Realising Potential
Welcome

Thank you for taking the time to read this corporate social responsibility and sustainability report. This report is important to us as it highlights the work we have carried out in 2018 in the past twelve months.

Each year we have produced a CSRS report to document our commitment to sustainability and developing a sustainable biological, social and economic environment. The report this year includes for the first time our Irish operations enabling us to have a full picture of our operational impacts.

Building management plays an important role in our social environment accounting for 40% of the UKs green Gas Emissions. It is only by measuring these impacts that we can seek to reduce them and continue to learn important lessons.

Through the use of international reporting metrics we can compare ourselves with our peers and seek to do better in the future.

We are committed to continue improving taking inspiration from our clients, staff and other stakeholders. By developing relationships through communication we can carry on with this extremely important journey.

James Thorden van Velzen
Chief Executive Officer
Introduction

The following report has been structured in line with BS 8900 (Guidance for managing sustainable development) and is set out in four important areas:

≡ Inclusivity
≡ Integrity
≡ Stewardship
≡ Transparency

In 2017 we created a comprehensive new business strategy which supports these areas. This we defined as our five pillars

≡ Safety
≡ People
≡ Cash & Margin
≡ Service
≡ Governance

To provide some comparative details around these important areas and our pillars we use the global reporting initiative key performance indicators to record quantitative details for the business over the last twelve months. This covers all our operations including those carried out at our own properties and where we provide services.

The previous year has seen us develop our new brand of Apleona; this has been an important journey for us and one we have endeavoured to take our clients and staff along with us. We have built upon the culture we inherited from past brands at the same time trying to define and refine something new.

Key Figures

<table>
<thead>
<tr>
<th>Staff</th>
<th>2,870</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£84,900,000</td>
</tr>
<tr>
<td>Suppliers</td>
<td>4,500</td>
</tr>
<tr>
<td>Clients</td>
<td>299</td>
</tr>
<tr>
<td>Membership of Organisation</td>
<td>14</td>
</tr>
</tbody>
</table>

This report shows that whilst Apleona is new we have continued to build on the great work we have accomplished over the last decade and a half. As we develop, further we will continue to seek new relationships and build on those already established. We will endeavour to place social and sustainability at the heart of operations ensuring that we have a positive impact wherever we do business.
Inclusivity

Identification
In order to represent the communities, locations and people we seek to service it is important that our own business represents the world outside our corporate walls and is inclusive allowing all to use their talents and skills. Therefore, we have developed a number of systems which support this goal through our Human resources department and wider systems. We need all our staff to feel welcome and able to partake in our journey.

Involvement
The best ideas and solutions for our business and customers comes from those whose day to day work addresses these issues. We have a well-developed system to acknowledge best practice and show thanks to those who go above and beyond in their dealings with stakeholders and providing a service.

Understanding
By understanding what is needed from our clients through relationship building with key staff and the day to day interaction from managers through job descriptions, training and appraisals and from contact with the public and customers staff. By allowing people to see how they fit into the larger picture of the services we provide we allow them to have a sense of place, responsibility and an ability to identify improvements.

Sincerity
Every day we have intentionally made decisions and carry out actions which demonstrate our values and strengthen relationships with our customers and service partners.

Next level
We have developed close relationships with our supply chain partners helping is to identify improvements as these relationships deepen with each new service delivered and ensure that we can support our clients.

By recruiting and retaining from as a wide a section of society as we can we are strengthening our experience and knowledge as an organisation and through sharing with clients we deliver a world class services,

We are actively involved in our armed forces charter providing opportunities to ex-service personal who have served our country and are seeking civilian employment

Diversity
We continue to measure and report on this important metric, reaching for better and developing our representative nature as a business.
GRI 4: Labour Practice

LA1 Employee Turnover was 29%

LA2 Benefits provided to both full and part time

LA3 No figures available

LA4 21 day’s minimum Notice period of operational changes

LA5 100%age employees involved in H&S Meetings

LA6 No work related fatalities were recorded in this period

LA7 There is no high risk of diseases associated with the work we undertake

LA8 There are nine formal agreements with unions in place

LA9 15,456 hours of training were delivered in house to our staff

LA10 Alongside our toolbox talks program we run dedicated management training program and additional skills for staff in house where more specialist training is required then external providers are used.

LA11 All employees receive an annual review through our SMART programme

LA12 The composition of the organisation is:

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Managers</td>
<td>275</td>
<td>132</td>
</tr>
<tr>
<td>Supervisors</td>
<td>151</td>
<td>88</td>
</tr>
<tr>
<td>Operations</td>
<td>1317</td>
<td>901</td>
</tr>
</tbody>
</table>

LA13 Men and women are paid on a 1:1 ratio

LA14 All new approved suppliers comply with UK legislation around employment and health safety

LA15 Where suppliers are used in non UK territories then UK legislation is used as the base mark for their approval

LA16 25 grievances were filed during this period, investigated and resolved

GRI 4: Human Rights

HR1 None of our contracts contain Human Rights clauses

HR2 All our security staff are trained in human rights

HR3 No incidents of discrimination were recorded in the period

HR4 No operations or suppliers were identified where the right to exercise freedom of association or collective bargaining were at risk

HR5 No operations have a risk of child labour

HR6 No operations have a risk of forced or compulsory labour

HR7 All security staff receive training on human rights as part of their certified training

HR8 No incidents of indigenous people’s rights violations have occurred

HR9 No human rights impacts reviews have taken place

HR10 All suppliers are subjected to UK law screening

HR11 No negative human rights impacts have been detected within our supply chain

HR12 No human rights grievances have been filed
Integrity

Dealing with others

This is the ability to be trusted by everyone and all organisations that come into contact with. A prerequisite for any business looking to develop sustainability. Our values are built upon delivering this across our business ensuring people, governance and safety of all is placed at the highest level.

We strive to deliver service in line with the agreement we have whether this is through operational controls or financial diligence, making sure that staff, suppliers and contractors are paid fairly and on time, and delivering great service in line with contact obligations and agreed requirements.

Legal compliance

All our legal systems are built on the pillar of governance ensuring that we are compliant in each territory and giving our clients piece of mind that all legal requirements are meet. Through our HSQE (Health safety, Quality and Environment) department we use external suppliers to advise as well as our inhouse knowledge to stay ahead of new legislation.

We seek to deliver safer environments around our sites and client buildings. Using best practice security products to deliver a legal compliant environment where stakeholder safety and private are respected and delivered.
GRI 4:
Society

SO1 No operations have required a local community impact assessment
SO2 No operations have been identified which could have a negative impact on local communities
SO3 All operations are subject to compliance controls which include control of corruption risks
SO4 All staff have received compliance training which focuses on corruption
SO5 No incidents of corruption were found this period
SO6 No contributions were made to political parties
SO7 No legal action for anti-competitive behaviour, anti-trust, or monopoly were pursued this period
SO8 No fines were levied against Apleona HSG this period
SO9 All new suppliers were screened for possible social impacts
SO10 No significant local impacts were identified within our supply chain
SO11 No impacts on society grievances have been filed

Two Apleona Workspace colleagues completed a charity challenge of climbing Mount Kilimanjaro to raise £1900 for African charity Share Tanzania.

GRI 4:
Economic

EC1 £133,000,000 of economic value was generated this period
EC2 There are no major financial risks associated with climate change which have been identified by the group
EC3 All employees have been offered the chance to partake in a group personal pension plan
EC4 No financial assistance from governmental sources was received in this period
EC5 Both male and female entry level wages are at or above the local minimum wage level for their country of employment
EC6 All Senior management hired were from within the UK or Republic of Ireland
EC7 No infrastructure investment was undertaken in this period
EC8 No indirect economic issues
EC9 All spend is spent within the UK and Republic of Ireland on suppliers

Apleona provided new recruit Joseph Kisoiokel with his first ever job, thanks to a partnership with a project that aims to improve disability confidence across Camden.
Stewardship

Quality of Life
We recognise that the way we undertake our operations has a current effect on our clients, their staff and local stakeholders. We take this area increasingly seriously working to reduce carbon emissions and chemicals from our cleaning operations. We work with suppliers to reduce and where possible replace or remove entirely these emissions. We have carried out office projects in the last year which have increased health and wellbeing outcomes through sympathetic design principles and use of internal planting to reduce exposure.

Impacts
Our aspect determination has continued in order to ensure that we collect all data on potential environmental impacts and seek new mitigation techniques through work with suppliers, staff and clients.

Carbon Emissions
Year on Year we have reduced our absolute carbon footprint through the move travel by using local hubs and video conference technology. This year we have widened the reports scope to include Ireland and have included their carbon data within our metrics (including historic data for comparisons).

Resource use
As our client base has developed so has our waste profile, we have moved from high producing clients such as large retail sites to smaller produces such as office and laboratories this has been shown in the minimisation figures, alongside this change we have through our supply chain we have managed to keep our recycling rate consistent.

Energy Management
This area has reaped rewards for our clients as we have been able to use analytics to support on site knowledge, demonstrating an ability to reduce building baseloads and start up consumption. This has resulted in efficient energy use, cost savings and reduced emissions.

Skills
On-going training at all levels of our business has enabled everyone to play a part in reducing impacts ad increasing stewardship of our own and our client’s systems.

Students from the NHTV Breda University of Applied Sciences enjoyed a tour of Brent Civic Centre, where Apleona delivers FM services.
GRI 4: Environment

EN1 It has not been possible for us to source information on materials used by the organisation this period

EN2 All paper used within the group offices are from a recycled source

EN3 295,282 kWh was consumed within the organisation

EN4 Energy consumption outside our own offices is a client responsibility

EN5 Energy intensity 0.00499 kWh/£million

EN6 Energy consumption has decreased by 372,724 kWh this period, due to building reductions

EN7 All energy use falls under one statistical outcome

EN8 118.22 m³ water was consumed in the organisation

EN9 No water sources have been significantly affected during 2018

EN10 No water recycling or reuse has taken place

EN11 No sites operate in areas of protected areas or areas of high biodiversity value

EN12 No significant impacts on protected areas or areas of high biodiversity value

EN13 No Habitats were destroyed during 2018. Small habitats around client locations were managed in line with local needs

EN14 No red list species or national conservation list species affected by our operations

EN15 1318.258t of Scope 1 emissions
   Gas 189.47t
   Diesel 706.87t
   Petrol 2.41t

EN16 103.81 t of Scope 2 emissions
   Electric 386.6t

EN18 Greenhouse Gas intensity 9.68£/million

EN 648t greenhouse Gas emission reduction/ estimated reduction

EN20 There was no Ozone Emissions in the organisation

EN21 10.53tt of NOx emissions
   0.32t of SOx emissions

EN22 82 m³ water was discharged by the organisation

EN24 No significant spills have occurred during 2018

EN25 11 hazardous waste produced

EN26 No habitats have been affected by runoff

EN27 No mitigation activities were undertaken this period

EN28 No packaging has been used by the organisation

EN29 No fines or sanctions have been applied

EN30 711.41t from transportation of goods and personal

EN21 £150,000 spent on environmental protection

EN32 All new suppliers are assessed against environmental criteria

EN33 The development of an understanding of the embedded carbon footprint in products we buy has started and with engagement with supply chain partners will work to reduce these impacts

EN34 No environmental grievances were made in 2018

Apleona received a further two Green Apple Awards for Environmental Best Practice, making that an impressive 16 such accolades for the business in just nine years.
Transparency

Communication
Without an ability to talk and listen to our stakeholders our business fails to be sustainable and to deliver on its responsibilities this flows from highest management to operational delivery on sites. A large variety of tools are used from traditional face to face meetings to innovative use of new technologies and applications.

Requests
Embedded within our ISO 9001 management system is a requirement to respond to requests we have established process which ensure that making a request is:

- Easy
- Promptly Answered
- Responded to correctly
- Able to foster improvement

The flexibility of our teams allow use to respond in all levels of requests from client, auditors, external compliance bodies, customers and other stakeholders

Interests
Aploena HSG is a commercially listed business with ownership from a German based European registered business. We have no political affiliations and make no contributions to political parties. All interests are declared from Board to operations through regular meetings and are recorded for transparency.

Decisions
Our pillar of governance established the way in which our business is overseen with operational and strategic decisions making carried out at the appropriate professional level in the business. With the flexibility of approach, we are able to deliver effective and responsible decision making backed by an escalation process guided by our management systems.
GRI 4: Product Responsibility

PR1 No products and services require health and safety impact assessments

PR2 No incidents of noncompliance with regulatory and voluntary codes were recovered this period

PR3 No products produced by Apleona HSG require labelling

PR4 No incidents of noncompliance with regulatory and voluntary codes were recovered this period concerning labelling of products or services

PR5 A new Customer Surveying tool and reporting mechanism is currently being developed

PR6 No sales of banned or disputed products have taken place this period

PR8 No customer data breaches have been reported this period

PR9 No fines were levelled against Apleona HSG this period.
<table>
<thead>
<tr>
<th>Principles and practice</th>
<th>Characteristics of developing organisations</th>
<th>Minimum involvement</th>
<th>Full Engagement</th>
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</thead>
<tbody>
<tr>
<td><strong>Inclusivity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder engagement and issue identification</td>
<td>Restricted to few stakeholders, defensive posture</td>
<td>Systematic stakeholder identification, issues emerge and competitive advantages recognised and opportunistically utilised</td>
<td>Strong and continuing engagement of all relevant stakeholders, issues clear and regularly reviewed, feedback networks established, focus on strengthening relationships, promotion and support of wider sustainable development</td>
</tr>
<tr>
<td><strong>Integrity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Drivers</td>
<td>Quarterly returns-driven Profit paramount</td>
<td>Reactive – driven by regulatory pressures, cost/return decisions</td>
<td>Sustainable development part of reputational risk management, based on longer term development</td>
</tr>
<tr>
<td><strong>Leadership vision and Governance</strong></td>
<td>Directive and narrowly focused</td>
<td>Adherence to (one or more) public codes, systemic stakeholder identification</td>
<td>Leadership commitment consistent, publish sustainable development and social responsibility statement, policies, objectives, non-executive influential</td>
</tr>
<tr>
<td><strong>Managing Risk</strong></td>
<td>Fire-fighting</td>
<td>Compliance by the book, compliance effort where likelihood of enforcement, seek &quot;safe-harbours&quot;</td>
<td>Main risks identified and managed, performance indicators, but sustainable development separate</td>
</tr>
<tr>
<td><strong>Stewardship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable Development culture</td>
<td>Minimalistic: doing as little as can &quot;get away with&quot;</td>
<td>Seeing link between sustainable development and business advantage, PR/marketing focus</td>
<td>Sustainable development embedded at all levels, values-led and ethical approach, unsustainable development part of all relevant planning and decision making with understanding and buy in sharing knowledge with outside organisations</td>
</tr>
<tr>
<td>Building Capability</td>
<td>Closed shop Minimum standards or below</td>
<td>Statutory rights only</td>
<td>Building rights, responsibility frameworks and competencies, stimulating innovation, learning and people-empowering</td>
</tr>
<tr>
<td>Key management issues e.g. supply chain</td>
<td>Lowest price suppliers, latest possible payment</td>
<td>Suppliers rating scheme based on technical compliance, cost and delivery time</td>
<td>Broadened criteria of selection to include sustainable business, social responsibility and environmental factors</td>
</tr>
<tr>
<td>Environmental Assessment</td>
<td>Minimal awareness of defensive posture</td>
<td>Standards not embraced Ad Hoc Solutions</td>
<td>Education and training apply environmental policies and external standards</td>
</tr>
<tr>
<td><strong>Transparency</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review</td>
<td>Not valued</td>
<td>Minimal system in place Conventional reporting</td>
<td>Analysis of needs, integrated system design and planned dissemination</td>
</tr>
<tr>
<td>Reporting and building Confidence</td>
<td>Little or none unless pressed</td>
<td>Minimal or as required</td>
<td>Selective in determined ends</td>
</tr>
</tbody>
</table>