar when necessary. When within our instruction authority temp workers enjoy the same protection and rights as our own employees in terms of working environment, whereas individual and collective workers' rights are a matter for the temp agency or similar to secure, which we require as part of our contractual arrangements.

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Impact, risk & opportunities management (continued)

S1-2

Engaging with our people and employee representatives about impacts

Our day-to-day interaction with our placemakers and their direct managers is our most important engagement activity. It takes place as an integrated part of our management activities in connection with task and work assignment e.g. daily Team Board talks, coffee breaks, unplanned meetings etc. that allows for immediate feedback and swift calibration. It is supported by formal engagement activities such as annual appraisals and engagement activities prescribed by applicable statutory frameworks.

Regular town hall meetings (virtual and physical) and engagement surveys offer a direct engagement link between senior managers at local, country, regional and global level and placemakers.

MyVoice survey

Our ongoing rollout of an employee app (MyISS) for engagement and two-way communication for all our placemakers has been joined in 2024 by the launch of the MyVoice Global Survey, the widest ever employee engagement survey run by ISS. The survey, which is now part of our annual engagement calendar, will be further augmented in 2025 with the introduction of pulse check-ins and lifecycle surveys to gather feedback at key employee lifecycle moments (e.g. onboarding, change of role, prior to exit, etc.).

54% of invited placemakers responded in our employee engagement survey. A satisfactory participation rate for a first installment. In parallel we conducted our voluntary diversity survey – Diversity Census, see S1-4.

Employee representatives

As one of the largest private employers in the world we engage with employee representatives across the world. We respect the right to organise as firmly anchored in our Code of Conduct and believe that employee representation is a critical factor for ensuring a "just transition" and advancing human and workers' rights.

Engagement with employee representatives takes place at different levels of the organisation from site level to board level. It is subject to norms and practices of our operating jurisdictions and comply with legal frameworks applicable to our country operations.

At Group executive level, we engage with the European Works Council in at least quarterly meetings. The European Works Council consists of elected employee representatives across countries in the European Economic Area (EEA) where we have operations representing approximately 27% of our placemakers. At least once a year a physical meeting is hosted for the European Works Council at our headquarter in Copenhagen or Warsaw, which allows for formal and informal engagement and networking between senior executives and employee representatives.

Our Group Chief People & Technology Officer is the formal owner of the relationship with the European Works Council as well as the owner of the relationship with UNI Global Union with whom we have enjoyed a positive relationship since 2003 under a Global Framework Agreement with the intention to jointly further and support worker and union rights.

Further, in accordance with Danish law three employee elected representatives are members of the Board of Directors of ISS A/S – the ultimate governing body of the Group.

Employee Resource Groups (ERGs)

Our diversity, inclusion and belonging agenda is owned by a dedicated function, Group Diversity, Inclusion & Belonging, within our People & Culture function. We have established Employee Resource Groups across the five diversity, inclusion and belonging themes most important and relevant for ISS: Generation and Age; Pride; Gender Balance, Abilities and Cultures; and Race and Ethnicity They are run by voluntary members of our workforce and are sponsored by at least one member of our Executive Group Management (EGM), which ensures that the views of these particular groups are understood and heard.

Safety survey

Impacts in regard to occupational health & safety are the operational responsibility of our Global Health & Safety function organised within our operations function headed by our Group Chief People & Technology Officer. Engagement activities in regard to health & safety aspects are managed by our Global Health & Safety function and often integrated into or coordinated with other people engagement activities. For example, our 2024 people engagement survey conducted through MyVoice includes health & safety aspects.

In 2024, we conducted our first annual Global Safety Culture survey which received over 70,000 responses from placemakers. The feedback from the survey has informed our new HSE strategy that will develop our safety culture over the next 3 years. This will be an ongoing annual survey to track progress and improvement in our safety culture.

S1-3

Processes to remediate negative impacts and channels for our people to raise concerns

As a general principle we aim to resolve issues and concerns at the lowest level of the organisation by ensuring continuous dialogue between placemakers and management at relevant levels. This principle is firmly prescribed in our Global People Standards.

We acknowledge that certain impacts or concerns may not be addressed or resolved appropriately at a lower organisational level and our Code of Conduct therefore formally codifies access to the Head of People & Culture, the Head of Legal and the CFO in each of our operating countries for raising concerns.

Speak Up

In addition, we have for years made available a Speak Up channel for our placemakers as well as business partners and other stakeholders. Reports can be made anonymously or non-anonymously by phone or electronic form to an independent third-party or personally to our Head of Group Internal Audit.

For concerns and issues raised via our Speak Up channels we have adopted firm principles in our Speak Up Policy (available in 26 languages) for the handling and provision of remedy including feedback to the reporter. This also includes a firm "no retaliation" principle. Issues and concerns raised via our Speak Up channels are monitored through a dedicated function within our Group Internal Audit and addressed in our Business Integrity Committee. Reporting is regularly provided to the Audit & Risk Committee. We track the volume and categories of concerns and issues raised via our Speak Up channels as a measure for the trust in and effectiveness hereof.

Employee matters relating to employment terms and local workplace matters are primarily intended to be addressed and resolved through ordinary grievance mechanisms, but can be raised through our Speak Up channels if the reporter is uncomfortable using our ordinary grievance mechanisms.

Our Speak Up Policy refers to the EU external reporting channels available in countries for any matters that reporters are not comfortable reporting through ISS's available grievance mechanisms. We are not aware of any reports to any national authority designated to receive whistleblowing reports, including National Contact Points, in regard to our operations and practices having been made during 2024.

Our ordinary grievance mechanisms are supported by our Escalation Policy, which ensures that serious events across the organisation are ultimately escalated to the EGM level. Incidents covered by the scope of our Code of Conduct and Speak Up Policy are also covered by our Escalation Policy. When incidents or information within the scope of the Speak Up Policy is escalated outside our Speak Up reporting channel, it will manually be recorded within our Speak Up system.

For further details on our Speak Up Policy and channel and our Escalation Policy please refer to G1-1, p. 81.

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Impact, risk & opportunities management (continued)

S1-4

Actions and approaches to managing IRO and effectiveness of those actions

It is a fundamental characteristic of the facility services industry that our service performance to a very large degree does not rely on high pre-existing skill levels of our placemakers. A positive service attitude is more important than pre-existing skills. We are also dependent on highly skilled resources for example within technical and food services, but the majority of our positions are attractive to relatively unskilled people.

On average, unskilled persons belong to more vulnerable groups of people often at the edge of labour markets. This means that our business activities have the potential to positively impact and influence the lives of persons that can have difficulty finding a foothold in labour markets and offer opportunities for progression and prosperity for the benefit of themselves, their families and societies in general.

But it also means that our most important resource – our people – are at greater risk of being exploited with the therefrom following negative consequences. Low barriers of entry in terms of skill levels also means that being replaced is relatively easier.

As part of our ordinary management processes at executive, functional and country level we will consider and address the approach and actions directed towards our material topics.

Health & safety

While from a holistic perspective our facility services are not inherently high-risk activities, we operate in public and customer environments that can be hazardous to the health and safety of our placemakers. Tragically, serious harm and even fatalities unfortunately do happen.

While this is always tragic no matter the context, it resonates stronger with us because our workforce in general may be less robust or daring to speak up through no fault of theirs.

Health & safety at ISS is often referred to as "priority zero". It comes before anything else and we have for many years been adamant on strengthening our safety culture. We will not accept that performing job duties may harm our placemakers.

Our approach to health & safety is anchored in our Group HSEQ Policy that defines our vision and key actions for enhancing our safety culture. Conducting our first Global Health Culture survey in 2024 followed by focus groups across a broad spectrum of placemakers around the world allowed us to fully understand our safety culture and to define a baseline and a safety culture improvement plan that will commence in 2025, including launch of a behavioral safety program unique to ISS.

At the core of our actions is dedicated specialist Health & Safety resources at Group and local level. They are the catalysts responsible for bringing our safety agenda to life and plan and execute actions within:

1) Driving awareness
2) Continuous improvement
3) Monitoring of performance
4) Engagement with stakeholders

Our key actions for driving awareness is mandatory and voluntary safety training programs for all placemakers primarily through our e-learning platform MyLearning and global awareness campaigns such as our Global Safety Week Campaign.

Our key actions for driving continuous improvement rests on strong due diligence processes detailed in the Group HSEQ Management Manual and supporting standards. Simple in its essence, our standardised risk registers down to site level compiles knowledge of hazards, risks, and controls that informs our risk assessments and allows us to detail specific procedures for more hazardous work environments. Standardised risk registers are continuously updated by feedback loops and lessons learned from root cause analysis of incidents. In 2024, we refreshed and simplified 20 management standards and 51 operational standards which together with any local legal requirements define the minimum risk control requirements that are applied in all countries. Our Group Health & Safety team runs a global assurance program across country management health & safety systems, procedures and sites and customers' sites and requirements to ensure compliance with Global standard and our ISO14001, 9001 and 45001 accreditations.

Our key actions for monitoring performance is our HSEQ management system, which is globally certified under the latest ISO standards 45001 for occupational health & safety and 14001 for environmental management systems. The systems were recertified for a second four-year period in May 2022 by the global certification body, Det Norske Veritas (DNV). In 2024, we passed the latest surveillance audit with no major non-conformities. Health & safety incidents are tracked in our group-wide health & safety system "VelocityEHS" in accordance with the requirements of our Group HSE Data Reporting Manual.

Our key actions for engagement with stakeholders over and above the awareness activities described above includes Team Board sessions, mandatory meeting safety moments, regular Safety Walks at all key account sites, safety committees established under various legal frameworks and dialogue with employee representative organisations such as the European Works Council.

LTIF (Lost Time Injury Frequency) is one of our major non-financial KPIs and has been so for many years. We track LTIF as one of the measures of effectiveness of our health & safety actions and LTIF performance has been a component within our variable remuneration for several years. In addition, the Health & Safety function tracks a number of operational or supporting KPIs including those specified under S1-14.

Key controls relating to our Health & Safety operations are included within the scope of our internal baseline audit programme conducted by Group Internal Audit.

Working conditions

The facility services industry is fragmented and competitive with low barriers of entry. There is a constant push from customers for efficiency and price optimisation and from investors for attractive return on their investments. We are a business and we need to yield financial benefits that allow us to meet these expectations and requirements. This affects our possibilities for driving positive impact for our placemakers.

At the same time we are a business strongly anchored in our values. They define parameters and red lines that no business rational can trump. This limits and mitigates our potential negative impacts on our placemakers.

Within this frame we approach working conditions by providing a strong foundation of minimum requirements prescribed within our Code of Conduct and our Global People Standards, combined with initiatives and actions aimed at providing increased benefit.

Our People & Culture function at Group level and in countries is overall responsible for our people agenda and for our approach to working conditions:

1) Setting and driving minimum requirements
2) Defining and executing actions and initiatives
3) Engaging with stakeholders

Our minimum requirements or basic promises to our placemakers are only effective and relevant if they are known by our placemakers. Our mandatory training programme requires all placemakers to be trained in our Code of Conduct, which ensures awareness of our minimum requirements in the Code of Conduct and our Global People Standards.

Our internal baseline audit programme conducted by Group Internal Audit provides assurance in regard to compliance with these training requirements as well as on other aspects of working conditions.

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Impact, risk & opportunities management (continued)

The minimum requirements in our Global People Standards address working condition areas as follows:

1) Secure employment: To the extent possible provide reasonable advance notice and reasons for termination
2) Working time: Respect national working hour regulation or relevant international standards
3) Adequate wages: Pay compensation that meets or exceeds the higher of legal minimums and collective agreements
4) Social dialogue: Continuous dialogue with our placemakers, so that conflicts are resolved at the lowest level possible, as soon as possible
5) Freedom of association: Support alternative forms of independent and free employee representation in case of restriction or prohibition of freedom of association under law
6) Collective bargaining: Engage in collective bargaining with legally recognised employee representative organisations
7) Work-life balance: Rights to protect families before and after child birth
8) Health & safety: Ensure that placemakers have the skills, knowledge, and resources necessary to maintain a safe and healthy work environment, one in which they can raise safety concerns without repercussions

Regularly we encounter difficult balancing exercises when principles meet reality. Working hours is a good example of the dilemma that we sometimes face. For good reasons and in order to protect workers against exploitation many jurisdictions prescribe a maximum number of hours that can be worked over a period of time. However, the minimum wages paid for working up to the legal maximum in some of these jurisdictions does not provide the necessary financial means to cover more than the basic needs for a family. We therefore from time to time receive requests from placemakers to work additional hours.

This dilemma illustrates the need for moving pay levels in our industry towards a living wage level, which is exactly one of our current key social initiatives. We have pledged to work together with our stakeholders to move pay levels in our industry to living wage levels and detailed our ambition as part of our Global People Standards. Our initial activities have centered around establishing credible living wage benchmarks for each local market in order to focus our attention on the markets where current pay levels are below living wage levels thereby driving maximum positive impact. We now have a good understanding of the target markets and have run a pilot case in China and initiated a partner project with Uni Global Union in Indonesia to increase salaries and create job opportunities for underrepresented groups in the facility services industry.

Our key challenge around living wages is that – as a low margin business – we cannot absorb the immediate cost impact of moving our placemakers fully to living wage levels. We therefore rely on our partners and customers to co-fund the activities, which in a world of endless priorities and limited resources and bandwidth is not straight forward. Our Living Wage pledge remains a key action for the coming years to drive positive impact for our workforce.

We drive numerous actions in our local operations aimed at improving working conditions in ways that are most relevant to each market.

1) Supporting mental and emotional wellbeing via ISS4U in India, a workplace wellness programme offering confidential support to address personal, family, and work-related challenges that impact health, well-being, and performance. This initiative, fully complementary for all frontline employees in the country.

2) In 2024, we partnered with Uni Global Union to deliver a social sustainability project, executed over 24 months in Indonesia. The project aims to build a sustainable and constructive platform for social dialogue with the wider cleaning industry – focusing on educating and influencing customers to promote a wider understanding of the meaning of minimum versus living wage. The project also aims to create more job opportunities for women and individuals with disabilities in the Greater Jakarta area.

Strong labour unions are critical in our industry and we value the relationships we have built over decades with local, regional and global unions and labour organisations. We actively encourage and support unionisation and while we believe that we generally are open and receptive to input, critique and opinions from our placemakers, we acknowledge that there can be issues or personal circumstances that can be difficult to raise directly or that are better heard when spoken in "one voice". Engagement with unions in local markets follows local customs and practices. Our engagement with the European Works Council and the UNI Global Union is described above.

Directly connecting and engaging with our placemakers outside our normal management routines is difficult to orchestrate across the geographical span of our operations. Our roll out of the MyVoice programme addresses these challenges and as technological developments has made smart phones available and accessible across the globe it allows us to tap into its connectivity potential for engaging directly with all our placemakers. We have during 2024 reached full coverage of our MyVoice programme to the entirety of our placemakers with the two most important engagement points being:

1) Employee engagement survey
2) Our diversity survey Diversity Census

Our continued dialogue with our placemakers and labour unions and employee organisations in combination with availability of channels for raising concerns locally as well as the Speak Up system is the most important markers for the effectiveness of our overall approach in regard to working conditions.

We make thousands of mistakes each year, including mistakes relating to working conditions. We rectify our mistakes and continuously improve our processes and structures, but we will continue to make mistakes despite our strongest efforts to avoid them.

Equal treatment and opportunities for all

As with working conditions explained above our approach to equal treatment and opportunities for all is anchored around a set of red lines following from our value-based principles that define minimum behaviours and requirements that mitigate negative impacts combined with behaviours and actions aimed at driving positive impact.

Our People & Culture function at Group level and in countries is overall responsible for our people agenda with a dedicated sub-function, Group Diversity, Inclusion & Belonging, responsible for our diversity, inclusion and belonging:

1) Setting and driving minimum requirements
2) Defining and executing actions and initiatives
3) Engaging with stakeholders

Ensuring equal treatment and opportunities for all is part of our people agenda and rests on the same foundation for minimum requirements as our other people related topics, including our mandatory training program for our Code of Conduct. Our Global People Standards include minimum requirements that address equal treatment and opportunity areas as follows:

1) Gender equality and equal pay: Remuneration policies based on a principle of equal pay for equal work and equal working conditions regardless of gender
2) Training and skills development: Offer training opportunities for development of skills that enable growth and pursuance of career opportunities
3) Persons with disabilities: Include abilities as part of our diversity, inclusion and belonging approach and provide physically accessible workplaces
4) Protection against violence and harassment: Provide work environments free from harassment and establish documented process for cases of alleged harassment or abuse

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Impact, risk & opportunities management (continued)

5) Diversity: Embrace and encourage diversity and inclusion in their broadest terms, including cultural background and ethnicity, race, age, gender, gender identity, ability, sexual orientation, religious beliefs, language, and education.

We actively promote and drive diversity, inclusion and belonging across the organisation with dedicated resources and activities. At its core, our diversity, inclusion and belonging agenda targets discriminatory practices and behaviour and is a conscious effort to avoid negative impact we might otherwise have on our placemakers. It also supports our continued access to talent and people resources by establishing us as a responsible employer that believe and action our Employer Value Proposition of providing a Place To Be You:

1) Be who you are
2) Become what you want
3) Be part of something bigger

Knowing and understanding the differences and diversities of our workforce is paramount. With a workforce as large as ours we have employee groups representing numerous diversity aspects. We recognise that it can be sensitive or even dangerous to address and speak up on personal matters of diversity just as there are strong privacy interests to be considered. As an employer it has to be carefully considered if even asking on a voluntary and anonymous basis is appropriate and justified. We believe that asking in the right way in itself sends an inclusive signal and considering the strong privacy safeguards we have established, we have decided to ask in order for us to listen.

Launched for the first time in 2024 Diversity Census was run in parallel with our Employee Engagement Survey. On a completely voluntary and anonymous basis our employees were offered the possibility to provide certain diversity and inclusion related demographic information about themselves on an anonymous basis. We received more than 10,000 responses across 25 countries, which will provide insights into diversity and inclusion areas where additional focus and support is needed. We are still analysing the data and will together with country organisations review the results and feedback to shape global and local diversity, inclusion and belonging initiatives and to build broader participation in the coming years.

We will use the survey responses to shape global and local diversity, inclusion and belonging initiatives.

Our learning & development activities provide a robust foundation for avoiding negative impact by combining mandatory training activities on areas such as health & safety, Code of Conduct, compliance areas and service line practices with voluntary skills development programmes. With our Code of Conduct training we specifically address discrimination and harassment themes.

In addition, to mandatory training requirements our learning & development agenda focuses on three pillars:

- **Culture & Leadership Capabilities:** Ensuring our people understand how they can be successful in the organisation and develop their careers with us. We put special emphasis on the development of leadership and management skills of our people leaders and train them in building a supportive working environment.

- **Technical Capabilities:** Specialised training tracks for specific lines of service and specialisations to equip our people with knowledge and skills enabling them to perform their jobs in line with quality and health & safety standards.

- **Personal Effectiveness:** Providing our people with training and tools that help them fulfill their personal aspirations. These programmes include personal development (communication skills, personal well-being, fundamental business skills) and digital upskilling.

Our dedicated Placemakers Path programme puts together all development, recognition and training activities targeted at our service placemakers into a comprehensive employee experience journey.

Actions that drive positive impact

Two years ago we pledged to provide 100,000 recognised qualifications to placemakers and their family members by 2025. Importantly we define recognised qualifications as skills development that is broadly usable within and outside ISS; hence a strong social mobility enabler. As of 2024 we had provided 73,000 placemakers and their families with a Recognised Qualification under our pledge – well on the way to reach 100,000 in 2025. Together with partners, we aim to add an additional 250,000 by 2030 taking the total to 350,000.

Our catalogue of Recognised Qualifications span from general life skills to advanced leadership skills (MBAs) and are conducted within the ISS learning environment or through external partners.

Taking action on diversity and inclusion beyond policy statements requires awareness and knowledge of the particular circumstances and characteristics of our diverse workforce. We have identified the five key diversity dimensions for our workforce as Generation & Age, Pride, Gender Balance, Abilities & Cultures and Race & Ethnicity. In 2022 we established global Employee Resource Groups (ERGs) for each dimension as forums for sharing and addressing topics and issues of particular relevance to each of them. This serves as strong platforms for creating awareness and sharing knowledge across. Each ERG is sponsored by at least one Executive Group Management (EGM) member and operated by volunteer employees who host regular global sessions attended by all types of employees from placemakers to executives. In turn, country organisations mirror or adapt local employee resource groups to cascade global messaging and address local context. As examples, in 2024 our headquarter locations in Warsaw and Copenhagen established umbrella ERGs under the headline of "Allyship" covering all five diversity dimensions.

Examples of the activities and initiatives undertaken within our ERGs in 2024 are provided to the right.

ERG activities in 2024

Generations & Age focused on increasing generational inclusion and challenging age-related biases and stereotypes. A comprehensive guide "Inclusive Employment of Older Persons", explaining the merits of senior employees in the context of recruitment challenges arising due to aging populations are developed. The guide covers e.g. inclusive recruitment, promotion, learning & development and onboarding.

The Pride continued to support pride events during pride month in June Also delivered pride initiatives, such as LGBT+ Diamond Awards Gala and Crowns of Equality in Poland, pride event with a Danish customer and celebration of the International Day Against Homophobia, Biphobia, Interphobia and Transphobia. Further, workplace policies have been reviewed globally for pride relevant contents

Gender Balance continued to raise awareness through activities including an International Women's Day webinar in March and development of a complete toolkit supporting the International Men's Day webinar in November. The ERG Co-Chairs and Council Members set up a "Reverse Coaching" series for EGM members leading to individual commitments to support female talent promotion and development in ISS.

Abilities contributed greatly to the annual Virtual Social Sustainability Conference, which was largely dedicated to neurodivergence and inclusive workplaces, delivered on 3rd December 2024 – the Day of Persons with Disabilities

Cultures, Race & Ethnicities delivered monthly sharing sessions on topics celebrating cultural diversities, working in multi-national and -cultural teams, religion and cultural practices, migration stories, etc. Also delivered a webinar on the occasion of the World Day for Cultural Diversity in May

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Impact, risk & opportunities management (continued)

Historically and up to present day domestic responsibilities have mainly been associated with females as evidenced by the need for one of the SDG targets (Target 5.4) on gender equality to center around domestic activities. Household activities such as cleaning, cooking, laundry and child-care is more often undertaken by females, while providing financially for the household is either shared responsibilities or skewed towards the male side. The nature of several of the services that we provide resemble household activities and we therefore play an important role in providing work opportunities to and empowering females. From our cleaning services began in Copenhagen, Denmark in the 1930s we have provided millions of female placemakers with work opportunities across our service portfolio often leveraging household skills. That has and continues to positively impact gender equality and female empowerment across our countries of operation.

Our gender distribution across our global workforce is largely 50/50 with an overweight of females in our workforce for most countries. In certain of our APAC countries we however have very people-intensive security operations that for cultural reasons remain very male dominated and therefore tip our global workforce from otherwise being skewed towards females to being balanced.

In management and leadership positions we acknowledge and recognise that female role models are important and that diversity in competencies and perspectives are value-adding. For that reason, we have set a target of reaching 40% gender balance in our corporate management by 2026 (please refer to S1-5). It is supported by positive actions defined in our Diversity, Inclusion and Belonging Policy such as the identifications of female short list candidates for vacant corporate leadership positions.

We truly believe that a diverse workforce is a value-driver and that our continued efforts to drive a strong diversity, inclusion and belonging agenda is not only impactful on the lives of the people in our workforce, but also drives positive business results.

Other work-related rights

Forced labour and child labour is known to occur also within our broader industry and geographic footprint. Child labour and forced labour is generally associated with activities hidden away from the public eye. Our business model is the opposite. We drive value by having engaged service personnel that interact with people and places to create great service moments. We acknowledge the broader risk around child labour and forced labour. We are committed to upholding and promoting human rights and have taken strong policy positions in our Code of Conduct and Global People Standards against child labour and forced labour as well as precautionary measures against it such as pre-employment checks. Our business model, however, is focused on environments, markets and customers with different characteristics and we therefore do not consider child labour and forced labour as material risks to our workforce.

In terms of other work-related rights we process, store and manage personal information on our workforce – some of it of a very sensitive nature. It is imperative that our personal data management practices meet the legal requirements of the jurisdictions in which we operate and honor the trust of our placemakers.

We manage personal information across three defense lines. Our global IT security team focuses on preventing unauthorised access from external parties. Our Legal data privacy team establishes internal protocols for how to process personal information and our P&C organisation establishes and operates our people processes.

In regard to our general information security approach our work is supported by policies and standards such as our Global Information Security Policy and Global Information Security Standard. Our people processes are governed by our Global Standard on P&C Processes, which is specifically aimed at the information security aspects of our people processes. Our legal data protection framework is set within our Data Protection Policy and our Data Ethics Policy.

We have not set specific targets for performance on information security in regard to our workforce.

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Metrics & targets

S1-5

Targets related to managing IRO

We have set *three global targets* relating to managing our material people impacts as well as continuous targets relating to health & safety. Our material IROs reflect their inherent position and our structured work over many years has provided mitigation that leaves target setting for many aspects of our IROs obsolete or less relevant.

Living wage

Our Living Wage pledge follows directly from the policy objective in our Code of Conduct to support introducing living wages. It captures all positions paid below living wage levels and therefore imply an aspirational target of 100% of job positions across the organisation being paid at living wage level. It is not time-bound due to the strong dependencies on other stakeholders, particularly our customers, suppliers and policy makers. As an intermediary target that was met in 2023 we partnered with an independent consultant to develop living wage benchmarks across our countries of operation.

In 2024, we have utilised the benchmarks to conduct a living wage assessment in 19 of our countries. Over time we will work towards setting annual targets for the number of job positions being moved into living wage level.

Recognised qualifications

Upskilling our workforce and their families is an opportunity for us to drive positive people impact over and above what automatically follows from our ordinary business operations. We have pledged to provide 100,000 placemakers and their family members with a recognised qualification by 2025 from a 2022 starting point. For 2024 our target is to provide 26,000 individuals with a recognised qualification taking it to a target total of 55,000.

In 2024 we reached 73,000 recognised qualifications thereby outperforming our 2024 target that we now aim to increase by an additional 250,000 by 2030. Recognised qualifications are programs or training activities that meet certain pre-defined criteria and that strengthen professional, industry or personal development. Progress is recorded and tracked within our Learning & Development system "MyLearning".

Gender balance

Gender diversity is a clear policy objective in our Diversity, Inclusion & Belonging Policy and establishes a global 2025 gender diversity target of 40% across our corporate leadership teams at Group and country level.

Our 2024 progress does not support a realistic trajectory towards reaching our target. It has therefore been decided to move our target year from 2025 to 2026 and to introduce underlying internal pipeline metrics.

Fatalities and LTIF

Fatalities and serious injuries related to our work activities are never acceptable and we are therefore careful around setting specific targets in this regard, since it could be considered as acceptance of some level of unsafe practices. On the other hand, we recognise that lack of targets may not instil the right behavioural motivation for driving improvements. With that perspective we generally consider LTIF levels above 2.5 for the Group as "high" while striving for zero fatalities undoubtedly remains our goal.

Global targets are approved at Executive Group Management level. Additional targets addressing people impacts are set at functional or country level considering the specific aspects and context of the target.

S1-6

Characteristics of our employees

Our strategic decision to primarily self-deliver our services implies that we employ a large workforce that includes hundreds of nationalities and extends across all diversity aspects.

Number of employees by gender
End of period 2024

(Headcount)	2024	%
Male	168,336	52%
Female	158,147	48%
Other	-	0%
Not reported	-	0%
Total	**326,483**	**100%**

The gender composition across the Group is close to 50/50, but varies across countries affected by our mix of service lines and local tradition.

Number of employees by contract type
End of period 2024

(Headcount)	Male	%	Female	%	Total
Number of employees	168,336	52%	158,147	48%	326,483
Permanent employees	151,334	52%	137,852	48%	289,186
Temporary employees	12,880	46%	14,893	54%	27,773
Non-guaranteed hours employees	4,122	43%	5,402	57%	9,524
Part time employees	16,954	25%	51,563	75%	68,517
Full time employees	151,382	59%	106,584	41%	257,966

We primarily employ people on permanent and full-time basis in line with our self-delivery model. Non-guaranteed hours employees are used only to a limited extent and not in all countries. We have a general skew towards more females working part-time positions.

Number of employees by contract type
End of period 2024

(Number)	Northern Europe	%	Central & Southern Europe	%	Asia & Pacific	%	Americas	%	Other	%	Total
Permanent employees	55,726	19%	98,381	34%	105,137	36%	28,376	10%	1,566	1%	289,186
Temporary employees	5,356	19%	7,816	28%	14,528	52%	-	0%	73	1%	27,773
Non-guaranteed hours employees	3,960	42%	21	0%	5,543	58%	-	0%	-	0%	9,524
Part time employees	26,903	39%	28,111	41%	11,510	17%	1,960	3%	33	0%	68,517
Full time employees	38,139	15%	78,107	30%	113,698	44%	26,416	10%	1,606	1%	257,966

On a regional basis the use of part-time employees is a mostly European approach.

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Metrics & targets (continued)

Number of employees by country 2024

(Headcount)	End of period	%	Average	%
Finland	6,755	2%	6,630	2%
Netherlands	2,278	1%	2,259	1%
Norway	7,926	2%	8,248	2%
Sweden	6,339	2%	6,354	2%
Belgium	6,907	2%	6,978	2%
Luxembourg	511	0%	515	0%
Denmark	5,395	2%	5,375	2%
Poland	1,850	1%	1,845	1%
Lithuania	315	0%	293	0%
Ireland	1,819	0%	1,913	0%
United Kingdom	24,947	8%	25,471	8%
Northern Europe	**65,042**	**20%**	**65,881**	**20%**
Austria	6,714	2%	6,774	2%
Switzerland	14,294	4%	13,005	4%
Spain	30,725	10%	29,649	9%
Italy	1,210	0%	1,176	0%
Turkiye	44,035	14%	43,673	13%
Germany	9,240	3%	9,468	3%
Central & Southern Europe	**106,218**	**33%**	**103,744**	**31%**
China	7,794	2%	8,259	2%
Singapore	8,348	3%	8,465	3%
Indonesia	42,853	13%	43,610	13%
India	40,319	12%	40,536	12%
Hong Kong	12,690	4%	13,000	4%
Australia	12,047	4%	11,932	4%
New Zealand	1,157	0%	1,135	0%
Asia & Pacific	**125,208**	**38%**	**126,938**	**38%**
US & CA	5,564	2%	6,101	2%
Mexico	10,462	3%	10,806	3%
Chile	12,350	4%	12,723	4%
Americas	**28,376**	**9%**	**29,630**	**9%**
Other	**1,639**	**0%**	**5,346**	**2%**
Total ISS Group	**326,483**	**100%**	**331,539**	**100%**

The average number includes ISS France until we completed its divestment in April 2024, which is the main driver of the difference to the end of period number.

Placemaker/Support staff
End of period 2024

(Headcount)	Male	%	Female	%	Total
Placemakers	156,212	51%	148,701	49%	304,913
Support staff	12,124	56%	9,446	44%	21,570

Our ability to leverage support staff is a key efficiency parameter. For support staff we have a slightly better gender balance than for the narrower Corporate leadership team, see S1-9.

Employee turnover
Average

(Headcount)	2024	% of total workforce
Leavers, resignations, retirements and deaths	111,633	34%
Leavers and resignations	106,523	32%

For internal management purposes we track employee turnover based on leavers and resignations as these are generally driven by factors that we can operationally influence. This is also a KPI we have reported externally for many years.

S1-7

Characteristics of non-employees in our own workforce

Our workforce predominantly consists of own employees as a result of our strategic decision to self-deliver our services. We generally engage with temp agency workers for short-term support such as holiday cover and other absence cover, event support or transition cover. Self-employed consultants are generally engaged only as support staff ("white collar") as part of our corporate and management activities, but not to any significant extent.

Number of non-employees
End of period

(Full-time equivalent)	2024	%
Northern Europe	5,157	48%
Central & Southern Europe	3,222	30%
Asia & Pacific	2,014	19%
Americas	285	3%
Other	15	0%
Total	**10,693**	**100%**

Non-employees are not a significant share of our workforce when measured in full-time equivalents, but still play an important role in regard to ensuring our continued operations.

S1-8

Collective bargaining coverage and social dialogue

Collective bargaining and social dialogue is influenced by local practices and legislation. We adhere to legal requirements of the markets in which we operate and actively promote the right to collective bargaining. Our European Works Council has for many years been an important partner for social dialogue and engagement.

Collective bargaining and social dialogue[1]

	Collective bargaining coverage		Social dialogue
(Coverage rate)	EEA countries	Regions Non-EEA countries only	Workplace representation EEA only
0-19%	-	Central & Southern Europe; Other	n/a
20-39%	-		n/a
40-59%	-	Asia & Pacific	n/a
60-79%	-	Northern Europe; Americas	n/a
80-100%	-		n/a

[1] For countries/regions with >50 empl. representing >10% total empl

56% of our employees across the Group are covered by collective bargaining agreements with Northern Europe having the highest coverage ratio across the regions.

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Metrics & targets (continued)

S1-9

Diversity metrics

Our target of 60/40 gender diversity across our corporate leadership (top management) is not yet reached though we are moving closer. As described in S1-5 we have moved the target year to 2026. In regard to age distribution there are local variances across our operating countries with India and Indonesia each having less than 10% of employees above 50 years of age.

Gender diversity at top management

(Number, %)	2024	%
Male	748	63%
Female	436	37%
Total	**1,184**	**100%**

Age distribution

(%)	2024	%
< 30 years	72,219	22%
30-50 years	157,626	48%
> 50 years	96,638	30%
Total	**326,483**	**100%**

S1-10

Adequate wages

All employees are paid at least an adequate wage in accordance with applicable minimum wage or collective bargaining requirements.

S1-12

Persons with disabilities

Legal restrictions and privacy concerns are considered to significantly impact the accuracy and completeness of reporting.

Persons with disabilities

Disabilities End of period	2024	% of total workforce
Total	**7,092**	**2%**

S1-13

Training and skills development metrics

Average performance and development reviews

(Appraisals per headcount)	Planned	Performed
Male	0.49	0.37
Female	0.54	0.40
Total	**0.51**	**0.39**

Training hours

(Number)	Total hours	Avg. per employee
Male	2,170,267	12.6
Female	1,419,014	8.9
Total	**3,589,281**	**10.8**

The difference in training hours between males and females is driven by India that provide above group average training hours to employees with a significant overweight of male employees in India. Approx. 18% of training hours are not recorded by gender for GDPR reasons. These training hours have been pro-rata allocated by country and gender based on the 82% training hours recorded by country and gender.

S1-14

Health and safety metrics

Our health and safety management system covers 100% of our workforce. In 2024, sadly we had one fatality in Spain.

Health & safety

(Number)	Employees	Non-employees
Fatalities	1	-
Total reportable cases (TRC)	3,916	29
Rate of recordable cases	6	1
Occupational illness cases	97	-
Lost work days	41,216	-

Lost-Time-Injury Frequency (LTIF)

(incident frequency)	Employees
Employees	3.1
Non-employees	0.5
Contractor employees	0.9
Total	**2.9**

We have for many years measured and reported LTIF as a metric for our health & safety performance. Internally we measure across the categories of employees, non-employees and contractor employees working under our instruction authority, which aligns to our health & safety management system coverage.

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Metrics & targets (continued)

S1-16

Remuneration metrics (pay gap and remuneration ratio)

Salary levels for our servicing placemakers across our business are generally aligned to collective bargaining agreements or statutory minimum wage levels that do not provide gender specific rates. Our Global People Standards prescribe a remuneration principle of "equal pay for equal work".

Our CEO pay-ratio (remuneration ratio) is calculated on the basis of average salary rather than median salary, since we are not currently able to integrate salary details for all employees across our operations and people and salary systems. We have sense checked our approach by calculating the CEO pay-ratio for our operations in ISS Denmark using both an average and a median method showing a reasonable correlation. A relatively high CEO pay-ratio is a natural consequence of the composition of our workforce across geographies, the difference in purchasing power and a Danish-based headquarter.

Remuneration metrics

(%, number)	2024
Gender pay gap, %	(4)%
Remuneration ratio, number	112

S1-17

Incidents, complaints and severe human rights impacts

Incidents of discrimination, including harassment, cover cases recorded in local people management systems as well as incidents filed through our Speak Up channel. Anonymity is guaranteed when complaints are filed through our Speak Up channel and we can therefore not always verify whether complaints are also filed and recorded in local people management systems. The right to anonymity is prioritised over the risk of double-counting.

We have not recorded any severe human rights incidents during 2024.

Incidents and complaints reported

(Number)	2024
Discrimination, incl harassment	82
Complaints received through Speak-Up	
Work-related complaints, excl. discrimination & harassment	614
Complaints received through Group Speak-Up	
Code of conduct	29
Customer/competitor interaction	5
Data privacy	5
Discrimination including harassment	53
Fraud, bribery, corruption and misappropriation of funds	35
Health, Safety & environment	16
Labour law compliance	52
People & Culture concerns	281
Other	76
Total	**552**
Severe human rights incidents	0
Fines, penalties and compensation for damages (DKKm)	
For work-related incidents	9
For severe human rights violations	0

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Reporting principles for Social

S1-6: Workforce characteristics

People data is generally recorded and reported from people and/or payroll systems in countries.

Number of employees are the total number of headcount full-time and part-time at the end of the reporting period or averaged over the 12-month reporting period. Full-time employees are 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. Permanent employees have open-ended employment contracts while temporary employees have fixed term contracts. Non-guaranteed hours employees are employees that are not entitled to a minimum number of work hours.

Breakdown by gender is generally provided in male and female. We have prepared our consolidation system to allow our reporting units (countries) to voluntarily report employees that identify as other than male or female. If necessary for reporting purposes "other" employees are allocated as male or female on a pro-rated country basis.

In other reporting categories, e.g. training hours, gender is not a pre-set recording dimension for data privacy reasons and gender breakdowns will therefore often be based on gender distribution assumptions.

The turnover rate measures leavers (involuntary) and resignations (voluntary) during the reporting period relative to the average number of employees. As of 2024 it includes also retirements and deaths.

S1-7: Characteristics of non-employees

Non-employees are self-employed persons (e.g. consultants) and temporary workers engaged via staffing or temp agencies and normalised to a full-time-equivalent value using a standard work year of 2,000 hours to provide a comparison base to our own employees. Where headcount and actual hours are not recorded, an estimation is provided based on a spend conversion ratio.

S1-8: Collective bargaining and social dialogue

Collective bargaining coverage measures the number of employees covered by collective bargaining agreements relative to the total number of employees at the end of the year.

Social dialogue reporting requirements are determined on the basis of Q3 people reporting. At Q3 and Q4 2024, no EEA country represented 10% or more of our employees.

S1-9: Diversity indicators

Corporate leadership covers the Board of Directors (the Board), the Executive Group Management (the EGM), direct reports to the Board and the EGM, Country Leadership Teams and direct reports to Country Leadership Team members at the end of the year. This definition has been used for internal and external purposes for several years.

S1-10: Adequate wages

Adequate wage ratio measures the number of employees earning an adequate wage level relative to the total number of employees. Adequate wage levels are determined country-by-country in accordance with the principles of ESRS S1-10.

S1-12: Disabilities

In accordance with ESRS S1-12 persons with disabilities are defined as persons who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. The metric is calculated relative to the end of year number of employees.

Privacy regulation including GDPR may hinder or impair the possibility to collect and store information necessary for reporting purposes. Further, information is to a large extent dependent on self-declaration by employees, which is a personal privacy matter. At ISS we intend to provide safe and inclusive environments for supporting transparency on disabilities, but fully accept and support that this is a personal right and decision of each employee.

As a consequence, our reporting on disabilities is associated with significant uncertainty.

S1-13: Performance reviews

Planned and performed performance reviews cover career and performance reviews that form part of a formalised appraisal framework mandated by for example Group or local policies. Metric is calculated relative to the average number of employees. For 2024 excluding France.

S1-13: Training hours

Training hours includes all training activities for ISS employees as a result of their employment with ISS that are fully or partly performed during work hours or fully or partly paid by ISS. Training can be performed in classrooms (at ISS premises or externally), on-site, online, at home etc. It also includes time spent on preparations by participants as well as time spent on exams or tests. Training hours are recorded in learning & development systems or calculated based on people and participation statistics. Average number of training hours is calculated relative to our average number of employees.

S1-14: Health & safety

Fatality means a work-related incident or work-related ill health 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 instruction authority.

Recordable work-related accidents cover fatalities, lost-time injuries, permanent total disabilities, restricted work cases, medical treatment cases and occupational illness cases (except for non-employees and contractor employees). The rate of recordable work-related accidents is calculated relative to the total exposure hours and multiplied by 1,000,000. Total exposure hours for our own employees are recorded or calculated actual work hours from time and attendance systems, people management systems and payroll systems. Total exposure hours for non-employees are calculated by multiplying the number of non-employees (see S1-7) with a standard work year of 2,000 hours.

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Reporting principles for Social (continued)

Lost Time Injury Frequency (LTIF) is calculated as the number of work-related injuries or illness that result in work incapability over and above the day the incident occurred, relative to total exposure hours and multiplied by 1,000,000. It is calculated for employees and non-employees combined. We have reported LTIF for many years as one of our key sustainability metrics that focuses on the more severe spectrum of work-related accidents.

Lost work days counts the number of calendar days where an employee is incapable of working as a result of a work-related accident. Work-days are counted in full days and does not include the day of the accident or incident and ends with the last full day of non-work for ISS. We have for many years internally reported on lost work hours, which follows a similar principle, but does not count weekends or unscheduled work days. Where relevant, conversion from lost work hours to lost work days is done at a factor of 4.3 hours per day.

Health & safety data is recorded in our dedicated Health & Safety management system "Velocity".

S1-16: Gender pay gap

Gender pay gap is calculated as average male hourly remuneration minus average female hourly remuneration divided by average male hourly remuneration times 100. Remuneration covers gross remuneration for male and female employees during the reporting year with hourly male and female remuneration calculated by applying a standardised work year of 1,000 and 2,000 hours for average part-time and full-time employees respectively. Remuneration for employees not identifying as male or female is either excluded or proportionally allocated to males and females by relevant country.

Significant work is being undertaken to prepare for the EU Pay Transparency Directive taking effect. The reporting obligations under ESRS S1-16 pre-empts the EU Pay Transparency Directive, which is unhelpful.

S1-16: CEO pay ratio (Remuneration ratio)

The CEO pay ratio is calculated as the ratio between the annual awarded remuneration of the Group CEO to the average annual remuneration for all employees (less remuneration for the Group CEO). The average number of employees is normalised to full-time equivalents by assuming that two part-time employees equal one full-time employee. We do not have data available to perform the calculation on a "median" basis. Our preparations for the EU Pay Transparency Directive will continue during 2025 and is expected to improve our ability to utilise median data. The remuneration considered for the Group CEO (highest-paid employee) is the award-based amount. This reflects the cash value of remuneration earned for the year - including base salary, non-monetary benefits, short-term incentive programmes (STIP). In addition, this includes the value of long-term incentive programmes (LTIP) which is estimated as the fair value at 31 December of the shares to be received in March 2025, when the LTIP programme vests. The value is calculated as the actual number of shares received, if any, in March 2025 multiplied by the share price at 31 December of the reporting year.

S1-17: Work-related incidents

Work-related incidents of discrimination, including harassment, is recorded in local people management systems, local Speak-Up channels or in the Group Speak-Up channel. It covers incidents of discrimination including on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation.

S1-17: Complaints filed through Speak-Up

Covers complaints received through established Speak-Up channels at Group or locally in regard to working conditions, equal treatment and opportunities and other work-related rights as defined in ESRS S1-17. Complaints that relate to more than one category is recorded under the category considered most serious and significant.

S1-17: Fines, penalties and compensation for damages as a result of work-related incidents and complaints and severe human rights violations

Includes fines and penalties finally imposed on ISS by competent regulators for work-related incidents and complaints and severe human rights violations as well as specific compensation amounts for damages to affected current or former ISS employees in this regard.

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Workers in the value chain

Impact, risk & opportunities management

S2-1

Policies

In our Supplier Code of Conduct and our Supply Chain Policy we lay down a set of minimum requirements, including on working conditions and equal treatment, that all suppliers must adhere to by signing up to ISS Supplier Code of Conduct or by having in place own policies of at least the same standard as the ISS Supplier Code of Conduct. It also defines our expectations and requirements towards suppliers in terms of human rights emphasising our expectation that suppliers comply with international standards such as the UN Guiding Principles on Business and Human Rights.

Human trafficking, forced labour and child labour are explicitly addressed in our Supplier Code of Conduct and our Supply Chain Policy and are subject to requirements to establish and maintain due diligence processes for these severe human rights areas.

In our Supplier Code of Conduct, which is referenced in our standard terms and conditions, we retain the right to terminate our business relationship with suppliers that do not comply with our requirements.

Our Supplier Code of Conduct and our Supply Chain Policy are both approved by the Executive Group Management (the EGM) and implemented operationally by our global Procurement function. Both policies are publicly available.

For incident reports from value chain workers, see S2-2 and S2-3.

S2-2

Processes for engaging with value chain workers about impacts

We do not have formalised structures or engagement activities directly with workers in our supply chain. Rather, we leverage and rely on the engagement and interaction that our Supply Chain & Procurement function have with our suppliers to influence their behavior towards their own workers and value chain workers and with labour organisation representatives. Our Speak-Up channels are available to workers in the supply chain as they are to all of our stakeholders. We have not during 2024 received reports of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises involving supply chain workers.

It is our firm belief that labour organisations hold a key position as intermediaries for ensuring open and transparent dialogue with supply chain workers. They benefit from high trust levels and aligned interests with supply chain workers within and across industries and geographies and we are committed to supporting access to unionisation as evidenced by our long-standing global relationship with UNI Global Union. Please refer to ESRS S1 for additional details on our labour organisation relationships and engagement.

S2-3

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Our process for managing and addressing concerns raised by supply chain workers will follow the principles laid down in our Speak-Up Policy with the adjustments required from the need to involve the member of our supply chain in the investigation and remediation process. The fundamental safeguards provided by our Speak-Up Policy in regard to "no retaliation" and confidentiality applies also to concerns raised by supply chain workers. Through our commitment to the UN Guiding Principles on Business and Human Rights and our ISS Supplier Code of Conduct we promote the establishment of suppliers' own relevant channels through which supply chain workers can raise concerns with relevant suppliers. For details on our Speak-Up Policy and process, see ESRS G1.

We have not during 2024 received reports of severe human rights issues in our supply chain.

We do not have an established framework for providing support in or to remedial action for negative impacts to supply chain workers, but we may on an ad-hoc basis offer for example insights or access to key internal resources as part of remediation. Ultimately, we retain the right to terminate our business relationship with suppliers that do not adequately address appropriate remediation actions.

In 2024, we have not terminated supplier relationships for violation of the Supplier Code of Conduct or for controversies in regard to workers or human rights. Through our supply chain assurance and compliance program we sample audit a small number of suppliers to assess our supplier's adherence to our policies and work with suppliers to close identified gaps.

S2-4

Actions related to IRO and effectiveness of those actions

We believe that our key contribution towards workers in the supply chain is achieved by setting a positive example through our own people practices and by pushing minimum standards or red lines for supplier behavior that protects against negative impacts for supply chain workers as well as encouragement around supplier behavior that can improve and positively impact supply chain worker conditions.

We may indirectly have negative impact on supply chain workers through the business relationships we maintain with our suppliers as explained above. Our actions to address these potential indirect negative impacts are centered around our supply chain due diligence and assurance practices deployed through our Procurement function.

Our supply chain policies described above are supported by a detailed set of internal procurement standards setting out requirements that our procurement and supplier engagement process must comply with.

At the core is our risk categorisation of our suppliers. Our risk categorisation considers the type of goods and services provided, the environment in which goods and services are delivered as well as geographical risks and potential customer impact. From these criteria suppliers are grouped in high, medium and low risk categories, which determines activities undertaken during each supplier lifecycle phase: Vetting, Contracting, On-boarding, Operations and Off-boarding.

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Impact, risk & opportunities management (continued)

Regardless of risk category all suppliers are subject to **vetting** requirements that include a supplier self-assessment that cover among others acknowledgment of compliance to our fundamental policies, compliance to local law and regulations, and compliance with human rights, labour law rights and fundamental freedom conventions. Self-assessments are reviewed by a dedicated ISS supplier vetting team that raise potential concerns with Supply Chain and Procurement professionals locally or at Group level for decision on remediating action to be required or rejection. Certain very-low risk supplier categories such as legal fees, road fees, taxis and utilities are exempted from this process. Periodic reassessment is performed with high risk suppliers being reassessed annually. During 2024 approximately 1% of potential new suppliers were rejected due to lack of compliance with our requirements.

It is a further requirement that all suppliers as part of the **contracting** phase sign up to the ISS Supplier Code of Conduct.

On-boarding covers training and work permit requirements. Training requirements distinguish between legally required training applicable to all suppliers and risk-based training requirements that are applicable to medium and high risk supplier categories. Where service performance by a supplier involves high risk services that takes place at customer sites, it is mandatory for the supplier and its personnel to receive training in the health & safety requirements applicable at the customer site to mitigate the potential negative health & safety consequences that the service performance could have to the supply chain workforce.

As part of our **operations** we conduct supplier audits by ISS auditors or third-party auditors. Audit requirements are targeted among a sample number of high-risk suppliers and is influenced by the type and method of goods and service performance. For example, independent third-party audits are required in regard to GDPR and cyber-security for suppliers dealing with confidential or personal information. In addition, incident management is an integrated part of all supplier relationships where potential impacts on supply chain workers are addressed and actioned with the relevant supplier.

Off-boarding activities are aimed at ensuring continued operations and proper handling of sensitive or confidential information in connection with expiring supplier relationships.

Our baseline audit program conducted by our Group Internal Audit function provides internal assurance around the application and effectiveness of key elements of our vetting and contracting requirements. Further, we track LTIF (Lost Time Injury Frequency) for our subcontractors as the key indicator for the effectiveness of our actions to mitigate potential negative health & safety impact to supply chain workers. LTIF is the frequency of incidents relative to the activity level measured as worked hours by subcontractors.

Our global procurement approach does not include programs that specifically target positive impacts for supply chain workers.

Metrics & targets

S2-5

Targets related to managing IRO

Our actions to mitigate negative impacts to supply chain workers described above are applicable across our operations and the metrics used for tracking are considered appropriate. We have therefore not adopted or plan to adopt specific targets in this regard.

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ESRS S4

Consumers and end-users

Impact, risk & opportunities management

S4-1

Policies

We have not adopted policies specifically related to our end-users, but capture the interests of end-users as part of our data ethics, data protection and information security policies.

Our Data Ethics Policy provides the overarching framework for how we work with and manage data. It is aligned with the Charter of Fundamental Rights of the European Union and includes principles on the areas of self-determination, human dignity, responsibility, equality and fairness, progressiveness, diversity and inclusion and accountability. Further, it sets parameters around our use of AI systems. The policy applies to all ISS employees as well as suppliers and business partners that have access to data on behalf of or in collaboration with ISS. Implementation of the policy is the joint responsibility of our Group Data Privacy & Legal Compliance function and our Global IT, Digitalisation & Services function.

We collect and process personal data in accordance with our Group Data Protection Policy. It adheres globally to the principles of the EU General Data Protection Regulation, and additional higher standards, if required by local law and sets requirements around data protection principles, transfer of personal data, data breach, training & awareness and control & assurance. The Group Data Protection Policy is owned by our Group Legal function and our Group Data Protection Manager.

Where our Data Protection Policy establishes procedures for how we work with and manage personal data, our Group Information Security Policy aims at upholding the integrity of our IT ecosystem and among others prevent unauthorised access to personal data. It does so through an information security management system aligned with the ISO27001:2022 standard and is supported by documented procedures around organisational controls, people controls, physical controls and technological controls.

Our Global Information Security function – a sub-function within our Global IT, Digitalisation & Services function – is responsible for the implementation of the Group Information Security Policy.

Our human rights policy commitments do not particularly focus on data privacy related to our end-users. Please refer to S1-1 for a description of these commitments.

Our Supplier Code of Conduct and our Supply Chain Policy are both approved by the Executive Group Management (EGM) and implemented operationally by our global Procurement function. Both policies are publicly available.

Please refer to S2-2 and S2-3 in regard to incident reports from value chain workers.

S4-2

Processes for engaging with consumers and end-users about impacts

Our potential data privacy impact for end-users is a result of our customers having outsourced their facility services to ISS, which requires ISS to have access to the necessary personal data of end-users to perform the services. Our customers therefore have an obligation to ensure that the partners and third parties to whom they provide access to personal data of their employees, are managing and processing that data in accordance with applicable regulation and standards. For that reason our primary engagement in regard to data privacy impacts for end-users is with our customers.

We do engage with our end-users on a daily basis as part of our service performance as well as through regular end-user surveys conducted in collaboration with our customers, which allows for concerns or views to be voiced directly by end-users also in regard to potential data privacy issues.

S4-3

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Our Group Data Protection Policy described above establishes a firm process for handling incidents of data breaches, which is the key enabler for us to provide remediation for negative impacts to end-users.

Just as for value chain workers our whistleblower channel is available to end-users for raising concerns though we would consider it a more natural and straight forward approach for end-users to raise concerns via their employer (our customer). During 2024 we have not received data privacy concerns from end-users via our whistleblower channel. For details on our whistleblower channel and Speak Up Policy, see S1-3 and G1-1. Our Speak Up Policy is publicly available to end-users at **www.issworld.com**.

S4-4

Actions related to IRO and effectiveness of those actions

Our key actions in regard to data privacy of our end-users is our governance setup around data processing and information security and our training activities.

To support that our data processing practices comply with our policies we have appointed Data Protection Managers in each of our countries of operation that provide guidance on good data mapping and processing practices and serve as escalation point for managing breaches. Processes and procedures involving processing of personal data must be documented and any changes to the processes and procedures must be updated in OneTrust, the Group privacy management system applicable to all companies in the ISS Group. This is supported by mandatory data protection training assigned in our digital Learning Management System to functions and positions typically exposed to processing personal data.

Our information security operations are managed by a dedicated central team within our Global IT, Digitalisation & Services function. They operate our information security management system across our global activities. Information security training is a mandatory training activity for more than 40,000 ISS employees.

We track training completion rates on an ongoing basis. Mandatory training on data protection and information security has to be retaken annually.

In 2020 ISS was the subject of a severe cyber attack that tested our resilience and defense mechanisms also in regard to data privacy. The cyber attack did not compromise any personal data of our end-users.

Metrics & targets

S4-5

Targets related to managing IRO

Our framework and approach to avoiding data breaches and resulting negative impact for end-users is considered sufficient to reasonably mitigate the risk exposure and we have therefore not defined specific targets or metrics in this regard.

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Environment

How we create value

The facility services sector is not a high-emitting sector and the emission profile from our direct and indirect activities is therefore relatively low with our food services having the highest intensity due to the impact from food consumption. Our insights into our customers' facilities and operations at the same time enable us to support them.

Our approach to carbon emissions is focused around these two aspects: Manage and reduce our own emissions while supporting our customers in their efforts to reduce emissions from buildings and facilities.

Our own Net Zero targets remain unchanged. We aim to reach Net Zero for scope 1 and 2 by 2030 and scope 3 by 2040. The key initiatives that support our Net Zero commitments are:

1) Electrify ~18,000 vehicles by 2030
2) Reduce emissions from food with 25% by 2030 and food waste with 50% by 2027

We support our customers' facility managers, delivering integrated services within cleaning, foods, energy asset management and technical support. We have deep insights into decarbonising the built environment, implementing energy-efficient solutions in daily operations and improving sustainable practices throughout the supply chain.

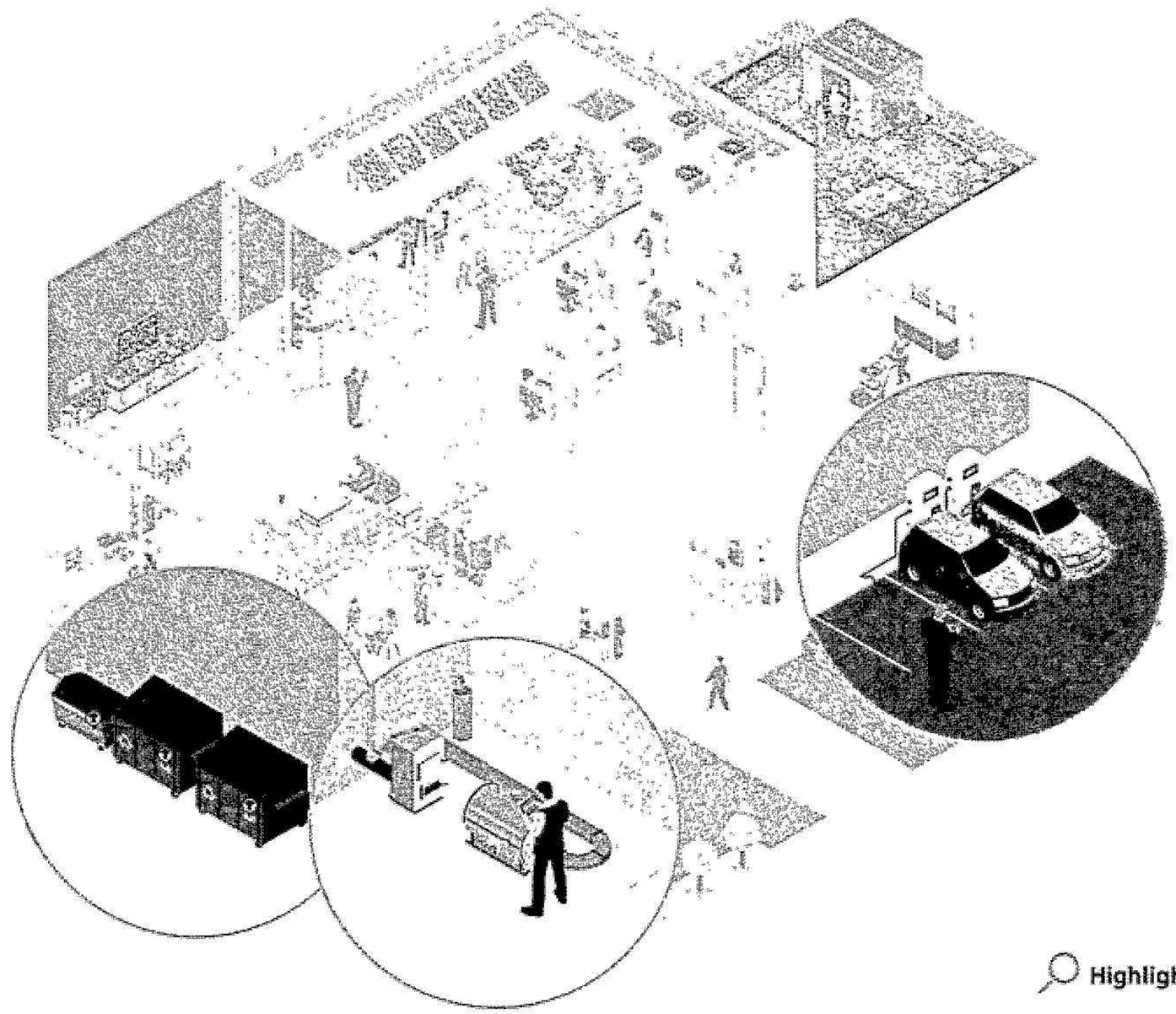
Our focus areas are: Carbon reductions, minimising energy consumption, waste reductions, sustainable use of materials, and optimising environmental sustainability in our customers' workplaces. In line with our key focus, we are advising on:

- energy optimisation based on monitoring and tracking of carbon emissions from workplaces
- space utilisation, including the re-design of office spaces to reduce portfolio of carbon emitting buildings, and the reuse of furniture
- integrating carbon reduction into our service products and working with our supply chain to reduce emissions from our service delivery, amongst other

In this section

ESRS E1 – Climate change	68
Reporting principles for Environmental	73
EU taxonomy	75
Reporting principles for EU taxonomy	76
EU taxonomy Annex II: Revenue	77
EU taxonomy Annex II: CapEx	78
EU Taxonomy Annex II: OpEx	79

For Basis of preparation related to the standard above, see p. 42.



Highlighted areas

ank=20250616;2025061702060

ESRS E1

Climate change

Strategy & Governance

E1-1

Transition plan

We are a service organisation performing facility services with labour and people power as the primary input. Certain consumables are integrated aspects of our service performance such as food for our food services, cleaning detergents for our cleaning services and paper towels and hygiene products for our washroom services. We rely on various categories of equipment to support our service performance such as uniforms, trolleys for cleaning products, vacuum cleaners, scrubbers, kitchen equipment, instruments and technical devices for our technical services and ordinary office equipment (laptops, office furniture etc.). We are asset-light and our traditional CapEx related assets in all materiality are vehicles and leased facilities for our corporate support functions.

These characteristics flow through in our carbon emission profile across scope 1, 2 and 3. Our scope 1 emissions (approx. 3%) relate to fossil fuels for our fleet of vehicles, scope 2 emissions (less than 1%) relate to energy consumption in our corporate offices and scope 3 emissions (approx. 96%) primarily relate to consumables, use of sold products and employee commuting.

Understanding our carbon emission profile has significantly improved during 2024, but has also required focus and resources in excess of expectations going into 2024. Our climate transition plan is developed in pockets and still needs to come together in a coherent manner to fully define how each relevant lever shall contribute to our decarbonisation.

Our new carbon management platform – Watershed – will leave us better positioned to track ongoing performance and provide stronger insights from more detailed activity data. It will update our emission measurement approach and move our methodology away from relying on extrapolations by collecting data from more than 120 business and operations systems across the Group. While our expectations were for our carbon management platform to be fully implemented in 2024, we are still working on the final process and documentation steps, which will be finalised in 2025. Emission calculations for 2024 will therefore apply unchanged methodology from previous years. From our preliminary back testing we do expect to see higher emission levels and movement within some of our main emission categories for the same underlying activities when we switch to our new carbon management platform because of our updated measurement and methodology approach.

GHG targets

In 2023, our near-term emission reduction targets for scope 1, 2, and 3 were validated by the Science-Based Target initiative. Beyond these validated targets, our decarbonisation ambition is anchored in our commitment to achieve Net Zero for scope 1 and 2 (market-based) by 2030 and for scope 3 by 2040. These ambitions align with the principles of the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius.

Decarbonisation levers and key actions

Our key decarbonisation levers are:

1) Decarbonising our supply chain
2) Driving efficiency in own operations
3) Downstream behavioral change
4) Renewable energy

Our key actions in regard to decarbonising our supply chain is related to our supplier engagement with a particular focus on our food supply chain and our largest category suppliers.

Our key actions in regard to driving efficiency in our own operations is the continued efficiency improvements in our service products currently focused on the roll out of our PureSpace cleaning service and our new efficiency and sustainability training for our placemakers currently being developed.

Our key actions in regard to driving downstream behavioral change is our continuous information, awareness and nudging activities as part of our customer and end-user engagement.

Our key action in regard to renewable energy is our ongoing fleet electrification, which will reduce our scope 1 emissions and allow for renewable energy to be used for vehicle charging under scope 2. We have switched a portion of our energy consumption to renewable energy, but are yet to formalise a renewable energy strategy and related actions.

In addition to the levers and actions identified we rely on external circumstances such as technology development and deployment, energy infrastructure build-out and local, regional and global policy development.

Cost and CapEx

Our decarbonisation activities have so far not required significant dedicated funding of operating expenses. The majority of activities are executed with existing resources as an integrated part of ordinary business operations. We have not allocated increased operating expenses to decarbonisation activities and we are sensitive to increased cost in our supply chain and our own operations in our cost base.

In terms of CapEx funding our transition initiatives have not identified significant CapEx investment needs. Our action in regard to fleet electrification is so far funded within our ordinary CapEx spend and we have not allocated excess CapEx funding capacity for this purpose.

Locked-in GHG emissions

We do not consider any significant carbon emissions to be locked-in or for any significant portion of assets to be considered as stranded. This is a result of our generally asset-light business operations and the structure and relatively short term of the contractual relationships behind our right-of-use assets, primarily vehicles and corporate facilities.

EU Taxonomy alignment and EU Paris-aligned benchmarks

Our activities and business profile are not within the target area of the EU taxonomy regulation and we do not plan to further align our activities with the EU taxonomy regulation. We are not excluded from the EU Paris-aligned Benchmarks.

Key elements of transition plan

Environmental sustainability including our net-zero commitments and decarbonisation journey has been embedded within our strategic priorities for years and remains an important component of our strategic direction. Key elements of our transition plan have evolved since 2020 when we made our initial science-based target commitment. As described above we are working to bring all elements together in one coherent transition plan, to be approved by Executive Group Management (EGM) and the Board of Directors (the Board) which is a key action for 2025.

Implementation of transition plan elements

Implementation of our defined transition plan elements is well underway and we are executing on the actions identified as global priorities supported by actions and initiatives identified locally. While we are optimistic that certain emission reductions will be achieved organically, we need to be realistic in regard to our overall target completion. Reaching our Net Zero targets requires - in addition to technology development – clear and aligned principles for addressing cost impacts.

Our scope 1, 2 and 3 ambitions are therefore to a significant extent dependent on regulatory intervention and technological progress and we welcome stronger local, regional and global regulation that will level the playing field for sustainable and renewable solutions with non-sustainable and non-renewable solutions.

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Impact, risk & opportunities management

E1-2

Mitigation policies

Our Sustainability Policy sets our overall direction and approach on sustainability, including on climate change. It is approved by our Board of Directors and owned by our Executive Group Management (EGM) with our Operations function – headed by our Group COO – having responsibility for executing our climate change strategy.

Our Sustainability Policy addresses climate change mitigation through decarbonization and our Net Zero journey. It applies across all of our operations and is supported by our Supply Chain Policy and our Supplier Code of Conduct aimed towards our supply chain covering among other our expectations around climate change focus.

We have globally signed up to the Science-Based targets initiative and the Coolfood Pledge. In addition, our local country organisations have signed up to initiatives and standards focused on or relevant for their particular markets.

Climate change has global attention and is a material topic across our stakeholder groups. As evidenced by our 2022 Stakeholder Impact assessment our stakeholders also consider climate change as a material topic for ISS, which was reaffirmed in our 2024 Customer Engagement Survey. Our relative impact on climate change from our carbon emissions is less significant. But we are influenced by the views of our stakeholders, which is why our policy and ambition on climate change combines an advocacy position with climate action.

Our policies mentioned above are available at our corporate website (**www.issworld.com**). For internal stakeholders the policies are also available in our internal management system "Policy Hub".

E1-3

Actions and resources

Scope 1 levers and actions

The vast majority of our scope 1 emissions relate to our vehicle fleet. With around 18,000 vehicles across the globe they are by far the largest carbon emission emitter within our scope 1. We plan to reduce scope 1 emissions using three levers:

1) Switching to low-emission or zero-emission vehicles (Decarbonising our supply chain)
2) Instilling low-emission driving through training in driving behavior and planning/logistics (Driving efficiency in own operations)
3) Switching to renewable energy (Renewable energy)

Our key action in regard to Scope 1 emissions is to switch from fossil fuel vehicles to low-emission or zero emission vehicles for our 18,000 vehicle fleet across our operations by 2030. Only to the extent combined with sourcing of renewable fuel and electricity will this action lead to lower emissions. By 2024 our vehicle fleet includes approximately 20% low-emission and zero emission vehicles – an increase of 7%-points against 2023.

We have not allocated separate financial resources to this action, which is funded as part of our ordinary CapEx spend. When "Total-cost-of-ownership" metrics are on par with or favorable to traditional vehicles, we source low-emission or zero emission vehicles. For now, this depends heavily on government subsidies in local markets and technological development in the car and battery manufacturing industries.

Scope 2 levers and actions

The vast majority of our scope 2 emissions relate to our corporate buildings where management and the majority of our support staff work from though our transition from conventional to electric vehicles will lead to a shift in our emission sources. We plan to reduce scope 2 emissions using two levers:

1) Engaging with landlords (Decarbonising our supply chain)
2) Switching to renewable energy (Renewable energy)

We do not expect that activity levels or user behavior will materially change within our corporate buildings, which means that consumption reduction primarily will come from upgrading or improving the building environment in regard to energy efficiency by adapting existing corporate buildings or moving to more energy efficient buildings. We generally lease all of our corporate buildings and the energy efficiency of our corporate buildings therefore relies heavily on engaging and agreeing with landlords on upgrades and improvements of building environments and equipment. We do have expertise within energy efficiency and building management that allow us to engage deeply with landlords.

The energy consumption behind our scope 2 emissions is 18% from renewable sources in 2024. As we transition our fleet from conventional to electric vehicles our scope 2 energy consumption will increase, which will increase the need for procuring renewable energy within scope 2. We are sensitive to the cost impact from renewable energy and we are therefore more generally looking to switch to renewable energy as the price point between renewable and non-renewable solutions significantly narrow, which may be affected by market timing and market demand.

Because of the relatively low impact from our scope 2 emissions we have not at this stage prioritised specific actions. We plan to develop actions in regard to sourcing of renewable energy in the medium term.

Scope 3 levers and actions

Our scope 3 emissions can roughly be split into five buckets:

1) Emissions from food (Category 1)
2) Emissions from purchased goods and services other than food (Category 1)
3) Emissions associated with our service performance (Category 11)
4) Emissions from employee commuting to and from work (Category 7)
5) Other emissions

They primarily relate to our upstream value chain as illustrated below:

1) Upstream value chain 73%
    a. Goods and services (category 1)
    b. Employee commuting (category 7)
    c. Other
2) Downstream value chain 27%
    a. Use of sold products (category 11)
    b. End-of-life treatment of sold products (category 12)
    c. Other

Our scope 3 emissions – except for employee commuting – can be targeted in three ways:

1) Reduce the emission profile of consumables, equipment and assets used as part of our service performance (Decarbonising our supply chain)
2) Improve efficiency of how we use and apply consumables, equipment and assets as part of our service performance (Driving efficiency in own operations)
3) Change end-user impact by reducing or changing end-user consumption (Downstream behavioral change)

These can be targeted in isolation or in partnerships across the value chain with the aim to *avoid, reduce* or *influence* emissions.

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Impact, risk & opportunities management (continued)

Actions in regard to emissions from food

Our food suppliers are encouraged to drive carbon reductions through optimising sourcing and logistics processes and introducing low-emission products.

Our food and catering experts continuously develop low-emission practices and recipes that for example exchange meat for non-meat products within the boundaries set by our customers. A simple example of our low emission practices is switching to plated servings from buffet style servings.

We continuously engage with existing and prospective customers to introduce more plant based and low-emission diets and menus. While some customers fully embrace low-emission menus, we still experience hesitation influenced by end-user preferences and demands.

The actions are not timebound, but linked to our target of reducing emissions from food by 25% by 2030. Actions are executed as part of our ordinary functional operations and we have not allocated dedicated financial resources.

Our progress is tracked by our food service professionals and will benefit from our new carbon management tool - Watershed - once fully operational in 2025. Annual reporting is filed with the Cool Food Pledge organisation as part of our Cool Food Pledge commitment.

Actions in regard to food waste

Our global food waste reduction initiative is another important component. The primary positive emission impact of reducing food waste is that it reduces food consumption either because of more efficient food use in the preparation phase or because of more appropriate end-user consumption. It will also result in positive impact on downstream emissions relating to the handling and managing of the food waste itself, but these are small in relative and absolute comparison. Besides strong practices around food waste reductions we have partnered globally with Winnow to provide leading technology to capture better data insights on food waste.

We have set a target to reduce food waste by 50% in 2027. The emission reduction impact hereof will largely be part of our reduction of emissions from food described above.

Actions in regard to emissions from cleaning

Cleaning is our largest service type both in terms of revenue and people. We work with emission reductions as an integrated part of developing more efficient cleaning methods and our PureSpace cleaning method is now introduced globally in dedicated versions within our Office product segment and our Healthcare product segment. It drives emission reductions through a more efficient utilisation of cleaning consumables (upstream emissions) and higher productivity reducing e.g. electricity consumption used for vacuuming (downstream emissions) and therefore impacts emissions within Category 1 (Purchased goods & services) and Category 11 (Use of sold products).

We do not have fixed targets for the emission reductions from rolling out of PureSpace, but our use cases demonstrate emission reduction benefits as well as for example lower water consumption.

Actions in regard to employee commuting

We do not have a defined lever for reducing emissions from employee commuting. Our current focus centers around better understanding the actual employee commuting emissions by moving from modelling emissions based on geographical commute patterns to having primary commute input from our workforce enabled by our global roll out of MyISS. Reduction of actual employee commute emissions is heavily dependent on availability of low-cost and low-emission or zero-emission commute alternatives in public transport and infrastructure. We will continue advocating the need for significant investment in these areas as part of a just transition, but we do not foresee taking particular action over and above traditional nudging and information campaigns and we will not allocate significant financial resources to reduction initiatives.

Local actions

In addition to our global initiatives we have numerous local initiatives addressing emission reductions in a local context that are targeted at local emission sources or developed in partnership with customers, suppliers or other stakeholders locally.

No significant OpEx and CapEx

Climate change mitigation and decarbonisation activities are integrated into our functional operations and our operating expenses in this regard are therefore not possible to separate from other business activities. We have certain dedicated decarbonisation cost primarily relating to people resources and IT systems. These operating expenses are not significant.

As explained above our CapEx needs for climate mitigation actions are not currently significant.

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Metrics & targets

E1-4

Targets and adaptation

The Science-Based Target initiative validated our near-term emission reduction target in 2023, which implies reductions across scope 1 and 2 by 46.5%, and reductions in scope 3 by 27.6% by 2030.

For 2025, our goal is to achieve a 4.7% reduction from our baseline in each of Scope 1, Scope 2, and Scope 3 emissions. Throughout 2025, we will also establish specific reduction targets for individual Scope 3 categories. This effort is part of our broader strategy to meet our near-term target for 2030 and our net-zero ambitions in the long run.

In 2022, we committed to becoming net-zero by 2030 across scope 1 and 2 (market-based) and by 2040 across scope 3 categories. These net-zero targets are set in-house and are in addition to our validated near-term targets. Our net-zero targets are measured against a 2019 baseline, which we believe is unaffected by extraordinary events or circumstances, unlike the Covid-19 effects that impacted 2020.

Our net-zero targets assume an absolute reduction of at least 90% of our carbon emissions against the 2019 baseline. This includes an absolute reduction of 90% for each of scope 1 and 2 by 2030, and for scope 3 by 2040. These targets do not adjust for future developments.

For scope 1 emission reductions we have set a target of transitioning our fleet of vehicles to zero-emission vehicles by 2030. The target was set in 2020.

For scope 3 emissions we have set targets for reducing emissions from food by 25% in 2030 and reducing food waste by 50% by 2027 both against a 2019 baseline. In 2024 we reached the midway point in our food emission target having reduced food emissions by 13% against our 2019 baseline, while our food waste reductions reached 49% against our 2019 baseline almost meeting our 2027 target.

During 2025, we will use our improved insights into our carbon emission profile to map our decarbonisation journey by decarbonisation lever across scope 1, 2 and 3 against our stated emission reduction targets as part of completing our transition plan as described in E1-1. We expect to have a residual emission of up to 10% of our 2019 baseline value, which is expected to be offset.

E1-5

Energy consumption and mix

Consumption and mix

(MwH)	2024	%
Fossil energy	261,993	97%
Nuclear sources	3,254	1%
Renewable energy		
Fuel, incl. biomass	-	-
Purchased electritiy, heat steam and cooling	4,010	2%
Self-generated non-fuel energy	63	0%
Total renewable energy	**4,073**	**2%**
Total	**269,310**	**100%**

Energy intensity

(MWh, DKKm)	2024
Total energy consumption (MWh)	269,310
Total net revenue	83,761
Energy intensity (MWh/mDKK)	3.22

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Metrics & targets (continued)

E1-6

Scopes 1, 2, 3 and GHG emissions

Our 2024 performance on scope 1 emissions are impacted by lower use of fossil fuels as a result of reductions of our total vehicle fleet combined with switching to more low and zero-emission vehicles in line with our fleet electrification target.

Our 2024 performance on scope 2 emissions are impacted by lower consumption of purchased energy in our corporate facilities, primarily lower electricity consumption. Market-based scope 2 performance is negatively impacted by a lower share of renewable energy purchased.

Our overall 2024 performance on scope 3 is impacted by activity levels and updated emission factors. On the positive side we start to see the impact of initiatives to reduce food emissions even with higher food volumes and despite the overall Category 1 increasing due to other factors. The reduction from employee commuting (Category 7) is primarily a result of slightly fewer employees and updated emission factors, while the increase in Category 11 is driven primarily by kitchens processing higher food volumes.

GHG intensity

(tCO_2e, DKKm)	2024
Total location based GHG (t CO_2e)	1,676,040
Total market based GHG (t CO_2e)	1,680,576
Total net revenue	83,761
GHG intensity location based (t CO_2e/mDKK)	20.01
GHG intensity market based (t CO_2e/mDKK)	20.06

E1-7

GHG removals and mitigation projects financed via carbon credits

At this stage we have not considered or decided how to engage in carbon removal or carbon offsetting for the residual portion to meet our net-zero commitments.

E1-8

Internal carbon pricing

We do not currently apply any internal carbon pricing schemes.

GHG emissions

	Retrospective				Annual target/Base year			
(tCO_2e, unless otherwise stated)	2019 (Base year)	2023 [1]	2024	% 2024 vs 2023	2025	2030 Near-term [2]	2040 Net Zero	Annual % target / Base year [2]
Scope 1								
Gross	88,722	66,153	56,592	(14)%	52,422	47,466	8,872	4.2%
hereof regulated trading schemes, %	-	-	-					
Scope 2								
Gross, location based	12,549	6,205	5,594	(10)%	-	-	-	
Gross, market based	10,556	10,301 [3]	10,131	(2)%	9,634	5,647	1,055	4.2%
Scope 3 (significant)								
Gross, indirect	1,631,811	1,617,882	1,613,854	0%	1,537,158	1,181,431	163,181	2.5%
Cat. 1 Purchased goods and services	711,751	710,897	802,170	13%				
Cat. 2 Capital goods	12,142	9,901	12,606	27%				
Cat. 3 Fuel and energy-related activities	21,954	20,968	17,820	(15)%				
Cat. 5 Waste generated in operations	1,434	75	645	763%				
Cat. 6 Business traveling	10,453	9,822	11,846	21%				
Cat. 7 Employee commuting	543,421	480,207	340,374	(29)%				
Cat. 11 Use of sold products	259,937	329,984	371,138	12%				
Cat. 12 End-of-life treatment of sold products	71,978	56,028	57,255	(2)%				
Total								
Location based	1,733,082	1,690,240	1,676,040	(1)%	-	-	-	
Market based	1,731,089	1,694,336	1,680,576	(1)%	1,599,215	1,234,544	173,109	

[1] Not covered by the Independent Auditor's limited assurance report. 2023 numbers for scope 2 (location and market based) and scope 3 (categories 3 and 11) have been updated with new energy emission factors used for our 2024 calculations to reflect a fair comparison.

[2] We have set net-zero targets in house in addition to our validated near term targets.

[3] Due to a reclassification of our renewable energy consumption in 2023, we have restated our scope 2 (market based) emissions for 2023, which drives an emission increase due to the generally higher residual grid mix emission factor applied in the affected markets. Our total energy consumption for 2023 is unaffected by the reclassification.

[4] Targets are aligned to our near term SBTi validated targets. For 2025 we internally target -4.7% emission reduction for scope 1, 2 and 3.

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Reporting principles for Environmental

E1-5 metrics

Fossil fuel consumption

Fossil fuels cover diesel, petrol, gas, biodiesel and bioethanol and primarily relate to consumption for our vehicles and to a small extent in our 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 m² occupancy.

Electricity

Electricity consumption primarily relates to our corporate facilities, but also covers electricity used for our vehicle fleet. Consumption data is metered readings, supplier data or extrapolated from statistical sources and primarily based on m² occupancy. For electricity relating to electric vehicles consumption is based on actual charging consumption or estimates based on e.g. mileage.

Heating, steam and cooling

Heating, steam and cooling consumption relates to our corporate facilities. Consumption data is metered readings, supplier data or extrapolated from statistical sources and primarily based on m² occupancy.

Energy consumption at customer sites is accounted for by customers. We include it within our scope 3 emissions in line with the GHG protocol.

Energy consumption and mix

a) Energy from fossil sources

Energy from fossil sources (diesel, petrol, gas, biodiesel and bioethanol) is converted from volumes to energy by applying volume-to-weight conversion factors in accordance with Annex 29 to the Stockholm Convention on persistent organic pollutants. Gas volumes are converted to energy at a conversion ratio of 0.01055 MWh per m³ of gas.

Further, energy from fossil sources cover electricity, heating, cooling and steam that is not from renewable or nuclear sources.

b) Energy from nuclear sources

Energy from nuclear sources is calculated by applying statistics from the International Energy Agency (IEA) of the country-by-country energy mix for Total Energy Supply to each ISS operating country's non-renewable energy consumption from electricity, heating, steam and cooling.

c) Energy from renewable sources

Renewable electricity, heat, steam and cooling covers energy consumption where we have an "exclusive" right to the renewable claim e.g. under Guarantees of Origin or similar instruments. It also covers any part of self-generated renewable energy that is not self-consumed, but sold into the public grid. When calculating renewable energy we have in previous years also included renewable energy based on supplier energy mix information. We have changed this practice from 2024 and only include renewable energy based on supplier energy mix when calculating Scope 2 (market-based) emissions in accordance with the GHG Protocol data hierarchy.

Self-generated non-fuel energy is the self-consumed portion of energy from solar panels, windmills or similar renewable energy sources. It is an insignificant element of our energy mix.

We report no renewable energy from fuel, including biomass.

Energy intensity

We do not have operations in high climate impact sectors, but we do perform services for customers with operations in high climate impact sectors. Our energy consumption is not particularly affected by the customer segment we service, since our energy consumption relates to our own corporate real estate footprint and operation of our fleet of vehicles. Our energy intensity is therefore identical across our customer segments regardless if in high climate impact sectors or not.

Energy intensity is calculated as total energy consumption (MWh) relative to total net revenue (mDKK) in our consolidated financial statements.

E1-6 metrics

Scope 1 emissions

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. Consumption data is multiplied with emission factors from USEPA Hub April 2023 and Defra 2024 for each fuel type. Fuel relating to our chauffeur service in India is accounted for in Scope 3 (category 3) and excluded from scope 1. Please refer to fossil fuel consumption above for a description of our compilation of consumption data.

Scope 2 emissions

Scope 2 emissions comprise indirect tCO_2e 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. Location-based electricity emissions are calculated using emission factors from IEA Electricity 2022, UK Defra 2023, AU National GHA 2024 and eGrid 2023. Market-based electricity emissions are calculated using emission factors from AIB Residual Mix 2023, IEA Electricity 2022, AU National GHA 2024 and eGrid 2023. Heating, cooling and steam emissions are calculated using emission factors from EU28 District Heat, DK district heat and ecoinvent 3.10.

Scope 3 emissions

Scope 3 emissions comprise the 8 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. Spend data used relate to the financial year 2024 and is adjusted for inflation from the base year of the applicable emission factor.

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 approx. 93% 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.

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Reporting principles for Environmental (continued)

Where emissions are not derived from primary source input, emission factors applied are mainly derived from Agribalyse v3.2 2024 (relating to food), USEEIO v1.2 (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 v1.2.

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 calculations. Category 3 also includes emissions from fuel and energy consumption relating to our chauffeur services in India. Emission factors are applied from WTT IPCC Natural Gas WTT, Defra 2023, Defra 2024 and IEA 2024.

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 staff based at our corporate offices per country and the average weight of waste generated per person per year derived from 7 use cases with waste split into four waste streams used for emission calculations with one being zero-emission recyclable waste and three waste streams having landfill emission factors applied derived from Defra 2024. Water related emissions are based on actual consumption data of water withdrawal or estimated based on occupancy rate or m^2 to which Defra 2024 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. Emission factors for travel are applied in categories for each air and train travel depending on travel distance whereas a standard emission factor per accommodation night is applied to hotel accommodation. Emission factors are derived from Sphera Solutions GmbH and DEFRA 2024. 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. 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. Consequently, no emissions are separately calculated for non-employees. 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 Defra 2024. Increased electricity and heating consumption is accounted for in regard to homeworking for days where no commuting is assumed for support staff. Consumption and emission factors derived from Defra 2024 are applied on a regional basis.

Use of sold products (category 11) includes emissions from our use of cleaning equipment, kitchen equipment and technical equipment as part of our service at customer sites. Emission calculations are based on use cases for electricity consumption in regard to 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 eGrid 2021, UK Defra 2023, IEA Electricity 2022 and AU National GHA 2024 in regard to electricity consumption and IEA WTT 2024 and IEA T&D 2024 in regard to well-to-tank and transmission/distribution loss.

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 food waste 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 except for food waste that uses Defra 2024.

GHG intensity

GHG intensity is calculated as total GHG emissions (tCO_2e) relative to total net revenue (mDKK) in our consolidated financial statements.

Vehicles

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.

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EU taxonomy

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, all technical screening criteria (Minimum Social Safeguards, Do No Significant Harm' and Substantial contribution) have to be met.

We have screened our revenue generating and investment activities against the activity descriptions of the EU Taxonomy for eligible revenue, CapEx and OpEx and assessed alignment criteria applicable to eligible activities.

The EU Taxonomy in its current form is directed towards activities in high emission industries such as manufacturing, transportation, energy and construction. As a workplace experience and facility management company, the overall activities of ISS within cleaning, food, technical services, front- and back-end service support, workplace management and security do not fall within the targeted scope of the EU Taxonomy. In addition, we are an asset-light business with generally low investment needs. Activity screening in regard to revenue has considered (i) the NACE codes assigned as guidance to the activity descriptions in the EU Taxonomy and (ii) an individual assessment of each of our service activities split into 48 service types. Our activity screening in regard to CapEx and OpEx has considered our key asset types and cost components as recorded in our financial system. Based on this approach we have also avoided double-counting across economic activities.

Our conclusion is that revenues relating to energy management service as well as CapEx and OpEx relating to vehicles and real property are taxonomy-eligible within climate change mitigation and adaption. Alignment criteria in regard to "substantial contribution" and "do-no-significant-harm" are challenging to document and we have not yet managed to establish and obtain appropriate confirmations from manufacturers and suppliers. Likewise, while we have no reason to believe that we do not comply and uphold minimum safeguards, we want to ensure that documentation is in place. As such, none of our taxonomy-eligible activities are assessed to be taxonomy-aligned.

Technical services

Certain sub-components of our technical services revenue could be considered taxonomy eligible as climate change mitigating activities. These relate to activities under "Construction and real estate" that we may undertake as part of our services; more specifically activities within installation, maintenance and repair of energy efficiency equipment (7.3) and installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings (7.5). The taxonomy relevant elements of our technical services are not distinct in nature, but performed as part as an overarching service for which we record revenue in accordance with IFRS 15. As we are not able to separate out the taxonomy-eligible elements, we do not consider any part of the service to be taxonomy-eligible.

Energy management services

Our energy management services are eligible activities (9.3) for climate change mitigation and mainly consist of managing and advising on energy flows and energy consumption in customer facilities. We mainly provide energy management services in the UK, but it is an identified growth area. Eligible revenue for 2024 amount to DKK 30 million.

Vehicles

Vehicles are used broadly across our service portfolio as part of service performance and for management purposes are not distinct to any particular service. Taxonomy specified CapEx and OpEx related to vehicles are taxonomy-eligible (6.5). We almost exclusively lease our vehicles and CapEx is therefore primarily recorded as right-of-use assets in accordance with IFRS 16.

Eligible CapEx and OpEx relating to vehicles amount to DKK 643 million and DKK 123 million respectively for 2024.

Real property

Our service performance takes place at our customer sites and our real property footprint is therefore largely used for our corporate facilities across our operating geographies. Taxonomy specified CapEx and OpEx related to real property are taxonomy-eligible (7.7).

We almost exclusively lease our real property and CapEx is therefore primarily recorded as right-of-use assets in accordance with IFRS 16.

Eligible CapEx and OpEx relating to real property amount to DKK 331 million and DKK 69 million respectively for 2024.

Minimum safeguards

As an overarching principle the EU Taxonomy requires business activities to be performed in accordance with principles of responsible business conduct within the areas of human rights, bribery/corruption, taxation and fair competiton. If these minimum safeguards are not met, it is not possible to make claims that activities are aligned within the definition of the EU Taxonomy.

We are strong supporters and advocates of human rights and we believe that we comply with the principles of the minimum safeguards through our foundational values, policy frameworks and ongoing due diligence activities. We recognise however that we have shortcomings in our ability to document our adherence. In the beginning of 2025 we will launch a human rights impact assessment supported by external experts that will help us to address our shortcomings in terms of documentation and pinpoint potential target areas for improvement. We have no reason to believe that our business practices do not uphold the minimum safeguards in regard to human rights and will confirm so when documented through our human rights assessment.

In regard to corruption ISS has in place an anti-corruption policy, internal controls and measures for preventing and detecting bribery that are considered adequate. None of ISS' top management members has been convicted in court of corruption. In regard to taxation ISS has in place a Tax Policy anchored with the Board of Directors and has put in place tax risk management controls and processes considered to be adequate. None of the legal entities within the ISS Group has been found guilty of tax evasion.

In regard to fair competition ISS has in place a Competition Law Policy and addresses fair competition as fundamental ISS principle in its Code of Conduct: Employee awareness is promoted and training programs and sessions are conducted at regular intervals. Code of Conduct training is mandatory for all employees. None of ISS' top management members has been convicted in court for breaching competition laws.

See p. 76 for a description of our taxonomy-related reporting principles and taxonomy reporting templates.

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Reporting principles for EU taxonomy

In accordance with Commission Delegated Regulation (EU) 2021/2178 which specifies the content and presentation to be disclosed, ISS discloses the proportion of our turnover, CapEx and OpEx that relates to Taxonomy-eligible and Taxonomy-aligned economic activities.

Taxonomy-eligibility states the share of ISS' turnover, CapEx and OpEx, which are covered by the activity descriptions in the Taxonomy delegated acts. Taxonomy-alignment states whether these Taxonomy-eligible economic activities qualify as environmentally sustainable as described in the Taxonomy Regulation's delegated acts. Eligibility and alignment performance is expressed with KPIs for each of turnover, CapEx and OpEx as explained below.

We have no nuclear economic activities as defined in Sections 4.26, 4.27, 4.28, 4.29, 4.30 and 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139. Disclosing that we have no nuclear economic activities also in tabular format according to Annex XII of Commission Delegated Regulation (EU) 2022/1214 serves no separate purpose and is therefore excluded.

KPI for turnover

For purposes of calculating the eligibility KPI the denominator for turnover is defined as total revenue in accordance with IFRS as presented in note 1.1 of the consolidated financial statement. The numerator for turnover is the revenue associated with taxonomy-eligible activities.

KPI for CapEx

Total CapEx consists of additions to fixed assets (including right-of use) and intangible assets as well as such additions from acquisitions. For taxonomy reporting purposes goodwill is not included in CapEx as it is not defined as an intangible asset under IAS 38, which is also the main reason for the difference between our total CapEx for taxonomy purposes and our total CapEx reported in accordance with IFRS see note 2.6 of our consolidated financial statement.

The share of taxonomy-eligible CapEx is calculated as: Taxonomy-eligible CapEx KPI (additions) = eligible CapEx/ total CapEx.

KPI for OpEx

Total OpEx consists of direct non-capitalised costs that relate to research and development, building renovation, short-term lease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment assets. It excludes amortisations and impairments.

The main difference between our total OpEx for taxonomy purposes and our total OpEx reported in accordance with IFRS is salary and employee cost that are recognised under IFRS, but not considered for taxonomy purposes.

The share of taxonomy-eligible OpEX is calculated as: Taxonomy-eligible OpEx KPI (repair and maintenance) = eligible OpEx/total OpEx.

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EU TAXONOMY ANNEX II

Revenue[1]

Proportion of revenue from products/ services associated with taxonomy-aligned economic activities

			Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code	Revenue 2024	Revenue 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy – aligned or taxonomy – eligible revenue 2023	Enabling activity	Transitional activity
		(DKKm)	%	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. Taxonomy-eligible																			
A.1. Environmentally sustainable (taxonomy-aligned)		-	0%																
Revenue of taxonomy – aligned activities		-	0%																
A.2. Taxonomy-eligible, not environmentally sustainable (not taxonomy-aligned)																			
Professional services related to energy performance of buildings	CCM 9.3	30	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Total (A.2)		30	0%	100%	-	-	-	-	-								0%		
Total (A.1 + A.2)		30	0%	100%	-	-	-	-	-								0%		
B. Taxonomy-non-eligible																			
Revenue of taxonomy, non-eligible		83,731	100%																
Total (A + B)		83,761	100%																

[1] Revenue differs from the disclosures in the consolidated financial statements as the Sustainability statement is described in the context of the ISS A/S Group, see Introduction to the ISS Global Group, p. 3.

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EU TAXONOMY ANNEX II

CapEx

Proportion of CapEx from products/services associated with taxonomy-aligned economic activities

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic activities (1)	**Code**	**CapEx 2024**	**CapEx 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of taxonomy – aligned or taxonomy – eligible CapEx 2023**	**Enabling activity**	**Transitional activity**
		(Bkeuro)	c	w	x	y	z	aa	ab	y/n	y/n	y/n	y/n	y/n	y/n	y/n	%	E	T
A. Taxonomy-eligible																			
A.1. Environmentally sustainable (taxonomy-aligned)		-	0%																
CapEx of taxonomy – aligned activities		-	0%																
A.2. Taxonomy-eligible, not environmentally sustainable (not taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM/ CCA 6.5	643	33%	EL	EL	N/EL	N/EL	N/EL	N/EL								25%		
Acquisition and ownership of buildings	CCM/ CCA 7.7	331	17%	EL	EL	N/EL	N/EL	N/EL	N/EL								15%		
Total (A.2)		974	50%	100%	100%	-	-	-	-								40% [1]		
Total (A.1 + A.2)		974	50%	-	-	-	-	-	-										
B. Taxonomy-non-eligible																			
CapEx of taxonomy-non-eligible		978	50%																
Total (A + B)		1,952	100%																

[1] Restated based on higher Taxonomy non eligible CapEx (customer contracts).

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EU TAXONOMY ANNEX II

OpEx

Proportion of OpEx from products/services associated with taxonomy-aligned economic activities

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')								
Economic activities [1]	Code	OpEx 2024 (DKKm)	OpEx 2024 %	Climate change mitigation y/n	Climate change adaptation y/n	Water y/n	Pollution y/n	Circular economy y/n	Biodiversity y/n	Climate change mitigation y/n	Climate change adaptation y/n	Water y/n	Pollution y/n	Circular economy y/n	Biodiversity y/n	Minimum safeguards y/n	Proportion of taxonomy – aligned or taxonomy – eligible OpEx 2023 %	Enabling activity E	Transitional activity T
A. Taxonomy-eligible																			
A.1. Environmentally sustainable (taxonomy-aligned)		-	0%																
OpEx of taxonomy – aligned activities		-	0%																
A.2. Taxonomy-eligible, not environmentally sustainable (not taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	123	13%	EL	EL	N/EL	N/EL	N/EL	N/EL								8%		
Acquisition and ownership of buildings	CCM 7.7	69	8%	EL	EL	N/EL	N/EL	N/EL	N/EL								3%		
Total (A.2)		192	21%	100%	100%	-	-	-	-								11% [1]		
Total (A.1 + A.2)		192	21%	-	-	-	-	-	-										
B. Taxonomy-non-eligible																			
OpEx of taxonomy-non-eligible		741	79%																
Total (A + B)		933	100%																

[1] Not disclosed in 2023 as it is insignificant relative to total OpEx.

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Governance

How we create value

In ISS, we are committed to carrying out our activities according to principles of good corporate governance and ensuring that human rights, social, environmental and ethical commitments of ISS are reflected in all our dealings with our placemakers, customers, suppliers, public institutions and other stakeholders.

We conduct our business in a lawful manner, and we are committed to combatting corruption and bribery and upholding the highest ethical standards in all areas of our business.

We promote and ensure that concerns can be raised, and grievances can be made without any risk of retaliation through our Speak Up Policy and system, which is available to all placemakers and stakeholders.

We have a defined set of values providing the foundational backbone for our business conduct:

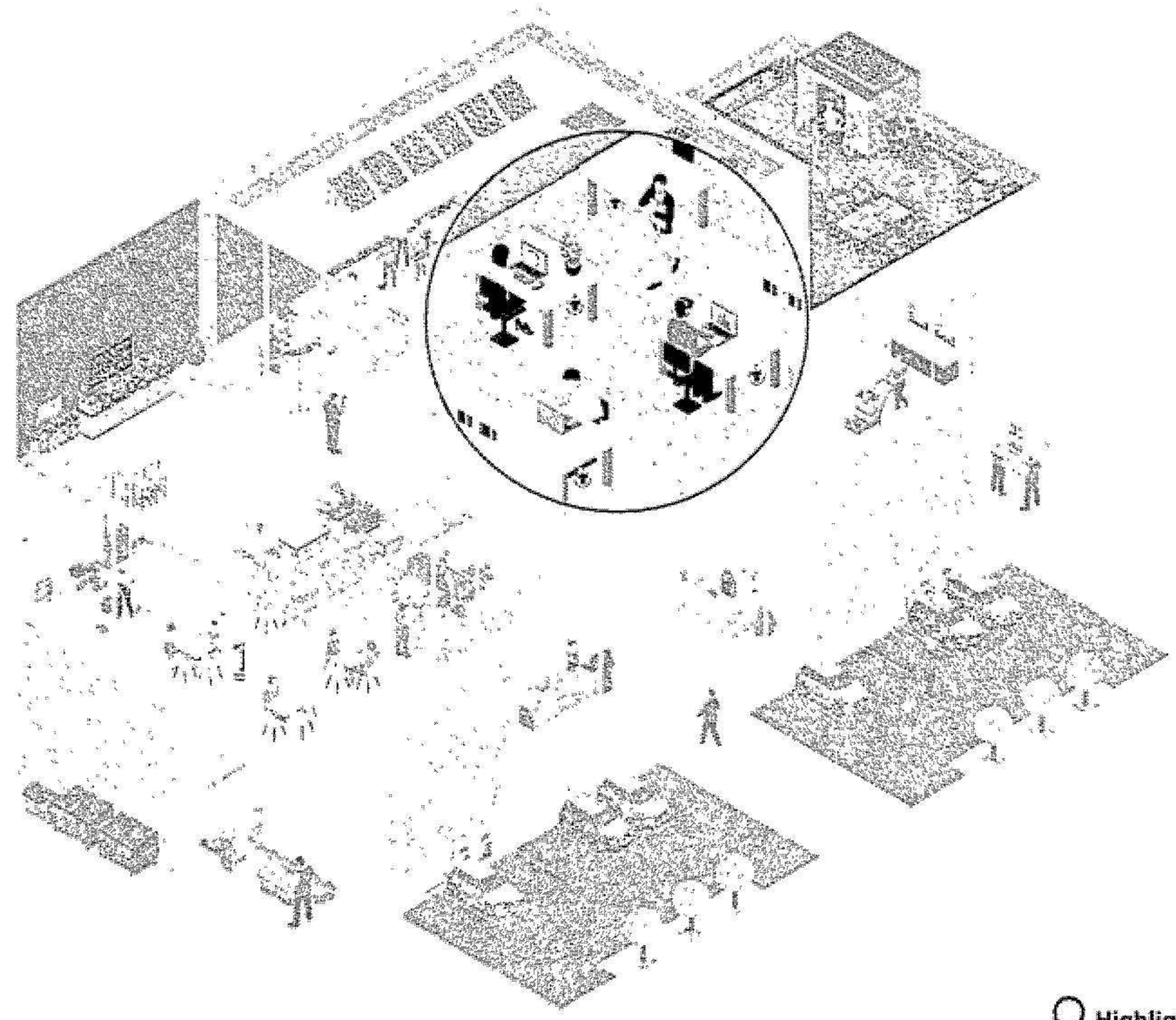
- Entrepreneurship
- Honesty
- Quality
- Responsibility
- Unity

A strong value base is essential for us in ensuring that we interact with stakeholders in a fair and respectful manner just as we expect to be treated fairly and with respect by our stakeholders.

In this section

ESRS G1 – Business conduct 81
Reporting principles for Governance 83

For Basis of preparation related to the standard above, see p. 42.



Highlighted areas

ank=20250616;2025061702073

ESRS G1

Business conduct

Impact, risk & opportunities management

G1-1

Policies and corporate culture and assessment of IRO

Our purpose *"Connecting people and places to make the world work better"* is not just a pay-off. It also captures the essence of what we want to achieve as a business and how we want to achieve it. "Make the world work better" refers to the direct service value that our customers experience and that supports their specific needs, but it also refers to a general positive impact on the world and the people we interact with as a business.

We are guided by our values that have been our foundation for decades yet still influenced by the world around us. Listening lead us to the recent addition of our fifth value "Unity" that reflect trust, empowerment and belonging as part of our core fundamentals.

Our values come to life in our Code of Conduct that sets the overall parameters around how we want to do business and how we require our employees to conduct themselves as ISS representatives. This includes our commitments to and around good and fair business practices in accordance with international standards of United Nations Global Compact, United Nations Declaration of Human Rights, the Core Conventions of the International Labour Organisation and the United Nations Guiding Principles on Business and Human Rights.

It is anchored with the Board of Directors (the Board) and the Executive Group Management (EGM) and reviewed annually.

We engage with 40,000+ customers and ~49,000 suppliers on multiple organisational levels, which exposes us to risk in regard to business ethics. We are not generally a heavily regulated industry with deep interactions or dependencies on regulators or public authorities and our business ethics risk exposure towards public authorities is therefore primarily a result of participation in public tenders or public sector customer contracts.

We ensure that our core principles "flow up" to our supply chain through our Supplier Code of Conduct that hold all suppliers in our supply chain to a set of minimum standards as a prerequisite for doing business with us, please refer to G1-2. We ensure that our core principles "flow down" to our customers and other business partners through awareness activities typically by including our Code of Conduct as part of contractual negotiations. Training in the Code of Conduct is mandatory for our own employees and includes also specific awareness training on our Speak Up channel, please refer to S1.

Our commitment to ethical business practices around anti-corruption and anti-bribery is clearly stated in our Anti-Corruption and Anti-Bribery Policy statement endorsed by our Group CEO and available at our corporate website. It is supported by our Anti-Corruption Policy which provides principles and guidance for all employees on areas such as bribery, facilitation payments, gifts & entertainment and political contributions. Further, our belief in fair competition as a business fundamental is detailed in our Competition Law Policy applicable to all employees.

Ensuring that incidents are appropriately dealt with requires that information is escalated to the right management levels. Our Escalation Policy prescribes matters of particular importance that are to be escalated through defined management lines, which includes business integrity issues. The Escalation Policy in combination with our ordinary management practices, our Speak Up Policy and our internal audit programme provide our due diligence foundation in regard to business conduct.

Our whistleblowing channel – Speak Up

With global activities and millions of interactions daily there will be instances where our practices or actions are wrong or inconsiderate. We are committed to continuously improving our practices, which starts by establishing proper channels for listening. In a daily operational setting our management practices offer a variety of opportunities and channels to raise concerns as an employee, a supplier, a customer, an investor or other stakeholder. But we need to ensure that a separate channel is available for raising the most severe and harmful issues either because other channels are not appropriate or accessible or because our ordinary management practices fail to deliver proper resolution.

For years we have made available a Speak Up channel through which concerns can be raised anonymously, confidentially and without fear of retaliation by employees, business partners and other stakeholders. It is governed by our Speak Up Policy, which is publicly available on the global and all local ISS websites alongside our Code of Conduct and is translated into 26 local languages across our countries of operation. The policy identifies the reporting scope as suspected misconduct, possible breach of regulations or internal policies or concerns that could have an adverse impact on the reputation, operations and performance of the business of ISS and which, due to the nature of the concern, cannot be reported through the normal reporting lines.

Our Speak Up channel is operated by an external third-party provider and can be accessed via email, website and by phone. Instances reported are governed and managed in accordance with our Speak Up Policy and a detailed Speak Up protocol. Initial screening for conflicts of interest is done by and external law firm and subsequently reviewed by our Speak Up team within the Group Internal Audit function. Most reports received concern disagreements on traditional HR related issues such as salary levels and are referred back to local management functions for resolution. Reports received within the scope of the Speak Up Policy are reviewed and assessed by the Business Integrity Committee, a committee under the EGM, that consists of the Group CFO, the Group Chief People & Technology Officer, the Group General Counsel and the Head of Group Internal Audit. The Chairman of the Business Integrity Committee reports to the Audit & Risk Committee as a fixed agenda item on all meetings.

Our Speak Up Policy and system for reporting concerns complies with the Danish Whistleblower Act, which implements the EU whistleblower directive in Denmark. In 2024 we continued to monitor the implementation of the directive in ISS's EU based countries and provided guidance on good practices around setting up local reporting channels, considering local legal requirements around whistleblowing.

All ISS Group Policies and Standards have a dedicated section with information on the Speak Up reporting system and channels for raising concerns.

We also operate an extensive internal audit program through our Group Internal Audit function. Our internal audit program has a general perspective and a topical perspective. The general perspective aims to audit all countries within a three year period on a set of baseline fundamental controls that include areas such as cascading of the Code of Conduct in accordance with policy requirements, mandatory training completion and adherence to core controls designed to mitigate business ethics risk such as our Corporate Governance Policy and our authority matrix. The topical perspective zooms in on areas of documented or perceived risk.

If issues that fall under the scope of the Speak Up Policy are identified in another manner or through another channel than our Speak Up channel, it will be recorded and added to the Speak Up system to ensure that we capture a consolidated view of issues identified and resolve them appropriately.

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Impact, risk & opportunities management (continued)

Training

Our Code of Conduct is a mandatory part of the employment agreement that we make with employees. All employees are required to take mandatory training in the ISS Code of Conduct, which includes business ethics themes such as corruption and bribery. Training is available in digital and physical (classroom) format and can therefore reach also employees with limited access to digital equipment or with limited digital or literacy skills.

Code of Conduct training assigned to employees digitally via our Learning Management platform has to be completed within 2 months from the employment commencement date and will need to be refreshed every two years. This will cover functions within procurement, finance, commercial, key account management and executive management at Group and country level, which are the functions considered most at risk in respect of corruption and bribery. Line management escalation is triggered in case of non-compliance with training requirements.

We track and monitor training progress and our statistics show overall strong coverage across our workforce.

G1-2

Relationships with suppliers

Our supply chain consists of approximately 49,000 suppliers. We manage our supply chain with a focus on ensuring resilience and continued availability of cost-efficient supplies at our customer sites in a compliant, sustainable and ethical manner. We do so by forming strategic partnerships with key suppliers to drive economies of scale and innovative power for larger procurement categories and by streamlining procurement practices for our remaining procurement spend.

We have an organically diverse supply chain that contains large, medium and small suppliers. Certain fundamental principles aimed at preventing negative impacts are non-negotiable and shall be adhered to by all suppliers, but for larger suppliers we require practices and ambitions that go beyond.

We manage our supply chain through our global Procurement function organised around procurement categories, operational geographies and supply chain-based risk assessments. All suppliers in ISS's supply chain are risk assessed to identify and mitigate the ESG risks through a centralised vetting and onboarding process. We continously monitor suppliers against sanctions and watchlists to eliminate any such risks. Our supply chain risk and assurance program ensures that the critical supply chain is monitored for performance risks.

A sample number of critical suppliers are audited, through an independent third-party agency, annually to close any gaps identified on the ESG compliance requirements of ISS. For further description of our supply chain engagement and practices please refer to S2-4.

In the ISS Supplier Code of Conduct we specify our fundamental principles as well as the minimum requirements that all suppliers must meet in order to do business with ISS. This includes areas within ethical and responsible business conduct, social sustainability & human rights and environmental sustainability & climate action.

Our own procurement practices are described in our Supply Chain Policy and further detailed in our Supply Chain & Procurement standard. Our standard payment term for small business suppliers is 30 days. For other suppliers our standard payment term is "end of month + 95 days". Payment terms are subject to compliance with local statutory regulation on payment terms.

Each country operates a Procure-to-Pay system where purchases are executed through purchase orders with service or goods receipt confirmed.

Business is awarded to suppliers on the basis of four key award criteria. Best value & financial benefits, compliance, supportive of sustainability goals and driving strategic service outcomes. In competitive sourcing processes environmental sustainability must have a minimum of 20% weight in the award criteria.

G1-3

Prevention and detection of corruption and bribery

Our procedures for managing allegations or incidents of corruption and bribery follow similar principles as described above under G1-1. Investigations are conducted by our Group Internal Audit function and may involve internal and external resources in doing so. Findings are reported to the Business Integrity Committee and in turn to the Audit & Risk Committee.

Group Internal Audit is functionally separate from management with the Head of Group Internal Audit reporting directly to the Chair of the Audit & Risk Committee.

All employees including functions-at-risk employees are trained in our Code of Conduct, which includes anti-corruption and anti-bribery themes. We generally consider employees within Procurement, Finance, Commercial, Key Account Management and Executive Management (Group and Country) to be at-risk functions in regard to corruption and bribery. 100% of these functions are covered by training programmes.

On an ad-hoc basis in-depth training sessions on anti-corruption and anti-bribery are conducted by our Legal function. Training materials from these sessions are available to all ISS employees.

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Metrics & targets

G1-4

Incidents of corruption or bribery

During 2024 no legal entity within the ISS Group was convicted or fined for violation of anti-corruption and anti-bribery laws. Nor was any of our employees as far as we are aware convicted or fined for violation of anti-corruption and anti-bribery laws in their capacity as ISS employees.

We continuously monitor and refine our processes and practices around anti-corruption and anti-bribery and all our policies are subject to review annually or at regular specified intervals. During 2024 we have substantiated one alleged corruption and bribery incident that also resulted in employees being dismissed or disciplined and strengthening of control and policy frameworks.

Corruption and bribery (C&B) incidents

(Number)	2024
Confirmed incidents, number	1
Convictions for violations of anti-corruption and anti-bribery laws	0
Fines, penalties and compensation	
For violations of anti-corruption and anti-bribery laws	0

G1-6

Payment practices

Our standard payment terms are described above under G1-2. We are subject to statutory payment regulation in many of our operating geographies that often provide different payment terms than our standards.

We capture details of payment terms and payments made in our global spend management tool Sievo and we are able to track payment history and profile on each of our 49,000 suppliers.

Our calculations of payment terms cover our 2024 spend and more than 7.3 million invoices.

The average time to pay an invoice in 2024 was 48 days.

At the end of 2024 we did not have outstanding legal proceedings for late payments to suppliers.

Payment practices

(Number, %)	2024
Average time (days) to pay an invoice	48
Payments aligned with standard payment terms (% of spend)	
0-30 days	45%
31-60 days	31%
+60 days	23%
Other	1%
Outstanding legal proceedings for late payments	0

Reporting principles for Governance

G1-3: Functions-at-risk of corruption and bribery

The functional areas of Procurement, Finance, Commercial, Key Account Management and Executive Management (Group and Country), including direct reports, are considered as being "at-risk" functions across our operational countries.

G1-4: Confirmed incidents of corruption or bribery

Corruption and bribery cover incidents of abuse of entrusted power by ISS employees in that capacity for private gain, hereunder financial as well as non-financial advantages, as provided in the ISS Anti-Corruption Policy. "Confirmed" means incidents that are assessed internally, e.g. by the Business Integrity Committee to be events of corruption or bribery or established so by a final ruling from an external authority or final court decision. It does not cover incidents under investigation.

Incidents of corruption and bribery are recorded in our Speak-Up system.

Employees being disciplined may include reprimands, formal warnings, training requirements, reassignment, and demotion.

G1-4: Convictions for violations of anti-corruption and anti-bribery laws

Includes final unappealable convictions in criminal proceedings against ISS or any ISS employee in their capacity as an ISS employee for violations of anti-corruption and anti-bribery laws.

G1-4: Fines for violations of anti-corruption and anti-bribery laws

Final and unappealable fines imposed by competent authorities for violations of anti-corruption and anti-bribery laws by ISS or any ISS employee in their capacity as an ISS employee.

G1-6: Average time to pay an invoice

Measures the number of days it takes to pay an invoice from the time that the applicable payment term commences. It is measured on an "invoice by invoice" level and does not consider the value of each invoice.

The average time to pay an invoice is measured and calculated in our global spend management system "Sievo" and is made on invoice and payment data consolidated from local ERP systems across our countries of operation.

G1-6: Payments aligned with standard payment terms

Breaks down our supplier spend on applicable payment terms in brackets of 0-30 days, 31-60 days and 60+ days. Data is captured in our global spend management system "Sievo".

G1-6 Legal proceedings outstanding for late payments

Legal proceedings currently outstanding instigated with a competent court by a supplier against an ISS entity for late payment. It does not include disputes relating to the quality, quantity or characteristics of the goods, services or similar supplied to ISS.

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List of datapoints that derive from other EU legislation

Section	Data point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (Yes/No)	Section	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	X		X		Yes	General	42
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			X		Yes	General	42
ESRS 2 GOV-4	30	Statement on due diligence	X				Yes	General	41
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	X	X	X		No	-	-
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	X		X		No	-	-
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	X		X		No	-	-
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			X		No	-	-
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X	Yes	Environment	68
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		X	X		No	-	-
ESRS E1-4	34	GHG emission reduction targets	X	X	X		Yes	Environment	71
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Yes	Environment	71
ESRS E1-5	37	Energy consumption and mix	X				Yes	Environment	71
ESRS E1-5	43	Energy intensity associated with activities in high climate impact sectors	X				No	-	-
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	X	X	X		Yes	Environment	72
ESRS E1-6	53-55	Gross GHG emissions intensity	X	X	X		Yes	Environment	72
ESRS E1-7	56	GHG removals and carbon credits				X	No	-	-
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks paragraph			X		No	-	-
ESRS E1-9	66 (a) 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk Location of significant assets at material physical risk		X			No	-	-
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency		X			No	-	-
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities paragraph			X		No	-	-
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X				No	-	-
ESRS E3-1	9	Water and marine resources	X				No	-	-
ESRS E3-1	13	Dedicated policy	X				No	-	-
ESRS E3-1	14	Sustainable oceans and seas	X				No	-	-
ESRS E3-4	28 (c)	Total water recycled and reused	X				No	-	-
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	X				No	-	-
ESRS 2-IRO 1 – E4	16 (a) i	-	X				No	-	-
ESRS 2-IRO 1 – E4	16 (b)	-	X				No	-	-
ESRS 2-IRO 1 – E4	16 (c)	-	X				No	-	-
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	X				No	-	-
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	X				No	-	-
ESRS E4-2	24 (d)	Policies to address deforestation paragraph	X				No	-	-
ESRS E5-5	37 (d)	Non-recycled waste	X				No	-	-

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Section	Data point		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (Yes/No)	Section	Page
ESRS E5-5	39	Hazardous waste and radioactive waste	X				No	-	-
ESRS 2-SBM3 – S1	14 (f)	Risk of incidents of forced labour	X				Yes	Social	52
ESRS 2-SBM3 – S1	14 (g)	Risk of incidents of child labour	X				Yes	Social	52
ESRS S1-1	20	Human rights policy commitments	X				Yes	Social	52
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			X		Yes	Social	52
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X				Yes	Social	52
ESRS S1-1	23	Workplace accident prevention policy or management system	X				Yes	Social	52
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	X				Yes	Social	53
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	X		X		Yes	Social	60
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	X				Yes	Social	60
ESRS S1-16	97 (a)	Unadjusted gender pay gap	X		X		Yes	Social	61
ESRS S1-16	97 (b)	Excessive CEO pay ratio	X				Yes	Social	61
ESRS S1-17	103 (a)	Incidents of discrimination	X				Yes	Social	61
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		Yes	Social	64
ESRS 2-SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	X				Yes	General	45
ESRS S2-1	17	Human rights policy commitments	X				Yes	Social	52, 64
ESRS S2-1	18	Policies related to value chain workers	X		X		Yes	Social	64
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		Yes	Social	64
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			X		Yes	Social	64
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	X				Yes	Social	64
ESRS S3-1	16	Human rights policy commitments	X				No		
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	X		X		No		
ESRS S3-4	36	Human rights issues and incidents	X				No		
ESRS S4-1	16	Policies related to consumers and end-users	X				Yes	Social	66
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		No		
ESRS S4-4	35	Human rights issues and incidents	X				No		
ESRS G1-1	10 (b)	United Nations Convention against Corruption	X				No		
ESRS G1-1	10 (d)	Protection of whistleblowers	X				No		
ESRS G1-4	24 (a)	Fines for violation of anti- corruption and anti-bribery laws	X		X		Yes	Governance	83
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	X				No		

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Primary financial statements	87
Statement of profit or loss	87
Statement of comprehensive income	88
Statement of cash flows	89
Statement of financial position	90
Statement of changes in equity	91
Significant events	92
Significant estimates and judgements	93
1 Operating profit	95
1.1 Segments	95
1.2 Revenue	97
1.3 Employee costs	103
1.4 Other income and expenses, net	104
2 Operating assets, liabilities and free cash flow	105
2.1 Trade receivables and credit risk	105
2.2 Other receivables	107
2.3 Other liabilities	108
2.4 Changes in working capital	108
2.5 Provisions, contingencies, guarantees and commitments	109
2.6 Right-of-use assets, property and equipment	115
2.7 Free cash flow	119
3 Strategic investments and divestments	120
3.1 Intangible assets	120
3.2 Impairment tests	122
3.3 Acquisitions	127
3.4 Discontinued operations and divestments	129
4 Capital structure	132
4.1 Equity	132
4.2 Financing	136
4.3 Financial risk management	138
4.4 Interest rate risk	139
4.5 Liquidity risk	141
4.6 Currency risk	143
5 Tax	145
5.1 Income tax	145
5.2 Deferred tax	147
6 Remuneration	149
6.1 Management remuneration	149
6.2 Share-based payments	150
7 Other required disclosures	155
7.1 Pensions and similar obligations	155
7.2 Hyperinflation in Türkiye	161
7.3 Related parties	164
7.4 Fees to auditors	164
7.5 Subsequent events	164
8 Basis of preparation	165
8.1 Other material accounting policies	165
8.2 In-year changes	166
8.3 New regulations	167
8.4 Group companies	168
8.5 Definitions	170

ank=20250617020796;20250617020796

Statement of profit or loss

1 January – 31 December

(DKKm)	Note	2024	2023
Revenue	1.1, 1.2	**83,782**	**78,702**
Employee costs	1.3	(52,069)	(48,847)
Consumables		(7,519)	(7,323)
Other operating expenses		(17,968)	(17,079)
Depreciation and amortisation	2.6, 3.1	(1,349)	(1,303)
Operating profit before other items		**4,877**	**4,150**
Other income and expenses, net	1.4	(151)	(90)
Royalty		(1,097)	(1,110)
Amortisation/impairment of customer contracts	3.1	(91)	(69)
Operating profit	1.1	**3,538**	**2,881**
Finance income	4.2	616	397
Finance costs	4.2	(975)	(807)
Profit before tax		**3,179**	**2,471**
Income tax	5.1	(573)	(455)
Net profit from continuing operations		**2,606**	**2,016**
Net profit from discontinued operations	3.4	**(59)**	**(1,725)**
Net profit		**2,547**	**291**
Attributable to:			
The owner of ISS Global A/S		2,539	245
Non-controlling interests		8	46
Net profit		**2,547**	**291**

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Statement of comprehensive income

1 January – 31 December

(DKKm)	Note	2024	2023
Net profit		**2,547**	**291**
Items that will not be reclassified to profit or loss:			
Remeasurement gain/(loss), defined benefit plans	7.1	(140)	(462)
Asset ceiling, defined benefit plans	7.1	(28)	299
Tax	5.2	36	33
Items that may be reclassified to profit or loss:			
FX adjustments of foreign entities	4.1	12	(438)
Recycling of accumulated FX adj., country exits	4.1	-	(6)
Hyperinflation restatement of equity at 1 January	7.2	477	467
Fair value adjustments of net investment hedges	4.1	-	(84)
Other comprehensive income		**357**	**(191)**
Comprehensive income		**2,904**	**100**
Attributable to:			
The owner of ISS Global A/S		2,763	73
Non-controlling interests		141	27
Comprehensive income		**2,904**	**100**

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Statement of cash flows

At 31 December

(DKKm)	Note	2024	2023
Operating profit before other items		4,877	4,150
Operating profit before other items from discontinued operations	3.4	(32)	(146)
Depreciation and amortisation	2.6, 3.1	1,349	1,350
Non-cash items related to hyperinflation	7.2	(80)	(90)
Share-based payments		51	42
Changes in working capital	2.4	(408)	219
Changes in provisions, pensions and similar obligations		(377)	(473)
Other expenses paid		(59)	(42)
Interest received from companies within the ISS Group		257	203
Interest received		204	122
Interest paid from companies within the ISS Group		(73)	(11)
Interest paid		(634)	(575)
Income tax paid		(424)	(394)
Payments related to royalties		(1,124)	(1,071)
Cash flow from operating activities		**3,527**	**3,284**
Acquisitions	3.3	(510)	(373)
Divestments	3.4	(350)	25
Acquisition of intangible assets, property and equipment		(513)	(569)
Disposal of intangible assets, property and equipment		15	16
Change in financial assets		(54)	9
Cash flow from investing activities		**(1,412)**	**(892)**
Proceeds from issued bonds	4.2	3,696	-
Repayment of bonds	4.2	(2,237)	-
Repayment of lease liabilities	4.2	(951)	(778)
Other financial payments, net	4.2	(259)	(144)
Changes in debt to companies within the ISS Group, net		(1,757)	(29)
Changes in receivables from companies within the ISS Group, net		179	(371)
Transactions with non-controlling interests		-	(6)
Cash flow from financing activities		**(1,329)**	**(1,328)**
Total cash flow		**786**	**1,064**
Cash and cash equivalents at 1 January		6,093	5,166
Total cash flow		786	1,064
Foreign exchange adjustments		(50)	(137)
Cash and cash equivalents at 31 December	4.2, 4.5	**6,829**	**6,093**
Free cash flow	2.7	**1,916**	**1,819**

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Statement of financial position

At 31 December

(DKKm)	Note	2024	2023
Assets			
Intangible assets	3.1, 3.2	17,632	16,569
Right-of-use assets	2.6	2,388	2,153
Property and equipment	2.6	979	901
Receivables from companies within the ISS Group		5,613	3,821
Deferred tax assets	5.2	821	916
Other financial assets	7.1.4	600	189
Non-current assets		**28,033**	**24,549**
Inventories		251	239
Trade receivables	2.1	12,449	11,354
Tax receivables		121	119
Receivables from companies within the ISS Group		219	220
Other receivables	2.2	1,651	1,494
Cash and cash equivalents	4.2, 4.5	6,829	6,093
Assets held for sale	3.4	-	698
Current assets		**21,520**	**20,217**
Total assets		**49,553**	**44,766**

Equity and liability			
Equity attributable to the owner of ISS Global A/S	4.1	9,260	6,497
Non-controlling interests	4.1	770	629
Total equity		**10,030**	**7,126**
Borrowings	4.2	13,553	13,386
Pensions and similar obligations	7.1	1,316	1,135
Deferred tax liabilities	5.2	436	603
Provisions	2.5	372	387
Non-current liabilities		**15,677**	**15,511**
Borrowings	4.2	4,951	3,299
Trade and other payables	4.5	7,235	7,000
Tax payables		384	155
Other liabilities	2.3	11,047	9,967
Provisions	2.5	229	359
Liabilities held for sale	3.4	-	1,349
Current liabilities		**23,846**	**22,129**
Total liabilities		**39,523**	**37,640**
Total equity and liabilities		**49,553**	**44,766**

Statement of changes in equity

1 January – 31 December

(DKKm)	Note	Attributable to the owner of ISS Global A/S: Share capital	Retained earnings	Trans-lation reserve	Total	Non-con-trolling interests	Total equity
2024							
Equity at 1 January		**180**	**6,985**	**(668)**	**6,497**	**629**	**7,126**
Net profit		-	2,539	-	2,539	8	2,547
Other comprehensive income	4.1	-	(88)	312	224	133	357
Comprehensive income		**-**	**2,451**	**312**	**2,763**	**141**	**2,904**
Changes in equity		**-**	**2,451**	**312**	**2,763**	**141**	**2,904**
Equity at 31 December		**180**	**9,436**	**(356)**	**9,260**	**770**	**10,030**
2023							
Equity at 1 January		**180**	**6,841**	**(597)**	**6,424**	**602**	**7,026**
Net profit		-	245	-	245	46	291
Other comprehensive income	4.1	-	(101)	(71)	(172)	(19)	(191)
Comprehensive income		**-**	**144**	**(71)**	**73**	**27**	**100**
Changes in equity		**-**	**144**	**(71)**	**73**	**27**	**100**
Equity at 31 December		**180**	**6,985**	**(668)**	**6,497**	**629**	**7,126**

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Significant events

In 2024, the Group's performance and financial position was particularly affected by the significant events (and transactions) highlighted below. A detailed review of the Group's performance is provided in the Management's review on pp. 6-17..

France

Divestment completed

On 22 December 2023, ISS signed an agreement to divest ISS France to Onet SA, a French facility services company. The divestment was completed on 9 April 2024.

Net profit generated in ISS France up until the completion of the divestment amounted to DKK (52) million, see the specification in 3.4.1, Discontinued operations.

DTAG

Arbitration process

As previously informed, ISS and Deutsche Telekom (DTAG) have certain contractual disagreements. In December 2022, ISS has initiated the establishment of an Arbitration Tribunal under the German Institute of Arbitration (DIS) to decide on these disagreements. The final oral hearing in the arbitration proceedings is scheduled to take place in mid July 2025. ISS and DTAG have exchanged claims against each other, but the outcome of the proceedings remains uncertain.

Management has carefully considered the various aspects of the dispute in making their estimates and judgements, mainly in relation to receivables, provisions and contingent liabilities.

See 2.5, Provisions, contingencies, guarantees and commitments for further details.

Macroeconomic environment

Continued uncertainty

The macroeconomic environment continued to be volatile and create uncertainty in 2024.

Interest rates increased in the majority of our countries, and inflation remained relatively high, the latter touching certain aspects of our business, such as increasing our cost base, mainly because of increasing minimum wages and collective wage agreements. To mitigate the effect, we continued to utilise the price adjustment mechanisms in our customer contracts.

Türkiye also continued to be considered a hyperinflationary economy and eligible for accounting in accordance with IAS 29.

In preparing these consolidated financial statements, we considered these impacts when making accounting estimates, most significantly in relation to:

- Impairment tests, 3.2
- Pensions and similar obligations, 7.1
- Hyperinflation in Türkiye, 7.2

Significant estimates and judgements

Accounting estimates		
1.2	**Revenue**	Large and complex IFS contracts: • Determining the transaction price, including the impact of scope changes (contract modifications)
2.5	**Provisions**	Estimate of future profitability and likely outcomes: • Onerous contracts • Claims, disputes and legal proceedings
3.2	**Goodwill and customer contracts**	Key assumptions applied for the purpose of impairment testing: • Recoverable amounts of CGUs
5.2	**Deferred tax**	• Financial forecasts of future taxable profit impacting recognised deferred tax asset • Uncertain tax positions – estimate of the amount required to settle the obligation
7.1	**Pensions and similar obligations**	• Impact from key assumptions such as salary levels, interest rates, inflation, mortality and guaranteed benefits
Accounting judgements		
1.2	**Revenue**	Large and complex IFS contracts: • Assessment of contractual terms and impact on transaction price
2.2	***Other receivables***	• Transition and mobilisation costs – assessment of capitalisation criteria (generating or enhancing resources to be used in satisfying performance obligations and are expected to be recovered)
2.5	**Provisions**	• Large and complex IFS contracts – assessment of risks and disputes • Onerous contracts – assessment of termination and extension options
2.6	**Right-of-use assets**	• Lease term – determining whether extension options are reasonably certain to be exercised
3.1	**Intangible assets**	• Cloud-based arrangements – assessment of control and whether configuration/customisation costs result in an intangible assets • Software (owned) – capitalisation of configuration/customisation costs
7.2	**Hyperinflation in Türkiye**	• Price index – assessment of which approach to apply in calculating the conversion factor when restating for hyperinflation, i.e. average year-to-date or average month-to-date

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Making judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements required management to make judgements, estimates and assumptions that affected the reported amounts of assets, liabilities, income and expenses, the accompanying disclosures, including contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

Estimates and assumptions are reviewed on an ongoing basis and have been prepared taking macroeconomic and geopolitical developments into consideration as well as climate-related matters, but still ensuring that one-off effects which are not expected to exist in the long term do not affect estimation and determination of these key factors, including discount rates and expectations for the future.

Climate-related matters

- no material impact

In preparing the Group's consolidated financial statements, management considered the impact of climate matters and related risks in relation to 1) the going concern assessment; and 2) applying significant estimates and assumptions. This included both transitional risks in the form of increased costs incurred as part of transitioning toward a more sustainable economy, and physical risks due to specific weather events.

Generally, we do not believe that our profitability, cash flow generation 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 operational investment needs.

As a result, it is management's assessment, that climate-related matters 1) will not have a significant impact on the Group's going concern assessment, or in the long term (next five years); and 2) did not have a material impact on the Group's significant accounting estimates and assumptions applied in these consolidated financial statements.

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Operating profit

1.1 Segments

1.1.1 Operating segments

ISS is a leading, global provider of workplace and facility service solutions operating in ~30 countries. Operations and business performance are generally managed based on a geographical structure in which countries are grouped into four regions. These regions make up the Group's reportable segments.

The regions have been identified based on a key principle of grouping countries that share market conditions and cultures. Countries where we do not have a full country-based support structure (global managed services) are combined in a separate segment "Other countries".

An overview of the grouping of countries into regions is presented in 8.4, Group companies.

2024 (DKKm)	Northern Europe	Central & Southern Europe	Asia & Pacific	Americas	Other countries	Total segments	Unall./ IC elim	Group
Revenue, excl. IAS 29	31,328	27,159	14,403	9,407	767	83,064	(38)	83,026
Revenue	**31,328**	**27,915**	**14,403**	**9,407**	**767**	**83,820**	**(38)**	**83,782**
Employee costs	(18,239)	(18,686)	(9,928)	(4,733)	(176)	(51,762)	(307)	(52,069)
Depreciation and amortisation	(560)	(520)	(141)	(109)	(4)	(1,334)	(15)	(1,349)
Operating profit before other items, excl. IAS 29	1,803	1,867	1,032	547	30	5,279	(390)	4,889
Operating profit before other items	**1,803**	**1,855**	**1,032**	**547**	**30**	**5,267**	**(390)**	**4,877**
Operating margin, excl. IAS 29	*5.8%*	*6.9%*	*7.2%*	*5.8%*	*3.9%*	*6.4%*	-	*5.9%*
Operating margin	*5.8%*	*6.6%*	*7.2%*	*5.8%*	*3.9%*	*6.3%*	-	*5.8%*
Other income and expenses, net	6	(43)	(2)	(60)	-	(99)	(52)	(151)
Royalty	(398)	(338)	(240)	(121)	-	(1,097)	-	(1,097)
Amortisation/impairment of customer contracts	(14)	(60)	-	(17)	-	(91)	-	(91)
Operating profit	**1,397**	**1,414**	**790**	**349**	**30**	**3,980**	**(442)**	**3,538**
2023								
Revenue, excl. IAS 29	29,324	24,807	14,229	9,605	783	78,748	(44)	78,704
Revenue	**29,324**	**24,805**	**14,229**	**9,605**	**783**	**78,746**	**(44)**	**78,702**
Employee costs	(17,033)	(16,388)	(10,090)	(4,822)	(251)	(48,584)	(263)	(48,847)
Depreciation and amortisation	(543)	(493)	(132)	(121)	(4)	(1,293)	(10)	(1,303)
Operating profit before other items, excl. IAS 29	1,572	1,487	875	489	48	4,471	(273)	4,198
Operating profit before other items	**1,572**	**1,439**	**875**	**489**	**48**	**4,423**	**(273)**	**4,150**
Operating margin, excl. IAS 29	*5.4%*	*6.0%*	*6.1%*	*5.1%*	*6.1%*	*5.7%*	-	*5.3%*
Operating margin	*5.4%*	*5.8%*	*6.1%*	*5.1%*	*6.1%*	*5.6%*	-	*5.3%*
Other income and expenses, net	-	(43)	15	(4)	-	(32)	(58)	(90)
Royalty	(413)	(344)	(247)	(108)	2	(1,110)	-	(1,110)
Amortisation/impairment of customer contracts	(13)	(37)	(2)	(17)	-	(69)	-	(69)
Operating profit	**1,146**	**1,015**	**641**	**360**	**50**	**3,212**	**(331)**	**2,881**

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1.1 Segments (continued)

1.1.2 Geographical distribution

(DKKm)	Revenue		Non-current assets [1]	
	2024	**2023**	**2024**	**2023**
UK & Ireland	11,939	10,611	2,314	2,218
Switzerland	7,052	6,383	2,300	2,010
US & Canada	6,870	7,004	2,481	2,368
Türkiye	6,622	4,833	1,929	1,525
Germany	5,713	5,864	1,498	993
Australia & New Zealand	5,279	5,102	1,301	1,331
Spain	5,136	4,460	1,786	1,644
Denmark (country of domicile)	3,224	2,994	820	806
Other countries [2]	31,947	31,451	12,783	10,738
Total	**83,782**	**78,702**	**27,212**	**23,633**

[1] Excluding deferred tax assets.

[2] Including unallocated items and eliminations.

Accounting policy

The Group's four reportable segments reflect the geographical and strategic management, decision and reporting structure applied by the Executive Group Management (EGM).

The segments are managed by the EGM primarily based on business performance measured by Operating profit. Segment revenue and costs comprise items that are directly attributable to the individual segments. Unallocated items mainly consist of revenue and cost relating to the Group's corporate functions. Decisions on financing (finance income or finance costs) and tax planning (income tax) are managed at Group level and are therefore not managed and allocated to segments.

Segment revenue is presented including internal revenue which due to the nature of the business is insignificant and therefore not disclosed.

The geographical distribution of segment revenue and non-current assets is based on the geographical location of the individual subsidiary rendering the service. Significant countries are defined as countries representing more than 5% of Group revenue as well as the domicile country, Denmark. No customer comprises more than 10% of Group revenue.

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1.2 Revenue

The Group's revenue is generated from rendering of workplace and facility service solutions to more than 40,000 customers. Our services are provided on a daily basis at our customers sites, largely by our own employees (placemakers) given our self-delivery business model. Subcontractors are only used to a limited extent and primarily for delivery of highly specialised services (e.g. within technical) and/or infrequently delivered services.

The vast majority of our revenue is portfolio revenue 84% (2023: 84%), which means that revenue is contractually agreed (committed) with the customer at contract inception. With initial contract terms typically of 3-5 years, this revenue base offers a relatively high stability and predictability. The remaining part of our revenue is non-recurring (not committed) in the form of projects and above-base work (e.g. capital projects, events, etc.), which is demanded on a non-recurring basis and agreed separately with the customer.

Start-up of new key account contracts often requires ISS to incur significant transition and mobilisation costs (costs to fulfil a contract) before service delivery commences in order to be able to fulfil the performance obligations under the contracts.

Capitalised transition and mobilisation costs are presented in 2.2, Other receivables.

1.2.1 Commercial models

Our contracts are individually negotiated with each customer based on their specific needs. Despite individuality in contracts, we do however generally operate based on variations of the following three commercial models:

1) Fixed price contracts;
2) Cost-plus contracts; and
3) Cost-plus variations (typically capped)

Determining the transaction price varies depending on the model as described in Accounting policies. However, they all include mechanisms to adjust prices due to a) inflation and regulatory changes and b) scope changes. These contractual mechanisms, along with strong and well-embedded processes for implementing such adjustments, are essential in mitigating the risk of contracts becoming onerous due to e.g. changing customer needs, macroeconomic or regulatory events etc.

1.2.2 Disaggregation

Aligned with our strategy, we disaggregate revenue from contracts with customers based on:

- Revenue base (portfolio vs. projects and above-base)
- Customer category
- Customer segment
- Core services

The distribution of revenue among our portfolio and above-base, customer category, customer segment and services within the regions is largely the same as the overall distribution for the Group. However, in Americas, the share of food services is relatively higher and healthcare significantly lower than compared to the rest of the Group.

The overview on the next page illustrates the relationship between disaggregation of revenue and revenue per reportable segments.

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1.2 Revenue *(continued)*

Disaggregation of revenue

2024 (DKKm)	Northern Europe	%	Central & Southern Europe	%	Asia & Pacific	%	Americas	%	Other coun-tries	Unall./ IC elim.	Total	%
Revenue base												
Portfolio	25,189	80%	23,574	84%	12,998	90%	7,795	83%	513	(23)	70,046	84%
Projects and above-base work	6,139	20%	4,341	16%	1,405	10%	1,612	17%	254	(15)	13,736	16%
Total	**31,328**	100%	**27,915**	100%	**14,403**	100%	**9,407**	100%	**767**	**(38)**	**83,782**	100%
Customer category												
Key accounts	22,694	73%	18,134	65%	10,299	72%	7,433	79%	759	(36)	59,283	71%
Large and medium	6,688	21%	8,425	30%	3,235	22%	1,958	21%	-	-	20,306	24%
Small and route-based	1,946	6%	1,356	5%	869	6%	16	0%	8	(2)	4,193	5%
Total	**31,328**	100%	**27,915**	100%	**14,403**	100%	**9,407**	100%	**767**	**(38)**	**83,782**	100%
Customer segments												
Office-based	13,436	43%	11,096	40%	4,465	31%	3,951	42%	378	(32)	33,294	40%
Production-based	6,209	20%	6,057	22%	3,245	22%	3,397	36%	354	(6)	19,256	23%
Healthcare	4,693	15%	4,291	15%	3,112	22%	103	1%	-	-	12,199	14%
Other	6,990	22%	6,471	23%	3,581	25%	1,956	21%	35	-	19,033	23%
Total	**31,328**	100%	**27,915**	100%	**14,403**	100%	**9,407**	100%	**767**	**(38)**	**83,782**	100%
Core services												
Cleaning	13,090	42%	12,697	45%	6,808	47%	2,253	24%	102	(19)	34,931	42%
Technical	7,408	24%	8,241	30%	1,157	8%	2,487	26%	140	(16)	19,417	23%
Food	5,720	18%	2,554	9%	1,234	9%	3,436	37%	57	(1)	13,000	15%
Other	5,110	16%	4,423	16%	5,204	36%	1,231	13%	468	(2)	16,434	20%
Total	**31,328**	100%	**27,915**	100%	**14,403**	100%	**9,407**	100%	**767**	**(38)**	**83,782**	100%

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1.2 Revenue (continued)

2023 (DKKm)	Northern Europe	%	Central & Southern Europe	%	Asia & Pacific	%	Americas	%	Other coun-tries	Unall./ IC elim.	Total	%
Revenue base												
Portfolio	23,731	81%	20,426	82%	12,585	88%	8,484	88%	525	(20)	65,731	84%
Projects and above-base work	5,593	19%	4,379	18%	1,644	12%	1,121	12%	258	(24)	12,971	16%
Total	**29,324**	100%	**24,805**	100%	**14,229**	100%	**9,605**	100%	**783**	**(44)**	**78,702**	100%
Customer category												
Key accounts	20,690	70%	16,995	68%	10,182	72%	7,660	80%	772	(25)	56,274	71%
Large and medium	6,631	23%	6,918	28%	3,187	22%	1,926	20%	-	(17)	18,645	24%
Small and route-based	2,003	7%	892	4%	860	6%	19	0%	11	(2)	3,783	5%
Total	**29,324**	100%	**24,805**	100%	**14,229**	100%	**9,605**	100%	**783**	**(44)**	**78,702**	100%
Customer segments												
Office-based	12,052	41%	9,991	40%	4,424	31%	3,822	40%	442	(41)	30,690	39%
Production-based	5,957	20%	5,742	23%	3,349	23%	3,578	37%	283	(3)	18,906	24%
Healthcare	4,496	16%	3,290	13%	3,074	22%	91	1%	-	-	10,951	14%
Other	6,819	23%	5,782	24%	3,382	24%	2,114	22%	58	-	18,155	23%
Total	**29,324**	100%	**24,805**	100%	**14,229**	100%	**9,605**	100%	**783**	**(44)**	**78,702**	100%
Core services												
Cleaning	12,535	43%	10,930	44%	7,277	51%	2,285	24%	186	(43)	33,170	42%
Technical	6,735	23%	7,861	32%	1,229	9%	2,310	24%	152	1	18,288	23%
Food	5,250	18%	2,007	8%	1,165	8%	3,532	37%	51	(8)	11,997	15%
Other	4,804	16%	4,007	16%	4,558	32%	1,478	15%	394	6	15,247	20%
Total	**29,324**	100%	**24,805**	100%	**14,229**	100%	**9,605**	100%	**783**	**(44)**	**78,702**	100%

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1.2 Revenue (continued)

1.2.3 Revenue backlog

Our revenue base consists of a mix of yearly contracts, which are renewed tacitly, and thousands of multi-year contracts, the majority of which have an initial term of 3-5 years. Contracts regularly include options for the customer to terminate for convenience within 3-9 months. However, both for key accounts and others, we maintain a high retention rate of 93%, supporting that these options are rarely exercised.

The vast majority of our revenue is portfolio revenue, see 1.2, Revenue. The remaining part is non-recurring in the form of projects and above-base work (not committed) and thus, excluded from the revenue backlog. In addition, the Group has excluded contracts with a term of less than 12 months and contracts where the Group invoices a fixed amount for each hour of service provided.

As a result, the amounts disclosed in the maturity table is significantly lower than reported revenue and will likely not reflect the degree of certainty in future revenue (and cash inflows) to the Group. Therefore, as a supplement, in the management review, p. 9, a maturity overview for our largest key accounts (> DKK 200 million of annual revenue) is presented.

(DKKm)	2024		2023	
< 1 year	23,510	35%	20,793	33%
1-5 years	36,182	54%	35,356	56%
> 5 years	7,553	11%	7,463	11%
Total	**67,245**	**100%**	**63,612**	**100%**

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1.2 Revenue (continued)

Accounting policy

Transaction price Our customer contracts are based on three commercial models:

1) Fixed price contracts;
2) Cost-plus contracts; and
3) Cost-plus variations (typically capped)

All three models include mechanisms to adjust the transaction price for a) inflation and regulatory changes and b) scope changes (contract modifications).

Inflation and regulatory adjustments are typically implemented annually based on the actual development in salaries/minimum wages or cost of consumables (e.g. food) based on changes to a price index.

Scope changes regularly occur, particularly for key account customers, to ensure that service solutions reflect our customers' current needs. Such modifications are generally agreed with the customer in advance as per a specified change management procedure in the contract.

In addition to these general adjustment mechanisms applicable for all commercial models, the differences between models in determining the transaction price are highlighted below.

For fixed price contracts the transaction price stated in the contract is based on a fixed amount for the agreed services.

For cost-plus contracts the transaction price is determined based on actual costs incurred with the addition of an agreed markup/management fee. In addition, the transaction price may include a variable consideration element determined based on achievement of certain defined key performance indicators (KPIs). Variable consideration is assessed on a contract-by-contract basis on a recurring basis in alignment with the customer, and is measured based on the most likely amount management expects ISS to be entitled to.

For cost-plus variations, determining the transaction price is similar to the cost-plus (including variable consideration), however typically with a cap, i.e. if ISS's actual costs exceed a guaranteed maximum price (GMP), the consideration is reduced to the GMP. Determining the transaction price requires assessment of which costs may be included in the calculation basis and if relevant, whether within the capped maximum.

Recognition Revenue from contracts with customers is recognised when control of the services is transferred to the customer. Control is transferred over time as the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue is recognised based on the actual services provided in the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours and costs expensed relative to the total expected labour hours and costs to complete the service. Estimates of labour hours and costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Contract modifications are accounted for going forward with no impact on recognised revenue up to the date of modification.

Variable consideration is recognised as services are performed to the extent that it is highly probable that the amount will not be subject to significant reversal.

Customers are invoiced on a monthly basis in accordance with contractual terms, and payment terms are agreed on an individual basis.

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Accounting policy *(continued)*

Gross or net presentation Our strategy and business model are based on delivery of integrated facility services (IFS) to our customers with ISS carrying the responsibility and risks related to the services provided. The Group has generally concluded that it is the principal in its revenue arrangements, and consequently as a main rule recognises revenue on a gross basis.

In arrangements where ISS uses subcontractors, the Group assesses on a contract-by-contract basis, whether ISS is the principal or ISS is acting as the agent. The assessment is based on whether ISS controls the services before transferring them to the customer.

Typically, when the Group has concluded that ISS controls the services and is the principal, ISS:

1) engages with the customer before and after the services are provided, and takes the responsibility for fulfilment of services according to the contract;
2) has discretion in establishing the price for the agreed services;
3) selects and engages with the subcontractor; and
4) agrees changes to services directly with the customer.

Accounting estimates and judgements

Due to our strategic focus on key accounts, our customer base contains a number of large and complex IFS contracts in terms of determining the transaction price, including the impact of scope changes (contract modifications).

Management makes detailed assessments of the contractual terms and on that basis estimates the amount of revenue expected to be received based on services delivered, including an assessment of the probability of such amount being reversed subsequently.

For large and global complex contracts, the outcome may vary significantly, should the judgements and assumptions applied by management in their assessments not be realised as expected.

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1.3 Employee costs

(DKKm)	Note	2024	2023
Wages and salaries		42,012	39,281
Social security costs		8,524	8,127
Pensions	7.1	1,482	1,397
Share-based payments	6.2	51	42
Total		52,069	48,847
Average number of employees [1]		327,557	334,627

[1] Excluding France.

Our strategy is based on self-delivery of our services by our placemakers. They are our key resource and fundamental to our value creation.

Our business model is asset-light and therefore employee costs is our single largest cost category.

In 2024, employee costs comprised 66% of the total operating costs (2023: 66%).

Government grants

In 2024, the Group recognised government grants of DKK 178 million (2023: DKK 184 million) in the form of wage subventions, which have been recognised as a reduction of employee costs. The grants compensated the Group primarily for social security, wage increases as well as for employing certain categories of employees such as trainees, disabled persons, long-term unemployed and employees in certain age groups.

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1.4 Other income and expenses, net

(DKKm)	2024	2023
Gain on divestments	9	16
Other income	**9**	**16**
Loss on divestments	(64)	(32)
Acquisition and integration costs	(32)	(16)
Other	(64)	(58)
Other expenses	**(160)**	**(106)**
Other income and expenses, net	**(151)**	**(90)**

Loss on divestments mainly related to an adjustment of the deferred consideration for the Specialized Services business in the US, which was divested in 2021. In 2023, the loss mainly related to divestments in Spain.

Acquisition and integration costs related to the Group's acquisitions in Spain, Switzerland and Austria. Of the total amount, DKK 10 million was acquisition costs (2023: DKK 8 million).

Other comprised mainly remeasurement of the contingent consideration related to the transaction in Türkiye in 2021.

Accounting policy

Other income and expenses, net consists of recurring and non-recurring items that management does not consider to be part of the Group's ordinary operating activities, i.e. divestment gains and losses, remeasurement of disposal groups classified as held for sale, the winding-up of operations, disposal of property as well as acquisition and integration costs.

Other income and expenses, net are presented separately from the Group's ordinary operating activities as management believes that this best reflects the Group's financial performance.

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SECTION 2

Operating assets, liabilities and free cash flow

2.1 Trade receivables and credit risk

(DKKm)	2024 Gross	2024 Expected credit losses	2024 Carrying amount	2023 Gross	2023 Expected credit losses	2023 Carrying amount
Central & Southern Europe	5,371	(45)	5,326	4,481	(30)	4,451
Northern Europe	3,879	(67)	3,812	3,632	(59)	3,573
Asia & Pacific	2,113	(30)	2,083	2,072	(30)	2,042
Americas	1,105	(12)	1,093	1,194	(8)	1,186
Other countries	135	-	135	102	-	102
Total	**12,603**	**(154)**	**12,449**	**11,481**	**(127)**	**11,354**
Not past due	11,285	(4)	11,281	10,148	(1)	10,147
Past due 1 to 60 days	754	(6)	748	878	(2)	876
Past due 61 to 180 days	120	(11)	109	220	(40)	180
Past due 181 to 360 days	89	(37)	52	113	(28)	85
More than 360 days	355	(96)	259	122	(56)	66
Total	**12,603**	**(154)**	**12,449**	**11,481**	**(127)**	**11,354**

Expected credit losses

(DKKm)	2024	2023
At 1 January	(127)	(124)
FX adjustments	(2)	4
Acquisitions	(18)	(5)
Additions	(68)	(86)
Unused amounts reversed	40	52
Unrecoverable amounts written off	21	18
Reclass to Assets held for sale	-	14
At 31 December	**(154)**	**(127)**

Development in 2024

In 2024, trade receivables increased to DKK 12,449 million (2023: DKK 11,354 million) generally as a result of organic growth driven by price increases and higher activity levels at customer sites across the Group as well as acquisitions in Switzerland and Spain. In addition, the increase was driven by Türkiye, where payment cycles are longer than Group average, and by adverse timing effects of certain payments relating to the contractual dispute with Deutsche Telekom.

Commercial use of factoring with certain large key account customers and participation in certain customers' supply chain finance arrangements was DKK 1.53 billion (2023: DKK 1.45 billion) at 31 December 2024. The development reflected increasing revenue from key account customers, where invoices, as per the Group's factoring policy, are eligible for factoring.

Expected credit losses comprised 1.2% (2023: 1.1%) of trade receivables (gross) and trade receivables not past due was 90% of trade receivables (gross) (2023: 88%).

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2.1 Trade receivables and credit risk (continued)

Credit risk
- low exposure

The Group's exposure to credit risk is inherently low due to its business model and strategic choices leading to a diversified customer portfolio, both in terms of geography, industry sector, customer size and services.

Risk management
Exposure to credit risk and expected credit losses are managed locally in the operating entities.

We have a strong ongoing assessment and monitoring of customers' creditworthiness and the credit limits are set as deemed appropriate taking into account the customer's financial position and the current market conditions.

In 2024, we continued to manage inflation tightly through price increases. The vast majority of cost increases were passed on to customers as per the agreed contractual terms with no increase in credit losses.

Generally, the Group does not hold collateral as security for trade receivables.

Accounting policy

Trade receivables comprise invoiced and unbilled revenue. Unbilled revenue represents service deliveries where the performance obligation has been fulfilled, but not yet invoiced. Trade receivables are recognised at the invoiced amount less expected credit losses, which equals amortised costs due to their short-term nature.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are calculated based on days past due for grouping of customers with similar loss patterns, e.g. geographical region, industry sector and customer rating. The historical loss rates are adjusted to reflect current and forecasts of future economic conditions on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are generally written off if they are past due more than 180 days or when there is no reasonable expectation of recovery. Write-offs are presented in Other operating expenses. Subsequent recovery or reversal of expected credit losses are credited against the same line item.

Factoring and participation in customers' supply chain finance arrangements (together referred to as factoring) are mainly used to optimise cash collection and to finance working capital impacts related to growth with certain key account customers, including from general pressure for longer payment terms and necessary investments in transition and mobilisation of such contracts. Trade receivables subject to factoring are derecognised when the derecognition criteria are met and the substantial risks and rewards are transferred to the factor. Once the trade receivables are derecognised, the Group does not carry any risk and has no continuing involvement in these.

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2.2 Other receivables

(DKKm)	2024	2023
Supplier rebates and bonuses	531	434
Prepayments to suppliers	308	294
Securities	140	117
Sign-on fees	132	98
Receivable divestment proceeds	70	114
Government grants	69	23
Transition and mobilisation costs	44	42
Derivatives	66	24
Other	291	348
Total	**1,651**	**1,494**

Supplier rebates and bonuses comprised volume-related supplier discounts and reflects the Group's continued efforts to minimise the number of suppliers and drive synergies and cost savings.

Prepayments to suppliers comprised various payments mainly related to IT licences, utilities and insurance.

Securities related to a savings plan in the US administered by ISS on behalf of certain senior employees.

Sign-on fees comprised upfront discounts to certain large customers incurred in the normal course of business, most significantly in the UK, Australia and the US and on certain global key accounts.

Receivable divestment proceeds mainly related to the divestment of Specialized Services in the US, where part of the consideration is deferred.

Government grants related to wage subventions mainly in Singapore and Spain.

Transition and mobilisation comprised costs to fulfil the performance obligation under certain large long-term contracts. At 31 December 2024, capitalised transition and mobilisation costs amounted to DKK 44 million (2023: DKK 42 million). The increase in 2024 was due to mobilisation activities for the startup of Defra in the UK and the Danish Building and Property Agency in Denmark, partly offset by ordinary amortisation.

Other comprised refunds from customers, accrued interest, VAT, employee-related taxes and other recoverable amounts.

Accounting judgement

Transition and mobilisation costs (costs to fulfil a contract) comprise costs directly related to start-up of operations of certain large long-term contracts, such as transfer of employees from previous suppliers, site due diligence, planning and developing service plans. The costs include internal direct costs and external costs e.g. to consultants.

Capitalisation of transition and mobilisation costs involves management's judgement to assess if the criteria for capitalisation are fulfilled, including determining if the costs relate directly to the contract, generate resources that will be used in satisfying the performance obligations, and are expected to be recovered, i.e. reflected in the pricing of the contracts.

Bid-related costs, including costs relating to sales work and securing contracts, are expensed as incurred.

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2.2 Other receivables (continued)

Accounting policy

Other receivables comprise various items of different nature and thus different measurement methods are applied. As these items are considered individually immaterial, they are presented together as Other receivables.

Except for the items described below, other receivables are recognised initially at cost and subsequently at amortised cost. Due to the short-term nature of other receivables, amortised cost will equal the cost.

Sign-on fees and transition and mobilisation costs are capitalised and amortised over the initial secured contract term consistent with ISS's transfer of the related services to the customer.

Securities and derivatives are measured at fair value with fair value adjustments being recognised in profit or loss. The fair value of derivatives is presented in Other receivables when the fair value is positive and in Other liabilities when the fair value is negative.

2.3 Other liabilities

(DKKm)	2024	2023
Accrued wages, pensions, holiday allowances and social security	5,473	5,060
Tax withholdings, VAT etc.	1,811	1,768
Debt to companies within the ISS Group	1,709	1,611
Prepayments from customers	1,113	989
Contingent consideration and deferred payments	227	29
Accrued interests	175	-
Savings plan	140	117
Derivatives	30	70
Other	369	323
Total	**11,047**	**9,967**

In 2024, other liabilities increased DKK 1,080 million mainly due to higher activity levels and inflation leading to higher accruals for wages, pensions, holiday allowances and social security of DKK 413 million. Furthermore, contingent consideration and deferred payments increased DKK 198 million mainly related to the divestment of ISS France, where part of the consideration is deferred up to three years from the divestment date, see 3.4, Discontinued operations and divestments.

Savings plan related to a plan in the US under which ISS has invested in securities, see 2.2, Other receivables. The plan is administered by ISS on behalf of certain senior employees.

Other comprised customer discounts, etc.

2.4 Changes in working capital

(DKKm)	2024	2023
Changes in inventories	(14)	(24)
Changes in receivables	(1,009)	(764)
Changes in payables	615	1,007
Total	**(408)**	**219**

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2.5 Provisions, contingencies, guarantees and commitments

ISS is exposed to various risks and uncertainties, and party to certain disputes, claims, investigations and legal proceedings arising out of the normal conduct of its business. These are mainly within:

- Commercial/contractual matters
- Labour-related
- Divestments and M&A
- Tax/social regulations

Provisions are recognised in relation to such obligations for probable losses that management deems reasonable and appropriate at 31 December 2024 as reflected in the table on the next page. In addition, ISS is exposed to possible obligations in relation hereto, see 2.5.2, Contingencies.

2.5.1 Provisions

Legal claims and disputes

The provision primarily relates to labour-related claims and disputes regarding wages, overtime, holiday, pensions, severance etc., claims and disputes in relation to contractual disagreements with customers and suppliers as well as sales and service tax disputes. In addition, the provision includes claims and disputes associated with our divestment activities. Such claims and disputes arise out of the normal conduct of business. In 2024, the decrease was primarily due to payments for a divestment-related dispute in the US and for the VAT dispute on canteen services in Norway as well as settlement of various labour-related disputes in the ordinary course of business. At 31 December 2024, the remaining provision predominantly concerned Spain, Türkiye, and Norway.

Self-insurance

The provision mainly relates to employers' liability and/or workers compensation in certain countries and covers claims by employees for medical benefits and lost wages associated with injuries/illness incurred in the course of their employment.

Listed below are the relevant countries, including self-insurance limits:

- **Hong Kong:** DKK 27.6m, yearly (2023: DKK 25.9m)
- **UK:** DKK 27.0m, yearly aggregated limit (2023: DKK 25.7m) and DKK 4.5m per claim (2023: DKK 4.3m)
- **Australia:** DKK 4.5m per claim (2023: DKK 4.6m)
- **US:** DKK 3.6m per claim (2023: DKK 3.4m)

The provision also includes obligations not covered by the global general business liability insurance in relation to damage caused in the ordinary course of service delivery, e.g. property damage and bodily injury. The Group is self-insured for claims below DKK 7.5 million (EUR 1 million per claim).

Restructurings

The provision mainly relates to restructuring projects conducted in the ordinary course of our business to ensure continuous optimisation and adjustment of our cost base involving mainly overhead reductions, including termination of employees. In 2024, payments mainly related to severance costs in Germany following the OneISS strategic review in late 2023.

Onerous contracts

The provision covers unavoidable costs for certain loss-making contracts. In 2024, we continued to manage inflation through price increases and cost efficiencies. As a result, we did not identify any significant new onerous contracts or increased provision for contracts already recognised as onerous.

Other

The provision comprises various other risks and obligations incidental to our business, most significantly related to customer and contract-related risks and disputes, acquisitions, divestments and decommissioning liabilities. In 2024, the provision increased to DKK 238 million (2023: DKK 225 million) mainly due to indemnities granted by ISS in connection with the divestment of ISS France. This was offset by utilisations (payments) related to customer disputes and contract-related risks. At 31 December 2024, the provision mainly related to risks and disputes related to customer contracts and divestments in Germany, France and the US.

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2.5 Provisions, contingencies, guarantees and commitments (continued)

(DKKm)	Legal claims and disputes	Self-insurance	Restruc-turings	Onerous contracts	Other	Total
2024						
At 1 January	158	263	74	26	225	746
FX adjustments	-	21	-	-	6	27
Profit or loss impact:						
Additions	54	296	-	13	3	366
Unused amounts reversed	(29)	(40)	-	(13)	(1)	(83)
Used during the year (payment)	(88)	(299)	(73)	(3)	(59)	(522)
Acquisitions	-	1	-	2	-	3
Reclass (to)/from other liabilities	-	-	-	-	64	64
At 31 December	**95**	**242**	**1**	**25**	**238**	**601**
Non-current	29	139	1	10	193	372
Current	66	103	-	15	45	229
2023						
At 1 January	268	245	71	77	410	1,071
FX adjustments	-	(8)	-	(1)	(2)	(11)
Profit or loss impact:						
Additions	66	198	158	14	10	446
Unused amounts reversed	(76)	(32)	-	(19)	(138)	(265)
Used during the year (payment)	(140)	(203)	(150)	(28)	(41)	(562)
Acquisitions	-	3	-	4	-	7
Reclass to Liabilities held for sale	(48)	-	-	-	-	(48)
Reclass (to)/from other liabilities	88	60	(5)	(21)	(14)	108
At 31 December	**158**	**263**	**74**	**26**	**225**	**746**
Non-current	78	154	1	5	149	387
Current	80	109	73	21	76	359

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2.5 Provisions, contingencies, guarantees and commitments (continued)

2.5.2 Contingencies

ISS is party to pending disputes, claims, investigations and litigations arising out of the normal conduct of its business and is therefore exposed to possible obligations. Management believes that these will not have a material impact on the Group's financial position beyond the assets and liabilities recognised in the statement of financial position at 31 December 2024. However, the existence of such possible obligations will only be confirmed by the occurrence of future events, not entirely within ISS's control. Due to the inherent uncertainty, future events may lead to material adverse effects on the Group's profit or loss, financial position and cash flows from one or more of these possible obligations.

Contractual disagreements

Contractual disagreements with customers arise on a recurring basis in the ordinary course of ISS's business. While most are resolved as part of the daily contract management procedures, in some cases the contractual disagreements will lead to legal proceedings.

The Group is currently party to certain disputes and legal proceedings, including in relation to the contract with Deutsche Telekom (DTAG). As previously informed, ISS has initiated the establishment of an Arbitration Tribunal under the German Institute of Arbitration (DIS) to decide on the contractual disagreements between ISS and DTAG. The final oral hearing in the arbitration proceedings is scheduled to take place in mid July 2025. In the proceedings, ISS and DTAG have exchanged claims against each other. ISS has claimed remuneration for services performed. DTAG has disputed the claims and is withholding certain payments to ISS related to the services delivered. The outcome of the proceedings remains uncertain. Management believes that this would not have a material impact on the Group's financial position beyond the assets and liabilities already recognised at 31 December 2024.

Labour-related risks

Being a people company operating across different geographies and service areas exposes us to varying and changing labour laws, including regulations on pension schemes. Although we have policies and procedures in place to ensure that we comply with current regulations, interpretations and procedures applied by ISS could be challenged in certain jurisdictions and result in disputes and possibly liabilities.

The Group is currently party to certain labour-related claims, disputes and legal proceedings, e.g. around wages, overtime, holiday and severance. Additionally, the Group is aware of certain legal rulings implying that practices applied by ISS could potentially be challenged and possibly lead to liabilities in the future. Management believes that these would not have a material impact on the Group's financial position beyond the assets and liabilities already recognised at 31 December 2024.

Divestments

The Group makes provisions for claims from purchasers or other parties in connection with divestments and the representations and warranties given in relation to such divestments. In addition, the Group's divestment activities can give rise to possible obligations, mainly labour-related, including pension plans, and disputes regarding sales price.

Restructurings

Restructuring projects are being undertaken on an ongoing basis across different geographies and service areas. Labour laws especially in Europe include restrictions on dismissals and procedural rules to be followed. The procedures applied by ISS could be challenged in certain jurisdictions resulting in disputes and possibly liabilities. Management believes that this would not have a material impact on the Group's financial position beyond the assets and liabilities already recognised at 31 December 2024.

Sales and consumption tax disputes

Being a global company operating in various jurisdictions exposes us to varying and changing laws and regulations, including interpretations from authorities on sales and consumption taxes. Although we have policies and procedures in place to ensure that we comply with current regulations, interpretations and procedures applied by ISS could be challenged in certain jurisdictions and result in disputes and possibly liabilities and future cash outflows. The Group is currently party to certain disputes, mainly in relation to VAT on canteen services in Norway.

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2.5 Provisions, contingencies, guarantees and commitments (continued)

Accounting estimates and judgement

Due to our strategic focus on key accounts, our customer base contains a number of large complex contracts in terms of performance obligations towards our customers. The size and complexity of such contracts requires ISS to incur significant transition and mobilisation costs before service delivery commences to enable fulfilment of the performance obligations. Furthermore, complex restructuring projects may need to be initiated and recognised as provisions.

Onerous contracts Management assesses whether contracts may be onerous by estimating the expected future profitability. This involves estimating total contract revenue and the unavoidable costs of meeting the performance obligations under the contract, including any transition and mobilisation costs incurred. In estimating the future profitability, management makes judgements, *including in relation to termination and extension options.*

Certain contracts are large, complex and longer-term facility service partnerships. When estimating unavoidable costs for such contracts, management makes assumptions around future costs taking expected optimisations and efficiency gains from improvement initiatives into consideration. While ISS has inherent risk in this respect, ISS is by nature also dependent on aligning interests with the customer within the framework of the agreement for the benefit of both parties. The outcome may vary significantly should the assumptions and judgements applied not be realised as expected by management and applied as basis for their assessment of whether a contract is onerous.

Restructurings and other provisions Management makes judgements related to various other matters and obligations, primarily relating to planned/initiated restructurings, and complex customer and contract-related risks and disputes, including ongoing lawsuits. Management's assessment of the likely outcome of lawsuits, etc., is based on external legal assistance and established precedents.

For large, complex contracts, the outcome may vary significantly should the judgements and assumptions applied by management in their assessment of the risks and disputes not be realised as expected.

2.5.3 Guarantees

ISS has issued certain guarantees in the normal course of business.

(DKKm)	2024	2023
Bank-guaranteed performance bonds	1,955	1,845
Other performance bonds	6,696	4,824
Performance guarantees (service contracts)	**8,651**	**6,669**
Indemnity and guarantee commitments	**546**	**575**

Performance guarantees

ISS regularly issues performance guarantees to customers to guarantee satisfactory completion of work in accordance with the service contract. Such guarantees are issued in the ordinary course of business, either in the form of bank guarantees, parent guarantees or insurances.

In 2024, other performance bonds increased mainly due to a new customer contract in the UK.

Indemnity and guarantee commitments

Other guarantees are mainly issued to insurance companies towards self-insurance liabilities as well as to owners of rental property occupied by ISS in certain countries. Furthermore, in a few instances guarantees have been issued to public authorities towards tax withholding liabilities.

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2.5 Provisions, contingencies, guarantees and commitments (continued)

2.5.4 Commitments

The Group has entered into various contractual agreements under which the Group is obligated to pay a continued fee in the short to long term.

(DKKm)	2024	2023
License agreements	60	49
Leases	12	60
Purchase obligations, suppliers and subcontractors	29	29
Total not recognised	**101**	**138**
Non-current	26	58
Current	75	80

Licence agreements comprise multi-year software license agreements with non-cancellable obligations to pay future license fees.

Leases relates to various contracts not yet commenced at 31 December, but entailing obligations for future lease payments.

Furthermore, the Group has entered into contracts with a limited number of suppliers and subcontractors that contain future purchase obligations.

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2.5 Provisions, contingencies, guarantees and commitments (continued)

Accounting policy

Provisions

Provisions are recognised at the estimated costs when the Group, as a result of a past event, has a present legal or constructive obligation, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The estimated amount is discounted using the Group's average borrowing rate, if this significantly impacts the measurement of the liability. Provisions are recognised for:

Legal claims and disputes, e.g. lawsuits and other disputes, based on external legal assistance and established precedents.

Self-insurance on employers' liability and/or workers compensation based on valuations from external actuaries.

Restructurings, when a detailed, formal restructuring plan is announced to the affected parties on or before the reporting date. The plan must identify the business concerned, the location and number of employees affected, and include a detailed estimate of costs as well as a timeline.

Onerous contracts, when the unavoidable costs, including directly allocated overhead costs, of meeting the obligations under the contract exceed the economic benefits expected to be received under it, corresponding to the lower of the costs to fulfil the obligations under the contract and the costs of exiting.

Customer and contract-related disputes (presented in "Other" provisions) based on an assessment of available facts and circumstances in respect of the specific risks or disputes, when it is deemed that a contractual, non-contractual or constructive obligation exists, and it is probable that this will lead to an outflow of economic resources from the Group.

Decommissioning liability (presented in "Other" provisions) if the Group has a legal obligation to dismantle or remove an asset or restore a site or leased facilities (right-of-use assets) when vacated. The present value of the obligation is included in the cost of the relevant asset and depreciated accordingly. The estimated future costs and applied discount rate are reviewed annually and any changes are included in the cost of the asset.

Contingencies and commitments

Contingent liabilities are possible obligations whose existence will be confirmed by the occurrence or non-occurrence of future events. An obligation may also be contingent if the amount cannot be estimated reliably or settlement is not probable.

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity.

Commitments are the Group's promise resulting from a contractual agreement to assume a future obligation for a future delivery.

Contingent assets, liabilities and commitments do not represent a present legal or constructive obligation. Thus, they are not recognised, but disclosed in the notes.

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2.6 Right-of-use assets, property and equipment

2.6.1 Right-of-use assets

At 31 December 2024, ISS was party to around 18,600 (2023: 17,500) lease agreements of which the majority related to vehicles. In terms of value, the main part related to property leases which generally fall in two categories:

- HQ office leases (Group headquarters in Søborg as well as HQ buildings and regional offices in each ISS Country)
- Customer-specific property leases (offices, storage etc.)

In 2024, additions was DKK 1,078 million (2023: DKK 906 million). The increase was primarily attributable to new vehicle leases driven by lease cycle renewals, particularly in Germany, the UK, Belgium & Luxemburg and Finland. Also, new or extended property leases contributed, mainly in Finland and Sweden.

Lease-related costs recognised in profit or loss

(DKKm)	2024	2023
Depreciation of right-of-use assets	904	866
Leases of low-value assets	120	138
Short-term leases	104	49
Variable lease payments	8	7
Other operating expenses	**1,136**	**1,060**
Interest expenses on lease liabilities	153	119
Finance costs	**153**	**119**
Hereof cash outflow	**385**	**313**

Lease liabilities

In 2024, total cash outflow for leases was DKK 1,336 million (2023: DKK 1,091 million).

For the carrying amount of lease liabilities and maturity, see 4.2.1, Borrowings and 4.5.1, Financial liabilities, respectively.

Leases not yet commenced

For the amount of leases not yet commenced is disclosed in 2.5.4, Commitments.

2.6.2 Property and equipment

Comprise mainly vehicles, production equipment and leasehold improvements.

In 2024, additions of DKK 354 million (2023: DKK 392 million) primarily related to equipment for new and existing contracts, and leasehold improvements.

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2.6 Right-of-use assets, property and equipment (continued)

(DKKm)	Right-of-use assets				Property and equipment
	Properties	Vehicles	Other	Total	
2024					
Carrying amount at 1 January	1,071	688	394	2,153	901
FX adjustments	4	(3)	(19)	(18)	(7)
Hyperinflation restatement	2	13	54	69	42
Additions	320	611	147	1,078	354
Acquisitions/divestments, net	5	3	2	10	32
Disposals	-	-	-	-	(11)
Depreciation	(366)	(374)	(164)	(904)	(322)
Reclass	-	-	-	-	(10)
Carrying amount at 31 December	**1,036**	**938**	**414**	**2,388**	**979**
Cost	2,516	1,610	816	[4]4,942	3,300
Accumulated depreciation and impairment	(1,480)	(672)	(402)	(2,554)	(2,321)
Carrying amount at 31 December	**1,036**	**938**	**414**	**2,388**	**979**
2023					
Carrying amount at 1 January	1,330	635	380	2,345	891
FX adjustments	9	(1)	(46)	(38)	(33)
Hyperinflation restatement	2	13	53	68	47
Additions	258	438	210	906	392
Acquisitions/divestments, net	(5)	(4)	-	(9)	2
Disposals	-	-	-	-	(16)
Depreciation	(382)	(352)	(159)	(893)	(344)
Impairment	(141)	(36)	(33)	(210)	(38)
Reclass to Assets held for sale	-	(5)	(11)	(16)	-
Carrying amount at 31 December	**1,071**	**688**	**394**	**2,153**	**901**
Cost	2,420	1,440	735	4,595	3,077
Accumulated depreciation and impairment	(1,349)	(752)	(341)	(2,442)	(2,176)
Carrying amount at 31 December	**1,071**	**688**	**394**	**2,153**	**901**

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2.6 Right-of-use assets, property and equipment (continued)

Accounting judgement

Lease term The majority of the Group's lease contracts for HQ office buildings contain extension options, and additionally a few have no contractual fixed term. This contract structure, which combines fixed term with extension options, is essential to the Group to ensure the right balance of stability and efficiency, while at the same time securing flexibility to adjust based on future business needs.

Management exercises judgement in determining the lease term, including whether extension options are reasonably certain to be exercised. All relevant facts and circumstances are considered, including whether these create an economic incentive for the Group to exercise an option or not:

- Strategic and operational development of the ISS business in the specific country, including management's expectations for organic growth, acquisitions, divestments and restructurings
- Suitableness of the location in the longer term
- Development in market prices in the specific geographic area
- The property's condition, including significant leasehold improvements undertaken or expected to be undertaken
- Termination-related costs, such as penalties, obligations to restore the facility, relocation costs and potential business disruption
- Historical length of occupying similar buildings

If the term cannot be reasonably determined, the term for HQ office building contracts without an end date is set to 10 years based on the Group's past experience.

Management reassesses the lease term based on the above facts and circumstance, if significant changes or events occur, and revises the lease term if appropriate.

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2.6 Right-of-use assets, property and equipment (continued)

Accounting policy

Right-of-use assets are recognised at the commencement date of the lease and measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities, including extension options.

Certain leases comprise a liability to dismantle or remove the asset or restore the facility. Estimated costs related to such liability are recognised as part of the cost of the asset.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset.

	Average lease term applied
Properties:	
HQ office leases	10-12 years
Customer-specific leases (contract term)	3-5 years
Vehicles	3-5 years
Other equipment	2-5 years

Depreciation methods, lease terms (including extension options) and residual values are reassessed at the reporting date.

The recognition exemption is applied for short-term leases (term of 12 months or less) and leases of low-value assets (e.g. minor cleaning and IT equipment and office furniture). Related lease payments are recognised in Other operating expenses on a straight-line basis over the lease term.

Property and equipment is measured at cost, less accumulated depreciation and impairment losses.

Property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets.

	Estimated useful life
Equipment	3-10 years
Leasehold improvements (lease term)	3-10 years
Buildings	20-40 years
Land	Not depreciated

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Gains and losses arising on the disposal or retirement of property and equipment are recognised in Other operating expenses in the year of sale, except gains and losses arising on disposal of property, which are recognised in Other income and expenses, net.

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2.7 Free cash flow

Free cash flow as defined by management, see 8.5, Definitions, is summarised below. Free cash flow is not a financial performance measure defined by IFRS. Accordingly, the measure and its calculation is presented as it is used by management as an alternative performance measure in managing the business.

The free cash flow measure should not be considered a substitute for those measures required by IFRS and may not be calculated by other companies in the same manner. As such, reference is made to the IFRS measures included in the consolidated statement of cash flows of the consolidated financial statements.

(DKKm)	Note	2024	2023
Cash flow from operating activities		3,527	3,284
Acquisition of intangible assets, property and equipment		(513)	(569)
Disposal of intangible assets, property and equipment		15	16
Change in financial assets [1]		(35)	(6)
Addition of right-of-use assets, net	2.6	(1,078)	(906)
Free cash flow		**1,916**	**1,819**

[1] Excluding changes in equity-accounted investments of DKK 22 million (2023: DKK (15) million).

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SECTION 3

Strategic investments and divestments

3.1 Intangible assets

(DKKm)	Goodwill	Brands	Customer contracts	Software	Total
2024					
Carrying amount at 1 January	15,121	-	934	514	16,569
FX adjustments	45	-	(34)	(4)	7
Hyperinflation restatement	339	-	164	3	506
Additions	-	-	-	158	158
Acquisitions/divestments, net	415	-	181	-	596
Amortisation	-	-	(91)	(123)	(214)
Reclass	-	-	-	10	10
Carrying amount at 31 December	**15,920**	**-**	**1,154**	**558**	**17,632**
Cost	17,143	61	4,670	1,523	23,397
Accumulated amortisation and impairment	(1,223)	(61)	(3,516)	(965)	(5,765)
Carrying amount at 31 December	**15,920**	**-**	**1,154**	**558**	**17,632**
2023					
Carrying amount at 1 January	15,853	-	857	536	17,246
FX adjustments	(349)	-	(163)	(4)	(516)
Hyperinflation restatement	337	-	173	2	512
Additions	-	-	-	166	166
Acquisitions/divestments, net	217	-	136	-	353
Disposals	-	-	-	(1)	(1)
Amortisation	-	-	(69)	(113)	(182)
Impairment	(937)	-	-	(72)	(1,009)
Carrying amount at 31 December	**15,121**	**-**	**934**	**514**	**16,569**
Cost	16,341	57	4,339	1,378	22,115
Accumulated amortisation and impairment	(1,220)	(57)	(3,405)	(864)	(5,546)
Carrying amount at 31 December	**15,121**	**-**	**934**	**514**	**16,569**

Goodwill and customer contracts

In 2024, the Group's acquisitions added DKK 417 million to goodwill and DKK 181 million to customer contracts, see 3.3, Acquisitions. Furthermore, hyperinflation in Türkiye added DKK 339 million to goodwill and DKK 164 million to customer contracts. Goodwill relates mainly to assembled workforce, technical expertise and know how, synergies and scale benefits as well as platform for growth.

Software

Technology is a key enabler of the Group's strategy and an integrated part of our customer value propositions. Overall, the Group's software investments relate to 1) customer-facing solutions, 2) employee-facing solutions and 3) IT security. Our capitalised software is mainly owned – either "off-the-shelf" or solutions being fully or partially customised to ISS – whereas the remaining (mainly the most recent software solutions) relates to Software as a Service (SaaS solutions).

In 2024, additions amounted to DKK 158 million (2023: DKK 166 million) and software included DKK 32 million related to assets under development at Group level (2023: DKK 1 million).

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3.1 Intangible assets (continued)

Accounting judgement

Software as a Service (SaaS) Generally, the right to access a cloud provider's software does not give rise to an intangible asset because that right does not in itself give ISS control over the software asset. At the commencement date, management assesses whether the Group acquires an intangible asset, leases an asset or solely receives software as a service over the term of the contract.

If the Group receives a right to use cloud hosted software managed by a software provider without further rights or control, it is neither a lease nor an intangible asset and costs are expensed as the Group receives the SaaS. However, in some circumstances the Group may obtain control, which may be the case when:

a) ISS has the contractual right to take possession of the software during the hosting period without incurring significant costs;
b) ISS has the ability to use software separately without significant diminution in utility or value; and
c) It is feasible for ISS to run the software on its own hardware or contract with a party (unrelated to the cloud provider) to do so.

Configuration and customisation costs In SaaS arrangements, capitalisation requires management's assessment of the nature of the activities performed and the output. Such activities would typically entail development of additional software code that enhances, modifies or creates additional capability. If activities performed result in the creation of a resource that the Group controls, such configuration and customisation costs are capitalised.

Accounting policy

Goodwill is not amortised but recognised at cost less accumulated impairment losses.

Acquisition-related customer contracts are recognised at fair value at the acquisition date and subsequently, at cost less accumulated amortisation and impairment losses.

Software is measured at cost less accumulated amortisation and impairment losses. The cost of software developed for internal use includes external costs to consultants and software as well as internal direct costs related to the development. Other development costs for which it cannot be demonstrated that future economic benefits will flow to the Group are recognised in profit or loss.

Amortisation is calculated on a straight-line basis over the estimated useful lives except for certain customer contracts where the unit of production method better reflects the expected pattern of consumption.

	Estimated useful life
Customer contracts	10-24 years
Software	3-10 years

Amortisation methods and useful lives are reassessed at the reporting date.

Software as a Service (SaaS) are service contracts providing the Group with the right to use cloud hosted software managed by the software provider over the contract term.

Generally, costs related to SaaS are expensed as incurred in Operating expenses, including cloud-hosting fees, software licenses, internal costs to select a cloud provider as well as data conversion, training and testing costs.

Certain costs related to configuration and customisation activities may be capitalised as an intangible asset if they meet the recognition criteria, see Accounting judgements. Such assets are amortised over their useful lives when ready for use.

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3.2 Impairment tests

3.2.1 Impairment test results

The impairment tests of goodwill and customer contracts performed at 31 December 2024 did not result in recognition of impairment losses (2023: no impairment losses).

In the majority of the Group's CGUs, excess values increased in 2024 due to improved financial results leading to higher financial forecasts, which was only partially offset by broad-based increases in discount rates.

It is management's view that excess values in the Group's CGUs, including in Türkiye, are fairly resilient to any likely and reasonable deteriorations in the key assumptions applied, see sensitivity analyses in 3.2.2, Goodwill and customer contracts.

Türkiye

In 2024, ISS Türkiye continued to perform well in terms of revenue growth, operating margin and free cash flow despite the difficult macroeconomic environment with continued high inflation and increasing interest rates. However, due to the IAS 29 hyperinflation adjustments goodwill and customer contracts also continued to increase. At 31 December 2024, intangibles amounted to DKK 1.6 billion (2023: DKK 1.3 billion) of which DKK 1.4 billion (2023: DKK 1.0 billion) was attributable to hyperinflation. The Group continued to apply a normalised WACC rate in the terminal period (in line with last year), as it is management's view that it is most appropriate given the circumstances.

Accounting estimates

In performing the impairment test, management assesses whether the CGU to which the goodwill relates will be able to generate positive net cash flows sufficient to support the value of intangibles and other non-current assets. The assessment is based on estimates of expected future cash flows (value in use) for the individual CGU, which by nature are uncertain.

Estimates are based on financial forecasts for the following year as approved by management, and estimated discount rates, growth and market developments. Assumptions applied in the short to medium term (forecasting period of five years) as well as terminal growth rates and margins applied are described in 3.2.4, Determining value in use.

In Türkiye, as a result of the highly unusual macroeconomic situation, the normal Group methodology of applying a constant WACC rate in both the forecasting and terminal period, would lead to an understatement of the value in use (especially in the terminal period) due to the disproportionate negative gap between the risk-free interest rate and the consistently applied terminal growth rate. Instead, the Group applies a normalised WACC rate in the terminal period, while the WACC applied in the forecasting period is determined based on the normal Group methodology. Given the circumstances, it is management's view that this is more appropriate and leads to a more reasonable estimate of the value in use.

The outcome of the impairment test may vary significantly should the assumptions and estimates not be realised as expected and applied as basis for management's conclusion of whether impairment of a CGU has occurred.

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3.2 Impairment tests (continued)

3.2.2 Goodwill and customer contracts

The carrying amounts of intangibles for CGUs representing more than 5% of intangibles are disclosed in the table below. A sensitivity analysis on the key assumptions in the impairment testing are disclosed in 3.2.4, Determining value in use under Sensitivity analysis.

	2024			2023		
(DKKm)	Goodwill	Customer contracts	Total	Goodwill	Customer contracts	Total
US & Canada	2,262	125	2,387	2,125	134	2,259
Switzerland	1,710	252	1,962	1,512	156	1,668
UK & Ireland	1,800	79	1,879	1,719	88	1,807
Finland	1,658	-	1,658	1,656	-	1,656
Türkiye	1,101	509	1,610	858	417	1,275
Spain	1,346	161	1,507	1,224	132	1,356
Australia & NZ	1,233	-	1,233	1,272	-	1,272
Belgium & Lux.	853	22	875	790	-	790
Other	3,957	6	3,963	3,965	7	3,972
Total	**15,920**	**1,154**	**17,074**	**15,121**	**934**	**16,055**

Accounting policy

The Group performs impairment test of goodwill at the reporting date or when indications of impairment exist. Other non-current assets are tested annually for indications of impairment.

When performing the impairment test, the recoverable amount of the asset is determined, i.e. the higher of the fair value of the asset less anticipated costs of disposal and its value in use. The value in use is calculated as the present value of expected future cash flows from the asset or the CGU to which the asset belongs. Corporate costs for services performed by the Group's head office functions for the benefit of the CGUs are allocated to the individual CGUs and taken into account in the calculation.

Impairment of goodwill is recognised in profit or loss in a separate line if the carrying amount of the CGU exceeds its estimated recoverable amount.

The carrying amount of goodwill is tested for impairment together with other non-current assets in the CGU to which goodwill is allocated.

Impairment of goodwill is not reversed. Impairment of other assets is reversed if estimates used to calculate the recoverable amount have been changed. An impairment loss is reversed to the extent that the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

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3.2 Impairment tests (continued)

3.2.3 Cash-generating units (CGUs)

Consistent with the Group's management and reporting structure, the lowest level of CGUs is individual countries, as cash inflows are generated largely independent of cash inflows in other ISS countries (the majority of our contract portfolio is locally based with no cross-border activities). Accordingly, impairment tests are carried out per country, and intangibles (goodwill and customer contracts) are allocated to these.

For a few countries, management has been combined to take advantage of similarities in terms of markets, shared customers and cost synergies. In these exceptional cases, the countries are regarded as one CGU when performing the impairment test.

3.2.4 Determining value in use

The recoverable amount of each CGU is calculated on the basis of its value in use using certain key assumptions per CGU, i.e. revenue growth, operating margin and discount rate.

Forecasting period

Cash flow projections for the individual CGUs are based on financial forecasts for the following year as approved by management.

Generally, assumptions applied in the short to medium term (forecasting period of five years) reflect management's expectations considering all relevant factors, including the Group's strategic initiatives, local initiatives, past experience and external sources of information, where possible and relevant. This also includes expected development in local markets in terms of competition, inflation and growth.

Specifically, management has considered the expected impacts from the Group's updated strategic priorities from 2025 and onwards, especially increased investments in our commercial agenda, our people processes and in driving efficiencies in our overhead and service costs. Where relevant, initiated restructurings and other improvement initiatives, have also been taken into consideration when estimating the expected future performance and cash flows.

Management also assessed the impact from macroeconomic developments, mainly inflation rates. In the year, the Group demonstrated its continued ability to manage and mitigate wage increases and price increases in the supply chain, including activating indexation mechanisms in the customer contracts to increase prices.

Terminal period

Assumptions applied in the terminal period generally reflect management's long-term expectations for the individual country. Revenue growth reflects inflation and GDP growth and is determined based on input from external sources like IMF's "World Economic Outlook". Operating margin reflects the expected normalised earnings level in the long term.

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3.2 Impairment tests (continued)

Key assumptions [1]

Revenue growth	*Year 1* • Financial forecasts as approved by management *Forecasting period (year 2-5)* • Based on expected market development, including maturity and inflation • Impact from local and Group initiatives are considered, including key account focus *Terminal period* • Long-term expectations based on external sources such as IMF "World Economic Outlook", OECD, etc. • Not exceeding expected long-term average for the country, including inflation
Operating margin	*Year 1* • Financial forecasts as approved by management *Forecasting period (year 2-5)* • Impact from Group initiatives are considered, including key account focus and investments in our commercial agenda, our people processes and driving efficiencies in our overhead and service costs • Restructurings and local improvement initiatives are considered *Terminal period* • Reflects the expected normalised earnings level in the long term
Discount rates (net of tax)	• Risk-free interest rate based on 30-year government bonds (country-specific) where available, except that for Türkiye a normalised interest rate is applied in the terminal period (see Accounting estimates). If 30-year bonds are not available for the given CGU, the rate is based on a 20-year or 10-year government bond • Country specific estimation risk premium added (to reflect possible variations in amounts/timing of the projected cash flows) • Equity risk premium: 5.5% (2023: 6.0%) [2] • Debt/equity target ratio (market values): 25/75 (2023: 25/75)

[1] The key assumptions applied are used for accounting purposes and should not be considered a forward-looking statement within the meaning of the US Private Securities Litigation Act of 1995 and similar laws in other countries regarding expectations to the future development.

[2] For Türkiye a country specific risk premium of 5.0% is added (2023: 9.0%).

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3.2 Impairment tests (continued)

Sensitivity analysis

The allowed change represents the percentage points by which the specific key assumption can change, all other things being equal, before the CGU's recoverable amount equals its carrying amount.

		Forecasting period				Terminal period				Discount rate		
		Growth		Margin [1]		Growth		Margin [1]				
(DKKm)	Carrying amount	Allowed Avg. decrease		Allowed Avg. decrease		Allowed Rate decrease		Allowed Rate decrease		Net of tax	Allowed increase	Pre-tax
2024												
US & Canada	2,387	4.5 %	>4.5 %	5.4 %	>5.4 %	3.0 %	>3.0 %	6.0 %	3.7 %	11.3 %	8.8 %	14.5 %
Switzerland	1,962	1.2 %	>1.2 %	8.0 %	>8.0 %	1.5 %	>1.5 %	8.0 %	7.8 %	6.2 %	>6.2 %	7.4 %
UK & Ireland	1,879	5.1 %	>5.1 %	5.2 %	>5.2 %	2.5 %	>2.5 %	5.5 %	4.2 %	11.7 %	>11.7 %	15.2 %
Finland	1,658	2.9 %	>2.9 %	6.4 %	>6.4 %	2.5 %	>2.5 %	6.4 %	3.9 %	8.6 %	5.9 %	10.4 %
Türkiye [2]	1,610	25.3 %	17.9 %	7.9 %	>7.9 %	10.0 %	>10.0 %	8.0 %	5.4 %	36.3 %	10.2 %	42.5 %
Spain	1,507	3.9 %	>3.9 %	6.5 %	>6.5 %	2.5 %	>2.5 %	6.5 %	4.3 %	9.3 %	7.3 %	11.9 %
Australia & NZ	1,233	3.0 %	>3.0 %	7.0 %	>7.0 %	3.0 %	>3.0 %	7.0 %	>7.0 %	10.4 %	>10.4 %	14.2 %
Belgium & Lux.	875	3.0 %	>3.0 %	6.6 %	>6.6 %	2.5 %	>2.5 %	6.6 %	5.4 %	9.1 %	>9.1 %	11.7 %
2023												
US & Canada	2,259	4.3 %	>4.3 %	6.0 %	>6.0 %	3.0 %	>3.0 %	6.0 %	3.5 %	10.9 %	7.1 %	14.1%
Switzerland	1,668	1.9 %	>1.9 %	7.8 %	>7.8 %	2.0 %	>2.0 %	7.8 %	7.7 %	6.9 %	>6.9 %	8.1%
UK & Ireland	1,807	3.0 %	>3.0 %	5.4 %	>5.4 %	2.5 %	>2.5 %	6.0 %	4.9 %	10.4 %	>10.4 %	13.7%
Finland	1,656	2.6 %	>2.6 %	6.2 %	>6.2 %	2.5 %	>2.5 %	6.2 %	3.2 %	8.6 %	4.4 %	10.4%
Türkiye [2]	1,275	31.7 %	11.5 %	7.8 %	6.9 %	10.0 %	8.4 %	8.0 %	3.6 %	36.2 %	5.3 %	43.7%
Spain	1,356	4.5 %	>4.5 %	6.4 %	>6.4 %	2.5 %	>2.5 %	6.5 %	4.5 %	9.0 %	8.2 %	11.4%
Australia & NZ	1,272	2.0 %	>2.0 %	7.5 %	>7.5 %	3.0 %	>3.0 %	7.5 %	>7.5 %	9.7 %	>9.7 %	13.2%
Belgium & Lux.	790	2.9 %	>2.9 %	6.5 %	>6.5 %	2.5 %	>2.5 %	6.5 %	4.0 %	9.2 %	6.5 %	11.8%

[1] Excluding allocated corporate costs and royalty.

[2] Discount rate applied in the terminal period was 20.5%.

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3.3 Acquisitions

3.3.1 Acquisition impact

In line with the Group's normal procedure and due to the short time between completion of the acquisitions and finalisation of the consolidated financial statements, the acquisition accounting has not yet been completed. Thus, the fair value of certain assets and liabilities, such as customer contracts and trade receivables, are determined based on management's best estimates as the necessary analyses and calculations could not be completed.

Acquisitions completed in 2024

Company/activity	Country	Service type	Interest	Consoli-dated	Revenue since completion	Annual revenue (DKKm) [1]	Employees (number) [1]
Med-Serv	Austria	Cleaning	100%	February	53	69	226
gammaRenax	Switzerland	Cleaning	100%	April	395	590	1,800
Grupo BN	Spain	Cleaning	100%	September	117	309	2,300
Bluebridge	Belgium	Technical	100%	December	-	142	102
Vinca	Belgium	Technical	Activities	December	-	11	9
Total					**565**	**1,121**	**4,437**

[1] Unaudited

gammaRenax

On 25 April 2024, ISS acquired 100% of the shares in gammaRenax AG. The acquisition strengthens our market position in Switzerland by adding scale within our existing core services as well as creating better density across the country and growth in our prioritised customer segments.

Goodwill is attributable mainly to: 1) platform for growth, 2) synergies and scale benefits and 3) assembled workforce.

Grupo BN

On 10 September 2024, ISS acquired 100% of the shares in Grupo BN. The acquisition strengthens our market position in Spain and has a strong strategic fit. It enables us to expand our cleaning services thus supporting our global leadership in the cleaning sector.

Goodwill is attributable mainly to: 1) synergies and scale benefits and 2) assembled workforce.

Bluebridge

On 16 December 2024, ISS acquired 100% of the shares in Bluebridge in Belgium. The acquisition enables us to expand and develop our technical service offering.

Goodwill is attributable mainly to 1) expertise and know-how in technical services, 2) synergies and 3) assembled workforce.

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3.3.1 Acquisition impact (continued)

Net assets and cash flow

(DKKm)	gamma-Renax	Grupo BN	Blue-bridge	Other/Prior year adj.	2024	2023
Customer contracts	114	45	22	-	181	136
Other non-current assets	20	36	10	1	67	83
Trade receivables	74	110	28	10	222	200
Other current assets	78	10	14	11	113	205
Non-current liabilities	(41)	(109)	(20)	(10)	(180)	(86)
Current liabilities	(128)	(80)	(34)	(19)	(261)	(355)
Fair value of net assets	**117**	**12**	**20**	**(7)**	**142**	**183**
Goodwill	220	116	55	26	417	221
Consideration transferred	**337**	**128**	**75**	**19**	**559**	**404**
Cash in acquired business	(49)	(8)	(3)	(10)	(70)	(9)
Consideration transferred, net	**288**	**120**	72	**9**	**489**	**395**
Contingent and deferred consideration	17	(2)	-	6	21	(22)
Acquisitions (cash flow)	**305**	**118**	**72**	**15**	**510**	**373**

3.3.2 Subsequent acquisitions

The Group completed no acquisitions from 1 January to 28 February 2025.

3.3.3 Pro forma revenue/operating profit

Pro forma revenue was DKK 84,241 million and operating profit before other items was DKK 4,909 million, corresponding to adjustments of the reported amounts of DKK 459 million and DKK 32 million, respectively.

Accounting policy

Business combinations (acquisitions) are accounted for using the acquisition method. The consideration transferred is measured at acquisition date fair value of net assets and any contingent consideration as well as the amount of any non-controlling interests in the acquiree. For each acquisition, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and presented in Other income and expenses, net.

Contingent consideration is classified as financial liabilities and presented in Other liabilities with changes in fair value recognised in Other income and expenses, net.

Depending on the size, complexity, and timing of the acquisition, uncertainties regarding identification or measurement of assets, liabilities and contingent liabilities may arise, and the initial recognition is based on provisionally determined fair values. Changes to fair values are adjusted against goodwill up until 12 months after the acquisition date. Comparatives are restated, accordingly. *Changes in fair values after 12 months are recognised in Other income and expenses, net.*

Goodwill is initially measured at cost being the excess of the consideration transferred, over the fair value of the net identifiable assets acquired. Subsequently, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination. Goodwill is not deductible for tax purposes.

Pro forma revenue and operating profit before other items include adjustments assuming that acquisitions/divestments were in-/excluded in/from profit or loss from 1 January. Estimates are made by local ISS management at the time of acquisition/divestment or actual results where available, and are based on unaudited financial information.

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3.4 Discontinued operations and divestments

3.4.1 Discontinued operations

On 9 April 2024, the divestment of ISS France was completed, and consequently, at 31 December 2024 no businesses were classified as assets held for sale.

Net profit generated in ISS France up until the completion of the divestment is specified below. The preliminary divestment loss recognised in 2023 was reassessed on the basis of the final sales price and closing balance. This led to a negative adjustment of DKK 5 million recognised in Other income and expenses, net.

Profit or loss [1)]

(DKKm)	Note	2024	2023
Revenue		665	2,662
Expenses		(697)	(2,808)
Operating profit before other items		**(32)**	**(146)**
Other income and expenses, net		(6)	(501)
Royalty		(13)	(61)
Goodwill impairment	3.2	-	(937)
Operating profit		**(51)**	**(1,645)**
Finance income/(costs), net		(7)	(55)
Net profit before tax		**(58)**	**(1,700)**
Income tax		(1)	(25)
Net profit		**(59)**	**(1,725)**

[1)] Included France in 2024 (2023: Brunei and France).

Cash flows

(DKKm)	2024	2023
Operating activities	(62)	(44)
Investing activities	(323)	(2)
Financing activities	(48)	(41)

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3.4 Discontinued operations and divestments (continued)

Accounting policy

A disposal group is presented as discontinued operations if it is a geographical area, i.e. a CGU (country), that either has been disposed of, or is classified as held for sale.

The classification as discontinued operations is assessed based on several factors; quantitative and qualitative. Overall, it is assessed whether the disposal group represents a component of an entity (i.e. a CGU), which in ISS is defined as a country. Further, it is assessed whether the classification is significant for understanding the financial performance of the Group's continuing operations. For a single country, the assessment of significant is made separately for that country. However, in case of a coordinated strategic plan to dispose of several businesses (CGUs), the assessment of significant is made for these countries as a whole.

Discontinued operations are presented separately as Net profit from discontinued operations and specified in the notes. Comparatives are restated.

Cash flows from discontinued operations are included in cash flow from operating, investing and financing activities together with cash flows from continuing operations, but separately specified in 3.4, Discontinued operations and divestments.

Divestments Gain or loss on disposal of an operation that is part of a CGU includes a portion of the related goodwill allocated to that CGU. Goodwill related to the disposed operation is measured based on the fair value of the disposed operation relative to the fair value of the entire CGU.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in Other income and expenses, net.

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3.4 Discontinued operations and divestments (continued)

3.4.2 Divestments

Divestments completed in 2024

Company/activity	Country	Service type	Excluded from P/L	Interest	Annual revenue (DKKm) [1]	Employees (number) [1]
Ground Service	Austria	Technical	March	100%	35	78
ISS France	France	Country exit	April	100%	2,658	14,925
Travel Management	Sweden	Other	April	100%	46	5
Total					**2,739**	**15,008**

[1] Unaudited

Net assets and cash flow impact

(DKKm)	2024	2023
Goodwill	2	15
Other non-current assets	35	18
Current assets	883	59
Non-current liabilities	(111)	-
Borrowings	(260)	(5)
Current liabilities	(866)	(27)
Net assets disposed	**(317)**	**60**
Gain/(loss) on divestment, net [1]	(61)	(3)
Divestment costs	174	42
Consideration received	**(204)**	**99**
Cash in divested businesses	(263)	(23)
Consideration received, net	**(467)**	**76**
Contingent and deferred consideration	233	(4)
Divestment costs paid	(116)	(47)
Divestments (cash flow)	**(350)**	**25**

[1] In addition, DKK 0 million (2023: DKK 6 million) was recognised in Other income and expenses, net related to recycling of accumulated FX adjustments on country exits.

Contingent and deferred consideration related to the divestment of ISS France, where part of the consideration is deferred up to three years from the date of divestment.

3.4.3 Subsequent divestments

No divestments were completed from 1 January to 28 February 2025.

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SECTION 4
Capital structure

4.1 Equity

4.1.1 Capital management

The ISS Global Group is indirectly wholly owned by ISS A/S and is therefore part of the ISS A/S Group. Group Treasury manages financing activities and capital structure centrally for the ISS A/S Group as a whole. The ISS Global Group's financing activities and capital structure are not assessed independently of the ISS A/S Group.

The Group monitors the capital structure and evaluates the need for adjustments on an ongoing basis. The Group's objectives for managing capital and what is managed as capital are described in 4.5, Liquidity risk. The dividend policy and payment of dividend is made subject to the necessary consolidation of equity and the Group's continuing expansion and profitability.

ISS Global A/S (the Group's parent) is a holding company, and its primary assets are shares in subsidiaries, receivables from companies within the ISS Group and cash in its bank accounts. ISS Global A/S has no revenue generating operations of its own, and therefore ISS Global A/S's cash flow and ability to service its indebtedness and other obligations will depend primarily on the operating performance and financial condition of its operating subsidiaries, and the receipt by ISS Global A/S of funds from its subsidiaries in the form of dividends or otherwise.

4.1.2 Share capital and share premium

At 31 December 2024, ISS Global A/S's share capital comprised a total of DKK 180,200 shares (2023: 180,200) with a nominal value of DKK 1 thousand each. All shares were fully paid and freely transferable.

ISS Global A/S has one class of shares, and no shares carry special rights. Each share gives the holder the right to one vote at our general meetings.

Share premium included in retained earnings at 31 December 2024 amounted to DKK 6,373 million (2023: DKK 6,373 million).

4.1.3 Translation reserve

(DKKm)	Note	Hedging	Subsidi-	Total
2024				
At 1 January		(269)	(399)	(668)
FX adjustments		-	312	312
At 31 December		**(269)**	**(87)**	**(356)**
2023				
At 1 January		(185)	(412)	(597)
Hedging and FX adjustments		(84)	13	(71)
At 31 December		**(269)**	**(399)**	**(668)**

A specification of hedging and FX adjustments in the year is provided in 4.1.7, Other comprehensive income.

Hedging reserve

The hedging reserve comprises accumulated fair value adjustments of net investment hedges in previous years. At 31 December 2024, the accumulated fair value adjustments, net of tax amounted to DKK (269) million of which DKK (140) million related to GBP, DKK (75) million related to CHF and DKK (54) million related to USD. The total tax effect was DKK 12 million. The amounts will remain in the translation reserve until full realisation of the foreign entity.

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4.1.4 Dividends

At the annual general meeting to be held on 11 April 2025, the Board of Directors will propose a dividend to ISS World Services A/S for 2024 of DKK 5,600 million (2023: DKK 0 million). There are no tax consequences of proposed dividends for the Group.

4.1.5 Non-controlling interests

The Group's non-controlling interests predominantly relates to ISS Türkiye, where Actera, a leading Türkiyish private equity company, owns 39.9%. Actera became minority shareholder of ISS Türkiye as part of the acquisition of Rönesans Facility Management Company in September 2021. Further, certain members of management of ISS Türkiye together hold a minority shareholding of 10% in ISS Türkiye.

The shareholders' agreement between ISS, Actera and management establishes the rights and obligations of the parties, including rights and restrictions on transferring shares, such as right of first refusal, drag along rights from Q4 2024 and right to explore a potential Initial Public Offering (IPO).

Accounting policy

Retained earnings is the Group's free reserves, which includes proposed dividends and share premium. Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting. Share premium comprises amounts above the nominal share capital paid by shareholders when shares are issued by ISS Global A/S.

Translation reserve comprises foreign exchange differences arising from the translation of financial statements of foreign entities with a functional currency other than DKK and from the translation of non-current balances which are considered part of the investment in foreign entities. Furthermore, fair value adjustments of net investment hedges and hyperinflation restatement are included. On full realisation of a foreign entity the accumulated foreign exchange adjustments are transferred to profit or loss in the same line item as the gain or loss.

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4.1 Equity (continued)

4.1.7 Other comprehensive income

		Attributable to the owner of ISS				
(DKKm)	Note	Retained earnings	Translation reserve	Total	Non-controlling interest	Total equity
2024						
Defined benefit plans						
Remeasurement (gain)/loss	7.1	(85)	-	(85)	(55)	(140)
Asset ceiling	7.1	(28)	-	(28)	-	(28)
FX adjustments						
Subsidiaries		-	83	83	(71)	12
Hyperinflation, Türkiye		-	229	229	248	477
Tax						
Tax related to the items above		25	-	25	11	36
Total		**(88)**	**312**	**224**	**133**	**357**
2023						
Defined benefit plans						
Remeasurement (gain)/loss	7.1	(423)	-	(423)	(39)	(462)
Asset ceiling	7.1	299	-	299	-	299
FX adjustments						
Subsidiaries		-	(290)	(290)	(148)	(438)
Recycling of accumulated FX adj., country exits		-	(6)	(6)	-	(6)
Hyperinflation, Türkiye		-	309	309	.158	467
Hedging						
Fair value adj. of net investment hedges		-	(84)	(84)	-	(84)
Tax						
Tax related to the items above		23	-	23	10	33
Total		**(101)**	**(71)**	**(172)**	**(19)**	**(191)**

Development in 2024

In 2024, other comprehensive income was DKK 357 million, an increase of DKK 548 million compared to 2023. The increase mainly related to a positive impact from FX adjustments of subsidiaries primarily in Türkiye and the UK partly offset by Switzerland.

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4.2 Financing (continued)

4.2.2 Finance income and costs

(DKKm)	2024	2023
Interest income to companies within the ISS Group [1]	302	212
Interest income on cash and cash equivalents	216	98
Hedge ineffectiveness of interest rate swaps	12	-
Monetary gain on hyperinflation restatement	86	87
Finance income	**616**	**397**
Interest expenses on borrowings [1]	(506)	(355)
Interest expenses on lease liabilities [1]	(153)	(119)
Interest expence to companies within the ISS Group [1]	(94)	(32)
Interest expenses on factoring [1]	(71)	(71)
Bank fees	(59)	(61)
Net interest on defined benefit obligations	(33)	(24)
Amortisation of financing fees (non-cash) [1]	(23)	(29)
Commitment fees	(8)	(16)
Foreign exchange losses	(28)	(100)
Finance costs	**(975)**	**(807)**

[1] The total interest expensed, net determined on an amortised cost basis was DKK 545 million (2023: DKK 394 million).

Interest income on cash and cash equivalents The increase compared to 2023 was mainly driven by interest income on the proceeds from the issued bond under the EMTN programme in May 2024 until repayment of the bond maturing in December 2024.

Monetary gain on hyperinflation restatement related to the adjustment for hyperinflation (IAS 29) in Türkiye.

Interest expenses on borrowings comprised mainly interest on issued bonds. The increase compared to 2023 was driven by issuance of new EMTNs in May 2024 and increased interest rates throughout 2024 of which DKK 65 million related to the interest rate swaps on part of the bonds.

Foreign exchange losses were mainly driven by the unhedged TRY and EUR positions. The highest contributor was TRY, which remained unhedged due to high cost. The decrease compared to 2023 was driven by TRY which depreciated 11% against DKK in 2024 compared to 39% against DKK in 2023.

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4.2 Financing *(continued)*

4.2.3 Cash flow impact from changes in borrowings

(DKKm)	Note	Issued bonds	Lease liabilities	Bank loans	Debt to companies within the ISS Group	Total
2024						
At 1 January		14,073	2,282	311	19	16,685
FX adjustments		9	(15)	(8)	1	(13)
Cash flows		1,459	(951)	(259)	179	428
Acquisitions/divestments, net		-	11	89	-	100
Lease additions	2.6	-	1,078	-	-	1,078
Fair value adjustments	4.4	88	-	-	-	88
Other		6	17	109	6	138
At 31 December		**15,635**	**2,422**	**242**	**205**	**18,504**
2023						
At 1 January		13,973	2,400	363	49	16,785
FX adjustments		31	(16)	(118)	(1)	(104)
Cash flows		-	(778)	(144)	(29)	(951)
Acquisitions/divestments, net		-	(9)	207	-	198
Lease additions	2.6	-	906	-	-	906
Fair value adjustments	4.4	51	-	-	-	51
Reclass to Liabilities held for sale		-	(243)	(11)	-	(254)
Other		18	22	14	-	54
At 31 December		**14,073**	**2,282**	**311**	**19**	**16,685**

Accounting policy

Issued bonds and bank loans are recognised initially at fair value net of transaction costs (financing fees) and subsequently at amortised cost. Any difference between the proceeds and the nominal value is recognised in Finance costs over the term of the loan using the effective interest method.

Lease liabilities are initially recognised at the present value of the payments to be made over the lease term. The present value is calculated using the Group's incremental borrowing rate if the interest rate implicit in the lease is not readily determinable. Subsequently, the liability is measured at amortised cost and remeasured due to modifications such as changes in; 1) lease term, 2) the assessment to purchase the underlying asset, 3) future lease payments (e.g. a change in an index or rate), or 4) the Group's estimate of the amount expected to be payable under a residual guarantee.

ank=20250616;20250617021129

4.2 Financing

4.2.1 Borrowings

(DKKm)	Note	2024	2023
Issued bonds		15,635	14,073
Lease liabilities		2,422	2,282
Bank loans		242	311
Debt to companies within the ISS Group		205	19
Borrowings		**18,504**	**16,685**
Non-current liabilities		13,553	13,386
Current liabilities		4,951	3,299
Borrowings		**18,504**	**16,685**
Cash and cash equivalents		(6,829)	(6,093)
Receivables from companies within the ISS Group		(5,673)	(3,919)
Derivatives, net	2.2, 2.3	(36)	46
Securities	2.2	(140)	(117)
Net debt		**5,826**	**6,602**

Refinancing

On 29 May 2024, ISS issued a 5-year bond with a principal amount of EUR 500 million and a coupon of 3.875%. The bond was issued under the Group's EUR 3 billion European Medium Term Note (EMTN) programme, which is listed on the Luxembourg Stock Exchange. The net proceeds were used for repayment of the Group's EUR 300 million EMTNs maturing in December 2024 as well as for general corporate purposes.

Financing fees

At 31 December 2024, accumulated financing fees recognised in borrowings amounted to DKK 80 million (2023: DKK 54 million). The increase compared to last year was due to financing fees of DKK 49 million (2023: DKK 26 million) being capitalised in relation to the bond issue in May 2024, partly offset by ordinary amortisation of DKK 23 million (2023: DKK 29 million) recognised in finance costs.

Fair value

At 31 December 2024, the fair value of bonds was DKK 15,477 million (2023: DKK 13,474 million). The fair value of bonds was based on the quoted market price on the Luxembourg Stock Exchange and measurement is categorised as Level 1 in the fair value hierarchy due to the use of quoted market inputs.

For the remaining borrowings, the fair values are not materially different from their carrying amounts due to their short-term nature.

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4.3 Financial risk management

The Group is exposed to a number of financial risks arising from its operating and financing activities, mainly interest rate risk, liquidity risk, currency risk and credit risk. It is management's assessment that the Group's exposure to these risks is low. The Group has not identified additional financial risk exposures in 2024 compared to 2023.

Financial risks are managed centrally by Group Treasury based on the Financial Policy, which is reviewed and approved annually by the Board of Directors of ISS A/S. Due to our decentralised business model, exposure to credit risk on trade receivables and expected credit losses is however managed locally in the operating entities, see 2.1, Trade receivables and credit risk. Through our risk management procedures, financial risks are monitored and reduced to an acceptable level.

It is the Group's policy to mitigate risk exposure derived from its business activities. Group policy does not allow taking speculative positions in the financial markets.

On an ongoing basis the Group considers whether the financial risk management approach appropriately addresses the risk exposures.

Risk assessment

The Group's objectives and policies for measuring and managing risk exposure are explained in the respective notes. An overview of financial risks and impact assessment at 31 December 2024 is provided in the table below.

Risk asessment at 31 December 2024

Credit risk - Low	• Not past due on trade receivables is around 90% (aging analysis) • Expected credit losses on trade receivables are less than 2% of gross receivables (credit ratings) • The Group transacts only with financial institutions with a credit rating of at least A- (cash and cash equivalents)	**Note 2.1**
Interest rate risk - Low	• 58% of the Group's gross debt carried fixed rates (2023: 65%)	**Note 4.4**
Liquidity risk - Low	• Diversified funding portfolio of debt (bonds and bank loans) • No financial covenants in our main Group facilities (certain covenants apply to the local loan facility in Türkiye) • Revolving credit facility of EUR 900 million (established in 2023) maturing in 2029 • Uncommitted facilities in place to ensure flexible and efficient liquidity management • Duration of gross debt is 2.1 years (2023: 2.1)	**Note 4.5**
Currency risk - Low	• The Group benefits from a natural hedge in having income, costs and investments in the same functional currency, country-by-country • 98.3% of the bonds and bank loans denominated in EUR (2023: 97.7%)	**Note 4.6**

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4.4 Interest rate risk

Interest rate risk
– low exposure

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Exposure relates to bank loans, bonds or interest rate swaps with floating interest rates.

Risk management policy
- At least 50% of the Group's gross debt must carry fixed interest rates directly or through derivatives

Mitigation
- The fixed/floating ratio is measured on a monthly basis
- Interest rate swaps (fair value hedge) are used to manage the fixed/floating ratio on gross debt

4.4.1 Interest-bearing borrowings

			2024	2023
(DKKm)	Maturity	Nominal interest rate	Nominal value	Carrying amount	Carrying amount
Issued bonds (fixed interest rate)					
EMTNs (EUR 300 million)	2024	2.13%	-	-	2,237
EMTNs (EUR 500 million) [1]	2025	1.25%	3,729	3,711	3,660
EMTNs (EUR 500 million)	2026	0.88%	3,729	3,721	3,713
EMTNs (EUR 600 million)	2027	1.50%	4,474	4,468	4,463
EMTNs (EUR 500 million) [1]	2029	3.88%	3,729	3,735	-
			15,661	**15,635**	**14,073**
Bank loans (floating interest rate)					
Loan facility Türkiye (TRY)	2026	TLFREF	52	51	97
Bank loans and overdrafts (Multi)	-	-	213	191	214
			265	**242**	**311**
Intra-Group (floating interest rate)					
Debt to companies within the ISS Group			205	205	19
			205	**205**	**19**

1) The carrying amount included the accumulated fair value adjustments at 31 December 2024 of the hedged items, see 4.4.2 below.

Interest rate sensitivity

An increase in relevant interest rates of 1%-point, with all other variables held constant, would have decreased net profit and equity by DKK 11 million (2023: DKK 13 million).

The estimate was based on the Group's floating rate borrowings, i.e. disregarding cash and cash equivalents, as the level at 31 December is typically the highest in the year and thus not representative for the purpose of this analysis.

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4.4 Interest rate risk (continued)

4.4.2 Fair value hedge

(DKKm)	Nominal amount	Carrying amount	Accumulated fair value adj.	Change in FV
Interest rate swap	EUR 300 million	(15)	(15)	42
EMTN 2025	EUR 500 million	3,711	15	(42)
Interest rate swaps	EUR 250 million	58	58	58
EMTN 2029	EUR 500 million	3,735	(46)	(46)

At 31 December 2024, the Group had interest rate swap agreements with a total nominal amount of EUR 550 million whereby the Group receives a fixed rate interest and pays a variable interest rate on the nominal amount. The swaps hedge the exposure to fair value changes of the Group's fixed rate bond and mature in 2025 and 2029, which equals the maturity of the bonds.

In 2024, DKK 12 million (income) was recognised in profit or loss related to the ineffective part of the interest rate swaps (2023: no ineffectiveness).

Accounting policy

Interest rate swaps are used to hedge the exposure to fair value changes of the Group's fixed rate bonds. Hedge accounting is applied when hedges meet the qualifying criteria for hedge accounting.

The change in the fair value of the interest rate swap (the hedging instrument) is recognised in profit or loss under Finance income or Finance costs. The change in the fair value of the hedged item (the bond) attributable to the risk being hedged is recognised as part of the carrying amount of the hedged item and is also recognised in profit or loss under Finance income or Finance costs. The gain or loss relating to the ineffective portion is recognised in profit or loss under Finance income or Finance costs.

The unamortised fair value is recognised in profit or loss if the hedged item is derecognised.

Fair value measurement takes current market data into account. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. Measurement is categorised as Level 2 in the fair value hierarchy as it is based on directly observable market data.

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4.5 Liquidity risk

Liquidity risk
– low exposure

Liquidity risk results from the Group's potential inability or difficulty in meeting the contractual obligations associated with its financial liabilities due to insufficient liquidity

Risk management policy

- Maintain an appropriate level of short- and long-term liquidity reserves (liquid funds and committed credit facilities)
- Maintain a smooth maturity profile in terms of different maturities
- Maintain access to diversified funding sources
- Maintain a duration of gross debt above 2 years

Mitigation

- Raising capital is managed centrally by Group Treasury to ensure efficient liquidity management
- Group Treasury monitors the risk of insufficient liquidity on a daily basis
- Liquidity is transferred to/from ISS Global A/S, which operates as the Group's internal bank
- For day-to-day liquidity management cash pools have been established in the majority of the local entities

4.5.1 Financial liabilities
Contractual maturities

(DKKm)	Carrying amount	Contractual cash flows	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
2024								
Bonds and bank loans	15,877	16,859	4,256	3,984	4,683	145	3,791	-
Lease liabilities	2,422	2,748	926	663	449	285	166	259
Debt to companies within the ISS Group	205	211	211	-	-	-	-	-
Trade payables and other [1]	6,087	6,087	6,087	-	-	-	-	-
Deirvatives	30	30	30	-	-	-	-	-
Total financial liabilities	**24,621**	**25,935**	**11,510**	**4,647**	**5,132**	**430**	**3,957**	**259**
2023								
Bonds and bank loans	14,384	14,998	2,725	3,905	3,852	4,516	-	-
Lease liabilities	2,282	2,519	1,002	551	370	232	127	237
Debt to companies within the ISS Group	19	20	20	-	-	-	-	-
Trade payables and other [1]	6,380	6,380	6,380	-	-	-	-	-
Derivatives	70	70	70	-	-	-	-	-
Total financial liabilities	**23,135**	**23,987**	**10,197**	**4,456**	**4,222**	**4,748**	**127**	**237**

[1] Including payable royalties and management fees to ISS World Services A/S and joint taxation contribution.

The contractual maturities of financial liabilities above are based on the undiscounted contractual cash flows, i.e. including interest payments estimated based on market expectations at 31 December.

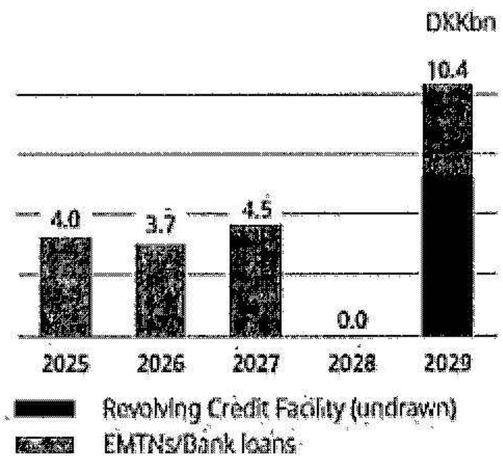
The risk implied from the values reflects the one-sided scenario of cash outflows only. Trade payables and other financial liabilities are mainly used to finance operating assets such as trade receivables and property and equipment.

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4.5 Liquidity risk (continued)

Maturity profile
- Nominal values

The maturity profile of the Group's current financing, i.e. issued bonds, bank loans and committed bank facilities (excluding interest payments) is illustrated in the chart to the right.



4.5.2 Liquidity reserves

(DKKm)	2024	2023
Cash and cash equivalents	6,829	6,093
Hereof restricted cash	(35)	(46)
Unused revolving credit facilities	6,712	6,708
Liquidity reserves	**13,506**	**12,755**
Not readily available	(751)	(686)
Readily available liquidity	**12,755**	**12,069**

Cash and cash equivalent reflects the strong liquidity position of the Group. The level is typically highest at 31 December and not a representative level for the rest of the year.

Restricted cash DKK 35 million of the total cash and cash equivalents at 31 December 2024 was placed on blocked or restricted bank accounts due to legal cases or tax-related circumstances.

Unused revolving credit facilities The Group has a EUR 900 million committed revolving credit facility maturing in June 2029 with a one year extension option. In addition, uncommitted credit facilities are available in countries and at Group level, which are not considered part of the readily available liquidity. At 31 December 2024, these amounted to DKK 4.2 billion of which DKK 0.0 billion was drawn (2023: DKK 3.9 billion of which DKK 0.1 billion was drawn).

Not readily available Cash is considered readily available when upstreaming to the parent company (ISS Global A/S) is possible within five days. In a number of countries, transfer to ISS Global A/S is assessed to take more than five days due to local administrative processes, and thus such cash is not deemed readily available.

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4.6 Currency risk

Currency risk
– low exposure

Currency risk arises from changes in exchange rates, and affects the Group's result, investments or value of financial instruments.

The Group's exposure to currency risk on transaction level is low since income, costs and investments are in the same functional currency country-by-country. Currency risk therefore predominantly arises from funding and investments in subsidiaries.

Risk management policy

- It is Group policy to pool funding activities centrally and fund investments in subsidiaries through a combination of intercompany loans and equity
- Currency risk on intercompany loans is generally hedged against DKK or EUR when exposure exceeds DKK 5 million. Some currencies cannot be hedged within a reasonable price range why correlation to a proxy currency is considered and, if deemed appropriate, proxy hedging is applied
- Exposure to EUR is monitored but not hedged due to the fixed rate exchange policy between DKK/EUR
- Currency risk on net investments are as a main policy not hedged

Mitigation

- Currency swaps are used to hedge currency risk on borrowings (external), intercompany balances and long-term receivables (external)
- Currency exposure on borrowings (external), intercompany balances and cash and cash equivalents is measured at least on a weekly basis

4.6.1 Borrowings

				Sensitivity		
(DKKm)	Currency exposure (nominal)	Currency swaps (contractual)	Exposure, net	Increase in FX	Profit or loss	Equity
2024						
EUR/DKK	(13,736)	10,737	(2,999)	1%	(30)	(30)
TRY/DKK [1)]	122	156	278	30%	61	83
USD/DKK	902	(1,111)	(209)	10%	(21)	(21)
Other/DKK	(1,245)	1,544	299	10%	30	30
Total	**(13,957)**	**11,326**	**(2,631)**			
2023						
EUR/DKK	(15,320)	8,104	(7,216)	1%	(72)	(72)
TRY/DKK [1)]	194	67	261	30%	62	78
USD/DKK	972	(1,132)	(160)	10%	(16)	(16)
Other/DKK	(1,780)	2,070	290	10%	29	29
Total	**(15,934)**	**9,109**	**(6,825)**			

[1)] TRY is not hedged du to high costs of hedging.

Foreign currency sensitivity

A change in relevant currencies, with all other variables held constant, would have impacted profit or loss and equity with the amounts above. The analysis is based on the Group's internal monitoring of currency exposure on borrowings, intercompany loans, external long-term receivables, as well as cash and cash equivalents.

The impact on profit or loss related to a change in TRY is adjusted for the translation effect related to receivables considered part of the net investment in Türkiye.

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4.6 Currency risk (continued)

4.6.2 Translation risk

Impact on profit or loss

In 2024, changes in average FX rates resulted in a decrease in Group revenue of DKK 587 million or 0.7% (2023: decrease of DKK 2,476 million or 3.4%) and a decrease of the Group's operating profit before other items of DKK 73 million or 1.7% (2023: decrease of DKK 175 million or 4.6%), including the impact of hyperinflation in Türkiye.

Excluding hyperinflation impact in Türkiye, changes in average exchange rates resulted in a decrease in Group revenue of DKK 1,346 million or 1.7% (2023: decrease of DKK 2,320 million or 3.1%) and a decrease of the Group's operating profit before other items of DKK 109 million or 2.6% (2023: decrease of DKK 157 million or 4.1%).

Change in average FX rates	2024	2023
TRY	(29.6%)	(30.7%)
GBP	2.8%	(1.8%)
CHF	2.1%	3.4%
USD	(0.0)%	(2.7%)
AUD	(0.6%)	(6.7%)
NOK	(1.8)%	(11.4%)
SEK	0.5%	(7.2%)
HKD	0.3%	(2.7%)
EUR	0.1%	0.2%

( ) = Weakened against DKK

Foreign currency sensitivity

A 10% change (TRY: 30% and EUR: 1% change) in relevant currencies, with all other variables held constant, would have impacted profit or loss with the amounts below.

(DKKm)	Revenue	Operating profit before other items	Royalty expense
TRY	1,986	132	30
GBP	1,137	47	20
CHF	705	60	12
USD	662	32	13
AUD	502	43	10
NOK	373	31	7
SEK	311	20	6
HKD	242	16	5
EUR	239	14	4
Other	1,071	46	21
Total	**7,228**	**441**	**128**

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SECTION 5
Tax

5.1 Income tax

5.1.1 Tax expense and effective tax rate

Tax in profit or loss

(DKKm)	2024	2023
Current tax	690	450
Deferred tax	(64)	14
Prior year adjustments, net	(53)	(9)
Income tax	**573**	**455**

Effective tax rate

	2024	2023
Statutory income tax rate, Denmark	22.0 %	22.0 %
Foreign tax rate differential, net	0.4 %	0.0 %
Total	**22.4%**	**22.0 %**
Non-tax-deductible expenses less non-taxable income	(2.3)%	(0.3)%
Prior year adjustments, net	(1.6)%	(0.4)%
Change in valuation of tax assets, net	(2.0)%	(4.8)%
Changes in tax rates	0.3 %	0.4 %
Hyperinflation	0.5 %	1.1 %
Other taxes	0.7 %	0.4 %
Effective tax rate	**18.0%**	**18.4%**

Development in 2024

Income tax amounted to DKK 573 million (2023: DKK 455 million), resulting in an effective tax rate of 18.0% (2023: 18.4%). The effective tax rate was favourably influenced by interest limitation rules and release of valuation allowances on deferred tax assets in Germany, whereas hyperinflation adjustments (IAS 29) in Türkiye impacted negatively.

Non-tax-deductible expenses less non-taxable income comprised various income and expenses. In 2024, the net position was driven mainly by the positive impact of interest limitation rules in Denmark.

Change in valuation of tax assets, net related mainly to release of valuation allowance on tax losses in Germany due to expected improvements in future profitability (2023: Netherlands and Germany).

Hyperinflation related to the hyperinflation adjustment in Türkiye.

Other taxes mainly comprised withholding tax, e.g. in Denmark.

5.1 Income tax (continued)

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OECD Pillar Two

The Group is subject to the OECD Pillar Two rules, which aim to ensure that multinational enterprises (MNEs) pay a minimum level of tax. Denmark, where ISS A/S is incorporated, has enacted Pillar Two legislation, which took effect on 1 January 2024. The Group applies the IAS 12 exception, allowing it to avoid recognising or disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

Under the new legislation, the Group will be obligated to pay a top-up tax for any subsidiary that does not meet the Pillar Two minimum effective tax rate of 15%. However, the new rules include a set of "Transitional Safe Harbor" exemptions that lessen the requirement to submit a full Pillar Two minimum tax calculation, provided the Group meets at least one of the three Safe Harbor tests. In 2024, the Group can leverage these Safe Harbor exemptions where it operates based on the tests and no or minimal top-up tax will need to be paid.

Management has evaluated the impact of the Pillar Two legislation and anticipates that during future years it may increase the Group's annual effective tax rate by approximately 0.5 to 1.0 percentage points, depending on future developments and the Group's evolving tax position. This evaluation is based on the current understanding of the legislation and the Group's existing tax positions. The Group will continue to monitor developments and ensure compliance with the new requirements.

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5.2 Deferred tax

5.2.1 Recognised deferred tax

	Assets		Liabilities	
(DKKm)	2024	2023	2024	2023
Tax losses carried forward	587	561	-	-
Goodwill	4	4	420	423
Customer contracts	7	7	255	187
Property and equipment (incl. right-of-use)	151	116	567	471
Provisions, lease and other liabilities	982	918	202	287
Pensions	195	157	97	82
Set-off within legal tax units/jurisdictions	(1,105)	(847)	(1,105)	(847)
Total	**821**	**916**	**436**	**603**

Development

(DKKm)	2024	2023
Liabilities, net at 1 January	(313)	(361)
Prior year adjustments, net	(14)	26
FX adjustments	21	26
Hyperinflation restatement	3	(4)
Acquisitions/divestments, net	19	(2)
Actuarial (gains)/losses on pensions	(36)	(33)
Reclass to Assets/(Liabilities) held for sale	-	21
Tax on profit before tax	(64)	14
Liabilities, net at 31 December	**(384)**	**(313)**

Prior year adjustments, net mainly related to adjustment of tax deductions (temporary differences) in the final tax returns.

Acquisitions/divestments, net in 2024 related mainly to adjustments to previous years divestments.

Reclass related to uncertain tax positions being reclassified from deferred tax to tax payables due to changed presentation.

5.2.2 Unrecognised deferred tax assets

At 31 December 2024, the Group had unrecognised deferred tax assets which comprised tax losses carried forward and other deductible temporary differences of DKK 952 million (2023: DKK 1,032 million) mainly related to Germany.

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5.2 Deferred tax (continued)

Accounting estimates

Deferred tax assets relating to tax losses carried forward are recognised, when management assesses that these can be offset against positive taxable income in the foreseeable future. The assessment is made at the reporting date taking into account the impact from limitation in interest deductibility and local tax restrictions in utilisation of tax losses. Future taxable income is based on financial forecasts approved by management and expectations for operational development, mainly in terms of organic growth and operating margin, i.e. the cash flow projections made for the purpose of the Group's impairment tests, see 3.2, Impairment tests. These represent management's best estimates, but are by nature associated with significant uncertainty.

Uncertain tax positions As part of operating a global business, disputes with tax authorities around the world may occur. Management periodically evaluates positions taken in tax returns with respect to situations where applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The possible outcome of uncertain tax positions is measured based on management's best estimate of the amount required to settle the obligation and recognised in tax payables or income tax depending on the tax position.

Management believes that the provisions made are adequate. However, the actual obligations may deviate as they depend on the result of litigations and settlements with the relevant tax authorities.

Accounting policy

Deferred tax is provided using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts, except for goodwill which is not deductible for tax purposes. Where alternative taxation rules can be applied to determine the tax base, deferred tax is measured according to management's intended use of the asset or settlement of the liability.

Deferred tax is measured according to the taxation rules and tax rates in the respective countries applicable at the reporting date when the deferred tax becomes current tax.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in non-current assets at the expected value of their utilisation, either as a set-off against tax on future income, or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

The Group has applied the mandatory exception for recognition and disclosure of deferred tax assets and liabilities arising from Pillar Two Income taxes.

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SECTION 6
Remuneration

6.1 Management remuneration

6.1.1 Key management personnel

The management team of the ISS Global Group formally consists of the Executive Management and the Board of Directors of ISS Global A/S. Members of the management team are not separately remunerated for their duties performed in the ISS Global Group.

As the ISS Global Group has no operating activities independently of the ISS A/S Group, it relies on the management team of the ISS A/S Group who has authority and responsibility for planning, implementing and controlling the ISS Global Group's activities. Consequently, key management personnel of the ISS A/S Group is also considered key management personnel of the ISS Global Group.

Remuneration to key management personnel of the ISS A/S Group is specified below:

		EGM	
(DKK thousand)	Board	EGMB	Corporate Senior Officers
2024			
Base salary and non-monetary benefits	9,121	11,776	38,523
Annual bonus (STIP)	-	10,733	21,556
Sign-on bonus	-	1,552	-
Pensions	-	1,113	2,086
Share-based payments	-	5,117	13,943
Severance payments	257	-	1,461
Total	**9,378**	**30,291**	**77,569**
2023			
Base salary and non-monetary benefits	9,176	13,484	50,671
Annual bonus (STIP)	-	7,176	15,709
Sign-on bonus	-	-	11,658
Pensions	-	386	3,916
Share-based payments [1)]	-	(4,603)	18,664
Severance payments	-	-	16,161
Total	**9,176**	**16,443**	**116,779**

[1)] Including a cost reversal of DKK 7 million due to forfeited PSUs as the Group CEO Jacob Aarup-Andersen left ISS.

On 3 June 2024, Mads Holm joined ISS as Group CFO. In the period until 31 July 2024, the EGMB comprised only one member, the Group CEO.

Remuneration policy is described in the Remuneration report which is available at http://inv.issworld.com/iss-remuneration-reports.

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6.2 Share-based payments

To drive delivery of long-term financial results, retention of leaders and alignment to shareholder value creation, the Group has implemented two share-based incentive programmes (SIP):

A long-term incentive programme (LTIP)
special incentive programme (SIP)

6.2.1 Long-term incentive programme

Members of the EGM and other senior officers of the Group are granted a number of performance share units (PSUs) under the annual LTIP. Participants are compensated for any dividend distributed between time of grant and time of vesting. Upon vesting, each PSU entitles the holder to receive one share at no cost.

Subject to certain criteria, the PSUs will vest after three years.

In 2024, the ISS A/S Group recognised a cost of DKK 93 million (2023: DKK 72 million) of which DKK 5 million (2023: DKK (5) million) were recognised in ISS A/S and DKK 37 million (2023: DKK 34 million) were recognised in ISS World Services A/S (see overview below for PSUs and overview in 6.2.2, Special incentive programmes (SIP) for RSUs).

Fair value and profit or loss impact	LTIP 2021 [1]	LTIP 2022	LTIP 2023	LTIP 2024
Fair value (DKKm)				
At grant date	116	129	116	113
At 31 December 2024	-	93	95	105
Profit or loss impact (DKKm)				
Recognised in 2024	7	35	26	21
Not yet recognised	-	4	29	62
PSUs and participants (number)				
Participants	122	140	147	132
PSUs granted	1,362,540	1,448,791	1,011,072	1,171,299
PSUs expected to vest (of outstanding PSUs), %	64%	75%	44%	51%

[1] Vested in March 2024.

Fair value assumptions	LTIP 2021	LTIP 2022	LTIP 2023	LTIP 2024
At the time of grant				
Share price, DKK [1]	111-153	117-153	122-153	124-127
Expected volatility [2]	41.2%	42.3%	33.8%	32.8%
Expected life of grant, years	3	3	3	3
Risk-free interest rate [2]	(0.6)%-0.9%	(0.1%)-1.5%	1.0%-3.1%	0.8%-4.2%

[1] Based on five-day average.

[2] Based on observable market data for peer groups.

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6.2 Share-based payments (continued)

Vestign criteria

The vesting criteria are total shareholder return (TSR), measured relative to peer group performance, and earnings per share (EPS).

The weight of the individual criteria are:

- TSR: 40%
- EPS: 40%
- Service-based objective: 20%

TSR performance criteria

Threshold	Vesting	TSR
Below threshold	0 %	Below median of peers
Threshold	25 %	At median of peers
Maximum	100 %	At upper quartile of peers or better

TSR peers are the Nasdaq Copenhagen OMX C25 and a peer group of comparable international sevice companies.

TSR peers are the Nasdaq Copenhagen OMX C25 and a peer group of comparable international service companies.

Vested programmes

In March 2024, the LTIP 2021 programme vested. Based on the annual EPS and TSR performances for 2021, 2022 and 2023, 64% of the granted PSUs vested at a weighted average price of DKK 126 at the date of exercise. After this vesting, no further PSUs are outstanding under the LTIP 2021 and the programme has lapsed.

Furthermore, in March 2025, the PSUs granted under LTIP 2022 will vest with 75% based on the annual EPS and TSR performances for 2022, 2023 and 2024.

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6.2 Share-based payments (continued)

Outstanding PSUs	EGM			
LTIP 2021 (vested in 2024)	EGMB	Corporate Senior Officers	Other senior officers	Total
At 1 January 2023	148,297	185,756	759,596	1,093,649
Granted	451	18,857	26,414	45,722
Forfeited	(118,308)	-	(50,695)	(169,003)
Transferred	-	(57,053)	57,053	-
Outstanding at 31 December 2023	**30,440**	**147,560**	**792,368**	**970,368**
Exercised	(19,631)	(95,162)	(510,920)	(625,713)
Expired	(10,809)	(52,398)	(281,448)	(344,655)
Outstanding at 31 December 2024	**-**	**-**	**-**	**-**
LTIP 2022 (vesting in 2025)				
At 1 January 2023	139,713	237,859	842,534	1,220,106
Granted	516	17,149	57,460	75,125
Forfeited	(105,396)	(6,085)	(102,561)	(214,042)
Transferred	-	(58,320)	58,320	-
Outstanding at 31 December 2023	**34,833**	**190,603**	**855,753**	**1,081,189**
Granted	646	3,536	15,629	19,811
Forfeited	-	(13,648)	(27,653)	(41,301)
Outstanding at 31 December 2024	**35,479**	**180,491**	**843,729**	**1,059,699**
LTIP 2023 (vesting in 2026)				
Granted	47,698	191,237	755,981	994,916
Forfeited	-	(17,357)	(100,948)	(118,305)
Transferred	-	(30,068)	30,068	-
Outstanding at 31 December 2023	**47,698**	**143,812**	**685,101**	**876,611**
Granted	883	2,668	12,605	16,156
Forfeited	-	(13,823)	(48,084)	(61,907)
Outstanding at 31 December 2024	**48,581**	**132,657**	**649,622**	**830,860**
LTIP 2024 (vesting in 2027)				
Granted	115,713	163,197	892,389	1,171,299
Forfeited	-	(19,452)	(60,697)	(80,149)
Outstanding at 31 December 2024	**115,713**	**143,745**	**831,692**	**1,091,150**

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6.2 Share-based payments (continued)

6.2.2 Special incentive programmes (SIP)

The Group has a Special Incentive Programme (SIP) under which Restricted Share Units (RSUs) are granted to certain EGM members and Other senior officers of the Group. Subject to individual service criteria, the RSUs will vest after 1.5 years. Upon vesting, each RSU entitles the holder to receive one share at no cost.

In 2024, a total of 72,772 RSUs were granted to the new Group CFO and certain Other Senior Officers under the SIP 2024 programme.

Fair value and profit or loss impact	SIP 2023	SIP 2024
Fair value (DKKm)		
At grant date	1	9
At 31 December 2024	1	9
Profit or loss impact (DKKm)		
Recognised in 2024	1	3
Not yet recognised	-	6
RSUs and participants (number)		
Participants	4	6
RSUs granted	10,365	72,772
Expected to vest (of outstanding RSUs), %	100%	100%

Fair value assumptions	SIP 2023	SIP 2024
At the time of grant		
Share price, DKK	122	124-127
Expected life of grant, years	1.5	1.5

Vested programmes

No SIP programmes have vested in 2024.

In March 2025, the RSUs granted under the SIP 2023 programme will vest 100% subject to achievement of individual service criteria.

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6.2 Share-based payments (continued)

Outstanding RSUs

SIP 2023 (vested in 2025)	EGMB	Other senior officers	Total
Granted	-	10,178	10,178
Outstanding at 31 December 2023	**-**	**10,178**	**10,178**
Granted		187	187
Outstanding at 31 December 2024	**-**	**10,365**	**10,365**

SIP 2024 (vesting in 2026)			
Granted	3,003	69,769	72,772
Outstanding at 31 December 2024	**3,003**	**69,769**	**72,772**

Accounting policy

The value of services received in exchange for granted performance-based share units (PSUs) and restricted share units (RSUs) are measured at fair value at the grant date and recognised in employee costs over the vesting period with a corresponding increase in debt to ISS A/S.

The fair value of granted PSUs under the long-term incentive programme is measured using a generally accepted valuation model taking into consideration the terms and conditions upon which the PSUs were granted including market-based vesting conditions (Total Shareholder Return (TSR)), see Vesting criteria in 6.2.1. Fair value assumptions are disclosed in the tables in 6.2.1 and 6.2.2.

On initial recognition, an estimate is made of the number of PSUs and RSUs expected to vest. The estimated number is revised for changes in the number of PSUs and RSUs expected to vest due to non-market based vesting conditions.

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SECTION 7
Other required disclosures

7.1 Pensions and similar obligations

7.1.1 Pension schemes

The Group has a significant number of pension schemes with different characteristics. The majority of the schemes are defined contribution plans, but in a number of countries, the Group is also party to defined benefit plans.

Defined contribution plans

Under these schemes contributions are paid to a publicly or privately administered pension plans. The Group has no further payment obligations once the contributions have been paid. In 2024, contributions amounted to DKK 1,243 million (2023: DKK 1,156 million), or 84% of the Group's pension costs (2023: 83%).

Defined benefit plans

Under these schemes the obligation towards the employees and risk associated with future developments in salary, interest rate, inflation, mortality, etc. rests with the Group. The plans are primarily based on years of service, and benefits are determined on the basis of salary and position.

The majority (93%) of the obligations are funded with assets placed in independent pension funds. In some countries, primarily Türkiye, Sweden, Hong Kong and Mexico, the obligation is unfunded. For unfunded plans, the obligation amounted to DKK 728 million or 7% of the present value of the total gross obligation (2023: DKK 665 million or 8%).

Multiemployer pension plans

In the US and the Netherlands, the Group participates in multiemployer pension schemes that by nature are defined benefit plans. Due to the unavailability of necessary information, including information on surplus or deficit if any, from the relevant funds, the Group account for the schemes as defined contribution plans.

In 2024, the Group contributed DKK 74 million (2023: DKK 64 million) to multiemployer pension plans of which DKK 32 million (2023: DKK 27 million) related to the Netherlands and DKK 42 million (2023: DKK 37 million) to the US. In total, these corresponded to 6% of the Group's total contribution to defined contribution plans (2023: 6%).

7.1.2 Major defined benefit plans

The Group's largest defined benefit plans:

Switzerland

Participants are insured against the financial consequences of:
- retirement;
- disability; and
- death

The pension plans guarantee a minimum interest credit and fixed conversion rates at retirement and include a risk-sharing element between ISS and the plan participants.

Contributions are paid by both ISS and the employees and the plans must be fully funded. In case of underfunding, recovery measures must be taken, such as additional financing from ISS or from ISS and the employees, reduction of benefits or a combination of both.

Germany

Participants are insured against the financial consequences of:
- retirement;
- disability; and
- death

The majority of the pension plans guarantee a life-long monthly pension payment after retirement. Most of the plans are closed for new entrants. Contributions are paid by ISS, and the plans do not include a risk-sharing element.

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7.1 Pensions and similar obligations (continued)

UK
Participants are insured against the financial consequences of:
- retirement; and
- death

The pension plans guarantee a defined benefit pension at retirement on a final salary basis, but do not provide any insured disability benefits. The majority of the plans does not include a risk-sharing element between ISS and the plan participants.

7.1.3 Defined benefit plans, net obligation

	2024			2023		
(DKKm)	Obligation (present value)	Plan assets (fair value)	Total	Obligation (present value)	Plan assets (fair value)	Total
At 1 January	**8,755**	**9,338**	**(583)**	**7,953**	**8,663**	**(710)**
Current service costs	208	-	208	199	-	199
Interest on obligation/plan assets	216	183	33	257	233	24
Past service costs	(2)	-	(2)	18	-	18
Recognised in profit or loss	**422**	**183**	**239**	**474**	**233**	**241**
Remeasurement (gain)/loss:						
Demographic assumptions	(13)	-	(13)	(7)	-	(7)
Financial assumptions	254	-	254	399	-	399
Experience adjustments	(39)	-	(39)	90	-	90
Return on plan assets	-	62	(62)	-	20	(20)
Asset ceiling	-	(28)	28	-	299	(299)
Recognised in Other comprehensive income	**202**	**34**	**168**	**482**	**319**	**163**
FX adjustments	(65)	(58)	(7)	328	501	(173)
Contributions, plan participants	179	179	-	173	173	-
Contributions, employer	-	237	(237)	-	260	(260)
Benefits paid	(548)	(470)	(78)	(605)	(512)	(93)
Asset ceiling	-	28	(28)	-	(299)	299
Acquisitions/divestments, net	150	165	(15)	-	-	-
Reclass	641	355	286	(50)	-	(50)
Other changes	**357**	**436**	**(79)**	**(154)**	**123**	**(277)**
At 31 December	**9,736**	**9,991**	**(255)**	**8,755**	**9,338**	**(583)**

Recognised in the statement of financial position

(DKKm)	2024	2023
Carrying amount of defined benefit plans	(255)	(583)
Accumulated impact from asset ceiling [1]	1,207	1,172
Defined benefit obligation, net [2]	**952**	**589**
Other long-term employee benefits	364	546
Pensions and similar obligations	**1,316**	**1,135**

[1] Including an FX adjustment on the opening balance of DKK 7 million (2023: DKK 119 million).

[2] Including an asset of DKK 391 million (2023: DKK 326 million) related to defined benefit plans in the UK.

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7.1 Pensions and similar obligations (continued)

Development in 2024

The net pension liability increased by DKK 363 million in 2024, mainly due to a prior year adjustment in Germany, see 7.1.4 below. Additionally, the net impact from actuarial calculations was a loss of DKK 168 million, mainly stemming from actuarial losses of DKK 254 million due to decreased discount rates (financial assumptions), primarily in Switzerland. This was partly offset by a net positive return on plan assets of DKK 62 million as market conditions for our plan assets in Switzerland (mainly listed shares and bonds) improved compared to 2023, resulting in a gain of DKK 212 million. However, in the UK a loss on plan assets of DKK 157 million was realised and thus significantly reducing the positive impact.

In recent years, we have experienced strong asset returns and actuarial gains, which led to a significant surplus on the major plans in Switzerland and the UK. Due to surplus restrictions (ISS does not have access to the overfunding), a significant asset ceiling has been recognised in prior years. In 2024, the net change in the asset ceiling was an increase of DKK 28 million (2023: decrease of DKK 299 million) resulting in an accumulated impact from the asset ceiling of DKK 1,207 million by the end of 2024 (2023: DKK 1,172 million).

Contributions in 2024

In 2024, the Group contributed DKK 315 million to defined benefit plans (2023: DKK 353 million). The Group expects to contribute DKK 318 million in 2025.

7.1.4 Reimbursement rights in Germany

In 2024, the contractual terms of a specific pension plan in Germany were reassessed, which resulted in recognition of a gross obligation of DKK 641 million, plan assets of DKK 355 million and a reimbursement right of DKK 286 million. The reimbursement right does not qualify for recognition as a plan asset and has therefore been reported in Other financial assets. The net impact of the adjustment on the Group's balance sheet is neutral.

Accounting estimates

Actuarial calculations and valuations are performed annually for all major plans. The present value of defined benefit obligations is determined based on country-specific assumptions about the future development in variables such as salary levels, interest rates, inflation, mortality and guaranteed benefits. Assumptions are assessed at the reporting date.

The discount rates used for calculating the present value of expected future cash flows are based on the market yield of high-quality corporate bonds or government bonds with a maturity approximating to the terms of the defined benefit obligations.

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7.1 Pensions and similar obligations (continued)

Accounting policy

Defined contribution plans The Group's contributions are recognised in Employee costs when the related service is provided.

Defined benefit plans The Group's net obligation is calculated by a qualified actuary using the projected unit credit method, separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. The present value less the fair value of plan assets is recognised in Pensions and similar obligations. If the calculation results in a net asset, the asset is recognised if it offsets refunds from or leads to reduced future contributions to the plan. Consideration is given to applicable minimum funding requirements.

Pension costs are calculated based on actuarial estimates and financial expectations at the beginning of the year. Service costs are recognised in Employee costs and net interest is recognised in Finance costs. Remeasurements (actuarial gains/losses), comprising the differences between the expected development in pension assets and liabilities and the realised amounts at the reporting date as well as the effect of asset ceiling are recognised in other comprehensive income.

When the benefits are changed or a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised in Employee costs. Gains and losses on settlements are recognised when incurred.

The aggregated value of unfunded plans is presented as a net liability and the aggregated value of funded plans are presented as a net asset.

Multiemployer plans The Group does not have the necessary information to account for the schemes as defined benefit plans, and they are therefore accounted for as defined contribution plans.

Other long-term employee benefits are calculated as defined pension plans, except that actuarial gains and losses are recognised in Employee costs. Other long-term employee benefits comprise jubilee benefits, long-service or sabbatical leave, etc.

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7.1 Pensions and similar obligations (continued)

7.1.5 Plan assets

(DKKm)	Switzer-land	UK	Ger-many	Other	Total
2024					
Investment funds:					
Listed shares [1]	3,036	-	-	-	3,036
Corporate bonds [1]	1,738	-	-	-	1,738
Property	1,729	-	-	-	1,729
Other	1,209	23	40	-	1,272
Corporate bonds	-	700	159	-	859
Government bonds	-	362	-	-	362
Cash/cash equivalents	235	123	11	-	369
Insurance contracts	226	-	-	156	382
Listed shares [1]	-	1	113	-	114
Other	-	-	88	42	130
Total	**8,173**	**1,209**	**411**	**198**	**9,991**
2023					
Investment funds:					
Listed shares [1]	2,926	-	-	-	2,926
Corporate bonds [1]	1,755	-	-	-	1,755
Property	1,781	-	-	-	1,781
Other	1,076	302	-	-	1,378
Corporate bonds	-	544	-	-	544
Cash/cash equivalents	41	250	-	-	291
Insurance contracts	258	-	-	139	397
Listed shares [1]	-	1	-	-	1
Other	-	186	47	32	265
Total	**7,837**	**1,283**	**47**	**171**	**9,338**

[1] Traded in active markets (listed).

The majority of the Group's pension obligations are funded with assets placed in independent pension funds (unlisted), mainly in Switzerland, the UK and Germany.

Plan assets are predominantly placed in investment funds that invest in listed shares, corporate bonds, property or other, such as investments in infrastructure and energy projects and senior loans.

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7.1 Pensions and similar obligations (continued)

7.1.6 Actuarial assumptions

	2024				2023			
	CHF	GBP	EUR	Other	CHF	GBP	EUR	Other
Discount rates	1.0%	5.5-5.6%	3.5-4.2%	3.0-28.5%	1.5%	4.5%	3.3-4.3%	5.7-26.6%
Salary increase	1.0%	0.0-5.0%	0.0-3.2%	2.0-25.0%	1.1%	0.0-3.1%	0.0-3.6%	3.0-24.3%
Pension increase	0.0%	2.7-3.0%	0.0-1.9%	0.0-1.9%	0.0%	2.6-3.0%	0.0-2.8%	0.0-1.8%
Price inflation	1.0%	2.5-2.8%	0.0-2.2%	0.0-3.5%	1.0%	2.4-2.6%	0.0-2.6%	0.0-3.5%

Sensitivity analysis

The sensitivities related to significant actuarial assumptions used in the calculation of the defined benefit obligation in terms of estimated increase/(decrease) in the obligation are illustrated below.

The analysis is based on changes in assumptions, with all other variables held constant, that the Group considered to be reasonably possible at the reporting date.

	2024		2023	
(DKKm)	*+0.5%*	*-0.5%*	*+0.5%*	*-0.5%*
Discount rate	(421)	491	(376)	409
Price inflation	82	(37)	64	(55)
Salary increase	98	(61)	76	(76)
Pension increase	259	(213)	241	(236)

	+1 year	*-1 year*	*+1 year*	*-1 year*
Life expectancy	206	(166)	147	(144)

Duration

The estimated weighted average duration of the defined benefit obligation was 10 years (2023: 9 years) and is split into:

(Years)	**2024**	**2023**
Active employees	9	8
Retired employees	12	12
Deferred vested [1)]	15	15
Total employees	10	9

[1)] The impact from deferred vested on total estimated weighted average duration is minor due to the fact that deferred vested make up less than 2% of the participants, and do not exist in many of the shorter duration plans.

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7.2 Hyperinflation in Türkiye

7.2.1 Impact on the consolidated financial statements

(DKKm)	Total (excl. IAS 29)	Inflation restatement, in year: Non-monetary	Inflation restatement, in year: Profit or loss	Retrans-lation (YE FX)	Total adjust-ments	Total
2024						
Profit or loss						
Revenue	83,026	-	943	(187)	756	83,782
Operating profit before other items	4,889	(78)	80	(14)	(12)	4,877
Operating profit	3,572	(99)	79	(14)	(34)	3,538
Net profit	2,550	(3)	-	(0)	(3)	2,547
Financial ratios						
Organic growth (non-IFRS)	6.3%	-	-	-	-	6.3%
Operating margin (non-IFRS)	5.9%	(0.1%)	0.0%	0.0%	(0.1%)	5.8%
Cash flows						
Operating activities	3,529	-	-	(2)	(2)	3,527
Investing activities	(1,413)	-	-	1	1	(1,412)
Financing activities	(1,334)	-	-	5	5	(1,329)
Free cash flow (non-IFRS)	1,915	-	-	1	1	1,916

(DKKm)	Total (excl. IAS 29)	Inflation restatement, accumulated	Total
2024			
Financial position			
Goodwill	14,928	992	15,920
Other intangible assets	1,307	405	1,712
Right-of-use assets, property and equipment	3,233	134	3,367
Total assets	48,022	1,531	49,553
Other comprehensive income [1]	(942)	1,299	357
Other equity elements	9,577	96	9,673
Total equity	8,635	1,395	10,030
Deferred tax liabilities	300	136	436
Total equity and liabilities	48,022	1,531	49,553

[1] In year impact of restatement amounts to DKK 477 million (2023: DKK 467 million).

Development in 2024

In 2024, the impact of hyperinflation restatement on our three key KPIs, i.e. organic growth (non-IFRS), operating margin (non-IFRS) and free cash flow (non-IFRS) continued to be immaterial.

The Group's financial position continued to be significantly impacted. At 31 December 2024, goodwill had increased by DKK 992 million (2023: DKK 732 million), customer contracts had increased by DKK 405 million (2023: DKK 295 million) and equity had increased by DKK 1,395 million (2023: DKK 1,035 million) (accumulated hyperinflation adjustment impacts).

During the year, the inflation rate decreased to 44.38% (2023: 64.77%) and the exchange rate for TRY/DKK decreased from 22.82 in the beginning of the year to 20.30 in December 2024, leading to an average rate of 20.97 (2023: 29.80).

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7.2 Hyperinflation in Türkiye (continued)

(DKKm)	Total (excl. IAS 29)	Inflation restatement, in year: Non-monetary	Inflation restatement, in year: Profit or loss	Retrans-lation (YE FX)	Total adjustments	Total
2023						
Profit or loss						
Revenue	78,704	-	1,130	(1,132)	(2)	78,702
Operating profit before other items	4,198	(58)	90	(80)	(48)	4,150
Operating profit	2,942	(73)	90	(78)	(61)	2,881
Net profit	285	22	-	(16)	6	291
Financial ratios						
Organic growth (non-IFRS)	9.7%	-	-	-	-	9.7%
Operating margin	5.3%	(0.1%)	0.1%	0.0%	0.0%	5.3%
Cash flows						
Operating activities	3,325	-	-	(41)	(41)	3,284
Investing activities	(901)	-	-	9	9	(892)
Financing activities	(1,311)	-	-	(17)	(17)	(1,328)
Free cash flow (non-IFRS)	1,835	-	-	(16)	(16)	1,819

(DKKm)	Total (excl. IAS 29)	Inflation restatement, accumulated	Total
2023			
Financial position			
Goodwill	14,389	732	15,121
Other intangible assets	1,153	295	1,448
Right-of-use assets, property and equipment	2,945	109	3,054
Total assets	43,630	1,136	44,766
Other comprehensive income	(1,127)	936	(191)
Other equity elements	7,218	99	7,317
Total equity	6,091	1,035	7,126
Deferred tax liabilities	502	101	603
Total equity liabilities	43,630	1,136	44,766

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7.2 Hyperinflation in Türkiye (continued)

Accounting policy

Inflation restatement

The financial statements of ISS Türkiye based on historical costs are restated for inflation to reflect the purchasing power at the reporting date using the consumer price index.

Non-monetary items such as goodwill, customer contracts, right-of-use assets, property and equipment and deferred tax, are restated for the effect of inflation based on changes in the price index for the period from initial recognition to 31 December 2024 or to the date of disposal, where relevant. The restatement was made effective from the time, the items were initially recognised, which was no earlier than 2005, when ISS first entered Türkiye through an acquisition. The restatement effect related to prior years is recognised in Other comprehensive income and current year effect is recognised in Finance income and costs.

Management assesses whether the restatement of non-monetary items represents an indication of impairment to ensure that the restated amounts do not exceed the recoverable amounts of the assets, see 3.2, Impairment tests.

Monetary items such as receivables, payables and borrowings are not restated as these items already reflect the purchasing power at the reporting date.

Equity includes the opening effect of restating non-monetary items. The restatement effects based on in-year changes in the price index are recognised in other comprehensive income with set-off within finance income or costs in profit or loss.

Profit or loss transactions are restated to reflect changes in the price index from the time of transaction to the end of the reporting period except for depreciation and amortisation, which are recalculated based on the inflation-adjusted carrying amounts. The restating gain or loss is recognised in finance income or costs, except for the tax effect, which is recognised in income tax.

Cash flow statement Operating profit before other items includes a non-cash effect from the inflation restatement, and is eliminated in the line Non-cash items related to hyperinflation.

Price index

Restatement for hyperinflation of the financial statements of ISS Türkiye is based on the development in the consumer price index provided by the Türkiyish Statistical Institute calculated as an average year to date conversion factor. For 2024, the inflation rate in Türkiye was 44.38% (2023: 64.77%). In 2024, the conversion factor was 17% (2023: 31%).

Retranslation from TRY to DKK

The financial statements of ISS Türkiye, including effects of inflation restatement, are translated into DKK applying the TRY/DKK exchange rate at the reporting date as opposed to the Group's normal practice of translating the profit or loss using the exchange rate at the transaction date or an average exchange rate for the month.

The TRY/DKK exchange rate decreased from 22.82 at the beginning of 2024 to 20.30 at 31 December 2024. The average rate was 20.97 (2023: 29.80).

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7.3 Related parties

Parent and ultimate controlling party

The sole shareholder of ISS Global A/S, ISS World Services A/S has controlling influence in the Group and is wholly owned by ISS A/S (the ultimate parent).

Key management personnel

The Board of Directors (Board) and the Executive Group Management (EGM) of ISS A/S are considered the Group's key management personnel as defined in 6.1, Management remuneration.

Apart from remuneration, including share-based incentive programmes, there were no significant transactions with members of the Board and the EGM in 2024.

7.4 Fees to auditors

(DKKm)	2024	2023
Statutory audit	51	60
Other assurance services	5	1
Tax and VAT advisory services	2	6
Other services	3	8
Total	**61**	**75**

Fees for services other than the statutory audit of the financial statements provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Denmark mainly consist of other assurance opinions including limited assurance on the sustainability statement and agreed-upon procedures.

Other assurance services comprised work related to the interim financial statements and other assurance services. The increase compared to 2023 related to ESG.

Tax and VAT advisory services mainly related to tax compliance services.

Other services mainly related to software implementation services.

7.5 Subsequent events

No events have occurred subsequent to 31 December 2024, which are expected to have a material impact on the consolidated financial statements.

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SECTION 8

Basis of preparation

This section includes material accounting policies of a more general nature relevant for the understanding of the basis for preparation of the Group's consolidated financial statements. Material accounting policies for specific accounting items are included in the relevant notes to the consolidated financial statements. A list of the notes is presented on p. 86.

Changes in accounting policies

In 2024, no changes with material effect on recognition and measurement were implemented.

8.1 Other material accounting policies

ISS Global A/S's bonds are listed on Luxembourg Stock Exchange. The consolidated financial statements of ISS Global A/S for the year ended 31 December 2024 comprise ISS Global A/S and its subsidiaries (collectively, the Group). Significant subsidiaries are listed in 8.4, Group companies.

The 2024 Annual Report for ISS Global A/S was discussed and approved by the Executive Management and the Board of Directors on 11 March 2025 and issued for approval at the subsequent annual general meeting on 11 April 2025.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act (class D). In addition, the consolidated financial statements have been prepared in compliance with the IFRS Accounting Standards issued by the IASB.

The consolidated financial statements have been prepared on the basis that the Group will continue to operate as a going concern.

The consolidated financial statements are presented in Danish kroner (DKK), which is ISS Global A/S's functional currency. All amounts have been rounded to nearest DKK million (DKKm), unless otherwise stated.

Fair value measurement and disclosure

Items are measured at historical cost, except for plan assets under defined benefit plans, derivatives and contingent consideration that are measured at fair value. Fair value measurements are categorised within the fair value hierarchy and disclosed in the relevant notes.

For the purpose of fair value disclosures, management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables and other current and non-current financial assets and liabilities approximates their carrying amount largely due to the short-term nature of these items.

The fair value of borrowings, including methods and assumptions used to estimate the fair value, are disclosed in 4.2.1,

Materiality

The consolidated financial statements separately present items or groups of items that are considered material. In addition, information that is considered material, either individually or in combination with other information, is disclosed.

Materiality is judged by reference to the size and nature of the item, either individually or combined. The deciding factor is whether the omission or misstatement could, individually or collectively, influence the economic decisions made by the primary users on the basis of the consolidated financial statements.

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8.1 Other material ccounting policies (continued)

Basis of consolidation

The consolidated financial statements comprise ISS Global A/S and entities controlled by ISS Global A/S. Consolidation is performed after elimination of intra-group balances, income and expenses. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

By virtue of agreement certain non-controlling shareholders are only eligible of receiving benefits from their non-controlling interest when ISS as controlling shareholder has received their initial investment and compound interest on such. In such instances the subsidiaries' result and equity are fully allocated to ISS until the point in time where ISS has recognised amounts exceeding their investment including compound interest on such.

Foreign currency

Transactions in currencies other than the functional currency of the respective Group companies are considered transactions denominated in foreign currencies.

On initial recognition, foreign currency transactions are translated to the functional currencies of the Group companies at the exchange rates at the transaction date. Translation differences between the exchange rates at the transaction date and the date of payment are recognised in Finance income or Finance costs.

Monetary items denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the transaction date or the exchange rate used in the latest financial statements is recognised in Finance income or Finance costs.

On recognition in the consolidated financial statements of Group companies with a functional currency other than DKK, except for companies operating in hyperinflationary environments, the statements of profit or loss and statement of cash flows are translated at the average exchange rates for the period and the statements of financial position are translated at the exchange rates at the reporting date. Foreign exchange adjustments arising on translation of the opening balance of equity of foreign entities and on translation of receivables considered part of the net investment in the entity and on translation of the profit or loss statements from the exchange rates at the transaction date to the exchange rates at the reporting date are recognised in other comprehensive income. However, if the foreign entity is a non-wholly owned subsidiary, the relevant proportion of the translation difference is allocated to the non-controlling interest.

8.2 In-year changes

Changes in accounting policies

From 1 January 2024, the Group has adopted certain new and amended standards with no significant impact on recognition and measurement.

The Group is within the scope of the Pillar Two rules applying from 1 January 2024. For a description of Pillar Two, see 5.1, Income tax.

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8.3 New regulations

IASB issued certain amended standards and interpretations, that are not mandatory for the consolidated financial statements of the Group at 31 December 2024. The Group expects to adopt the new standards and interpretations when they become mandatory.

Based on the current business setup and level of activities, none of these standards and interpretations are expected to have a material impact on the recognition and measurement in the consolidated financial statements.

The standard below will impact presentation and the definition of certain required subtotals.

IFRS 18: Presentation and Disclosure in Financial statements

From 1 January 2027, IFRS 18 will replace IAS 1, introducing new requirements that will help to achieve comparability of financial performance of similar entities and provide more relevant information and transparency to users.

Even though IFRS 18 will not impact the recognition and measurement of items, its impact on presentation (including definition of certain required subtotals) and disclosures is expected to be pervasive, in particular those related to the statement of profit or loss and providing management-defined performance measures within the financial statements. The key new concepts

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

ISS has not yet analysed the impact of the new standard, but will do so in due course.

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8.4 Group companies

Below the Group's significant subsidiaries and joint ventures are presented per region. Together these are referred to as "Companies within the ISS Group".

Northern Europe

Denmark (ISS A/S's country of domicile)	
ISS Facility Services A/S	100%
ISS Finance B.V.	100% [4]
ISS Global Management A/S	100% [4]
ISS Holding France A/S	100% [4]
ISS Lending A/S	100% [4]
Belgium & Luxembourg	
ISS Catering N.V.	100%
ISS Facility Services N.V.	100%
ISS Reception & Support Services N.V.	100%
ISS Facility Services S.A.	100%
ISS Luxinterim SARL	100%
Finland	
ISS Palvelut Holding Oy	100%
ISS Palvelut Oy	100%
Netherlands	
ISS Catering Services B.V.	100%
ISS Holding Nederland B.V.	100%
ISS Integrated Facility Services B.V.	100%
ISS Nederland B.V.	100%
Norway	
ISS Holding AS	100%
ISS Management AS	100%
ISS Facility Services AS	100%
ISS Serveringspartner AS	100%
ISS Service Management AS	100%
Poland	
ISS Facility Services Sp. Z.o.o.	100%
ISS World Services Poland Sp. Z.o.o	100% [4]
Sweden	
ISS Facility Services Holding AB	100%
ISS Facility Services AB	100%
ISS Palvelut Holding AB	100%
UK & Ireland	
ISS UK Holding Limited	100%
ISS UK Limited	100%
ISS Facility Services Ltd.	100%
ISS Mediclean Ltd	100%
ISS Ireland Ltd.	100%

Central & Southern Europe

Austria	
Integrated Service Solutions, S.L.	100%
ISS Facility Services, S.A.	100%
UTE-HOSPITALES S.A.S	65% [1]
Gelim Madrid, S.A.	100%
Germany	
ISS Automotive Services GmbH	100%
ISS Facility Services Holding GmbH	100%
ISS Integrated Facility Services GmbH	100%
ISS Energy Services GmbH	100%
ISS Communication Services GmbH	100%
ISS Pluralis GmbH	100%
Hungary	
ISS International Hungary Kft	100% [4]
Italy	
ISS Facility Services S.r.l.	100%
Portugal	
ISS Tech Portugal, Unipessoal Lda.	100% [4]
Romania	
ISS Romania Group S.R.L.	100%
ISS Facility Services International S.R.L	100%
Spain	
Integrated Service Solutions, S.L.	100%
ISS Facility Services, S.A.	100%
UTE-HOSPITALES S.A.S	65% [1]
Gelim Madrid, S.A.	100%
Switzerland	
ISS Facility Services AG	100%
ISS Schweiz AG	100%
Türkiye	
ISS Hazir Yemek Üretim ve Hizmet A.Ş.	50,1% [3]
ISS Proser Koruma ve Güvenlik Hizmetleri A.Ş.	50,1% [3]
ISS Tesis Yönetim Hizmetleri A.Ş.	50,1% [3]
ISS İşletme Hizmetleri A.Ş (Rönesans)	50,1% [3]
ISS Bitki Bakim ve Hasere Kontrol Hizmetleeri A.Ş.	50,1% [3]

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8.4 Group companies (continued)

Asia & Pacific

Australia & New Zealand	
ISS Facility Management Pty Ltd	100%
ISS Facility Services Australia Ltd	100%
ISS Facility Services Pty Ltd.	100%
ISS Health Services Pty Ltd.	100%
ISS Integrated Services Pty Ltd	100%
ISS Property Services Pty Ltd	100%
ISS Security Pty Ltd	100%
Pacific Invest December 2004 Pty Ltd.	100%
Pacific Service Solutions Pty Ltd.	100%
ISS Facility Services Ltd.	100%
ISS Holdings NZ Ltd.	100%
China	
ISS Facility Services (Shanghai) Ltd.	100%
ISS Hongrun (Shanghai) Cleaning Services Ltd	100%
Shanghai B&A Property Management Co., Ltd.	100%
Shanghai B&A Security Co., Ltd.	100%
Shanghai ISS Catering Management Ltd.	100%
Hong Kong	
Hung Fat Cleaning Transportation Co., Ltd.	100%
ISS Adams Secuforce Ltd.	100%
ISS China Holdings Ltd.	100%
ISS China Holdings I Ltd.	100%
ISS EastPoint Properties Ltd.	100%
ISS EastPoint Property Management Ltd.	100%
ISS Facility Services Ltd.	100%
ISS Greater China Ltd.	100%
ISS Mediclean (HK) Ltd.	100%
ISS Pan Asia Security Services Ltd.	100%
JSL Ltd.	100%
Silvertech E&M Engineering Co., Ltd.	100%
India	
ISS Facility Services India Pvt. Ltd.	100%
ISS SDB Security Services Pvt. Ltd.	46% [2]
Indonesia	
PT ISS Facility Services	100%
PT ISS Indonesia	100%
PT ISS Jasa Fasilitas	0% [2]
Singapore	
ISS Asia Pacific Pte. Ltd.	100%
ISS Catering Services Pte. Ltd.	100%
ISS Facility Services Pte. Ltd.	100%
ISS M&E Pte. Ltd.	100%

Americas

Chile	
Apunto Servicios de Alimentacion S.A.	100%
ISS Chile S.A.	100%
ISS Facility Services S.A.	100%
ISS Servicios Generales Ltda.	100%
ISS Servicios Integrales Ltda.	100%
Mexico	
ISS Centro América, S. de R.L. de C.V.	100%
ISS Facility Services, S.A. de C.V.	100%
US & Canada	
ISS Facility Services Holding, Inc.	100%
ISS Management and Finance Co, Inc.	100%
ISS Facility Services, Inc (US)	100%
Guckenheimer Enterprises Inc.	100%
ISS Holding Inc.	100%
ISS Facility Services Inc. (CA)	100%

Notes

[1] Joint venture

[2] By virtue of the governance structure, the Group has the power to govern the financial and operating policies of the company. Consequently, the company is consolidated as a subsidiary.

[3] Under certain circumstances or events, ISS may be obliged to choose to purchase other shareholders' shareholdings or dispose of its own shareholdings.

[4] Global managed services

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8.5 Definitions

ISS uses various key figures, financial ratios and non-financial ratios, all of which provide our stakeholders with useful and necessary information about the Group's financial position, performance, cash flows and development in a consistent way. In relation to managing the business, achieving our strategic goals and ultimately creating value for our shareholders, these measures are considered essential.

In addition, the Group uses alternative performance measures (APMs) to provide stakeholders with additional measures to evaluate and analyse the Group's performance. The APMs are non-IFRS financial measures defined by the Group and thus may not be comparable with measures provided by peers or other companies' measures.

Alternative performance measures

Free cash flow

Cash flow from operating activities – Acq. of intangible assets, property and equipment, net – Change in financial assets (excl. equity-accounted investees) – Addition of right-of-use assets, net

Organic growth, %

(Revenue current year excl. hyperinflation – Comparable revenue [1] prior year) x 100 / Comparable revenue [1] prior year

Acquisitions are treated as having been integrated with ISS at the acquisition date. Consequently, organic growth includes changes in revenue of such acquisitions compared with expectations at the acquisition date.

Operating margin, %

Operating profit before other items x 100 / Revenue

Total revenue growth, %

(Revenue current year – Revenue prior year) x 100 / Revenue prior year

Financial ratios

Acquisitions, %

Revenue from acquisitions [2] x 100 / Revenue prior year

Currency adjustments

Total revenue growth – Organic growth – Acquisition/divestment growth, net [3]

Divestments, %

Revenue from divestments [4] × 100 / Revenue prior year

Equity ratio, %

Total equity × 100 / Total assets

Gross debt

Borrowings + utilisation of factoring and certain customer's supply chain finance arrangements

Net debt

Borrowings – Securities – Cash and cash equivalents +/– Fair value of derivatives + Net debt included in Liabilities held for sale

[1] Comparable revenue prior year excludes impacts from changes in exchange rates and acquisitions/divestments, net as well as impact from hyperinflation restatement. To arrive at comparable revenue, prior year's revenue is retranslated by applying current year's exchange rates, divestments and impacts from hyperinflation restatements are excluded and estimated impacts from acquisitions are added.

[2] Expectations at the acquisition date.

[3] Estimated or actual revenue where available at the divestment date.

[4] Incl. the effect from exclusion of currency effects from the calculation of organic growth and acq./div., net.

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Parent company financial statements

Primary financial statements

	Statement of profit or loss	172
	Statement of comprehensive income	172
	Statement of cash flows	173
	Statement of financial position	174
	Statement of changes in equity	175

Accounting policies

1	Material accounting policies	176
2	Significant estimates and judgements	176

Statement of profit or loss

3	Other operating income and expenses, net	176
4	Fees to auditors	177
5	Other expenses	177
6	Finance income and costs	177
7	Income tax	178

Statement of financial position

8	Investments in subsidiaries and joint ventures	178
9	Deferred tax	180
10	Borrowings	180

Other required disclosures

11	Management remuneration	181
12	Contingent liabilities	181
13	Financial risk management	182
14	Interest rate risk	182
15	Liquidity risk	184
16	Currency risk	184
17	Related parties	185
18	New regulations	186
19	Subsidiaries and joint ventures	186

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Statement of profit or loss

1 January – 31 December

(DKKm)	Note	2024	2023
Other operating income and expenses, net	3, 4	2	31
Operating profit before other items		**2**	**31**
Other income and expenses, net	5	(52)	(57)
Operating profit		**(50)**	**(26)**
Income from subsidiaries and joint ventures	8	1,557	(1,320)
Finance income	6	1,157	800
Finance costs	6	(915)	(920)
Profit before tax		**1,749**	**(1,466)**
Income tax	7	29	3
Net profit		**1,778**	**(1,463)**

Statement of comprehensive income

1 January – 31 December

(DKKm)	2024	2023
Net profit	1,778	(1,463)
Comprehensive income	1,778	(1,463)

Statement of cash flows

1 January – 31 December

(DKKm)	Note	2024	2023
Operating profit before other items		2	31
Changes in working capital		31	(10)
Interest received from companies within the ISS Group		853	716
Interest received, external		110	30
Interest paid to companies within the ISS Group		(508)	(474)
Interest paid, external		(196)	(220)
Income tax and joint taxation contribution received/(paid), net		(4)	(15)
Cash flow from operating activities		**288**	**58**
Capital increase in subsidiaries and joint ventures	8	(307)	(10)
Acquisitions		(6)	-
Divestment and liquidation of subsidiaries and joint ventures		(37)	44
Dividends received from subsidiaries and joint ventures	8	1,253	872
Cash flow from investing activities		**903**	**906**
Proceeds from issued bonds	10	3,696	-
Repayment of bonds	10	(2,237)	-
Other financial payments, net	10	(127)	(48)
Changes in debt to companies within the ISS Group, net	10	(221)	1,162
Changes in receivables from companies within the ISS Group, net		(1,998)	(1,529)
Cash flow from financing activities		**(887)**	**(415)**
Total cash flow		**304**	**549**
Cash and cash equivalents at 1 January		3,118	2,569
Total cash flow		304	549
Cash and cash equivalents at 31 December		**3,422**	**3,118**

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Statement of financial position

At 31 December

(DKKm)	Note	2024	2023
Assets			
Investments in subsidiaries and joint ventures	8	22,850	22,482
Receivables from companies within the ISS Group		9,939	8,257
Other financial assets		21	8
Deferred tax assets	9	29	18
Non-current assets		**32,839**	**30,765**
Receivables from companies within the ISS Group		1,967	2,090
Other receivables		297	215
Cash and cash equivalents		3,422	3,118
Current assets		**5,686**	**5,423**
Total assets		**38,525**	**36,188**
Equity and liability			
Equity		**9,349**	**7,571**
Borrowings	10	11,924	11,892
Non-current liabilities		**11,924**	**11,892**
Borrowings	10	16,849	15,712
Provisions	8	-	704
Other liabilities		403	309
Current liabilities		**17,252**	**16,725**
Total liabilities		**29,176**	**28,617**
Total equity and liabilities		**38,525**	**36,188**

Statement of changes in equity

1 January - 31 December

(DKKm)	Share capital	Retained earnings	Total
2024			
Equity at 1 January	180	7,391	7,571
Net profit	-	1,778	1,778
Comprehensive income	**-**	**1,778**	**1,778**
Changes in equity	**-**	**1,778**	**1,778**
Equity at 31 December	180	9,169	9,349
2023			
Equity at 1 January	180	8,854	9,034
Net profit	-	(1,463)	(1,463)
Comprehensive income	**-**	**(1,463)**	**(1,463)**
Changes in equity	**-**	**(1,463)**	**(1,463)**
Equity at 31 December	180	7,391	7,571

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1 Material accounting policies

Basis of preparation

The financial statements of ISS Global A/S have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act (class D). In addition, the financial statements have been prepared in compliance with the IFRS Accounting Standards issued by the IASB.

Changes in accounting policies

No changes with material effect on recognition and measurement were implemented in 2024.

Material accounting policies

With the exception of the items described below, the material accounting policies for ISS Global A/S are identical to the Group's material accounting policies, which are described in the notes to the consolidated financial statements.

Income from subsidiaries and joint ventures comprises dividends, impairment losses, reversal of prior years' impairment losses and gains and losses on divestment and liquidation of subsidiaries and joint ventures. Dividends are recognised in profit or loss in the financial year in which the dividend is declared. If dividends declared exceed the total comprehensive income for the year, an impairment test is performed.

Investments in subsidiaries and joint ventures are measured at cost. If there is indication of impairment, an impairment test is performed as described in the accounting policies in 3.2 to the consolidated financial statements. If the recoverable amount is lower than the cost, investments are written down to this lower value. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the recoverable amount does not exceed the original cost.

Tax As required by Danish legislation, ISS Global A/S is jointly taxed with all Danish resident subsidiaries. Joint taxation contributions to/from jointly taxed companies are recognised in profit or loss in Income tax and in the statement of financial position in Receivables from or Debt to companies within the ISS Group.

Companies which utilise tax losses in other companies pay joint taxation contribution to ISS A/S (the administration company) equivalent to the tax base of the tax losses utilised. Companies whose tax losses are utilised by other companies receive joint taxation contributions from ISS A/S equivalent to the tax base of the tax losses utilised (full absorption).

2 Significant estimates and judgements

Significant estimates and judgements relating to the applied accounting policies for ISS Global A/S are the same as for the Group to the extent of similar accounting items, see Significant estimates and judgements, for a description. The specific risks for ISS Global A/S are described in the notes to the financial statements of the parent company.

Investments in subsidiaries and joint ventures If there is identification of impairment, an impairment test is performed as described in the accounting policies in 3.2 to the consolidated financial statements. The assessment of whether there is an indication of impairment is based on both external and internal sources of information such as performance of the subsidiary, significant decline in market values etc.

3 Other operating income and expenses, net

Other operating income and expenses, net mainly comprise procurement bonuses and revaluation of receivables from companies within the ISS Group.

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4 Fees to auditors

(DKKm)	2024	2023
Statutory audit	1	1
Other assurance services	0	0
Total	**1**	**1**

5 Other expenses

Other expenses comprised a fair value adjustment of a contingent consideration associated with the transaction in Türkiye in 2021.

6 Finance income and costs

(DKKm)	2024	2023
Interest income on cash and cash equivalents	143	28
Fair value adjustments, interest rate swaps	42	51
Interest income from companies within the ISS Group [1)]	949	721
Forward premiums, currency swaps	11	-
Hedge ineffectiveness of interest rate swaps	12	-
Finance income	**1,157**	**800**
Interest expenses on borrowings [1)]	(334)	(197)
Forward premiums, currency swaps	-	(3)
Fair value adjustments, currency swaps	-	(84)
Interest expenses to companies within the ISS Group [1)]	(508)	(475)
Amortisation of financing fees (non-cash) [1)]	(15)	(22)
Commitment fees	(8)	(16)
Bank fees	(3)	(3)
Foreign exchange losses	(47)	(120)
Finance costs	**(915)**	**(920)**

[1)] The total interest income, net determined on an amortised cost basis was DKK 92 million (2023: DKK 27 million).

Interest income on cash and cash equivalents The increase compared to 2023 was mainly driven by interest income on the proceeds from the issued bond under the EMTN programme in May 2024 until repayment of the bond maturing in December 2024.

Fair value adjustments, interest rate swaps related to instruments used for fair value hedging at Group level, but being ineffective hedges in ISS Global A/S.

Interest expenses on borrowings comprised mainly interest on issued bonds. The increase compared to 2023 was driven by issuance of new EMTNs in May 2024 and increased interest rates throughout 2024 of which DKK 65 million related to the interest rate swaps on part of the bonds.

Fair value adjustments, currency swaps related to instruments used for net investment hedging at Group level, but being ineffective hedges in ISS Global A/S.

Foreign exchange losses mainly related to exchange rate movements on intercompany loans to foreign subsidiaries as well as on external borrowings denominated in currencies other than DKK.

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7 Income tax

(DKKm)	2024	2023
Current tax	40	20
Deferred tax	11	(1)
Other taxes	(20)	(5)
Prior year adjustments, net	(2)	(11)
Income tax	**29**	**3**

Effective tax rate

In %	2024	2023
Statutory income tax rate in Denmark	22.0 %	22.0 %
Income from subsidiaries and joint ventures	(15.8)%	13.1 %
Non-tax deductible expenses less non-taxable income	(9.2)%	(33.7)%
Other taxes	0.1 %	(0.4)%
Prior year adjustments, net	1.2 %	(0.8)%
Effective tax rate	**(1.7)%**	**0.2 %**

8 Investments in subsidiaries and joint ventures

(DKKm)	2024	2023
Cost at 1 January	33,645	32,304
Additions [1]	67	1,341
Cost at 31 December	**33,712**	**33,645**
Revaluation at 1 January	(11,163)	(9,639)
Impairment losses	(6)	(1,959)
Reversal of prior years' impairment losses	307	435
Revaluation at 31 December	**(10,862)**	**(11,163)**
Carrying amount at 31 December	**22,850**	**22,482**

[1] In 2024, capital increases in total of DKK 732 million were made, of which DKK 665 million were provided and impaired at 31 December 2023. DKK 425 million of the total capital increases of DKK 732 million related to non-cash transactions (2023: DKK 1,331 million).

Additions In 2024, ISS Global A/S made a capital increase in ISS Holding France A/S of DKK 675 million of which DKK 665 million was provided and impaired at 31 December 2024. Furthermore, capital increases were made in ISS Asia Pacific Pte. Ltd. of DKK 51 million, in Singapore of DKK 3 million and in Signal Arkitekter ApS of DKK 3 million.

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8 Investments in subsidiaries and joint ventures (continued)

Impairment losses The recoverable amount of investments in subsidiaries and joint ventures is determined on the basis of the value-in-use adjusted for net debt. Value-in-use applied in the impairment test is equal to value-in-use established for the Group, see 3.2 to the consolidated financial statements. Subsidiaries classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses recognised in 2024, see below.

(DKKm)	Impairment losses 2024	Recoverable amount [1]	Applied discount rate, net of tax
Investments in subsidiaries and joint ventures			
Signal	4	2	-
ISS Malaysia	2	(1)	-
Impairment losses	**6**		

[1] The recoverable amount is based on the equity at 31 December 2024.

The investments in both Signal and ISS Malaysia have been fully impaired. Since the subsidiaries' net assets primarily consist of net working capital items which closely approximates fair value, the book value of equity is considered a resonable proxy for the recoverable amount.

Income from subsidiaries and joint ventures

(DKKm)	2024	2023
Received dividends	1,253	872
Proceeds from divestment and liquidation of subsidiaries and joint ventures	3	50
Carrying amount of disposed subsidiaries and joint ventures	-	(14)
Impairment losses	(6)	(1,959)
Reversal of prior years' impairment losses	307	435
Recapitalisation of equity in ISS Holding France A/S	-	(704)
Income from subsidiaries and joint ventures	**1,557**	**(1,320)**

Reversal of prior years' impairment losses In 2024, losses of DKK 132 million on the investment in the Netherlands were reversed (2023: DKK 306 million). The Dutch operation continued to deliver in line with the business case and it has been assessed that the increase in the recoverable amount is sustainable. The discount rate, net of tax applied to determine the recoverable amount was 8.3% (2023: 8.8%). Furthermore, losses of DKK 175 million (2023: DKK 129 million) in ISS Lending A/S were reversed as equity continued to increase in 2024.

Subsidiaries and joint ventures

For a list of significant directly owned subsidiaries and joint ventures, see note 19, Subsidiaries and joint ventures.

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9 Deferred tax

Development in deferred tax

(DKKm)	2024	2023
Deferred tax assets/(liabilities) at 1 January	18	19
Prior year adjustments, net	0	-
Tax on profit before tax	11	(1)
Deferred tax assets at 31 December	**29**	**18**

ISS Global A/S has no recognised or unrecognised deferred tax assets regarding tax losses carried forward.

10 Borrowings

(DKKm)	2024	2023
Issued bonds	11,924	10,413
Bank loans	(22)	15
Debt to companies within the ISS Group	16,871	17,176
Total	**28,773**	**27,604**
Non-current liabilities	11,924	11,892
Current liabilities	16,849	15,712
Borrowings	**28,773**	**27,604**
Cash and cash equivalents	(3,422)	(3,118)
Receivables from companies within the ISS Group	(11,906)	(10,347)
Derivatives, net	(38)	45
Net debt	**13,407**	**14,184**

Refinancing

On 29 May 2024, ISS issued a 5-year bond with a principal amount of EUR 500 million and a coupon of 3.875%. The bond was issued under the Group's EUR 3 billion European Medium Term Note (EMTN) programme, which is listed on the Luxembourg Stock Exchange. The net proceeds were used for refinancing the Group's EUR 300 million EMTNs maturing in December 2024 as well as for general corporate purposes.

Financing fees

At 31 December 2024, accumulated financing fees recognised in borrowings amounted to DKK 76 million (2023: DKK 44 million). The increase compared to last year was due to financing fees of DKK 47 million (2023: DKK 25 million) being capitalised in relation to the bond issue in May 2024, partly offset by ordinary amortisation of DKK 15 million (2023: DKK 22 million) recognised in finance costs.

Fair value

At 31 December 2024, the fair value of bonds was DKK 11,781 million (2023: DKK 9,879 million). The fair value of bonds was based on the quoted market price on the Luxembourg Stock Exchange and measurement is categorised as Level 1 in the fair value hierarchy due to the use of quoted market inputs.

For the remaining borrowings, the fair values are not materially different from their carrying amounts due to their short-term nature.

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10 Borrowings (continued)

Cash flow impact from changes in borrowings

(DKKm)	Issued bonds	Debt to companies within the ISS Group	Bank loans and other	Total
2024				
At 1 January	10,413	17,176	15	27,604
FX adjustments	5	(84)	-	(79)
Cash flows	1,459	(221)	(127)	1,111
Fair value adjustments	46	-	-	46
Other	1	-	90	91
At 31 December	**11,924**	**16,871**	**(22)**	**28,773**
2023				
At 1 January	10,379	16,071	(9)	26,441
FX adjustments	23	(57)	-	(34)
Cash flows	-	1,162	(48)	1,114
Other	11	-	72	83
At 31 December	**10,413**	**17,176**	**15**	**27,604**

11 Management remuneration

Key management personnel of the Group as defined in 6.1.1 to the consolidated financial statements are also considered key management personnel of the parent.

Remuneration to key management personnel is specified in 6.1.1 to the consolidated financial statements.

12 Contingent liabilities

Senior facility agreement

ISS Global A/S guarantees the borrowings under the unsecured senior facility agreement.

EMTNs (EUR 500 million) maturing in 2025

ISS Global A/S guarantees the EMTN bonds for a principal amount of EUR 500 million maturing in 2025 issued by ISS Finance B.V., a 100% owned subsidiary.

Guarantee related to the revolving credit facility

ISS Global A/S has issued a guarantee related to ISS companies' possible draw on the revolving credit facility of EUR 900 million. The facility was unused at 31 December 2024.

Parent company guarantees

ISS Global A/S has issued parent guarantees and performance bonds for various subsidiaries' current and future financial liabilities and obligations under customer contracts and pension liabilities amounting to DKK 8.5 billion (2023: DKK 8.1 billion). Furthermore, ISS Global A/S has issued parent guarantees for various subsidiaries' current and future financial liabilities towards the Group's main car fleet provider.

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12 Contingent liabilities (continued)

Withholding taxes

ISS Global A/S is jointly taxed with all Danish resident subsidiaries. ISS Global A/S and the companies within the joint taxation have a joint and unlimited liability of Danish corporate and withholding taxes related to dividends, interests and royalties. As per 31 December 2024 Danish corporate and withholding taxes within the joint taxation amounted to DKK 0 million (2023: DKK 0 million). Any subsequent adjustments to Danish withholding taxes may change this joint and unlimited liability.

VAT

ISS Global A/S and certain Danish Group companies are jointly registered for VAT and are jointly liable for the payment hereof.

13 Financial risk management

ISS Global A/S's financial risks are managed centrally by Group Treasury based on the treasury policy approved by the Board of Directors of ISS A/S. The objectives and policies for measuring and managing exposure to financial risks is described in 4.3 to the consolidated financial statements. The risks specific to ISS Global A/S related to interest rate risk, liquidity risk and currency risk are described below in note 14, 15 and 16, respectively.

Capital management

ISS Global A/S is owned indirectly by ISS A/S and therefore part of the ISS Group. Capital management is not monitored for ISS Global A/S independently but for the ISS Group as a whole as described in 4.1.1 to the consolidated financial statements.

Credit risk

At 31 December 2024, the exposure to credit risk related to cash and cash equivalents, loans to companies within the ISS Group and other financial items was DKK 15,396 million (2023: DKK 13,489 million), see note 10, Borrowings. Exposure to credit risk on loans to companies within the ISS Group is managed at Group level. As these loans are controlled by the Group and part of the Group's capital management, expected credit losses are considered to be insignificant.

14 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Exposure relates to bank loans, bonds or interest rate swaps with floating interest rates.

ISS Global A/S's exposure towards interest rates is illustrated on next page, where a breakdown of ISS Global A/S's borrowings in floating and fixed rates is provided. The interest rate exposure to floating interest rates is primarily in EUR.

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14 Interest rate risk (continued)

(DKKm)	Maturity	Nominal interest rate	Nominal value	2024 Carrying amount	2023 Carrying amount
Issued bonds (fixed interest rate)					
EMTNs (EUR 300 million)	2024	2.13%	-	-	2,237
EMTNs (EUR 500 million)	2026	0.88%	3,729	3,721	3,713
EMTNs (EUR 600 million)	2027	1.50%	4,474	4,468	4,463
EMTNs (EUR 500 million)[1]	2029	3.88%	3,729	3,735	-
			11,932	**11,924**	**10,413**
Bank loans (floating interest rate)					
Bank loans			-	(22)	15
			-	**(22)**	**15**
Intra-group (floating interest rate)					
Debt to companies within the ISS Group			16,871	16,871	17,176
			16,871	**16,871**	**17,176**

[1] The carrying amount included the accumulated fair value adjustments at 31 December 2024 of the hedged item, see below.

Fair value hedge

(DKKm)	Nominal amount	Carrying amount	Accumulated fair value ajd.	Change in FV
Interest rate swap, maturing 2025	EUR 300 million	(15)	(15)	42
Interest rate swap, maturing 2029	EUR 250 million	58	58	58
EMTNs 2029	EUR 500 million	3,735	(46)	(46)

At 31 December 2024, ISS Global A/S had interest rate swap agreements with a total nominal amount of EUR 550 million whereby ISS Global A/S receives a fixed rate interest and pays a variable interest rate on the nominal amount. The swaps hedge the exposure to fair value changes of the Group's fixed rate bonds and mature in 2025 and 2029, which equal the maturity of the bonds. On Group level, the interest rate swap qualifies as fair value hedges, and hedge accounting is applied. However, for the interest rate swap maturing in 2025, as the fixed rate bond resides in ISS Finance B.V., the hedge is not effective in ISS Global A/S and the fair value adjustments are recognised in profit or loss.

In 2024, DKK 12 million (income) was recognised in profit or loss related to the ineffective part of the interest rate swaps (2023: no ineffectiveness).

Interest rate sensitivity

The interest rate risk is measured by the duration of the gross debt (fixed-rate period). As at 31 December 2023, the duration of gross debt was approximately 1.0 years (2022: 1.3 years).

An increase in relevant interest rates of 1%-point, with all other variables held constant, would have decreased net profit and equity by DKK 90 million (2023: decreased by DKK 90 million).

The estimate was based on ISS Global A/S's floating rate borrowings and receivable from companies within the ISS Group, i.e. disregarding cash and cash equivalents, as the level at 31 December is typically the highest in the year and thus not representative for the purpose of this analysis.

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15 Liquidity risk

Liquidity risk results from ISS Global A/S's potential inability or difficulty in meeting the contractual obligations associated with its financial liabilities due to insufficient liquidity.

Liquidity reserves

ISS Global A/S's liquidity reserves mainly consist of funds (cash and cash equivalents less not readily available or restricted cash) and unused credit facilities. The level of cash and cash equivalents is typically highest at 31 December and not a representative level for the rest of the year. At 31 December 2024, ISS Global A/S's liquidity reserves consisted of readily available liquid funds of DKK 3,422 million (2023: DKK 3,118 million) and an unused revolving credit facilities of DKK 6,712 million (2023: DKK 6,708 million) maturing in June 2029 with a one year extension option.

Contractual maturities of financial liabilities

The contractual maturities of financial liabilities below are based on the undiscounted contractual cash flows, i.e. including interest payments estimated based on market expectations at 31 December. The risk implied from the values reflects the one-sided scenario of cash outflows only.

(DKKm)	Carrying amount	Contractual cash flows	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
2024								
Bonds and bank loans	11,902	12,798	244	3,955	4,664	144	3,791	-
Debt to companies within the ISS Group	16,871	17,334	17,334	-	-	-	-	-
Other financial liabilities	160	160	160	-	-	-	-	-
Derivatives	30	30	30	-	-	-	-	-
Total financial liabilities	**28,963**	**30,322**	**17,768**	**3,955**	**4,664**	**144**	**3,791**	**-**
2023								
Bonds and bank loans	10,428	10,842	2,417	100	3,809	4,516	-	-
Debt to companies within the ISS Group	17,176	17,825	14,085	3,740	-	-	-	-
Other financial liabilities	135	135	135	-	-	-	-	-
Derivatives	70	70	70	-	-	-	-	-
Total financial liabilities	**27,809**	**28,872**	**16,707**	**3,840**	**3,809**	**4,516**	**-**	**-**

As at 31 December 2024, the duration of gross debt was approximately 1.2 years (2023: 1.1 years).

In addition to the financial liabilities as shown above, ISS Global A/S has issued a financial guarantee related to ISS companies' possible drawn on the revolving credit facility of EUR 900 million maturing in June 2029. The facility was unused at 31 December 2024.

16 Currency risk

Currency risk arises from changes in exchange rates, and affects ISS Global A/S's result, investments or value of financial instruments.

To a limited extent ISS Global A/S is exposed to currency risk on borrowings (external) that are denominated in currencies other than DKK as well as intercompany loans to foreign subsidiaries as these are typically denominated in the functional currency of the subsidiary.

At 31 December 2024, 85.7% (2023: 83.8%) of ISS Global A/S's borrowings were denominated in EUR or DKK.

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16 Currency risk (continued)

Borrowings – foreign currency sensitivity

A change in relevant currencies, with all other variables held constant, would have impacted profit or loss and equity with the amounts below. The analysis is based on the Group's internal monitoring of currency exposure on borrowings, intercompany loans, external long-term receivables, as well as cash and cash equivalents.

				Sensitivity	
(DKKm)	Currency exposure (nominal)	Currency swaps (contractual)	Exposure, net	Increase in FX	Profit or loss / Equity
2024					
EUR/DKK	(13,445)	10,737	(2,708)	1%	(27)
TRY/DKK [1]	47	223	270	30%	81
USD/DKK	902	(1,130)	(228)	10%	(23)
Other/DKK	(743)	1,146	403	10%	40
Total	**(13,239)**	**10,976**	**(2,263)**		
2023					
EUR/DKK	(12,583)	8,104	(4,479)	1%	(45)
TRY/DKK [1]	16	244	260	30%	78
USD/DKK	972	(1,089)	(117)	10%	(12)
Other/DKK	(1,197)	1,416	219	10%	22
Total	**(12,792)**	**8,675**	**(4,117)**		

[1] TRY is not hedged due to high costs of hedging. Currency swaps comprise internal derivatives.

17 Related parties

In addition to the description in note 7.3 to the consolidated financial statements of related parties and transactions with these, related parties of ISS Global A/S comprise ISS World Services A/S and its subsidiaries, associates and joint ventures, see 8.4 to the consolidated financial statements.

In 2024, ISS Global A/S had the following transactions with other related parties, which were all made on market terms:

- received/paid interest from/to companies within the ISS Group, see note 6, Finance income and costs.
- debt to companies within the ISS Group is disclosed in note 10, Borrowings.
- short-term receivable from subsidiaries was DKK 1,967 million (2023: DKK 2,090 million).
- paid joint taxation contribution equal to 22% of taxable income to jointly taxed Danish resident subsidiaries.
- received dividends in total of DKK 1,253 million (2023: DKK 872 million) from companies within the ISS Group, see note 8, Investments in subsidiaries and joint ventures.
- made a capital increase in ISS Holding France A/S of DKK 675 million, in ISS Asia Pacific Pte. Ltd. of DKK 51 million, in Singapore of DKK 3 million and in Signal Arkitekter ApS of DKK 3 million (2023: DKK 1,341 million in three subsidiaries), see 8, Investments in subsidiaries and joint ventures.

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18 New regulations

New standards and interpretations not yet implemented are described in 8.3 to the consolidated financial statements.

19 Subsidiaries and joint ventures

Directly owned subsidiaries and joint ventures

ISS Facility Services Australia Ltd.	Australia	100%
Pacific Invest December 2004 Pty Ltd.	Australia	100%
ISS Austria Holding GmbH	Austria	100%
ISS Facility Services N.V.	Belgium	100%
ISS Chile S.A.	Chile	100%
ISS International Czech Republic s.r.o.	Czech Republic	100%
ISS Facility Services A/S	Denmark	100%
ISS Global Management A/S	Denmark	100%
ISS Holding France A/S	Denmark	100%
ISS Lending A/S	Denmark	100%
Signal Arkitekter ApS	Denmark	100%
ISS Palvelut Holding Oy	Finland	100%
ISS Facility Services GmbH	Germany	100%
ISS Greater China Ltd.	Hong Kong	100%
ISS International Hungary Kft.	Hungary	100%
ISS Facility Services India Pvt. Ltd.	India	100%
PT ISS Facility Services	Indonesia	100%
PT ISS Indonesia	Indonesia	100%
ISS Ireland Holding Limited.	Ireland	100%
ISS Facility Services S.r.l.	Italy	100%
Nihon ISS KK	Japan	100%
ISS Lietuva UAB	Lithuania	100%
ISS International Malaysia Sdn Bhd	Malaysia	100%
ISS Centro América, S de RL de CV	Mexico	100%
ISS Holding Nederland B.V.	Netherlands	100%
ISS Finance B.V.	Netherlands	100%
ISS Holdings NZ Ltd.	New Zealand	100%
ISS Holding AS	Norway	100%
ISS Facility Services Sp. Z.o.o.	Poland	100%
ISS World Services Poland Sp. z o.o.	Poland	100%
ISS Tech Portugal	Portugal	100%
ISS Romania Group SRL	Romania	100%
ISS Asia Pacific Pte. Ltd.	Singapore	100%
ISS Facility Services Pte. Ltd.	Singapore	100%
ISS Facility Services (Pty) Limited	South Africa	100%
Integrated Service Solutions S.L.	Spain	100%
ISS Facility Services Holding AB	Sweden	100%
ISS Schweiz AG	Switzerland	100%
ISS Tesis Yönetim Hizmetleri A.Ş.	Türkiye	50%
ISS UK Holding Limited.	United Kingdom	100%

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Management statement

Copenhagen, 11 March 2025

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of ISS Global A/S for the financial year 2024.

The consolidated financial statements and Parent company financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act (class D). In addition, the consolidated financial statements and Parent company financial statements have been prepared in compliance with the IFRS Accounting Standards issued by the IASB. The Management review have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent company financial statements give a true and fair view of the financial position at 31 December 2024 of the Group and the Parent company and of the results of the Group's and the Parent company's operations and cash flows for the financial year 2024.

In our opinion, the Management review includes a fair review of the development in the operations and financial circumstances of the Group and the Parent company, of the results for the year and of the financial position of the Group and the Parent company as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent company are facing.

Additionally, the Sustainability statement, which is part of Management review, has been prepared, in all material respects, in accordance with paragraph 99a of the Danish Financial Statements Act. This includes compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the reported information (the Process) is in accordance with the description set out in the subsection titled Double Materiality Assessment in the General section. Furthermore, disclosures within EU Taxonomy in the Environmental section of the Sustainability statement are, in all material aspects, in accordance with Article 8 of EU Regulation 2020/852 (the Taxonomy Regulation Reporting).

The year 2024 marks the initial implementation of paragraph 99a of the Danish Financial Statements Act concerning compliance with ESRS. As such, more clear guidance and practice are anticipated in various areas, which are expected to be issued in the coming years. Furthermore, the Sustainability statement includes forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

We recommend that the Annual Report be adopted at the annual general meeting on 11 April 2025.

Executive Management

Kristoffer Lykke-Olesen

Board of Directors

Kasper Fangel
Chair

Mads Holm

Liz Benison

Bjørn Raasteen

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Independent Auditor's Report

To the shareholder of ISS Global A/S

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB') and in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of ISS Global A/S for the financial year 1 January to 31 December 2024 comprise statement of profit or loss, statement of comprehensive income, statement of cash flows, statement of financial position, statement of changes in equity and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were appointed auditors of ISS Global A/S for the first time on 10 April 2024 for the financial year 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Revenue recognition Revenue from contracts is recognised as the services are rendered to the customers. Recognition of revenue is complex due to volume of transactions, the geographical spread of the Group's operations and furthermore from large integrated facility service contracts being subject to interpretations, including impact from contract modifications and variable consideration. Accordingly, appropriate recognition and timing of revenue is critical and involves management judgement, especially in relation to integrated and complex facility service contracts. We focused on this area because of the significance to the Consolidated Financial Statements, as well as the complexity. In addition, we focused on this area as revenue comprises a substantial number of transactions with different characteristics. Refer to Note 1.2 in the Consolidated Financial Statements.	We considered the appropriateness of the Group's accounting policies for revenue recognition and assessed compliance with applicable IFRS Accounting Standards. We carried out risk assessment procedures in order to obtain an understanding of IT systems, business processes and relevant controls regarding recognition of revenue. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls that we planned to rely on, we tested whether they were performed on a consistent basis. We applied data analytics for revenue streams in order to identify and test transactions outside the ordinary transaction flow and performed substantive procedures over invoicing and relevant contracts in order to assess the accounting treatment and principles applied, and tested journal entries within revenue. We tested that the revenue is recognised in the correct financial year. Finally, we assessed the adequacy of disclosures provided by Management in the Consolidated Financial Statements.
Impairment assessment of goodwill Goodwill comprise a significant part of the consolidated statement of financial position. The cash generating units (CGUs) in which goodwill is included is impairment tested by management on an annual basis. We focused on this area, as the carrying amounts are significant and as Management is required to exercise considerable judgement because of the inherent complexity in estimating the fair value in use. Refer to Note 3.1 and Note 3.2 in the Consolidated Financial Statements.	We considered the appropriateness of the defined CGUs within the business and examined the methodology used by Management to assess the carrying amount of goodwill assigned to groups of CGUs to determine compliance with applicable IFRS Accounting Standards. We performed detailed testing, including a test of mathematical accuracy of Management's impairment tests for goodwill, and challenged the significant assumptions affecting the future cash flows, including assumptions related to revenue growth, operating margins and discount rates. We used our internal valuation specialists to independently challenge the discount rates and terminal growth rate. In calculating the discount rates, the key inputs used were independently sourced from market data, and we assessed the methodology applied. Finally, we assessed the adequacy of disclosures provided by Management in the Consolidated Financial Statements.

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Statement on the Management Review

Management is responsible for Management Review.

Our opinion on the Financial Statements does not cover Management Review, and we do not as part of the audit express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Review and, in doing so, consider whether Management Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management Review includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99 a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act, except for the requirements in paragraph 99 a related to the sustainability statement, cf. above. We did not identify any material misstatement in the Management Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB') and in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists re-

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lated to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Hellerup, 11 March 2025

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Independent auditor's limited assurance report on the Sustainability Statement

To the shareholder of ISS Global A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of ISS Global A/S (the "Group") included in the Management review (the "Sustainability Statement"), pp. 37-85 for the financial year 1 January – 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in the "IRO and interaction with SBM" section (pp. 44-50); and
- compliance of the disclosures in subsection "EU Taxonomy" within the "Environmental" section (pp. 75-79) of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, 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 a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 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.

Management's responsibilities for the Sustainability statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process as included in the "IRO and interaction with SBM" section (pp. 44-50) of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term;

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- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the ESRS;
- preparing the disclosures as included in subsection "EU Taxonomy" within the "Environmental" section of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities for the assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the "IRO and interaction with SBM" section of the Sustainability Statement.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

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In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the "IRO and interaction with SBM" section.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and Management review;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information; and
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Other Matter

The comparative information included in the Sustainability Statement was not subject to our assurance engagement. Our conclusion is not modified in respect of this limitation of scope.

Hellerup, 11 March 2025

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Forward looking statement

This Annual Report contains forward-looking statements, including, but not limited to, the guidance and expectations provided in Outlook on p. 5. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements.

The words may, will, should, expect, anticipate, believe, estimate, plan, predict, intend or variations of such words, and other statements on matters that are not historical fact or regarding future events or prospects, are forward-looking statements. ISS has based these statements on its current views with respect to future events and financial performance. These views involve risks and uncertainties that may cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of ISS.

Although ISS believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect. Actual results may differ materially. For example as a result of risks related to the facility service industry in general or to ISS in particular, including those described in this report and other information made available by ISS. As a result, you should not rely on these forward-looking statements.

ISS undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.