



# LEADING BY EXAMPLE.

We help people make their contribution to climate protection.

ista Progress Report 2019/2020



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# LEADING BY EXAMPLE.

*Thomas Zinnöcker, CEO ista International GmbH*

We at ista are firmly convinced that even great challenges can be mastered if we tackle them together.

Climate change is such a challenge. In order to encourage as many people as possible to take action to combat climate change, people and organisations who lead by example are needed. This is exactly what we aim to do. Our sustainability strategy therefore revolves around one central goal: we help people make their contribution to climate protection.

# FOREWORD

*Dear readers,*

We, that means the people at ista, who are committed to this goal day in, day out. In this year's progress report on sustainability, they give insights into what the motto "Leading by example" actually means in their work. In the report, we show how we are consistently driving climate protection and sustainability in our five fields of action: environment, markets, employees, partners and society.

We achieve the greatest impact with our products and services. In our core business, we make individual energy and water consumption in buildings transparent and so motivate consumers to act in a climate-friendly manner. After all, only people who know what they are consuming can consciously change their behaviour. We also develop digital solutions for smart property management and networked living. With our new offering, objego, private landlords can manage their properties easily and securely online. The start-up, faciloo, in which we have had a stake since 2019, enables efficient management of all processes connected with the management of a property on one single digital platform.

You can only lead by example if you do your homework in your company, too. We are proud of the fact that, on balance, we have improved all our key environmental figures compared with 2018. Our greenhouse gas emissions have fallen by over 900 tonnes compared with the previous year - a decrease of 8.4%. We will continue on this path with our recently adopted guideline "Video first". Our goal is to replace 90% of the internal business trips at ista in Germany with video conferences.

This year again, we remained committed to climate protection and sustainability above and beyond our business activities – in industry associations, through surveys and studies, as part of our educational project "ista schools in energy efficiency" and in many other activities and campaigns. We support initiatives that promote responsible corporate behaviour – for example the UN Global Compact. In this progress report, we show how we promote worldwide the ten principles of the Global Compact in the areas of human rights, good working conditions, environmental protection and combating corruption.

For us, sustainable management means thinking long-term. With forward-looking investments and responsible action, we want to achieve sustainable added value – for present and future generations. How we move forward on climate protection and sustainability today has a particular impact on the living conditions and opportunities of the generations to follow. Many children and young people are therefore making their voices heard. It is up to us to listen and develop the right ideas to make a good future possible. This is why we at ista have specifically sought dialogue with the younger generation – and invited the children of our employees in Germany to take part in a video call. Seven school children aged between nine and sixteen years asked Dr Hagen Lessing, CEO ista Deutschland GmbH, and me about climate protection and sustainability at ista. We were impressed with how deeply the children are delving into these topics and how varied their questions are. But the best thing is for you to see for yourselves and take a look at our video.

We would also like to invite you to enter into dialogue with us. If you have any questions, suggestions or criticism regarding our commitment to sustainability, please write to us at [sustainability@ista.com](mailto:sustainability@ista.com). We look forward to discussing with you.

Yours,

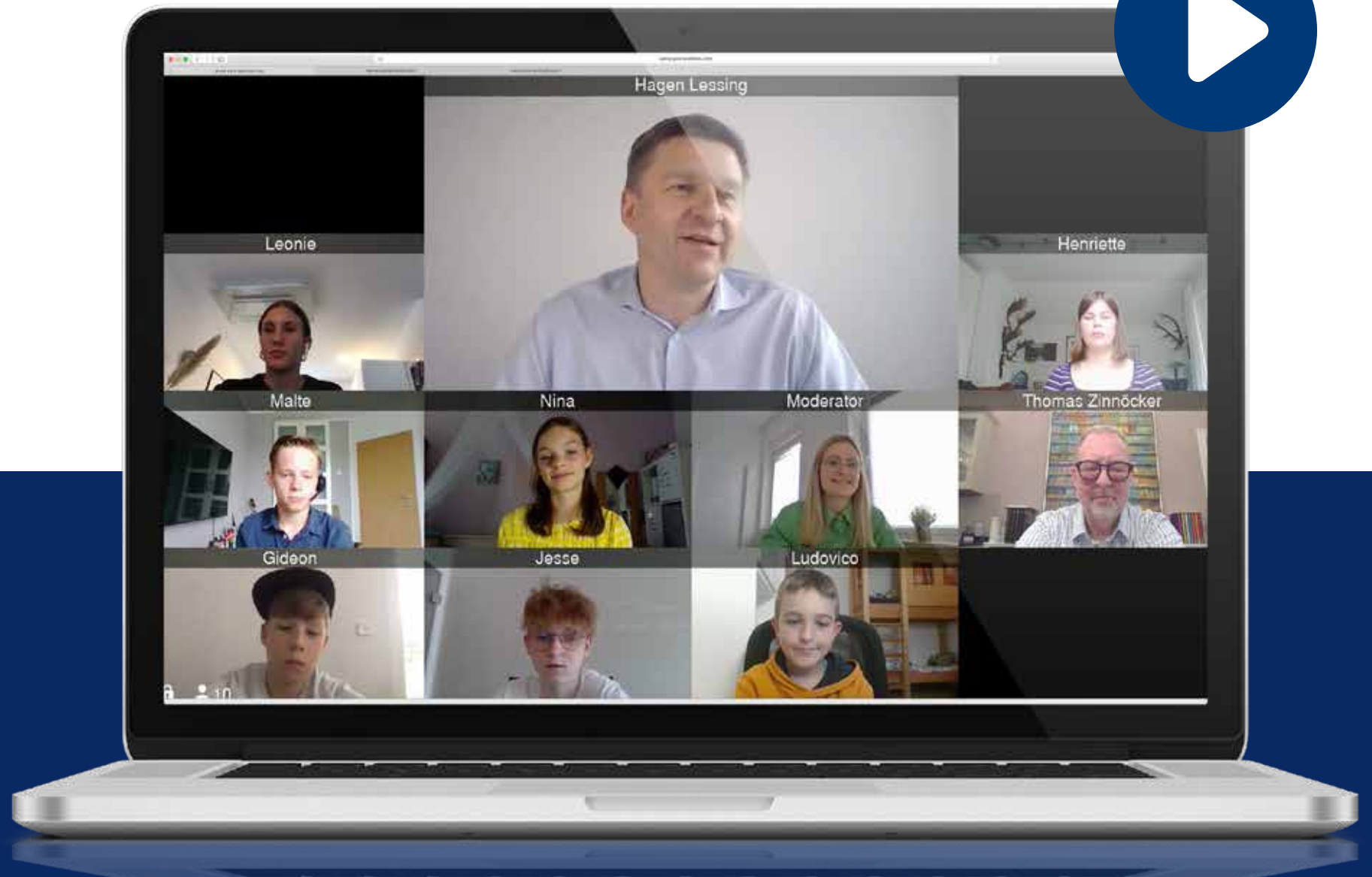


CEO ista International GmbH

# OUR CEOS HAVE ANSWERS – TO THE QUESTIONS OF THE YOUNGER GENERATION

*What does the younger generation think about the topics climate protection and sustainability? What do they expect from a company like ista? And how do they rate our commitment? To find this out, we invited the children of our employees to a very special event: an online chat with the CEO ista International GmbH, Thomas Zinnöcker, and the CEO ista Deutschland GmbH, Dr Hagen Lessing. Seven of them took this opportunity to grill both CEOs with their questions.*

*Here, we are featuring a few of the questions and answers from the video call on June 4, 2020.*





WHAT IS YOUR BEST ADVICE FOR SAVING ENERGY AT HOME OR AT SCHOOL?

THOMAS ZINNÖCKER

At home, the most important thing is to keep an eye on the temperature in the rooms – and to turn down the heating when you leave the house. Most energy is wasted when no one is at home. As far as schools are concerned, we launched a project some years ago to make heat consumption in classrooms transparent. Using our measuring instruments, pupils discovered that their schools really use an awful lot of energy!



LUDOVICO, 9 YEARS OLD, FROM DÜSSELDORF

DR HAGEN LESSING

My tip: take a note of how long the windows are left open in your classroom in winter to let in fresh air – and whether the radiators are actually turned down while they are open. Even without measuring equipment you can save a lot of energy by ventilating rooms sensibly.

MY DAD ALWAYS SENDS ME A PHOTO FROM THE PLANE VIA WHATSAPP. I LOVE TO GET THEM BUT FLYING PRODUCES LOTS OF CO<sub>2</sub>. WILL YOU BE SENDING MY DAD ON FEWER TRIPS IN FUTURE?

DR HAGEN LESSING

Yes, that's what we want to do! As bad as the Corona crisis was and still is - one particularly positive experience has come out of it for us: video works! So we have introduced the "Video first" principle. Meetings by video conference are now standard practice. We only go on business trips if a meeting in person creates major added value or is absolutely necessary. This way, we want to cut the CO<sub>2</sub> emissions caused by our business trips by 90%. Another advantage: you can see your dad much sooner. He presses the button, the meeting is over and he is soon back at home with you again.



NINA, 12 YEARS OLD, FROM ESSEN



MALTE, 13 YEARS OLD, FROM BERLIN

A FEW OF THE FLEET CARS WHICH THE FITTERS USE HAVE ALREADY BEEN CHANGED TO ELECTRIC BUT NOT ALL OF THEM. WHEN WILL ALL THE CARS BE ELECTRIC?

DR HAGEN LESSING

Most of our fitters come from service partner companies. So we have little influence on which cars the fitters drive. But you are quite right: we should lead by example. At the moment we are comparing offers for fully electric cars – so that we can provide electric vehicles for our own installation fitters.

HOW IMPORTANT IS IT FOR ISTA TO BE WELL-KNOWN TO YOUNG PEOPLE?

DR HAGEN LESSING

Our first focus is on being well-known to our customers – and they do indeed know us well. Our secondary focus is being well-known among tenants and in society. We are currently developing services which we offer directly to tenants. So we are definitely becoming a brand that the general public is familiar with. This also makes us more attractive as a company. We are also championing the CO<sub>2</sub>-cutting cause – and showing what we contribute to this goal. We hope that this is another aspect that will make us attractive to job applicants.



LEONIE, 16 YEARS OLD, FROM HERNE

# HOW IS ISTA TRYING TO ENCOURAGE OTHER PEOPLE AND COMPANIES TO ALSO DO SOMETHING FOR THE ENVIRONMENT?

## DR HAGEN LESSING

We recently launched a lot of initiatives to encourage people to save energy. For example, in an Internet campaign lasting several weeks, we at ista Germany gave very specific tips on how to save energy.<sup>1</sup> Even if people already knew one or two of the tips, it was important for us to get people to keep thinking about what they can do for climate protection.

<sup>1</sup> In our **Content World** on ista Germany's website, you can learn, for example, why you shouldn't, if at all possible, dry your washing in your apartment and how cleaning your radiators thoroughly can cut your energy consumption by up to 30%.



DR HAGEN LESSING, CEO ISTA DEUTSCHLAND GMBH



HENRIETTE, 13 YEARS OLD, FROM NEAR DÜSSELDORF

# WHAT DO YOU DO PERSONALLY TO PROTECT THE CLIMATE?

## DR HAGEN LESSING

I have completely optimised my entire house. I have installed devices with which I can measure how much electricity is being used at any time of the day or night. What we have found is that we use a lot of electricity even when we think we have switched everything off. There's the mobile phone charger that is plugged into the socket, the TV in standby mode and countless other appliances you don't even think of. Since taking these measurements, we have reduced our electricity consumption at home by one third. The second major source of consumption is the heating. Here, it is important to ventilate the room sensibly and set the right temperature.

## THOMAS ZINNÖCKER

We have also stopped having a bath. A shower uses much less water. We also try to avoid plastic as far as possible. Everybody can do their bit by taking such simple steps.

# AND WHAT ARE YOU DOING TO PROTECT THE CLIMATE?

## JESSE

I always turn off the light when I don't need it on. And I always ride my bike a lot. I also plan to buy a Tesla when I'm older.



MAIKE BÖCKER, SUSTAINABILITY COMMUNICATIONS, ISTA INTERNATIONAL

## NINA

I also cycle a lot and intend to cycle to school in future. I try to buy as little plastic as possible and take my own shopping bags with me. What's more, I am a member of Plant-for-the-Planet, an organisation whose members are mostly children and whose declared aim is to plant a billion trees.



THOMAS ZINNÖCKER, CEO ISTA INTERNATIONAL GMBH

# WHAT KIND OF JOBS DOES ISTA OFFER?

## THOMAS ZINNÖCKER

ista is a large company with locations in 22 countries. This means you can also gain international experience. One line of work is selling to customers. Then there are some employees on the Operations side whose job it is to develop our products. We have a huge technical laboratory for this purpose – so we offer a lot of opportunities for technology fans. The Services division is involved in software and IT development. And then there are important jobs at Head Office: in Corporate Communications, Marketing, Controlling and Accounting as well as in the HR department. So you see, our company is very broad-based and we have many interesting jobs to offer. Let us know if you feel like taking a peek!



# TOTALLY COMMITTED TO SUSTAINABILITY – AND DOING OUR PART.

*Dr Hagen Lessing, CEO ista Deutschland GmbH and deputy CEO ista International GmbH*

Climate change requires far-reaching changes in the consumption of energy in buildings: with our innovative metering methods and digital solutions, we enable people to determine their individual energy consumption and manage it efficiently. At the same time, we ensure climate protection and sustainability in our own processes, work with sustainable partners and share our knowledge of climate protection solutions with politicians and society – for greater sustainability in all areas.



## LEADING BY EXAMPLE:



## WE MAKE SUSTAINABILITY POSSIBLE – THROUGH SOLUTIONS FOR SMART HOMES

*The real estate industry is in the middle of a major transformation. Climate change requires far-reaching changes in the consumption of energy in buildings. In Germany, 14% of greenhouse gas emissions are caused by heating and cooling systems and the provision of hot water in buildings alone.<sup>1</sup> Therefore, according to the German government's Climate Protection Plan, the CO<sub>2</sub> emissions of buildings in Germany must be cut by 66% by 2030. Digitalisation opens up new opportunities to efficiently support energy management in buildings through innovative products, services and business models. At the same time, climate protection and the need for affordable housing must be reconciled.*

<sup>1</sup>This information is taken from page 50 of the federal government's Climate Protection Programme 2030.

We at ista are focusing all our energies on this transformation. We offer tenants and landlords innovative metering technologies and digital services to identify each household's energy consumption, reduce it in a targeted manner and thus save costs. We also ensure climate protection and sustainability in our own processes, work together with sustainable partners and contribute our knowledge of climate protection solutions to political processes and social initiatives – for greater sustainability in all areas.

### WHAT OUR MANAGEMENT RECOMMENDS

"Not every business trip is necessary. Use video conferences instead. By doing so, you will not just be protecting the climate. You will also be able to exchange views with others more frequently and intensively. And you will gain valuable time for your family, friends and hobbies. At ista we have made "Video first" the gold standard – also for the time after Corona."

*Dr Hagen Lessing,  
CEO ista Deutschland GmbH and deputy CEO ista International GmbH*

### We measure energy consumption and facilitate climate-friendly action

Sustainability is part of our core business. We are one of the leading providers of methods for measuring energy and water consumption in buildings and making it transparent. With our heat cost allocators, water and heat meters and our system technology, we enable 13 million residents throughout the world to realise how much energy they are using and to manage their consumption better. Various studies conducted in European countries show: billing individual energy consumption encourages people to save energy – between 15% and 25%.

We also develop new solutions for smart, safe and sustainable living. With our digital applications and services, we help to manage processes in buildings efficiently, systematically reduce the consumption of resources and facilitate communication between tenants, landlords, tradesmen and service providers.



### As a strong group, we are shaping this transformation

Our Head Office is in Essen, Germany. We currently operate in 22 countries worldwide. Our Core Markets are Germany, France, the Netherlands as well as Denmark with Sweden and Norway. In addition, we are active in another 15 countries, our Global and Developing Markets. Our customers include housing companies, house owners and home owners' associations. Increasingly, we are also expanding our activities to include commercial real estate. In 2019, ista recorded global sales of € 908.8 million. Total capitalisation amounted to some € 4.1 billion.<sup>1</sup>

The Management of ista International GmbH is responsible for the strategic and operational control of the ista Group. It is supported by the newly established Corporate Business Strategy department. It analyses strategic risks and opportunities in these times of rapid change in our industry, designs and monitors our ongoing strategy process and supports the implementation of strategically relevant projects. The owners of the ista Group are Hong Kong-listed CK Asset Holdings Limited and CK Infrastructure Holdings Limited.

<sup>1</sup> Figures from the consolidated financial statements of Trionista TopCo GmbH excluding the companies in Luxembourg.



As the new CEO ista Deutschland GmbH and deputy CEO ista International GmbH, Dr Hagen Lessing (on the right) has been advancing the digital transformation of ista since October 1, 2019 together with Thomas Zinnöcker, CEO ista International GmbH (on the left) and the management team.



# WE APPROACH SUSTAINABILITY STRATEGICALLY – WITH MEASURABLE GOALS AND EFFICIENT MANAGEMENT

*Real sustainability does not happen by accident. It requires a comprehensive strategy and effective management. That is why we approach sustainability strategically – with clear goals, processes and responsibilities, with efficient management tools and regular stock-takes. This is how we stay on course – for greater climate protection and sustainability in all areas of our activities.*

## Our mission: We bring climate protection into every home

We help people make their contribution to climate protection. That is our guiding principle – and the core of our sustainability strategy. In order to achieve our guiding principle, we are engaged in five fields of action. In our MARKETS, we sell innovative products and services that make energy consumption transparent and enable tenants to be more climate-conscious. Through active ENVIRONMENTAL and climate protection at all branches of our company, we ourselves lead by example. We offer attractive working conditions and a motivating corporate culture so that our EMPLOYEES can use their full potential for climate protection solutions. We work closely with our PARTNERS and suppliers to continuously improve our offerings and advance sustainability along the entire value chain. Our societal engagement is aimed at sharing our knowledge of energy management and climate protection and promoting energy awareness in SOCIETY.



# WE SET OURSELVES GOALS AND MEASURE OUR PROGRESS

If you want to move forward, you need clear goals and insights from the path you have already taken. That is why we have set ourselves measurable goals in the five fields of action already mentioned and regularly review our progress.



## ENVIRONMENT

**Our goal:**  
By conserving resources in all areas of the company, we will be climate-neutral by 2050 (Scope 1-3).

▶ **Our current status:**  
Total CO<sub>2</sub> emissions at ista in 2019: **10,004 tonnes**  
Total CO<sub>2</sub> emissions per employee (FTE) at ista in 2019: **1.83 tonnes**



## MARKETS

**Our goal:**  
We will help our customers/users reduce their CO<sub>2</sub> emissions by 10% by 2030 (base year: 2015).

▶ **Our current status:**  
Average CO<sub>2</sub> savings in properties with heating cost billing since 2015 per rental unit – as at 2018: - **6.74%**



## EMPLOYEES

**Our goal:**  
We want to further improve the general conditions for employee engagement and so maintain our engagement score at the very high level of 80 in the period through to 2030. The engagement score is determined every two years as part of the ista-wide staff survey. On a scale from 0 to 100, it measures how strong the employees' work engagement is.

▶ **Our current status:**  
Engagement score 2017: **80**  
  
The engagement score will next be determined at the end of 2020.



## PARTNERS

**Our goal:**  
From 2050, we will work exclusively with sustainable and climate-neutral suppliers as partners.

▶ **Our current status:**  
The carbon footprint of our supply chain (air and sea freight as well as transport by truck) in 2019: **898.70 tonnes<sup>1</sup>**



## SOCIETY

**Our goal:**  
We will create opportunities for our employees to invest at least 5,000 hours a year in promoting climate protection in society.

▶ **Our current status:**  
Number of hours worked for climate protection in 2019: **862 hours<sup>1</sup>**  
  
When the key figures were recorded, many of the volunteering hours worked were already entered as being for climate protection. However, to ensure that even more of these hours are recorded as such, we will promote a company-wide understanding of this volunteering category and provide a handbook for the next reporting year.

<sup>1</sup> We recorded these figures for the first time in 2019 so there are no comparison figures for 2018.



For us, sustainability is a matter for top management.  
We anchor it group-wide

At ista, sustainability is the direct responsibility of the top management. Our CEO is a member of the Sustainability Core Team, which evaluates our sustainability strategy every three months, drives current topics forward and prepares goals and strategies.

The Sustainability Council ensures the international anchoring of sustainability management and brings ideas from the countries into the equation. It is made up of representatives of the national organisations, our Sustainability Delegates. The Sustainability Office coordinates the in-house sustainability projects and processes, including the recording of the key figures for this progress report.

We trust in technology – for efficient management

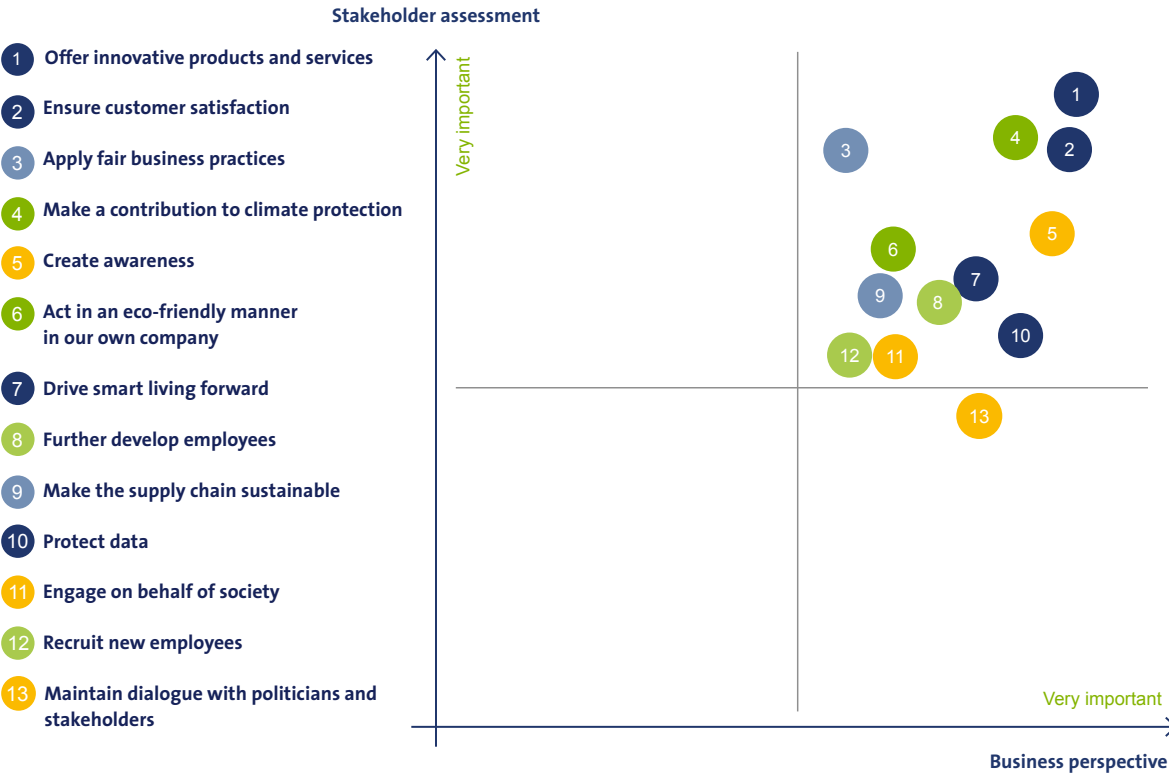
In the reporting year, we introduced a software solution in order to further professionalise our sustainability management. This software enables us to collect sustainability data from all our branches worldwide in an even more efficient, accurate and fully verifiable way. We can now evaluate and communicate our performance in real time on personalised dashboards and in on-demand reports.



We include our stakeholders' views

In order to determine which sustainability topics are particularly important for us, we regularly include our stakeholders' views. The most important stakeholders are our employees, our owners, our customers, our suppliers, NGOs and politicians.

Our current 13 topics for action are based on a comprehensive analysis of topics and an international stakeholder survey conducted in 2016. In the years that followed, we have continually reviewed the relevance of the topics picked and considered the latest assessments of our Sustainability Delegates from the national organisations in depth. In order to validate our key topics for the 2019 report, we conducted desk research into current trends in society, politics and finance as well as at our customers'. On this basis, we have now given even higher priority to the topic of making a contribution to climate protection, both from a business perspective and from a stakeholder perspective. The importance we attach to this cross-sectional topic is reflected in all fields of action in the report.



# WE CREATE SUSTAINABLE ADDED VALUE – THROUGH CLEAR PRINCIPLES FOR OUR ACTIONS

Only those who have a clear position can lead by example. Internal guidelines and external standards provide the framework for our sustainable actions.

## Principles of the UN Global Compact

As a signatory of the United Nations Global Compact, we have committed to standing up for fundamental human rights, labour standards and environmental protection and to combating corruption. This sustainability report is also our progress report for the Global Compact. Here, we show how we implement the ten principles of the Global Compact in our business activities.

## Sustainable Development Goals (SDGs)

The 17 sustainable development goals of the United Nations also guide our actions. We have identified seven goals where ista can contribute most.

### OVERVIEW OF OUR CONTRIBUTIONS TO THE SDGs:



Sustainability starts with education. With our project "ista schools in energy efficiency", we help school children record energy and resource consumption at their schools and develop practical approaches to climate protection. We provide materials, organise idea competitions and share our expertise on site in the schools. 100 schools throughout Germany are already taking part.



With our metering devices in more than 13 million homes and commercial properties, we make individual energy consumption transparent. So consumers can identify and achieve energy-saving potential. As a study conducted by the German Energy Agency in collaboration with ista has shown, when tenants know their individual monthly consumption, they go on to achieve a further 10% energy saving on average.



With sales of € 908.8 million in 2019, an increase of 2.37% compared with the previous year, we are contributing to the creation of value – for our employees, suppliers and service partners. Labour, social and human rights standards apply equally to us and our partners. The Top Employer Europe Award once again conferred on the company confirms our success as an exemplary employer.



Roughly 30% of CO<sub>2</sub> emissions in Germany are caused by the operation of buildings. We create incentives for savings through individual consumption billing. Our apps and digital services offer new ways to save energy and water and to increase comfort, efficiency and safety in buildings.



Our products and services help tenants to save energy and resources. In our own company, we use environmental and energy management systems to reduce resource consumption and CO<sub>2</sub> emissions. Strong partners along the supply chain support us on our way to becoming a climate-neutral company.



We help people make their contribution to climate protection. That is our guiding principle. Our core business is to make individual energy consumption transparent and efficiently controllable. We are also committed to environmental and climate protection within our own company, in cooperation with partners along the entire value chain - and last but not least through social initiatives and projects.



We can only achieve the goals of sustainable development together. Therefore, we share our expertise on climate protection in buildings in key memberships of industry initiatives, multi-stakeholder alliances and research projects. In our project "ista schools in energy efficiency", we work together with the association Bildungscent to develop innovative learning concepts to teach pupils about climate protection in a very practical way.



Human rights and international ethical standards

With our Code of Conduct, we commit all employees of the ista Group to adhere to important international principles. These include the UN Declaration of Human Rights, the International Labour Organization's (ILO) Declaration of Principles and the UN Convention against Corruption. Internal guidelines and policies set out in more detail our requirements for employees' conduct with regard to specific topics – including environmental protection, bribery and corruption as well as money laundering and the funding of terrorism.

Our Supplier Code contains fundamental environmental, social and governance standards that we demand of our suppliers and their employees throughout the world. These standards include the principles of the UN Global Compact as well as the ILO's Declaration of Principles, the principles of the Organisation for Economic Cooperation and Development (OECD) and the UK Modern Slavery Act.

National and European climate policy



We see limiting climate change as one of the most important tasks of our time. With our innovative energy management solutions, we actively promote climate protection in buildings. In doing so, we are making an important contribution to achieving the goals of the European Green Deal and the German government's climate protection programme - a climate-neutral Germany and Europe by 2050.

We are proactively implementing the European Energy Efficiency Directive (EED) by systematically switching over to remotely readable meters and digital billing, which will make monthly individual consumption information easier.

In addition, we want to develop the No. 1 solution that allows residents to track their energy consumption digitally and thus consciously control it. We are contributing to current legislative processes, such as the discussion about an Energy in Buildings Act (GEG) in Germany and the amendment of the German Heating Cost Ordinance (HKVO) by setting out our positions and proposing approaches to solutions. In doing so, we advocate regulations that are open to new technologies.

ista Shared Values

Alongside the Code of Conduct, the ista Shared Values give our employees further guidance in daily working life. They comprise five values: Keeping Commitments, Encouraging Empowerment, Taking Responsibility, Promoting Trust and Building Partnerships.



A valuable exchange of ideas and opinions took place between managers and stakeholders at the Future Factory event in January 2020. The participants worked in small groups to develop ideas for new service offerings. They included 15 ista customers and 19 tenants who answered the ista managers' questions about what they needed and wanted.

# IMPROVING STEP BY STEP — FOR GREATER CLIMATE AND RESOURCE PROTECTION.

*Daniel Gardner, Team Leader, Technical Centre, ista Deutschland GmbH*





# LEADING BY EXAMPLE: WE TAKE OUR RESPONSIBILITY SERIOUSLY – BY PROTECTING THE CLIMATE AND RESOURCES IN OUR OWN COMPANY

*Only people who show responsibility can also convince others. That is why we not only help our customers and their tenants to save energy and conserve resources, but also lead by example ourselves. We have set ourselves a clear goal: we will be climate-neutral by 2050. To achieve this goal, we promote environmental and climate protection in all areas of the company – through systematic energy management at our branches, clear guidelines for sustainable mobility and a wide range of opportunities for our employees to commit to climate and resource protection in the workplace.*

## We advance climate and resource protection at our branches

For us, responsibility for the environment starts at our own branches. Our energy policy lays down principles and targets for the consumption of resources at all our locations in Germany. Certified management systems help us to efficiently control and continuously improve our environmental performance. Our branches in Spain, England, Romania and Turkey have environmental management systems certified to ISO 14001.

Since 2016, we have been operating an energy management system to ISO 50001 at 24 German branches. Energy and sustainability teams are committed to driving forward resource savings at their locations. However, it is up to each and every one of us to save resources. That's why we motivate our employees in everyday office life, at team events and during special action days to develop and implement ideas for greater climate and resource protection in the workplace.



## We promote sustainable mobility

We take responsibility for climate protection at our branches and also try to make the mobility of our employees as low-emission as possible. After all, our field service and cross-location collaboration mean that a large proportion of our CO<sub>2</sub> emissions are caused by business-related trips. The travel and company car guidelines for our German locations therefore encourage employees to choose the means of transport with the lowest CO<sub>2</sub> emissions. A company ticket for our colleagues in Essen makes switching to public transport an even more attractive proposition. In addition, our goal with the new "Video first" guideline is to replace 90% of internal business trips at ista in Germany by video conferences – for greater climate protection and even closer cross-location collaboration.

## We set ourselves goals and measure our success

We have set ourselves the following goals for environmental and climate protection in our own company:

**By conserving resources in all areas of the company, we will be climate-neutral by 2050 (Scope 1-3).**

**We want to reduce our annual energy consumption in Germany from 2016 to the end of 2020 by 6.5%. For the ista Group, we are striving to achieve a continuous improvement in energy efficiency of 1.3% on an annual average.**

**By 2030 at the latest, we will use only electricity from renewable energy sources.**

**By 2030 at the latest, we will buy only sustainable printer paper.**

On the following pages, we show how we moved forward on environmental and climate protection in the reporting year 2019.



### Focus: Principles of the Global Compact and SDGs

#### Principle 7:

Businesses should support a precautionary approach to environmental challenges.



## HOW WE ORGANISE ENVIRONMENTAL AND CLIMATE PROTECTION AT ISTA

The Sustainability Office coordinates the internal environmental management processes, is responsible for the certification of the energy management system in Germany and records the Group-wide key environmental figures. An energy team drives implementation forward at the locations in Germany.

At international level, it is the Sustainability Delegates who manage the activities at their country's branches. In addition, the Corporate Communications and Public Affairs department organises events, projects and campaigns to encourage our employees to get involved.



# LEADING BY EXAMPLE: OUR ACTIVITIES AND PROGRESS IN 2019

## Conserving resources, cutting emissions

*Sustainability starts with each individual. That's why we continued to advance climate and resource protection at our locations in 2019 – for example, with our energy management system, which we had certified for another three years in accordance with the internationally recognised standard ISO 50001. We achieved measurable improvements, for example, by switching to LED lighting, replacing less efficient equipment or optimising waste separation in the office.*

*With the climate protection weeks we are motivating our employees to set a good example themselves and become active for greater climate and resource protection in the workplace. Our environmental management team focused on two improvements: further reducing waste in the materials cycle of our devices and making the transport and disposal of hazardous goods, in particular the batteries in our devices, even safer.*







## Employees show how: Protecting the climate and resources during the climate protection weeks

Eight weeks, eight topics, hundreds of activities for greater climate and resource protection. During our climate protection weeks, we invite our employees to put ideas for greater sustainability in daily office life into practice and encourage others to join in.

Our employees have already swung into action on the topics "Go paperless", "Smart heating" and "Power off for the climate". By posting photos and videos on our social collaboration platform ONE, they show how they are leading by example as "climatecrew". They collect bonus points with every post and every action. The team with the most points can choose between an e-bike for its branch or a sustainable team event.

We had to interrupt the climate protection weeks because of the COVID-19 pandemic, but the whole campaign hasn't just ground to a halt while we've been working from home. We have continued the climate protection weeks under the hashtag #climatecrew@home and are now sharing ideas for greater protection of the environment and resources at home. In collaboration with Plant for the Planet, we plant a tree for every idea an employee comes up with.





**WINNER!**#ThickJumperDay  
#climatecrew

People were busy posting during the climate protection weeks: the climatecrew from Poland is the winner of the "Thick Jumper Day" to save heating energy, the Spanish colleagues stand up for waste separation, a no-printing girl persuades her colleagues to change their printing behaviour and the colleagues from Mannheim say stop to reduce printouts (see photos from left to right).



## WHAT DO OUR EMPLOYEES RECOMMEND?

"Digitalisation creates opportunities: with "GreenPrint" you can save resources and money. The tool solves a problem which every computer user knows only too well: unwanted printouts that go straight into the wastepaper basket immediately after they are printed. "GreenPrint" analyses the document before printing. So individual lines of text, but also entire pages or images can be selected and removed. "GreenPrint" offers alternative suggestions to printing, for example the creation of pdfs with an easy-to-use PDF writer. An additional feature to encourage people to save is a reporting tool which shows how many pages, trees and costs are saved".

*René Wagner, Administrator, Equipment Centre, Rostock,  
ista Deutschland GmbH*

## THE CLIMATE PROTECTION WEEKS AT A GLANCE

- ▶ **GO PAPERLESS!**  
Bye-bye printouts, copies etc. We do without paper and ink and so cut our consumption.
- ▶ **SMART HEATING!**  
We keep an eye on the energy balance, turn down the heating sometimes and wrap ourselves up warm on the "Thick Jumper Day".
- ▶ **POWER OFF FOR THE CLIMATE!**  
Whether at our desks, in the tea kitchens or in the meeting rooms: we turn off switches and save electricity.
- ▶ **WATER STOP!**  
Water is precious. During this week we want to reduce water consumption and use this resource carefully.
- ▶ **CAMERA ROLLS FOR THE CLIMATE!**  
We get inspiration with colleagues and/or our family by spending an afternoon watching a film on sustainability.
- ▶ **STAYING GROUNDED!**  
We make video calls, take the bus or train and avoid business air travel in order to save CO<sub>2</sub>.
- ▶ **SEPARATING OR AVOIDING!**  
Which bin is the right one? Or how can I avoid waste? We learn both together!
- ▶ **NO TO CAR, YES TO CLIMATE!**  
Get to work in a more climate-neutral way – by public transport, car pool or cycling instead of by car.



## Quality-checked: Energy management receives new ISO certification

Any company like ista which stands for energy efficiency and climate protection in buildings must lead by example. Therefore, we have been operating a certified energy management system in accordance with the internationally recognised standard ISO 50001 at all branches in Germany since 2016. Every year, independent bodies put the system through its paces. In 2019, we concentrated on incorporating new requirements from the revised ISO standard, training our internal auditors accordingly – and, of course, implementing further measures for greater energy efficiency at our branches. Our system passed the test. It is now certified for another three years. A fantastic success for the members of our energy team, who are actively promoting energy saving at their branches.



## Thinking in circles: Strong team promotes waste avoidance

Managing resources in such a way that they are reused again and again - that is the vision of the circular economy. We are also working towards this vision, and, since 2019, with a strengthened team. With the support of a waste management officer, a cross-departmental and cross-location circular economy working group analyses flows of recyclable materials at ista and develops approaches to avoid waste even better.

The team involves external partners from logistics, recycling and our ista service partners where required. After all, if we are to understand how we can improve our processes, we need to draw on the knowledge of all those involved. One important result: a waste balance that comprehensively shows what waste is generated in what quantities over the life cycle of our devices and in what form it is recycled or disposed of. A further success: improved labelling that helps us to recycle even more devices and materials.



### Did you know? Recycled paper saves large volumes of resources

83% less water, 72% less electricity, 53% fewer CO<sub>2</sub> emissions and naturally 100% fewer trees – this is how the recycled paper from our supplier, Steinbeis, compares with conventional virgin fibre paper.<sup>1</sup>

The lower consumption of resources is due firstly to the fact that fibres from waste paper do not have to be extracted from fresh wood at great expense. Secondly, state-of-the-art industrial plants with largely closed recyclable material cycles at Steinbeis ensure a particularly high level of resource efficiency. Waste water from production is treated in a biological treatment

plant for reuse. Waste materials are converted into electrical and thermal energy in the highly efficient combined heat and power plant located on the premises and fed directly into the factory. We use recycled paper from Steinbeis at nearly all our branches in Germany.

<sup>1</sup> Steinbeis company presentation, based on studies by the Institut für Energie- und Umweltforschung Heidelberg (IFEU)



## HOW WE MOVE FORWARD: SELECTED KEY FIGURES FOR 2019

26.5% of the electricity used in the ista Group comes from **renewable energy sources**. Our branches in Switzerland, Luxembourg and Norway already get all their electricity from renewable energies. In Spain, the figure is 84.3%, in Germany 46.2% and in France 27.8%. The branches in the other countries currently still only purchase conventional electricity.

In 2019, our company caused emissions of 10,004 tonnes of CO<sub>2</sub> equivalent. We therefore again reduced our **greenhouse gas emissions** compared with the previous year: by 8.4% in absolute terms, calculated per employee (full-time equivalent) by 6.3%. In particular, we managed to considerably cut emissions resulting from our electricity consumption.

The **ista Group** used a total of **325,451 kg of paper**, of which 61.9% was recycled paper and 23.3% FSC-certified paper. The share of sustainably used paper was therefore 85.2% in 2019. **Paper consumption fell by 21.0%** compared with the previous year; **the proportion of recycled paper increased by 5.9%**.

In 2019, the ista Group used a total of **19,798 GJ of electricity** and **17,927 GJ of heating energy**. Compared with the previous year, electricity consumption therefore fell by 7.3% and heating energy consumption by 15.8%.

In 2019, our organisation reduced its **water consumption** by 4.39% compared with the previous year.

## Enabling sustainable mobility

*We want to lead by example on climate protection. To achieve this, we are not just reducing energy consumption at our branches. We are also constantly working to reduce CO<sub>2</sub> emissions caused by business-related trips. In 2019, for example, we revised the company car guideline for our employees in Germany in order to encourage them to switch to electric and hybrid vehicles and we also installed the first charging points for electric vehicles. Our locations in Spain and France are also championing hybrid cars.*



*We also offer our employees in Essen the opportunity to switch to public transport at reduced cost by using the company ticket. However, we can do most for climate protection if we avoid travel altogether. ista Germany is a pioneer in this respect: the new guideline "Video first" stipulates that, in future, people should only travel if a video conference is not an adequate replacement for a personal meeting.*



### "Video first": New guideline will sustainably reduce emissions from travel

Avoid unnecessary trips – and therefore save emissions. The aim of the new "Video first" guideline is to reduce such trips at ista Germany. The Corona crisis has shown us that we can work together successfully via video conferencing, online training or webinars in many more situations than we thought. We want to learn from this experience in order to sustainably develop ourselves further.

In accordance with "Video first", from now on we will be holding our cross-location meetings as video conferences. Exceptions will be made for occasions where face-to-face meetings are particularly important, such as job interviews, demonstrations of technical equipment or important company events. In this way, we hope to avoid 90% of the CO<sub>2</sub> emissions caused by our business travel – a big step towards greater climate protection at ista.



### Equipped for the future: Branches in Germany back electromobility



Electric vehicles are key to climate-friendly mobility of the future. This is not just the German government's opinion. We also back electromobility. Therefore, we have revised the company car guidelines for our locations in Germany. All employees who are entitled to a company car are free to choose an electric or hybrid car; managers at the Essen Head Office and the locations in Gladbeck and Au can only choose hybrid or fully electric vehicles.

To ensure that charging the vehicles presents no problem, we have installed four charging points at the Head Office for free battery recharging

and reserved some of the surrounding parking spaces exclusively for electric and hybrid cars. Another charging point is already planned for our development centre, the ista Technikum.

### Sustainable mobility at ista France

Sustainable mobility has long been high up on the agenda of ista France. For example, employees receive cash vouchers when they cycle to work. And when employees travel by car, the app of our partner, WeNow, helps them to measure the CO<sub>2</sub> emissions during the journey and to drive more fuel-efficiently. After changes to the Procurement Guideline in 2018, ista France has now integrated the first 10 hybrid cars into its vehicle fleet – for greater climate protection on car journeys that our employees consider to be unavoidable.

## HOW WE MOVE FORWARD: SELECTED KEY FIGURES FOR 2019

At 95,177 GJ, consumption of energy from **road fuels** throughout the Group decreased by 9.94% compared with the previous year. The average amount of road fuel used per 100 km fell by 0.6% and is 5.83 litres per 100 km ista-wide.

Emissions from **air travel** **increased** in 2019 by **1.52%** to 577.0 t of CO<sub>2</sub> equivalent.

Emissions from **travel by company car** fell in 2019 by **4.55%** to 6,608.7 t of CO<sub>2</sub> equivalent. At the same time, emissions from **business trips by private vehicle** **increased** by **2.79%** to 42.7 t of CO<sub>2</sub> equivalent. Emissions from **trips in rented vehicles** fell by **87.67%** to 17.7 t of CO<sub>2</sub> equivalent, which is due to the revised company car guidelines at ista Spain.



# PAVING THE WAY FOR A SUSTAINABLE FUTURE – WITH DIGITAL SOLUTIONS.

*Regina Schumacher, Strategic Designer, Innovation Management – Incubator, ista International GmbH*





# LEADING BY EXAMPLE: WE STRENGTHEN CLIMATE PROTECTION IN BUILDINGS – THROUGH INNOVATIVE TECHNOLOGIES AND SERVICES

*Greater climate protection in buildings is a key requirement for the successful reversal of climate change. Landlords can make a decisive contribution to the more economical and efficient use of energy by informing tenants about their individual consumption and promoting measures for energy-efficient refurbishment.*

*All this requires innovative technologies and services. We provide them: we make individual energy consumption transparent and develop digital solutions for smart property management – for greater climate protection and more efficient processes in buildings.*





## We advance the home of the future with digital solutions

Buildings of the future will be digitally networked. Starting from our core competence – the billing of individual consumption – we want to become a key partner for the digitalisation of the housing industry.

Therefore, we develop innovative solutions and business models for smart property management and the networked home of the future ("connected home"). Intelligent apps, online platforms, smart sensors and digital building infrastructure combined with the ideas of start-ups from the real estate industry help us to achieve this.



## We facilitate climate-friendly action through transparent consumption

Individual consumption billing encourages resource-saving behaviour. With our products and services, we make individual heating energy and water consumption transparent for all users in residential and commercial properties.

This detailed information helps residents reduce their consumption in a targeted manner. With our remotely readable devices and digital bills, we increase convenience for our users and enable more frequent and more accurate recording of consumption.



## WE FOCUS ON THE CUSTOMER

Deliver added value to our customers – that's what we want to do with our products and services. We therefore systematically include our customers' perspective in every innovation process at an early stage. At our management event in January 2020, for example, we developed innovative new product ideas together with our customers in a Design Thinking process.

In order to ensure excellent customer service, we create opportunities for dialogue and feedback, operate an active quality and complaint management system and constantly increase the efficiency and convenience of our installation and meter-reading processes.

### We set ourselves goals and measure our success

In order to further increase the contributions our products and services make to sustainable development, we have set ourselves the following goals:

**We will help our customers/users reduce their CO<sub>2</sub> emissions from heat consumption by 10% by 2030.**

(base year: 2015)

**By 2027, we will equip all our properties throughout Europe with remotely readable devices.**

On the following pages, we show what progress we made in the reporting year 2019 in the field of action, markets.

#### Focus: Principles of the Global Compact and SDGs

##### Principle 8:

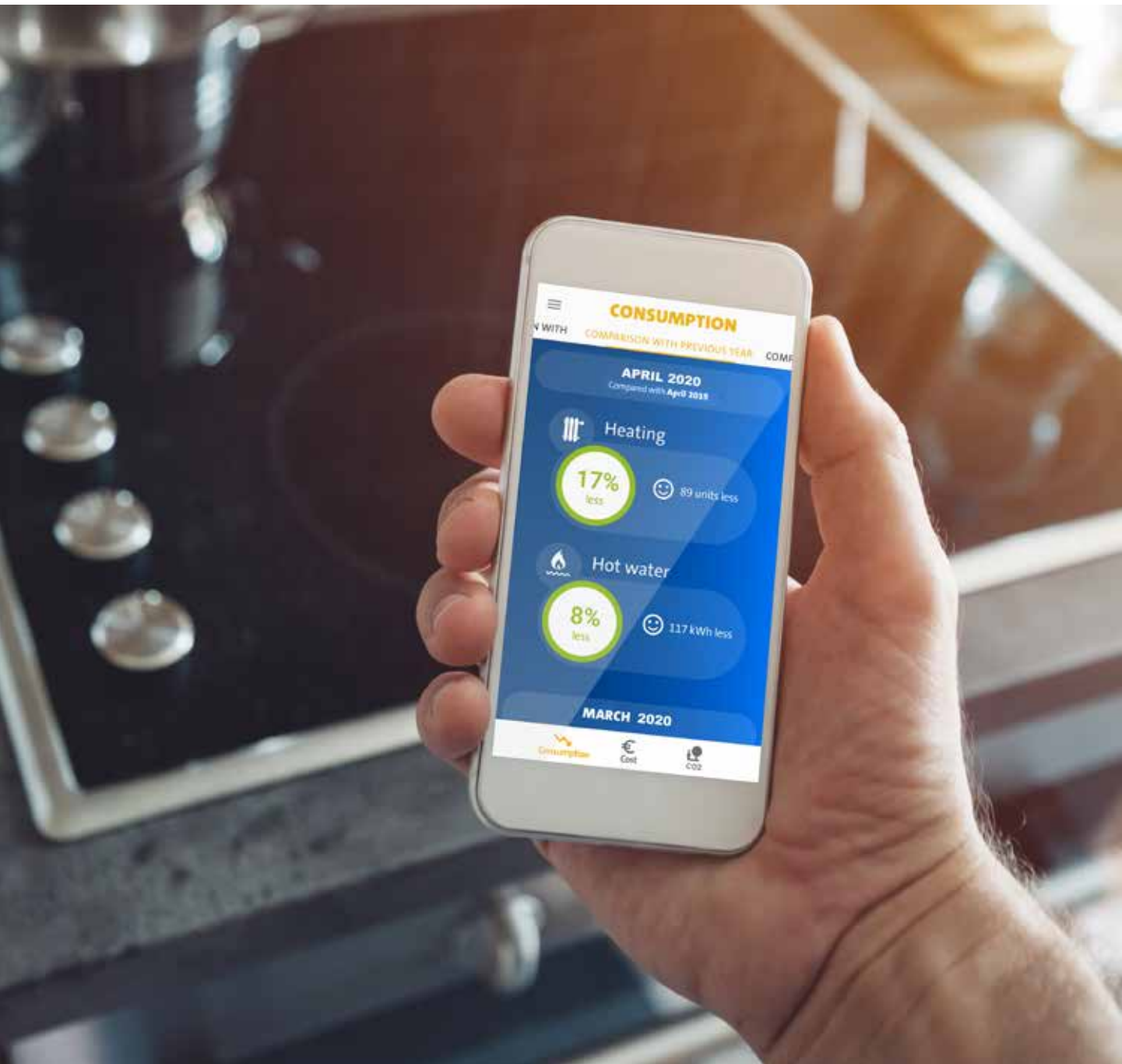
Businesses should undertake initiatives to promote greater environmental responsibility.

##### Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.



# LEADING BY EXAMPLE: OUR ACTIVITIES AND PROGRESS IN 2019



## Promoting climate protection – through transparent consumption

*With our core business, the individual billing of consumption, we encourage consumers to act in a climate-friendly way. One development has recently had a particular impact on our innovation activities in this field: the revised European Energy Efficiency Directive, EED. The key element of this directive is the provision of consumption information during the year. For the first time, residents will receive timely information about their own energy consumption – and thus be motivated to save energy and CO<sub>2</sub>.*

*This is only possible, however, if properties are equipped with remotely readable meters with radio technology. In remotely readable properties, owners/property managers must provide their residents with individual consumption information at least every six months from October 2020, every three months at the resident's request, and monthly from January 1, 2022.*

We are already leading by example in the implementation of the EED: we have been increasing the radio technology in our devices for years and strongly advising our customers to switch to remotely readable meters. ista France already offers its customers whose properties are equipped with radio technology – as part of their contract – and tenants – as an option at extra cost – the possibility to

view their consumption at any time on a web portal, to set targets either for consumption or expenditure and to track progress. Spurred on by the amended directive, we are now going one step further: we want to launch the leading digital EED product for residents and owners/property managers. Our app for the EED will be rolled out very soon.



## Climate protection at a click: EED delivers added value for owners/property managers and residents

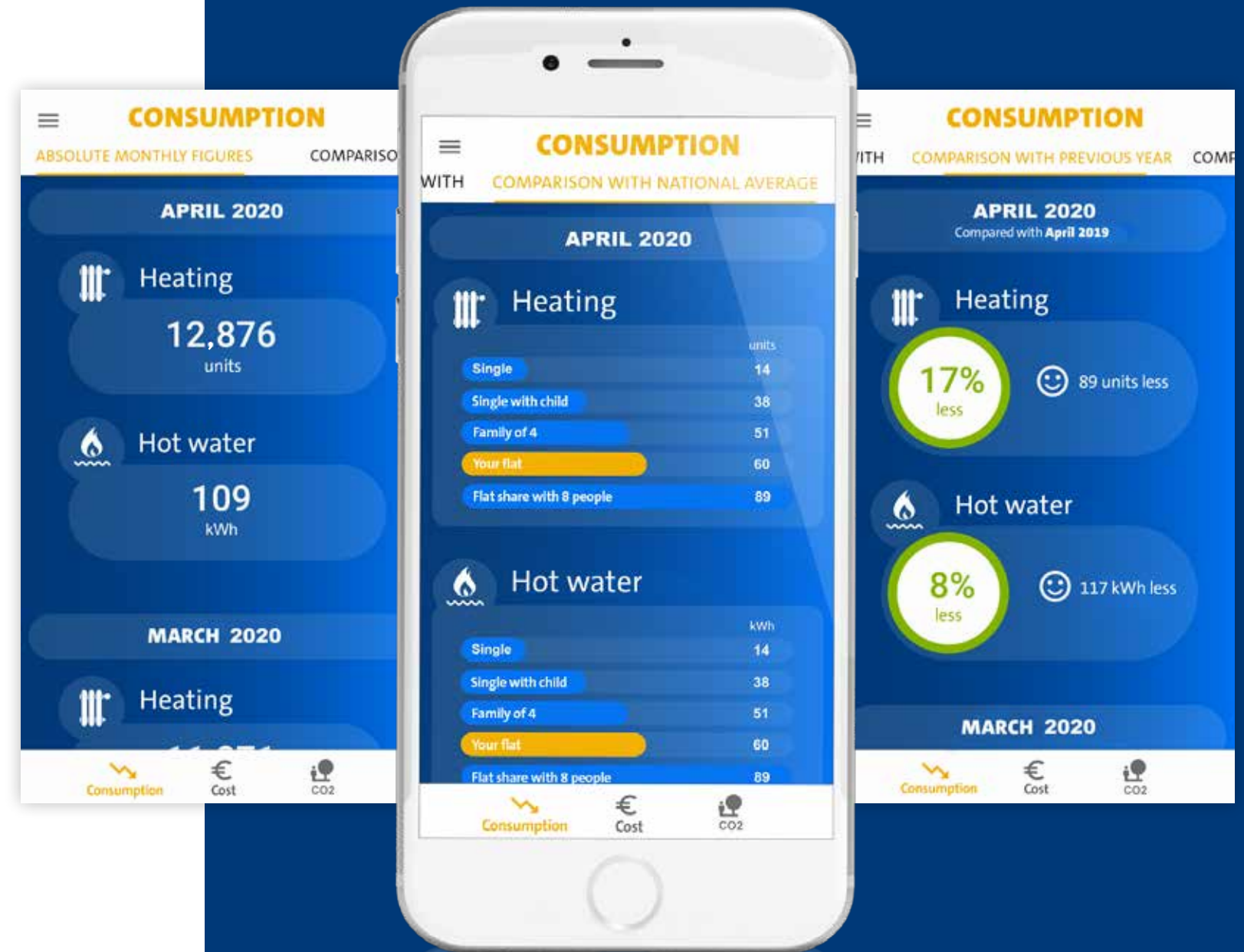
We aim to convince both owners/property managers and residents alike with our solution for the EED. The digital all-round carefree package for owners/property managers enables them to implement all the components required in the EED and communicate with their residents reliably, efficiently and in a legally compliant way.

Furthermore, our solution delivers real added value. With an app for residents, we go above and beyond the services required in the directive. For example, from the very beginning, residents receive monthly information about their consumption. They also get an estimate of their costs. Moreover, they can compare their consumption with the average in their apartment building and see how their carbon footprint is changing. Future extensions are already being planned to motivate users in an informative and appealing way to protect the climate and conserve resources.

## WHAT OUR EMPLOYEES RECOMMEND

"Households use most energy for heating. Make sure you only heat each room to the temperature you really need. After all, for every degree you lower the room temperature, you save about six per cent in heating costs. And you also avoid unnecessary CO<sub>2</sub> emissions."

*Max Hennig, Team Leader iSP Management,  
Field Service Management, Essen, ista Deutschland GmbH*





The ista innovation teams: 3D prints of the team are proof they are not just innovative by name.

## Creating something new together: Innovation teams start work

In our core business, we have been showing for decades how ideas can be turned into viable business models. In the ista Technikum, our research and development centre in Essen, we are systematically driving forward digitalisation of our device infrastructure and our process solutions. But we want even more: we want to become a key partner in the digitalisation of the housing industry.

Therefore, we raised the topic of innovation at ista to a new level in 2019 – and created a new department for it. The Chief Technology Officer (CTO) is where all the strands of innovation management and product development now come together. The Business Innovation team creates the space and processes for creative brainstorming. The Incubator team puts selected ideas through their paces and develops them until they are ready for market.

We believe in co-creation: we work in interdisciplinary teams, network innovators inside and outside the company and question, test and improve our ideas right from the start together with our customers. Our aim is to understand the customer exactly and make a real contribution to solving his problems with our innovations.





## DOING MORE AND PROTECTING RESOURCES - THROUGH DIGITAL BILLING PROCESSES

Digital billing processes make us more efficient – and also considerably reduce paper consumption. In 2019, we systematically continued digitalising all processes. By changing over to a Java-based billing system in Germany, we paved the way for the further digitalisation of our services. Systems for automatic data exchange with the housing industry, like those developed by ista Denmark, can now be efficiently integrated.

Throughout ista, we are encouraging our customers to switch to electronic invoicing. In Germany, we are making great strides forward in switching over to digital communication with private landlords. We have also applied our expertise in the recording of individual consumption to new areas: in a pilot project together with a local partner of SuperDrecksKëscht, ista Luxembourg has developed a residual waste container with a locking mechanism, which records the volumes of waste of each household in apartment buildings. The result: significantly improved waste separation with 50% less residual waste and the calculation of and charging for residual waste according to the polluter-pays principle.

### Leading by example: ista Denmark scores success with automatic data exchange with the housing industry

Digital products are being integrated in more and more apartments. In order to exploit the resulting opportunities for greater climate protection and efficiency in building management, the data collected must be processed reliably, securely and quickly. ista Denmark is leading by example. As part of a pilot project with the housing company Himmerland Boligforening, in 2017, our Danish colleagues developed a system for automatic data exchange (ADE) between landlords and ista in collaboration with one of the most important Danish ERP providers for residential property management.

The result: faster data transmission, much lower risk of errors and the possibility to make consumption visible directly on the web portal or the app. Ideal conditions for implementing the EED. This is why ista is now advocating that systems such as ADE are used by all landlords and also by its competitors.



### No paperwork: Communication with private landlords goes digital

Until now, we have posted our printed cost and user list and an instruction leaflet once a year to our roughly 200,000 private landlord customers in Germany. In 2019, we launched a campaign with the motto "A heart for digital" to persuade landlords to say goodbye to the paper list. From 2020, this list will be replaced by the digital cost and user list on the ista web portal. Our goal: we would like to convince the majority of our customers to go digital. After all, when they transfer all the billing data via the ista web portal, they benefit from immediate plausibility checks of their data and faster throughput times – and they help us to achieve impressive paper savings: approx. 1 million sheets a year.

A  for Digital.



### Digital services: jABRE billing system opens up new possibilities

Our billing system, previously known by the name ABRE, forms the backbone of the ista services. We have now modernised the system so we can push ahead with digitalisation. The changeover during ongoing operations was the biggest challenge as the billing service had to remain functional at all times. After thorough preparation and quality control,

modernisation of the system was successfully completed in November 2019. The billing system, renamed jABRE, is now running just as stably as before on a modern Java-based platform. This has paved the way for us to systematically continue to digitalise our business model and the underlying operational processes.

## HOW WE MOVE FORWARD: SELECTED KEY FIGURES FOR 2019

In Germany, the largest sub-metering market worldwide, we look after some **280,000 customers** and about **5 million homes** with more than **33 million devices**.

**Individual recording of waste volumes** in conjunction with high-quality waste separation by ista Luxembourg led to 50% less residual waste and to much lower waste disposal charges for the tenants/users in the 20 properties equipped with the system so far.

**Digitalisation of our services:** 63% (in 2018: 49%) of our German customers' properties already use ista's digital services. That is already 79% (in 2018: 70%) of our customers' units. As a result, we avoid 2.4 million sheets of paper during the heating and ancillary cost billing process, i.e. before billing (transmission of cost and user data by data exchange and/or use of the cost/user data recording feature on the ista web portal) and after billing (dispatch of individual consumption bills and invoices).

In 2019, we installed over **27,603,130 wireless-ready products worldwide** (sum total of end devices and stationary gateways (SGWs) as of Dec. 31, 2019).





## Smart property management – thanks to digital solutions

*The connected home offers many more possibilities. In future, we want to use our experience in the field of transparent recording of consumption in yet more areas and become a competent partner of the housing industry for the next steps of digitalisation. To achieve this, we took completely new approaches to innovation in 2019. This is particularly evident in our digital start-ups and investments in companies.*

*With objego, we make it easy for private landlords to manage their property efficiently and professionally. Tradesmen can use ToolTime to organise their processes digitally from wherever they happen to be. Through our shareholding in the start-up facilioo, we are making a contribution to creating a digital service platform for the real estate industry.*

## Everything in one place: facilioo – a platform for the real estate industry

An open digital platform to map, simplify and control all processes relating to the management of a property – that is facilioo. Comprehensive digital-based process management enables landlords and owners to optimise the processes between all parties involved, whether tradesmen, tenants or service providers. The time and effort involved can also be significantly reduced, for example, by better coordinating routes for on-site appointments and reducing the number of wasted journeys. facilioo can be used to manage installation and meter-reading

appointments and documents for individual users. Communication options are flexible: digital channels, such as app, messenger, SMS, can be used or the resident can be contacted by phone. That saves both postage and paper. The Berlin-based start-up has been on the market since 2016. Following joint pilot projects, ista acquired a 25.1% stake in the company in April 2020 and is actively driving forward the development of the platform and the expansion of further use cases.

## Simple, intuitive, secure: objego – the ista landlord portal is here

Over 14 million apartments in Germany are rented out by private landlords. Most landlords do not use software at all to manage their properties or only use Excel spreadsheets. We want to offer an alternative.

objego provides a simple online way for private landlords to manage properties with up to 30 units. Landlords retain an overview of their rental properties, can

maintain master data on them, draft rental contracts, manage income and expenses and create their service cost bills themselves in just a few steps. The key function of objego is the individual ancillary cost billing feature. However, new functions are soon to be added, such as individual financial management, digital document management, task planning and templates for legally compliant rental contracts.



## More time for essentials: ToolTime simplifies processes for tradesmen

Tradesmen are urgently needed, especially for energy-efficient refurbishment in buildings. However, many tradesmen find that administrative processes swallow up a large part of their working time. The digital solution ToolTime simplifies processes for tradesmen, both in the office and on site at the customer's.

Customer data and appointments can be managed efficiently, orders conveniently documented on-site by app and all documents and information regarding the order stored in a well-organised manner. Users can create offers and invoices with just a few clicks. Berlin-based ToolTime GmbH was established in mid-2019 by WISAG and ista and has been active on the market since then.



## Intensifying customer focus, increasing service quality

*Sustainability thrives on the commitment of each individual. We want to help our customers and their tenants to commit - with our tailor-made products and services. In order to understand the problems and needs of our customers even better, we conducted surveys among our customers in 2019 using the new online panel "PULS by ista" and received valuable feedback. ista Italy now uses webinars, mailings and social media to keep its customers informed about current issues, for example new legal requirements, and answer questions about our products and services.*

*In our quest for even greater service excellence and customer satisfaction, we have also introduced many improvements to the process for including new properties and methodically trained our complaint managers in cause analysis and problem-solving.*

## On board faster: ista optimises onboarding of new properties

Adding a new building for our services is a complex task. We want the set-up process to be as quick, convenient and transparent as possible for our new customers. In the "Onboarding new properties" project, we have brought together the best practices of our branches and developed them further with colleagues from Sales and Operations as well as the ista service partners.

One of the new features: independent "new property" teams are in close communication with the customer before and during installation. This way, any issues arising can be solved straight away with the customer. Another improvement: quality management. With revised check lists and documents as well as on-site quality inspectors, we are now giving even more support to the ista service partners as they perform their work. New interfaces and automated data transfer to our IT systems accelerate onboarding and reduce the error frequency of manual data transmission.



## Opinion needed: "PULS by ista" enables qualified customer feedback

To better understand customers and their needs and involve them more in our development and decision-making processes – that is the idea behind our new customer panel **"PULS by ista"**. On the website [www.pulsbyista.de](http://www.pulsbyista.de), our customers have the opportunity to take part in surveys on various topics regarding the company. Over 130 customers are already on board.

Each time they take part, they collect bonus points. Once a year, they can exchange these points for money and donate the proceeds to a sustainable initiative. They can choose between the organisation "Habitat for Humanity", which gives people in around 70 countries a roof over their heads, and the "Plant-for-the-Planet" initiative, which is actively engaged in climate protection.

**START WITH YOUR-  
SELF AND LEAD BY  
EXAMPLE —  
BECAUSE IT IS UP TO  
EACH ONE OF US.**

*Barbara Wiecher, Head of HR Global & Developing Markets, ista International GmbH*





# LEADING BY EXAMPLE: WE DEVELOP POTENTIAL – THROUGH A NEW CULTURE OF COLLABORATION

*With their dedication and expertise, our employees create the basis for our joint success. We want to continue this success story and develop together in these times of rapid technological and social change. To achieve this, we create a culture of collaboration and collaborative learning, excellent development opportunities for our employees and a healthy working environment that makes work and family life compatible. We want our employees to be able to contribute their full potential – so together we can promote sustainable solutions.*

## We set clear rules for respectful collaboration

An environment for healthy, motivated and creative work can only grow where basic employee rights are guaranteed and discrimination and corruption have no place. Fundamental labour rights and ethical principles for respectful collaboration are anchored in our company values and laid down in internal guidelines and voluntary commitments.

International agreements, such as the UN Universal Declaration of Human Rights, the UN Convention against Corruption and the International Labour Organization's Declaration of Principles are binding on all employees and managers worldwide. When it comes to wages and salaries, ista's

principle is equal pay for equal work. Therefore, we create transparent pay structures based on objective criteria, for example through job evaluations and pay bands.

We use statistical methods to regularly examine whether groups of employees are receiving different pay to others because of their gender or part-time working arrangements. Close cooperation with the works councils creates a reliable framework for working productively together.

## WHAT OUR EMPLOYEES RECOMMEND

"For me, sustainability means exploring new ideas and approaches that lead to a rethink at work and in society."

*Florian Hansmann, Agile Master in the  
Transformation Office, Essen, ista International GmbH*



## We are shaping our future through new forms of collaboration

*We have set ourselves a major goal: we want to become the partner of the real estate industry for digitalisation and sustainable living. To achieve this goal, we need new ways of organising and working. We support our employees in working together in small teams across functions, always with the customers' benefit in mind. To this end, we are also further developing our organisational and leadership culture.*

*In innovative dialogue formats, we offer opportunities for an informal exchange of views between employees and managers and facilitate cross-team learning. We also strengthen the team spirit at ista through a wide variety of events both during and outside working hours.*

## We protect the health of our employees through prevention

Health is the basic requirement for productive work. We promote our employees' health through offerings such as regular health days, stress management training sessions and subsidised membership fees at selected gyms. Should our employees have personal problems, we offer immediate counselling by qualified psychotherapists through our partner insite.

In order to help our employees achieve a good work-life balance, we provide flexible working-time models and opportunities to work from home and, for our employees in Germany, we offer the possibility of a sabbatical and free advice from the ista Family Service 365 days a year.



## We support employees in their development – so they reach their full potential

In order to recruit the best employees and nurture their potential, we at ista invest specifically in training and further education. We prefer to fill managerial positions from our own ranks. So we offer international training courses and a wide variety of programmes for young talents and future managers. In regular staff surveys and through platforms such as kununu, we invite our employees to give us feedback on our performance as an employer – so we can get better and better.





## HOW WE ORGANISE EMPLOYEE-RELATED MATTERS

The central contact for all employee matters at ista is the Corporate Human Resources department (CHR). In certain aspects it is flanked by other departments: HR Global & Developing Markets is responsible for HR development outside our core markets. Corporate Internal Audit and Compliance monitors whether all guidelines and commitments are being observed. In selected countries, a central monitoring system has been set up to monitor areas that appear to be particularly at risk of corruption.

The Health & Safety Office supports group-wide health management in cooperation with the codetermination bodies. The Transformation Office promotes the development of a collaborative organisational culture and agile working methods. The Corporate Communications & Public Affairs department is also responsible for many of the internal dialogue formats and events.

### We set ourselves goals and measure our success

We have set ourselves the following goals for employee culture and development at ista:

**We want to further improve the general conditions for employee engagement and so maintain our engagement score at the very high level of 80 in the period through to 2030. The engagement score is determined every two years as part of the ista-wide staff survey (PSI). On a scale from 0 to 100, it measures how strong the employees' work engagement is.**

**We will keep the number of work-related accidents below the threshold of one accident per 100,000 working hours.**

On the following pages, we show how we made progress in the reporting year 2019 in the field of action, employees.

#### Focus: Principles of the Global Compact and SDGs

**8** DECENT WORK AND  
ECONOMIC GROWTH



##### Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

##### Principle 6:

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

##### Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.



# LEADING BY EXAMPLE: OUR ACTIVITIES AND PROGRESS IN 2019

## Anchoring collaboration and leadership in new forms

*One topic in particular dominated the year 2019 at ista: developing new forms of collaboration. Starting from our core business, we want to establish ourselves in the years to come as a key partner of the real estate industry for digitalisation and sustainable living. That means change - in the range of products and services we offer, but above all in the way we work together to develop them.*

Corporate HR, Corporate Communications & Public Affairs and the Transformation Office are actively shaping this change. The aim is to anchor new forms of agile and cross-functional collaboration and to further develop the organisational and leadership culture.

With the new "Work Buddy Days", we give employees at Head Office and at the branches the chance to gain first-hand knowledge of each other's working day – so they can work better together in future.

Through formats such as "Coding Dojo" and "Working Out Loud", we have created further possibilities for collaborative learning. We have also made progress in integrating our international colleagues. For example, for the first time, all employees worldwide were able to participate by live link in the "inside talk," the annual strategy update by management. Local, national and international employee events, such as a Christmas market at Head Office and the ista-wide Soccer Cup, all helped in 2019 to strengthen interaction and the team spirit at ista.



## Rocked: ista's Living Room Concert brings in 25,000 euros in donations for Corona aid

The Corona crisis is challenging us all – as a society and also as a company. The employees of ista have achieved great things in this situation. Thanks to a concerted effort, we managed to get nearly all colleagues worldwide working from home within just a few days. We wanted to thank everybody for their solidarity in the crisis – and so we organised a charity concert with the cover band "Soulmates".

During the concert, which was broadcast live into the living rooms of the employees, a total of over 25,000 euros in donations was collected – half donated by the company and half from the employees. With this money we supported three social projects that are providing targeted help in the places particularly affected by the coronavirus crisis.





## Team for change: Transformation Office supports new forms of collaboration

Our new Transformation Office brings together expertise from organisational development, project and process management and agile working methods. It supports project teams in their efforts to take an interdisciplinary approach, act in a lean and effective manner, and use agile methods such as design sprints while always focusing on the customers' needs – for example in the development of our app for the EED. Through innovative formats and at events such as our Future Factory 2020 it creates opportunities to get to know such new approaches.

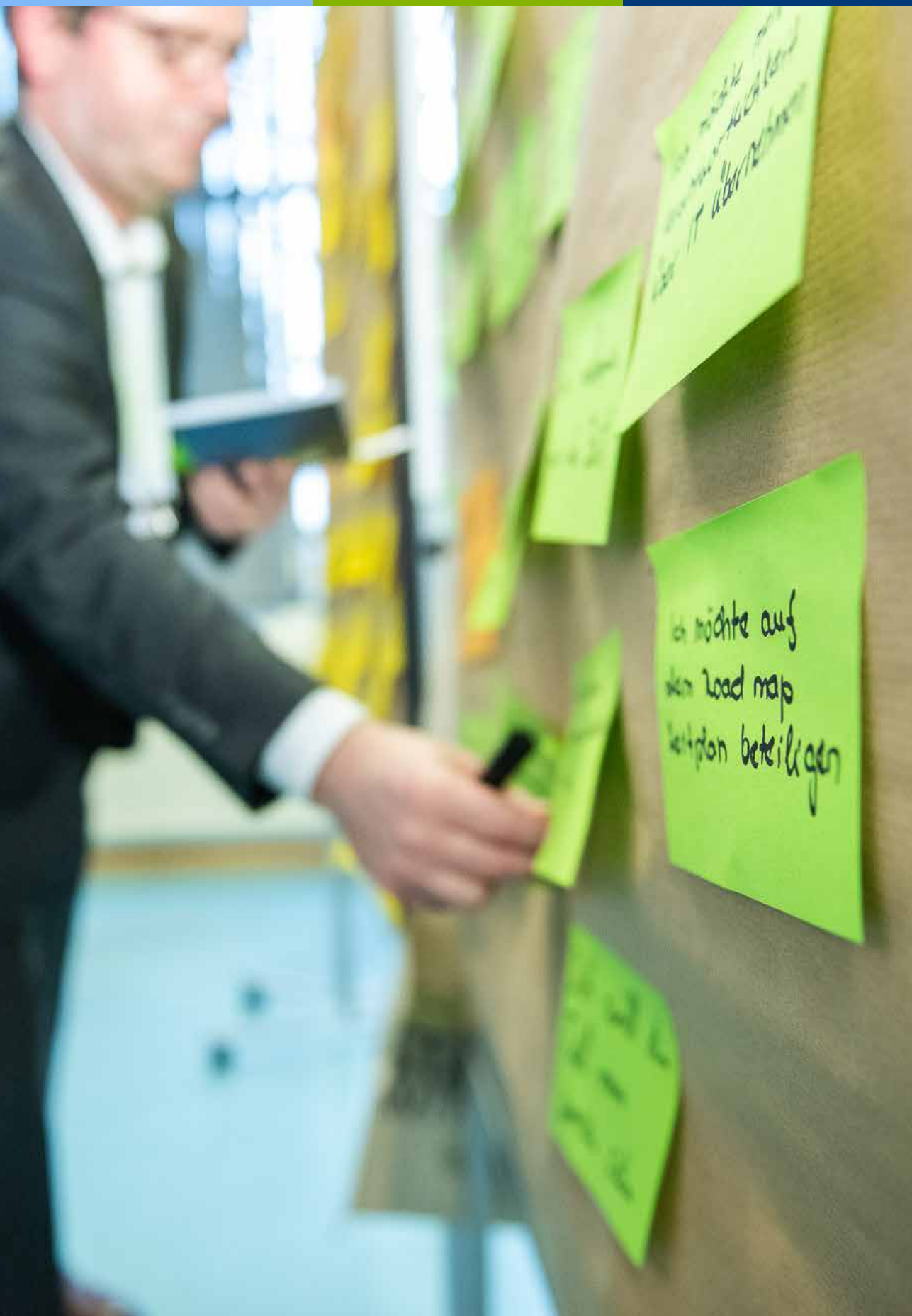
Together with the CHR department, it also helps us to further develop our leadership culture. One motto in particular guides us on this path: "Change starts with me". We can only change something if we become aware of our own behaviour patterns. This is how we take transformation at ista forward step by step. So creative ideas can really flourish – and sustainability can also be considered from new perspectives.



Colleagues during the Design Thinking Jams on the topic of customer-centric innovation on the second day of the Future Factory 2020, our annual management event. On the first day, 160 managers had closely examined the subject of leadership culture and reflected on the meaning of the motto "Change starts with me" for them and their team.







## Innovative formats promote networking and collaborative learning

At the Agile.Ruhr – Scrumtisch, which has taken place at Head Office every month since 2016, we, together with the organisers of Agile.Ruhr, invite people to an open exchange of opinions on questions of agile management and the transformation of the world of work. In the Open Space or Lean Coffee format, participants can put forward their own topics. The event is also open to externals – and is enjoying growing popularity: whereas at the beginning 12 to 15 people took part, now it is up to 50.

Software developers from different ista departments meet at the Coding Dojo to solve a programming task in teams of two. They can try out new programming approaches, test different solutions and learn from each other in a relaxed atmosphere while having lots of fun. The aim is to open the format to externals in 2020 and so to also promote an exchange of ideas with interested parties and potentially new colleagues.

We also use the successful format Working Out Loud at ista: three to five employees form a circle in order to help each other over a period of 12 weeks to achieve the individual goals they have chosen. 25 employees at Head Office have already used the format and the number of people interested in trying it is also growing rapidly.

We also employ other dialogue formats to encourage interaction between our employees beyond the boundaries of departments and work levels. Our monthly chat opportunity 9@9 gives eight employees the chance to have breakfast with a member of the management team. Every month, the Breakfast Club brings managers and the management team together to discuss current issues. During the lunch break, the monthly Lunch & Learn provides an opportunity to get an insight into new topics and processes from internal or external speakers. In light of the situation in 2020, these formats are largely being continued in digital form, which also gives other locations the chance to benefit from them.

**“I had my first 9@9 this morning. We had a good discussion around Corona, how we cope with it as an organisation, with its effects on digitalisation — these days and going forward. And of course we also talked about our strategy. I always enjoy these discussions with colleagues from various areas of ista. Keep up the passion and stay healthy!”**

posted by Thomas Lemper, CFO ista International GmbH on our social collaboration platform ONE about his first digital 9@9 in March 2020.



## Developing talent, facilitating collaboration – so people reach full potential

*Our employees are the basis for our joint success. We want them to develop their full potential – as managers, innovation drivers and team players. That's why we again invested heavily in the development of our employees in 2019 – and in digital tools that make their work easier. With the new programme istaGROW, we are supporting nine young talents in their development to managers for the Global & Developing Markets. We are currently working on the talent programme Boost@ista for our Core Markets.*

*A new coaching platform supplements our offerings for individual career advancement. With the cloud-based solution, Workday, we have made HR management more efficient, uniform and transparent for all employees in Germany. Through webinars, we also help our employees to fully exploit the potential of our social collaboration platform ONE – and so advance our sustainable projects together across divisional and national boundaries.*

## Optimal support from coaches to master personal challenges in daily work

Growing into a new leadership role, dealing with role conflicts or honing your personal image – these are all challenges for which a coach can provide effective support. With our new coaching platform, we offer our employees in Germany the opportunity to find a suitable business coach quickly and easily. Our partner has pre-selected over 300 business coaches for the platform. When an employee makes an inquiry, he receives within 48 hours three suggestions for a particularly suitable coach to choose from. The employee can arrange with his department for it to pay the cost of the coaching.



## Growing together: istaGROW promotes talents for the Global & Developing Markets

Developing top talents in-house – that has always been our approach. With the new programme istaGROW, we have launched an international talent promotion programme for our 15 Global & Developing Markets (G&DM). Nine candidates from Poland, Belgium, Turkey and Spain as well as from Head Office have made it: they are our first "ista GROWies".

For 18 months they work in small groups on three projects that will advance ista's work in the G&DM. They receive support from personal mentors and project coaches. Training sessions and smaller learning units, so-called Learning Nuggets, also help them on their learning paths.

## THE FOLLOWING UNITS DETERMINE THE TRAINING SESSIONS OF THE ISTA GROWIES

Working in teams of <b>3-4</b> with a project coach on <b>global</b> G&DM projects.  ~12 days per person	<b>20%</b>  Training sessions	Boosting your personal development with a senior mentor from <b>another part of the company.</b>  ~1 hour per month	<b>10%</b>  Learn about the ista world
<b>60%</b>  Project work	Learning about <b>Leadership</b> and <b>Project Management</b> , with internal & external trainers.  ~4 days per person	<b>10%</b>  Work with your mentor	Digging in <b>ista Learning Nuggets</b> provided by ista GROWies or others  ~1 hour per month

### HR digital: Workday makes HR processes simpler and more transparent

Complicated application procedures, confusing e-mail traffic, different HR processes depending on the German location? That's all in the past – thanks to Workday. With the digital, cloud-based system for HR management, we have created a uniform database and simplified processes at all German ista branches. Every employee has transparency over their personal data, can make changes quickly and easily themselves, view organisational charts or ask for a job reference. Managers can efficiently organise HR processes for their team – from placing a job advertisement to onboarding new employees. Data security is the top priority. All data are stored on European servers.



## HOW WE MOVE FORWARD: SELECTED KEY FIGURES FOR 2019

We increased the **percentage of employees with a permanent employment contract** by 3% to 89.4%, continuing the trend in previous years. We also increased the number of permanent positions in absolute terms – even though the total number of employees fell slightly in 2019.

The **staff turnover rate** was 14.3% in 2019. The turnover rate was therefore 0.9% higher than in 2018 but well below the figure for 2016 (15.6%) and for 2017 (15.1%).

The **share of women** in the workforce of the ista Group was 51% in 2019 and therefore slightly higher than the previous year's figure of 50%.

In the people survey ista (PSI), we managed to achieve an **engagement score** of 80 in 2017. We want to maintain this high score for our employees' identification with the company and their work. The next PSI will take place in the third quarter of 2020. The Transformation Office is working with Corporate HR on simplifying the survey. In future, pulse checks will enable us to obtain feedback from our employees more frequently and quickly.



## Award-winning: ista is Best Place to Learn, Top Employer and kununu Top Company

Our branches in Germany have been able to call themselves a "Best Place to Learn" since 2019. In order to evaluate the quality of our apprenticeships, the apprenticeship portal "AUBI-plus" questioned not only internal trainers but also current and former apprentices. We scored particularly well on how we at ista encourage our apprentices to learn independently and integrate them into our company. There is potential for improvement, for example, by broadening the field covered by our apprenticeship to become an industrial business management assistant.



ista again received the "Top Employer" award. Our branches in Germany, France, Austria and Switzerland as well as the ista service centres in Poland and Romania all successfully took part in the Top Employers Institute certification process. Digital HR processes were rated particularly highly this year – here our Workday system impressed the Institute.



On the employer rating platform, kununu, we are one of only 5.7% of companies that have qualified as a "TOP COMPANY". kununu is the biggest platform for the anonymous rating of employers in Europe. The title "Top Company" is awarded to companies that receive an average of three out of five points in the overall rating. We scored particularly well on colleague cohesion: out of a total of 176 reviews we were given five points 72 times and four points 53 times. Even more exclusive is the illustrious circle of companies which have gained the "OPEN COMPANY" seal of approval: only just under 1% of all companies on kununu can stand out from the competition with this label and so draw the attention of job seekers to their qualities as an employer.



## Protecting health, strengthening work-life balance

*Sickness rates have been increasing in many countries for years. In a nationwide health report for 2019 published by a health insurance company<sup>1</sup>, it was found that mental stress is increasingly leading to absences from work in Germany. It can therefore be assumed that this trend also affected ista. In 2018, the sickness rate had increased measurably, particularly at our Head Office.*

*Therefore, in order to address occupational health and safety at ista even more systematically, we appointed a central Health & Safety Manager in 2019. Following a nationwide and local risk analysis, this manager is currently developing programmes to minimise accidents and illnesses in the future. Based on the analyses and in cooperation with the employee representatives, we will further expand our health care offerings at our locations in Germany.*

<sup>1</sup>Source: Techniker Krankenkasse Gesundheitsreport 2019, fig. 19, page 26ff

## Systematic approach to health and safety – thanks to group-wide management

Accidents at work at a service provider like ista? Certainly not such a big issue as in the construction industry or logistics sector. Nevertheless, there are health risks - both for field service and office workers. We want to set a good example for our industry by looking at these risks more systematically than before and continuing to reduce them. Therefore, we have set up the Corporate Health & Safety (H&S) Office.

Our H&S manager conducts analyses throughout the Group to ascertain where there are risks to the physical and mental health of our employees and external service providers, evaluates accident figures and cases of illness, gets to the bottom of the causes and, on this basis, develops a comprehensive programme to prevent accidents and illness.

## HOW WE MOVE FORWARD: SELECTED KEY FIGURES FOR 2019

We achieved our goal of keeping the number of reportable **work-related accidents** below one per 100,000 working hours. In 2019, the rate here was 0.72 accidents per 100,000 working hours, a consistently low level (rate 2018: 0.7). If minor accidents are also included, the rate in 2019 was 1.35 - 0.34 points higher than in 2018. Our H&S Office is already working on understanding the causes and developing measures to better prevent accidents in the future.

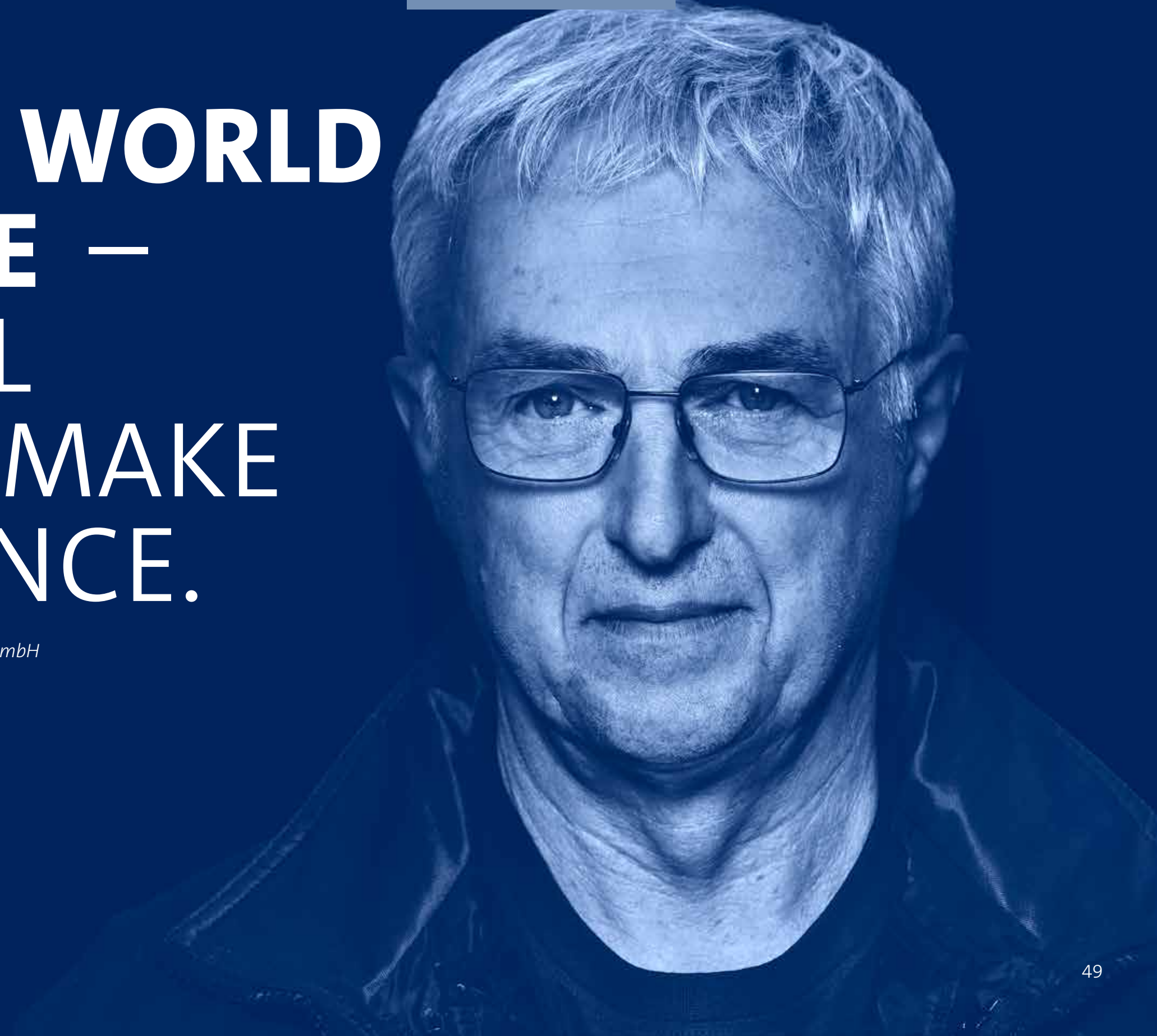
The **sickness rate** fell group-wide by 0.02% to 4.05%. This is due in particular to a reduction in sick days at our Head Office.





# WALK THE WORLD WITH CARE — FOR SMALL CHANGES MAKE A DIFFERENCE.

*Werner Döker, Customer Service Technician, ista Deutschland GmbH*



# LEADING BY EXAMPLE: WE APPROACH SUSTAINABILITY TOGETHER – IN DIALOGUE WITH OUR PARTNERS

*We approach sustainability together. After all, if we want to protect the climate, save resources, secure social standards and guarantee high service quality, it is not enough to simply look at our own actions. We must achieve sustainability along the entire value chain – and we can only succeed in this together with our partners.*

*And of these, we have quite a few: some 250 suppliers in Asia and Europe manufacture a large proportion of the devices we develop. In Germany, about 2,000 self-employed ista service partners (iSPs) and*

*companies from various branches of industry handle the installation, maintenance and reading of the metering and smoke alarm devices at our customers' premises.*

*For the ongoing operation of ista Germany, we buy products and services ranging from office supplies to rental cars from some 3,000 suppliers. Last but not least, when it comes to the dismantling of our devices, we work with recycling partners, such as Haus Hall in Germany.*

*We specifically look for partners who support us in climate protection and resource conservation. We set clear ethical standards for collaboration. And we achieve process improvements in close dialogue. In this way we set a good example together – for greater sustainability and better service.*

## Common rules: We set standards for collaboration

A successful partnership requires reliable rules. Our Code of Conduct and our procurement policy define standards and guidelines for transparent, fair and efficient supplier selection by our employees as well as for quality-focused collaboration. All our suppliers undertake to comply with our Supplier Code and to enter into corresponding agreements with their suppliers.

The Supplier Code contains our minimum requirements for social, environmental and governance standards. It is based on the principles of the Organisation for Economic Cooperation and Development (OECD), the core conventions of the International Labour Organization (ILO), the principles of the UN Global Compact and the requirements of the UK Modern Slavery Act. We conduct regular audits to check whether the Code is being observed.





## Common goals: We form alliances for climate and resource protection

Using fewer resources protects the environment and climate and creates a better quality of life. Therefore, we work hard to reduce the use of resources as much as possible and specifically look for partners that help us to further reduce our ecological footprint. We are following a multi-year step by step plan to gradually switch to recycled paper or products with FSC certification.

With the help of our partners, natureOffice, and the printers, Stober GmbH, we offset the emissions from the production of our paper and print materials. For postal dispatch, we use "GoGreen", the climate-neutral postal service of Deutsche Post. In addition, we recommend our employees to travel by train wherever possible – with the business customer ticket, they can travel throughout Germany in long-distance trains using 100% green electricity.

## WHAT OUR EMPLOYEES RECOMMEND

"With our purchasing decisions, we help determine how the world develops. Every week, pick out a product that you use regularly and find out about sustainable alternatives. That way you can change things step by step."

*Katharina Feuerlohn, Category Manager,  
Procurement & Supply Chain, Essen, ista International GmbH*



## HOW WE ORGANISE COLLABORATION WITH OUR PARTNERS

The central Procurement & Supply Chain department is responsible for the manufacture of our products. It helps our suppliers in Asia and Europe to implement the production processes defined by ista and to comply with the relevant quality standards. Materials and services for the operation of our organisation are largely procured by the national organisations themselves.

The central iSP management team enables the 17 branches in Germany to deploy our iSPs efficiently and look after them professionally.



### Common action: Together we strengthen the circular economy

The long service life of our products, high recyclability, closed recyclable material cycles – we work on all this together with our partners along the value chain. When developing devices, we integrate ecological aspects over their entire life cycle. Our top priority is the longevity of our products.

We test newly developed products thoroughly for reliability. In series production at our suppliers' and in our works in Au, we systematically monitor both product and process quality. To do this, we use recognised sampling methods as well as accelerated aging and stress tests during production. Our processes and methods for quality management are certified to ISO standard 9001.

We lease most of our devices to our customers. In Europe, we take back old devices, dismantle them and recycle the separate parts. In Germany, mainly independent ISPs take care of the replacement and return of the devices. For the dismantling process, we work together with recycling partners, including workshops for people with disabilities in Germany and Luxembourg. Where possible, we use our heat meter sensonic II and some components such as brass housings, circuit boards and coils a second time.





## COMMON SUCCESS: WE ARE ALWAYS AT OUR ISTA SERVICE PARTNERS' SIDE – FOR SUPREME QUALITY

How satisfied are our customers and users with our on-site service? The answer to this question is crucial to our success. Therefore, from the very outset, we support our roughly 2,000 iSPs in performing their work in the best possible way. We hold qualification events to prepare new service partners for their work. They are accompanied on their first assignments by trained ista staff or other experienced iSPs. On the iSP portal, they can also access ista installation instructions, product information or process descriptions and ask for further support at any time.

We regularly assess the performance of the iSPs, also in the form of random quality checks. In the search for potential for improvement, we are firm believers in partnership-based dialogue, two-way feedback and collaborative learning – to keep improving service quality together.

### We set ourselves goals and measure our success

We have set ourselves the following goal for collaboration with our partners:

**From 2050, we will work exclusively with sustainable and climate-neutral suppliers as partners.**

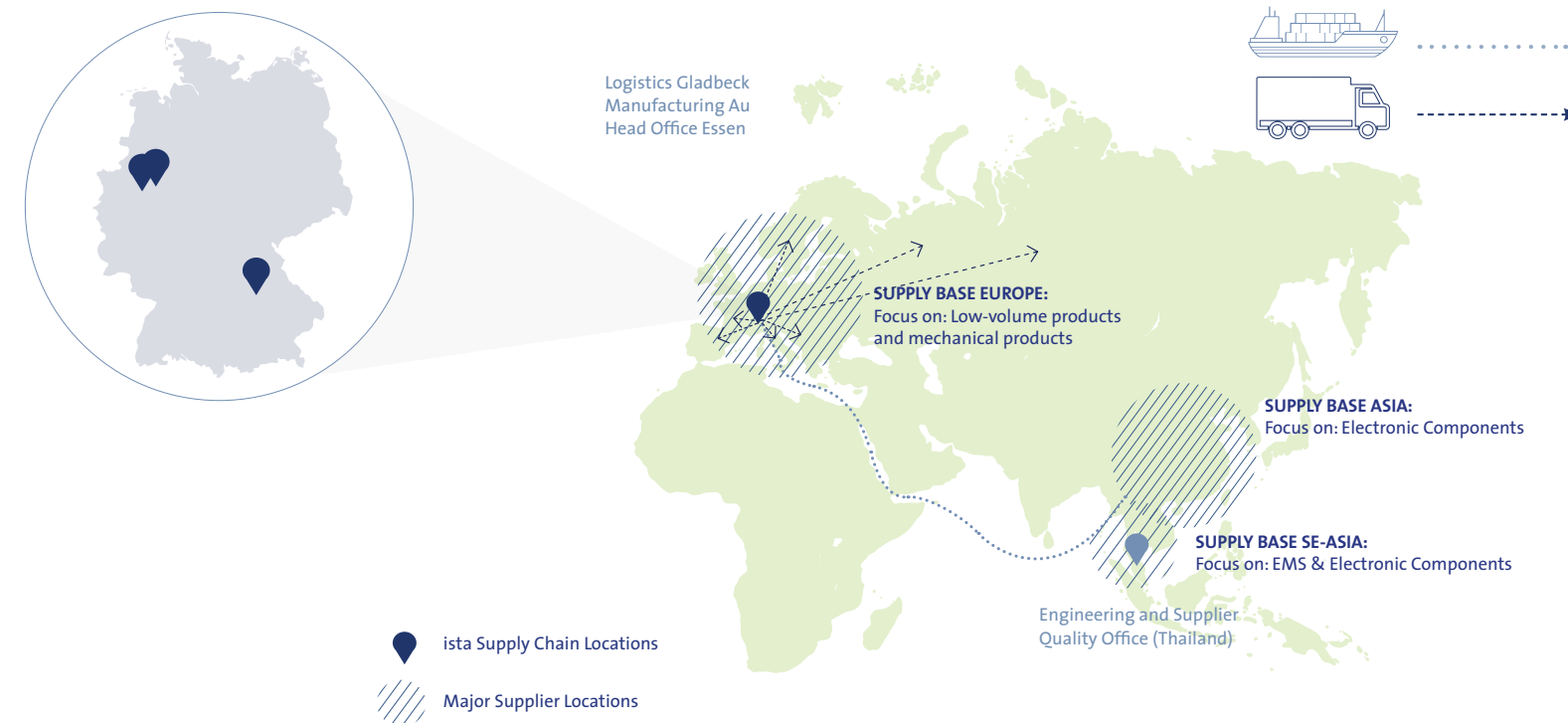
On the following pages, we show how we made progress in the reporting year 2019 on this goal and on the other focuses of collaboration with our partners.



## Our supply chain at a glance

Our suppliers in Asia and Europe produce our devices according to processes and quality standards defined by us. The finished products are either sent direct to our Warehouse & Distribution Centre in Gladbeck or, in the case of selected devices, first to our Manufacturing Competence Centre in Au in der Hallertau for final assembly and calibration.

Specially configured products are sent directly from the manufacturer to the destination (construction site or specialist tradesman). The products are transported from Asia to Europe by ship or, in certain cases, by plane. In Europe, the products are distributed by forwarders and by parcel service from the Warehouse & Distribution Centre to our locations.



8 DECENT WORK AND  
ECONOMIC GROWTH



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



13 CLIMATE  
ACTION



### Focus: Principles of the Global Compact and SDGs

#### Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

#### Principle 2:

Businesses should make sure that they are not complicit in human rights abuses.

#### Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

#### Principle 4:

Businesses should uphold the elimination of all forms of forced and compulsory labour.

#### Principle 5:

Businesses should uphold the effective abolition of child labour.

#### Principle 7:

Businesses should support a precautionary approach to environmental challenges



# LEADING BY EXAMPLE: OUR ACTIVITIES AND PROGRESS IN 2019

## Protecting resources and achieving climate neutrality – with strong partners

*Climate neutrality and recycling moved high up on the international agenda in 2019. The European Union's climate strategy and the proposal for a European Green Deal also raised awareness. In 2019, we continued on this course and calculated the CO<sub>2</sub> footprint of our transport logistics for the first time. We have already taken initial action on the basis of the results: we now have the packaging for our devices produced in Malaysia close to our device manufacturers instead of having it delivered to Asia from our plant in Gladbeck.*

*By using an integrated ordering and invoicing system that is completely digital, we can now make our procurement processes even more efficient and further reduce the use of paper. At our locations in Germany, we systematically continued with the change-over to sustainable paper and collaboration with partners for climate-neutral office operation. Thanks to improved processes at our service and recycling partners, we were also able to further increase the reuse and recycling rates of our devices.*

## A close look: ista measures CO<sub>2</sub> footprint of its logistics for the first time

Climate neutrality by 2050 – that is our goal at ista. To achieve this, we look for ways to avoid emissions at all levels – especially in logistics. In 2019, we laid the foundation for this work and for the first time determined the CO<sub>2</sub> emissions produced along our logistics chain.

In doing so, we included all emissions resulting from transport by air, sea and land from direct suppliers to the first delivery address on the customer side. From now on, we will record the key figure resulting from all these data every year. It helps us to develop improvement measures and regularly review their effectiveness.

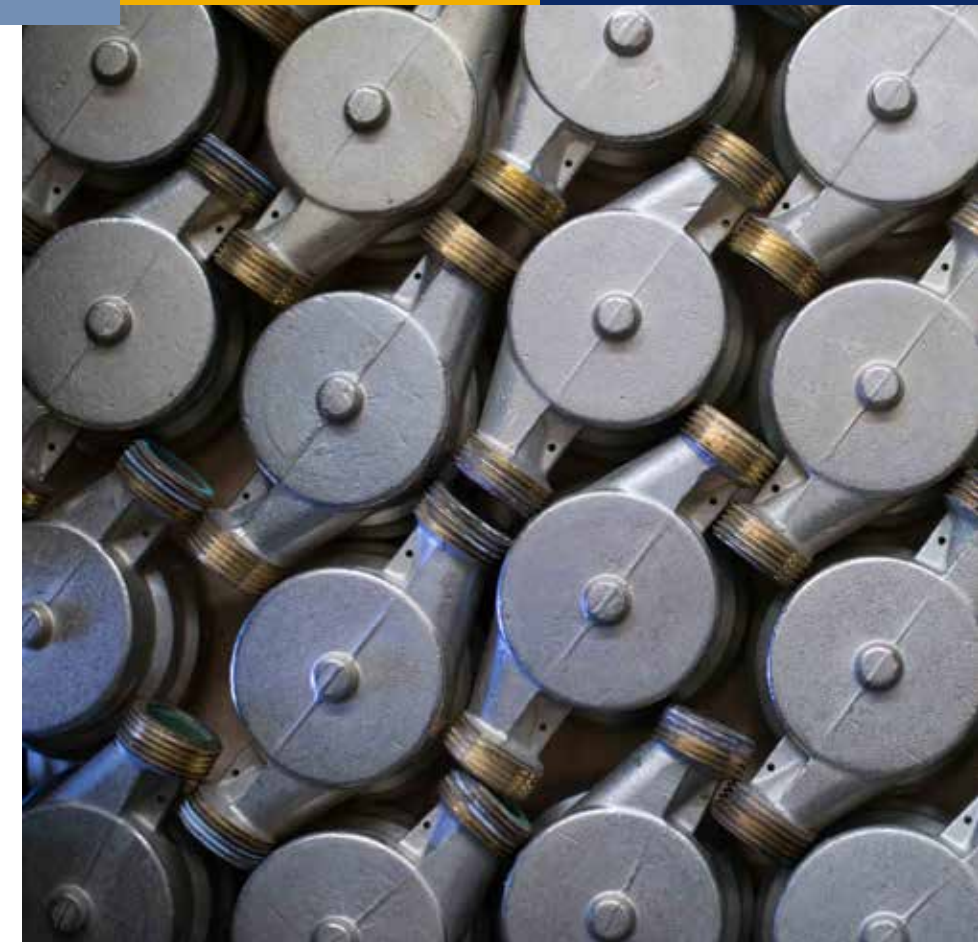




## Green makes progress: Labelling helps partners avoid waste

Even simple measures can have a big impact. Through better labelling we have been able to further increase the proportion of materials that are reused or recycled from our devices. The ISPs mark devices that they return to us with different colours: new products are marked with green stickers and are suitable for further use, as they have not been installed or used and are in new condition. They are sent directly to our Warehouse & Distribution Centre in Gladbeck for repackaging.

Scrap goods are marked with red stickers and delivered to the Haus Hall workshops for dismantling. Should a device arrive there that can be reused, our product catalogue offers support. Photos and explanations help our service provider to decide which devices are of sound quality and which must be disposed of as recyclable material.

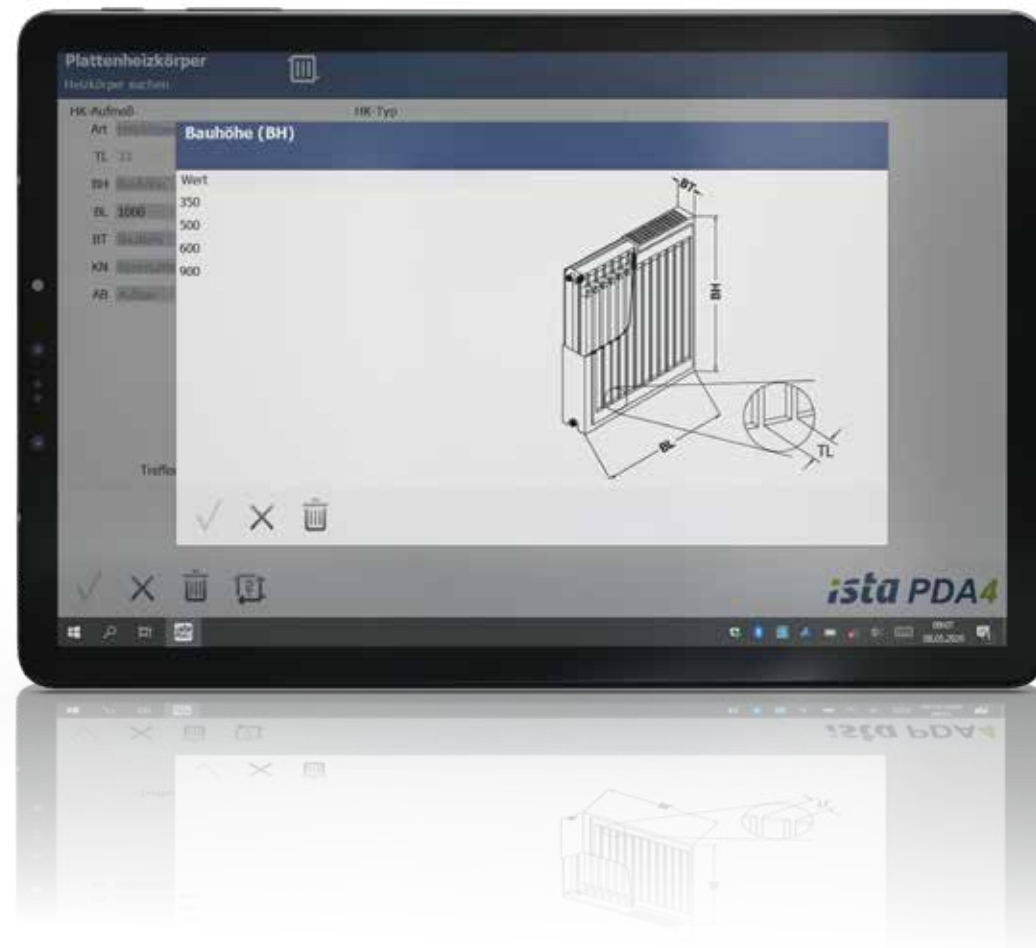




## Successful together through supreme service quality

*Together with our partners, we regularly review and improve the quality of our services. By introducing a KPI system in 2019, we created new ways to measure and together improve the service quality of our partners.*

*We offer additional support for projects with new customers: quality inspectors can be requested to accompany new ISPs. We have also strengthened our service partners in terms of technology: in a field trial we had 150 ISPs test new tablets that are to replace their previous personal digital assistants (PDAs). The result: higher efficiency, greater convenience and a better service. Nationwide rollout in Germany and in other ista markets is about to begin.*



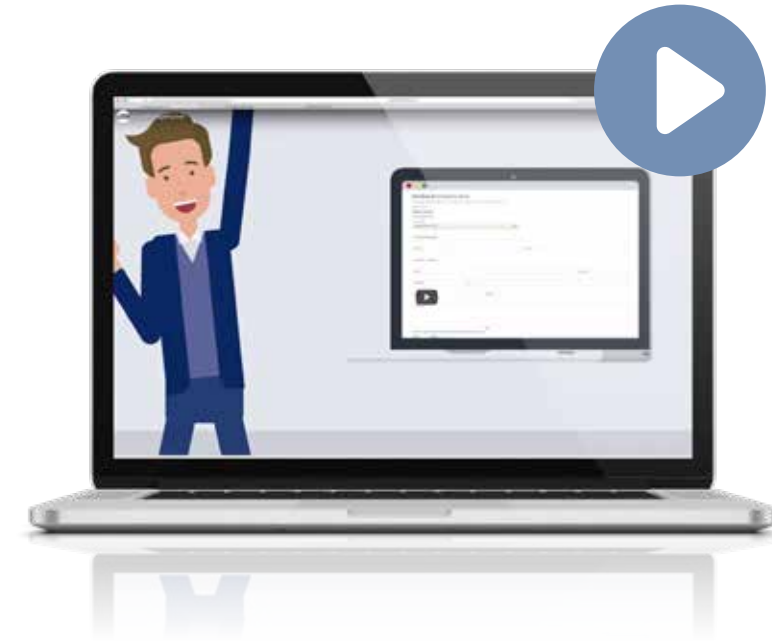
## Better on-site service: ista service partners receive new PDA tablets

More possible uses, faster communication, better service: with the PDA tablets ista is ensuring its service partners' technology is state-of-the-art. Equipped with WLAN and SIM card, the tablet enables service partners to coordinate appointments online, to have additional device installations approved directly by ista while they are on site and to receive support by remote access.

With the built-in camera, orders can be documented by photo and video and important applications, such as our app for identifying meters, can be used directly on the tablet. After successful completion of the test phase, the first ISPs in Germany and ista technicians in other countries are to be equipped with the new PDA tablets starting in the autumn of 2020. Thanks to the new online functionalities of the PDA, information can be processed better and routes to customers planned more efficiently so more CO<sub>2</sub> emissions can be avoided.

### Become our partner!

Do you like to work independently and have good manual skills? Then take a look at our videos – and find out what opportunities are open to you as an ista service or installation partner.



## HOW WE MOVE FORWARD: SELECTED KEY FIGURES FOR 2019

In 2019, ista recycled **71,000 brass housings**, **40,000 coils** and **30,000 circuit boards** from the sensonic II heat meter. Over **163 tonnes of brass** was melted down and recycled.

ista logistics produced emissions of **898.7 t of CO<sub>2</sub> equivalent** in 2019. Of this figure, air freight accounted for **443.15 t of CO<sub>2</sub> equivalent**, sea freight for **105.23 t of CO<sub>2</sub> equivalent** and land freight for **350.32 t of CO<sub>2</sub> equivalent**.

Worldwide, **14,098 end devices and standard gateways** were installed by our service partners per working day<sup>1</sup> in 2019. We expect the number of installations to increase overall as a result of the implementation of the European Energy Efficiency Directive (EED), which requires that, in future, only remotely read meters and heat cost allocators are installed in order to make individual consumption visible and help residents use energy more carefully.

<sup>1</sup> based on 250 working days



# LISTEN AND BE INSPIRED — CONVERSATIONS WITH YOUNG PEOPLE.

*Werner Monschau, Technical Product Manager, Automated Meter Management, ista International GmbH*



# LEADING BY EXAMPLE: WE ARE COMMITTED – TO CLIMATE PROTECTION AND SOCIAL PARTICIPATION

*Climate protection can only succeed by joining forces: if politicians, society and companies become active together. Together we can achieve the global goals for sustainable development and master the energy transition. We at ista are fully aware of this responsibility. That is why we get involved in many different ways, enable our employees to contribute to projects, network within and outside our branch of industry and share our knowledge to empower people to use energy more consciously – for a sustainable social impact.*

## WHAT OUR EMPLOYEES RECOMMEND

"A lot can already be achieved for climate protection and society if people give just a few hours of their time every week. Together we can achieve even more. Find a social project where you can create added value in your neighbourhood."

*Bożena Kostrzewa,  
Administrative Specialist, ista Shared Service Centre Poland, iSS*

## We motivate politicians and consumers to act sustainably

People need reliable information to take decisive action. With the aid of innovative technologies, we show customers and tenants in which areas they can systematically reduce their own energy and water consumption and so cut costs. We actively contribute our knowledge to current social and political debates on the energy transition, climate protection and sustainability. In order to develop sound positions and practical solutions to these topics of the future, we commission surveys and studies and carry out our own research projects with partners from the scientific world. We are also active members of industry associations and collaborate on multi-stakeholder initiatives such as "Allianz für einen klimaneutralen Wohngebäudebestand" (Alliance for a Climate-neutral Housing Stock).



## We promote climate awareness and support societal engagement

Sustainability requires education, for education is the key to social change. It offers opportunities for personal development and forms the basis for participation and involvement. One important target group is school children as their attitude shapes the world of tomorrow. With our project "ista schools in energy efficiency", we help school children record energy and resource consumption at their schools and develop practical approaches to climate and environmental protection. Together

with our partner Bildungscent e. V., we provide measuring equipment and working materials, organise idea competitions and work directly in the schools on improvements. We also promote climate protection and sustainability on action days such as the Social Day, in social projects, with fundraisers and through sponsoring.





Working for a good cause: Together with many other ista colleagues, Tobias Döring (standing) and Rodli Farah (kneeling) did voluntary work on one of the Social Days.

## We set ourselves goals and measure our success

We have set the following goal for our societal engagement:

**We will create opportunities for our employees to invest at least 5,000 hours a year in promoting climate protection and energy awareness in society.**

On the following pages, we show how we made progress in the reporting year 2019 on this goal and on the other focuses of our societal engagement.

## How we organise our societal engagement

The Corporate Communications & Public Affairs department at Head Office develops approaches and positions to help shape political and social developments, initiates group-wide activities and manages the Germany-wide project "ista schools in energy efficiency". The sustainability ambassadors at our German branches and the sustainability delegates in other countries bring local initiatives to the table as well.

### Focus: Principles of the Global Compact and SDGs

#### Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility.





# LEADING BY EXAMPLE: OUR ACTIVITIES AND PROGRESS IN 2019

## Motivating politicians and consumers to act sustainably

*What is the world community's attitude to the climate? Nobody could avoid this question in 2019. A worldwide debate raged on how society is moving forward on climate protection. National and international climate policy developed at an unprecedented rate – thanks in part to the engagement of hundreds of thousands of young people who took to the streets around the world as the "Fridays for Future" movement for climate protection.*

We actively supported this debate and contributed our own positions and approaches to solutions. In surveys we identified where citizens see possibilities for them to start standing up for climate protection. In one study conducted with the Technical University of Darmstadt, we examined the potential effects of a CO<sub>2</sub> price on tenants. We again provided the German Institute for Economic Research (DIW) with anonymised consumption data free of charge for its annual **Heat Monitor**. The data enable the Institute to evaluate how the consumption of heating energy in Germany is changing and where the greatest potential for savings lies. On September 20, 2019 many of our employees waved the flag for greater climate protection during the climate strike of the "Fridays for Future" movement. We continue to be actively engaged in networks with politicians, business and civil society.



On September 20, 2019, ista employees took part in the global climate strike organised by the Fridays for Future movement and, together with 1.4 million demonstrators worldwide, took a stand for climate protection.



## Homework on climate protection: Surveys determine the willingness of citizens to take action

Should climate protection be on the school curriculum? 87% of Germans think that schools should deal with the subject. Just under half of citizens believe they can make their own contribution to climate protection by using less energy in the home. These are some of the results of four representative surveys conducted by the opinion polling institute YouGov on behalf of ista. Nationwide, more than 2,000 people of all age groups over 18 took part in the surveys.

# THE MOST IMPORTANT FINDINGS OF THE SURVEYS AT A GLANCE

**60%** of Germans currently spend no money on climate protection.

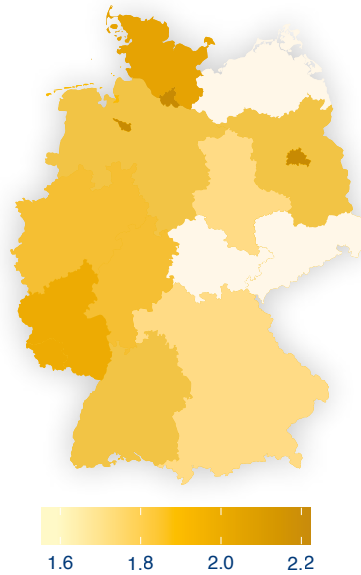
The younger the people surveyed, the greater their willingness to make a financial contribution to climate protection.

**87%** of German citizens believe that the topic of climate protection should be on the school curriculum.

**49%** of German citizens say that it is easiest for them to contribute to climate protection in their homes - by saving on electricity consumption and heating. This is good news because for most consumers, heating is the biggest lever for reducing CO<sub>2</sub> emissions.

## Study shows what higher CO<sub>2</sub> prices could mean for tenants

A price on CO<sub>2</sub> could have an effect on rents. Therefore, in collaboration with the TU Dortmund, ista calculated what the cost to households would be if a CO<sub>2</sub> price on heating oil and natural gas was passed on to households in full. The energy certificates and heat consumption data of almost 65,000 apartment buildings throughout Germany were evaluated for the random sample. This calculation was based on fixed prices of 25, 30, 35, 45 and 55 euros per tonne of CO<sub>2</sub>, which are to be introduced by law in annual steps from 2021 to 2025.



## Together we can do more: ista seeks partnerships to implement the energy transition in buildings

There is still a lot of potential for sustainability in buildings. Climate protection in the building sector must gain further momentum if the European climate targets are to be achieved. But success will only come if politicians and the real estate industry pull together more than they have done so far – and become partners in innovation for climate protection. Through constructive dialogue, we can develop ecologically effective, but also economically and socially sustainable solutions and quickly put them into practice together. These were the messages ista's CEO Thomas Zinnöcker addressed to politicians on the Real Estate Industry Day 2019.



## FINDINGS FROM OUR RANDOM SAMPLE ON THE CO<sub>2</sub> PRICE:

# 1

The CO<sub>2</sub> price leads to additional costs of about 49 to 107 euros per year for an average apartment of 71 m<sup>2</sup> in an apartment building heated with oil or gas.

# 2

In a comparison of the German states, the highest additional costs must be expected in Berlin, especially in apartments with an oil-fired heating system. The CO<sub>2</sub> price is lowest in apartments with gas heating in Mecklenburg-Western Pomerania.

# 3

Among the largest cities, the highest additional costs are in Düsseldorf. The smallest increases are to be expected in Stuttgart.

# 4

The actual additional costs for each household due to the CO<sub>2</sub> price will depend primarily on the level of energy efficiency of the apartment – and the heating behaviour of the tenants.



## Raising climate awareness, supporting societal engagement

*2019 was the year of "Fridays for Future". With their worldwide protests, highly committed school children succeeded in putting the issue of climate protection high on the agenda of politicians, business and society. This showed what people can achieve when they join forces to bring about social change.*

We at ista want to support particularly this young generation in their commitment – and also did this in 2019 with our project "ista schools in energy efficiency". For the Climate Hero Contest we invited school children to fund ideas for climate protection projects at their schools via a crowdfunding competition. We equipped our 100 climate boxes with even more measuring devices and materials. ista employees trained pupils of a comprehensive school in Essen to be energy detectives. Our employees at our branches outside Germany also championed environmental education and social participation.



For example, the national organisations in Poland, Russia and Belarus collected plastic lids for recycling to support social projects with the proceeds, ista Poland organised environmental picnics and tree-planting campaigns with children, ista Italy celebrated Christmas in a sustainable way and, in Prague, ista employees lent a helping hand with a housing project for people with disabilities. Last but not least, in 2019 we also provided financial support for people and organisations that – true to our motto – lead by example, including the French eco-adventurer Julien Moreau, who is campaigning for greater environmental awareness and climate protection in French schools. ista Denmark donated the proceeds from the sale of office furniture to support the Danish hospital clowns.

## The more, the better: Pupils fund climate protection projects through crowdfunding

More green, more e-mobility and a floor as a power plant: in the Climate Hero Contest held by "ista schools in energy efficiency", BildungsCent e.V., Startnext and the association "Die Multivision", pupils from all over Germany could submit ideas for greater climate protection in their schools and convince people to support their projects through crowdfunding. The three projects with the most supporters received additional prize money from ista of up to 3,000 euros. With these funds behind them, the teams set about implementing their ideas. For example, a "learning garden", a repair shop and an e-bike garage with charging station were set up at their schools.



## Climate protection in the classroom set: The climate box is given an upgrade

Climate protection requires knowledge and technology. That's why the climate box of "ista schools in energy efficiency" and BildungsCent e. V. has been in use at 100 schools throughout Germany since the end of 2018. With the aid of many measuring devices and materials, the climate box helps pupils to discover potential for energy savings in their schools and develop ideas for greater climate protection and sustainability. In order to make this work even more successful, ista asked the schools for feedback and developed a supplementary package. 50 schools now have an additional classroom set of thermometer cards, climate knowledge brochures and motivational stickers, 30 plug adapters with switches and a solar charging station.





### Digital learning for everyone: ista supports schools in Essen with 57 laptops

The Corona crisis has highlighted the fact that educational opportunities are far from being equal. When the majority of teaching takes place on online platforms and by e-mail, pupils without the necessary technology are quickly left behind. To help here, we have donated 57 laptops from our inventory to selected schools. The volunteering agency Ehrenamt Agentur Essen e. V. coordinated selection of the schools and delivery of the laptops.

### Preventing Corona: ista donates face masks to social projects

Many non-profit organisations find it difficult to obtain PPE during the Corona crisis. We wanted to help in this situation. We supported a Corona prevention project initiated by the city of Essen for care and retirement homes by donating 3,000 face masks. Another 1,500 masks each went to food banks in Stuttgart and Würzburg.

### Green Christmas: ista Italy organises Christmas party with climate-friendly presents

Christmas can also be sustainable. For example, ista Italy used its 2019 Christmas party to sensitise employees and their children to resource conservation in daily life. Instead of conventional presents, a Santa Claus handed out reusable thermos flasks made of aluminium and thermal backpacks that keep food cool while it is being carried. In a workshop, the children were also able to try out creative ways of reusing waste plastic and paper.

### Moments of joy: ista Denmark supports Danish hospital clowns

Clinic clowns bring a splash of colour into grey hospital days. Colourful balloons, soap bubbles, music and funny interludes all help patients, especially children, to forget pain, worries and fears for a short time. In support of the "Danish Hospital Clowns", in April 2020 ista Denmark therefore donated the proceeds totalling some 7,500 euros (DKK 56,000) from the sale of office furniture which was surplus after an office move and which the employees could buy.



## HOW WE MOVE FORWARD: SELECTED KEY FIGURES FOR 2019

In 2019, our employees invested a total of **862 working hours<sup>1</sup>** in climate protection.

**50 schools** were equipped with the supplementary package for the climate box.

As part of the "Climate Hero" crowdfunding contest, six of the projects submitted by pupils were successfully funded with a total amount of over **15,000 euros** by more than **600 supporters**.

<sup>1</sup> We recorded this figure for the first time in 2019 so there is no comparison figure for 2018. When the key figures were recorded, many of the volunteering hours worked were already entered as being for climate protection. However, to ensure that even more of these hours are recorded as such, we will promote a company-wide understanding of this volunteering category and provide a handbook for the next reporting year.



# SELECTED KEY FIGURES AT A GLANCE

In 2019, ista caused emissions of 10,004 tonnes of CO<sub>2</sub> equivalent. We therefore reduced our greenhouse gas emissions compared with the previous year by **8.4%** in absolute terms and by **6.3%** per employee (FTE).



In 2019, ista used a total of 19,798 GJ of electricity and 17,927 GJ of heating energy. Compared with 2018, electricity consumption therefore fell by **7.3%** and heating energy consumption by **15.8%**.

In 2019, we installed over **27,603,130** wireless-ready products worldwide (sum total of end devices and stationary gateways (SGWs) as of Dec. 31, 2019).



In 2019, our organisation reduced its water consumption by **4.39%** compared with the previous year.



Paper consumption fell by **21.0%** compared with the previous year; the proportion of recycled paper increased by **5.9%**.



The sickness rate fell group-wide by **0.02%** to 4.05%.



Emissions from air travel increased in 2019 by **1.52%** to 577 t of CO<sub>2</sub> equivalent.



The share of women in the workforce of the ista Group was **51%** in 2019 and therefore slightly higher than the previous year's figure of 50%.



**63%** (in 2018: 49%) of our German customers' properties already use ista's digital services. That is already **79%** (in 2018: 70%) of our customers' units.

ista logistics produced emissions of **898.7 t** of CO<sub>2</sub> equivalent in 2019. Of this figure, air freight accounted for 443.15 t of CO<sub>2</sub> equivalent, sea freight for 105.23 t of CO<sub>2</sub> equivalent and land freight for 350.32 t of CO<sub>2</sub> equivalent.



# ALL KEY FIGURES

## MARKETS

### ✓ SIZE OF THE ORGANISATION

	2019	2018	2017
Companies	46 in 22 countries	45 in 23 countries	45 in 23 countries
Sales (in € m)	908.8	887.8	877.4
Total capitalisation (in € m)	4,149	4,182	4,196
- of which liabilities (in € m)	4,012	3,982	3,948
- of which equity (in € m)	137	200	248
Total investment (CAPEX) (in € m)	128.1	131.3	137.9

#### ACQUISITIONS AND SALES IN 2019:

- Acquisition of the remaining shares in Clorius Vermemalerkonto I/S
- Acquisition of A-Z Objektservice GmbH & Co. GMBH & CO. KG
- Acquisition of A-Z Objektservice Verwaltungs GmbH
- Sale of ista Measurement Technology Services (Beijing) Co. Ltd.

#### ACQUISITIONS AND SALES IN 2018:

Acquisition of GETEC Messdienst GmbH

#### ACQUISITIONS AND SALES IN 2017:

Sale of Genek Gesellschaft für Energieeinkauf mbH & Co. KG, Duisburg, Germany

### ✓ WIRELESS RATE IN GERMANY

	2019	2018	2017	2016
Wireless rate* ista Germany	33.1%	27.0%	20.0%	11.0%

\* Percentage of properties with remotely readable devices in Germany divided by the total number of properties for heating cost billing in Germany

### ✓ CUSTOMERS' FOOTPRINT FROM HEATING COST BILLING IN GERMANY

	2019	2018	2017	2016	2015
CO <sub>2</sub> emissions (in t of CO <sub>2</sub> equivalent) caused by heating energy consumption of all ista customers in Germany*	***	8,322,369.14	8,274,827.25	8,375,339.91	7,945,095.60
- Change from base year 2015	***	4.75%	4.15%	5.42%	-
Heating emissions per unit [t of CO <sub>2</sub> /unit]**	***	1.90	2.04	2.08	2.03
- Change from base year 2015	***	-6.74%	0.39%	2.44%	-
Heating emissions climate-adjusted per heated area [kg of CO <sub>2</sub> /m <sup>2</sup> ]**	***	28.84	28.43	28.00	27.62
- Change from base year 2015	***	4.44%	2.95%	1.41%	-
Heating emissions (in t of CO <sub>2</sub> ) per property billed**	***	19.31	19.52	19.52	18.48
- Change from base year 2015	***	4.75%	4.15%	5.42%	-

\* The measured CO<sub>2</sub> emissions of ista properties were extrapolated to represent the total number of properties in Germany.

\*\* The CO<sub>2</sub> emission figures are based on the measured heating energy consumption of ista properties in Germany.

\*\*\* The figures for 2019 are not yet available as the ancillary costs will not be available until the end of the following year.



## ENVIRONMENT



### CONSUMPTION OF ELECTRICITY AND HEAT WITHIN THE ORGANISATION

in gigajoules	2019	2018	2017
<b>Total electricity consumption</b>	<b>19,798</b>	<b>21,366</b>	<b>19,972</b>
- electricity from the power grid	14,545	16,054	19,972
- electricity from renewable energy sources*	5,253	5,312	n/a
<b>Total heating energy</b>	<b>17,927</b>	<b>21,287</b>	<b>21,877</b>
- of which gas	11,142	14,131	15,865
- of which heating oil	560	518	417
- of which district heat	6,226	6,638	5,595

\* This key figure was measured for the first time in the Sustainability Report 2018.



### ENERGY INTENSITY

	2019	2018	2017
<b>Energy consumption* per employee in GJ</b>	<b>24.3</b>	<b>26.5</b>	<b>26.1</b>

\* This figure includes all energy consumption (electricity, heat and road fuel).



### USE OF ELECTRICITY FROM RENEWABLE ENERGY SOURCES\*

	2019	2018
<b>Percentage of electricity from renewable energies in total electricity consumption</b>	<b>26.5%</b>	<b>24.9%</b>

\* This key figure was measured for the first time in the Sustainability Report 2018.



### FUEL CONSUMPTION OF VEHICLES WITHIN THE ORGANISATION

	2019		2018		2017	
	Gigajoules	Litres	Gigajoules	Litres	Gigajoules	Litres
<b>Total fuel consumption</b>	<b>95,177</b>	<b>2,675,271</b>	<b>105,676</b>	<b>2,973,628</b>	<b>101,888</b>	<b>2,866,493</b>
Fuel company fleet	91,742	2,576,241	95,045	2,671,331	92,969	2,612,274
- of which diesel	85,921	2,396,227	88,240	2,460,912	86,549	2,413,747
- of which petrol	5,821	180,014	6,805	210,419	6,420	198,527
Fuel rented vehicles	1,021	28,958	8,300	234,007	6,597	186,050
- of which diesel	858	23,923	7,469	208,294	5,913	164,905
- of which petrol	163	5,035	832	25,713	684	21,145
Fuel private vehicles	2,414	70,072	2,331	68,290	2,322	68,169
- of which diesel	1,511	42,135	1,250	34,856	1,196	33,359
- of which petrol	903	27,938	1,081	33,434	1,126	34,810



### GREENHOUSE GAS EMISSIONS

in tonnes of CO <sub>2</sub> equivalent	2019	2018*	2017*
<b>Total GHG emissions</b>	<b>10,004</b>	<b>10,918</b>	<b>11,101</b>
<b>GHG emissions per FTE**</b>	1.83	1.95	2.02
<b>Direct GHG emissions (Scope 1)</b>	7,277	7,757	7,634
- due to consumption of gas	<b>627</b>	<b>795</b>	<b>892</b>
- due to consumption of heating oil	42	39	31
- due to company fleet	6,609	6,924	6,710
<b>Indirect energy-related GHG emissions (Scope 2)</b>	1,885	2,195	2,468
- due to electricity consumption	1,737	1,849	2,161
- due to district heat and cooling	148	346	307
<b>Further indirect GHG emissions (Scope 3)</b>	842	966	999
- due to rented cars	18	144	115
- due to private vehicles	43	42	42
- due to air travel	577	568	611
- due to train travel	204	212	232

\* Owing to changes in emission factors, the relevant prior-year figures have been retroactively adjusted.

\*\* Full-time equivalent

ENVIRONMENT

✓ **CHANGES IN GREENHOUSE GAS EMISSIONS**  
(changes in absolute terms compared with the previous year)

in tonnes of CO <sub>2</sub> equivalent	2019	2018*	2017*
Total changes	-912	-181	-19
Heating energy	-363	-51	72
Vehicle fleet	-315	213	-74
Electricity	-112	-312	32
Transport	-124	-33	-52

\* Owing to changes in emission factors, the relevant prior-year figures have been retroactively adjusted.

✓ **CO<sub>2</sub> FOOTPRINT OF THE LOGISTICS CHAIN\***

in tonnes of CO <sub>2</sub> equivalent	2019
Total logistics CO <sub>2</sub> emissions	898.70
- of which air freight	443.15
- of which sea freight	105.23
- of which land freight	350.32

\* As soon as we can map a time series of three years, we will add the CO<sub>2</sub> emissions of logistics to ista's total footprint in Scope 3.

✓ **PAPER USED BY WEIGHT**

in tonnes	2019	2018	2017
Total paper consumption	325	412	455
- Recycled paper	201	241	235
- Virgin fibre paper	124	171	220
- of which FSC-certified paper	76	74	64

✓ **PERCENTAGE OF SUSTAINABLE PAPER**

	2019	2018	2017
Paper consumption per FTE	59.4 kg	73.6 kg	82.6 kg
Percentage of sustainable paper in paper consumption per FTE	85.2%	76.4%	65.7%
- Percentage of recycled paper per FTE	61.9%	58.4%	51.7%
- Percentage of FSC paper per FTE	23.3%	18.0%	14.0%

✓ **WATER CONSUMPTION**

	2019	2018	2017
Total amount of water withdrawn	27,304.84 m3	28,557.73 m3	26,462.98 m3
Amount of water withdrawn (litres per FTE)	4,985.34 l	5,100.67 l	4,805.78 l



## EMPLOYEES



### TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND TYPE OF EMPLOYMENT

	2019	2018	2017
<b>Total number of employees</b>	<b>5,806</b>	<b>5,931</b>	<b>5,964</b>
- of whom with permanent employment contracts*	5,188	5,127	4,975
- of whom with fixed-term contracts	618	804	989
- of whom full-time employees	5,271	5,417	5,497
- of whom part-time employees	535	514	467
- of whom apprentices	111	117	118

\* Excl. apprentices



### AGE STRUCTURE OF THE WORKFORCE\*

	2019	2018	2017
Under 26	<b>381</b>	<b>516</b>	<b>564</b>
26 - 35	1,771	1,906	1,931
36 - 50	2,383	2,283	2,345
Over 50	1,271	1,226	1,124

\* Excl. apprentices



### SICKNESS RATE BY REGION

	2019	2018	2017
ista Group	4.05%	4.07%	3.30%
- of which Core Markets	5.45%	5.25%	4.04%
- of which Global & Developing Markets	1.56%	1.95%	2.14%
- of which ista Shared Services	3.74%	3.74%	3.37%
- of which other locations*	5.55%	6.20%	2.95%

\* covers the locations: Head Office, Technikum Essen, Manufacturing Center Au, Warehouse & Distribution Center Gladbeck, Quality Office Bangkok



### WORKFORCE BY REGION AND GENDER\*

	2019			2018			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Total workforce</b>	49%	51%	<b>5,806</b>	50%	50%	<b>5,931</b>	50%	50%	<b>5,964</b>
Core Markets	1,278	1,148	<b>2,426</b>	1,303	1,151	<b>2,454</b>	1,352	1,193	<b>2,545</b>
Global & Developing Markets	959	521	<b>1,480</b>	1,063	515	<b>1,577</b>	993	563	<b>1,556</b>
ista Shared Services	290	1,134	<b>1,424</b>	312	1,136	<b>1,448</b>	320	1,101	<b>1,421</b>
Other locations **	326	150	<b>476</b>	302	150	<b>452</b>	299	143	<b>442</b>

\* Excl. apprentices

\*\* covers the locations: Head Office, Technikum Essen, Manufacturing Center Au, Warehouse & Distribution Center Gladbeck, Quality Office Bangkok



### TURNOVER BY REASON FOR TERMINATION AND RECRUITMENT RATE

	2019	2018	2017
Termination by employee	463	385	406
Termination by ista	220	234	328
End of fixed-term contract, retirement, seasonal termination or similar	169	173	134
<b>Total turnover</b>	<b>852</b>	<b>792</b>	<b>868</b>
New recruits	705	797	1,077
<b>Turnover rate*</b>	<b>14.3%</b>	<b>13.4%</b>	<b>15.1%</b>

\* Total number of departures divided by (total workforce minus total number of new recruits plus total number of departures)

### WORK-RELATED ACCIDENTS PER 100,000 HOURS WORKED (FREQUENCY RATE)

	2019	2018
Frequency rate* – total accidents	1.35%	1.01%
Frequency rate* – accidents with lost time **	0.72%	0.70%

\* Frequency rate = number of accidents at work x 100,000 / hours worked

\*\* Accidents that have led to an employee being absent for more than three shifts

## SOCIETY

### KEY MEMBERSHIPS AND COOPERATION PARTNERS

We are involved in a large number of networks in working groups and technical committees in order to actively shape progress on current social, political and ecological issues:

- ▶ Arbeitsgemeinschaft Heiz- & Wasserkostenverteilung e. V. (ARGE - Trade Association of Heating and Water Cost Allocators)
- ▶ BDI initiative energy efficient buildings (BDI - Federation of German Industries)
- ▶ Bundesverband der Energie- und Wasserwirtschaft (BDEW - Federal Association of the Energy and Water Industries)
- ▶ Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e. V. (Bitkom - German Association for IT, Telecommunications and New Media)
- ▶ Dachverband Deutscher Immobilienverwalter (DDIV - Umbrella Association of German Property Managers)
- ▶ Deutsche Unternehmensinitiative Energieeffizienz e. V. (DENEFF - German Industry Initiative for Energy Efficiency)
- ▶ Deutscher Verband für Wohnungswesen (DV - German Association for Housing)
- ▶ Die Wohnungswirtschaft Deutschland (GdW - Umbrella Organisation of the German Housing Industry)
- ▶ Energy Solutions
- ▶ Europäischer Verein zur verbrauchsabhängigen Energiekostenabrechnung e.V. (E.V.V.E. - European Association for Energy Cost Allocation)
- ▶ European Federation for Living (EFL)
- ▶ Initiative Corporate Governance der deutschen Immobilienwirtschaft (ICG - Corporate Governance Initiative of the German Real Estate Industry)
- ▶ Initiativkreis Ruhr
- ▶ NABU Gebäude-Allianz (NABU Building Alliance)
- ▶ UN Global Compact
- ▶ UPJ e. V. (German Network of Engaged Companies and Non-profit Intermediary Organisations)
- ▶ Business Initiative Smart Living (WISL)
- ▶ Zentraler Immobilien Ausschuss (ZIA - German Real Estate Trade Association)

Our CEO, Thomas Zinnöcker, holds honorary posts as Vice-President of ZIA (the German Real Estate Trade Association), Chairman of the ZIA Sustainability Council and Chairman of the Board of ICG (Corporate Governance Initiative of the German Real Estate Industry). In these functions he is dedicated to advancing solutions for the sustainable development of the German real estate industry.



# ABOUT THIS REPORT

## PROGRESS REPORT 2019

The progress report 2019 is ista's tenth sustainability report. At the same time, it represents the progress report for the Global Compact of the United Nations.

## FRAME OF REFERENCE

The report includes 46 companies worldwide. It is based on the key figures for the 2019 calendar year.

## KEY FIGURES AND AUDIT

The key figures regarding the workforce structure in the chapter Employees were recorded as of December 31, 2019. The specific key environmental figures, on the other hand, are based on the average full-time equivalent (FTE) for 2019 and, in addition to the 46 companies, also include ista Luxemburg GmbH S.à r.l.

The key environmental performance figures and the employee key figures for the 2019 financial year were the subject of a limited assurance audit conducted by SGS-TÜV Saar GmbH. The consolidated financial statements of the ista Group are audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft. Audited key figures are marked by the symbol  in the tables. 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 estimated by ista employees is 6% for electricity consumption, 16% for water consumption and 21% for heating energy. The proportion of missing data estimated by our software is around 6% for electricity consumption, some 30% for water consumption and about 26% for gas and district heat consumption. In this report, we have corrected some of the key figures for 2018 as the consumption figures were not yet available for all branches on the publication date of the sustainability report 2018. Moreover, in 2019 we made changes to the estimation methods and also applied them to the previous year. This has resulted in changes to some of the data reported last year. Footnotes have been added to the relevant key figures in the report. However, as the revised estimation methods were also applied to the previous year's data, statements regarding changes in the key figures are still valid.

When calculating the CO<sub>2</sub> 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) and the International Council on Clean Transportation (ICCT). The CO<sub>2</sub> emission factors are now based on sources of the International Energy Agency (IEA), the Department for Environment, Food and Rural Affairs (DEFRA) in the UK and the database of the life cycle assessment software (GaBi) of Sphera Solutions GmbH. The revised emission factors were also applied to the previous years. The emission figures affected are identified in footnotes in a similar way to the changes described above. However, as the revised conversion factors were also applied to the previous year's data, statements regarding the changes in the key figures are still valid.

When balancing the CO<sub>2</sub> equivalents, we converted the other greenhouse gases emitted (e.g. methane) into CO<sub>2</sub> emissions according to their impact on the climate and then stated them, together with the CO<sub>2</sub> emissions, as CO<sub>2</sub> equivalents.

## EDITORIAL NOTE

The editorial deadline for this report was May 31, 2020. To improve readability, we have avoided using both genders and only use the masculine form. However, the feminine form is also meant.

ista's sustainability report appears annually. The next report will probably be published in the summer of 2021.



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