



GROWING WITH PURPOSE

2017 FMS Impact Report

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INTRO

Letter from the President

In 1999, my dad purchased a janitorial company in Shelbyville, KY. He wanted to own a business. More importantly, he wanted to run a business the right way – by being kind and helping folks out. Over the last 19 years, we've taken my father's intentions, added some of our own beliefs and values, and have grown into one of the region's most successful janitorial services. We've grown from 30 employees to 771, and we've seen over 10% revenue growth every year for seventeen years.

Our success has been, and always will be, based on one fundamental principle: we care. We care about the people we work with, we care about the communities where we live, we care about our world. We've done an amazing thing by creating a company that truly works hard to live out its values. So many folks have sacrificed to help this experiment succeed – too many to name here.

While I recognize that our caring and passion to help and be there for one another doesn't always show up in the day to day, I can say with certainty that we are doing our best. That's what makes FMS special. We'll never give up trying. This impact report reflects the hard data of our efforts to care for one another, our communities, and the world. As you're reading through these pages, remember that all of these data points reflect people helping people, making lives better.



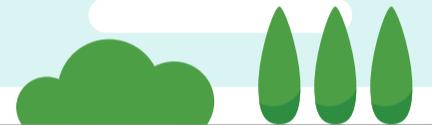
Scott Koloms
President



771
team members
employed

226
Buildings Cleaned
29% Office
22% Educational
12% Medical
12% Logistics
8% Manufacturing
4% Class A
13% Misc.

98.5%
retained revenue
in 2017, excluding
new business



105

Active Customers
Across Indiana
and Kentucky

2017: FMS at a Glance

10+

Languages Spoken:
English, Spanish, Swahili,
French, Kirundi, Somali,
Arabic, Bosnian, Russian,
and Italian

We relocated our homebase
to the Portland neighborhood

PORTLAND

22

Bus Routes:
There are 22 standard bus routes
in Louisville — FMS employees utilize
each one of them

Our Core Values

1. We care about the people we work with.
2. We stay positive.
3. We always get better.
4. We are always available and responsive.
5. We keep our word.
6. We know face-to-face communication is a key to success.
7. We get it done right – today.
8. We know we will succeed as a team.

About FMS

In 2010, FMS began formalizing a plan to become an employee-centered company with positive social impact. That year, the first annual FMS Leadership Retreat was held. We created the guiding principles by which we operate today, and we made a plan for implementing this change. The plan included surveying team members to find out what they wanted from an employer, working with customers to allow for higher wages and bonus opportunities, creating partnerships with outside groups to provide opportunities, planning programs to show our folks that we truly care, and formalizing development processes in an effort to promote as many people as possible from within FMS. Our commitment to our values continues to develop and provide positive results for our people, our organization, and our communities.

“Our reach is big, and it’s up to us how we use it.”

At the end of 2017, our mom-and-pop janitorial service had grown to a team of 771 spread across two states. We’re proud of that growth. We also know that with growth comes more responsibility. Our reach is big, and it’s up to us how we use it. We believe that both team members and customers reap the benefits of a happier, more motivated and committed workforce and the gratification that accompanies contributing to the well-being of others. In an effort to evaluate and further our social mission to provide opportunity and access for our employees and help the neighborhoods where they live thrive, we are looking closely at the progress we’ve made to think even deeper about what more we can do.



B Corporation Certification

In September of 2016, we became the first janitorial service in the world to receive B Corporation Certification – a designation achieved by meeting rigorous third-party standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. Today, there are more than 2,600 Certified B Corps across more than 150 industries and over 60 countries.

B Corp gave a name to the values and aspirations we already had in place, and it gave us the language to explain our business model to others. It has also offered us the opportunity to share our business model with like-minded businesses in understanding how utilizing our own resources helps our employees and our communities.



Public Benefit Corporation

In July of 2017, we took the next step toward building a community of like-minded businesses. Scott Koloms, our president, played a pivotal role in helping pass Public Benefit Corporation in Kentucky – legislation that had previously been shot down twice. This was a defining moment for FMS. We're not just a leader in the janitorial industry; we're leading the effort to conduct business in a better way.

"We want to show that positively affecting people's lives beyond a paycheck and positively affecting communities can lead to long-term financial success...for everyone!"

Scott Koloms, President



Mae Bray Supervisor

Mae's journey with FMS began in 2001. She recalls the days of being a very small company taking on huge projects and doing it well because of a culture of teamwork and care at every level of leadership. She says that, "We have always been a B Corp, even before it was a popular name: our number one core value, care about your people, began with us."

GOOD PEOPLE

The greatest difficulty in the janitorial business is employee turnover. Low wages, lack of opportunity and development, and the exclusively profit-driven mentality of so many janitorial businesses often leads to unhappy employees that feel like their work isn't important and valued.

At its root, a janitorial company is in the people business. We asked ourselves: What would happen if FMS was a place people liked to work? And, what would it take to get there?

562
Team
members
hired

38
Rehires

210
Team
referrals

Recruitment

Behind good businesses are good people. Our recruitment process is intentional, incorporating a variety of creative, heart-centered tools and strategies. This includes second chance employment and a referral program that optimizes our chances of finding people in line with our vision, mission, and core values.

Second Chance Employment

We believe in giving second chances, and that we all have the ability to change. FMS partners with certain customers to provide second chance employment. We provide opportunities for job candidates who are facing challenges regarding background and employment screenings. Second chances are handled case-by-case with FMS Human Resources, our customers, and job candidates.

Employee Referrals

We encourage team members to refer quality candidates to FMS for employment, awarding bonuses for successful completion of 60-90 days. Out of 562 hires in the past year, 210 were referrals.





Nick Paniccia

Hiring and Recruiting Manager

Nick came to FMS in 2010 with a background in accounting. Following an initial one-off project, he joined the Human Resources department and began building the Hiring department. At the time, there were 250 employees. Since, Nick has helped add 100 team members per year and helped grow the HR and Hiring department. Although he came on thinking the work would be a temporary gig, Nick says he's stuck around because FMS values align with his belief in compassionate hiring practices and giving folks a chance.

Continued Growth

Recruiting good people is just the beginning. A thorough orientation and 30-day training program begins the day of hiring to ensure that the new team member is prepared with the knowledge and confidence to begin work. We continue to foster personal and professional growth after this initial training.



Leadership Retreat

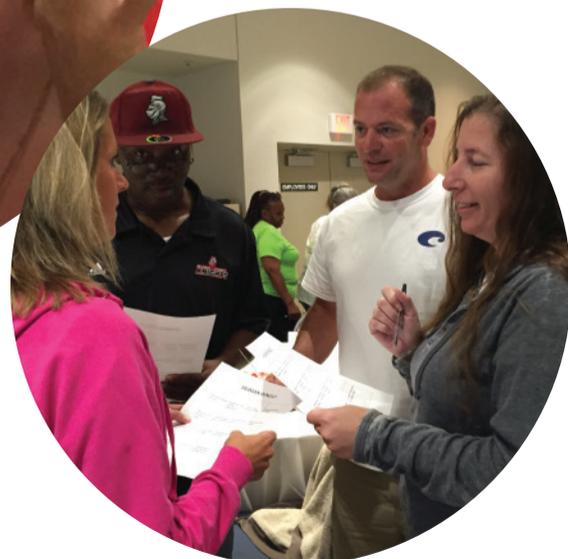
For three days, FMS leadership and support teams come together to reinforce our core values, discuss short and long-term company goals, revisit our vision, and participate in various team building activities.

Employee Relief Program

Designed to take a proactive role in supporting our team members, senior-level leadership are able to donate to this fund reserved for a team member's time of crisis.



\$11,000 has been given to 13 team members to date.



KCTCS

In partnership with the Kentucky Community and Technical College System, FMS leaders are selected to participate in an 8-week, college credit eligible class designed to enhance their leadership and supervisory skills. Curriculum includes team building activities, interpersonal skills training, effective communication techniques, conflict resolution, problem solving, ethical decision making, time management, and stress reduction practices.



Shirley Bean
Supervisor

Shirley joined FMS as a cleaner in 2000, working hard to serve buildings in both Lawrenceburg and Frankfort. Her leadership abilities were quickly recognized, but she was hesitant to accept a supervising role because she likes to work hard. She has now held a supervising position for 15 years. Shirley says she likes being a supervisor because she likes having her own team, and she still works hard.

We are always building out programs designed to make the experience of our frontline workers better. Where there's a need, we seek to fill it. Here's a snapshot.

Internal Promotions

When promotional opportunities arise, we look first within our organization and invite those team members that are already on a leadership track to apply.

12 frontline team members promoted to supervisors.

Out of 140 building lead positions filled in 2017, 52% started as cleaners.

Out of 21 supervisory roles that opened in 2017, 17 were filled internally.

Process Meetings

"Working for FMS has changed not only the way I see work, but the way I see people. Every other week, leaders from all of our different departments come together for what we call Process Meetings. Here, we engage in various team building exercises, practice conflict resolution, and find out what makes each other tick. But sometimes, it is the simplest exercise of listening that creates a space where we begin to no longer see ourselves as individuals, but rather as an extension of our family."
- Zac Goodridge

Maternity Leave

When we began the process of B Corp Certification, we considered ourselves to be a self-aware company. Completing the assessment presented more opportunities for increased awareness and growth. We implemented our first maternity leave policy to offer eligible new mothers up to six weeks paid leave and a lactation policy to provide accomodation for breastfeeding mothers.

Rideshare

One of the biggest roadblocks to employment is transportation. In 2017, we had to turn away 200 applicants because of lack of transportation. So, we created our rideshare program to provide coordinated rides to and from select job sites for employees without alternative means of travel.

Retention Bonus

The Friday before every Christmas, FMS team members employed for six months or more receive a \$600 retention bonus. In 2017, 84% of our team members were eligible for this bonus – a 14% increase from 2016.



Family Festivals

Every year we host family festivals as our way of saying thank you to team members for the work they do everyday and to celebrate our company with family and friends.







Supervisors and managers want to be able to recognize their employees for the good work they do. This is a way of telling them that they are valuable to FMS. When we recognize our employees, attitudes improve, which transfers to loyalty and commitment to our customers.”

- Janis Carter

Rave Awards

Rave awards honor and celebrate the day-to-day work of employees when they go above and beyond. Nominations for Rave awards are accepted from every level of the company and shared in the newsletter and on social media. In 2016, we gave 27 Rave awards. The next year, we gave 71.



“Peanuts” Malone

Nominated by Erin Perry in HR

“Peanuts does the work of three men! He had the tough job of transitioning from AL Ball Moving & Storage to being a full time FMS employee and has handled that culture shift admirably. For every event we have asked for his help with, and there have been many, he has been available and willing. His help and his easy-going demeanor are very much appreciated!”



Gage Dunn

Nominated by Supervisor Matt Czarniecki

“Gage takes a lot of pride in his work at Floyd Central, and he goes out of his way to step in at some of my other properties when I need help. Plus, he is quite the comedian!”



Ashley Houseman

Nominated by her Director,
Elece Diehlman

"Ashley has exhibited improved leadership and organizational skills over the past year, and has created great tools, such as calendars and cleaning maps, for her team."



RAVE
AWARDS
GIVEN IN
2017!



Gary Tarbis

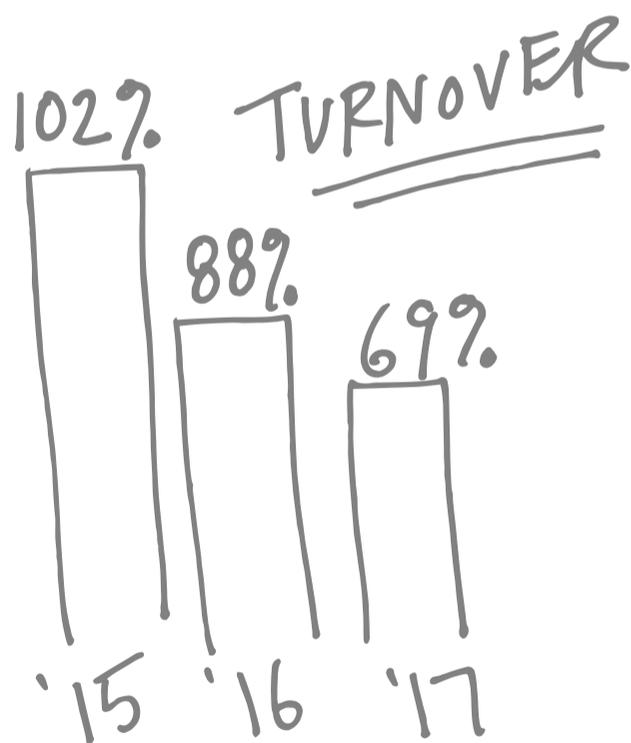
Receptionist

Gary is the first face people see when they walk in FMS headquarters. With hundreds of folks coming in the door each week, he loves getting to meet so many different people. Gary also handwrites personalized birthday and anniversary cards for every team member. He says he writes four or five notes every day!

A Risk Well-Rewarded

FMS turnover in 2017 was 69%, a 33% decrease from 2015.

According to BSCAI (Building Services Contractors Association International), the janitorial industry averages upwards of 200% turnover. And because of our low turnover, we have been able to better serve our customers: our open janitorial routes rate stays in the 4.9-5.3% range, while the industry averages 10% open routes.



Team Member

TENURE

Frontline tenure ▲

2.5 years

2016

2.75 years

2017

Leadership tenure ▲

5.5 years

2016

6 years

2017

Senior Leadership tenure ▲

6 years

2016

7 years

2017

CLEAN BUILDINGS

We've been in the business of clean buildings for a while. We know how to do our job, and do it well. When we began the positive impact journey, we were receiving high satisfaction ratings from our customers. Our customer base was growing steadily. But, we weren't content. We couldn't help but ask – what would doing more look like for the buildings where we work every day? We think the results speak for themselves.



Portland is a neighborhood and former independent town northwest of downtown Louisville, Kentucky. It is situated along a bend of the Ohio River just below the Falls of the Ohio.

From the Inside Out

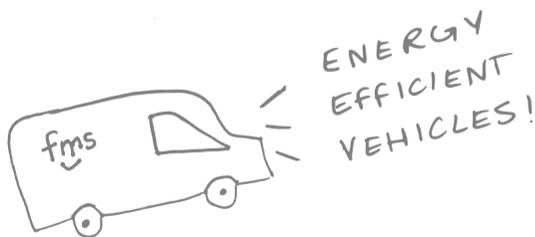
In Louisville's Portland neighborhood, 42% of households earn an income below the national poverty line and 43% of folks hold less than a high school diploma. The neighborhood also contains 10% of Louisville's total vacant and abandoned properties. Our move here was intentional, directly related to our mission to help our employees and our community thrive.

We began restoration of a 92,000 square foot property built in 1880 in the warehouse district of Portland. Our restorations to date have included a new roof with foam coating technology that reflects sunlight and heat away from our facility, keeping our building cooler and conserving energy, which supports Louisville's initiative to reduce the heat island effect in urban neighborhoods.

And, we created 7500 square feet of green space in the back of the building. This space, which serves as a gathering place, has an important hidden feature — 26 feet underground, a retention basin captures 55,000 gallons of rainwater per inch of rainfall, keeping it out of the city's sewer system.

Inside our building, we monitor both our water and energy usage and have been able to reduce both by 2%.

As an extension of our headquarters, we worked to ensure that all fleet vehicles were also energy-efficient.

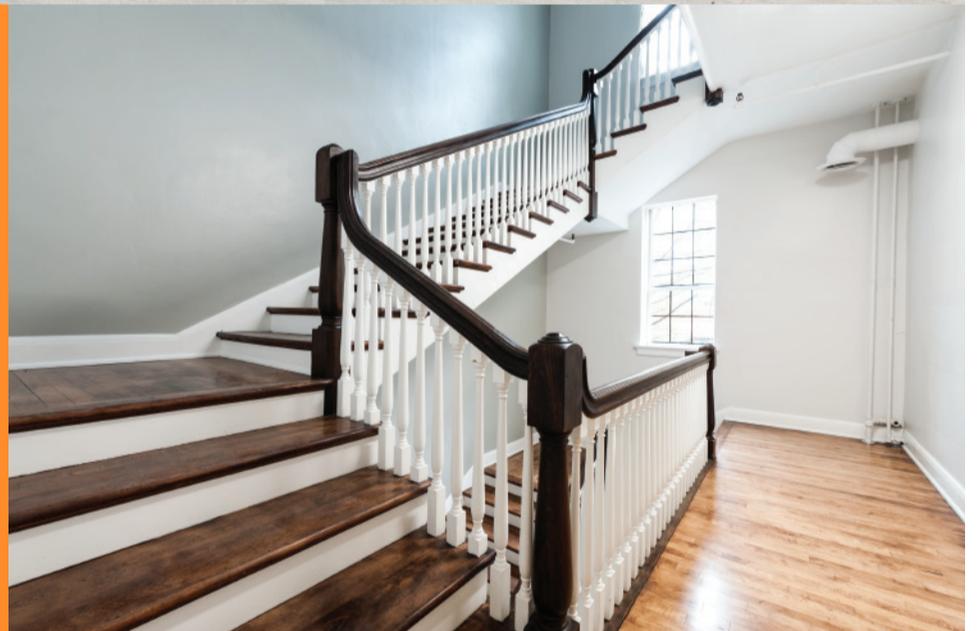




“

Moving to the Portland neighborhood was intentional on our part and directly related to our mission. As a certified B Corp, we believe in utilizing our resources to help our employees and our community, and so it was important to us to be present in a community where we can put our mission to work day in and day out.”

- Scott Koloms



We clean

10,000

square feet of

226 Buildings
(29% Office, 22% Educational
8% Manufacturing, 4%

ned over

0,0000

daily in 2017.

gs Cleaned
l, 12% Medical, 12% Logistics,
% Class A, 13% Misc.)

RETAINED REVENUE

in 2017

98.5%

INSPECTION SCORES

in 2017

681 inspections completed

90.67 was the average score

398 scored 90 or above —
that's over 50% of the
buildings inspected!

BETTER COMMUNITIES

Without team members, customers, partners, and neighbors, we wouldn't be FMS. Our first core value – the one all others stem from – is to care about the people we work with. We continually develop programs that address issues facing our team members and our communities. We also seek to build relationships with partners outside of FMS. When we work with organizations driven by values in alignment with ours, our impact is amplified.

We Thrive in Our Diversity

We understand the resources that a diverse workplace brings to the ever-changing global economy, so we work to ensure diversity and create a culture where an array of different perspectives are always at the table.



The FMS social mission is to provide opportunity and access for our employees and help the neighborhoods where they live thrive.



In 2017:

64%

of our team members are from culturally and ethnically diverse backgrounds

50%

of our field leadership are of culturally and ethnically diverse backgrounds

57%

of our team members are African American

52%

of our team members are female

45%

of our senior leadership is female



How does it work?

One New Roots share costs \$25.

Bi-weekly, frontline team members pay \$5, supervisors pay \$10, and senior management pay the full share. FMS subsidized the difference. In 2017, we connected 25 team members with shares. In 2018, the program will expand to reach up to 60 employees and the entire Portland neighborhood.

2017 = 25 team members participated
2018 Goal = 60+

New Roots

Our partnership with New Roots provides fresh produce, promotes education on the importance of healthy eating, and creates opportunities for members of the FMS community to connect, network, and build relationships around Portland.



Michael Anderson

Michael Anderson has been testing his veggies out on the grill. His favorite thing so far has been a smoked cabbage he prepared and offered the recipe to all of us.



Art McDonald

Art loves the tomatoes! He says he's been eating more salads and cooking lots of fried green tomatoes.





Nedra Brown

Nedra says she has been cooking with all of the vegetables and thinks everything tastes so much better. She can tell the difference between organic vegetables and the vegetables from the store that are saturated with chemicals.



Larry Smith

Larry accidentally bumped into the New Roots program one day when he was picking up his check. He loves it. He loves vegetables, but feels this program is helping him to eat healthier.



300+
Total FMS
participants

Garvin Gate Blues Festival

We are a proud sponsor of this intercultural, intergenerational two-day music and arts festival featuring local and national artists. As a title sponsor, we provide tickets and food to our team members. In 2017, we had over 300 team members participate.

17
Bags of
trash

Brightside

We are a partner with the city's neighborhood beautification initiative, Brightside. Twice annually, we host neighborhood clean-ups in Portland with the program. In 2017, we picked up 425 pounds of trash.

425
Pounds of
trash



Bowl for Kids Sake

We participate in this signature program annually. Every year, we join half a million people across the country to have fun and raise money to support Big Brothers Big Sisters, who are changing how children grow up.



WE RAISED
\$6,000 -
ENOUGH TO FUND
5 BIG/LITTLE
MENTOR MATCHES
FOR A YEAR.

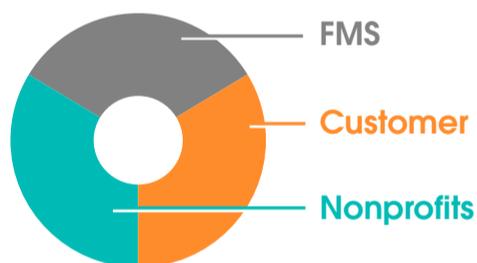
**KEEP
GROWING**

We've learned that complacency is the enemy of progress. While we're proud of where we are and how far we've come, FMS has also realized how much more we can do. We have great potential to further our social mission.

We believe the capacity for positive community impact is amplified through the power of teamwork. Our goals for next year and beyond are rooted in collaborative efforts supporting those with similar aspirations and inviting others to join in the movement.

Canopy

In the process of becoming a Public Benefit Corporation, we started meeting like-minded businesses – folks making socially-conscious business decisions intuitively, but wanting to move toward intentionality. So, our next step in leading the movement of socially conscious business in Kentucky is introducing Canopy, a nonprofit driven to make Kentucky first in good business by supporting socially responsible businesses in the state and helping grow their impact through education, certification, and advocacy.



Values-Aligned Partnerships and Customers

Because we want to support businesses with similar goals of positive impact, it is important to find values-aligned customers. When we meet with new potential customers, we share our story and our mission and open the conversation to hear their story and values.

Shared Impact Model

We will seek out collaborations with our team, local nonprofits, and FMS customers to work together for the greater good. Working alongside nonprofits to achieve even stronger outcomes just makes sense. Together, we are all engaged and empowered to make an even greater impact.

Living Wage

We are working to get all employees to a living wage – defined as a wage high enough to maintain a normal standard of living – by the start of 2020.

STAY
TUNED... More good work is coming

- ✓ STAY INSPIRED
- ✓ BE INTENTIONAL
- ✓ GET BETTER

[facilitiesmgmt.com](https://www.facilitiesmgmt.com)