



ADDING VALUE

SMALL THINGS MAKE A BIG DIFFERENCE

Sustainability Report 2017



DEAR READERS,

When we talk about the energy transition in general, about the need for greater climate protection, greater CO₂ savings and therefore also about greater energy efficiency, we are generally talking about huge projects and – as a consequence – also huge challenges for several generations to come.

We discuss enormous renewable energy capacities, trail-blazing storage solutions, full sector linking connecting everything with everything else and everybody, super-intelligent and super-fast networks, energy conversion and the not exactly trivial question of how we can turn electricity into gas.

All this is a really mammoth task and not exactly a simple one. And all the while, as so often with the energy transition – and in particular with energy efficiency – it is the small things that really make a big difference. It is always amazing how, outside the spotlight of the big topics and questions, ideas and projects are put into action that make a big difference using very simple means – simple solutions that are immediately suitable for everyday use.

A sense of responsibility and an awareness of climate protection and energy efficiency, together with one or two clever minds, are often enough to come up with simple solutions that achieve great things.

We at ista have been working in the interests of our housing industry customers and their tenants for decades on simple solutions for greater energy efficiency. The individual billing of heating costs in Germany and also in other European countries has proved its worth like virtually no other climate-protection measure in buildings: since

residents in multi-family buildings pay for exactly what water and heat they consume, they have to take responsibility: responsibility for their personal energy management in their own four walls. Generations of tenants have optimised their energy-consumption behaviour as a result. Individual billing saves 1.5 million tonnes of CO₂ in Germany every year, which is roughly the equivalent of 500,000 flights from Berlin to New York.

A truly great success story, I believe, which is to the credit of our nearly 6,000 employees who give their very best day in, day out. With efficient processes and a digital infrastructure, we help our customers to save CO₂ and to manage their properties in a sustainable manner. In future, we will also increasingly exploit the new digital possibilities offered by connected homes.

True to our shared vision and mission and our shared values, we act as a team and work together to continuously develop our company further and ensure that it is on an economically sustainable footing for the future. We take responsibility for the society in which we live today and also for the generations to come. We want to create real, sustainable added value.

This year's sustainability report shows the wide range of ways in which we live this added value, both within the company and outside. This report also represents our progress report to the [Global Compact of the United Nations](#) and illustrates how we promote human rights, good working conditions, environmental protection and anti-corruption programmes throughout the world.



I am very much looking forward to moving onwards and upwards with you into a transparent and energy-efficient future. If you have any suggestions or would simply like to share your impressions with us, please write to us at sustainability@ista.com.

Yours,
Thomas Zinnöcker

ista is a company that thinks and acts in terms of economic effectiveness. That is our plus. However, as our economic actions also have the aim of stabilising the climate, the environment and living conditions for generations, we create yet another plus with our work. So 2 x PLUS becomes a big PLUS:

Sustainable
ADDED VALUE



We say a thing or a service is reasonably priced when we think it is worth the price.

However, we are living in an age when many things are changing. An age in which values are also changing: climate change, digitalisation, supply-side concentration and (in Europe) an ageing society mean that we sometimes are now paying a high price for something that used to be considered reasonably priced.

By contrast, economic action that also aims to stabilise or even improve the climate, the environment and living conditions for generations creates sustainable added value.

This added value, as ista understands it, results from our Mission that sets out to conserve resources and provide incentives to do so.

We wish people would soon get used to not so much talking about how reasonably priced something is but about its added value:

“I bought an added-value dress today,” would then mean: it is a dress that is not only worth the price you paid for it and offers quality but is also a dress that was produced in a process that conserved resources with the focus on fair working conditions and social engagement.



Sustainable added value, as ista understands it: economic action and, at the same time, stabilising the climate, the environment and living conditions for generations.

OUR GUIDING PRINCIPLE:

Making energy consumption transparent

The energy transition is a huge issue in the public perception – something to be discussed passionately by politicians, by the media and by the man in the street.

However, if progress is to be made with the energy transition, decisions about energy production and the distribution of cost have to be made and long-term planning of structures and processes with far-reaching consequences set in motion. Things that might sometimes even be irreversible: after all, when thousands of wind turbines have been installed, power stations decommissioned and new transmission routes built, this has consequences that easily last for more than one legislative period. This makes the energy transition so complicated.

However, in the shadows of this overarching issue, a whole branch of industry is quietly sailing from one small success to the next. This branch of industry concentrates less on energy generation but all the more on the economical use of energy. It focuses on energy efficiency.

We are now a well-positioned player in the energy efficiency industry because we, too, do not want to disregard the potential that saving energy offers. Politicians are also increasingly recognising these possibilities and we are actively supporting them in finding low-cost and innovative solutions for reducing CO₂ emissions even more.

We work in the real estate sector. Here, we have huge potential for saving energy as this sector accounts for a large proportion of energy consumption. In the European Union, buildings account for some 40% of energy consumption.

Regardless of how energy is produced and distributed, we make energy consumption transparent at the end of its journey where it is consumed by the customer. This is called submetering. All households in an apartment building now know their individual consumption and are starting to think about how they can reduce it.

We empower our customers to use energy responsibly. We offer submetering for smart tenants and customers.



However, we also search for partners to extend our offering and train our employees so they can live the added value of their work both within and outside the company.

With the “ista schools in energy efficiency” project, we go to schools and teach young people about saving energy. We give tips and, together with the pupils, we run concrete tests in the schools with our hardware to show how costs can be saved. The project has been commended by KlimaExpo.NRW and the NRW state government and has now been extended before going into its third year of implementation.

So ista provides incentives to everyone - its own organisation, customers and society - to act and think more sustainably.

That’s the way sustainability should really be for the fundamental idea behind it is to offer a benefit – that is to say added value - for all those involve.

KNOW MORE

know own consumption



DO MORE

reduce own consumption



CREATE ADDED VALUE

efficient energy consumption



ISTA SCHOOLS IN ENERGY EFFICIENCY – NATIONWIDE.

One year after the official start of the project, “ista schools in energy efficiency” is being implemented nationwide in 2018. 100 more schools throughout Germany are being equipped with the climate box that has been specially tailored to the pupils’ needs. It contains learning materials and metering devices with which the pupils themselves can become active in environment protection. The climate box is a cooperation project between “ista schools in energy efficiency” and BildungsCent e. V.

“We have tested all metering devices and materials in the box and only selected those that we ourselves really loved.”

Linda Fiene, pupil
(Holsterhausen comprehensive school)
talking about the climate box.

AWARD-WINNING!
“The project creates an awareness of energy-saving behaviour and therefore makes an active contribution to educating pupils in climate protection.”

Dr Heinrich Dornbusch,
Managing Director of KlimaExpo.NRW



OUR GUIDING PRINCIPLE:

Improving energy management together



The individual consumption display is not a gadget but a real tool for energy and costs: a big reduction in energy costs is the result when a transparent energy cost bill shows where each tenant has to focus to cut their consumption.

Recognising and exploiting this potential is sustainable added value that we do not want to share just with our customers:

That is why we form partnerships. With our customers. And, for example, with GETEC, a contracting specialist that finances energy-

efficient, cost-saving heating systems while just a few meters away from this system we read out the savings and show the result to everybody living in an apartment building.

This partnership already indicates what our future field of action regarding energy efficiency in the real estate sector will look like.

We call buildings that are sustainably supplied with energy and in which everybody has the chance to use this energy efficiently and in an eco-friendly manner SMART BUILDINGS.

OUR GUIDING PRINCIPLE:

Developing digitalisation together



Many people think that digitalisation is both a blessing and a curse: for one person it is a benefit and opens up new horizons, for the other it is unsettling and leaves him behind. Digitalisation either gives a tremendous boost to business models or puts them on the scrap heap.

When we think of digitalisation, we do not just think of digital technology but in particular of the people who would like to use this digital technology sensibly. Therefore, we are not so interested in things like what kind of mood lighting welcomes a resident when he enters his apartment. We focus on energy efficiency. And on greater transparency. In future, we want to use digitalisation and integrated interfaces to help us make energy and water consumption in homes more easy to see and more transparent and therefore more controllable.

We would like the total energy consumption of a home to soon appear on displays and mobile devices at any time at the touch of a button so people can use the figures to compare and see the savings effects.

HELPING TO SHAPE THE ENERGY TRANSITION WITH DIGITALISATION

Digitalisation is to help us to keep our business promise and our promise to society even more effectively in future and actively shape the energy transition in buildings:

More innovation
More quality
More service
More safety

WHAT SETS US APART:

We listen to our customers

We take our customers' questions on board to find out what concerns they have and what challenges they face in the housing industry so we can offer them suitable solutions for energy management in buildings.



+
Dirk Miklikowski
Managing Director of the housing company, Allbau GmbH

Dirk Miklikowski
“How does ista guarantee owners and tenants that its products and services are both what customers need and future-proof?”

ista's answer

“ista is a firm believer in research and development. Since the beginning of May, we have been developing innovative devices in the ista technology centre and testing them for their suitability in practice.”



+
Dirk Bauer,
Managing Director of Harbach & Meinhardt Wohnungsverwaltungsgesellschaft

Dirk Bauer

“What solutions and services does ista offer owners and tenants with which they can cut costs, manage sustainably and create added value in terms of quality?”

ista's answer

“A combination of energy-efficient buildings and optimised user behaviour reduces heating costs sustainably. The basis for both is consumption transparency. Here, it is a question of keeping a sense of proportion when finding solutions that reconcile the interests of investors, landlords and tenants with the aim of ensuring sustainable but affordable climate protection.”

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OUR COMPANY AT A GLANCE

The individual billing of heating costs has proved its worth in Germany like virtually no other climate-protection measure in buildings. Since residents in multi-family buildings pay for exactly what water and heat they consume, they have to take responsibility: respon-

sibility for their personal energy management in their own four walls. Generations of tenants have optimised their energy-consumption behaviour as a result. Individual billing saves 1.5 million tonnes of CO₂ every year in Germany alone. A truly great success story.

COLLABORATIVE

All our customers, regardless of which segment of the real estate industry they belong to, are facing huge challenges to reconcile the need for climate protection with demands for affordable housing and an adequate return on investment. We must and also want to support them even more than before in a spirit of collaborative partnership. As one of the leading real estate service providers in Germany, we want to continue improving the quality of our products and services so our customers and their tenants are satisfied. Together with our customers, we want to develop new products and services, systematically seizing the opportunities and possibilities offered by digitalisation.

FOCUSED

Our head office is in Essen, Germany, and we operate in 24 countries worldwide. In addition to Germany, we focus in particular on European core markets such as Denmark, France, and the Netherlands. Our customers' are housing companies, house owners and home owners' associations. We are also increasingly extending our activities to include commercial properties. We are already the market leader in many countries. In Germany, the Group is one of the leading companies in the industry. In some markets, ista's activities are supported by independent service partners.



Only people who know what they are consuming can save energy and costs in a targeted manner. Look here to see what contribution ista is making to the energy transition.

DIGITAL

Even nowadays when people think about heating cost billing, they immediately associate it with the image of the meter reader who comes and replaces the little glass tubes on the radiators once a year. But the fact is ista only uses the little glass tubes, the so-called evaporation-type meters, in just a very few apartments nowadays. We have already equipped the majority of the over 13 million units we bill worldwide with digital metering technology. By 2021, 80 % of our meters are to be digital. This technology increases convenience and comfort considerably and dispenses with the need for an appointment to read the meters. Moreover, consumption and costs can be processed even more transparently in future, for example on the web portal or on a smartphone – not only once a year but also at regular intervals during the heating period. The latest studies show that, thanks to the monthly visualisation of their data, residents consume on average another roughly 10 % less energy than residents who do not receive such information.

SUCCESSFUL

In 2017, ista recorded worldwide sales of EUR 877.4 million, a year-on-year increase of 3.6 %. Total capitalisation amounted to some EUR 4.2 billion. EUR 137.9 million was invested in the reporting period, including EUR 110.0 million alone in devices which we rent out to our customers and their installation. 5,964 employees worked for our Group worldwide. Women account for one in two of the workforce.



ista's Management Board: from left: Jochen Schein, Thomas Zinnöcker (CEO) and Christian Leu

STRONG

The Management Board of ista International GmbH is responsible for strategic and operational control of the ista Group. The managing directors are Thomas Zinnöcker, Chief Executive Officer (CEO), Christian Leu, Chief Financial Officer (CFO), and Jochen Schein, Chief Operating Officer (COO).

The owners of the ista Group are Hong-Kong-listed CK Asset Holdings Limited and CK Infrastructure Holdings Limited, each with a different shareholding.

TOGETHER FOR ADDED VALUE

Sustainable action and management are a balancing act between different demands, resources and challenges. In our role as a real estate service provider for greater energy efficiency in buildings, we rely above all on solutions developed jointly with our customers and partners. With united forces, we

want to develop and offer low-cost digital products and services for reducing CO₂ emissions. By doing so, we want to create sustainable added value - for our customers and their properties, but also for their tenants, who can independently save energy and costs on the basis of transparent consumption information.



ONE STEP AHEAD OF THE FUTURE

Our company is part of society. Therefore, we also bear responsibility for the sustainable development of society. We want to make our contribution to ensuring that generations to come have at least the same chances and prospects for the future as we have today. Together with the Sustainable Development Goals (SDGs), the United Nations has formulated a number of specific targets and called upon companies to help to achieve them. We at ista see five specific goals to which we can make a contribution: Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11), Responsible Consumption

and Production (SDG 12) and Climate Action (SDG 13). Through our products and services or our role as an employer, we exert a direct influence on these goals in our business activities or can help indirectly to achieve them in dialogue with politicians or customers. You will find a detailed explanation of our five SDGs in the chapter [Sustainable Development Goals](#).

By gearing all our company processes and business activities to sustainability, we ensure that ista is fit for the future. We systematically base all our economic actions on the needs and expectations of our customers and live our [Shared Values](#) and therefore the standards on which our

company is founded in all we do. We see the changing needs of our internal and external customers in the age of digitalisation as an opportunity. To seize this opportunity at the earliest possible moment, we continued in 2017 to work intensively on implementing our multi-year transformation programme “One ista. Together. For Excellence” (1-2-4). With this programme, we want to further improve our collaboration with all internal and external stakeholders and, using digital technologies, offer them even better service, quality and innovations in future. Professionalism, reliability and a culture of trust are the basis for our actions.”



1 – ONE ISTA

We are working together in all our 24 countries worldwide towards one goal. As one of the leading real estate service providers, we want to create sustainable added value for our housing industry customers and their tenants: added value for greater energy and process efficiency in buildings and therefore greater protection of the climate and resources. In this quest, we can always rely on the passion and dedication of our employees. It is thanks to them that we have achieved leading positions in our European core markets.

The continual optimisation and digitalisation of our internal process landscape benefits not only our customers but also the people who work at ista. For example, in 2018 we plan to roll out our in-house social collaboration platform, “ONE”, which will standardise in-house digital collaboration and communication and make them more efficient (see box). This will enable us to share expertise in a more sensible way and be even more active on the international stage. When designing our internal processes, we always approach the development of innovations from the “people perspective” and want to use digitalised work processes to reduce our employees’ workload and give them more time for what is important. Digital management systems also provide the transparency needed for intelligent decisions.

SOCIAL COLLABORATION PLATFORM – ONE

In mid-2018, we plan to start rolling out our internal social collaboration platform “ONE” step by step. ONE is a web-based platform that will become the main entry point for communication and collaboration at ista. The platform offers a modern, digital environment that consolidates the many island solutions for communication and collaboration and enables us to work better together across different locations and therefore reduce complexity. Generally speaking, with this new communication and collaboration platform we are creating the opportunity to network experts throughout the entire company with each other, to share ideas and to make knowledge available and easy to find.



2 – TOGETHER

We know that the complex dynamics of sustainable management can only be mastered together and hand in hand with strong partners. Open and honest communication that fosters a culture of trust is the basis for a high-performing company like ours. We have purposely created places for an open and critical exchange of views by setting up customer advisory boards, working groups and customer forums that further intensify dialogue in a spirit of partnership. The reorganisation of our complaint and contract termination management as part of 1-2-4 is an important element in our aim to make the customers our absolute priority in all processes.

Our strategy is specifically geared to the requirements of our customers. In order to continuously develop solution- and customer-focused processes, we systematically conducted [personal interviews with customers](#) throughout Germany in the reporting year. We take the needs of our diverse customer base very seriously, whether they are private customers, property managers, housing associations, municipal housing companies or private owners/companies. The real estate industry in particular is being increasingly presented with the challenges but also the opportunities that digitalisation brings ([see magazine section](#)). Therefore, in the interest of our customers and with united forces, we have made it our mission to offer low-cost digital solutions that help to avoid CO₂ emissions and conserve resources.

At the beginning of 2018, we started a new joint cooperation venture with the energy service provider GETEC. Together we aim to develop further efficient measures and services for property owners and their tenants that reduce the ecological footprint of buildings. With this partnership we are responding to rising demand from our customers for affordable energy efficiency and climate protection measures. In the first step, the two companies



ista and GETEC will pool their technological know-how, further expand their energy-efficiency offering and so work on the energy world of tomorrow, for both owners and their tenants.

are pooling their core skills and expertise in a sales cooperation. This means we will be able to expand our business relations and gear the product portfolio to customer requirements in an even more targeted manner.

4 – FOR EXCELLENCE

By improving quality and service, developing our infrastructure and offering “smart” innovations, we are equipping ourselves to master the challenges of the future. The ongoing climate change is one of the biggest risks facing our generation and is a particularly great challenge for ista as a real estate service provider.

We are assuming our responsibility towards society and the environment by continually investing in the technical development of digital metering technology. We are harnessing the potential of smart, function-focused digitalisation by further developing digital energy management and smart building solutions and by making customer processes more energy-efficient and solution-driven. We are working tirelessly on new products that are intelligent, low-cost and efficient. Through the optimal use of valuable resources, we are helping our customers throughout the world to manage their properties sustainably and thus increase their value. More information on best practice examples is to be found in the chapter [Solutions](#).

We are determined to raise people’s awareness of greater energy efficiency. To achieve this, we are engaged at various levels. In 2017, ista discussed the efficiency potential of digitalisation with players from the energy and real estate industries at an event organised by the Federal Ministry for Economic Affairs and Energy (BMWi). As a leading company in energy and water management, we can contribute important and stimulating ideas in direct **dialogue** with politicians and society. Furthermore, we are committed to firmly anchoring energy efficiency in the educational system through our “ista schools in energy efficiency” project. Our collaborative approach makes us a key partner for political decision-makers, landlords and tenants alike.



HOW ISTA CELEBRATES 1-2-4

1-2-4 has now become an integral part of the ista world – one reason for us to celebrate the whole thing with our 1-2-4 Day on April 12. We allowed each branch to decide for itself how such a 1-2-4 Day should be celebrated. For example, our employees at Essen head office learned more about the subject of “Innovations” in papers presented by various external speakers. At our branch in Stuttgart, the ista employees baked a 1-2-4 cake to mark this special day. In Berlin, the employees organised table football and dart tournaments on this day; in Würzburg, the motto for April 12 was “Health”. Our international branches also celebrated 1-2-4 on this day. While our Polish colleagues took selfies, ista Netherlands used the 1-2-4 Day for an onboarding event for new employees. These are just a few creative ideas that show how the 1-2-4 Day was celebrated in very individual style throughout the ista world.



OUR GOALS

Solutions:

We want to increase the percentage of remotely readable ista properties in Germany to 80% by 2021. We have already achieved 99% of another strategic goal to progress the international harmonisation of product platforms, products and services.

Environment:

Practise what you preach – as a real estate service provider, by the end of 2020 we at ista in Germany will reduce our own annual energy consumption (heating energy, electricity, road fuel for company vehicles) by 6.5 % per employee compared with the 2016 figure.

Employees:

In our **employee survey 2017**, employee commitment scored an above-average 80. Even in times of continual change, we want to maintain our employees’ commitment and their motivation at this high level.

Dialogue:

We are extending our “ista schools in energy efficiency” project to cover the whole of Germany and, together with BildungsCent e.V., in May 2018 we presented the climate box for greater awareness of climate protection and energy efficiency.

FOCUS ON SUSTAINABILITY

We aspire to act responsibly and sustainably throughout the world. An integral part of this is to have transparent processes and clear responsibilities both in our own company and in the supply chain. Sustainability is firmly anchored at ista in the corporate structures. Our actions are guided by

strong values as well as by international and company guidelines. We maintain regular contact with our internal and external stakeholders and take their concerns seriously. This is the only way we can continuously develop and react to future challenges.

G4-18

SUSTAINABILITY WITH CLEAR STRUCTURES

At ista, the subject of sustainability is the direct responsibility of the Management Board. The two main sustainability bodies - the Sustainability Steering Committee and the Sustainability Council - set strategic guidelines and are responsible for their operational implementation.

The Sustainability Steering Committee, which convenes at least twice a year, sets the focal points and direction of our sustainability engagement. It is made up of the heads of strategically relevant departments at the Essen head office and their work includes developing sustainability standards, initiating environmental and climate protection projects and identifying relevant social topics. Furthermore, this body is responsible for the approval of the materiality analysis and reports directly to the CEO.

NEW SUSTAINABILITY OFFICE AT ISTA

In September 2017, we set up a Sustainability Office with the aim of further professionalising ista's sustainability management and controlling it in a centralised and targeted way. The new Sustainability Office manages and coordinates all internal sustainability projects and processes. Furthermore, together with the Management Board and other departmental managers, the Sustainability Office draws up the new governance structure. On the basis of this structure, ista can, in future, initiate and implement sustainability projects in a targeted manner. The Program Manager of the Sustainability Office is, among other things, responsible for certifying the energy management system in Germany, collecting the key figures for the sustainability report and coordinating sustainability projects throughout the company. Furthermore, he organises the regular exchange of information between the main sustainability bodies, the Sustainability Steering Committee and the Sustainability Council.

SUSTAINABILITY COORDINATION AT ISTA



GLOBAL IMPLEMENTATION BY THE SUSTAINABILITY COUNCIL

The Sustainability Council, which is made up of the representatives of the national organisations (the Sustainability Delegates), is responsible for the international anchoring of sustainability management at ista. It also helps us to draw attention to the relevance of this subject at our international locations. In concrete terms, this body is responsible for steering and implementing sustainability activities. At the same time, the Sustainability Council ensures that ideas from the countries are presented to and taken into consideration by the Steering Committee. The countries therefore not only implement strategic topics but also act as drivers for the further development of sustainability engagement content.

SYSTEMATIC ENERGY MANAGEMENT

One important element of ista's sustainability engagement is the **certification of our energy management system** in Germany – not least of all because, as a real estate service provider, we focus on optimising energy efficiency in commercial and multi-family buildings. For example, our own energy team is responsible for the internal implementation of energy measures resulting from the requirements of the energy management system to ISO 50001. Every branch in Germany has appointed an official representative who is responsible for the subject of energy efficiency, stipulates appropriate measures, initiates their implementation and also checks their progress. In 2017, we successfully passed the follow-up audit which checks that the ISO 50001 requirements have been met at our German locations. Our energy management system in Germany has therefore maintained its certification.

RISK MANAGEMENT AT ISTA

As a real estate service provider, we operate in highly competitive markets and have to take account of constantly changing market and regulatory conditions in our plans. We therefore have a risk management system to anticipate, identify, monitor and respond appropriately to economic and financial risks. In line with the concept of business prudence, we only take normal market risks in our business operations. We avoid all other risks or hedge them. In principle, we do not expect any significant risks in any of our segments.



Our value structure is based on the Shared Values.

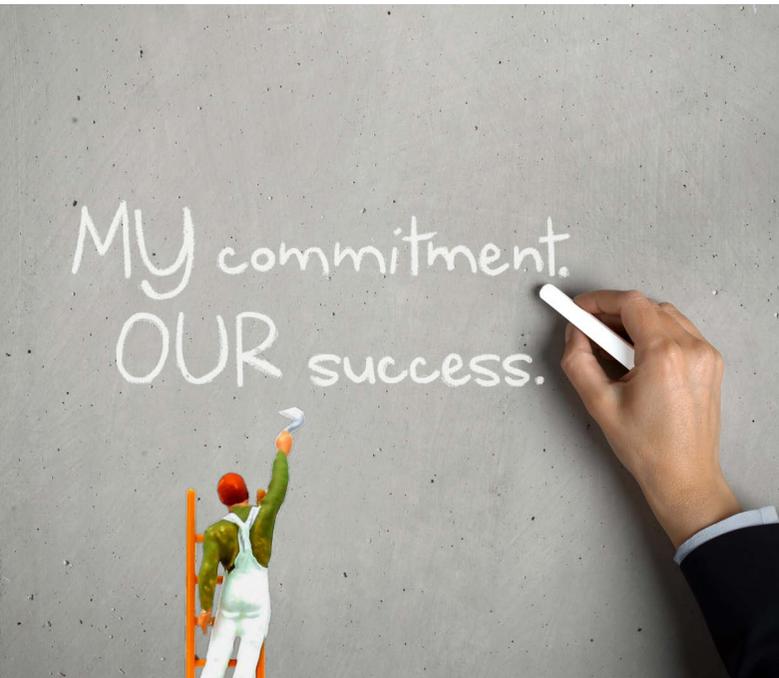
LIVING SHARED VALUES

As the foundation of our corporate culture, the ista **Shared Values** shape the way we work together on a daily basis at ista. The five values influence the implementation of strategic and operational measures in all countries and therefore largely determine our long-term development and our sustainable success. They are the basis for fair collaboration in a spirit of partnership with colleagues, but also with external partners.

The Shared Values are to serve as guidelines to ista employees in their everyday work, both in dealing with colleagues and with external business partners. The Shared Values motifs are communicated as wall paintings in the kitchenettes of the new head office to constantly draw all employees' attention to them. Furthermore, we wanted to find out how the ista company values are implemented in everyday working life. Therefore, as part of a global employee survey, we asked our employees to as-

sess whether and how the values are lived in their daily work. 78% of all employees in the ista Group took part in the survey. The result is impressive: on a scale from 0 to 100, "the company values are lived in everyday working life" achieved an above-average score of 77 to 82.

In order to explain ista's values to new employees, we also made the Shared Values game an integral part of all onboarding events in 2017. The ista Shared Values were also very much present at some of our regular employee events, such as the annual Soccer Cup or the family festival to inaugurate the new head office. For example, our colleagues and their families received cupcakes with the Shared Values motifs following the iPad rally through the new premises. They were also invited to make Christmas tree decorations with the Shared Values motifs in a handicraft corner.



GUIDELINES AND COMMITMENTS

Thanks to the organisational anchoring of sustainability, clear responsibilities are defined throughout the entire Group. Furthermore, Group-wide principles and commitments govern everyday practice at ista: in addition to a common understanding of the values, internal guidelines, international agreements, such as the UN Universal Declaration of Human Rights, the UN Convention against Corruption and the International Labour Organization's (ILO) Declaration of Principles, provide guid-

OUR PILLARS FOR RESPONSIBLE ACTION

INTERNAL GUIDELINES

The entire ista Group has to comply with guidelines, for example on gifts and gratuities (Germany) as well as money laundering and the funding of terrorism (international). ista's present environmental guidelines are currently being revised.

CODES

- The **Code of Conduct** contains for all employees of the ista Group important principles such as those on avoiding conflicts of interest and rejecting corruption and bribery. The Code is binding on all employees and is available in printed form and on the intranet. It has been translated into all national languages of the ista companies for better understanding.
- The **Supplier Code** stipulates standards on general principles, human rights, working conditions, environmental protection and their implementation for our suppliers and their employees worldwide.

ance for our employees. Corporate Internal Audit und Compliance monitors compliance with the guidelines and commitments as part of its regular audit activities. It is the central point of contact for employees regarding subjects such as corporate governance, compliance or risk management. In selected countries, employees were personally trained on these guidelines and codes and a central monitoring process was set up for areas which appear to be particularly at risk from corruption.

EXTERNAL GUIDELINES

As supporters of the Global Compact of the United Nations, we support and promote human rights, working standards, environmental protection and the fight against corruption. We are also committed to the **Sustainable Development Goals of the United Nations**.

COMPANY VALUES

The **ista Shared Values** are five values which give employees guidance in daily working life: Keeping Commitments, Encouraging Empowerment, Taking Responsibility, Promoting Trust and Building Partnerships.



COMPLIANCE WITH THE CODE OF CONDUCT

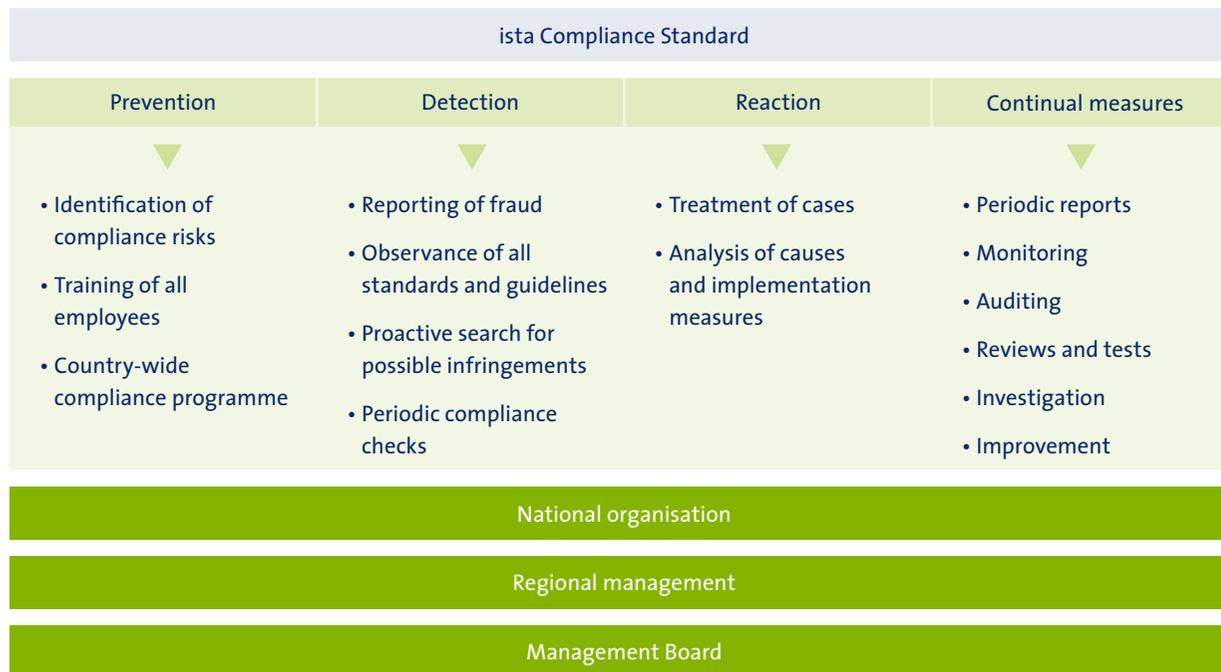
To ensure that non-compliant conduct is reported, in 2018 Corporate Internal Audit and Compliance will be introducing a global whistle-blower system with which employees from all branches can report infringements anonymously. This system is to be run by an independent, external provider and will be available in eight different languages (German, English, French, Spanish, Italian, Danish, Dutch, and Polish). This will ensure that 95 % of our ista colleagues will be reached in their native language. With appropriate training, we want to create greater awareness of our Code of Conduct. This training includes, for example, a compliance game in which the employees are faced with a delicate situation and have to solve it in what they consider to be a compliant manner. In addition, regular compliance training sessions are

conducted for managers. A compliance reporting and approval system has already existed since 2014 in the smaller countries of the ista Group with greater compliance risks (China, the United Arab Emirates, Turkey, Belarus, Russia, Poland and Hungary). It was also introduced in Romania in 2018; the Czech Republic and Slovakia are to follow sometime this year. This means that, after a comprehensive analysis of the compliance risks, measures for reducing these risks are set and implementation is continuously monitored. In each of these countries, an on-site compliance officer ensures observance of the compliance rules. Two compliance managers from Corporate Internal Audit and Compliance in Germany perform an audit of the units at least once a year. In doing so, they follow the methodology of the internally developed ista Compliance Standard (see diagram below).

In May 2017, the Federal Cartel Office published the final report on the sector inquiry into metering services for heating and hot water costs (submetering). The result is that the office sees no reason for any intervention by the competition authorities.

On the basis of wide-ranging and sound facts, the report clarifies the significance and special features of the consumption-dependent metering and billing of heating and hot water costs and disproves the prejudices that sometimes exist against submetering providers. As expected, the nearly two-year-long comprehensive investigation revealed that metering service providers are operating in compliance with competition law. Therefore, the Federal Cartel Office sees no need for any intervention by the competition authorities.

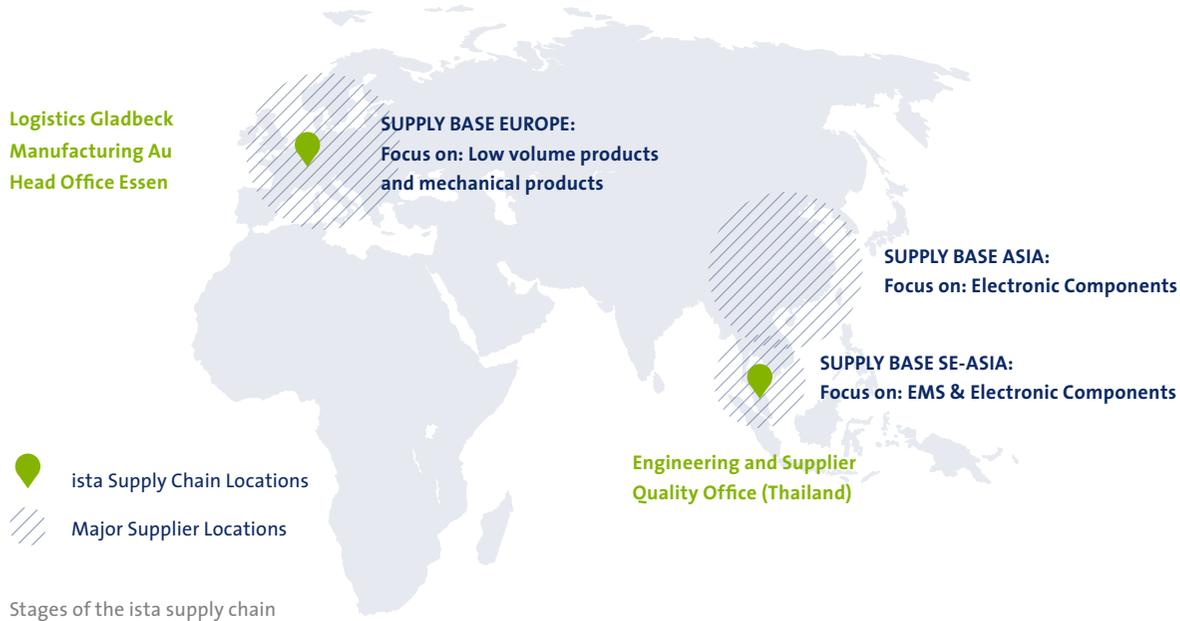
The diagram shows the various process steps and stages of the ista Compliance Standard.



GUARANTEEING TRANSPARENCY

In addition to the actual inquiry, the report of the Federal Cartel Office gives suggestions as to how to make the market for submetering services even more consumer-friendly. ista sees these recommendations as positive in terms of creating even greater transparency. We will remain dedicated to offering practical and cost-effective solutions for landlords and tenants.

When **setting our prices**, we always consider the overall context including our customers' requirements, competitiveness and investment in new, innovative technologies. The high quality of our products and services is the decisive criterion. In Germany, customers only have to ask us and we will explain how our prices are set, thus satisfying the demand for transparency. We also explain the factors that increase prices to our customers.



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

We place high demands on the ethical conduct not just of our business locations worldwide but also of our suppliers. We not only expect our employees and managers at our branches but also our suppliers to comply with environmental and social standards. We purchase materials from Germany and abroad and are aware of our responsibility along the entire supply chain. In our supply chain management we distinguish between the materials needed for end products which we manufacture for our customers (direct materials) and materials which we need for the operation of our own organisation (indirect materials & services). Most of the latter are purchased by the national organisations themselves. By contrast, new end products and devices are first developed centrally by cross-functional product development teams at ista International GmbH and then manufactured in series by the Procurement & Supply Chain department in Asia and/or Europe. To produce our devices,

we work closely and in a spirit of partnership with suppliers in Asia and Europe who produce the devices according to our specifications. Direct support from the Procurement & Supply Chain department is ensured by direct supplier account managers and supply chain quality engineers. So the observance of quality standards and the defined manufacturing processes can be guaranteed. In addition, we deploy resident engineers at our most important Asian main suppliers to provide support and quality assurance. After production, finished end products are dispatched directly to our Warehouse & Distribution Centre in Gladbeck and from there are transported to the national organisations. However, some devices are also delivered as semi-finished parts to our Manufacturing Competence Centre in Au in der Hallertau for final assembly. Our employees perform the final assembly and the calibration inspection there before the devices are also sent to Gladbeck.

COLLABORATION WITH SUPPLIERS

We currently work in direct procurement with some 250 suppliers worldwide and in indirect procurement with some 3,000 suppliers from all over Germany. The minimum requirements we place on environmental and social standards are laid down in our Supplier Code, which is based on the OECD principles of responsible corporate governance and on the ILO core conventions. Among other things, our Supplier Code expressly prohibits child, forced and compulsory labour and therefore we are also implementing the relevant principles of the Global Compact of the United Nations. In addition, ista requires its suppliers to conclude a similar agreement with their suppliers. A new review of the content and requirements of our Supplier Code was performed in 2017, which led to the inclusion of the commitment to the UK Modern Slavery Act in the ista Supplier Code in 2018. Moreover, suppliers with minimum sales of EUR 50,000 must commit to meeting the requirements of the ista Supplier Code. Responsibility for ensuring observance of the Code always lies with the supplier. Furthermore, observance of the Code is checked in periodic supplier audits.

ON THE RIGHT COURSE

ista places great emphasis on a regular and open exchange of views with our internal and external stakeholders. In the reporting period, we again reviewed the findings of the extensive materiali-

ty process conducted in 2016 and went into greater depth in discussions with our customers. In doing so, we were able to confirm our results – for us a sign that we are on the right course.

G4-18, G4-23, G4-24, G4-25, G4-26

MAJOR TOPICS ANALYSED AND VALIDATED

We already conducted the first systematic materiality analysis in accordance with the guidelines of the Global Reporting Initiative (G4) in 2014. In the last reporting year, we again performed a three-stage materiality process in preparation for our sustainability report 2016. We also included our foreign branches and their external stakeholders in this process.

Taking into account national and international sustainability standards, the international development agenda as well as forecasts and trends in the company and its environment, we identified 13 topics for action in a first stage. We had these topics assessed in a second stage by internal and external stakeholders. Finally, the Sustainability Steering Committee discussed the findings of the stakeholder survey at a materiality workshop and also made an assessment of the 13 topics with regard to their business relevance.

In addition to strengthening stakeholder dialogue, the aim of the materiality analysis was to identify important topics, optimise our strategies and increase ista's internal sustainability competence. On the basis of this materiality analysis, we reviewed and evaluated the topics identified for the present report. In early 2018, the Sustainability Steering Committee reviewed and validated the 13 topics for action. In doing so, it confirmed the relevance of the topics and therefore the direction of ista's sustainability management.

G4-27

ISTA'S FOCAL TOPICS

The materiality matrix shows which topics were identified as key for ista. The materiality process resulted in 13 topics which were assessed as being relevant both from ista's point of view (x-axis) and from the stakeholders' perspective (y-axis). They are shown in the top right-hand quarter highlighted in colour. These topics also guide us in our reporting this year and for our internal advancement.

- 1 Offer innovative products and services
- 2 Ensure customer satisfaction
- 3 Apply fair business practices
- 4 Make a contribution to climate protection
- 5 Create awareness
- 6 Act in an eco-friendly manner in our own company
- 7 Drive smart living forward
- 8 Further develop employees
- 9 Make the supply chain sustainable
- 10 Protect data
- 11 Engage on behalf of society
- 12 Recruit new employees
- 13 Maintain dialogue with politicians and stakeholders



OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

We are one of the world’s leading real estate service providers for greater energy efficiency and climate protection in multi-family buildings and commercial properties. It is part of our sustainable corporate strategy to consistently support the implementation of the Sustainable Development Goals (SDGs) of the United Nations. Since the autumn of 2015, they have been the heart of Agenda 2030, a global action plan whose aim is to shape economic progress in an ecologically and socially compatible way.



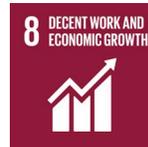
As part of our materiality analysis in 2016, we analysed which SDGs are of primary concern to ista. For this purpose, we surveyed our internal and external stakeholders on the sustainability goals relevant to ista. The aim was to identify the greatest possibilities of exerting influ-

ence along our value chain. The outcome was that we identified five goals to which ista can make the greatest contribution and which we are systematically pursuing this year:



AFFORDABLE AND CLEAN ENERGY

We do not produce or distribute energy ourselves. Nevertheless, our services have a direct impact on energy consumption. We make energy transparent by measuring the heat and water consumption of each household in multi-family buildings with our metering and allocation devices. All users receive a fair and transparent bill for their consumption and are free to decide whether and how they adapt their individual energy behaviour. As a result, people's awareness of the efficient and eco-friendly use of energy and water is raised in the long term. Therefore, in our core business activities, we make a direct contribution to a sub-goal of SDG 7: by 2030, the global rate of improvement in energy efficiency is to be doubled. At present, we are committed to creating even greater transparency of consumption by providing regular consumption information in addition to the annual heating cost bill. Consumers can check and adapt their energy behaviour at even more regular intervals and achieve additional energy-saving potential per household.



DECENT WORK AND ECONOMIC GROWTH

With sales of EUR 877.4 million and sales growth of 3.6% compared with the previous year, ista again demonstrated its efficiency in 2017. Our success not only secures economic growth for ista itself but also for the locations where we operate. Last year, we created numerous new jobs in 24 countries – both at our company and at our suppliers'. In 2017, just under 6,000 employees worked for us directly. In the next ten years, we want to grow further, sustainably increase our sales and so also recruit more employees. In Cheung Kong Asset Holdings Limited (CKA), one of the largest housing project developers in Hong Kong, and Cheung Kong Infrastructure Holdings (CKI), the largest listed infrastructure company in Hong Kong, we have gained new shareholders that have wide expertise and competence in our core fields of the real estate and energy industries, have global presence and will support us long-term. The award as a "Top Employer", which we received in several countries in early 2018, once again confirms our success as a good employer.



SUSTAINABLE CITIES AND COMMUNITIES

The contribution to sustainable urban development is closely linked to our business model. Demographic trends show that, going forward, more and more people are moving to the metropolises and magnet cities and that the number of single households is rising. The number of multi-family properties and ultimately the importance of individual consumption transparency for low-investment climate protection are consequently also increasing. Therefore, we are also gearing our product development and strategic partnerships to meet the demands of tomorrow's metropolises. Innovative approaches and new ideas and products are developed in our new technology centre, "Technikum", in Essen, where our entire research and development work has been pooled at one location since the beginning of May 2017. With innovative solutions and new technological approaches that take a holistic view of buildings, we want to offer landlords and tenants real added value for energy efficiency, process efficiency, home comfort and safety. We develop and review all innovations from the very outset together with our partners and customers in the housing industry to ensure that we continue to focus on offering the right and effective products and services on the market.





RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible and conscious energy behaviour is one of the most effective levers for greater climate protection.

The more people who optimise their individual consumption of energy, the more sustainably CO₂ emissions will be reduced. By offering tenants the necessary transparency through individual consumption metering, we make them “smart tenants”. We create the conditions for them to independently manage their use of heat and water on the basis of transparent consumption information. We are firmly convinced that this effect on consumption behaviour can be magnified if people become more knowledgeable about the ways they as individuals can make an impact on climate protection and the energy transition. Therefore, we are committed to energy efficiency becoming an integral part of school education. With our pilot project, “[ista schools in energy efficiency](#)”, we want to study how to successfully incorporate the teaching of energy efficiency into daily school life. From 2018, in cooperation with the NGO, BildungsCent e.V., we will be making the results of the pilot project available throughout Germany by handing out “climate boxes”, initially to 100 schools. These “climate boxes” contain teaching materials, metering devices and practical tips on greater energy efficiency. So pupils can play an active role in protecting the climate and develop their own climate protection projects for their school. In this way, they will also contribute to the SDG 13.



CLIMATE ACTION

ista meters individual energy and water consumption and therefore makes it transparent. In this way, our core busi-

ness delivers a sustainable contribution towards greater climate protection. For it is only when the residents of a multi-family building know how high their individual energy and water consumption actually is that they can change their behaviour accordingly and save energy. Numerous international studies prove that there is a significant savings effect from individual consumption transparency of between 15 % and 25 %. A [life cycle analysis](#) of our heat cost allocator doprimo 3 radio shows that consumption-dependent heating cost billing leads to CO₂ savings in buildings. Various [measures at our branches](#) help to further reduce CO₂ emissions. In addition, through our new [cooperation with GETEC](#) we would like to contribute to even more efficiency and climate protection measures.



Adding value for our customers *SUSTAINABLE USE OF INNOVATION*

SOLUTIONS

We are convinced that sustainable action and management require strong partnerships. We want to be this partner for our customers. Trustworthy, reliable and innovative. Our aim is to continuously improve the quality of our products and services and adapt them to changing requirements. In addition, we want to establish solutions on the market, particularly relating to the “connected home”.

AT THE CUTTING
EDGE WITH RADIO
PAGE 27



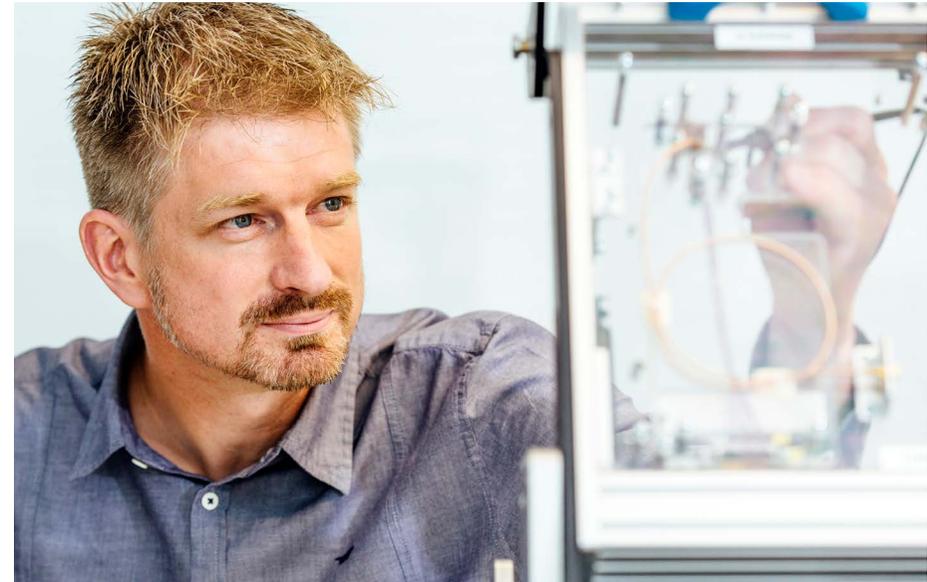
SATISFIED CUSTOMERS
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SAFE PRODUCTS
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RESEARCH AND DEVELOPMENT

To be able to make optimum use of our know-how, last April we pooled this expertise in the ista technology centre, “Technikum”, in Essen. Equipped with the latest technology, the Products employees focus on development of the entire product system platform and range of devices. All those directly involved in the product development process work closely together at one location, ranging from concept and technology development, electronics and mechanics development to quality management. Short communication paths simplify the exchange of views between the individual teams so ideas and possible solutions can be efficiently implemented. Located in the direct vicinity of head office, the Technikum offers optimal working conditions for the development of innovative products and services. With digital solutions to steer customer processes, energy management and smart buildings, we help our customers to manage their properties sustainably and therefore to increase their value.



The ista employees develop innovative products and services for our customers in the housing industry.

“The multi-family building of the future will be energy-efficient, digital and cost-effective. The Technikum acts like a laboratory where we work on making this vision reality for our customers in the housing industry.”

Achim Dicke
Senior Vice President Products

PRODUCT DEVELOPMENT AT ISTA

The Products department is responsible for the entire technical product portfolio throughout the entire product life cycle. The triad of ista product development is based on the maxims of quality, functionality and cost with the focus always on innovation and increasing efficiency. The early evaluation and adaptation of sustainable technologies is key to the development of innovative and reliable products and services in the fields of submetering, energy management, tenant safety and living comfort. By modularising new technologies in the new device system platforms to tailor them to our needs, we can deliver innovative products offering even more options for further forward-looking and novel services and even greater flexibility of use.



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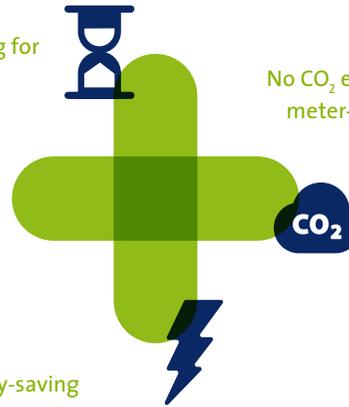


housing units looked after at the beginning of 2018 – for us proof that we can impress with suitable solutions and our professional and personal way of handling customers.

“ista is becoming digital and so are our customers. We will continue equipping the customers’ properties with “connected devices”. By doing so, we will not only be delivering cutting-edge technology but also reducing the number of service journeys.”

ADDING VALUE WITH “CONNECTED DEVICES”

Time- and cost-saving for tenants



No CO₂ emissions from meter-reader service journeys

10% energy-saving thanks to monthly consumption check

SMART MULTI-FAMILY BUILDINGS

Our aim is to find solutions that take a holistic view of buildings and offer landlords and tenants real added value for energy efficiency, process efficiency, home comfort and safety. In addition to continually optimising our core competence – the metering, billing and visualisation of energy consumption – we are systematically developing our product portfolio in the direction of the “smart multi-family building.” To achieve this, we are increasingly forging partnerships with other companies such as Dr. Riedel Automatisierungstechnik GmbH. This cooperation has produced the platform solution, “ista Smart-Building”, with which the residents of multi-family buildings can control the heating system via a display in the entrance area of their apartment and receive detailed information on their consumption behaviour. Further solutions for tenant communication, lights, roller blinds, ventilation systems and electrical appliances are also integrated into the system.

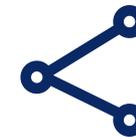
In order to make an optimal contribution, we are not only investing in research and development but also cooperating with partners from the housing industry, energy service providers and other technology companies.

DIGITAL NETWORKING WITH RADIO

Today more than 20 million of our metering devices are already “connected devices” that can digitally transmit the meter readings to our systems and servers. This would not have been possible without an extensive digital infrastructure which we have been systematically expanding for years now. It enables us to offer our customers and their tenants the latest technology and also make major progress with regard to customer service, transparency and environmental impact in future. Digital networking using radio technology means tenants no longer have to be home at appointed times for the meter reader, there is no need to travel to the tenants to read the meters so CO₂ emissions are cut and information on individual consumption can be provided in a simple and low-cost way every month. Such information offers further potential energy savings of 10% on average as the pilot project “Saving Money through Clever Heating” has demonstrated.

WORKING TOGETHER ON THE “INTERNET OF THINGS”

When it comes to digital infrastructure in the smart building of tomorrow, the “Internet of Things” plays a major role for ista. In a pilot project with Deutsche Telekom, we are currently examining how we can exploit the Internet of Things for the housing industry all over Germany. As part of the pilot project, we are evaluating data transmission via narrowband IoT, one of the most discussed innovations in machine-to-machine communications, and assessing whether this provides a basis for future developments.



31%

is the percentage of digitally networked properties in Germany in 2018.



NETHERLANDS EFFICIENT HEATING

“Mijnketelhuis”, the system solution to monitor heating efficiency specially developed and established by ista in the Netherlands, continuously records current heating demand and consumption so the heating controls are on the optimal setting. ista has now also developed a “Premium” version of the system which enables remote checking of the internal readings and configuration data of the heating boiler. It uses the manufacturer-independent communications protocol OpenTherm, which was originally developed for data exchange between the heating boiler and thermostatic controllers. In the event of a fault, a message containing internal heating status information is dispatched so the installation company can identify the source of the fault from a distance without having to first examine the heating boiler on site. This not only saves time but also cuts CO₂ emissions as it eliminates the service journey.



POLAND SMART HEATING CONTROL

ista Poland is collaborating with eGain with the aim of optimising the energy efficiency of multi-family buildings and, at the same time, improving the indoor climate for residents. Innovative algorithms combine thermal structural building features with weather forecasts to dynamically influence the heating system control and predictively optimise the temperature in the heating circuit of the building.



GERMANY COOPERATION FOR ENERGY EFFICIENCY BETWEEN GETEC AND ISTA

Since the start of this year, ista has been cooperating with the **energy service provider, GETEC**, with the aim of developing and implementing affordable climate protection efficiency measures and special services for real estate owners and their tenants. In future, landlords and tenants are to benefit from optimised energy supply, high service quality and more transparent energy consumption. This can make a crucial contribution to considerably improving the CO₂ balance of a building. At the same time, **GETEC's contracting concept** will reduce the high investment hurdles for owners.

“With this partnership we are responding to rising demand from our customers for affordable efficiency and climate protection measures. In the first step the two companies will be pooling their core skills and expertise in a sales cooperation. This means we will be able to expand our business relations and gear the product portfolio to the customers' requirements in an even more targeted manner.”

Thomas Zinnöcker
CEO of the ista Group

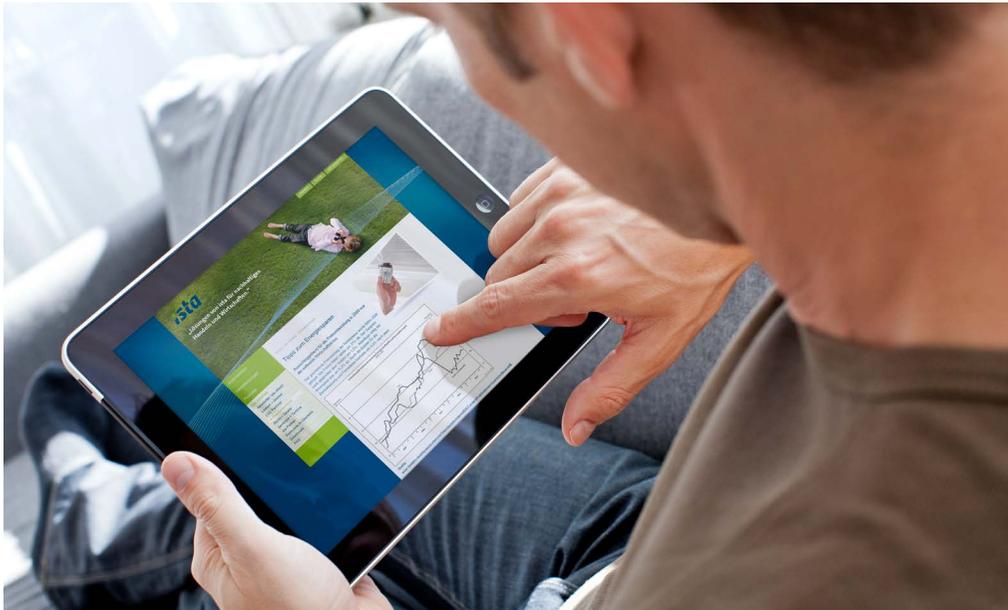


COUNTRY-SPECIFIC SOLUTIONS

When we develop products and services, the focus is on bundling and scaling international requirements. One example of this is the use of a standardised hardware platform for international radio frequencies. We can then adapt the software for this hardware to country-specific requirements so we can not only satisfy customer demands but also comply with national laws. However, country-specific solutions to meet the requirements of a particular market are also important. For example, in the reporting year, ista employees developed a new service concept for ista Italy that enables customers to also use ista's services for devices from other manufacturers. So the hardware produced and

installed by another supplier can also be included in the ista portfolio, enabling us to also offer the customer our services ranging from data recording, meter reading and billing to maintenance. In practice, the concept works as follows: the "Billing" basic module covers preparation of consumption bills in accordance with current statutory regulations and support in dealing with complaints. Additional service packages for meter reading or maintenance of any third-party devices installed can be added as modules. With its service offering for third-party devices, ista Italy is responding to the growing demand for greater flexibility in properties which already have meters from other manufacturers installed.

Thanks to digital technology, customers can view their consumption and costs regularly on the web portal and so optimise them even more easily.



QUALITY WORLDWIDE

99 % of our entire device portfolio is harmonised across our national organisations and looked after by a central engineering team. Only 1 % of the product portfolio is specific to a particular country. This harmonisation approach ensures that we can offer an entire product portfolio of consistently high quality and reliability.

SAFE PRODUCTS

The same principle applies to all our products: they must be safe for the environment and man and meet the highest quality standards. At the German locations in Gladbeck (Warehouse & Distribution Centre), Au (Manufacturing Competence Centre) and Essen (Head Office), we operate a quality management system certified to ISO 9001.

PROPER DISPOSAL

When our products have reached the end of their lives, we make sure that the individual components are professionally separated and properly disposed of. As a result, valuable resources can be recycled: for example, water meters contain brass; heat meters and heat cost allocators contain lithium batteries. We can guarantee the high-possible recycling rate as most of our devices are only rented to the customers for use and so they remain our property. For the recycling process, we prefer to cooperate with workshops for the disabled. In Germany, we are supported by the Haus Hall Foundation, and in Luxembourg by "Luxemburger Liga zur Unterstützung von Menschen mit geistiger Behinderung" (Luxembourg league to support mentally handicapped people).

IN GOOD HANDS

As a service provider, we naturally process customer and tenant data that are personal such as addresses but also individual heat and water consumption. In doing so, we strictly adhere to the principles of necessity and purpose limitation, only ever processing the data needed for the purpose of fulfilling our contract with the customer. We are legally obliged to protect such data from unauthorised access. To comply with the applicable regulations, we rely on our data protection officer and the systems that guarantee data protection for all ista's transactions on behalf of the customer that we have put in place. New statutory requirements and constantly changing threat scenarios require data protection measures to be continuously

modified in line with the state of the art. Therefore, ista also faces the challenge of constantly adapting technical refinements to the latest security standards.

It goes without saying that ista is implementing the new requirements of the EU General Data Protection Regulation (GDPR), which came into force in May 2016 and has to be applied in all EU member states from May 2018. The EU's aim with this regulation is to achieve a standard level of data protection throughout Europe. Although the EU has yet to issue specific interpretations, ista is already taking account of the requirements of the GDPR in its business processes.

ISTA LAUNCHES PROPERTY MANAGER PORTAL

In January 2018, the new cost and user data collection system was rolled out in Germany, Switzerland and Luxembourg. This is a free web application that our customers can use on the online portal for recording the cost and user data for the annual billing process. The application uses cutting-edge technology and was designed with the support of internal and external usability experts for intuitive and efficient use. The project team from the Marketing, Operations Management and IT departments is confident that the application is another important step towards process digitalisation, will considerably reduce the flood of paper and offer our customers an efficient and transparent option for fast billing. The new ista property manager portal was already rolled out in Italy in February 2017.



We explain to our customers in this video how a heating cost bill is generated.

SATISFIED CUSTOMERS

As a real estate service provider, we aspire to offer our customers and tenants the best products and services. Every year, we conduct customer surveys so we can measure how satisfied our customers are with our work. We summarise the results in a figure, the so-called Customer Retention Index (CRI). The concept of our customer survey has been in use for six years. In the light of continually changing market and customer demands, we are currently working on new ways of gaining feedback. For example, in 2017, instead of using the customer survey to gain feedback, we conducted 44 qualitative customer interviews. In this extensive exchange of views with our customers, we were able to vary the focus of the survey and ask about specific needs. This close, direct contact with the customer enabled us to identify both branch-specific peculiarities and important fields of action for ista.

Our ista employees know a lot about our customers through working with them on a day-to-day basis. In future, we want to tap into this knowledge, incorporating more of it into the surveys. We also want to use various interfaces with the customer to obtain feedback during the year as well. This is the only way we can make prompt adjustments, rectify mistakes and faults, further improve performance and strengthen cooperation with customers long-term.

WHAT IS IMPORTANT TO OUR CUSTOMERS

Basically, the results of the last CRI survey can be summarised as follows: the focus is mostly on the provision of high-quality services in the spirit of collaborative partnership. From the point of view of the customers surveyed, online platforms and system interfaces which can be used for integrated billing or simple data updates are a good way of reducing the workload and simplifying joint processes. However, the customers also appreciate direct contact with ista employees and their expertise. For example, it is important to customers to be able to contact competent, informative and flexible partners whenever any questions or problems arise.



HANDLING COMPLAINTS PROPERLY

In order to be able to react appropriately to dissatisfied customers, the role of the so-called complaints manager was greatly upgraded at ista last year and introduced at every German branch. The employees selected for this were prepared for the new position in training sessions. They were not only introduced to the processes and tasks to be expected but also given suitable communication means and methods for handling customer complaints. The training session for the first group of complaints managers was a complete success.



80%

digitally networked properties in Germany by 2021 - that is our goal.

Adding value for the environment and climate *LESS IS MORE!*

ENVIRONMENT

As a real estate service provider, we help our customers to conserve valuable resources. We would like to set a good example and also optimise consumption of energy, water and raw materials and avoid emissions in our daily work – less is more. After all, it is often a series of many, small things that ultimately leads to great savings.

SUSTAINABILITY PROJECTS
OF THE ISTA BRANCHES
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WORK TRAVEL AND
BUSINESS TRIPS
PAGE 40



ENVIRONMENTAL
MANAGEMENT AS
A KEY TASK
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ENVIRONMENTAL MANAGEMENT AS A KEY TASK

We see protecting the environment and conserving resources as a task that is at the heart of our business model and thus at the heart of ista. Sustainability management at ista is therefore organised Group-wide. As the sustainability consultant, the **Program Manager Sustainability Office** is a member of the **Sustainability Steering Committee** and as head of the Sustainability Council responsible for sustainability matters at ista. When implementing measures and projects in the respective countries, the consultant is supported by the local people responsible, the Sustainability Delegates. Central recording of the most important key figures regarding energy, emissions, water and materials gives us internal transparency and enables targeted management. For example, we see that fuel consumption accounts for the largest proportion of the **energy we consume** and our greenhouse gas emissions. We are continually optimising the process for collecting key data, conducting an in-depth analysis and optimising the previous data collection process in the reporting period. As a result, some adjustments were made to certain prior-year figures.

Practise what you preach – as a real estate service provider, we at ista in Germany will minimise our own annual energy consumption by 6.5% per employee from 2016 to the end of 2020.

STANDARDISED ENVIRONMENTAL GUIDELINES

Only if our employees get actively involved can we effectively implement and sustainably underpin the goals we have set and the measures we have planned for protecting the environment and climate. We oblige each and every employee – from our managers to our apprentices - to breathe life into resource conservation and to spread the word. To this end, we have formulated environmental guidelines that describe how we see ourselves and set the framework for our actions. We are now revising our current environmental guidelines to adjust them to continually changing demands. After the revision, which should be completed by the end of 2018, we will make the new sustainability guidelines available to our employees and stakeholders on our website.

CERTIFIED ENERGY MANAGEMENT

Since 2016, ista has been operating an energy management system that is certified to **ISO 50001**. The Management Board has ultimate responsibility for the energy management system and continuous improvement of energy efficiency. Their commitment and endeavours are evident in the “energy policy” – a written declaration. This document is accessible to every employee and is on display at all branches in Germany. In addition to ambitious goals, the top management commits to allocating sufficient manpower, material and time resources to the improvement of energy efficiency at ista. Therefore, at every German branch there is at least one colleague who, as a member of the energy team, is responsible for proactively driving ista’s energy efficiency forward. The energy team is headed and coordinated by the Program Manager Sustainability Office. An internal energy management audit is also performed at the branches in order to ensure the continuous improvement of energy efficiency. In addition, all branches are audited externally every three years by a representative of TÜV SÜD. An external audit is even conducted every year at the locations in Essen, Gladbeck and Au, which are particularly relevant for energy consumption. We thus ensure the effectiveness of the management system.



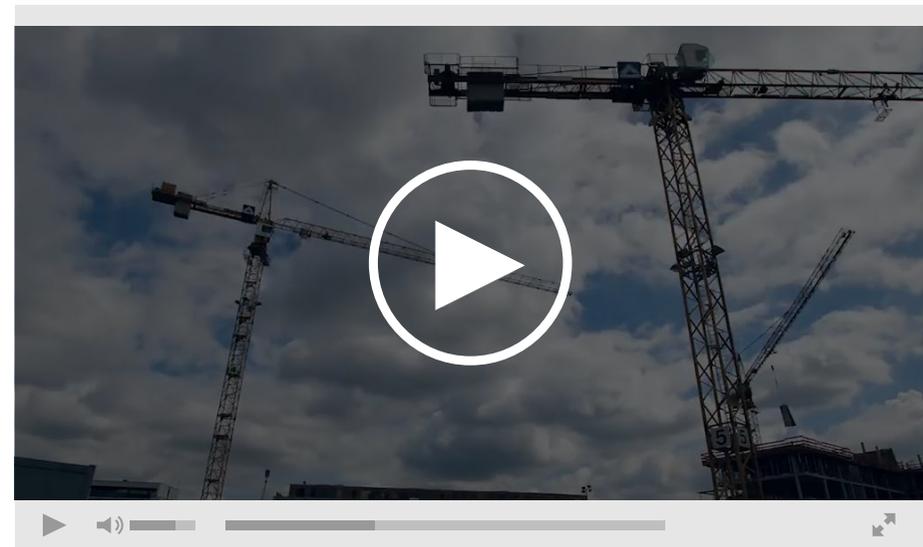
THE NEW ISTA HEAD OFFICE – ENERGY-EFFICIENT AND MODERN

ista attaches great importance to energy efficiency. Therefore, the head office in Essen is also setting new standards in resource conservation and climate protection. In the ultra-modern office building, “Silberkuhlsturm”, which, with just under 11,000 m² of floor space, offers room for about 620 employees, gas condensing boilers are used, which are particularly energy-saving. Heating, ventilation and cooling of the individual floors and office areas is provided by energy-saving ceiling sails including heat recovery. We use LED lights for lighting in order to consume as little electricity as possible. In addition, all lights at the individual workplaces, in the corridors and in meeting rooms are presence-controlled and daylight-controlled. That simply means that the light is automatically dimmed or switched off when enough light comes in from outside, an employee leaves his or her workplace or after a meeting when there is no one in the meeting room. It is also important to us to make all employees aware of the total energy consumption of the building. We are therefore currently installing an innovative energy monitoring tool that shows on a display in the foyer the main electricity, water, gas and heat consumption figures in a transparent way and therefore makes the employees’ behaviour and the savings potential visible to them.

In the new head office great importance is attached to energy efficiency. At the same time modern, bright rooms offer the ista employees ideal working conditions.



Would you like to know how the new head office was built? We have documented construction work at our headquarters in Essen.



MAKING PROGRESS COMPARABLE

ista also continued to grow in 2017. This is reflected in the higher number of employees (+3.9%) and larger office area (+1.6%). In order to permit a comparison with the previous year, we therefore record not only the absolute consumption figures but also the figures related to office area or the number of employees (in FTE = full-time equivalent). Wherever possible – depending on the landlord's consent and the technical possibilities – we measure the consumption ourselves. Since the energy management system to ISO 50001 was introduced at ista in Germany, we have improved processes and since the “base year” 2015 have had a better data basis both for electricity consumption and for heating energy consumption. We have provided all consumption figures relating to the environment together in the chapter [Key figures](#).

HEATING ENERGY

Internationally, ista increased its heating energy consumption per m² from 58.8 kWh to 63.0 kWh in comparison to the previous year although there were big differences between the different countries. In the Netherlands, for example, they managed to cut consumption by 2.9%. Using their own specially developed “[energy check tool](#)” (called “Mijnketelhuis” in the Netherlands), they compare heating requirements and consumption and can therefore heat efficiently and in line with needs.



-10%

electricity consumption
per FTE

-6%

electricity consumption
in absolute terms

ELECTRICITY

Electricity consumption fell in the reporting period compared with the previous year, both in absolute terms (-6%) and per FTE (-10%). Electricity consumption patterns showed different trends at the individual branches. Particularly in Germany, savings are being achieved, above all at the branches where they read their electricity consumption meters themselves every month or at least every quarter. Taking the period from 2015 to 2017, the savings at our branch in Dresden are about 19% in absolute terms and at our branch in Bonn even 31%. So we also see in our own processes how effective regular consumption transparency is for changing our own behaviour.

Specifically, we are aiming for a continual annual average improvement in energy efficiency of 1.3% for ista Germany and for ista International.

CERTIFICATIONS AND AUDITS WORLDWIDE

In Germany, we set up an energy management system to ISO 50001 in 2016 and acquired the relevant certification. In addition, our branches worldwide can provide proof of certification for and audits of their management systems. For example, our branches in Spain, England, Romania and Turkey have environmental management systems certified to ISO 14001. In the reporting period, energy audits to DIN EN 16247-1 were conducted at ista in France and Poland as well as at iSS Poland. ista Sweden and Romania also have a quality management system certified to ISO 9001 to ensure highest quality. Alongside our production facilities in Au, our production facilities in South-East Asia have also had the ISO 9001 certification for their quality management system since 2015.





POSITIVE FOOTPRINT

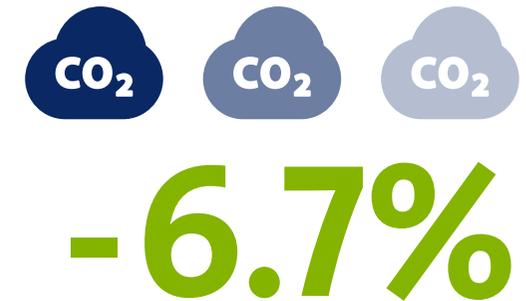
A **life cycle** taking the example of our heat cost allocator doprimo 3 radio net has shown that consumption-dependent heating cost billing saves 158 times more CO₂ than the device causes. The CO₂ emissions were calculated over the entire life cycle of the device, which is 10 years on average and includes the production of raw materials, manufacture, transport, installation, use and disposal or recycling. This positive balance has mainly been achieved through many small steps along our value chain in which we focus on keeping our CO₂ emissions in our own processes as low as possible.

CO₂ EMISSIONS

We record our greenhouse gas emissions in accordance with the Greenhouse Gas Protocol in the categories Scope 1, 2 and 3. We give detailed information on the basis for the calculations in the chapter **About this report**. The largest part of our direct CO₂ emissions (Scope 1) is caused by our vehicle fleet, followed by the combustion of fuel for heating. In comparison to the previous year, the Scope 1 emissions increased by 1 %, but relatively speaking, i.e. in relation to the number of employees (FTE), they fell by 2.8 %. By contrast, we managed to reduce our indirect CO₂ emissions (Scope 2) resulting from electricity consumption and district heat by 3 % (per employee even by 6.6 %) compared with the previous year. We also reduced our other indirect emissions (Scope 3) from the use of rental and private cars, air and train travel as well as paper consumption by 13 % (per employee by 16.5 %) compared with 2016. In sum total, our CO₂ emissions in Scope 1, 2 and 3 fell by 3 % in absolute terms - per employee even by 6.7 % in comparison to the previous year.

WATER

As a service provider, we use water primarily for sanitary purposes and as drinking water. At all branches we obtain the water we need from the local water utilities. Water consumption in the reporting year increased in absolute terms by 8 % and by 4 % per FTE compared with 2016. This figure contains the largest proportion of estimates which has, however, been reduced from 60 % in 2015 to 17.5 % now. The estimates are necessary partly because some utilities bill after the reporting deadline and partly because non-consumption-based tariffs apply.



CO₂ emissions per FTE

-8.3%

paper consumption in absolute terms

PAPER

We mainly use paper as production, printing and copying paper. Our paper consumption fell in 2017 by 8% in absolute terms compared with the previous year. The reduction was achieved in all categories – from printing and copying paper to production paper and marketing materials. Our proportion of recycled material remained at 52% in 2017 while we increased our proportion of FSC-certified paper by 106% to 24%.

The production of paper as well as the printing and dispatching of invoices or marketing materials to our customers cause CO₂ emissions that cannot be entirely avoided. However, we can offset this by supporting climate protection projects – and this we did in 2017. For example, in Germany we offset total emissions of 297.5 t CO₂ caused by paper production, printing and mailing services.

ISTA OFFSETS CO₂ EMISSIONS

PAPER PRODUCTION

Emissions cannot be entirely avoided in the production of paper that we at ista use as copying, printing or production paper. Therefore, together with ARKTIK, ista is supporting climate protection projects to offset our unavoidable emissions.

PRINTING PROCESS

We underline our efforts to protect the climate by producing printed matter, such as invoices or marketing materials, in a climate-neutral manner. To achieve this, we work with natureOffice, a provider of climate protection solutions.

POSTAL DISPATCH

ista Germany uses the climate-neutral GoGreen products and services for national and international postal dispatch. Deutsche Post offsets the greenhouse gas emissions caused by transport and logistics with projects to protect the climate.

131.9t

CO₂ emissions were offset by ista in 2017.

49.9t

CO₂ were offset by ista through a climate protection project.

115.7t

CO₂ emissions were therefore offset by ista in 2017.

CO₂ **CO₂**

297.5t

CO₂ **CO₂**

CO₂ were offset by ista in total.





NEW RECORD FOR COLLECTING OLD DEVICES

In cooperation with the non-profit company AfB (Arbeit für Menschen mit Behinderung), ista conducted a campaign for collecting old devices at all German branches in 2017. In total 307 used mobiles and tablets were collected for the good cause. The environment also benefits from the successful collection of these old devices: 53 of the 307 devices were re-sold. The remaining 254 devices and charging cables were disassembled to be used as spare parts and the components no longer required handed over to refineries so that important raw materials such as silver, gold, palladium, copper, nickel and non-metals could be recovered. Last year was the most successful since the decentralised collection campaign of ista and AfB started in 2015.

WORK TRAVEL AND BUSINESS TRIPS

The fuel consumption of our vehicle fleet accounts for by far the largest proportion of resources used. In the Group as a whole, 4 % fewer kilometres were travelled by car in the reporting period in absolute terms, and even 8 % fewer per FTE. The data and the estimates we make to fill gaps in data are based on actual consumption and not on manufacturers' figures. In Germany, new vehicles are selected in accordance with the ista company car regulations, in each case from a list of models with lower CO₂ emissions.

Basically we try to reduce air travel, but in an international company it cannot be entirely avoided. Our travel policy regulates when air travel makes sense and when alternatives, such as rail travel, should be used so ista employees travelled some 2,012,126 passenger kilometres by rail in the reporting year. This is an increase of 25 % compared with the previous year. As business customers, they travel in Deutsche Bahn long-distance trains operating on 100 % green electricity and thus CO₂-free. By contrast, the number of business trip kilometres by plane was reduced by 11 % in absolute terms, and even by 15 % per FTE.



- 4%

business trip kilometres by car



- 11%

business trip kilometres by plane



+ 25%

train journeys

EXEMPLARY SUSTAINABILITY PROJECTS OF THE ISTA BRANCHES WORLDWIDE



DENMARK ENERGY-EFFICIENT SERVER TECHNOLOGY

Since last year, three ultramodern and energy-saving servers and storage networks in Denmark have replaced the capacity of the previous 20 servers. The branch expects the replacement and modernisation of the systems to save a total of 88,000 kWh.



FRANCE SUSTAINABLE PROCUREMENT

In September 2017, the French sustainability team drew up sustainability criteria for procurement. Calls for tenders are now bound by selected environmental criteria and standards. It was on the basis of these new quality criteria that Procurement and Marketing in France decided to work in future with an environmentally certified printing company.



POLAND ECOLOGICAL SEPTEMBER

To give Polish employees the opportunity to engage intensively and interactively with the subject of sustainability, September 2017 was declared an “eco-month” in Poland. Numerous offerings, such as a “European car-free day” and an “eco-quiz”, gave scope for creativity and knowledge-sharing on the topic of sustainability.



FRANCE SMART MOBILITY

In France, ista formed a partnership with WeNow, a provider of intelligent mobility solutions for companies. Employees can use an app to access company cars as well as to directly improve their energy efficiency and neutralise CO₂ emissions.



UK ENVIRONMENTAL STANDARDS

In the UK, our colleagues have an internal audit conducted every year to ensure their status as an ISO 14001-accredited office. This audit examines resource- and energy-efficient use and environmentally safe disposal of office materials.





THAILAND
RECYCLING OF OFFICE MATERIAL

In Thailand recycling and waste separation are still not very widespread. However, the recycling of even the smallest objects can make a big difference. Therefore, our ista employees in Thailand want to raise awareness of this in their own office and since last year have been collecting used staples to then donate them to a company that makes prosthetic legs from them.



HUNGARY
ENERGY-EFFICIENT INNOVATIONS

Together with the Hungarian Institute for Energy Efficiency, ista Hungary is trying to promote the idea of “on-bill” financing. The aim is to encourage investment in the energy-efficient modernisation and equipping of multi-family buildings by spreading the cost of the modernisation work over several years in the consumption bill.



GERMANY
SERVICE CENTER LEIPZIG
CYCLING FOR A GOOD CAUSE

A total of 22 ista employees took part in Leipzig’s CITY CYCLING competition held from September 1 to 21 in 2017, mounting their bikes in the campaign for a better quality of life, greater use of bicycles and climate protection. During the three-week campaign, the cyclists entered the number of kilometres travelled in a climate-friendly manner in the online kilometre counter. Together the ista employees cycled a total of 7,227 km in 21 days. Therefore, the employees came 12th among all teams participating in Leipzig.



CZECH REPUBLIC
MOBILES FOR THE ENVIRONMENT
AND SOCIETY

Electronic waste can be found in every home but it is seldom disposed of properly, much less recycled. With their Remobil campaign, our Czech colleagues created double added value in one fell swoop. They collected old mobiles, recycled them and donated a fixed amount to a welfare organisation for every mobile collected. So 40 kg of collected electronic waste was turned into nearly 4,000 euros of donations to people with disabilities.



Adding value for employees

WE ARE ONE ISTA

EMPLOYEES

The tireless commitment of our employees, their know-how and their innovativeness are the driving forces of our company's sustained progress. Through continuous dialogue but also through targeted career advancement we challenge and encourage employees to develop their potential. We see ourselves as ONE ista and support each other on the way to a successful future.



SELECTED DEVELOPMENT
OFFERINGS
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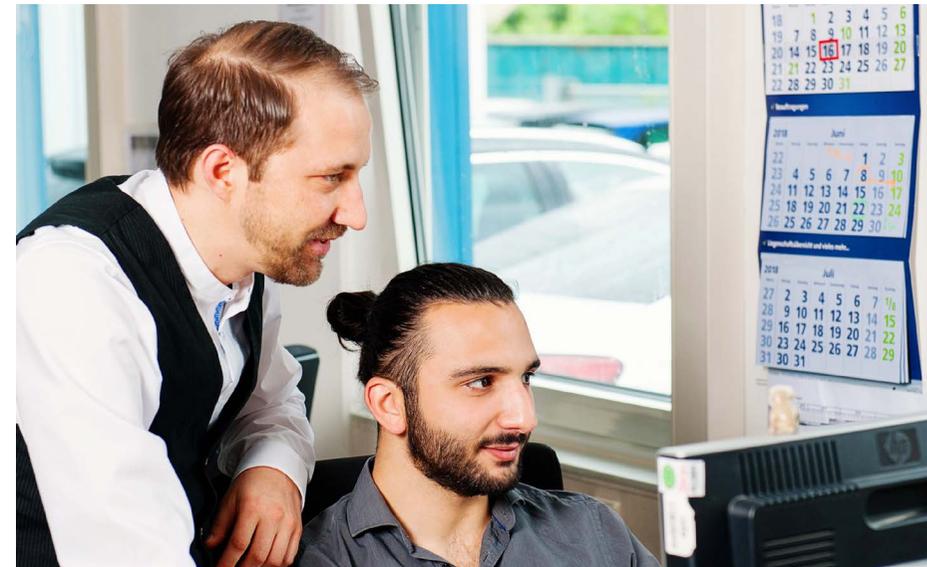
ACTIVE HEALTH
PROMOTION
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HOME-GROWN
MANAGERS
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INVESTING IN YOUNG PEOPLE MEANS BEING FIT FOR THE FUTURE

Vocational training is very important to us at ista as it ultimately means investment in tomorrow's skilled workers. To guarantee high-quality vocational training throughout the company, we further harmonised our apprenticeship standards in the ista Group in the reporting period. Taking the content of the statutory apprenticeship curricula as a basis, we developed ista's own standardised content and work assignments to be applied throughout Germany. We also defined the material that is to be taught centrally and are setting up appropriate training courses to start next year. We have increased the range of apprenticeships we offer and now not only provide commercial apprenticeships but also ones with an IT focus. A good apprenticeship does not just generate added value for ista but also performs the important function of helping young people to gain qualifications and integrate. For example, at our Stuttgart branch we enabled a **Syrian refugee** to start an apprenticeship as an industrial business management assistant.



Andreas Schmid (left), technical assistant in Stuttgart, explaining the processes at ista to the new apprentice Firas Hawasli.



AWARD-WINNING GRADUATE TRAINEE PROGRAMME

In 2018, ista's graduate trainee programme was again awarded the prestigious seal of approval by Absolventa GmbH. The results of the independent survey of the supervisors and trainees confirmed yet again this reporting year the high quality of the two-year entry programme for Bachelor or Master graduates. In three different trainee programmes, ista offers an all-round view of the finance, operations management or sales management sides of business, depending on the aptitude and interests of the trainee. With this award, ista has again positioned itself as an attractive employer for dedicated and ambitious graduates.

THE GOOD APRENTICESHIP AT ISTA

delivers added value...

- +

... for the employees
- +

... for ista
- +

... for customers and society in that we ensure competent service
- =
ADDED VALUE

DISCOVERING AND DEVELOPING TALENT THROUGHOUT THE WORLD

The apprenticeship is just one of the elements of ista's development programme for young people. We are also firm believers in cooperation agreements as a way of discovering and recruiting international talent. One example is our participation in the "Ruhr Fellowship" of Initiativkreis Ruhr, a programme that gives American students from elite universities the opportunity to do an eight-week internship in the Ruhr area. Furthermore, we offer the JUMP Management Programme, also at international level. The aim is to advance and further develop colleagues with a cross-functional leadership profile and international interests. The programme lasts 18 to 24 months and covers training, coaching, networking events and development counselling for the young talents. In the reporting year, eight participants from three different countries and different departments were inducted into the programme. Furthermore, we want to give all our employees worldwide the chance to progress in a continuous learning process. This includes the regular offering of training in improved team communication, shared values or teamwork.

A look at the different international locations shows the wide range of development and further training offerings at ista.



FRANCE

France has had a national version of the JUMP programme since 2011 – a programme that is designed to train talented people with management potential to become responsible leaders. In the reporting year, 29 young talents received targeted training at local level in a twelve-month programme to advance their careers. Alongside group training, they receive one-to-one sessions on various leadership topics.



POLAND

ISS Poland's local talent programme, the Academy for Talents, is designed to identify talented people and to develop their potential in a targeted manner, preparing them for a future in specialist, management or outside sales roles. In 2017, 15 talented staff were identified who are now doing the first module together before working in smaller groups on specific topics and challenges.



SPAIN

In order to continually offer all colleagues further training opportunities in various fields of knowledge, ista Spain is now delivering Learning Nuggets on different topics. These short learning units, which take place every Friday, can be fitted flexibly into the working day – a state-of-the-art and effective way of giving it special added value.



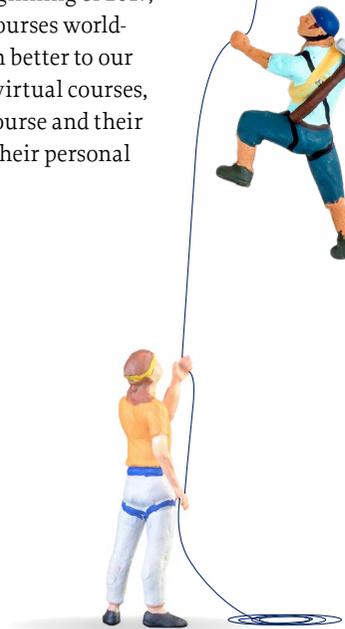
ITALY

As a lingua franca is essential for intensive collaboration at international level, ista Italy offers its employees English courses. In a relaxed atmosphere, the employees can improve their ability to speak the language in open courses while also getting to know other colleagues and having the opportunity to network with people outside their departments.



WORLDWIDE

We have also been offering our employees in Germany English courses for many years. Since the beginning of 2017, we have also been offering virtual English courses worldwide so English training can be tailored even better to our employees' individual needs. Thanks to the virtual courses, employees can now choose their language course and their training times themselves and gear both to their personal role at ista.



HOME-GROWN MANAGERS

At ista, we try to fill management roles from our own ranks wherever possible. Part and parcel of systematically securing a pool of up-and-coming talents is a reliable and regular process. In order to identify and develop talented employees, a talent management process was conducted at ista Germany in 2017. The aim is to identify employees at the branches who have the desire and the potential to take on management roles and to develop these people in a targeted manner. Part of the process was for managers to nominate suitable candidates for the talent programme. However, employees could also apply for the management programme themselves. The HR department then conducted some 50 personal interviews throughout Germany. Suitable candidates subsequently received a recommendation for inclusion on the programme together with individual development plans. The development measures started in April 2017 and will last until the end of 2018.

ODYSSEY TRAINING

Odyssey Training is a suitable self-reflection seminar for project managers and managers. In this three-day training session, each participant has the opportunity to establish where they stand in life, to reflect on this and to compare the way they see themselves with how others see them. True to the motto "Lead yourself before you lead others", the training course is based on the fundamental idea that knowing yourself better enables you to have a more open approach to others. Employees can either express an interest in this seminar themselves or can be nominated by their supervisor. In 2017, 20 people participated in the Odyssey Training programme.



LEADERSHIP TRAINING

Our internal LEADership Training programme is targeted at international managers below the Country Managers, for example operations managers, sales managers, project managers and employees who are about to take on their first managerial role. They can register for the programme either by expressing an interest themselves or by being nominated by their supervisor. The programme provides theoretical and practical training in leadership and offers an opportunity to exchange views with other ista colleagues. 10 people participated in 2017.





PROMOTING CREATIVITY

Creativity is the basis for innovation and sustainable entrepreneurship for it enables people to think outside the box. ista would like to create a work environment that encourages people to think creatively and is therefore currently in the process of creating working worlds that are as ideal as possible through ultramodern room planning at all branches. The so-called **1-2-4 Day** takes place once a year. In the run-up to it, we again held a creative competition this year to find the most successful implementation idea. In the reporting year, the prize for the winning branch was a “Think Tank” office. Based on the example of the new head office, for which such rooms for creative working have already been designed, creative labs will therefore step by step become part of office design.



Creativity is the basis for innovation and sustainable entrepreneurship for it enables people to think outside the box.

New worlds of work at the new ista head office: open corner seating invites people to exchange views with their colleagues. Teams can work creatively in think tanks - also across borders thanks to ultramodern communication technology.

OPEN AND RESPECTFUL IN DIALOGUE

Regardless of which office or geographical working environment we find ourselves in as a team, we maintain uniform communication standards based on the values of respect, openness and trust. We are convinced that talks between manager and employee should also be continual, comprehensive and open. In the reporting year, we therefore developed istaNAV, a new dialogue format. istaNAV stands for “ista Navigation” and after a pilot phase, which began in 2017, will guarantee a regular and flexible exchange of views and opinions between managers and employees and replace the previous staff appraisal interviews. On the basis of a guideline designed specially for that particular talk, the employee and their supervisor are to work together to prepare a career and personal development roadmap. Rollout of the new dialogue format has already started in Italy, France and Spain, too. Until final implementation the annual staff appraisal and target agreement interviews will remain an important and time-tested means for a direct exchange of views between supervisor and employee.

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MULTI-FACETED DIALOGUE

For ista, the unforced exchange of views on an equal footing is essential for a congenial atmosphere. It should be possible to settle problems and questions that arise in daily working life quickly and in an uncomplicated manner. ista's employees have several digital and analogue communication channels to choose from for this purpose. For example, they can use the question box on the Intranet to contact our CEO, Mr Zinnöcker, directly. The recently introduced dialogue format of the live chat provides answers from the Management Board in seconds at times announced in advance. Furthermore, we offer a 9@9 breakfast where at regular intervals eight employees have the opportunity to have breakfast at 9 o'clock in the morning with one of the Management Board members. So transparent communication is guaranteed.

REPRESENTING INTERESTS TOGETHER

Part and parcel of our open way of dealing with each other is that our employees can form trade unions, join them or conduct collective bargaining negotiations. The interests of our employees are represented by works councils in many countries. In Germany, each branch has its own works council. In the Netherlands, a works council also represents the interests of the ista employees. However, the co-determination rights of the works councils and their structure vary greatly from country to country. In Germany, we worked hard on improving cooperation with the works council in 2017. We succeeded in doing this by sharing information with the works council members at an early stage, holding detailed talks with them and involving them in relevant matters.

FEEDBACK DESIRED

We can only pinpoint potential for optimisation and develop as a company if we have open and honest feedback from our employees. Every two years, we give them the opportunity to anonymously assess our leadership culture, cooperation and work organisation. In 2017, 78 % of all employees in the ista Group took part in our employee survey, the PSI (People Survey ista). This time the questions we asked our employees included the reasons why they work at ista. The working atmosphere, good pay and colleagues were the most frequent reasons given. For the first time in the reporting year, 35 internal moderators and international HR managers attended a special training course to learn how to support managers when they discuss the results with their teams. In the follow-up process the trained moderators held 117 workshops in which appropriate measures were developed. ista has therefore created a multi-stage analysis system that gives employees the opportunity to put forward their own ideas and trigger change.

HR4YOU

Many things changed in the reporting year. The employee survey PSI, salary bands, the recruiting process, the HR IT projects and the new form of staff appraisal interviews (istaNAV) are just examples of the extended offering. In order to present the new changes in an innovative format, the HR department invited, for the first time, all managers from head office and the branch managers from the German branches to an event to discuss current HR topics. Instead of a typical one-way meeting, a so-called market place event was set up. The modern event format was used to give the managers an insight into a variety of HR topics in a relaxed atmosphere.

35



ista employees were trained in special sessions to become internal moderators and international HR managers.

“We want to create the best working conditions for our employees and a good balance between work and family life is right at the top of our list.”

Jana Eggerding-Tenhagen
Senior Vice President Corporate Human Resources

ATTRACTIVE EMPLOYER

ista is committed to offering its employees a family-friendly working environment. Therefore, we have put in place a range of offers that network, advise and support young families. At the beginning of 2018, these efforts were once again rewarded with the international “Top Employer Europe” award. ista is therefore again one of the best employers in Europe in several countries. The ista locations in Germany, France, Poland, Austria and Switzerland as well as the ista Service Centre in Romania all received the award. The certificate is conferred by the Amsterdam Top Employers Institute on companies and organisations which deliver exceptional employee conditions. In Germany, the work-life balance at ista received a particularly high score. Our HR management teams in Austria, Switzerland, Romania, France and Poland also deliver the highest standards and can compete on the global stage.

ista again received the Top Employer Award in 2018.



ELITE OSCAR FOR OUTSTANDING WORK

ista’s success hinges on our employees’ performance and commitment. Their untiring efforts are reason enough for us, as an employer, to show them appreciation and respect. Therefore, in mid-April 2018, we again awarded the Elite Oscar, which we have now been conferring on selected sales staff for 14 years in recognition of their outstanding work. With the Elite Oscar we are not only promoting the motivation and satisfaction of our employees but also offering them a platform to get to know colleagues from all over Germany and build networks at the official prize-award ceremony.

WORK-LIFE BALANCE CLOSE TO OUR HEARTS

ista specifically supports programmes and measures that promote a good work-life balance for our employees. They include, for example, a fathers' network to inform our male employees about the opportunity to take parental leave. The nationwide campaign launched by the German Ministry of Family Affairs organises events and seminars for fathers and mothers to enable parents to exchange information and views on reconciling work and family life. With the aid of an external service provider, the ista Familien Service also informs employees about child daycare places, school-holiday care and nursing care for close relatives. In addition, we offer various working time models at our branches to enable a good balance between work and private life. For example, nearly all branches have the flexitime system and in many departments employees have the possibility of part-time work, a home office or trust-based working hours.

Our experience has shown that giving employees more freedom to manage their time leads them to work more efficiently and also promotes a working atmosphere characterised by a spirit of partnership. There are also many offerings in other countries. In France, for example, social workers are an integral part of the HR team. In Poland, employees' children get a fun opportunity to see what their mum or dad does at work on the newly introduced "Mum-and-Dad-at-Work Day". In France, there is a similar project called "Live my Life", where the children of employees are introduced to a variety of jobs to give them guidance in their career choice. iSS Romania attaches particularly great importance to working together in a spirit of partnership. In addition to a monthly cinema evening in the meeting room, they organise a 30-minute meeting with the entire, steadily growing workforce so everybody can get to know each other and share views in a creative way.

EQUAL PAY FOR EQUAL WORK

At ista, we take the principle of equal pay for equal work very seriously. We determine pay equity on the basis of the specific demands of a particular job. This leads to gradations to which we assign a salary band or a collectively negotiated pay group. The overarching goal is that the pay principles are based on the demands of the job and not on individual agreements. In order to ensure we keep to this goal in the long term, we use statistical procedures to regularly check whether groups of employees are being paid differently in relation to other employees because of their gender or part-time working rules. The increasing measurement of bonuses on the basis of company goals also makes for fair and transparent variable remuneration and, in addition, encourages work on a shared agenda. Furthermore, in 2017 we continued work on harmonising the pay structures, reduced the variable pay component and linked the bonus for more groups of employees to the results of the company. Salary bands were also introduced at ista in the Netherlands to create an objective decision-making aid for determining the pay level of individual employees.



Statistically speaking, no pay discrimination on the basis of gender was found at head office in Essen. Male and female employees with employment contracts not subject to collectively negotiated pay scales are on a par with each other. The much smaller proportion of employment contracts subject to collectively negotiated pay scales showed a difference of just under three percentage points but this can be explained by the fact that the female employees are, on average, three years younger and therefore have less work experience.

50%



of the employees and 33.5% of the managers were female at the end of 2017.

ACTIVE HEALTH PROMOTION

However, it is not only fair pay that is part of our HR management and important to our employees but workplace health also plays a key role. For only healthy employees are motivated employees. In 2017, our employees were absent for 7.4 days on average (2016: 7.6 days). Therefore, the sickness rate fell slightly to 3.3 % compared with the previous year (3.4 %). There were 17 workplace accidents in Germany. We try to actively prevent physical and mental health problems caused by one-sided strain on the body of an office job or stress from excessive work demands. In 2017, we organised health days at head office and at the branches. Free eye examinations and flu vaccinations were also part of the health agenda. In addition, our sales staff were able to attend a seminar on “Mindfulness in Sales”. At various branches, employees receive health-promoting massages if they need them - massages which we sometimes also subsidise. We also offer a 50 % subsidy on memberships of selected gyms. The cooperation agreements also apply to the employees’ partners or spouses. In addition, the employees can also obtain external advice on physical or mental health issues or take part in stress management training and company runs. Furthermore, employees all over Germany can use an external service provider to find childcare places for their children and residential care places for their relatives or to receive advice on care. In 2017, we started performing a psychological risk analysis at three branches and tested various methods. The aim is to reduce the risks to the mental health of the employees. The first results are now in and are currently being processed so that specific measures can be implemented in the next stage.

HEALTHY EATING

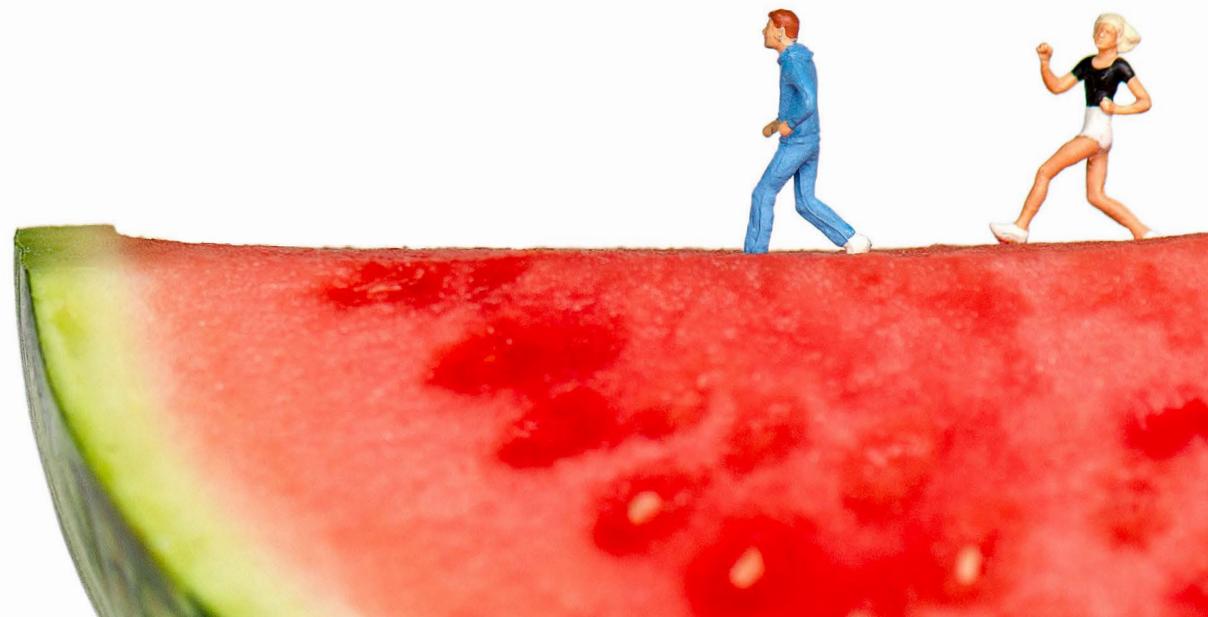
Healthy eating is already being actively encouraged at many of our branches in Germany and worldwide. Free fresh fruit is supplied in Hanover, Potsdam, Kassel, Karlsruhe and Stuttgart as well as in our international locations such as Belgium and Romania.

ITALY

A break room with table football and a reading corner was also set up for the employees in Italy. Furthermore, 33 employees were trained in occupational health and safety, fire prevention and first aid. A total of 41 employees took part in the health check.

41 

employees of ista Italy took part in health checks.



Adding value for our society *TOGETHER ON THE ROAD TO GREATER ENERGY EFFICIENCY*

DIALOGUE

We are convinced that environmentally friendly action has to start in the mind. We are therefore promoting our society's awareness of greater energy efficiency and thus greater environmental protection. In addition to maintaining close contact with our customers, politicians and associations, we are involved through our memberships of initiatives and organisations. We also create added value for society through projects, particularly in educational establishments.



ISTA SCHOOLS IN
ENERGY EFFICIENCY
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IN DIALOGUE WITH
CUSTOMERS
PAGE 54

GETTING ACTIVE WITH
THE CLIMATE BOX
PAGE 56

EXCHANGING VIEWS WITH POLITICIANS

The energy transition is a cross-generational, societal and political project. The energy transition can only succeed if politicians, society and companies continuously exchange views and work on solutions together. We therefore regard it as part of our social responsibility to share our knowledge of energy efficiency. So we are supporting a fact-based, opinion-forming process which is necessary to create the statutory framework required. As a company working at the interface between the property, energy and digital industries, we are a competent partner of politicians – both at national and international level. Our political activities are subject to stringent transparency and compliance rules. For example, ista supports the “transparent member of parliament” project and is entered in the transparency register of the European Commission.

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OUR ENGAGEMENT IN EUROPE

At European level, we have been an active member of the “Energy Solutions” network since 2017. Together with EU parliamentarians and other companies, we are working on a holistic approach for the successful implementation of the European Energy Union. In this way, we would like to support approaches that promote an efficient and climate-neutral energy policy across national borders.

As a result of the implementation of the submetering requirements of the European Energy Efficiency Directive (EED), ista is now more active in some European countries. To make tenants more aware of the benefits of submetering, we also support Europe-wide industry associations that explain to the consumers the advantages of submetering and the effect on environmental and climate protection. For example, in Italy this is ANCCA (Associazione Nazionale Contabilizzazione del Calore e dell'Acqua), or in Spain AERCCA (Asociación Española de Repartidores de Costes de Calefacción). In collabo-

ration with Matászs – a Hungarian trade association of district heating utilities - ista Hungary has also set up a website where consumers can obtain information on the advantages of consumption-dependent billing, heat cost allocators, heat meters and their billing.



ista is engaged throughout Europe, for example as a member of the “Energy Solutions” network.

We therefore regard it as part of our social responsibility to share our knowledge of energy efficiency. So we are supporting a fact-based, opinion-forming process which is necessary to create the statutory framework required.

ISTA AS AN ACTIVE PARTNER

In addition to sharing views with political players, we are also committed at association level to the success of the energy transition. Associations and interest groups are an important platform for ista where we can discuss key topics with other stakeholders and gain new perspectives. At the same time, we can also give common interests added weight. This is why we place great emphasis on active association work and an intensive exchange of opinions. Consequently, we are a member of various associations, initiatives, working groups, federations and committees.

We have based our sustainability strategy on the [UN Sustainable Development Goals](#). For us, this proves that we are actively committed to achieving the global sustainability goals and we accept our responsibility in the international community. The fact that we report in accordance with the G4 guidelines also demonstrates our commitment to the principles of the GRI as regards transparent and comparable communication of our performance on sustainability.

CLIMATE-NEUTRAL LIVING

ista has also been a member of the [“Allianz für einen klimaneutralen Wohngebäudebestand”](#) (Alliance for Climate-neutral Housing) since 2016. This is an alliance of the housing industry, industrial companies, associations and research facilities. The Alliance is working on solutions for a climate-neutral residential housing stock by 2050. Its aim is to significantly reduce heat consumption in residential properties at economically acceptable cost and cut CO₂ emissions in the heating sector. Thanks to its joint work, the Alliance is therefore making an important contribution to the goals of the German government's Climate Action Plan 2050.

G4-26

IN DIALOGUE WITH CUSTOMERS

Alongside our involvement in associations and at political level, we always maintain close contact with our customers. In order to understand our customers' needs even better, we conducted 44 qualitative customer interviews in the reporting period. The interviewees included private customers, home owner associations and managers of rental properties, housing cooperatives, churches and non-profit organisations, municipal housing companies and private-sector professional commercial owners and

stock corporations. The talks with customers from all segments of the housing industry provide us with more in-depth information on the expectations and needs of our stakeholder groups. For it is only if we are aware of the challenges our customers face that we can develop appropriate solutions for them. You will find the interviews with our customers at [INSIDEista](#).



44 qualitative interviews help us to understand our customers' needs even better

KEY MEMBERSHIPS & COOPERATION PARTNERS

- ARGE - Trade Association of Heating and Water Cost Allocators
- B.A.U.M. - German Environmental Management Association
- BDI - Federation of German Industries
- BDEW - Federal Association of the Energy and Water Industries
- Bitkom - German Association for IT, Telecommunications and New Media
- DDIV - Umbrella Association of German Property Managers
- DENEFF - German Industry Initiative for Energy Efficiency
- DV - German Association for Housing
- GdW - Umbrella Organisation of the German Housing Industry)
- Energy Solutions
- E.V.V.E. - European Association for Energy Cost Allocation
- European Federation for Living (EFL)
- ICG - Corporate Governance Initiative of the German Real Estate Industry
- Initiativkreis Ruhr
- NABU Building Alliance)
- UN Global Compact
- German Network of Engaged Companies and Non-profit Intermediary Organisations
- ZIA - German Real Estate Trade Association
- WISL- Wiesloch Institute for Systemic Solutions



The pupils thoroughly test the metering technology.

ISTA SCHOOLS IN ENERGY EFFICIENCY – A PROJECT FOR GREATER CLIMATE PROTECTION IN SCHOOLS

Only people who have transparent information on their personal consumption behaviour can take action themselves to save energy, cut costs and reduce CO₂ emissions. This not only applies to private housing but also to public buildings. With the initiative “ista schools in energy efficiency”, we are raising pupils’ awareness of climate protection and energy efficiency, thus empowering them to actively shape the energy transition.

The official starting gun for “ista schools in energy efficiency” sounded at the end of 2016. As one of the main sponsors of the European Green Capital – Essen 2017, we equipped five secondary schools in Essen with the latest technology for metering energy consumption in time for the 2017/18 school year. The energy consumption is evaluated and displayed on large-format information screens in each school so it is not only the teaching staff but also the pupils who can directly view their energy consumption. In this way, the young people are made conscious of the amount of energy consumed in their classrooms – and can discuss together in class how they can save energy through simple action.

“ista schools in energy efficiency’ is an important project for changing people’s mindset in the Ruhr metropolis.”

Karola Geiß-Netthöfel
Regional Director of Regionalverband Ruhr

The teaching concept was developed in collaboration with the teaching staff of the schools involved and the climate protection officer of the city of Essen. Furthermore, ista supports the pupils on-site and provides classroom support materials for the schools, covering topics from technical details to energy-saving tips.

Even after the end of the project period, ista lets the schools keep the hardware installed for further use in order to achieve a lasting effect. We also want to roll out and get the project established throughout Germany this year. In cooperation with other partners, we want to ensure that schools all over Germany benefit from this educational concept.



AWARD - WINNING!

In February 2018, KlimaExpo.NRW and the state government of North Rhine-Westphalia included “ista schools in energy efficiency” in the state-wide exhibition on climate protection and commended the exemplary commitment to climate protection. As an initiative of the NRW state government, KlimaExpo.NRW will be showcasing positive examples of climate protection in and from North Rhine-Westphalia in 1,000 steps up to 2022. The educational project “ista schools in energy efficiency” is step 284 on the road to a climate-friendly future.

**THE STORY OF ISTA SCHOOLS
IN ENERGY EFFICIENCY**



April and July 2017
“Energy detective”
workshops

November 2017
A school lesson on
heating technology at
five Essen schools

February 2018
KlimaExpo.NRW and
the NRW state government
commend “ista schools in
energy efficiency” as
an outstanding
pioneering project.

May 7, 2018
Presentation of the
climate box at the
Energietage in Berlin.

- **January 2017**
Start of “ista schools in energy efficiency” project
- **February 2017**
First workshops at the climate conference at an Essen comprehensive school
- **July 2017**
Kickoff event of the project at Essen-Überruhr grammar school (GEÜ) “GEÜ goes green”
- **November 2017**
ista and the non-profit association BildungsCent e.V. launch a nationwide educational initiative for climate protection at schools. Pupils create the climate box in a creative workshop.
- **April 2018**
18 pupils test the first climate box.



**GETTING ACTIVE WITH
THE CLIMATE BOX**

The aim of “ista schools in energy efficiency” is to make young people more aware of energy efficiency and to empower them to use energy in a more responsible way. Together with the non-profit association, BildungsCent, ista is launching a nationwide initiative to educate pupils in climate protection at 100 schools throughout Germany, which will receive a climate box in the autumn of 2018. Pupils can use the climate box to become active in climate protection – for example, by detecting energy weak points in their school building with various metering devices or by implementing their own climate protection concepts for their school with the aid of innovative learning materials. The special feature: the contents of the climate boxes were put together by pupils at the Holsterhausen comprehensive school in Essen in a creative workshop in November 2017 as part of the educational project “ista schools in energy efficiency”. In April 2018, the pupils put the finished prototypes of the climate box to a final test. The verdict was unanimous: the climate box is everything they expected. A few weeks later, two of the girl pupils went to Berlin where they presented their climate box to the public for the first time at the Energietage conference.

ABOUT THIS REPORT

Under the title *Adding Value*, our Sustainability Report 2017 informs our stakeholders about the progress we have made in the reporting year in the implementation of our sustainability strategy, the achievement of our goals and the introduction of action.

SUSTAINABILITY REPORT 2017

The Sustainability Report 2017 is the eighth sustainability report of ista¹. At the same time, it represents the progress report for the Global Compact of the United Nations. In addition, we are reporting the information in our Sustainability Report in accordance with the German Sustainability Code for the second time in succession. The relevant declaration can be viewed [here](#) from the end of July 2018.

G4-17

FRAME OF REFERENCE

The report includes 45 companies worldwide and is based on the key figures for the 2017 calendar year.

G4-22

KEY FIGURES AND AUDIT

The key figures regarding the workforce structure in the chapter Employees were recorded as of December 31, 2017. The specific key environmental figures, on the other hand, are based on the average full-time equivalent (FTE) of 2017 and, in addition to the 45 companies, also include ista Luxembourg GmbH S.à r.l. Selected employee key figures, for example the number of training days per head, are also determined on this basis.

Selected key environmental performance figures for the 2017 financial year were the subject of an audit with limited assurance conducted by KPMG AG Wirtschaftsprüfungsgesellschaft. Audited key figures are identified in the Over-

view of Key Figures by a  symbol. The audit certificate can be viewed [here](#).

We professionalised recording of the key environmental figures still further in the reporting year and so the number of estimates remains small. The proportion of data based on key estimates is around 4 % for electricity consumption, some 18% for water consumption and about 12% for gas and district heat consumption. In this report, we have corrected some of the key figures for 2016 as the consumption figures were not yet available for all branches on the publication date of the sustainability report 2016. In 2017, we made changes to the estimate methods and also applied them to the previous year. This has resulted in changes to some of the data reported last year. The key figures affected have a footnote to that effect. As the revised estimate methods were also applied to the previous year's data, statements regarding the development of the key figures are, nevertheless, still valid.

In calculating the CO₂ emissions, we comprehensively updated the conversion factors used as a basis. The conversion factors are now based on sources of the Statistical Office of the European Union (EUROSTAT), the European Environment Agency (EEA), the Federal Motor Transport Authority (KBA), the International Council on Clean Transportation (ICCT) and the German Association of the Automotive Industry (VDA). The revised emission factors were also applied to the previous year. The emission figures affected are identified in footnotes in a similar way to the changes described above. As the revised conversion factors were also applied to the previous year's data, statements regarding the development of the key figures are, nevertheless, still valid.

When balancing CO₂ equivalents, we converted the other greenhouse gases emitted (e.g. methane) into CO₂ emissions in line with their impact on the climate and then stated

them, together with the CO₂ emissions, as CO₂ equivalents. In determining our CO₂ footprint, all train kilometres, also those with Deutsche Bahn, were calculated with an average factor of 38 g CO₂/passenger km.

EDITORIAL NOTES

The copy deadline for this report was May 25, 2018. To improve readability, we have avoided using both genders and only use the masculine form. However, the feminine form is also meant. The sustainability report of ista appears annually. The next report will probably be published in the summer of 2019.

G4-18

GUIDELINES AND REPORT PREPARATION

In our reporting, we comply with the internationally recognised guidelines of the Global Reporting Initiative (GRI). We are also reporting this year according to the version GRI G4 and satisfy the “in-accordance-core” option. This report has also been verified by the Materiality Disclosures Service of the GRI. The correct positioning of the G4 materiality disclosures (G4-17 - G4-27) has been confirmed by the GRI. In preparation for this Sustainability Report, we validated the existing materiality analysis. For this purpose, the Sustainability Steering Committee reviewed and discussed the relevance of the key topics from the stakeholders' and business perspectives in early 2018. We have shown the results in the chapter [Materiality](#).

¹ ista relates to Trionista TopCo GmbH and its 45 companies worldwide.

G4-19, G4-20, G4-21, G4-23

MATERIAL GRI ASPECTS

The following table provides an overview of the topics we have defined as material. It assigns the relevant GRI aspects to these topics and shows whether the topics reported have ecological and social impacts inside or outside our company.

Topic	Aspects	Inside/Outside	Chapter
Offer innovative products and services	Products and services; economic performance; ista-specific aspect "Research and development"	Outside	Solutions
Ensure customer satisfaction	Customer health & safety; labelling of products and services	Outside	Dialogue
Apply fair business practices	Compliance; anti-competitive behaviour; the fight against corruption; ista-specific aspect "Price policy"; freedom of association and collective bargaining; child labour; forced or compulsory labour.	Outside	Sustainability management
Make a contribution to climate protection	Products and services; economic performance	Outside	Solutions
Create awareness	ista-specific aspect "Create awareness"	Outside	Dialogue
Act in an eco-friendly manner in our own company	Materials; energy; water; emissions; transport	Outside	Environment
Drive smart living forward	ista-specific aspect "Smart living"	Outside	Solutions
Make the supply chain sustainable	Assessment of suppliers as regards ecological aspects, human rights, work practices, social impacts; freedom of association and collective bargaining; child labour; forced or compulsory labour	Outside	Sustainability management
Further develop employees	Employment; vocational and further training; diversity and equal opportunities; equal pay for men and women; equal treatment	Inside	Employees

KEY FIGURES

FINANCES

SIZE OF THE ORGANISATION

	2017 ¹	2016 ¹
Branches	45 in 23 countries	49 in 23 countries
Sales	€ 877.4 m	€ 847.2 m
Total capitalisation	€ 4,196 m	€ 4,186 m
of which liabilities	€ 3,948 m	€ 3,956 m
of which equity	€ 248 m	€ 230 m
Products and services ²	45	45
Total investment (CAPEX)	€ 137.9 m	€ 134.4 m
Acquisitions and sales 2017	<ul style="list-style-type: none"> • Sale of Genek Gesellschaft für Energie-einkauf mbH & Co. KG, Duisburg, Germany 	
Acquisitions and sales 2016	<ul style="list-style-type: none"> • Acquisition of ista Varmemålerservice AS, Bergen, Norway • Acquisition of S.L.E.C. S.à r.l, Courbevoie, France • Acquisition of BGS Betriebskosten Geräte Software GmbH, Leipzig, Germany • Discontinuation of operating activities of ista Brasil Servicos de Energia Ltda., Sao Paulo, Brazil • Incorporation of istaDES B.V., Schiedam, Netherlands • More business activities were acquired in Spain. 	

¹ Consolidated financial statements of Trionista TopCo GmbH.

² Worldwide ista has 45 product/service groups such as water or heat meters which, in Germany alone, are offered to customers as 1,500 individual articles.

EMPLOYEES

SICKNESS RATE BY REGION

	2017	2016
ista Group	3.3%	3.4%
ista International	3.0%	3.5%
Central Europe (excl. D)	2.7%	2.5%
West, East and South Europe (excl. F)	2.2%	1.6%
North Europe	1.5%	2.2%
Emerging Countries	0.7%	0.7%
ista Germany	4.4%	4.9%
ista France	4.5%	4.4%
ista Shared Services (Poland & Romania)	3.4%	3.7%

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND TYPE OF EMPLOYMENT

	2017	2016
Total number of employees	5,964	5,816
of whom with permanent employment contracts ¹	4,975	4,669
of whom with fixed-term contracts	989	1,020
of whom full-time employees	5,497	5,225
of whom part-time employees	467	463
of whom apprentices	118	127

¹ excl. apprentices

AGE STRUCTURE OF THE WORKFORCE¹

	2017	2016
Under 26	564	480
26–35	1,931	1,980
36–50	2,345	2,182
Over 50	1,124	1,047

¹ excl. apprenticesWORKFORCE BY REGION AND GENDER¹

	2017			2016		
	Female	Male	Total	Female	Male	Total
Central Europe (excl. D)	110	115	225	87	117	204
ista Germany	780	739	1,519	737	673	1,410
ista France	259	438	697	239	432	671
North Europe	115	140	255	116	140	256
West, East, South Europe (excl. F)	443	819	1,262	439	885	1,324
Emerging Markets	49	94	143	50	101	151
ista International	143	299	413	117	271	388
ista Shared Services	1,101	320	1,421	994	291	1,285

¹ excl. apprentices

TURNOVER BY REASON FOR EMPLOYMENT TERMINATION AND RECRUITMENT RATE

	2017	2016
Termination by employee	406	372
Termination by ista	328	232
End of fixed-term contract, retirement, seasonal termination or similar	134	239
Total turnover	868	843
New recruits	1,077	1,118
Rate (in %)¹	15.1%	15.6%

¹ total number of departures (divided by total workforce minus total number of new recruits plus total number of departures)

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

	2017	2016
France	100%	100%
Spain	85%	85%
Germany	100%	100%
Denmark	70%	70%
Belgium	40%	40%
Italy	100%	100%
Netherlands	100%	100%

ENVIRONMENT

✓ CONSUMPTION OF ELECTRICITY AND HEAT WITHIN THE ORGANISATION

	2017	2016 ¹
Electricity consumption	18,655 GJ	19,950 GJ
Total heating energy	21,563 GJ	21,054 GJ
of which gas	17,167.46 GJ	17,084.62 GJ
of which heating oil	-	-
of which district heat	4,395.58 GJ	3,968.96 GJ

¹ figures adjusted in the light of data now available.

✓ ENERGY CONSUMPTION OF VEHICLES WITHIN THE ORGANISATION

Energy consumption	2017			2016 ¹		
	Litres	Gigajoules	Per cent (of GJ)	Litres	Gigajoules	Per cent (of GJ)
Fuel company fleet	2,658,488	95,142	-	2,625,302	94,023	-
of which diesel	2,460,834	88,501	93	2,458,945	88,433	94
of which petrol	197,655	6,641	7	166,358	5,590	6
Fuel rented vehicles	186,050	6,641	-	260,534	9,306	-
of which diesel	164,904	5,931	89	233,525	8,398	90
of which petrol	21,146	710	11	27,009	908	10
Fuel private vehicles	66,129	2,292	-	67,026 ¹	2,328	-
of which diesel	29,498	1,061	46	32,032	1,152	49
of which petrol	36,631	1,231	54	34,994	1,176	51

¹ Owing to the changes in estimate methods and emission factors, the relevant prior-year figures have been retroactively adjusted.

✓ ENERGY INTENSITY

Energy consumption (electricity, heating & fuel)	2017	2016
per employee	26 GJ	28 GJ

✓ TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

in tonnes of CO ₂ equivalent	2017	2016 ¹
Direct greenhouse gas emissions (Scope 1)		
due to consumption of gas and heating oil	893	888
due to the company vehicle fleet	6,980	6,902
Indirect energy-related greenhouse gas emissions (Scope 2)		
due to electricity consumption	2,581	2,691
due to district heat and cooling	247	223
Further indirect greenhouse gas emissions (Scope 3)		
due to rented cars	486	682
due to private vehicles	175	176
due to air travel	1,513	1,701
due to train travel	76	61
due to paper consumption	441	481

¹ Owing to the changes in estimate methods and emission factors, the relevant prior-year figures have been retroactively adjusted.

✓ DEVELOPMENT OF GREENHOUSE GAS EMISSIONS

(absolute changes compared with the previous year)

in tonnes of CO ₂ equivalent	2017	2016 ¹
Heating energy	28	-44
Vehicle fleet	78	276
Electricity	-110	-38
Transport	-369	-145
Paper consumption	-39	96
Total	-413	145

¹ Owing to the changes in estimate methods and emission factors, the relevant prior-year figures have been retroactively adjusted.

✓ PAPER USED BY WEIGHT – PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS

Paper consumption	2017		2016 ¹	
	Kilograms (total)	Per cent	Kilograms (total)	Per cent
Total	455,100	-	496,185	-
Printing and copying paper	121,437	-	121,644	-
of which recycled	35,788	29	38,277	31
Production paper	238,055	-	256,951	-
of which recycled	178,359	75	198,676	77
Share of recycled paper in printing and copying paper and production paper		60		63
Notepads	3,017	-	6,730	-
of which recycled	245	8	5	0
Envelopes	31,337	-	33,237	-
of which recycled	20,815		22,146	67
Marketing materials	61,255	-	77,623	-
of which recycled	3	0	171	0
Total recycled paper	235,210	52	259,275	52

¹ Owing to the changes in estimate methods and emission factors, the relevant prior-year figures have been retroactively adjusted.

✓ TOTAL WATER WITHDRAWAL

	2017	2016 ¹
Quantity of water withdrawn	23,415 m ³	21,693 m ³
of which well water	-	-

¹ Owing to the changes in estimate methods and emission factors, the relevant prior-year figures have been retroactively adjusted.

GRI G4 CONTENT INDEX



The ista Sustainability Report 2017 has been prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) and satisfies the “in-accordance-core” option. The currently valid G4 guidelines have been applied.

GRI indicator	Page	External assurance	UNGC
GENERAL STANDARD DISCLOSURES			
Strategy and Analysis			
G4-1 Statement by the most senior decision-maker	2	No	1–10
Organisational Profile			
G4-3 Name of the organisation	ista International GmbH	No	
G4-4 Primary brands, products and services	27	No	
G4-5 Location of the organisation's headquarters	Essen, Germany	No	
G4-6 Countries where the organisation has significant operations	11	No	
G4-7 Nature of legal form and ownership	12	No	
G4-8 Markets served	11	No	
G4-9 Scale of the organisation	12, 59	No	
G4-10 Employees by employment contract, gender and region	59, 60	No	6
G4-11 Percentage of total employees covered by collective bargaining agreements	60	No	1, 3
G4-12 Description of the organisation's supply chain	21	No	
G4-13 Significant changes during the reporting period	57	No	
G4-14 Implementation of the precautionary principle	2, 18, 19, 31	No	7
G4-15 Support of external initiatives	19, 23–25, 54	No	1–10
G4-16 Memberships of associations and advocacy organisations		No	
Identified Material Aspects and Boundaries			
G4-17 List of all entities included in the organisation's consolidated financial statements	57	No	
G4-18 Process for defining the report content	17, 22, 57	No	
G4-19 All material aspects	58	No	
G4-20 Material aspects within the organisation	58	No	
G4-21 Material aspects outside the organisation	58	No	
G4-22 Restatements of information provided in previous reports	57	No	
G4-23 Significant changes in the scope and aspect boundaries	22, 58	No	

GRI indicator	Page	External assurance	UNGC
Stakeholder Engagement			
G4-24 Stakeholder groups engaged by the organisation	22	No	1–10
G4-25 Identification and selection of stakeholders	22	No	
G4-26 Organisation's approach to stakeholder engagement including frequency of engagement	22, 48, 53	No	
G4-27 Key topics and concerns of the stakeholders and the organisation's response	22	No	1–10
Report Profile			
G4-28 Reporting period	57	No	
G4-29 Date of most recent previous report	June 2016	No	
G4-30 Reporting cycle	Annual	No	
G4-31 Contact point for questions regarding the report	67	No	
G4-32 The "in-accordance" option and the index selected	57, 63	No	
G4-33 External assurance of the report	57	–	
Governance			
G4-34 Governance structure including committees of the highest governance body	12	No	1–10
Ethics and Integrity			
G4-56 Values, principles and norms of behaviour	18, 19	No	1–10
SPECIFIC STANDARD DISCLOSURES			
Economic			
Aspect: Economic performance – Management approach	13–16	No	
G4-EC-2 Financial implications, risks and opportunities for the organisation's activities due to climate change	13–16 No quantification of the financial implications of climate change and the handling of opportunities or risks.	No	7
Environmental			
Aspect: Materials – Management approach	34, 35	No	7, 8
G4-EN1 Materials used by weight or volume	62 Quantities of materials refer to office sites. Here, paper is the most important input material.	Yes, for paper consumption Link	7, 8
G4-EN2 Percentage of materials used that are recycled input materials	62 For paper	Yes, for paper consumption Link	7, 8
Aspect: Energy – Management approach	34, 35	No	7, 8
G4-EN3 Energy consumption within the organisation	61	Yes, for electricity, heat and vehicles Link	7, 8
G4-EN5 Energy intensity	61	Yes Link	8
Aspect: Water – Management approach	34, 35	No	7, 8
G4-EN8 Total water withdrawal by source	62 Not by source	Yes Link	7, 8
Aspect: Emissions – Management approach	34, 35, 38	No	7, 8
G4-EN15 Direct greenhouse gas emissions (Scope 1)	38, 61 Biogenic emissions are not material for ista.	Yes, for gas, fuel oil and company car fleet Link	7, 8

GRI indicator	Page	External assurance	UNGC
G4-EN16 Energy indirect greenhouse gas emissions (Scope 2)	38, 61	Yes, for electricity consumption, district heat and cooling Link	7, 8
G4-EN17 Other indirect greenhouse gas emissions (Scope 3)	38, 61 Biogenic emissions are not material for ista.	Yes, for rental cars, private vehicles, air and train travel and paper consumption Link	7, 8
G4-EN19 Reduction of greenhouse gas emissions	38, 61	No	8
Aspect: Products and services – Management approach	13–16, 25, 27	No	7–9
G4-EN27 Mitigation of environmental impacts of products and services	31, 38-40 No quantification of action	No	7–9
Aspect: Compliance management approach	18, 19	No	
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	None	No	
Aspect: Transport – Management approach	35, 40	No	8
G4-EN30 Significant environmental impacts of transporting products	40	No	8
Aspect: Supplier environmental assessment – Management approach	21	No	
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	21 No indication of percentage	No	
Labour Practices and Decent Work			
Aspect: Employment – Management approach	14, 16, 43–46	No	6
G4-LA1 New employee hires and employee turnover	60 No breakdown of new employee hires and employee turnover by age group, gender and region	No	6
Aspect: Training and education – Management approach	44, 45	No	
G4-LA9 Average number of hours of training	48 The total number of hours of training was not recorded	No	
G4-LA10 Programmes that support the continued employability of employees	51 ista offers no transition assistance programmes.	No	
G4-LA11 Percentage of employees receiving regular performance and career development reviews	48 Percentage was not recorded	No	
Aspect: Diversity and equal opportunity – Management approach	45, 50	No	6
G4-LA12 Composition of governance bodies and breakdown of employees according to indicators of diversity	12, 50, 60 No breakdown by age groups of management and minorities; no indication of percentage	No	6
Aspect: Equal remuneration for women and men – Management approach	50	No	1, 6
G4-LA13 Ratio of the basic salary and remuneration of women to men	50	No	1, 6
Aspect: Supplier assessment for labour practices	21	No	
G4-LA14 Percentage of new suppliers that were screened using labour practices – Management approach	21 No indication of percentage	No	
Human Rights			
Aspect: Non-discrimination – Management approach	50	No	1, 2, 6
G4-HR3 Incidents of discrimination and corrective action taken	No known incidents	No	1, 2, 6
Aspect: Freedom of association and collective bargaining – Management approach	48	No	1–3
G4-HR4 Operations and suppliers in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights	21	No	1–3

GRI indicator	Page	External assurance	UNGC
Aspect: Child labour – Management approach	21	No	1, 2, 4
G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labour and measures taken	21 No operations have significant risk	No	1, 2, 4
Aspect: Forced or compulsory labour – Management approach	21	No	1, 2, 5
G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour and measures taken	21 No operations have significant risk	No	1, 2, 5
Aspect: Supplier human rights assessment – Management approach	21	No	
G4-HR10 Percentage of new suppliers that were screened using human rights criteria	21 No indication of percentage	No	
Society			
Aspect: Anti-corruption – Management approach	18, 19	No	10
G4-SO3 Percentage of operations assessed for risks related to corruption and the significant risks identified	18, 19 No indication of percentage	No	
G4-SO4 Communication and training on anti-corruption policies and procedures	18, 19 No indication of percentage; no further breakdown by region, type of business partner, governance body members and employee category	No	10
G4-SO5 Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption	No	
Aspect: Anti-competitive behaviour – Management approach	18–20	No	
G4-SO7 Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices	20	No	
Aspect: Compliance – Management approach	18, 19	No	
G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No significant fines	No	
Aspect: Supplier assessment for impacts on society – Management approach	21	No	
G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	21 No indication of percentage	No	
Product Responsibility			
Aspect: Customer health and safety – Management approach	31–33	No	
G4-PR2 Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	No incidents of non-compliance	No	
Aspect: Product and service labelling – Management approach	31, 32	No	
G4-PR4 Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling	No incidents of non-compliance	No	
G4-PR5 Results of customer satisfaction surveys	33, 54	No	
Aspect: Protection of customer privacy – Management approach	26, 27, 32	No	
G4-PR8 Substantiated complaints concerning breaches of customer privacy	No complaints	No	
Aspect: Compliance – Management approach	18, 19	No	
G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No significant fines	No	
ista-specific aspects			
Aspect: Research and development – Management approach	24, 28	No	
Aspect: Pricing policy – Management approach	20	No	
Aspect: Creating awareness – Management approach	15, 25, 54, 55	No	
Aspect: Smart living – Management approach	25, 28, 29	No	

RESPONSIBLE

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