

We help people make their
contribution to climate protection.
With all our energy.

PROGRESS REPORT 2018

ista



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WHAT DO YOU THINK, THOMAS ZINNÖCKER?

The discussion on climate protection is in full swing. What contribution is ista making? How do climate protection and the digitalisation strategy fit together? How much responsibility is each individual prepared to take? CEO Thomas Zinnöcker answers the questions.



Isn't climate protection too big a challenge for the individual?

Thomas Zinnöcker: Yes and no! Climate protection is a global project that requires a major joint effort. "Fridays for Future" sets a good example. Young people all over the world are campaigning for their future. They are showing: we will only make progress with climate protection if we act together – and what the individual contributes is definitely vital.

And what is ista contributing?

Amidst all the controversy, this is where we come in: we help people make their contribution to climate protection. As one of the leading providers of solutions that make energy and water consumption in buildings transparent, we are the ones who provide crucial knowledge for climate-conscious action in the first place.

Could you explain that in a bit more detail?

Our heat cost allocators, water meters, heat meters and modern system technology enable over 13 million homes worldwide to know their heating energy and water consumption – and to optimise it. Only people who know their consumption have an incentive to save heating energy and water, reduce costs and therefore cut CO₂ emissions and energy consumption. And that's exactly what we make sure of.

Does consumption metering really have so much influence on people's behaviour?

Studies show that people who know how much heating energy they are using, and also pay for it, cut their energy consumption by an average of 20%. Related to all multi-family buildings in Germany, that is 13 million tonnes of CO₂ that can be avoided every year.

How could we save more?

From 2020, we will help consumers reduce their CO₂ emissions even more by offering timely and regular heat updates. Through these updates we want to achieve a reduction of 1.5 million tonnes of greenhouse gases, and that is just in the apartments that ista looks after. Against this background, we have formulated very specific goals: we will help our customers from the real estate industry reduce their CO₂ emissions by 10% by 2030 – related to the base year 2010.

Can you back that up with concrete action?

Alongside the actual savings that we generate with our products and services, we are actively contributing our expertise to the political process at both European and national level. We support the extended requirements of the revised EU Energy Efficiency Directive – and are already preparing today for its implementation. In doing so, we can readily build on the ongoing digitalisation wave in our business. Wireless meter reading, apps and smart systems for residential and commercial buildings ensure that the consumer has an overview and gets suggestions and tips for climate-friendly use of heating energy.

And what other goals have you set yourselves?

For example, we want to become climate-neutral ourselves by conserving resources in all areas of the company. Furthermore, in future we would also like to work with partners that are themselves climate-neutral and act sustainably. We are making these concrete pledges because we are serious about climate protection. In this way, we are clearly demonstrating the climate protection potential of our business activities. That is exactly what our corporate strategy is about.

Does responsibility or business drive you?

Taking responsibility is part and parcel of our core business – we live by this principle, and not just as regards climate protection. You see it in other areas, too. Many of our employees did voluntary work on our “Social Day” in December. Such a day shows us all how great ista’s community spirit is: we live solidarity. That is a particular strength of ours. For this I would again like to thank our employees most sincerely.

So would you also say responsibility is one of ista’s business principles?

Yes. Mutual respect, environmental awareness and social responsibility – those are just a few of the principles that we signed up to as members of the UN Global Compact and with which we support the UN sustainability goals. We like to be measured by them.

“WE ACT ACCORDING TO A SIMPLE FORMULA: OUR CORE BUSINESS IS CONSISTENT WITH OUR CONVICTIONS.”

Thomas Zinnöcker, CEO ista International



Constructive dialogue with all who are involved with our company helps us to achieve our milestones step by step. If you have any questions, suggestions or criticisms, please write to sustainability@ista.com.

STRATEGY AND MANAGEMENT

**We make sustainability possible:
with all our energy.**

For climate protection through transparency in energy consumption

We help people make their contribution to climate protection. That is our guiding principle. To achieve this, we are engaged in five fields of action. We begin with ourselves, promoting environmental and climate protection in all areas of the company. In our markets, we sell innovative products and services that make energy consumption transparent and enable tenants to be more climate-conscious. We offer a supportive corporate culture and attractive working conditions so that our employees can achieve their full potential in the pursuit of this goal. We work closely with our ista service 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.

Measuring energy consumption, improving efficiency

ista is one of the leading providers of solutions 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 more than 13 million homes and commercial properties throughout the world to realise what their energy consumption is and to manage it better. In addition, we develop new services and sustainable solutions to improve energy and process efficiency in the real estate industry. Our head office is in Essen, Germany. We operate in 23 countries worldwide. Our customers include housing companies, house owners and home owners' associations. Increasingly, we are also expanding our activities to include commercial real estate. In 2018, ista recorded global sales of € 887.8 million. Total capitalisation amounted to some € 4.2 billion. 5,908 employees worked for the Group.*



*Figures from the consolidated financial statements of Trionista TopCo GmbH.

Managing sustainability, reviewing goals

We enable sustainable behaviour and in this way contribute to climate protection. This guiding principle is at the heart of our business model: we help people make their contribution to climate protection. We are now systematically addressing this challenge - with measurable targets in the five areas of action already mentioned.

Our sustainability goals

- Environment:** By conserving resources in all areas of the company, we will be climate-neutral by 2050.
- Markets:** We will help our customers/users reduce their CO₂ emissions by 10% by 2030 (base year: 2010).
- Employees:** 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 index 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.
- Partners:** From 2050, we will work exclusively with sustainable and climate-neutral suppliers as partners.
- Society:** We will create opportunities for our employees to invest at least 5,000 hours a year in promoting climate protection in society.

The Management of ista International GmbH is responsible for the strategic and operational control of the ista Group. The owners of the ista Group are Hong Kong-listed CK Asset Holdings Limited and CK Infrastructure Holdings Limited.



The members of the Management are, from left to right: Jörg Plönissen, Country Manager Netherlands, Laurent Sireix, Country Manager France, Ulrich Fischer, Managing Director Global & Developing Markets, Thomas Zinnöcker, Chief Executive Officer (CEO), Thomas Lemper, Chief Financial Officer (CFO), Benny Mathiesen, Country Manager Nordic Countries, Frank Jung, Chief Financial Officer Global & Developing Markets, Achim Dicke, Chief Technology Officer (CTO) and Karl Kornwolf, Chief Information Officer (CIO).

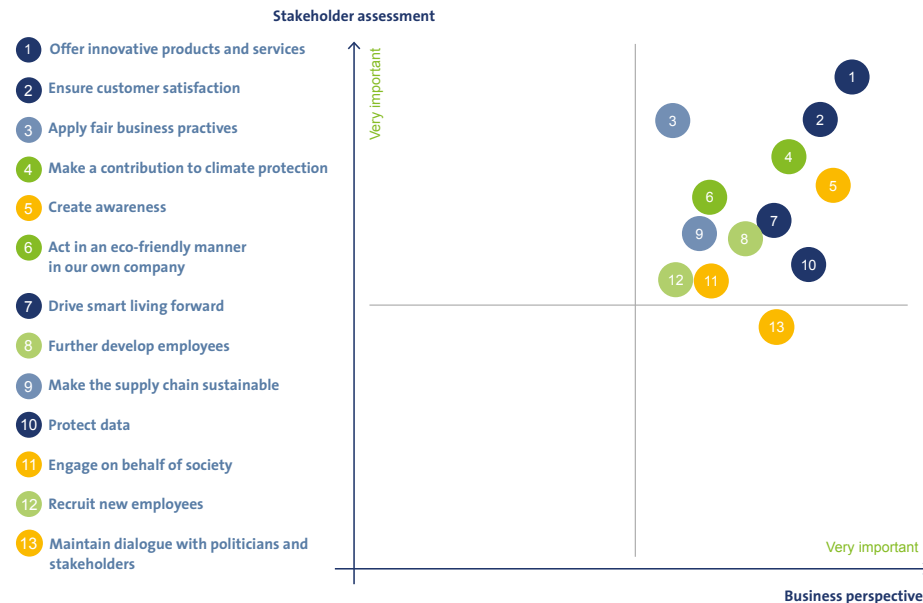


Our sustainability organisation

At ista, the subject of sustainability is the direct responsibility of the Management. Our CEO is a member of the Sustainability Core Team – together with the Sustainability Office and selected Head Office departments that deal with sustainability topics on a daily basis. The Core Team evaluates our sustainability strategy every three months and drives current topics forward. In addition, it prepares the targets and strategies for the Sustainability Steering Committee, which, as the central steering body, meets once a year to set the focal points of our sustainability management and develop the sustainability strategy further. The Sustainability Steering Committee is made up of all members of the Management and the senior vice presidents of strategically relevant Head Office departments. The Sustainability Council is responsible for the international anchoring of sustainability management at ista and presents ideas from the countries to the Steering Committee. It is made up of members of the national organisations, the Sustainability Delegates. Our Sustainability Office coordinates the in-house sustainability projects and processes. It is also responsible for certification of the energy management system in Germany and collecting the key figures for the sustainability report. The Sustainability Office organises the regular exchange of information between the Sustainability Steering Committee and the Sustainability Council.

Our main sustainability topics

When developing our sustainability strategy, we regularly include our stakeholders' views. The most important stakeholders are our employees, our owners, our customers, our suppliers, NGOs and politicians. Together with our stakeholders, since 2014 we have been regularly analysing and validating what sustainability topics are particularly important for the ista Group. In 2018, we included the perspective of the Sustainability Delegates from the national organisations in depth. In two workshops, the Sustainability Delegates evaluated the 13 existing topics and assessed the current importance of these topics from ista's business perspective. These topics can all be integrated in our five new fields of action (markets, environment, partners, employees and society). In the run-up to the workshops, they also had the opportunity in a survey to give their views on the sustainability strategy and possible sustainability goals. The survey also included determining the carbon footprint of every ista national organisation throughout the world so the Sustainability Delegates could use this as a basis to define the sustainability targets for their specific country so as to support the group-wide sustainability targets in the best possible way.



The global principles behind our sustainability strategy

1

Sustainable Development Goals

The 17 sustainable development goals adopted by the United Nations in 2015 are also our guiding principles for action. As part of our materiality analysis in 2016, we identified five goals where ista can contribute most. Since then we have systematically pursued these goals, which will be further elaborated in this report.

2

Principles of the UN Global Compact

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

3

Own values and principles

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.

We also expect our business partners to adhere to these key ethical principles. Our Supplier Code contains fundamental environmental, social and governance standards that we demand of our suppliers and their employees throughout the world. These standards are based on the principles of the UN Global Compact, the ILO's Declaration of Principles, the principles of the Organisation for Economic Cooperation and Development (OECD) and the UK Modern Slavery Act.

4

International frameworks

With our Code of Conduct, we commit all employees of the ista Group to adhere to important international principles. They include the avoidance of conflicts of interest as well as targeted measures to combat corruption and bribery. The code contains a commitment to 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 selected topics – including environmental protection, gifts and gratuities, money laundering and the funding of terrorism. At the beginning of 2019, we supplemented the ista Code of Conduct with a further anti-bribery and anti-corruption guideline.



Our contribution to the Sustainable Development Goals



Affordable and clean energy

With our metering devices in multi-family buildings, we make the energy consumption of each household transparent. On the basis of this information consumers can identify and achieve energy-saving potential. Numerous international studies show that when tenants know their individual energy consumption, they then reduce it by between 15% and 25%.

Monthly consumption bills lead to additional savings. Therefore, we are working on providing sub-annual consumption information in addition to the annual heating cost bill. To do this, we are changing over to remotely read wireless devices and developing online services and apps, with which users can regularly view and evaluate their personal consumption. Political initiatives such as the new Energy Efficiency Directive encourage us in this approach.



Decent work and economic growth

With sales of € 887.8 million in 2018, an increase of 1.2% compared with the previous year, ista is contributing to the creation of value at its locations – for its own employees, its [suppliers and the ista service partners](#). Fundamental human rights, labour and social standards are unequivocally anchored in ista's internal Code of Conduct and in our Supplier Code. We once again increased the percentage of employees with a permanent employment contract. The "Top Employer Europe Award" once again conferred on the company confirms our success as an exemplary employer.



Responsible consumption and production

By providing individual consumption bills we make energy and water consumption transparent. Our digital services help all tenants analyse their consumption and identify ways of optimising it. So tenants can manage the way they use heat and water independently and responsibly. These services also enable landlords and property managers to quickly identify any need for action in a building and to react in a targeted manner. Through our partnership with GETEC, a leading provider of energy efficiency solutions, we also help them to take suitable action. In our own company, environmental and energy management systems help us to reduce our consumption of resources and cut our CO₂ emissions. [Strong partners](#) along the supply chain support us in our endeavour to become a climate-neutral company.

Sustainable cities and communities

As cities continue to grow, so does the number of multi-family buildings. Every individual has to know their own consumption if they are to make a conscious contribution to climate and resource protection. We enable such individual consumption billing – and are working on making it ever more directly accessible, accurate and convenient. We are also developing [apps and digital services](#) that view the building as a whole. They offer both landlords and tenants new possibilities for managing energy and water consumption, making processes more efficient and increasing living comfort and security in buildings.



Climate action

We help people make their contribution to climate protection. That is our guiding principle. We help at various levels: through our core business, making individual energy and water consumption transparent and efficiently controllable, through cooperation with our partners along the entire value chain, through environmental and climate protection in our own company – and last but not least through our societal engagement. With our project [“ista schools in energy efficiency”](#), we are committed to making energy efficiency and climate

protection integral parts of school education. Together with the NGO BildungsCent e.V., in 2018 we provided 100 schools throughout Germany with so-called climate boxes. These boxes contain learning materials, metering devices and practical tips for greater energy efficiency and sustainability. ista employees help the pupils to use the climate boxes and develop their own climate protection projects at their schools. In order to help the pupils put their ideas into practice, in the autumn of 2018 we launched the Climate Hero Contest together with BildungsCent e.V. and the NGO “Multivision e.V.”. Pupils could present their ideas for greater climate protection in schools on the crowdfunding platform Startnext and try and attract financial support. The winners received their award in Berlin on May 20, 2019.



**BREAKING OLD
PATTERNS –TO GAIN
NEW PERSPECTIVES.**

We provide innovations: with all our energy.

Innovation creates sustainable progress. Our products and services make energy consumption transparent and help tenants and landlords reduce their ecological footprint and save costs effectively.

The energy transition does not just require new ways to produce and supply energy. It can only succeed if consumers also change their behaviour and use resources more economically and efficiently. Buildings account for some 40% of the energy consumed in the European Union. This is where we come in: our products and services make individual heat and water consumption transparent for all users of residential and commercial buildings. This detailed metering in turn helps tenants reduce their consumption in a targeted manner. This is how we create the conditions for climate-friendly behaviour through innovative technologies. With digital processes, we also improve energy and process efficiency, living comfort and security in buildings. In addition to our portfolio of heat and water meters, heat cost allocators and smoke alarm devices, we develop smart solutions for the connected home of the future.

Focus:

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.



Our goals:

We will help our customers/users reduce their CO₂ emissions by 10% by 2030 (related to the base year 2010).

By 2027 we will equip all properties throughout Europe with remotely readable devices. We have already installed 25 million remotely readable end devices in our customers' properties worldwide and almost 400,000 more are added every month.

We provide innovations: with all our energy.

Digital technologies for sustainable behaviour

As an innovative company, ista believes firmly in future-proof technologies. In our research and development centre in Essen, the ista Technikum, we systematically advance the digitalisation of our device infrastructure and our process solutions. Remotely readable devices and digital bills

increase convenience for our users and, at the same time, improve the environmental balance: they enable more frequent and more accurate recording of consumption, make live communication regarding consumption possible and, compared with conventional meter-reading, reduce the amount of paper required and transport emissions.

Furthermore, in technology partnerships we develop holistic solutions that help save energy and make processes more efficient.

For example, we cooperate with Deutsche Telekom, with the building management service provider WISAG and – for energy-efficient

heating solutions – with the energy service provider GETEC. Together we help develop the technical infrastructure needed for intelligent, digital building management and resource-saving housing. Together with our customers, we apply the agile development methodology to create new products and services in these fields.



“ONLY PEOPLE WHO KNOW WHAT THEY ARE CONSUMING CAN USE ENERGY MORE CAREFULLY AND SO SAVE CO₂ AND COSTS AND MAKE THEIR OWN PERSONAL CONTRIBUTION TO CLIMATE PROTECTION.”

Thomas Zinnöcker, CEO ista International

Increasing innovativeness, conserving resources

When developing our devices, we consider ecological aspects over their entire life cycle. Our top priority is to have long-lasting devices. With new product developments, we focus on achieving optimal reliability and, in series production, we ensure that product and process quality is systematically monitored. We use recognised sampling methods as well as accelerated aging and stress tests for monitoring during production. Thanks to continuous improvement and ISO 9001-certified processes and methods during the development, production and operation of our products, we make sure that failure and replacement rates are kept to a minimum.

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 and Luxembourg, we work together with workshops for people with disabilities. Where possible, we use some old components such as brass bushes, circuit boards and sensors a second time. We are currently working on manufacturing even more of our devices in closed-loop systems. To achieve this, we are examining how we can use shredded waste plastics and bioplastics in production and adapt the product design so that the devices are even easier to dismantle into recyclable components.



We provide innovations:
with all our energy.

Selected activities for 2018

Network technology NB-IoT successfully tested in buildings

Together with Deutsche Telekom, we tested the performance of Narrow-Band-IoT (NB-IoT) network technology for transmitting digital information from and to devices in buildings. During measurements in some 60 apartments with over 500 measuring points, it was possible to establish a stable connection in 99.75% of the cases. Therefore, NB-IoT well exceeds the performance of existing technologies such as GSM, UMTS and LTE. It leads to much better reception from rooms in the middle of buildings as well as from cellar and boiler rooms. NB-IoT also permits particularly rapid and, at the same time, energy-saving machine-to-machine communication. It is therefore a key technology for ista to remotely read consumption in residential buildings nationwide and offer a broad range of services relating to the “connected home”.



New cost/user data recording on the ista web portal

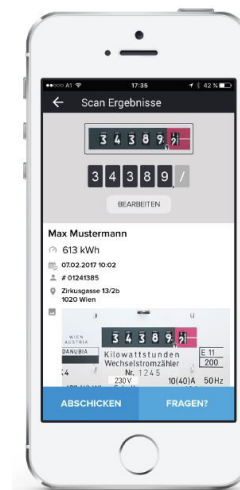
With the ista web portal, we offer our customers the advantage of a comprehensive overview of their properties, housing units, users and devices at all times.

Since January 2019, they have also been able to use the cost and user data recording feature online on the ista web portal throughout Germany. All data relevant for billing can now be recorded quickly and conveniently. The clear navigation, help texts and an appealing design make it easy to enter data. This offering has captured the spirit of the age and optimally meets customers' needs as evidenced by the sharp rise in the number of people using the web portal. More than 11,000 new users have registered since the beginning of 2019.



Pilot phase for the self-reading app started

With the self-reading app, we offer an additional channel for entering the tenants' meter readings. Tenants whose devices cannot be changed over to remote wire-less meter reading for technical reasons can now read out the serial numbers of their meters and meter readings themselves. The advantages are that data can be transmitted faster, no on-site meter-reading appointments are necessary, paper and CO₂ emissions for the meter readings are avoided and consumption can be billed faster.



“ista Hello” connects property managers and tenants

With “ista Hello”, we have developed a service platform for digital property management for ista Switzerland. The platform enables property managers to organise digital communication with their tenants. Appointments can be planned quickly and in a user-friendly manner, consumer data viewed, complaints reported, tenant-relevant documents managed or property managers' vacant units advertised. Furthermore, a sort of marketplace offers access to all kinds of local, everyday services for the building. Tenants can also use the app to network and exchange views and information with each other. Further functions can be integrated as and when needed.

We provide innovations:
with all our energy.

Selected key figures for 2018

Market penetration

In Germany, the largest sub-metering market worldwide, we look after about 280,000 customers and some 5.1 million homes with more than

32 Mio. devices.

Percentage of digitally networked properties (“wireless rate”)

Just under one third, that is to say 160,000, of the over 500,000 properties in Germany that are equipped with ista devices, had fully remotely readable metering and distribution technology at the end of 2018. Therefore, a total of

40 % of the over 5 million apartments that have ista technology could have their meters read remotely.

This means we do not have to enter each apartment but can read the meters fully automatically. So we can also avoid transport emissions for meter-reading appointments in the properties.

Positive footprint

A life cycle analysis taking our heat cost allocator doprimo 3 radio net as an example has shown: consumption-dependent heating cost billing saves

158 times more CO₂ than the device causes over its entire life cycle. The average life cycle is ten years and the calculation of the CO₂ impact over that time includes production of raw materials, manufacture, transport, installation, use and also disposal or recycling.

Efficiency through transparency

In Germany alone, 3.7 million tonnes of CO₂ are saved every year thanks to the annual heating cost bills from ista. In addition, we expect the monthly update to save another 1.5 tonnes of CO₂. After all, monthly checks of consumption lead to average energy savings of

10 % as the three-year pilot project [“Saving money through clever heating”](#) of the German Energy Agency has demonstrated.

Spread of digital services (“digital rate”)

At the beginning of April 2019, our customers in Germany were using ista’s digital services in 49% of our properties, which in turn account for 70% of the units we take care of. As a result, we avoided using 3.7 million sheets of paper for ancillary cost billing and saved

19,5 t
of CO₂ emissions.

An aerial photograph of a lush, green landscape featuring terraced rice fields. The terraces are carved into a hillside, creating a series of concentric, wavy lines that follow the contours of the land. The fields are filled with water, reflecting the surrounding greenery. The landscape is surrounded by dense tropical forest, including many palm trees. A small, rectangular pond or reservoir is visible in the center of the terraced area. A narrow path or road winds through the terraces, and a few small buildings are scattered throughout the scene. The overall image conveys a sense of harmony between human agriculture and the natural environment.

THINKING ACROSS
BOUNDARIES —
FOR VISIBLE
RESULTS.

**We will become climate-neutral:
with all our energy.**



We help our customers and their tenants save energy and conserve resources. And we also want to set an example. After all, sustainability begins with each individual. That is why we promote environmental and climate protection in all areas of our company.

Focus:

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Climate protection and the careful use of natural resources are firmly anchored in our business model. We help record energy and water consumption and so create incentives for resource-conserving action. Naturally, we also pay close attention to the carbon footprint of our own activities as only those who set an example of responsibility can convince others as well.

As an energy service provider, we attach particular importance to efficient electricity and water supplies at our branches, water being primarily used at ista as drinking water or for sanitary purposes. Other materials are also used, such as printing and copying paper. As an international company with a large field service, we also cause transport emissions. These factors are at the heart of our environmental and climate protection activities so we can reduce ista's consumption of resources over the long term and continually increase our resource efficiency.

Our goals:

By conserving resources in all areas of the company, we will be climate-neutral by 2050.

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

“AS AN ENERGY SERVICE PROVIDER, WE MUST ACT AS A ROLE MODEL FOR OUR CUSTOMERS AND, AS AN ENERGY TEAM, SEIZE THE OPPORTUNITY TO SET CLEAR EXAMPLES OF SUSTAINABLE MANAGEMENT.”

Dr Dieter Hackenberg, CFO ista Deutschland

Managing sustainability, demonstrating responsibility

Our environmental guidelines, which are currently being revised to create sustainability guidelines, offer our employees a clear framework for action on environmental and climate protection. For example, ista's travel and company car regulations encourage employees to choose the means of transport with the lowest CO₂ emissions. Our energy policy lays down our principles and goals for the use of resources at all branches in Germany.

We use suitable management systems to manage our environmental performance efficiently and continually improve it. 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. We record important key figures on energy, emissions, water and materials throughout the Group.

We will become climate-neutral: with all our energy.

Selected activities for 2018

Electricity from renewable energy sources

At ista Germany, all electricity utility contracts are being changed to renewable energies. This means that ista Germany can save 667.9 tonnes of CO₂ in future, which would mean a 16.0% cut in CO₂ emissions next year compared with the previous year 2018.

Energy management system in Germany

As part of the annual monitoring audit, an external expert confirmed that our energy management system continues to meet the requirements of ISO 50001. During the year, the representatives of the energy team at the individual branches, the energy officers, implemented a whole series of measures to cut energy consumption and supported their colleagues' efforts to save energy by, for example, giving practical tips and fuel economy training. The main energy data were continuously recorded and regularly evaluated. The energy officers attended a 1.5-day course to qualify as internal auditors to ISO 19011.

Reforestation to offset CO₂

As a partner of the VisionsWald project, we are funding the reforestation of one hectare of new rainforest in Costa Rica. We can use the 9.4 tonnes of CO₂ that the trees store every year to offset emissions at ista. So with the aid of this project we can offset nearly all the emissions that, for example, ista Croatia's electricity consumption causes. We are also committed to reforestation projects at our locations. For example, in Poland 70 employees took part in a tree-planting event where a total of 10,000 trees were planted.



Paperless office

ista Italy has changed to a printing system with ID card reader so employees can only print if they have identified themselves with their company ID cards. Our colleagues are also required to sign and file documents electronically whenever possible. ista Italy expects the number of unnecessary printouts to fall by at least 40% as a result.

When Head Office moved to the new building in November 2017, a similar printing system was also installed in Essen.



Sustainability initiatives at ista in Poland

The ista Shared Services Centre (ISS Polska) in Poland continued its commitment to greater environmental awareness in the reporting year. ISS Polska regularly posted practical tips for its employees on the Intranet, telling them, for example, how to save water, separate waste sensibly or recycle furniture. The annual managers' meeting was used for a workshop on sustainability. Managers and team leaders told each other about sustainability initiatives at their branches and discussed how they could develop these ideas further. Carafes with filtered tap water are now provided instead of bottled water. Colleagues can lend and borrow private books at so-called book crossings instead of having to buy the books themselves. The service centre sells the employees fully depreciated but still functional computer hardware at reasonable prices.

We will become climate-neutral:
with all our energy.

Selected key figures for 2018

Greenhouse gas emissions

In 2018, our company caused emissions of

13,159 tonnes

of CO₂ equivalent. We therefore reduced our greenhouse gas emissions by 2.8% in absolute terms compared with the previous year. In particular, we managed to considerably cut emissions from our electricity consumption.

Share of renewable energies

33.8 % of the electricity consumed in the ista Group comes from renewable energy sources. Our branches in Switzerland, Luxembourg and Norway already get all of their electricity from renewable energies. In Spain the figure is 73%, in Germany 41% and in France 28%. The branches in the other countries currently still only purchase conventional electricity.

Paper consumption

The ista Group used a total of 411,130 kg of paper, of which 58.6% was recycled paper. Paper consumption therefore fell by 9.4% compared with the previous year; the share of recycled paper increased by

12.9%.

Water consumption

In 2018, our organisation took a total of 28,446 m³ of water from the municipal water supply. Compared with the previous year, water consumption therefore fell by

6.1%.

Energy consumption

In 2018, the ista Group used a total of 21,251 GJ of electricity and 158,361 GJ of heating energy. Compared with the previous year, electricity consumption therefore rose by 7.2% and heating energy consumption decreased by

15.5%.

At 107,372 GJ, the consumption of energy from road fuels was 4.6% higher than in the previous year. However, the average amount of road fuel used per 100 km fell by 4.5%.

AN UNBEATABLE
TEAM – GROWING
TOGETHER.



We boost satisfaction: with all our energy.

With their dedication and expertise our employees create the basis for our joint success. By providing excellent development opportunities and clear guidance for our actions, we continue this success story.

The innovativeness and the passionate commitment of our employees ensure the sustainable progress of our company. In order to recruit the best employees and nurture their potential, we at ista invest specifically in training and further education. Innovative dialogue formats, regular staff surveys and close cooperation with the works councils also help us create a reliable framework for working productively together: it is only where basic employee rights are guaranteed and discrimination or corruption have no place that trust can grow and an environment for healthy, motivated and creative work flourish.

Focus:

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.

Our goals:

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 index 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.

ista Deutschland GmbH has voluntarily committed to filling at least 22% of managerial positions on the first and second levels below the Management Board with women by 2022.

Networking teams, encouraging collaborative learning.

In times of rapid technological and social change, we want to create reliability and continuity – for our employees as well as for our customers and partners. To achieve this, we rely on sophisticated digitalisation technology and a collaborative learning culture.

We integrate digital solutions that help us simplify and improve our operations and act more innovatively. They include digital management systems for procurement or HR management as well as our new digital platform ONE, a group-wide social collaboration platform for digital communication and collaboration.

In innovative dialogue formats that go beyond virtual space, we also create opportunities for an informal exchange of views among employees and managers and enable cross-team learning. We are currently working hard to further develop ista's cooperation and learning culture of the future together.



We boost satisfaction: with all our energy.

Developing talents, anchoring fairness and diversity

The central contact for all employee matters at ista is the Corporate Human Resources department. Through them we offer an excellent graduate trainee programme and many individual career advancement possibilities. After all, through international training courses and a wide variety of programmes for young talents and future managers, we secure the future of our company. Therefore, we prefer to fill managerial positions from our own ranks.

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. The Corporate Internal Audit and Compliance department monitors whether all guidelines and commitments are being observed. In selected countries, a central monitoring process has been established to step up oversight of areas that appear to be particularly at risk of corruption. In Germany, every branch has its own works council. A works council also protects the interests of ista employees in the Netherlands.

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, e.g. 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.

Protecting health, strengthening the work-life balance

Through active health management, we strengthen the performance and motivation of our employees. Our offerings range from regular health days, advisory services and stress management programmes to back training courses, subsidised membership fees at selected gyms and participation in company runs. Through our external partner TALINGO EAP, we also offer our employees immediate counselling by qualified psychotherapists in the event of personal problems.

We help our employees to strike a good balance between work and their private lives. At nearly all branches we offer flexible working time models – from flexitime and part-time working to work phases in a home office or trust-based working time. With the newly introduced sabbatical, our employees in Germany have the chance to take one to three months off work. The ista Family Service offers professional support from an external service provider on matters relating to pregnancy, the search for child care or nursing care for relatives.

We strengthen ista's team spirit with many events held both during and outside normal working hours. We have made the 12th of April the 1-2-4 Day. Under the motto of our transformation programme "One ista. Together. For Excellence" all branches use this day for creative events. At our group-wide Soccer Cup, at ista Germany's annual Bowling Cup, at summer festivals and long-service anniversary celebrations, our employees can get to know each other better and strike up conversations.

We also actively promote the ecological and social engagement of our employees, for example at the ista Social Day. A total of 32 concrete projects were implemented at our international branches in 2018 to strengthen communication and collaboration among the employees, further develop their skills and encourage their commitment to ecological and social issues.



Dialogue formats at our locations in Essen

We would like to get our employees talking to each other and encourage the exchange of views and ideas beyond the boundaries of departments and work levels. To achieve this, we offer a large number of dialogue formats at our locations in Essen. At our monthly chance to chat "9@9" at our head office in Essen, eight employees get the opportunity 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 from internal or external speakers and, for example, to have a discussion about artificial intelligence or learn the functions of new ista service apps.



We boost satisfaction:
with all our energy.

Selected activities for 2018



Social collaboration platform ONE

Our social collaboration platform ONE was launched in July 2, 2018. The web-based platform is the main entry point for communication and collaboration at ista. It enables employees to quickly exchange information with any colleague at any time, ask questions and set up communities on important topics. In this way employees can, for the first time, network and share their entire knowledge group-wide regardless of function and country boundaries. In addition to communities and a wide variety of meeting and chat functions, information will, in future, be available in real time to anyone at any time. Experts in the most diverse fields can quickly find each other and work on projects together. The introduction of ONE was accompanied by reverse mentoring: as “digital natives”, young colleagues helped managers and the top management to familiarise themselves with the platform and try out new forms of digital communication, work at the same time on one and the same document, hold digital web conferences and, in future, also discuss things more quickly with colleagues using an integrated chat system.

Self-directed learning

We have made information on existing further education opportunities available at a central location so it is more transparent and easier to find. We have also extended our training offering through a operation agreement with the Haufe Akademie. Furthermore, at all German branches we have introduced a digital brain station where employees can access up-to-date expert knowledge on their fields of work “on demand”.



“Speak up” whistleblower system

The “Speak up” system was established in April 2019 so now employees can give anonymous tip-offs to the Corporate Internal Audit & Compliance department if they notice any infringements of the law at ista. The system is an addition to the employees’ other options of seeking to talk directly to their superiors, the HR department or the Corporate Compliance department.

We boost satisfaction:
with all our energy.

Selected activities for 2018

Collaboration and learning culture

At several events we looked at the question of how we can further strengthen the culture of cooperation and collaborative learning at ista. For example, “Collaboration is the key to success” was the focal topic of the Future Factory 2019. At this two-day event, managers from the ista Group came together in open spaces, world cafés and fishbowl discussions to develop key approaches and concrete steps for even better collaboration. As a starting point for collaborative further development, our employees were invited at the two-day Collaboration Days 2019 to develop suggestions as to how we can improve collaboration effectively over the long term when developing our information technology. Together, fields of action were identified, which will be worked on in cross-functional teams involving various branches. The 1-2-4 Day 2019 was all about collaboration: all employees were called upon to develop ideas for improving collaboration across departments and locations and sharing them with everybody on our social collaboration platform ONE. Three of the teams won € 1,000 to put their ideas into practice.



Possibility of a sabbatical

With the newly introduced sabbatical we give employees the chance to take one to three months off work. They can do whatever they wish in this free time – for example use it for leisure and travel, for looking after relatives, for volunteering work or for further education. The employees save up their remuneration to be paid during their sabbatical by receiving a reduced salary for an individually agreed period of time beforehand. We offer the sabbatical to all employees of ista International and ista Germany working in Germany who have a permanent and non-terminated employment contract and, at the beginning of their time off, have at least three years' service with the company.



Management development workshop

At a two-day workshop, 20 managers from all ista core markets and all hierarchical levels set about finding ways of further improving leadership skills at ista. With Design Thinking methods, the participants identified so-called pain points for different management roles and developed ideas as to how to relieve them. On this basis, we are now developing suitable learning formats that empower managers at all levels to lead in a motivating, transparent and healthy way.

We boost satisfaction:
with all our energy.

Selected key figures for 2018

Sickness rate

The sickness rate rose group-wide by 1.0% to 4.3% compared with the previous year. The increase was particularly sharp at ista Germany. We are currently working on further preventive measures to promote the health of our employees. In 2019, we also recruited a new Health, Safety & Environment manager who will plan, implement, monitor and optimise business processes in the fields of environmental management as well as health and safety at work. So in future we can better understand potential health risks in the workplace.

Staff turnover rate

The staff turnover rate was 13.4% in 2018, a decrease of 1.7% compared with the previous year.

Awards

Top Employer 2019: ista again received the Top Employer Europe Award. Alongside the branches in Austria, the branches in Germany, France and Switzerland as well as the ista service centres in Poland and Romania were all awarded the accolade.



Fair Trainee Programme 2019: Absolventa GmbH again conferred the title of “Fair Trainee Programme” on ista’s graduate trainee programmes.



Percentage of women

The share of women in the workforce of the ista Group was around

50 %.

- as in the previous year.



**DELIVERING SUSTAINABLY –
PRODUCING VISIBLE
RESULTS.**

We think climate-neutral: with all our energy.

We are tackling sustainability together. In close cooperation with the ista service partners in Germany and our suppliers worldwide, we are continuously improving our offerings and strengthening sustainability in our supply chains.

High ethical standards for employee rights, fair working conditions and the protection of the environment apply at ista worldwide. We provide our services together with highly specialised international partners. Some 250 suppliers in Asia and Europe manufacture a large proportion of the devices we develop. About 2,000 self-employed ista service partners in Germany handle the installation, maintenance and reading of the 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. Thanks to close dialogue with all these partners, we manage to ensure the highest ecological and social standards and together improve sustainability along international supply chains.

Focus:

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.

Committing partners to ethical standards

Our minimum requirements for social, environmental and governance standards are laid down in our Supplier Code. Our suppliers undertake to comply with these requirements and to enter into corresponding agreements with their suppliers. The requirements are based on the principles of the Organisation for Economic Cooperation and Development (OECD) and on the core conventions of the International Labour Organization (ILO). At the same time, they are in accordance with the principles of the UN Global Compact.

The 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. The finished products are either sent direct to our Warehouse & Distribution Centre in Gladbeck or, in the case of certain devices, to our Manufacturing Competence Centre in Au in der Hallertau for final assembly and calibration. The final-assembled and calibrated products are then also delivered to Gladbeck. 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 worldwide.

Our goal:

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

We think climate-neutral: with all our energy.

Strengthening sustainability together

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

Most of the materials needed to run our organisation are procured by the national organisations themselves. They search specifically for partners that help ista to minimise its ecological footprint. For example, ista Germany uses recycled materials

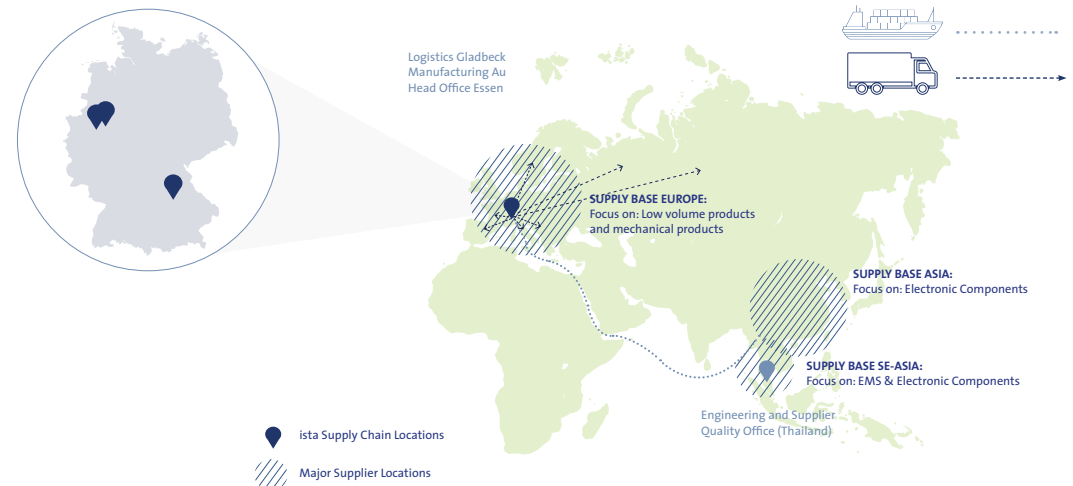
“WE ATTACH GREAT IMPORTANCE TO A SUSTAINABLE AND FAIR VALUE CHAIN SO THIS YEAR WE HAVE REVIEWED AND EXTENDED OUR SUPPLIER CODE.”

Günther van de Rijt, Head of Procurement & Supply Chain

and FSC-certified paper, wherever possible. We work with our partner natur-eOffice to offset unavoidable emissions from the production of paper for our marketing materials, brochures and stationery for our branches. Thanks to climate protection projects that our printers Stober GmbH implement through their partner ARKTIK, we make our print products for our marketing materials climate-neutral. For postal dispatch we use “GoGreen”, the climate-neutral postal service of Deutsche Post. The business customer ticket of Deutsche Bahn enables our employees to travel throughout Germany in long-distance trains using 100% green electricity. ista supports its service partners through active return logistics, thus applying sustainability standards. Not only packaging materials but also old or installed meters are taken back, disposed of in an environmentally friendly manner and in some cases even recycled. We prepare all ista service partners (iSP) well for their work; they attend special qualification events before their first deployment where we inform them about ista’s own and special processes, products and tools such as the personal digital assistant (PDA). New service partners are generally accompanied on their first assignments by trained ista staff or by other experienced iSPs as part of a mentoring programme tailored specifically to each branch. In addition, the service partners can go onto the ista service portal where they can access ista installation instructions as well as product and process information at any time. The service partners can also enter personal feedback and suggestions for improvement on this portal. After the service partners’ first jobs, they are accompanied by our quality testers on a random basis to see, for example, whether they need further qualifications.

ista supports its service partners through active return logistics, thus applying sustainability standards. Not only packaging materials but also old or installed meters are taken back, disposed of in an environmentally friendly manner and in some cases even recycled. We prepare all ista service partners (iSP) well for

Stages of the ista supply chain



We think climate-neutral:
with all our energy.

Selected activities for 2018



360° quality management for ista service partners

In pilot projects we developed and tested ways of giving the ista service partners feedback on their services (e.g. on the basis of user surveys). A system of indicators showing the service quality at a glance is already being planned.

Ban on forced and compulsory labour, slavery and human trafficking strengthened in the Supplier Code

In 2018, we integrated the UK Modern Slavery Act into the ista Supplier Code. We therefore oblige our suppliers worldwide to comply with the rules laid down in it. The Modern Slavery Act, which entered into force in 2015, obliges large enterprises operating in the UK to minimise the risks of forced and compulsory labour, slavery and human trafficking in their organisation and in their supply chains and to report on their approach in annual statements. At ista the relevant statement and the policies contained in it apply worldwide.

Ecological criteria integrated into tendering procedure

ista France has included ecological requirements in its calls for tenders nationwide. Criteria such as carbon footprint, environmental management practices or ecological product standards are now systematically taken into account when purchasing decisions are made. As a result, ista France decided to expand its vehicle fleet in 2018 to include hybrid cars.



We think climate-neutral:
with all our energy.

Selected key figures for 2018

Indirect CO₂ emissions (Scope 2)

The indirect greenhouse gas emissions caused by energy consumption and district heat and cooling fell by

13 %

to 2,794 t of CO₂ equivalent compared with the previous year.

Strong partners

Worldwide

17,798

end devices and standard gateways were installed by our service partners per working day* in 2018.
(*based on 250 working days)



Use of recycled paper

ista used a total of 240,730 kg of recycled paper in 2018. The share of recycled materials in total paper consumption increased by 6.7% compared with the previous year.

CO₂ emissions offset

In 2018 ista Germany again made its paper consumption, printing processes and postal dispatch climate-neutral.

To achieve this, ista offset a total of

276.56 t

of CO₂ emissions. Of this figure, paper production accounted for 52.2 t, printing processes for 95.7 t and postal dispatch for 128.66 t.



**ACTING WITH FORESIGHT –
TAKING RESPONSIBILITY
FOR OTHERS.**

We nurture environmental awareness: with all our energy.

For a better environment.

Only people who are aware of their responsibility can assume it. We at ista are convinced of this. Therefore, we share our knowledge to promote awareness in society for the responsible use of energy.

Focus:

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Environmentally conscious behaviour begins in the mind. For this reason we believe that it is our social responsibility to pass on our knowledge about energy efficiency and resource conservation.

After all, politicians, society and businesses have to work actively together if the energy transition is to succeed and we are to achieve the United Nation's global goals for sustainable development.

Our goal:

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.

Teaching climate knowledge, motivating politicians and consumers

Therefore, we channel our knowledge into political processes in order to help shape the energy transition at both national and international level. We are actively involved in associations that educate consumers about how their energy and water use can be recorded based on consumption and how they can benefit from this. Furthermore, we take part in multi-stakeholder initiatives such as the "Allianz für einen klimaneutralen Wohngebäudebestand" (Alliance for a Climate-neutral Housing Stock). Last but not least, we initiate and support projects to raise the awareness, particularly of young people, of climate change and sustainable development and to encourage them to become active themselves.



We nurture environmental awareness:
with all our energy.

Selected activities for 2018

ista
MACHT
SCHULE



ista schools in energy efficiency – crowdfunding competition for climate heroes

In a nationwide climate contest, pupils were invited to submit project ideas that contribute to greater climate protection and sustainability in their schools. The most convincing entrants had the opportunity in 2019

to win up to € 3,000 for their project in a crowdfunding contest. The winners received their awards at a stakeholder event on the subject of “Generation Climate Protection” held during the Berlin Energietage conference in May 2019. ista runs the climate contest together with BildungsCent e.V., Die Multivision e.V. and Startnext.



ista schools in energy efficiency – the climate box goes on tour

Together with BildungsCent e.V., we took the climate box to 100 schools throughout Germany in 2018. With the climate box we help children and young people to identify potential for saving energy at their schools and develop their own climate protection projects to cut energy consumption. The climate box provides not only innovative learning materials but also state-of-the-

art metering devices that detect energy weak points in the school building. ista “ambassadors” held workshops as part of our Corporate Volunteering Programme to support the young people in their work with the climate box. The climate box was developed and successfully tested by school children from Essen in 2017 for our education initiative “ista schools in energy efficiency”.

Social Day – our employees are actively engaged in community work

ista made December 13, 2018 the “Social Day”. Many employees did voluntary work. For example, colleagues from ista Romania organised a fund-raising event for needy families, employees at ista Spain invited the non-profit organisation “Solidarios” and the employees of ista Poland organised a children’s day to make young visitors aware of sustainability and environmental protection. In Germany, employees collected food for food banks, made creative canvases together with people with intellectual disabilities, renovated child day-care centres and taught children how to be “energy detectives”.



Sponsoring of the environmental activist Julien Moreau

ista France sponsored the “eco-adventurer” Julien Moreau in his attempt to break the world record for the longest triathlon in the world – and, on his way, raise environmental awareness in schools. On his over 6,000-km journey cycling, swimming and running around France, he taught pupils in over 70 schools

about sustainability, attended numerous conferences and discussed the legal framework for promoting environmental protection in schools with parliamentarians.

We nurture environmental awareness:
with all our energy.

Selected activities for 2018

Industry talks on the heat transition

In 2018, ista set up round-table talks with businesses in the heat industry value chain to discuss and develop solutions for the heat transition across industry and knowledge boundaries. The common consensus is clear: the heat transition can only succeed if we work hand in hand and with many smart components. After all, given the heterogeneous-heat market and the diverse building stock, there is no standard solution.

Easier financing for energy efficiency measures

Together with the Hungarian Institute for Energy Efficiency, ista is committed to introducing on-bill financing for investments in energy efficiency in Hungary. This will give owners of apartment buildings the opportunity to pay the cost of energy efficiency measures in instalments through their building's utility bills. Any savings as a result of increased energy efficiency can be used directly for loan repayments.

Support for the Essen Environmental Prize 2018

The Essen Environmental Prize is regularly awarded to sustainable projects that make a positive contribution to energy efficiency, mobility, the living environment and environmental protection in Essen. In 2018, we donated the prize money of € 10,000, were on the jury and hosted the award ceremony.



Key memberships & cooperation partners

As members of organisations, we play an active part in gaining new insights and knowledge and are involved in various working groups and technical committees.

- 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)
- Zentraler Immobilien Ausschuss (ZIA - German Real Estate Trade Association)
- Business Initiative Smart Living (WISL)

Key figures

✓ Finances

Size of the organisation

	2018*	2017*	2016*
Companies	45 in 23 countries	45 in 23 countries	49 in 23 countries
Sales	€ 887.8 m	€ 877.4 m	€ 847.2 m
Total capitalisation	€ 4,182 m	€ 4,196 m	€ 4,186 m
- of which liabilities	€ 3,982 m	€ 3,948 m	€ 3,956 m
- of which equity	€ 200 m	€ 248 m	€ 230 m
Total investment (CAPEX)	€ 131.3 m	€ 137.9 m	€ 134.4 m
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		
Acquisitions and sales in 2016	<ul style="list-style-type: none"> • Acquisition of ista Varmemålerservice AS, Bergen, Norway • Acquisition of S.L.E.C. S.à r.l., Courbevoie, France • Acquisition of BGS Betriebskosten Geräte Software GmbH, Leipzig, Germany • Discontinuation of operating activities of ista Brasil Servicos de Energia Ltda., Sao Paulo, Brazil • Incorporation of istaDES B.V., Schiedam, Netherlands • Further business activities in Spain were acquired. 		

*Consolidated financial statements of Trionista TopCo GmbH.

✓ Employees

Total number of employees by employment contract and type of employment

	2018	2017	2016
Total number of employees	5,932	5,964	5,816
- of whom with permanent employment contracts	5,128	4,975	4,669
- of whom with fixed-term contracts	804	989	1,147
- of whom full-time employees	5,301	5,379	5,225
- of whom part-time employees	514	467	464
- of whom apprentices	117	118	127

✓ Age structure of the workforce

	2018	2017	2016
Under 26	516	564	590
26 - 35	1,906	1,931	1,997
36 - 50	2,284	2,345	2,182
Over 50	1,226	1,124	1,047

Key figures

✓ Workforce by region and gender

	2018			2017			2016		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total workforce by gender	50 %	50 %	5,932	50 %	50 %	5,964	49 %	51 %	5,816
Central Europe (excl.)	104	142	246	110	115	225	89	120	209
ista Germany	746	707	1,453	780	739	1,519	753	688	1,441
ista France	258	422	680	259	438	697	244	442	686
North Europe	119	136	255	115	140	255	119	143	262
West/East/South Europe (excl. F)	393	867	1,260	443	819	1,262	449	905	1,354
Emerging Markets	46	92	138	49	94	143	51	103	154
ista International	150	302	452	143	299	442	120	277	397
ista Shared Services	1,136	312	1,448	1,101	320	1,421	1,016	297	1,313

✓ Sickness rate by region

	2018	2017	2016
ista Group	4.3 %	3.3 %	3.4 %
ista International	4.6 %	3.0 %	3.5 %
Central Europe (excl. D)	3.6 %	2.7 %	2.5 %
West. East and South Europe (excl. F)	1.8 %	2.2 %	1.6 %
North Europe	1.9 %	1.5 %	2.2 %
Emerging Markets	1.0 %	0.7 %	0.7 %
ista Germany	7.0 %	4.4 %	4.9 %
ista France	5.2 %	4.5 %	4.4 %
ista Shared Services (Poland & Romania)	3.7 %	3.4 %	3.7 %

✓ Turnover by reason for termination and recruitment rate

	2018	2017	2016
Termination by employee	385	406	372
Termination by ista	234	328	232
End of fixed-term contract, retirement, seasonal termination or similar	173	134	239
Total turnover	792	868	843
New recruits	797	1.077	1.118
Turnover rate*	13.4 %	15.1 %	15.2 %

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

Key figures

✓ Consumption of electricity and heat within the organisation

	2018	2017*	2016*
Total electricity consumption	21,251 GJ	19,818 GJ	20,972 GJ
Total heating energy	158,361 GJ	187,504 GJ	183,423 GJ
- of which gas	151,456 GJ	181,014 GJ	178,055 GJ
- of which heating oil	37	-	-
- of which district heat	6,868 GJ	6,490 GJ	5,368 GJ

*Figures retroactively adjusted in the light of data now available

✓ Energy consumption of vehicles within the organisation

	2018		2017*		2016*	
	Litres	Gigajoules	Litres	Gigajoules	Litres	Gigajoules
Total fuel consumption	3,003,261	107,372	2,873,174	102,729	2,958,471	105,859
Fuel company fleet	2,693,452	96,370	2,618,956	93,719	2,625,302	94,023
- of which diesel	2,483,034	89,300	2,420,430	87,048	2,458,945	88,433
- of which petrol	210,418	7,070	198,526	6,670	166,358	5,590
Fuel rented vehicles	241,519	8,625	186,050	6,641	260,534	9,306
- of which diesel	215,806	7,761	164,904	5,931	233,525	8,398
- of which petrol	25,713	864	21,146	710	27,009	908
Fuel private vehicles	68,290	2,377	68,168	2,369	72,635	2,530
- of which diesel	34,856	1,254	33,358	1,200	37,831	1,361
- of which petrol	33,434	1,123	34,810	1,170	34,804	1,169

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

✓ Energy intensity

	2018	2017	2016
Energy consumption* per employee in gigajoules	52	56	59

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

Key figures

✓ Greenhouse gas emissions

in tonnes of CO ₂ equivalent	2018	2017*	2016*
Total GHG emissions	13,159	13,532	13,794
GHG emissions per FTE**	2,37	2,46	2,60
Direct GHG emissions (Scope 1)	7,858	7,810	7,822
- due to consumption of gas and heating oil	790	936	920
- due to company fleet	7,068	6,875	6,902
Indirect energy-related GHG emissions (Scope 2)	2,794	3,211	3,064
- due to electricity consumption	2,408	2,853	2,768
- due to district heat and cooling	386	358	296
Further indirect GHG emissions (Scope 3)	2,507	2,510	2,909
- due to rented cars	632	486	682
- due to private vehicles	158	159	169
- due to air travel	1,254	1,349	1,516
- due to train travel	70	76	61
- due to paper consumption	394	440	481

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

**Full time equivalent

✓ Paper used by weight

	2018	2017*	2016*
Total paper consumption	411 t	453 t	496 t
- of which recycled paper	241 t	235 t	259 t
- of which virgin fibre paper	170 t	218 t	237 t
- of which FSC-certified paper	74 t	60 t	54 t

*Figures adjusted in the light of data now available

	2018	2017	2016
Recycled paper per FTE [in %]	58.55%	51.86%	52.25%
FSC paper per FTE [in %]	18.00%	13.16%	10.99%
Paper consumption per employee [in kg/FTE]	74.64 kg	82.34 kg	93.63 kg

✓ Development of greenhouse gas emissions (absolute changes compared with the previous year)

in tonnes of CO ₂ equivalent	2018	2017*	2016*
Total changes	-372	-263	3,100
Heating energy	-118	78	682
Vehicle fleet	193	-27	176
Electricity	-445	85	1,701
Transport	43	-358	61
Paper consumption	-46	-41	481

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

✓ Water consumption

	2018	2017*	2016*
Total amount of water withdrawn	28,466 m ³	30,299 m ³	20,186 m ³
Amount of water withdrawn (litres per FTE)	303 litres	290 litres	199 litres

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

About this report

Progress report 2018:

The progress report 2018 is ista's ninth 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 45 companies worldwide. It is based on the key figures for the 2018 calendar year.

Key figures and audit

The key figures regarding the workforce structure in the chapter Employees were recorded as of December 31, 2018. The specific key environmental figures, on the other hand, are based on the average full-time equivalent (FTE) for 2018 and, in addition to the 45 companies, also include ista Luxembourg GmbH S.à r.l. Selected employee key figures, for example the number of training days per head, are also determined on this basis. Moreover, there are differences in the headcount data between the consolidated financial statements and this sustainability report. These result from a different definition of headcount. In the context of the sustainability report, employee groups, such as employees on maternity leave, are recorded differently than in the consolidated financial statements.

The key environmental performance figures and the employee key figures for the 2018 financial year were the subject of a limited audit conducted by SGS-TÜV Saar GmbH. The key financial figures are audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft during the preparation of our annual report. Audited key figures are marked by a  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 based on estimates is around 6% for electricity consumption, some 40% for water consumption and about 25% for gas and district heat consumption. In this report, we have corrected some of the key figures for 2017 as the consumption figures were not yet available for all branches on the publication date of the sustainability report 2017. Moreover, in 2018 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 CO₂ emissions, we comprehensively updated the conversion factors used as a basis. The conversion factors are now based on sources from the Statistical Office of the European Union (EUROSTAT), the European Environment Agency (EEA), the Federal Motor Transport Authority (KBA), the International Council on Clean Transportation (ICCT) and the German Association of the Automotive Industry (VDA). The revised emission factors were also applied to the previous year. The emission figures affected are identified in footnotes in a similar way to the changes described above. 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 CO₂ equivalents, we converted the other greenhouse gases emitted (e.g. methane) into CO₂ emissions according to their impact on the climate and then stated them, together with the CO₂ emissions, as CO₂ equivalents. In determining our carbon footprint, all train kilometres, also those with Deutsche Bahn, were calculated with an average factor of 38 g of CO₂/passenger km.

Editorial note:

The editorial deadline for this report was May 31, 2019. 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 2020.



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