



CITYSERVICE
In service of your property

Responsibility Report 2014



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In 2014 the City Service Group companies, operating in Lithuania, Poland, Spain and Russia, kept their activities integrated with the idea of social responsibility, since it is integral to the Group's mission, i.e. to create well-balanced living and working environment by providing comprehensive and innovative services.

The Group's social responsibility is developed in the areas of **THE MARKET, RELATIONS WITH THE PERSONNEL, SOCIAL RELATIONS AND ENVIRONMENTAL PROTECTION.**

ON THE MARKET, we reach for focused improvement of the customers' working and living environment, ensuring quick communication as well as timely and comprehensive provision of information. The customers' experience and evaluations are widely communicated through the Group's internal communication channels. Taking into consideration the continuously analyzed customers' needs, the Group develops focused activity plans and sets targets for its activities. The Group companies operate in accordance with the quality management system ISO 9001:2008 and undertake to reach for quality and customer satisfaction.

WHEN DEVELOPING ITS RELATIONS WITH THE PERSONNEL, City Service reaches to involve its staff into the Group's activity processes, encourage open dialogue between different management levels and thus, increase the employees' motivation and involvement. The Group observes the principles of tolerance as regards age, gender, race, religion, origin and beliefs and ensures equal rights and opportunities for its personnel.

IN THE AREA OF SOCIAL RELATIONS, the Group develops, supports and improves the cooperation and partnership with communities, educational institutions and non-governmental organizations. The Group implements initiatives, intended for improving dwelling environment in apartment buildings, encouraging the strengthening neighbourly relations and responsible attitude towards commonly owned property, as well as strengthening community relations and socializing traditions.

IN THE AREA OF ENVIRONMENTAL PROTECTION, the Group encourages to spare natural resources, popularizes sorting of waste, contributes to the projects, reducing the contamination of nature and participates in initiatives, dedicated to educating the society.



Market

In 2014 the Group companies dedicated a lot of attention to the customer communication standard and the solutions of saving energy in commercial facilities.

COMMUNICATION WITH CUSTOMERS

The Group develops the companies' communication standard, covering both corporate and outward communication, i.e. the media, interactive channels, as well as personnel and marketing communication.

In order to accurately identify the customers' needs, the Group encourages continuous direct communication with the customer groups and separate persons with individual needs.

IN LITHUANIA, LATVIA, POLAND, SPAIN AND RUSSIA, the customers are reached through different communication channels, i.e. over the telephone, e-mail messages and newsletters, news boards, self-service portals, social networks, meetings and individual meetings.



When communicating with the stakeholding groups, i.e. the personnel, customers, the public, institutions, partners, shareholders and the media, the Group acts in accordance with the approved principles of communication and proper notification of consumers.

The Group observes the substantial laws of Lithuania, Latvia, Poland, Spain and Russia, regulating legal protection of personal data and acts in accordance with the strict policy, applicable for ensuring protection of customers' data.

ENERGY SAVING

In 2014 the Group companies in **LITHUANIA** were awarded the Energy Management Certificate ISO 50001:2011. The Group is the first in the country to hold the Energy Management Certificate in this area.



In October, during the World Habitat Day, which is also celebrated in **LITHUANIA**, the Group's Energy Saving Group (ESG) received the award from the Ministry of Environment for the efficiently implemented heat saving solutions in Lithuanian apartment buildings.

In 2014 the ESG experts performed the large-scale analysis of consumption of energy in **LITHUANIA'S** residential buildings. The analysis covered more than 1000 apartment buildings, in which heat saving measures are implemented. The specialists observed the changes of heat consumption. According to the obtained data, the applied energy saving methodology is being prepared for the entire Group level.

IN POLAND, the Group Company Zespół Zarządców Nieruchomości (ZZN) was awarded with the prestigious European Medal for the provided facility management services. The European Medal Award is a non-commercial initiative, organized by the Business Centre Club, promoted by the Ministry of Foreign Affairs with

the European Economic and Social Committee in Brussels being the honorary sponsor. The initiative is aimed at recognition and promotion of the products and services, offered by the companies, operating in Poland and at encouraging the EU customers and counterparts to take interest in the European Medal winners' activities.

In 2014 the ESG experts implemented innovative, energy and cost saving solutions in the maintained commercial objects: remote management and monitoring of boiler rooms, heat exchangers for heating water, upgrading and recirculation of old ventilating chambers, performed the analysis of buildings' energetic efficiency and continued developing "The 5 steps heat saving programme", developed for apartment building residents.

IN SPAIN apartment building residents, for the first time, were offered the solutions and tools, saving consumption of energy by up to 30 per cent.



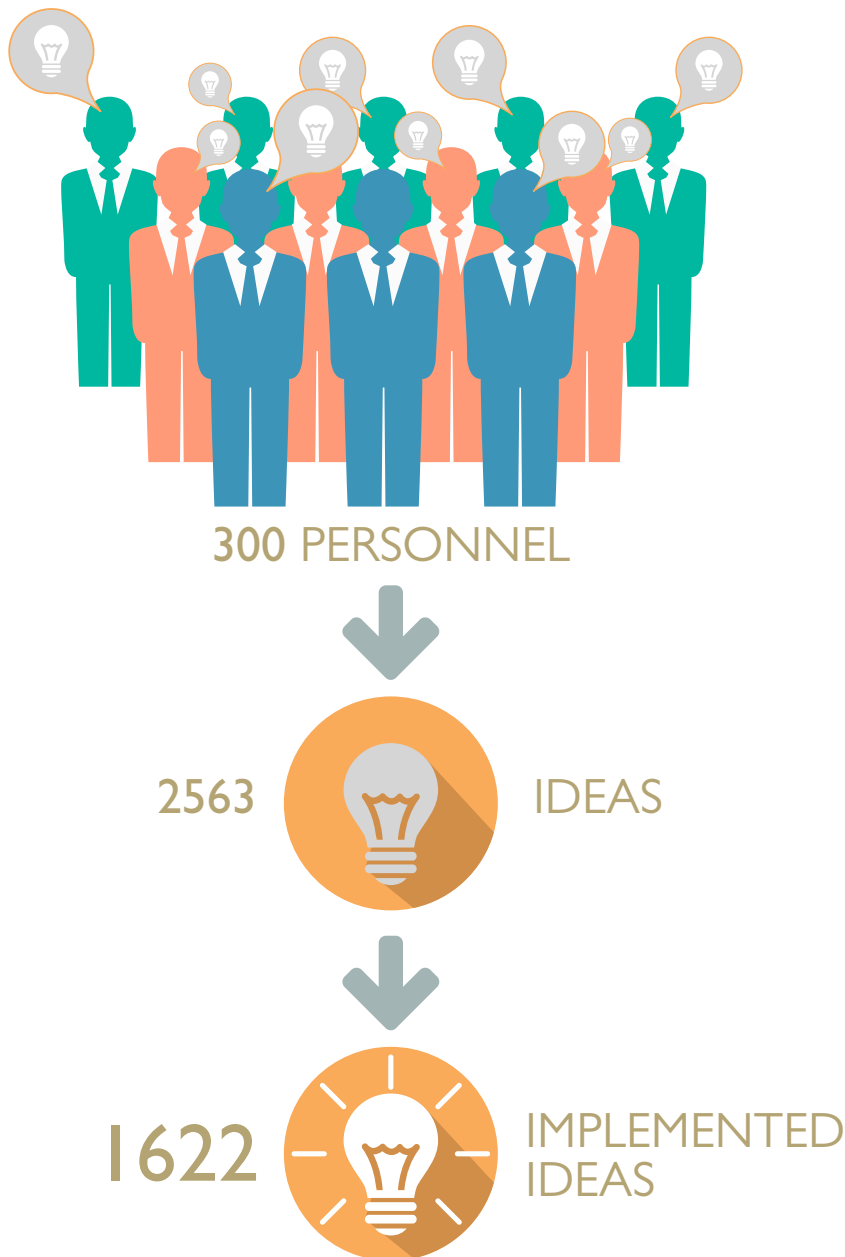


Relations with the personnel

The Group companies reach and invest in order for the employees to wish to develop, cooperate and act for the purpose of reaching common results. In 2014 the Group's employees suggested different performance efficiency improvement solutions and applied them in practice, participated in training courses, seminars and shared good experience.

IMPROVING PERFORMANCE EFFICIENCY

IN LITHUANIA the Lean performance efficiency methodology was further developed for the purpose of involving the personnel in suggesting performance optimization ideas. In 2014 300 of the Group's employees suggested 2563 ideas, 1622 of which were successfully implemented.



IN RUSSIA the Group companies conducted complex training for personnel. Especially significant attention was dedicated to implementation of the Lean performance efficiency methodology.



TRAINING AND SEMINARS

In 2014 **IN LITHUANIA** training courses on public speaking, conducting meetings, servicing complex customers, customer oriented service, efficient sales, computer literacy and other subjects were organized for 13 divisions of the Group. Totally, 90 business days were dedicated to training, during which almost 300 employees deepened their knowledge and development their competences.

IN LITHUANIA the “Rookies’ Day” is organized each 2-3 months. During the training, which takes full business day, the new employees get familiarized with the Group’s vision, mission, values, activities, Lean methodology, information systems, procurements, occupational safety and play the Group values’ team game. In 2014 155 employees participated in the “Rookies’ Day”.

IN POLAND 43 employees of a more senior age participated in the technical competence development training. 32 more persons attended free-of-charge IT training. Support for the said training courses was provided by the European Social Fund and Poznan Business School.

The Group subsidiary in **SPAIN** organized training courses to its employees on the subjects of time planning, sales, negotiations, English language, computer literacy and technical knowledge. The different training courses were attended by more than 1000 of the company’s employees.

STUDENTS PRACTICE AND EMPLOYING PERSONS WITH DISABILITIES

In 2014 students’ skills development and knowledge improvement practice was performed in the Group. Additionally, possibilities for employing persons with disabilities were created.

10 students improved their practical skills and acquired knowledge in **LITHUANIA**; 107 students were accepted for practice in **SPAIN**, 5 graduates were invited to continue their career in the company; in **POLAND** 10 students performed their practice in the Group companies.

17 persons with disabilities worked in the Group companies in 2014 In **SPAIN**; 18 in **POLAND**.

Social activities

In 2014 the Group performed activities, aimed at strengthening the community traditions. In the area of social responsibility the Group implemented initiatives, aimed at improving the dwelling environment in apartment buildings, encouraging neighbourly relations and responsible attitude towards the common property, as well as the Group companies' and employees' partnership with the society.

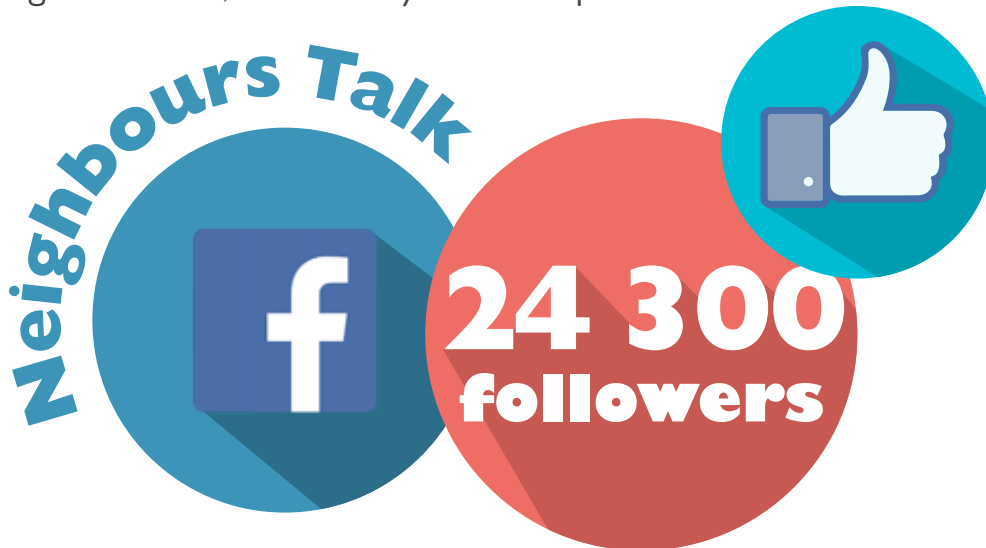


IN LITHUANIA 30 events were organized to apartment building residents in 2014: the Shrove Tuesday festivities, community events and Christmas tree lighting celebrations. Additionally, 5 contests were announced on different subjects, relating with apartment buildings and their yards. The total attendance of all events and contests reached almost 11 thousand participants, i.e. more than 6 per cent of all the apartment building customers, serviced by the Group.



When organizing their initiatives **IN LITHUANIA** the Group companies cooperated with the employees of Vilnius Venerable J. Matulaitis Social Centre, communities of Karoliniskes, Zirmunai, Pasilaiciai, Perkunkiemis, Naujamiestis, Lazdynai, Antakalnis and Justiniskes in Vilnius, Dainava and Silainiai in Kaunas, as well as Radviliskis, Siauliai and Silute.

In 2014 the virtual communities project “Neighbours Talk” was developed **IN LITHUANIA** on Facebook. At the end of the year the target audience of the project reached 24 300 followers, i.e. almost 15 per cent of all the apartment building customers, serviced by the Group.



The employees of the Group subsidiary **IN POLAND** contributed to organizing and supporting two festive theatre shows for children and participated in the children’s day, organized by Caritas Polska. The company provided financial support for a kindergarten, which is situated within the limits of administered buildings and donated foodstuffs, clothes, footwear and household utilities for 11 poor families as part of a direct support project.

In 2014 the Group subsidiary **IN SPAIN** contributed to organizing the 17th FIBA Basketball World Cup, held in Seville, by performing the court cleaning works, putting the cloakrooms in order and cleaning the surrounding territories. The works were performed by 21 of the company’s employees, some of which were volunteers.

Volunteer community efforts were organized by all operational divisions of the **RUSSIAN** Group subsidiary, during which the company’s employees, together with the residents, cleaned territories by the apartment buildings, yards and gardens, planted trees, bushes and flowers. The company, in cooperation with its customers, arranged New Year’s Eve and Shrove Tuesday celebration for the apartment owners in the apartment building complex Triumph Park.

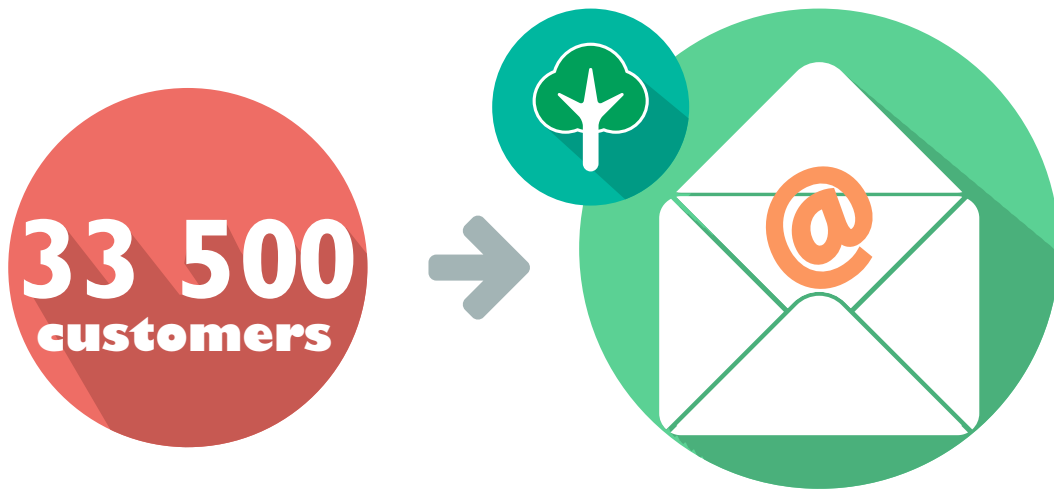
Environmental protection

In the area of environmental protection the Group encouraged its employees to spare natural resources, popularized sorting of waste and contributed to the educational initiatives, reducing contamination.



In 2014 the company, in cooperation with its partners, invited **LITHUANIA'S** educational institutions to participate in the educational programme “Harmonious School” and contributed to encouraging school communities’ consciousness and development of harmonious, energy and environment sparing society in Lithuania.

The Group encourages its customers to refuse printed paper bills in order to spare the nature. **IN LITHUANIA** almost 33 500 customers receive their bills for the provided services by e-mail. This amounts to 20 per cent of the company’s customers.



In order to save electric energy, LED lamps were installed in the **SPANISH** subsidiaries’ offices. In order to encourage the employees to sort waste, special waste sorting containers were installed. The introduced Environmental Management System Certificate ISO 14001:2004 obliges the company to reduce the contamination, consumption and littering.

In accordance with the laws of **POLAND**, the company sorts waste, leases special containers for waste, debris and chips.

Special waste sorting containers are installed in all the Group companies’ offices.



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