

FOR MEASURABLE SUCCESSES,  
FOR AN INTACT ENVIRONMENT



# THE REPORT

**IN THE SUSTAINABILITY REPORT 2011, ista IS PROVIDING INFORMATION ON ITS SUSTAINABLE CORPORATE GOVERNANCE IN ALL NATIONAL ORGANISATIONS. THE REPORT HAS BEEN CHECKED BY THE GRI FOR THE FIRST TIME.**

## **Presented in reports and interviews**

This report for 2011 is the second sustainability report which ista has published. The previous report for the 2010 reporting year met with a positive response from our employees, customers, business partners and other stakeholders. We have also taken the expectations of our stakeholders into account this year again in the selection of the report contents. We have presented a lot of the contents in the form of reports and interviews in order not only to present facts and figures but also to publish a report which makes interesting reading.

Whereas we divided the 2010 sustainability report into four chapters and viewed the subjects of employees and society separately, we have combined them in the 2011 report. That also permits us to focus in that chapter on our key theme, the environment, and to better explain the synergetic effects.

## **Key performance indicators from 2011 as a basis**

This report is based on the key performance indicators of the 2011 calendar year. While the demographic Human Resources figures are recorded as at December 31, 2011, the key environmental figures are based on the average full-time equivalent (FTE). The copy deadline for this report was October 29, 2012. We have included all fully consolidated companies in the data collected.

As the procedures for recording and determining key company figures, HR figures and environmental data sometimes differ in the individual countries, the quality and completeness of the data on which this report is based also varies. Whereas, on the one hand, some data which have been recorded precisely are available, others are based on estimates and forecasts which are subject to uncertainties. We either took the estimated consumption of an employee and deduced the total consumption of the location from it or determined the consumption figures using the averages of comparable locations. We are in the process of standardising the recording methods in order to improve the quality and guarantee better comparability.

As the company regions were restructured in 2011 and the individual countries re-allocated, a direct comparison of the key figures of

2011 with those of the previous year is not possible. This affects, for example, the employee figures for each region. The comparisons by region made explicitly in this report already contain subsequent corrections of the original 2010 figures in line with the new regional structure.

To show the energy consumption figures of all locations, average FTE figures are used as reference values in this report; by contrast, headcounts as at December 31, 2010 were used in last year's report. In order to permit a comparison, the figures of 2010 were recalculated – with the same assumptions and estimates as for 2011. The proportion of the data based on estimates and forecasts is 20% for electricity consumption, 37% for water consumption and 50% for heating energy consumption.

There are also differences as regards the headcounts between the consolidated financial statements and this sustainability report 2011. This results from a different definition of the headcount. Whereas, for example, student workers have been included in the data available for the sustainability report, this was not the case in the consolidated financial statements.

The key financial figures reported relate to the consolidated financial statements of ista International GmbH, which were published and can be examined in the Federal Gazette. When the key environmental and HR figures were recorded, the parent company, ista Luxemburg GmbH Sarl, was also included alongside the Group company, ista International.

## **GRI checked Level B+**

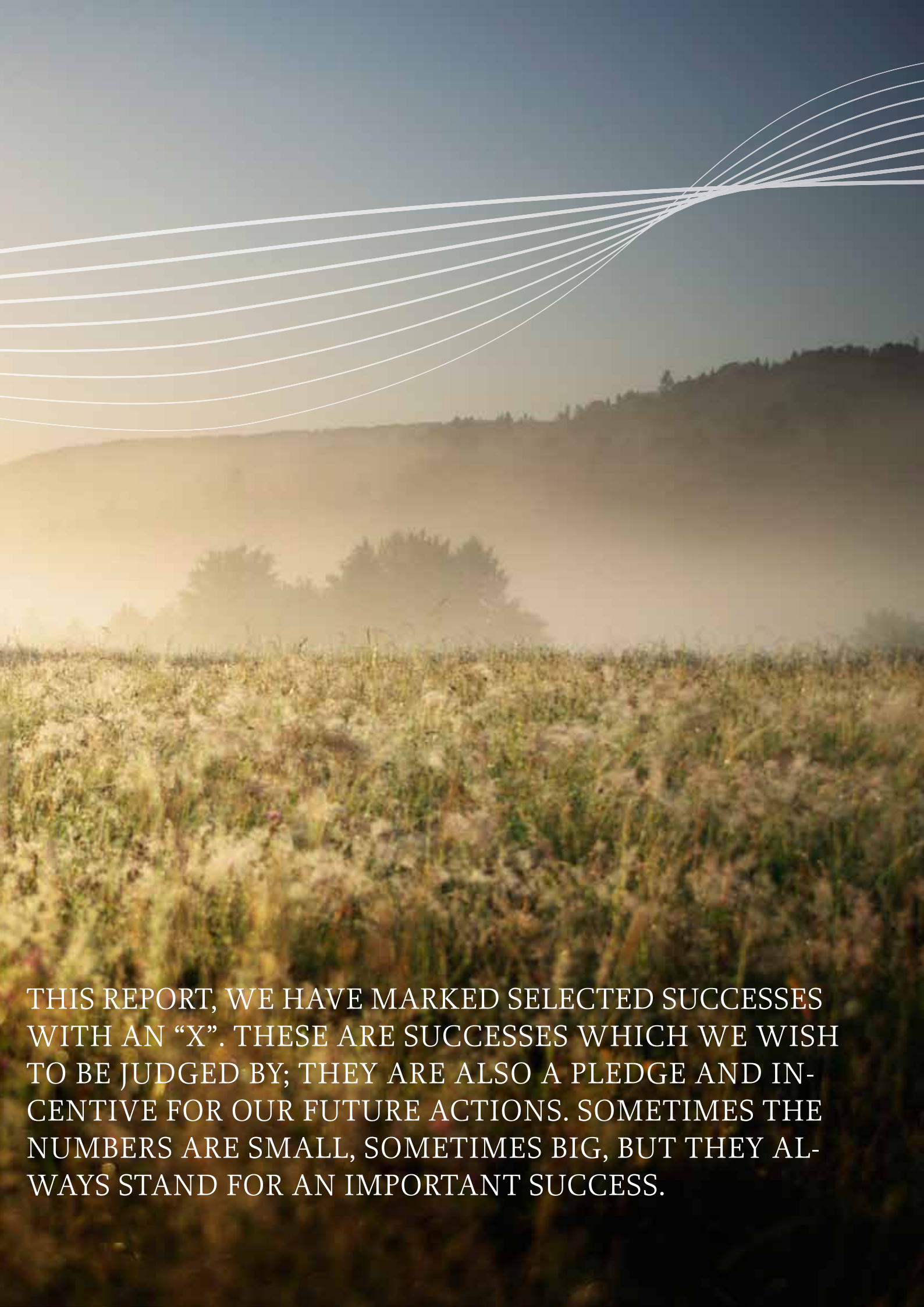
In our reporting, we comply with the internationality recognised G3.0 Guidelines of the Global Reporting Initiative (GRI). The GRI has set itself the objective of making corporate reporting worldwide more transparent and comparable. The reporting of ista International GmbH satisfies the Advanced Application Level B+. This has been examined and confirmed by the GRI. You will find the GRI Index on pages 44-46. It provides an overview of which GRI indicators have been dealt with and where in the report they can be found.

««

# X = MEASURABLE SUCCESSES

The background of the entire page is a photograph of a large, dark tree standing in a field of tall, golden-brown wildflowers. The sky is a soft, hazy orange, suggesting a sunrise or sunset. Several thin, white, curved lines radiate from the top edge of the image, converging towards the center of the tree.

AS A COMPANY THAT RECORDS ENERGY DATA, WE UNDERSTAND QUITE A LOT ABOUT MEASURING. THEREFORE, WE ALSO REGULARLY MEASURE OUR PROGRESS ON SUSTAINABILITY. WE WANT TO SEE WHAT SUCCESSES WE HAVE ALREADY ACHIEVED FOR THE ENVIRONMENT, SOCIETY, OUR EMPLOYEES AND, LAST BUT NOT LEAST, FOR OUR COMPANY. IN



THIS REPORT, WE HAVE MARKED SELECTED SUCCESSES WITH AN “X”. THESE ARE SUCCESSES WHICH WE WISH TO BE JUDGED BY; THEY ARE ALSO A PLEDGE AND INCENTIVE FOR OUR FUTURE ACTIONS. SOMETIMES THE NUMBERS ARE SMALL, SOMETIMES BIG, BUT THEY ALWAYS STAND FOR AN IMPORTANT SUCCESS.

# CONTENTS

## SUSTAINABILITY REPORT 2011

### INTRODUCTION

#### 02 FOREWORD

#### 04 COMPANY PROFILE

#### 08 SUSTAINABILITY STRATEGY

### PRODUCTS & SERVICES

#### 16 TRANSPARENCY COUNTS

The products of ista help to save resources

#### 19 “WE ARE BECOMING ENERGY MANAGERS”

A look into the future of the energy services industry

#### 20 “ENGINE OF THE DOMESTIC ECONOMY”

Minister of the Environment, Johannes Remmel, on the responsibility of the consumers

### ENERGY & RESOURCES

#### 24 STEP BY STEP

The employees of iSS Poland champion environmental protection

#### 27 “TREMENDOUS POTENTIAL FOR GREEN GROWTH”

Prof. Dr. Maximilian Gege on the opportunities of sustainable management

#### 28 “WE ARE LOOKING FOR TAILOR-MADE SOLUTIONS”

The ista environmental consultant offers an insight into his job

### EMPLOYEES & SOCIETY

#### 32 GREEN BASICS

ista Bulgaria taught day care centre children environmental rules

#### 35 “WE HAVE A HEALTHY MIXTURE”

Responsible HR policy at ista

#### 36 “SEEING YOURSELF IN A DIFFERENT LIGHT”

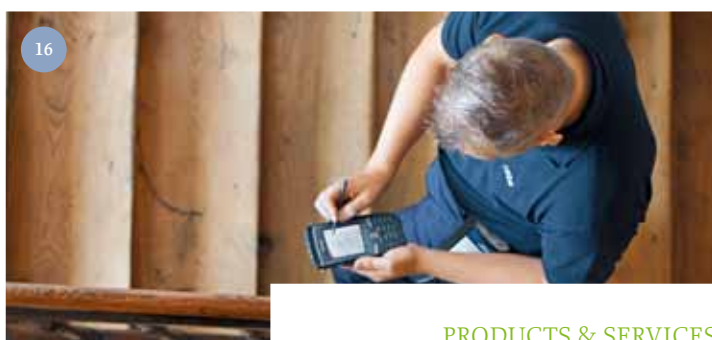
A participant talks about the JUMP further training programme

### FACTS & FIGURES

#### 38 KEY FIGURES

#### 41 ASSURANCE STATEMENTS

#### 44 GRI INDEX



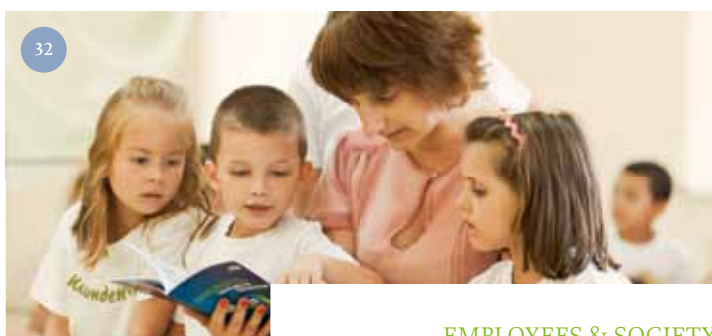
16

PRODUCTS &amp; SERVICES



24

ENERGY &amp; RESOURCES



32

EMPLOYEES &amp; SOCIETY



38

FACTS &amp; FIGURES

# FIRST FRUITS

DEAR READERS,

I am proud to present you our 2011 Sustainability Report. A report which for the second time, provides information on how we discharge our responsibility to the environment and society. And a report which is based on the guidelines of the Global Reporting Initiative (GRI) and whose application level has been checked for the first time. This success shows that our steadily growing activities in the field of sustainability are bearing their first fruits.

In 2009, we began to pool these activities in terms of strategy and organisation and establish a Group-wide environmental management system. There is still a lot to do but in 2011 we made considerable headway. For example, we saved resources, boosted energy efficiency in buildings, planted trees and sensitised children to environmental protection. In our report, the letter “X” marks measurable results of this kind. We would not have got so far without the our employees’ engagement – focus is therefore on them in the following pages: successful projects and the work done by our colleagues at various locations are showcased in reports and interviews.

Ecological responsibility is a major component of our corporate strategy. Our products and services make a direct contribution to environmental and climate protection. We have been helping for many decades to save energy in the real estate sector. Whether in the production of devices, in the office or on business trips – in our company we always try to consume as few resources as possible. Moreover, some ista employees get involved in projects which spread the green message and help the environment. In future, we want to promote this engagement even more.

2011 was an eventful year in terms of energy policy: the nuclear power station disaster in Fukushima horrified the world and moved the energy question even further up the international agenda. The exit from nuclear power in Germany and the associated energy transition are evidence of this as is the new-found interest in the climate protection objectives of the EU. The changeover to renewable ener-

gies presents us with an enormous challenge. Industry and consumers must be more economical in their use of energy, otherwise the changeover will not succeed. Everyone can make a contribution by altering their behaviour and we can offer crucial support by making consumption figures in buildings more transparent and highlighting savings potential.

“

IN 2011 WE MADE CONSIDERABLE HEADWAY.

”

WALTER SCHMIDT

The EU has also recognised the added value which transparency in energy consumption creates. With the Energy Efficiency Directive adopted by parliament in September 2012, Europe has taken a great leap forward. The Directive provides for individual consumption meters to be installed throughout Europe in multi-family buildings which are heated by central or district heating systems. Moreover, European consumers are to receive a consumption-based bill at least once a year. That has long since been a statutory requirement in Germany and Denmark but is still not a standard in other member states. This improvement is promising – both for our company, which has therefore been given major opportunities for growth, and for the environment.

I hope this report makes stimulating reading and would be pleased if you shared your views with us!

««



A handwritten signature in black ink, appearing to read 'Walter Schmidt'.

**WALTER SCHMIDT**  
CEO ista International GmbH

# THE COMPANY

## SUSTAINABILITY AS A KEY CONCERN: WITH ITS PRODUCTS AND SERVICES, ista MAKES A CRUCIAL CONTRIBUTION TOWARDS CUTTING ENERGY CONSUMPTION IN BUILDINGS – IN 25 COUNTRIES AROUND THE WORLD.

Consumption-dependent metering and billing of water, heat and ancillary costs – ista is the global leader. ista reads about 48 million meters in more than 11 million households all around the world. The company serves over 450,000 customers, including property managers and owners as well as energy utilities. ista’s services help to reduce the consumption of energy and resources in residential buildings but only require low investments.

ista’s services are based on accurate metering and recording devices. These include heat allocation meters, water and heat meters, system technology and the relevant accessories. All in all, ista offers 57 individual products. Everything comes from one source, from the supply, installation and commissioning of the meters to the billing. ista analyses energy and water data, inspects and optimises heating systems and offers individual solutions for energy consumption and energy cost management (see overview on page 5). Altogether, ista has 10 service sectors with 17 individual services in its portfolio.

### Operates in 25 countries

The ista Group operates in 25 countries. Its head office is in Essen (Germany). In addition to a large number of European countries such as Denmark, the Netherlands, France, Italy, Spain, Belgium and Poland, the company is also represented in Russia, Brazil, China, the USA and the United Arab Emirates (see page 6).

In 2011, ista International GmbH recorded sales of EUR 697.8 million worldwide, and adjusted sales of EUR 671.6 million. That is an increase of 3.29% compared with 2010 (see table on page 7). In the reporting period, EUR 79.1 million was invested, EUR 53.3 million of which in rental devices. In 2011, ista also acquired the remaining 30% of the shares in Treureal Messdienst GmbH, Mannheim (Germany), not previously owned by the Group. A total of EUR 2.0 million was invested in acquisitions and purchase price adjustments.

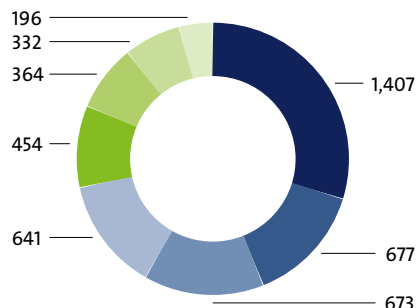
4,744 people were employed in the Group as at December 31, 2011. The full-time equivalent was 4,556, which was slightly up on the previous year (4,546). Central Europe had the highest number of employees at 1,407, followed by the Region France with 677 employees and the Region South Europe/Emerging Markets with 673 employees (see diagram on the right). Women accounted for almost half of the workforce in 2011 with a share of 46.35%. For more detailed information on the workforce structure, see page 40. ista cooperates with independent service partners in some countries. In

Germany, these service partners also perform meter installation and meter-reading. Other countries like France mainly deploy in-house service technicians.

### Offering varies from country to country

ista is the leader in most markets where the company is represented, including France, Belgium, Luxembourg, Denmark, the Netherlands and Poland. In Germany, ista has a very strong second position. ista offers products and services for the consumption-dependent billing of heat and water almost everywhere. As, however, the company is geared to the local requirements in every country, the offering also varies from country to country. The market potential for consumption-dependent billing depends on the proportion of multifamily buildings and the importance of district heating and central heating systems as a means of energy supply in the respective market. The potential for ista is smaller in countries with many individual heating systems, such as the United Kingdom. There, the company mainly works for energy utilities or commercial property managers. Germany is by and large a saturated market owing to the statutory

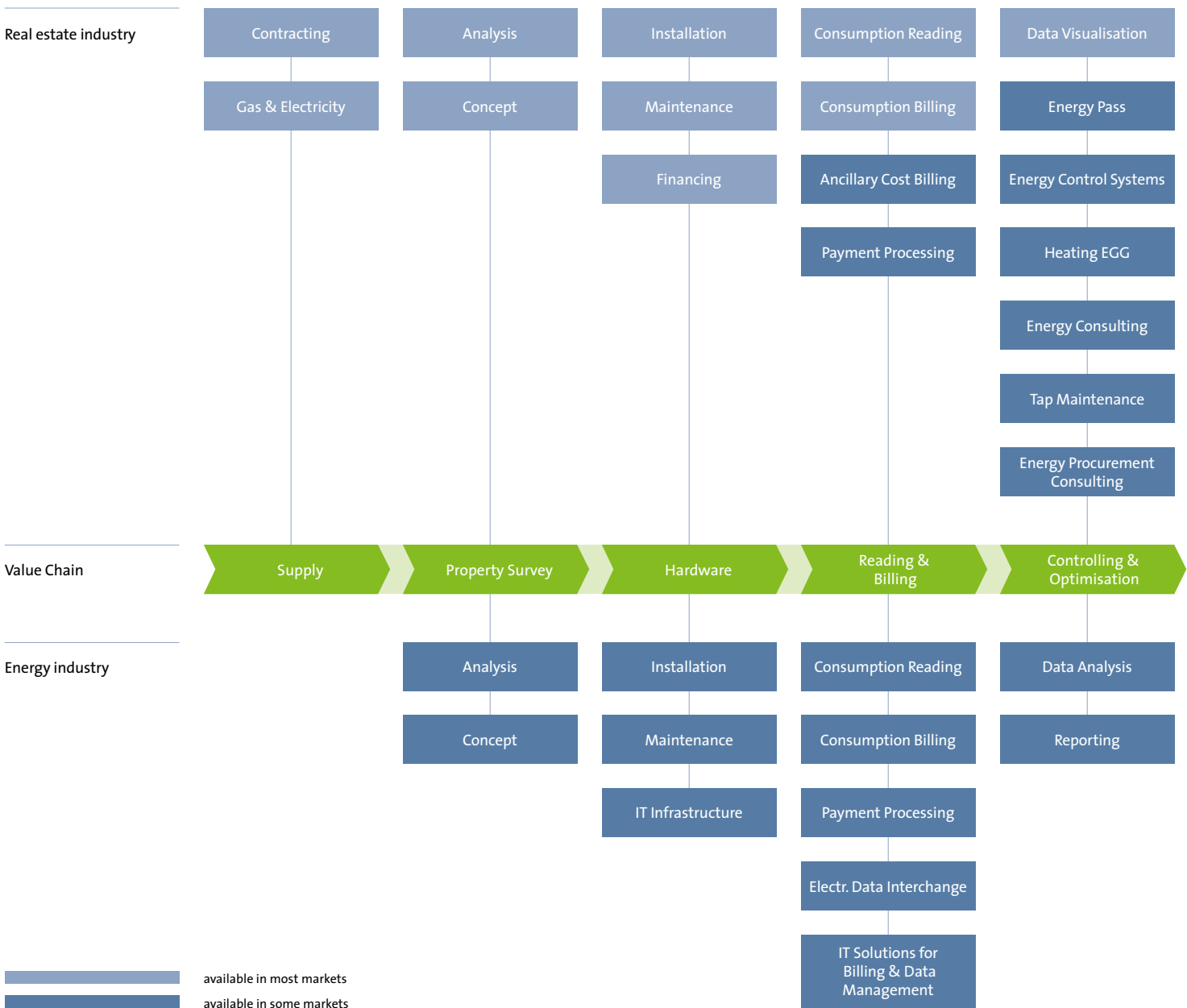
### EMPLOYEES BY REGION



- Central Europe
- France
- South Europe/Emerging Markets
- ista Shared Services
- USA/UK
- West/East Europe
- ista International
- North Europe



## WORLDWIDE SERVICE – THE ista PORTFOLIO IN ENERGY MANAGEMENT



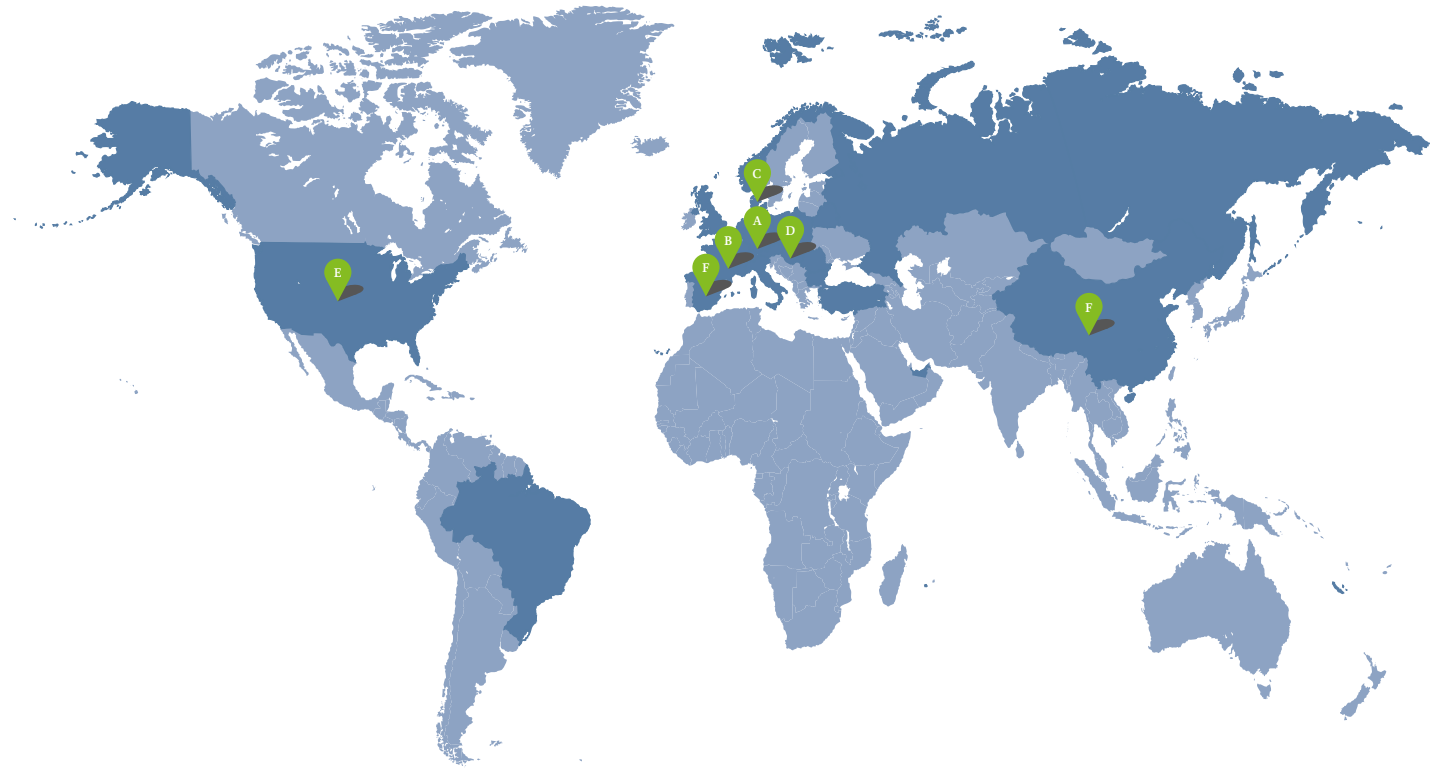
requirements laid down in the Heating Cost Ordinance. In Germany and Denmark, ista is currently expanding by changing customers over to modern radio technology and with additional services such as energy data management, contracting, issuing energy certificates and the installation and inspection of smoke detectors.

In industrialised countries, buildings account for just under 40% of energy consumption. With its solutions for energy management in the real estate sector, ista makes an important contribution to climate

protection and the conservation of resources. In order to achieve the national and global climate objectives, it is crucial to cut heating energy and hot water consumption. Individual billing of the consumption data sensitises consumers to the need to use these resources carefully.

Alongside consumption-dependent energy billing, it is above all the development of innovative products and services that is crucial for ista's long-term success. Therefore, the management has anchored the development of sustainable solutions for saving resources >>>

## PRESENT IN 25 COUNTRIES – THE REGIONAL STRUCTURE OF ista



**CENTRAL EUROPE**  
**AUSTRIA, GERMANY,**  
**LUXEMBOURG, SWITZERLAND**



**FRANCE**  
**FRANCE**



**NORTH EUROPE**  
**DENMARK, NORWAY**



**WEST/EAST EUROPE**  
**BELGIUM, BULGARIA,**  
**CZECH REPUBLIC, HUNGARY,**  
**NETHERLANDS, POLAND, SLOVAKIA**



**USA/UK**  
**USA, UK**



**SOUTH EUROPE/EMERGING MARKETS**  
**SOUTH EUROPE:**  
**BELARUS, ITALY, RUMANIA,**  
**RUSSIA, SPAIN,**  
**EMERGING MARKETS:**  
**BRAZIL, CHINA, TURKEY, UAE**

in the real estate sector in the corporate strategy. Advanced technologies, such as smart metering and energy data management, already permit savings today and have major potential for climate protection in the future.

The history of ista goes back more than 100 years to the founding of Clorius, the pioneer of the consumption-dependent billing of energy and water in Denmark, in 1902. ista was founded in Germany in 1957. After nearly four decades of successful business, ista was taken over by Raab Karcher in 1994 and merged with Clorius to form Raab

Karcher Energie Service. When Raab Karcher and Veba Immobilien were merged in 1999, the energy division was renamed Viterra Energy Services. ista has again been trading under the original company name since 2005.

ista International GmbH is responsible for the strategic and operational control of the Group and also has overall responsibility for risk management. The respective regions are responsible for the operational identification, assessment and internal control of risks.

X =

# 671.6 million euros

## SALES OF ista INTERNATIONAL GMBH



The management of ista International GmbH is made up of three managing directors: Walter Schmidt, Chief Executive Officer (CEO) as well as CEO of ista Deutschland GmbH, Christian Leu, Chief Financial Officer (CFO), and Jochen Schein, Chief Operating Officer (COO). The managing directors' remuneration consists of fixed and variable components. The variable pay component is performance-driven and calculated according to the total success of the company.

The following are members of the Supervisory Board of the largest ista national organisation, ista Deutschland GmbH: Christian Leu, the CFO of ista International GmbH as the Supervisory Board chairman, the works council chairman, Martin Klinkhammer, as the deputy chairman, and Jochen Schein, the COO of ista International GmbH.

The parent company of the ista Group is ista Holdco 1 S.A., which is domiciled in Luxembourg. The shareholders are the management as well as funds advised by Charterhouse Development Capital Limited, London (United Kingdom), and by CVC Capital Partners Advisory Company S.A.R.L. (Luxembourg). In addition to ista, 41 companies

in which ista holds directly or indirectly the majority of the voting rights or determines the financial and business policy directly or indirectly on the basis of a controlling position were included in the consolidated financial statements of ista International GmbH as at December 31, 2011.<sup>1</sup> <<<

<sup>1</sup>A list of the shareholdings of the ista Group is enclosed as Annex 5b to the notes of the consolidated financial statements for the financial year from January 1, 2011 to December 31, 2011 published in the Federal Gazette. The consolidated financial statements also list the changes to the scope of consolidation made in the 2011 financial year.

KEY FIGURES	2010	2011	CHANGE
Adjusted sales of ista International GmbH <sup>*</sup>	EUR 650.2 million	EUR 671.6 million	+3.29 %
Adjusted EBIT <sup>*</sup>	EUR 170.2 million	EUR 185.9 million	+9.22 %
Adjusted EBIT margin <sup>*</sup>	26 %	28 %	
Employees worldwide (FTE)	4,546	4,556	+0.22 %
Countries in which ista operates	25	25	

<sup>\*</sup>Adjusted for acquisitions, divestments, one-off effects as well as normalisation adjustments.  
Reported sales for 2010: EUR 681.2 million and for 2011 EUR 697.8 million.  
Reported EBIT for 2010: EUR 145.5 million and for 2011 EUR 169.8 million.  
Further information on the key figures can be found in the consolidated financial statements for the financial year from January 1, 2011 to December 31, 2011 published in the Federal Gazette.

# THE STRATEGY

**CORPORATE ACTION AT ista IS GOVERNED BY SUSTAINABILITY. THE FOCUS HERE IS ON ENVIRONMENTAL PROTECTION: WITH THE COMPANY'S PRODUCTS AND SERVICES, AT THE WORLDWIDE LOCATIONS AND IN THE PROJECTS WHICH THE EMPLOYEES IMPLEMENT.**

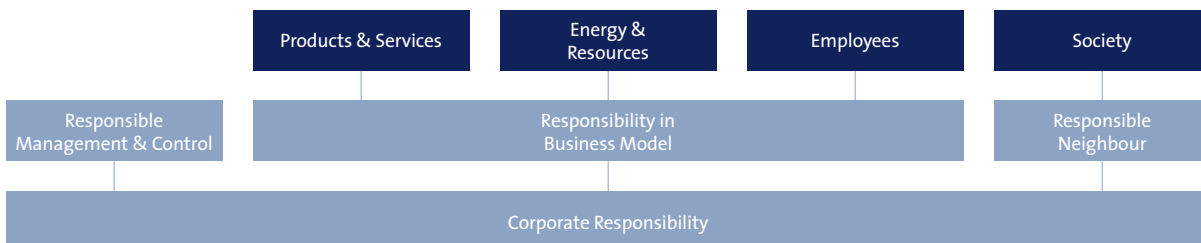
**E**cological responsibility is one of the core components of ista's corporate strategy. With its products and services, ista helps owners and property managers as well as their tenants to increase energy efficiency in buildings. In this way, ista is making an active contribution towards climate protection. And the company itself also reduces its impact on the environment: at the locations, the employees reduce the consumption of resources and emissions. Moreover, ista employees get involved in environmental protection and environmental education projects to foster sustainable thinking in the regions where the company operates (see graphic below).

Sustainability is of great importance to ista. Not only because more efficient use of resources and innovative products benefit the environment. But also because ista profits directly from its commitment in this field. Costs for energy and material fall, its reputation and employee motivation increase. The ista locations integrate even better into their neighbourhoods thanks to their social engagement. And products that promote energy efficiency safeguard the sustainability of the company by opening up new market opportunities.

## Wide-ranging support

The activities in the field of corporate responsibility (CR) could not be pursued without the employees. They are crucial for the economic success of the company and for the successful implementation of the sustainability strategy. Therefore, ista takes its responsibility to its employees very seriously and supports them in many ways, including vocational and further training programmes, health promotion activities as well as the principle of offering men and women the same career opportunities.

ista has recognised the positive effects which sustainable management offers for the environment, society and the company and has developed an international CR strategy. Sustainability issues are an integral part of the corporate culture and the management gives them high priority. In institutional terms, the CR strategy is anchored in the Sustainability Council (see graphic on page 10). This body identifies and promotes sustainability activities in all ista companies. It convenes three to four times a year. The Council develops standards, initiates projects to serve as models and gives recommendations on strategy. Moreover, it is the contact for all sustainability questions and supports the operational units in implementing suitable measures. >>>



Holistic CR approach: ista's sustainability strategy encompasses responsibility in management, responsibility in the business model and being a responsible neighbour.

The Sustainability Council reports direct to the management. The Council also advises the members of the management on sustainability issues. At present, the sustainability performance of the Management Board is not yet assessed. In the other ista companies, the Council is supported by the sustainability delegates. These employees coordinate the implementation of the measures in individual countries together with the specialist departments. The member of the Council responsible for environmental questions is the environmental consultant, Jens Schulzeborgmühl. He is responsible for implementing environmental management requirements and advises all companies on matters relevant to the environment (see interview on page 28). All ista employees are obliged to observe the Environmental Guidelines. In addition to compliance with legal requirements, these Guidelines prescribe the responsible use of energy and raw materials (see page 13).



The Sustainability Council is made up of representatives of all departments relevant to sustainability issues. The Council reports direct to the management.

## Code of Conduct binding on everyone

In addition, ista's Code of Conduct is binding on all employees. It describes how the company expects employees to act with respect to sensitive subjects such as, for example, conflicts of interest, corruption and bribery. The Internal Audit department monitors observance of the Code of Conduct and the Environmental Guidelines. Employees who have any questions concerning the requirements or do not want to discuss the subject with their superior can get in touch with the Vice President Internal Audit, Günther Meggeneder. Information on avoiding corruption is available for all employees including the management level on the Intranet. In 2011, the staff newspaper published examples of compliant conduct.

ista and its employees act in compliance with the UN Declaration on Human Rights, the UN Convention against Corruption and the Declaration of Principles of the International Labour Organisation (ILO). The latter serves, among other things, to combat child labour, eliminate forced labour and prohibit discrimination. All employees have the possibility of reporting violations or a suspected violation to the Internal Audit department. No instances of discrimination were reported in 2011.



## Key figures as a yardstick

The key environmental figures serve management as a yardstick to measure the environmental performance of the company. To assess the societal and social performance, the Management Board mainly uses the key figures of the Human Resources department. For example, staff turnover rates or further training rates are analysed to determine the optimisation potential. Furthermore, projects completed in the field of social engagement are assessed.

ista's most important stakeholders include customers, employees, owners, suppliers, associations and the media. They all place different demands on ista. It is the task of all departments to address their individual needs and implement them in business processes. ista has been in open dialogue with its stakeholders for many years (see table below). ista selects the stakeholders considered in the CR strategy according to their proximity to the fields of action relevant to sustainability. In 2011, the stakeholders did not raise any concerns or questions relevant to this report. The relationship with the owners is laid down in the articles of association and rules of procedure. Monthly reporting and consultation meetings ensure >>>

STAKEHOLDER	COMMUNICATION EXAMPLES AND AIMS
<b>EXTERNAL</b>	
Customers	Customer events, customer advisory council, customer satisfaction survey, customer newsletter, internet, personal customer care and support
Associations, organisations, NGOs	Memberships, association work
Owners	Monthly reporting and consultation meetings
Press	Press meetings/conferences, press releases
Suppliers	Regular consultation meetings
Students, scientists	University cooperations
<b>INTERNAL</b>	
Employees	Staff appraisal interviews, employee opinion survey, information events, Intranet, CEO blog, staff newspaper, newsletter

ista conducts an open dialogue with its internal and external stakeholders.



an exchange of views. Customers are kept continuously informed of new developments at events, through newsletters as well as through personal support. Their wishes are included in strategic considerations through customer surveys and the customer advisory council.

## Open-door culture

The needs of the employees are determined in surveys and through direct feedback to the superiors. Internal media keep the employees regularly informed about current developments in the company. ista has an “open-door culture”. Employees can voice their questions and ideas at events as well as in personal talks with managers. “ista Get-together”, for example, is an event at head office in Essen to which the management invites employees to exchange views with them. The multilingual CEO blog on the Group-wide Intranet serves a similar purpose; employees can express their opinions using the comment function. In the USA, the employees can send suggestions to the management of their location using a function on the Intranet. The management of ista France invites the employees to breakfast once a month where they discuss current issues together. In addition, works councils champion the needs of the employees in Germany, France, Spain, Belgium and Denmark. In 2011, no cases were reported where freedom of association or the right to conduct collective bargaining negotiations was jeopardised.

## In demand as a discussion partner

In view of its many years of expertise and international market leadership, ista is in demand as a discussion partner for politicians, industry, associations and organisations on the subjects of energy efficiency and energy management. In 2011, ista held many talks with politicians about energy efficiency, above all in Germany and Brussels. The reason was the negotiations on the Energy Efficiency Directive (EED), an EU directive to promote CO<sub>2</sub> reductions adopted in September 2012. The section relevant to ista provides for individual consumption meters to be installed in multi-family buildings with central or district heating systems by early 2017. Furthermore, consumers are to receive a consumption-based bill at least once a year and information on consumption is to be provided for each quarter. ista made it clear to the politicians that transparency in energy consumption in buildings is an important requirement for reducing consumption.





ista is a member of various associations and organisations. These include “Europäische Verein zur verbrauchsabhängigen Energiekostenabrechnung e. V.” (the Association for Energy Cost Allocation), in which five subsidiaries are represented. In Germany, ista is, for example, a member of the trade association “Arbeitsgemeinschaft Heiz- und Wasserkostenverteilung e. V.” (ARGE). In France, ista is represented in the I.C.O., an organisation for the promotion of energy and environmental technology in buildings and technical plants. In the USA, ista cooperates with the “US Green Building Council”, a non-profit organisation dedicated to sustainability in buildings. ista observes ethical standards both in political lobbying and in marketing. Advertising which conflicts with ista’s corporate values is not permitted. Moreover, ista does not sell any products which are banned in certain markets or are the subject of critical public debate.

## At the start of the road

As ista promotes energy efficiency in its core business, the ista management also carefully considers the opportunities and risks associated with climate change. There are no risks from climate change which threaten ista’s existence. Regulatory risks arise, for example, in connection with heat insulation measures which have to be performed in buildings belonging to ista. In view of the rising demand for products and services which conserve resources, ista benefits to a certain extent from climate change but does not, however, gain competitive advantages. The management of ista has so far not put a figure on the financial impact of climate change on the company.

ista has already made major progress with its CR activities but is still at the start of the road towards becoming a completely sustainable company. In the years to come, the aim is to further develop the CR programme and to anchor it in all areas of the company. <<<

## ENVIRONMENTAL GUIDELINES

In our efforts to achieve corporate sustainability, it is our declared goal to reconcile as far as possible the economic performance of our company with the aspects of ecological responsibility.

### 01

For us, complying with environmental laws is a matter of course.

### 02

Environmental and climate protection are major elements of our corporate strategy and important tasks of the management. Our managers actively promote the integration of the environmental protection philosophy into their area of responsibility.

### 03

The responsible use of energy, water and raw materials is a key focus for us. We therefore strive in our corporate actions to avoid or minimise as much as possible negative impacts on the environment, such as wastes, effluent and emissions. This also applies to our personal conduct at the workplace.

### 04

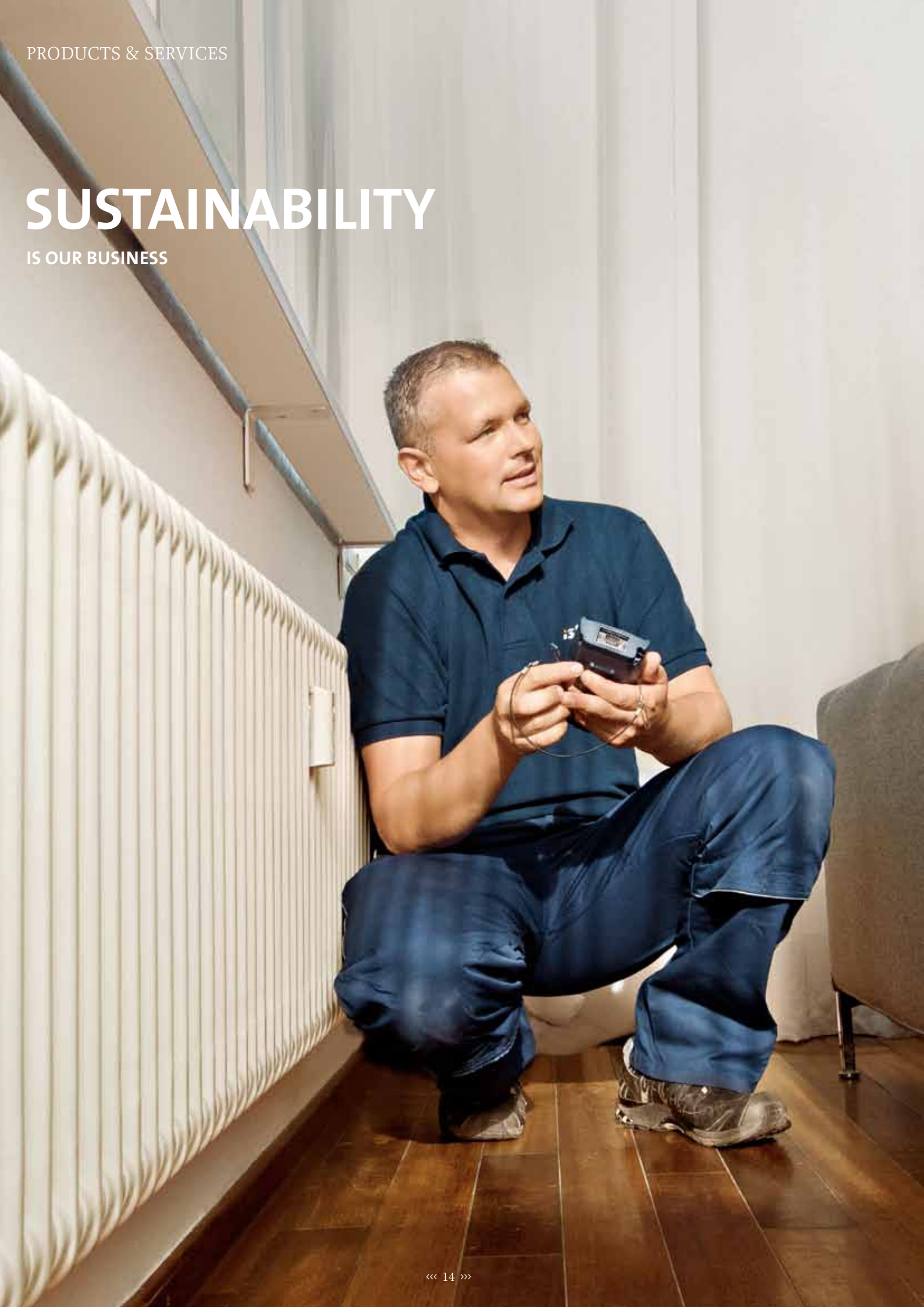
Cooperation with our suppliers and customers is maintained on the basis of our “Supplier Code”. This code commits them to ensuring the responsible use of resources and avoiding or minimising environmental impacts when providing their services for ista. ista gives preference to suppliers who maintain a quality management system according to ISO 9001 or an environmental management system according to ISO 14001.

### 05

Our environmental consultant initiates, coordinates and monitors appropriate activities for the continuous improvement of our company’s environmental protection and is working on the establishment of a systematic environmental management.

# SUSTAINABILITY

IS OUR BUSINESS



X =

---

14 percent

LESS HEATING ENERGY

IF TENANTS ARE INFORMED EVERY MONTH ABOUT THEIR HEAT CONSUMPTION, THEY SAVE ON AVERAGE 14 PERCENT OF THEIR HEATING ENERGY. THAT IS THE RESULT OF AN ista PILOT PROJECT IN AACHEN, GERMANY.

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# TRANSPARENCY COUNTS

ista PRODUCTS HELP TO SAVE ENERGY

**ONLY PEOPLE WHO KNOW HOW MUCH ENERGY THEY ACTUALLY USE IN THEIR APARTMENTS CAN ALSO SAVE. THE CONSUMPTION-DEPENDENT BILLING OF HEAT AND WATER HELPS TENANTS ALL OVER THE WORLD TO CUT THEIR CONSUMPTION. IN GERMANY, ista IS THEREFORE MAKING A CONTRIBUTION TOWARDS THE SUCCESS OF THE ENERGY TRANSITION.**

**Munich, an empty new build:** Matthias Junge installs a heat allocation meter in the kitchen on the third floor. He then goes into the next room. Matthias Junge is a service technician at ista Germany. The 37-year-old is always deployed when new heat allocation meters or water meters have to be installed. Sometimes he installs the initial meters in new builds. Other times he replaces the meters in occupied properties when a property management company changes to ista.

What the gas/water fitter by trade likes about his job is working with his hands and the contact with the tenants: “Some of them offer me a cup of coffee. I don’t always have the time but, if possible, I gladly accept the invitation.” With his work, he also helps the tenants to use energy more carefully. The heat allocation meters indicate two values and compare the current consumption with the previous year’s figure. “That is really a good idea,” Matthias Junge says. “When the tenants see that they have used more than in the previous year, they tend to turn the thermostat down a bit.”

**Aachen, pilot project in multi-family buildings:** A pilot project of ista has shown that it pays to inform tenants about their consumption data in a transparent way. Four properties in Aachen were equipped with radio-based heat allocation meters as well as hot and cold water meters. ista then made the consumption data available to the tenants via a web portal. So the project participants were able to see every month how much they had actually consumed. The Institute for Housing and the Environment (Institut für Wohnen und Umwelt – IWU) in Darmstadt has evaluated the data.

The findings of the first heating period exceeded expectations: using the energy data management system, the participants were able to reduce their heat consumption (climate-adjusted) by an average of 14% compared with the prior-year figures. The savings varied between 9 and 24% in the individual properties. By contrast, those tenants who did not participate in the project increased their consumption in the same period by 2%. The positive results were also confirmed in the subsequent third heating period. “The analysis of

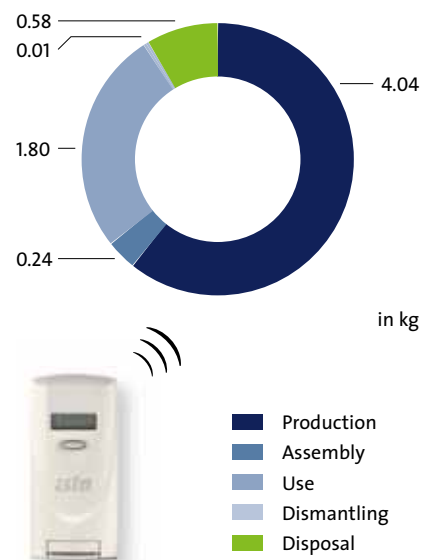


- 1 Service technician Matthias Junge (on the right) likes the contact with the tenants.
- 2 Before Matthias Junge installs a new heat allocation meter, he measures the radiator.
- 3 Matthias Junge is called in when a heat allocation meter or other device has to be replaced.
- 4 Once Mr Junge has installed a new meter, he checks that it is working properly before leaving.





### CO<sub>2</sub> BALANCE OF THE HEAT ALLOCATION METER IS CONVINCING



Consumption-dependent heating cost billing has been proved to help cut energy consumption in German households. But what about the CO<sub>2</sub> footprint of the heat allocation meter itself? Do the emissions caused during production, transport, assembly and use of the meter perhaps cancel out the savings made? To find that out, ista calculated the CO<sub>2</sub> balance of the most frequently used heat allocation meter, doprimo 3 radio net. The result: every doprimo 3 radio net produces the equivalent of 0.53 kg of CO<sub>2</sub> per year over its roughly 10-year life cycle. More than half of this is produced during the manufacture of the printed-circuit board and the battery. On the other hand, consumption-dependent heating cost billing leads to an annual reduction of 84 kg of CO<sub>2</sub>. Therefore, such billing saves 158 times more CO<sub>2</sub> over the life cycle of the heat allocation meter than the meter causes in the same period.

the consumption data has shown that the actual savings achieved, especially in the heating sector, are substantial,” says Ulrike Hacke, scientific assistant at the IWU. “That clearly illustrates that providing the consumption information during the year can help to significantly cut energy consumption.”

**Essen, ista head office:** Politicians have now also recognised that providing transparent information on energy data is an important element in combating climate change. As part of his climate protection tour, the North Rhine-Westphalian Minister of the Environment, Johannes Remmel, also dropped in at ista. He said that energy cost billing in multi-family buildings was prescribed by law but in many cases was still being underrated: “The exact recording of consumption is crucial to any boost in efficiency. By providing information on individual energy consumption, companies like ista are creating the basis for the careful use of energy and enabling consumers to save energy at low cost.” And that, in turn, is an important prerequisite for the success of the energy transition.

“ THE ENERGY TRANSITION IS FORCING US ALL TO RE-THINK.

WALTER SCHMIDT

The German government is committed to Germany using renewable energies to cover the majority of its energy requirements by 2050. To ensure that this works, the Germans will have to use energy more efficiently in future. “That is forcing us all to rethink,” says Walter Schmidt, CEO of ista. “The bar has been set high for the real estate industry: energy consumption is to be reduced by 20% by 2020.” Walter Schmidt proposes not only to record the consumption data for heat, water, electricity and gas once a year but monthly – and >>>

X =

158 times

MORE CO<sub>2</sub> IS SAVED WITH THIS FORM OF BILLING OVER THE LIFE CYCLE OF THE HEAT ALLOCATION METER THAN THE METER CAUSES IN THE SAME PERIOD.



- 5 Property manager Matthias Fischer, Managing Director UKBS, would like to minimise energy consumption in his properties.
- 6 The users can view the consumption figures in their properties on the ista web portal.

provide the tenants with the data. “Our pilot project in Aachen has shown what savings are possible simply by doing that.”

**Unna, headquarters of Unnaer Kreis-, Bau- und Siedlungsgesellschaft:** Matthias Fischer also hopes to be able to make his tenants even more aware of their energy consumption in future. The managing director of Unnaer Kreis-, Bau- und Siedlungsgesellschaft (UKBS) manages 2,791 apartments with his team. “There are some apartment tenants who consume almost as much energy as others living in a single-family house.” Even though it is the tenants who have to pay the ancillary costs, Mr Fischer is interested in minimising energy consumption in his properties. “We are a municipal company and social engagement is important to us,” the 54-year-old says. UKBS offers the elderly a service programme with apartment cleaning and a shopping service. Advice on energy fits into that offering. But energy efficiency has also a concrete economic advantage for the property manager: the lower the ancillary costs are, the easier it is to let the apartments.

UKBS uses the ista energy data management system (EDM) to evaluate the consumption figures. The standard version, “EDM classic”, helps the company with the administration of the bills. “I used to have to check every property individually to see whether a bill had already been received. Now I can see everything at a glance,” Matthias Fischer says. He can compare his properties and housing units on the ista web portal, also in an annual comparison. However, Mr Fischer wants to know even more details and intends to switch to “EDM premium” in the near future. He will then receive the latest energy consumption and cost analyses every month. The data are transmitted directly from the point of consumption to the system using radio technology. The tenants can also access the web portal and obtain information about the development of their energy consumption and costs at any time. Matthias Fischer is convinced that many tenants will optimise their consumption behaviour when they see the data and so save energy.

**Halle, Halle Institute for Economic Research:** The energy efficiency index, which ista and the Halle Institute for Economic Research (IWH) calculate every year on the basis of the consumption figures actually measured, shows how energy consumption is developing in German households. Energy consumption in German multi-family

buildings fell by 11% between 2005 and 2010; in 2011, it rose slightly by 0.7%. As a result, annual energy consumption in Germany currently averages 127.8 kWh per square metre of living area. “Average heating energy consumption is subject to normal fluctuations but the consumption figures are falling over the long term. We are expecting efficiency figures for 2012 to rise again,” ista CEO Walter Schmidt says. However, there is still a lot to do: “We must reduce consumption at an even faster rate, otherwise it will be difficult to achieve the 20% reduction by 2020 called for by the German government.”

“  
**ROUGHLY 90 % OF THE NEWLY INSTALLED HEAT ALLOCATION METERS ARE READ BY RADIO.**  
 ”

MATTHIAS JUNGE

**Weichs near Munich, in the cellar of a terraced house:** Service technician Matthias Junge is now in the small store room in his home, collecting the materials he needs for the next day’s work. He is sent the hardware he requires for his work in advance. Most of the devices which he keeps in the back of his white Renault Kangoo operate using radio technology. “About 90% of the newly installed heat allocation meters are read by radio,” Matthias Junge says. “The tenants are really pleased when I install these meters in their homes because they no longer have to be at home when the meters are read.” And that is also a form of efficiency enhancement. ««

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## WE ARE INCREASINGLY BECOMING ENERGY MANAGERS

**ACHIM DICKE, SENIOR VICE PRESIDENT PRODUCTS, ON PRODUCT DEVELOPMENT FOR CUSTOMERS ALL OVER THE WORLD AND ON THE FUTURE OF THE INDUSTRY.**



**ACHIM DICKE**  
Senior Vice President Products

X =

**80 %**

SPACE HEATING  
ACCOUNTS FOR 80 % OF  
ALL ENERGY CONSUMED  
IN PRIVATE HOUSEHOLDS.

**ista operates in 25 countries. What do you have to bear in mind when developing products for the different markets?**

The requirements in the individual countries differ but, nevertheless, we want to pool our devices and systems for efficiency reasons. We therefore need products which can be used in many countries and do more than any one single market requires. For example, a radio heat allocation meter has to offer a range of functions from which every location can then select the appropriate readout method. Such a meter can be read directly on the radiator, by radio from the hallway or by automatic data transmission to the IT systems. We are also trying to keep the number of components in a product as low as possible – also with a view to the CO<sub>2</sub> balance. Our motto is: the less hardware, the better for the environment. We therefore integrate as many functions as possible in modular software.

**What direction is the energy services industry heading in?**

Up until the mid-1990s there were no major waves of innovation in our industry at all. However, the development of radio technologies created a whole new range of possibilities: using these technologies, we can quickly record consumption data, transmit them promptly and, as a result, increasingly penetrate the field of energy management. Today, we already give the housing industry and consumers data with which they can optimise their energy consumption and avoid waste. There is a great need for services in this segment and our business will develop even more in this direction in future. We are increasingly becoming energy managers who show how energy can be used in a more sustainable way. In this context, the provision of heat for space heating and hot water is particularly interesting. It accounts for roughly 80% of the total energy consumed in private households in the EU member states.

## SELECTION OF SUPPLIERS



Screening of suppliers for:

- 01 HUMAN RIGHTS ISSUES**
- 02 CHILD LABOUR**
- 03 FORCED LABOUR**

ista places high demands on its suppliers. The company's Supplier Code is based on the Global Compact of the United Nations, the OECD principles of responsible corporate governance and the core conventions of the International Labour Organisation (ILO). The Code forbids the employment of children and people in forced or compulsory labour. Quality Management examines compliance with the Code in regular supplier audits. Employees have the possibility at all times to report infringements to the ista Internal Audit department. 85% of the major suppliers and service providers have signed the Supplier Code including human rights standards. The suppliers are responsible for monitoring observance of the requirements in their own supply chain and offering optimum support. ista does not have a guideline according to which local suppliers are given preference. Only in exceptional cases, above all in the USA, are devices procured locally, in whole or in part, owing to special market requirements and high transport costs. Otherwise, the company organises device and material procurement centrally. The engineering and production site is in Au (Germany). The devices are also tested there.

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x =

25%

OF ALL ENERGY IS CONSUMED BY PRIVATE HOUSEHOLDS. THAT MEANS CONSUMERS STILL HAVE A GREAT POTENTIAL TO SAVE ENERGY.

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**JOHANNES REMMEL**

Minister of Climate Protection, Environment, Agriculture, Nature Conservation and Consumer Protection in North Rhine-Westphalia (Germany)

**REMAINING LOYAL**



To find out how satisfied customers are with ista, the company conducted a customer survey in 12 countries in 2011 using the Customer Retention Index (CRI) concept. The satisfaction scores were between 5.7 and 8.3 points on a scale of 10. Customers were particularly satisfied with the range of products and services as well as the quality of the devices. “There is, however, still room for improvement in some countries as regards complaints management and support provided by the customer centres,” says Laura Friedrich, project manager from the Sales Improvement department. ista also examined customer loyalty for the first time. “Many customers would choose ista again but to make sure they also recommend us to other people, we have to do even more and make them enthusiastic about our company,” Laura Friedrich says. And this is precisely what the “Customer Excellence” project, which was initiated in 2011, has set out to do. Its aim is to strengthen customer loyalty in Germany by, for example, training the employees of the customer centres, upgrading the infrastructure to improve availability and revising the telephone messages and letters to make them clearer. “We already achieved many improvements in 2011,” project manager, Thomas Leve, says. “In 2012, the optimisation of complaints management is right at the top of our agenda.” The ideas developed during the project in Germany are also intended to help other countries get their customers enthusiastic about ista.

**ENGINE OF THE DOMESTIC ECONOMY**

**JOHANNES REMMEL, MINISTER OF THE ENVIRONMENT IN NORTH RHINE-WESTPHALIA, ON THE ENERGY TRANSITION IN GERMANY’S MOST POPULATED STATE AND THE ROLE THAT PRIVATE HOUSEHOLDS PLAY.**

**Minister, what do you say to critics who still see environmental protection as the opposite of economic growth?**

Environmental protection “Made in North Rhine-Westphalia” proves that the energy transition is not a brake but above all an engine of the domestic economy. We also see this in analyses conducted by the International Economic Forum Renewable Energies: in 2010, 26,500 people were employed in the renewable energies sector in North Rhine-Westphalia.

**How large is the energy-saving potential of private households compared with that of industry?**

While industry, commerce, trade and the service sector together account for roughly 45% of total energy consumption, private households nevertheless consume a good 25%. You can therefore see that there is still a large potential for private consumers to save energy.

**How can this potential be achieved?**

Firstly, through major projects such as the energy-efficient refurbishment of buildings or the modernisation of heating systems but tenants generally have little influence on this. Secondly – and this is particularly important – through a change in consumption behaviour. Consumption must firstly be recorded precisely so that the consumers can recognise the economic and ecological savings potential. This is where companies like ista come in as they create the basis for the careful use of energy through consumption metering. ««

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## MANAGEMENT APPROACH AND PROGRESS TABLE

The corporate strategy of ista serves the overarching goal of ensuring sustained profitable growth and increasing the value of the company in the long term. Today, ista is already the world leader in the consumption-dependent metering and billing of water, heat and ancillary costs. The company intends to further extend this lead. Using the development of financial and non-financial performance indicators, the management monitors the implementation of the Group's strategy and, where necessary, can intervene directly.

Climate change and limited resources are the key drivers for ista's product and service portfolio. Most of the solutions are developed and offered with a view to conserving resources and minimising the impact on the climate. ista pursues the goal of further expanding its portfolio of products and services to boost energy efficiency. Against this background, the management also carefully considers the opportunities and risks associated with climate change. In view of the rising demand for products and services which conserve resources, ista benefits to a certain extent from climate change but does not, however, gain competitive advantages.

The company values are the basis for the strategic and operational further development of the Group. They serve as a guideline for all employees. The values include the commitment to achieving stretch goals and being prepared to be measured against them as well as the

creating and shaping of an environment in which change is not seen as a threat but as an opportunity. Leading in customer service is also a key company value. ista regularly conducts surveys to establish how satisfied customers are with the company's products and services. The results help ista to optimise its offering. ista complies with ethical standards both in political lobbying and in marketing. ista does not sell any products which are banned in certain markets or the object of critical public debate.

ista's Code of Conduct describes how the company fundamentally expects employees to act with respect to sensitive subjects, such as conflicts of interest or corruption and bribery. ista and its employees act in compliance with the UN Declaration on Human Rights, the UN Convention against Corruption and the International Labour Organization's (ILO) Declaration of Principles. The latter serves, among other things, to combat child labour, eliminate forced labour and prohibit discrimination. ista's Supplier Code also prohibits the employment of children and people in forced or compulsory labour. Quality Management checks compliance with the guideline in regular supplier audits.

ista's employees are regularly informed about the company's guidelines and policies through internal media. Internal Audit examines their observance. ««

AIMS/FIELDS OF ACTION	MEASURES	STATUS AND GOALS
Global commitment to sustainability through its firm integration into the corporate strategy, operational business and internal processes	Implementation of a Group-wide Corporate Responsibility (CR) strategy with clear focus on the subject of "environment".	2012
	Expansion of strategic partnerships, e.g. B.A.U.M. e.V., UPJ or Global Compact	Continuous
	Appointment of an external expert to the Sustainability Council	2013
Expansion of systematic CR management	Professionalisation of the survey of the CR key figures and systematic evaluation to obtain appropriate improvement measures	End of 2013
Development of innovative products and services to boost energy efficiency	Increased marketing, e.g. of heating ECGs (energy savings of up to 30 %) and EDM premium (average energy savings of 14 %)	Continuous

# RESOURCE EFFICIENCY

IS OUR CONCERN



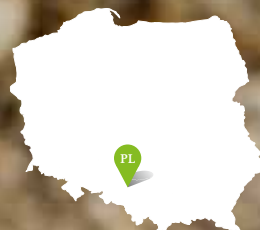
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# 1,000 trees

EMPLOYEES OF ISS **POLAND** PLANTED 1,000 PINE TREES ON ONE SINGLE DAY IN 2011, SETTING AN EXAMPLE FOR ENVIRONMENTAL PROTECTION IN THE INTERNATIONAL YEAR OF FORESTS. WHEN THE TREES ARE 10 METRES HIGH, THEY WILL TOGETHER COMPENSATE FOR ROUGHLY 60 TONNES OF CO<sub>2</sub> EMISSIONS EVERY YEAR.

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# STEP BY STEP

## ISS POLAND CHAMPIONS ENVIRONMENTAL PROTECTION IN MANY WAYS

**GREEN NEEDLES FOR WHITE LEAVES OF PAPER. THE PINE TREES WHICH THE EMPLOYEES OF ISS POLAND PLANTED IN A WOOD NEAR GLIWICE IN 2011 ARE INTENDED TO COMPENSATE FOR CO<sub>2</sub> EMISSIONS WHICH ARE, FOR EXAMPLE, PRODUCED DURING THE PRINTING AND DISPATCH OF BILLS. THE ista COMPANY ALSO DOES QUITE A FEW OTHER THINGS TO PROTECT THE ENVIRONMENT.**

**T**heir hands were sore the next day but, nevertheless, they were satisfied with their work. Together with 35 colleagues and the management of iSS Poland, Beata Bujak planted trees in a wooded area near Gliwice in the autumn of 2011. A lot of trees. 1,000 pine trees on one single day. “We wanted to do something for the environment,” Beata Bujak says. And since the United Nations had declared 2011 to be the International Year of Forests, the ista employees asked the state forestry authorities about a place to plant trees near Gliwice, where the head office of iSS Poland is located. In western Poland, almost the entire woodland is state-owned. The forester supplied the saplings, the company provided the bus and equipment and the employees gave up their Saturday.

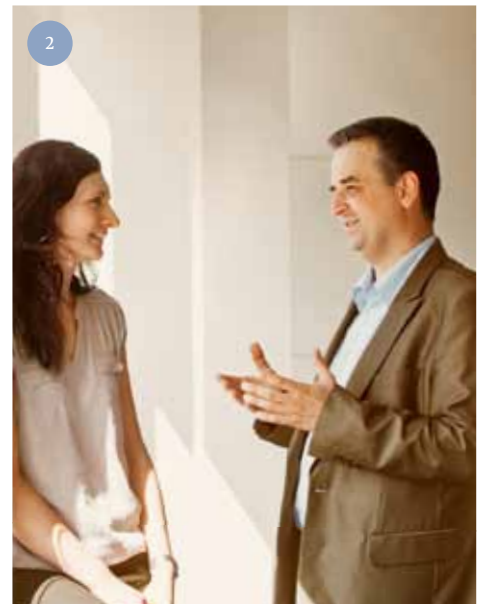
### In the forest everything takes time

“In the morning, we still thought that we could never manage to plant 1,000 trees on one day,” Beata Bujak recalls. Two foresters showed her and her colleagues how wide and deep to dig the holes and how to plant the small pines properly in the ground. The volunteers got going in teams of twos and threes. By the evening, all the small trees had been planted and the volunteer foresters were totally exhausted. They relaxed together around a campfire.

When the pine trees are 10 m high in a few years and have a trunk diameter of 10 cm, they will each remove roughly 60 kg of CO<sub>2</sub> from the atmosphere every year.<sup>1</sup> With 1,000 trees, that is 60 tonnes of CO<sub>2</sub>. By comparison, that corresponds to the emissions of 20 medium-sized cars, each travelling 20,000 km a year.<sup>2</sup> However, 12 months after the planting campaign, you need a lot of imagination to envisage the impact on emissions which the roughly 20 cm high saplings will have as a forest. The grass still towers above the little trees but in the forest everything simply takes time. The pace of everyday working life at iSS Poland in Gliwice is quite a bit faster. iSS stands for ista Shared Services. As an internal service provider, the company prepares consumption bills for other ista locations and sends them out to their customers. A lot of paper is needed for this. There is little savings potential in the printing of bills.

### Comparing figures on the screen

However, in order to reduce internal paper consumption, Beata Bujak and her colleagues in the billing department each have two monitors on their desks. “This means I don’t have to print out so much but can open several documents at the same time and compare the figures directly on the screen,” the 32-year-old says. As a result, paper consumption fell from 1.3 million sheets in 2010 to 1.1 million in 2011. Furthermore, iSS Poland only uses recycled paper for internal printouts. They are currently examining whether and how recycled paper can also be used for printing bills. ista was able to considerably cut paper consumption through-



out the Group in 2011. 4.3 million fewer sheets of paper<sup>3</sup> were required than in the previous year, which is a reduction of 6.4% (see list of consumption figures on the right). The proportion of recycled paper was increased from 3.2 to 10.9%.

## Two paper towels should be enough

However, paper is not only used in the printing room. On the towel dispensers in the washrooms, stickers point out the savings possibilities: "Two are enough!" Since the employees have been encouraged to go easy on the paper towels, fewer have to be bought. "The sticker makes you stop and think," Małgorzata Kisielewicz says. She is the sustainability delegate at iSS Poland and in this function is responsible for ensuring that Group-wide environmental management policies are implemented at the two company locations in Gliwice and Katowice. >>>

<sup>1</sup> Calculation based on the figures of the Bavarian State Institute for Forests and Forestry, information sheet 27 "Kohlenstoffspeicherung von Bäumen" (Carbon sequestration by trees), 2011, p. 4.  
<sup>2</sup> Calculation based on the figures of the Federal Office for Motor Vehicles for the average CO<sub>2</sub> figure of newly registered passenger cars in the article "Emissionen und Kraftstoffe" (Emissions and fuels), 2011, p. 7.  
<sup>3</sup> This has so far not included the paper consumption for marketing materials such as brochures or envelopes. In Germany, for example, ista used at least 12 million sheets of paper (A4) for such purposes in 2011, increasing ista's total paper consumption by 1.2 times to some 75 million sheets.

## THE MOST IMPORTANT CONSUMPTION FIGURES OF ista WORLDWIDE

↓ **678,672** (-5.6%)  
 Heating energy in kWh  
 2010: 12,145,379 / 2011: 11,466,707

↓ **83,853** (-1.2%)  
 Electricity in kWh  
 2010: 6,878,417 / 2011: 6,794,565

↓ **4,345,899** (-6.4%)  
 Sheets of paper  
 2010: 67,571,647 / 2011: 63,225,748

↑ **1,823,879** (+6.1%)  
 Water in litres  
 2010: 29,690,630 / 2011: 31,514,508

↓ **13,737** (-0.48%)  
 Fuel in litres  
 2010: 2,869,977 / 2011: 2,856,240

↑ **375** (+2.2%)  
 CO<sub>2</sub>e emissions in tonnes\*  
 2010: 17,234 / 2011: 17,609  
\*Produced by heating energy, electricity, vehicle fleet, air travel, rented cars and public transport

The consumption data for 2011 include figures of locations with rents billed as a lump sum including ancillary costs which, in contrast to the 2010 report, have been uniformly extrapolated to the individual types of consumption electricity, water and heating.

Detailed information on these consumption figures is contained in the tables starting on page 38.



- 1 The glass facade of the main building in Gliwice was heat-insulated.
- 2 Environmental protection is a frequent topic of discussion: CEO Jacek Styczen and Beata Bujak.
- 3 Beata Bujak takes an ista jute bag to go shopping and therefore does not need any plastic bags.

- 4 The employees separate waste. Every kitchen has recycling bins.
- 5 Plastic caps are collected separately and donated to a charitable cause.
- 6 The magazines in the magazine stand carry a sticker “Read it and put it back”.



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SMALL THINGS,  
BUT THEY ADD  
UP TO A BIG IM-  
PACT.”

JACEK STYCZEN

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Every company is obliged to observe environmental management requirements. The environmental consultant of ista International, Jens Schulzeborgmühl, offers advice, for example, on reducing consumption, the CO<sub>2</sub> balance of individual products or on how the employees can best be involved (see the interview on page 28). A total of 650 employees work at iSS Poland and they have all learned how to save resources in the office and recycle waste through environmental tips on the Intranet and from presentations by colleagues. Lights off when they take a break, computers and monitors off when they go home. “Small things, but they add up to a big impact,” says Jacek Styczen, CEO of iSS Poland.

### Newspapers for sharing

Another small thing is the flow limiters which iSS Poland has inserted in the taps in all kitchens and toilets. They limit the amount of water which is used for washing your hands. “A good idea,” Beata Bujak says. Especially as she doesn’t notice any difference when she holds her hands under the tap. The water consumption of ista worldwide rose in 2011 compared with the previous year: by 1,8 million litres to 31,5 million litres. ista gets all its water from the public drinking water supply system.

During the break, Beata Bujak sometimes goes off to the magazine library in the company. The employees bring magazines they have finished reading from home, put a sticker on them indicating that they now belong to the library and then any member of staff can read them. Anyone who wants to

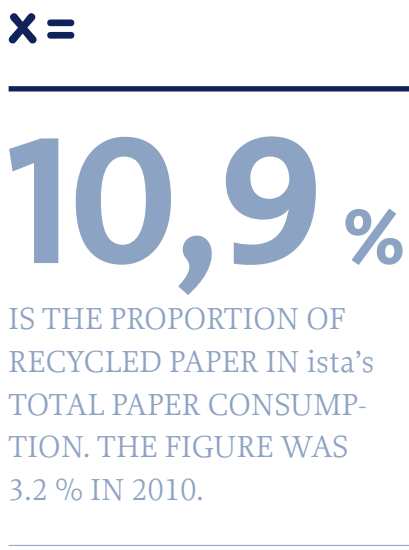
can take a magazine home at the weekend or read it on the way home in the bus. Beata Bujak prefers leafing through women’s magazines. However, the library also contains journals on parenting or careers. “It is much more environmentally friendly if several people read one magazine,” Beata Bujak says.

The recycling systems in the kitchens are also environmentally friendly. Plastic and glass are disposed of separately. The workers also collect plastic caps from drinks and laundry detergent bottles. They donate them to an initiative which uses the proceeds to finance wheelchairs for children. “Naturally, we hope that our colleagues not only recycle here but also at home,” says the sustainability delegate, Małgorzata Kisielewicz. Beata Bujak, for her part, explains to her five and seven-year-old children what it means to treat the environment with respect. The family saves water and electricity at home and separates waste.

### Warm quicker in the winter

The owner of the office building in which iSS Poland has rented six out of eight floors had the building renovated two years ago to improve energy efficiency. The glass facade and heating system were completely renewed. Work has been much more pleasant since then. “Thanks to the better insulation and the new windows, the rooms heat up more quickly in winter,” says a satisfied Jacek Styczen.

However, energy savings do not pay off directly for the tenants: “Our ancillary costs are calculated solely using the office area.





Financially, it is irrelevant how much heating energy, electricity and water we actually use," the boss explains. "Nevertheless, we are trying to save as much as possible to conserve the environment." As billing is not consumption-dependent, the company has no figures on energy consumption or the savings since the refurbishment. Therefore, only estimates are included in the Group-wide reporting system. Taking all ista locations together, heating energy consumption fell by 678,672 kWh between 2010 and 2011.

As regards electricity consumption, ista achieved a reduction worldwide of 83,853 kWh. In Gliwice, energy-saving bulbs help to reduce electricity consumption as do the signs on the light switches, reminding Beata Bujak and her colleagues to switch off the lights when leaving the room. ««

## “ TREMENDOUS POTENTIAL FOR GREEN GROWTH

**PROF. DR. MAXIMILIAN GEGE FROM B.A.U.M. E. V. (GERMAN ASSOCIATION OF ENVIRONMENTAL MANAGEMENT) ON THE ECOLOGICAL AWARENESS OF EUROPEAN COMPANIES AND THE OPPORTUNITIES OF SUSTAINABLE MANAGEMENT.**

**Prof. Gege, you have been conferring the B.A.U.M. Environmental Award on committed individuals in companies for 20 years. Has the ecological awareness of European industry changed during this period?**

Yes, more and more companies are recognising and using the opportunities of environment-minded, sustainable management. Europe's companies have tremendous potential for green growth if, for example, they focus more on resource efficiency and recycling. This will help them to greatly increase their international competitiveness.

**Where do you see the greatest need for companies in Europe to act on environmental protection?**

Companies in Europe and worldwide must succeed in reducing the use of often limited resources along the entire supply chain and minimising the impact on ecological systems. That is a challenge, especially as the world's population is growing and consumption and the use of resources are consequently rising.

**In your opinion, should politicians exert greater pressure on industry?**

Yes. Still too little is being done on a voluntary basis, particularly as regards conservation and the efficient use of resources. Companies who save resources not only conserve the environment but also lower costs, therefore creating competitive advantages. Many companies are still not exploiting this opportunity. In this respect, incentives should be offered and requirements optimised. ««



**PROF. DR. MAXIMILIAN GEGE**

Prof. Dr. Maximilian Gege is the Chairman of Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (B.A.U.M.) e. V. ista is a member of this environmental association, which, with 600 members, is the largest in European industry.

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## WE ARE LOOKING FOR TAILOR-MADE SOLUTIONS

### JENS SCHULZEBORGMÜHL ON HIS JOB AS THE ENVIRONMENTAL CONSULTANT AT ista AND EXAMPLES OF PROGRESS WHICH MAKE HIM PROUD.



**JENS SCHULZEBORGMÜHL** 33, has been working as the environmental consultant at ista since 2009.

#### What sort of work does an environmental consultant actually do?

My job is to identify where and how we can improve our ecological performance. It is not enough to go along with what other companies do. Instead, we must look to see which environmental issues are relevant for ista and search for tailor-made solutions for them. Part of my job is also to monitor the implementation of environmental management. Sometimes I have to exert some pressure when there is a hitch somewhere. But we have already achieved quite a lot.

#### What are you particularly proud of?

With the CO<sub>2</sub> footprint for our heat allocation meter, doprimo 3 radio net, we were able to show that our products make an important contribution towards climate protection. The change in heating behaviour associated with consumption-dependent billing saves considerably more CO<sub>2</sub> than our devices and the billing process produce. Another great success is the “Bilan Carbone®”, the CO<sub>2</sub> footprint of our French national organisation which our French colleagues calculated for the first time in 2011. This makes them the forerunners in the ista Group. They have demonstrated that knowing your own consumption is the basis for improvements – just as it is for our customers.

#### Many company vehicles are on the road for ista. What are you doing to reduce fuel consumption?

ista Germany accounts for roughly one third of the total number of kilometres driven, 13.7 million a year. In 2010, we started to replace more than 400 vehicles with more efficient models which use less fuel. We want to complete this programme by 2014. The new vehicles must not exceed a certain CO<sub>2</sub> emission threshold. Our company car drivers are also given fuel-saving driving courses. We organised a fuel-saving competition in 2011. We gave an award to the 10 employees who had saved the most compared with the previous year. A total of 100 participants succeeded in using less than the assumed average consumption figure of their vehicle. All these measures have meant that, although the number of kilometres driven has risen by 4.7% since 2009, fuel consumption has only increased by 1.3%.

#### And what about the other locations?

The fuel consumption of the French company car fleet is already relatively low. The figure of 13.3 million kilometres driven in France every year is almost as high as in Germany but fuel consumption is roughly 5% lower. The company car drivers in France also learn ways of saving fuel. In Spain, the fleet largely consists of the service techni-

cians' vehicles. In order to reduce fuel consumption there, we first of all want to further optimise their routes. Fuel-saving driving courses are also being considered.

#### But air miles increased in 2011. Why?

Our aim is to keep flight emissions as low as possible. However, as we are an international company, we cannot do without air travel. In 2012, the business in the USA was restructured and the preparations were made in 2011. What's more, there were internal projects involving several locations. Unfortunately, that meant that air travel in 2011 increased compared with the previous year and, as a result, our CO<sub>2</sub> flight emissions rose by 582 tonnes.

#### How does ista compensate for emissions?

As a partner of the GoGreen programme of Deutsche Post, we dispatch all letters in Germany in a carbon-neutral manner. This means that the German Post Office promotes climate protection projects to compensate for the CO<sub>2</sub> produced by the mail. So we were able to offset 82.4 tonnes of CO<sub>2</sub> in 2011. ista also holds individual events, such as the Housing Industry Talks, in a carbon-neutral way. ista is financing the reforestation of roughly 1 hectare of rain forest in Costa Rica through a partnership with VisionsWald.

#### What is the most important project for 2012 and 2013?

We want to professionalise the Group-wide surveying of key environmental data and systematically develop and implement improvements on the basis of these figures. ««

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# MANAGEMENT APPROACH AND PROGRESS TABLE



One component of the ista corporate strategy is to take ecological requirements into account. The core objective of ista’s Group-wide environmental management system is to reduce the consumption of energy and resources as well as CO<sub>2</sub> emissions at all company locations. In this context, focus is placed on cutting the consumption of heating energy, electricity, water, paper, fuel and production materials. ista is also aiming to produce as little waste as possible. The environmental management system is to be further expanded in future.

Responsibility for the environmental management system lies with the Sustainability Council, which reports directly to the ista management. The Council is the contact for all sustainability questions and supports the operational units in implementing suitable measures. The environmental consultant is the Council member responsible for ecological issues. Sustainability delegates are appointed at all locations to support the Council in the implementation of the sustainability strategy in the countries. Using key environmental data, the environmental consultant and the Sustainability Council monitor progress in this field.

All employees are bound by the ista Environmental Guidelines. In addition to compliance with statutory requirements, these Guidelines prescribe the responsible use of energy and resources. The employees are informed about ways to use energy and resources efficiently at information events, through internal media and training courses as well as in fuel-saving training programmes. ««

AIMS/FIELDS OF ACTION	MEASURES	STATUS AND GOALS
Reduction in the consumption of resources	Introduction of energy-saving bulbs in Denmark and LED lights in the Netherlands	In Denmark successive replacement (continuous), in the Netherlands completed at the end of 2011
Reduction in CO <sub>2</sub> emissions	Climate-neutral dispatching of customer bills (GoGreen) in Germany	Completed in November 2011
	Fuel-saving training courses and competition for company car drivers in Germany	Completed in December 2011
	Drafting of a company-wide CO <sub>2</sub> Compensation Guideline	Draft finished, revision and implementation by the end of 2013
	Replacement of the existing German company car fleet with more fuel-efficient reference models	Continuous

# ENVIRONMENTAL PROTECTION

IS OUR DUTY





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# 700 children



IN BULGARIA, 700 CHILDREN NOW KNOW HOW THEY CAN PROTECT THE ENVIRONMENT. ista BULGARIA USED GAMES TO TEACH CHILDREN IN NINE NURSERY SCHOOLS ABOUT SAVING ENERGY AND RECYCLING. SUCH PROJECTS WOULD NOT BE POSSIBLE WITHOUT THE EMPLOYEES' DEDICATION AND COMMITMENT.

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# GREEN BASICS

**ista BULGARIA TEACHES DAY CARE CENTRE CHILDREN THE BASICS OF ENVIRONMENTAL PROTECTION**

**TURN OFF THE TAP WHEN CLEANING YOUR TEETH. EVERY CHILD UNDERSTANDS THAT – WHEN IT IS EXPLAINED CORRECTLY. EMPLOYEES OF ista BULGARIA SET UP AN EDUCATION PROGRAMME WITH NINE NURSERY SCHOOLS. THE RESULT IS IMPRESSIVE: THE CHILDREN EDUCATE THEIR PARENTS AT THE SAME TIME.**

When five-year-old Viktor sees a fridge door is open longer than necessary, then he shouts: “Close the door!” And six-year-old Raja makes sure that no lights are on anywhere when it is bright outside. The two children attend the Ilindenche nursery school No. 52 in the Bulgarian capital of Sofia. They and their friends can distinguish between what is good for the environment and what is not. They learned this in an education project of ista Bulgaria in which nine nursery schools in the capital, Sofia, and the two smaller cities of Plovdiv and Pleven were involved. More than 700 children now know which bin to put paper in, that the water must not be left running when you brush your teeth and that wet clothing must not be put on the radiator. Viktor and Raja proudly reel off the rules of behaviour they have learned.

Getting children excited about environmental protection – that was Assja Angelova’s aim when she developed the project. The Country Manager of ista Bulgaria knows that environ-

mental awareness is only developing slowly in her country. “We are still learning,” says the 40-year-old. With her project, she and her colleagues wanted to help to sensitise the population to the right way of dealing with energy, water and refuse. “Even the very young should learn how important it is to protect the environment. Therefore, we have developed our programme specially for children between four and six years of age.”

## Their own environment song

The right and wrong behaviour is illustrated on colourfully printed cards in A5 format. There’s also a globe with arms, legs and a face which either looks happy or angry. The figure is called “Poznaiko”, which translated means “I know it”. It teaches the children knowledge through play. The head of the day care centre, Sonja Bogdanova, helped to prepare the teaching material. A songwriter also wrote a special environment song for

the project. The lyrics go: “Protect nature, look after life on earth. In the spring, summer, autumn and winter we will be able to play happily.” “The children kept singing the song again and again with such joy that I now know it off by heart, too” Assja Angelova says.

The project started in autumn 2011. Together with her colleague, Marina Marinova, Assja Angelova visited the nursery schools and presented Poznaiko and the learning cards. The package also contained a painting book and an accompanying booklet with explanations for the nursery teachers. For two months, the teachers repeatedly practised with the group and sang the environment song.

“The children eagerly took part and quickly remembered the rules,” nursery teacher Viktoria Ignatova says. The day care centre even extended the curriculum. The children made figures for the puppet theatre from empty toilet paper rolls and converted toothpaste packets into buses. Another nursery school organised



## AN ABSOLUTE HIT

ista is promoting international cooperation with the global initiative “MoVE! Mobility – Variety – Exchange”. Christoph Ortmann, 33, moved from ista International in Germany to ista Spain for three years in 2011. He really likes his new home:

“I have been working as a finance manager in Madrid since early 2011 and I still love it here. When you move to a foreign culture for a prolonged period, you need understanding, patience as well as a good portion of humour, especially in the initial phase, to make integration easier – for everyone. On the professional side, I have been able to gain a greater insight into operational processes, broaden my knowledge, especially in accounting, and prove myself in the field of staff leadership.

In addition to the professional challenges, the whole personal experience has also been absolutely invaluable. Madrid is a pulsating metropolis with a high quality of life. My wife and I try to use our free time to meet friends and get to know the culture and landscape of the country better. For us, the most important discovery was that we were able to quickly become integrated in a foreign country, a different culture and a new environment without missing Germany. To sum it up so far: MoVE! has proved to be an absolute hit for me. I can only advise other colleagues to seize this opportunity.”

- 1 The children learn environmentally friendly behaviour with painting books.
- 2 Raja makes sure she does not waste water when cleaning her teeth.
- 3 Viktor (middle) and the other children sing their environment song. Their mascot, Poznaiko, is always with them.



a fashion show with clothes made of recycled material, Assja Angelova recounts. This enthusiasm could also be felt at the concluding events which ista organised at every day care centre after the two months of lessons. The children presented a programme and sang their song. Actors also put on a play written specially for the project. “When one of the characters wanted to throw away the empty batteries of his toy in the countryside, one child shouted out: Our teacher doesn’t like that at all!” Assja Angelova laughs when she thinks about it.

## Media show interest

Not only the parents but also public dignitaries were invited, for example the Lord Mayor or the city councillor responsible for culture. The media also showed great interest. “Social engagement of companies is still not very widespread in Bulgaria,” Assja Angelova explains. “It would be fantastic if the success of our project also encouraged other companies to do something similar.” A company does not have to be large to make a difference. ista Bulgaria itself only has 14 employees. And together with the nursery teachers, the two women from ista achieved a lot: “We indirectly reached some 2,000 people with our programme because the children also passed on what they had learned to their parents and siblings,” Assja Angelova says.

Viktor also keeps reminding his parents to behave correctly. When asked whether he still does everything Poznaiko told him, he says emphatically “Yes, of course, I do”. And the head of the day care centre, Sonja >>>

4 The children can let off steam in the playground of the day care centre.

5 Colourful paper flowers add a touch of colour to the rooms in the nursery school.



Bogdanova, adds: “The children are still very keen.” Empty batteries from home land in the collection container in the communal room. Glass, plastic and paper are sorted into different coloured bins. In the bathroom with the children’s wash basin, Raja shows how she turns off the tap when cleaning her teeth.

gether. In this way, they can participate on a voluntary basis together with colleagues in projects on environmental education and on preventive and active environmental protection. “Our CR strategy lives from the commitment of the employees – whether in saving resources at their workplaces or through their volunteering,” Julia Schwedes says. At the same time, the employees also benefit from their voluntary work. “They are actively involved, meet their colleagues in a different context to the working environment and gain a whole new wealth of experience.” That also strengthens the employees’ loyalty to the company.

**ON THE ROAD TO IMPROVEMENT**



In 2010, the ista employees from 17 companies provided feedback on work-related topics in the “People Survey ista” (PSI). The findings led to extensive action plans for the teams and locations, with the time allowed for implementation varying depending on the scope of action. One year later, the project coordinators examined, using the PSI Pulse Check, what had been done in the meantime at the individual locations. The Check showed: more than 60% of the employees had established concrete measures for improvement in their teams at the time of the survey in autumn 2011. Over 90% of these measures had also been initiated. In 11% of all cases, the teams came to the conclusion that no action was necessary. All in all, the employees were satisfied with the action process. “The results show us that the majority of ista employees and managers are fully behind their employer and are actively playing a part in continuously improving the working conditions,” says Tanja Perbix, project manager from Corporate HR.

“  
THE EMPLOYEES  
GAIN A WHOLE  
NEW WEALTH OF  
EXPERIENCE.  
”

JULIA SCHWEDES

That is exactly how it should work with the projects which ista supports with the international programme “energy matters”. Sustainable projects are sponsored in the individual countries. In Germany, there is a special programme for this called “ista gets involved”. Both programmes finance projects which focus on environmental protection and volunteering. “In 2011, we supported a total of 13 projects worldwide,” says Julia Schwedes, who is responsible at ista for both programmes. And this engagement is to be expanded further: in early 2013, “energy matters” and “ista gets involved” are being merged in a new international corporate volunteering programme. ista will continue to finance the projects and also give employees time off work to conduct campaigns to-

**A nice change**

The Country Manager, Assja Angelova, who otherwise attends many meetings and phones with customers, felt that the time with the children was “a nice change from everyday work”. She is proud of what has been achieved together. Two handmade flowers remind her every day of the project. One is made of a blue plastic bag, the other glued together from coloured paper. And even though ista’s work in the day care centres is over, the teachers at Ilindenche are busy keeping up the good work. They are teaching their other groups of children what the little globe likes and doesn’t like.

“

## WE HAVE A HEALTHY MIXTURE

**THE EMPLOYEES ARE THE FOUNDATION OF EVERY COMPANY. THEIR COMMITMENT DETERMINES THE SUCCESS AND FUTURE OF THE BUSINESS – ONE REASON MORE TO DEFINE THEM AS THE NO. 1 STAKEHOLDERS. BARBARA WIECHER, SENIOR PROJECT MANAGER CORPORATE HR, ON THE IMPORTANCE OF RESPONSIBLE HR POLICY.**



**BARBARA WIECHER**

32, has been the Senior Project Manager Corporate HR at ista for three years.

**In your work as the HR Project Manager, the employees often appear as statistics. How do you know whether someone likes coming to work?**

We are always looking for opportunities to exchange views with our employees. Staff appraisal interviews and target agreement talks are held every year. Here, the managers not only give feedback on individual performance and career development but also appreciate the employees' criticism and wishes. In 2010, 78% of all employees had staff appraisal interviews, and target agreement talks were held with 76%. No percentages are available for 2011 as these data are collected every two years at our company. Furthermore, in our worldwide employee opinion survey we ask the employees every year about their engagement and commitment to the company. The results form the basis for comprehensive internal discussions on cooperation, working conditions and leadership and culminate in concrete action worldwide. The managers are also eager to discuss matters with their staff in-between. For example, the management regularly invites the staff to Get-togethers.

**What about further training for the employees and vocational training for the young ista colleagues?**

We offer numerous internal and external training opportunities. The international programmes include the "ista University" for top managers, the "International Leadership Training" for middle management as well as "JUMP", our programme to promote international junior managers. We also offer different measures locally, for example in Germany the "Operations Leadership Programme" to develop selected employees for certain target positions as well as other high-potential programmes in France and Poland. On average, every employee participated in further training programmes for 24.7 hours in the reporting period. Moreover, 134 apprentices were recruited in Germany in 2011, which is 9.4% of the workforce.

**Health is every employee's most important asset. How does ista help to promote health?**

The employees' health is very close to ista's heart. We promote it in Germany with various programmes, such as stress management training, seminars on "Healthy Leadership" for managers, cooperation with fitness studios and mobile physiotherapy. But health is promoted in other countries as well. For example, ista Poland offers training courses on healthy nutrition and work-life balance as well as back therapy training. If we take a look at the statistics for days of sickness absence, the measures are bearing first fruits. On average, every employee was absent for 8.4 days in 2010 whereas the figure was only 7.9 days in the reporting period. Therefore, the rate fell from 3.6% to 3.4%.

**Do the employees reward these efforts with particular loyalty?**

Naturally, employees also leave ista. There are sometimes personal reasons or the desire for a major career change which prompt an employee to leave. If we take the pure "staff turnover rate" of 21.4%, it initially appears to be high. However, this figure also includes people going into retirement and those with contracts which have expired. If we adjust the figures for these reasons, the actual employee-initiated departure rate is only 6.6%. And if we look at the average number of years of service, it is 8.5 years in our company. This figure shows that we at ista have a healthy mixture of employees who have been loyal to the company for a long time and young employees who have recently joined the company. ««

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## SEEING YOURSELF IN A DIFFERENT LIGHT

**THE FURTHER TRAINING PROGRAMME, JUMP, PROMOTES THE DEVELOPMENT OF INTERNATIONAL ista HIGH POTENTIALS. THE PARTICIPANT, KARIN WENKEL, REPORTS ON HER EXPERIENCE.**



**KARIN WENKEL**

32, works as an International Business Consultant in the Region Europe South & Emerging Markets and is in charge of sales and pricing projects in various countries including Brazil and China.

**How did you find out about the JUMP programme?**

Through our staff newspaper. My boss at that time put me forward as a candidate and, after a few interviews and attending an all-day assessment centre, I was accepted.

**Why did you want to participate in JUMP?**

You can only develop further if you leave your comfort zone. That's why I'm always interested in facing new challenges. And JUMP is ideal to learn something new about yourself and improve your capabilities.

**How long does the programme last?**

The programme was tailored to my needs and lasted a total of three years.

**What training courses did you complete?**

For example, there was a workshop lasting several days on strategic management as well as seminars on rhetoric. The course on intercultural management taught me a lot for my current position. For example, I learned that every culture has a different approach to solving problems. This helps me in my daily project work to find and communicate appropriate solutions. However, what I enjoyed most was the TETA seminar. It is a very personal and intensive training course where you learn to see yourself, your objectives and conduct in a completely different light. I am still drawing on the seminar contents today.

**What did you particularly like about JUMP?**

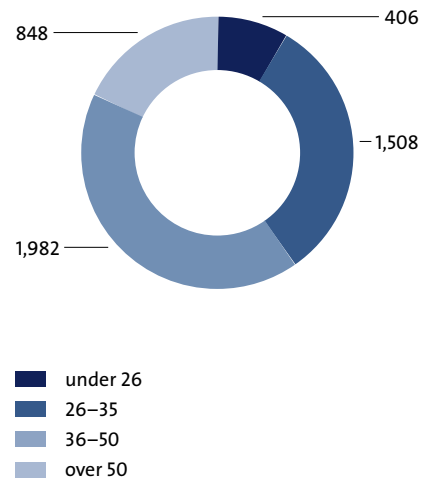
The programme is especially tailored to the participants' individual strengths and weaknesses. You also meet employees from other companies in the seminars. As a result, you can think out of the box and learn from other branches of industry.

X =

**6 employees**

PARTICIPATED IN THE JUMP FURTHER TRAINING PROGRAMME IN 2011.

**ista AGE STRUCTURE**





## MANAGEMENT APPROACH AND PROGRESS TABLE

The ista employees are crucial for both the economic success of the company and the implementation of the corporate strategy. Therefore, ista takes its responsibility to its employees very seriously and supports and develops them in many ways. Their aspirations and development potential within the company are determined in surveys and regular staff appraisal interviews.

One important principle for ista is that men and women at all locations have equal career opportunities. Flexible working time models such as flexitime or the possibility of working from home help, for example, mothers and fathers to better reconcile work and family. A health management system promotes the employees' fitness and health with sports offerings and screening programmes etc. These offerings are being continually adapted and extended. ista provides regular internal and external seminars to improve its employees' professional, methodological and personal skills. The employees are also given support in organising worker representation bodies and representing their interests in collective bargaining negotiations.

In addition, the company promotes the voluntary societal engagement of its employees in environmental protection and environmental education projects. Here, the employees gain new experience and meet their colleagues in a different context to the working environment. At the same time, they help to make the individual ista locations an even more integral part of their neighbourhood. In early 2013, ista's two sponsoring programmes, "energy matters" and "ista gets involved", will be merged into one new international corporate volunteering programme. ista will continue to finance the projects and give the employees time off work to conduct campaigns together. <<<

AIMS/FIELDS OF ACTION	MEASURES	STATUS AND GOALS
Measurement of employee satisfaction and implementation of the results	Performance of the employee opinion survey "People Survey ista" (PSI)	Regularly, most recent survey: October 2012
	Performance of a PSI Pulse Check for recording the interim status of the communication of results, action planning and action implementation	October 2011
Further development of health management in Germany	Analysis and reduction of the sickness rate	Continuous
	Implementation of an extensive employee programme for active stress management and health care through sports, massage and seminar offerings	Since mid-2011, continuous
	Successful introduction of the "Healthy Leadership" management training course	End of 2012
Continuation of the international further training programme "JUMP" for high potentials	Long-term focus for 2013: "Healthy Nutrition"	2013
	Successful completion of the current programme	End of 2012
Greater emphasis on the international LEADership training course	Nomination of candidates for 2013	End of 2012
	The aim is to hold the LEADership training course for middle management at regular intervals twice a year	End of 2012
Promotion of corporate volunteering and expansion of Corporate Citizenship engagement	Merging of the existing programmes "ista gets involved" and "energy matters" in a new international corporate volunteering programme	Early 2013
	Focusing of contents on the subject of environment and greater involvement of employees through the introduction of Corporate Volunteering Days	Early 2013

# KEY FIGURES



# PERFORMANCE INDICATORS ACCORDING TO GRI

## RECYCLED MATERIAL (EN2)

PAPER CONSUMPTION (IN SHEETS*)	2010	2011
Total (of the types of paper listed here)	67,571,647	63,225,748
Office consumption of which recycled paper	25,373,729 2,096,800 (= 8.3 %)	20,916,272* 6,857,135 (= 32.8 %)*
Printing bills of which recycled paper	42,197,918 62,800 (= 0.1 %)	42,660,430* 66,257 (= 0.1 %)*
Total share of recycled paper	2,159,600 (= 3.2 %)	6,923,392 (= 10.9 %)*

\*The data have been standardised to A4 sheets with a weight of 80 g/m<sup>2</sup>.

## DIRECT AND INDIRECT ENERGY CONSUMPTION (EN3/EN4)

ENERGY CONSUMPTION	2010	2011
Electricity consumption in kWh	6,878,417	6,794,565*
Heating energy (total) in kWh	12,145,379	11,466,707*
Heating energy I (gas)	826,187	796,227*
Heating energy II (oil)	0	0*
Heating energy III (district heating)	3,785,581	3,504,440*
Fuel (total) in litres*	2,869,977	2,856,240
of which diesel	2,445,204 (= 85.2 %)	2,465,973 (= 86.3 %)

In Germany, ista has locations where it owns buildings in which heating energy (gas) totalling 950,040 kWh was consumed and 230,981 kg of CO<sub>2</sub>e incl. the upstream chain was produced (EN3).  
\*Only refers to the vehicle fleet.

## GREENHOUSE GAS EMISSIONS BY WEIGHT (EN17)

DIRECT AND INDIRECT CO <sub>2</sub> e EMISSIONEN (IN T)	2010	2011
through heating energy consumption	3,193	3,032*
through electricity consumption	3,170	3,133*
through the vehicle fleet	8,682	8,655
through air travel	2,053	2,635
through rented cars and public transport	136	155

The CO<sub>2</sub>e emissions were calculated according to the conversion factors of DEPREA, IEA, the Bavarian State Office for the Environment, the Institute for Housing and Environment, atmosfair as well as Deutsche Bahn.

Additions to the indicators EN3/EN4 and EN17: Journeys on business trips which were not booked through our travel office are generally not included in full. This affects the key figures for fuel consumption, business trips in km and CO<sub>2</sub>e.

\* These key figures were subject to a limited assurance engagement by KPMG AG Wirtschaftsprüfungsgesellschaft.

## WORKFORCE STRUCTURE AND TURNOVER RATE

EMPLOYEES	TURNOVER	TURNOVER (IN %)	
		Notices of termination by employees	Total turnover rate*
<b>TOTAL</b>	4,744	1,016*	21.4 %**
<b>REGIONS</b>			
Central Europe	1.407	151	10.7 %
France	677	232	34.3 %
North Europe	196	30	15.3 %
West/East Europe	364	42	11.5 %
USA/UK Europe	454	221	48.7 %
South Europe/ Emerging Markets	673	243	36.1 %
ista International	332	37	11.1 %
iSS	641	60	9.4 %

\* incl. retirement, end of fixed-term contracts, termination by the company etc.  
 \*\*Based on the notices of termination served by employees and the company, the turnover rate worldwide amounted to 596 employees, i.e. 12.3 % (2010) and 718 employees, 15.1 % (2011). Including all other departures, for example retirement, death, expiry of fixed-term contracts etc., the total turnover rate worldwide amounted to 930 employees, i.e. roughly 19.2 % (2010) and 1,016 employees, i.e. 21.4 % (2011).

GENDER		AGE DISTRIBUTION		EMPLOYMENT	
Women	2,199 (46 %)	under 26	406 (8 %)	Full-time employees	4,337
Men	2,545 (54 %)	26-35	1,508 (32 %)	Part-time employees	407
		36-50	1,982 (42 %)	Permanent employees	4,118
		over 50	848 (18 %)	Apprentices	134

## MORE FACTS AND FIGURES ACCORDING TO GRI

### EN25

ista only discharges waste water into public sewerage systems. There are no direct waste water pipes or surface runoff which could affect the biodiversity of water bodies and related habitats.

### EN28

No significant fines or non-monetary sanctions were imposed on ista as a result of non-compliance with environmental laws and regulations.

### HR9

There were no incidents where rights of indigenous people were violated.

### SO7

No legal action was taken against ista for anti-competitive behaviour, anti-trust or monopoly practices and their outcomes.

### PR2

ista has not registered any incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services.



## Statement GRI Application Level Check

GRI hereby states that **ista International GmbH** has presented its report “For measurable successes, for an intact environment” (2012) to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 31 October 2012

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The “+” has been added to this Application Level because ista International GmbH has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 22 October 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

# INDEPENDENT ASSURANCE REPORT<sup>1</sup>

## TO THE MANAGEMENT OF ista INTERNATIONAL GMBH, ESSEN

### Introduction and scope

We have been engaged to perform a limited assurance engagement on selected indicators of the business year 2011, including the explanatory notes, published in the “Sustainability Report 2011” (in the following “the report”) of ista International GmbH, Essen (in the following “ista”).

The following selected indicators of the business year 2011, including the explanatory notes, are included in the scope of our assurance engagement:

<b>Paper consumption in sheet (A4, 80g/m<sup>2</sup>) of the following paper sources:</b>	
Office consumption	Printing bills
Office consumption (recycled)	Printing bills (recycled)
Total share of recycled paper	
<b>Selected modes of direct and indirect energy consumption:</b>	
Electricity consumption in kWh	Heating energy I (gas) in kWh
Heating energy (total) in kWh	Heating energy II (oil) in kWh
Heating energy (own buildings) in kWh	Heating energy III (district heating) in kWh
<b>Selected direct and indirect Greenhouse Gas emissions in t CO<sub>2</sub>-equivalents:</b>	
caused by Heating energy (total)	caused by electricity consumption
caused by Heating energy (own buildings)	
<b>Drinking water consumption in liter</b>	

### Management’s responsibility

Management is responsible for the appropriateness of the determination and presentation of the selected indicators in accordance with the Reporting Criteria, the Sustainability Reporting Guidelines (G3.0) of the Global Reporting Initiative, as described in the introductory part “The Report”.

This responsibility also includes designing, implementing and maintaining systems and processes relevant for determining the indicators, as well the application of appropriate methods for the preparation of the information and indicators.

### Auditor’s responsibility and assurance standards

Our responsibility is to carry out an assurance engagement on the selected indicators, including the explanatory notes, and to express a conclusion with limited assurance based on the assurance procedures performed.

We have conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board. Amongst others, this standard requires that the members of our assurance team have appropriate knowledge, skills and professional qualifications to understand and evaluate the selected information and indicators, and that we comply with the requirements of IFAC of the Code of Ethics for Professional Accountants to ensure our independence.

<sup>1</sup>Translation of the assurance report, authoritative in German language.

According to ISAE we have to plan and perform the assurance engagement such that we are able to express our conclusion as to whether any matters have come to our attention that cause us to believe that the selected indicators, including the explanatory notes, are not, in all material respects, presented in accordance with the Reporting Criteria.

In a limited assurance engagement, the scope of evidence gathering procedures is less comprehensive than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

This assurance engagement is limited primarily to inquiries of employees, especially those responsible for the preparation and presentation of the qualitative information, and the determination and the presentation of the quantitative indicators, analytical and other evidence gathering procedures, as appropriate.

Our assurance procedures included the following:

A media analysis and internet search for references to ista in the reporting period
Inquiries of employees responsible for analysis and determination of the indicators, including the explanatory notes
Assessment of the systems, processes and the internal controls indicators processing on Group level
Visits of the locations Essen (Germany) and Massy (France) to assess local data collection and reporting processes as well as the reliability of the reported data
Performing trend analysis and plausibility assessments of the reported data on Group and site level
Inquiries on data trends
Evaluating the overall presentation of the selected indicators, including the explanatory notes, in the report

### Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the selected indicators of the business years 2011, including explanatory notes, are not prepared, in all material respects, in accordance with the Reporting Criteria.

### Emphasis of Matter

Without affecting the conclusion presented above, we like to draw the attention to the paragraph in the introductory part “The Report”, which describes uncertainties related to the environmental indicators.

In addition we recommend

- to harmonize and further improve the quality of data collection and control processes at all relevant locations;
- a groupwide IT-based standardization of data collection, data validation and data reporting.

Frankfurt am Main, November 9th, 2012

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Fischer  
Certified Public Accountant  
(Wirtschaftsprüferin)

ppa. Viehöver

# GRI INDEX

**THIS TABLE PROVIDES AN OVERVIEW OF ALL INDICATORS WHICH THE GLOBAL REPORTING INITIATIVE (GRI) USES FOR THE CERTIFICATION OF A SUSTAINABILITY REPORT. THE TABLE SHOWS WHICH INDICATORS ista COMPLIES WITH IN ITS REPORTING.**

GRI INDEX (GRI INDICATOR)		LEVEL OF COMPLIANCE	PAGES
<b>1.</b>	<b>VISION AND STRATEGY</b>		
1.1	CEO statement	completely	2
1.2	Key impacts, risks and opportunities	completely	2, 9 ff., 21, 29, 37
<b>2.</b>	<b>ORGANISATIONAL PROFILE</b>		
2.1	Name of the reporting organisation	completely	4
2.2	Brands, products and/or services	completely	4 ff.
2.3	Operational structure	completely	4 ff.
2.4	Headquarter location	completely	4
2.5	Countries in operation	completely	4 ff.
2.6	Nature of ownership	completely	4 ff.
2.7	Markets	completely	4 ff.
2.8	Scale of the organisation	completely	4 ff.
2.9	Significant changes during the reporting period	completely	4 ff.
2.10	Awards received	completely	Cover
<b>3.</b>	<b>REPORTING PARAMETERS</b>		
3.1	Reporting period	completely	Cover
3.2	Date of the most recent previous report	completely	Cover
3.3	Reporting cycle	completely	Cover
3.4	Contact point for questions	completely	Cover
3.5	Process for defining report content	completely	Cover, 2, 9 ff.
3.6	Boundary of the report	completely	Cover, 4 ff.
3.7	Limitations on the report's scope	completely	Cover
3.8	Joint ventures, subsidiaries, and outsourcing	completely	4 ff.
3.9	Data measurement techniques	completely	Cover, 25, 39
3.10	Effects of information re-statement	completely	Cover, 4 ff.
3.11	Changes from previous reports in the scope, boundary or measurement techniques	completely	Cover, 25
3.12	GRI Index	completely	44 ff.
3.13	External assurance	completely	41 ff.
<b>4.</b>	<b>GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>		
4.1	Governance structure of the organisation	completely	7
4.2	Indication whether chairperson is also executive officer	completely	7
4.3	Independent members of the board	completely	7
4.4	Mechanisms for recommendations of shareholders/employees to the board	completely	11 ff.
4.5	Linkage between compensation of the highest governance body and the organisation's performance	completely	7
4.6	Mechanisms to avoid conflict of interest at board level	completely	10
4.7	Qualification of the board in terms of sustainability issues	completely	9 f.
4.8	Mission statements, codes of conduct and principles	completely	9 ff., 21, 29, 37
4.9	Processes of the board to control the sustainability performance	completely	2, 9 ff., 21, 29, 37
4.10	Processes for evaluating sustainability performance of the board	completely	9 f.
4.11	Precautionary approach principle	completely	2, 4 ff., 9 ff.
4.12	External agreements, principles or initiatives	completely	2, 10, 12 f.
4.13	Memberships in associations and advocacy organisations	completely	Cover
4.14	Stakeholder groups	completely	11 f.
4.15	Selection of stakeholder groups	completely	11 f.
4.16	Inclusion of stakeholder groups	completely	9 ff., 20, 34 f.
4.17	Questions and concerns raised by stakeholders	completely	11 f.



GRI INDEX (GRI INDICATOR)		LEVEL OF COMPLIANCE	PAGES
<b>5. PERFORMANCE INDICATORS</b>			
<b>Economy – Management approach</b>		<b>completely</b>	21
EC1	Direct economic value generated and distributed	partially	4, 7
EC2	Financial implications due to climate change	completely	2, 13, 16 ff., 24 ff.
EC3	Benefit plan obligations	not at all	
EC4	Financial assistance from the government	not at all	
EC5	Entry level wage compared to local minimum wage	not at all	
EC6	Local selection of suppliers	completely	19
EC7	Local hiring for senior management positions	not at all	
EC8	Infrastructure investment and services for public benefit	not at all	
EC9	Indirect economic impacts	not at all	
<b>Environment – Management approach</b>		<b>completely</b>	29
EN1	Weight/Volume of materials used	partially	24 ff., 39
EN2	Percentage of materials used that are recycled input materials	completely	24 ff., 39
EN3	Direct primary energy consumption	partially	39
EN4	Indirect primary energy consumption	partially	24 ff., 39
EN5	Energy conservation	partially	29
EN6	Initiatives for energy-efficiency and renewable energy	not at all	
EN7	Initiatives for reducing the indirect energy consumption	not at all	
EN8	Total water withdrawal by source	completely	26
EN9	Effect of water withdrawal	not at all	
EN10	Recycled and re-used water	not at all	
EN11	Land assets in or bordering protected areas	not at all	
EN12	Impacts on biodiversity	not at all	
EN13	Protected or restored natural habitats	not at all	
EN14	Strategies for protecting biodiversity	not at all	
EN15	Endangered species	not at all	
EN16	Direct and indirect greenhouse gas emissions	completely	28 f., 39
EN17	Other relevant greenhouse gas emissions	completely	28 f., 39
EN18	Initiatives to reduce greenhouse gas emissions	partially	28 f.
EN19	Emissions of ozone-depleting substances	not at all	
EN20	NO <sub>x</sub> , SO <sub>x</sub> and other air emissions by weight	not at all	
EN21	Waste water discharge	not at all	
EN22	Waste by type and disposal method	not at all	
EN23	Total number and volume of significant spills	not at all	
EN24	Hazardous waste according to the Basel Convention	not at all	
EN25	Effects of waste water on biodiversity	completely	40
EN26	Initiatives for minimising impact on the environment	not at all	
EN27	Percentage of products sold and their packaging materials that are reclaimed	not at all	
EN28	Sanctions for non-compliance with environmental regulations	completely	40
EN29	Impact of transport	partially	28 f.
EN30	Expenditure on environmental protection	not at all	
<b>Labour Practices and Decent Work – Management approach</b>		<b>completely</b>	37
LA1	Workforce by employment type and region	completely	4, 40
LA2	Employee turnover by age group, gender and region	partially	35, 40
LA3	Benefits for full-time employees	not at all	
LA4	Employees with collective bargaining agreements	not at all	
LA5	Minimum notice periods for significant operational changes	not at all	
LA6	Employees represented in labour protection committees	not at all	
LA7	Rates of injury, day absences from work and work-related fatalities	partially	35
LA8	Education and training on serious diseases	not at all	
LA9	Health and safety agreements with trade unions	not at all	
LA10	Education and training of employees	partially	35
LA11	Programmes for lifelong learning	not at all	
LA12	Performance reviews and development planning of employees	completely	35
LA13	Composition of governance bodies and employees	not at all	
LA14	Remuneration by gender and employee category	not at all	

GRI INDEX (GRI INDICATOR)		LEVEL OF COMPLIANCE	PAGES
<b>Human Rights – Management approach</b>		<b>completely</b>	21
HR1	Investment agreements with clauses or screening regarding human rights	not at all	
HR2	Percentage of suppliers that have undergone screening on human rights and actions taken	completely	19
HR3	Training on human rights	not at all	
HR4	Incidents of discrimination and actions taken	completely	10
HR5	Freedom of association and collective bargaining	completely	12
HR6	Child labour	completely	10, 19
HR7	Forced labour	completely	10, 19
HR8	Training for security personnel	not at all	
HR9	Violation of rights of indigenous peoples	completely	40
<b>Society – Management approach</b>		<b>completely</b>	21
SO1	Mitigation of impacts of operations on communities	not at all	
SO2	Corruption risks: percentage/number of business units analysed	not at all	
SO3	Anti-corruption training: percentage of employees trained	completely	10
SO4	Corruption cases and actions taken against corruption	not at all	
SO5	Positions and participations in public policy development and lobbying	completely	9 ff.
SO6	Contributions to parties and politicians	not at all	
SO7	Legal actions for anti-competitive behaviour	completely	40
SO8	Sanctions for non-compliance with laws and regulations	not at all	
<b>Product Responsibility – Management approach</b>		<b>completely</b>	21
PR1	Life cycle stages in which health and safety impacts of products are assessed	not at all	
PR2	Non-compliance with health standards	completely	40
PR3	Principles/processes for product identification	not at all	
PR4	Non-compliance with product information standards	not at all	
PR5	Customer satisfaction	completely	11, 20
PR6	Programmes for adherence to laws and voluntary codes relating to advertising	completely	13
PR7	Non-compliance with marketing standards	not at all	
PR8	Infringement of customer data protection	not at all	
PR9	Sanctions for non-compliance with product and services requirements	not at all	

## MEMBERSHIPS



## AWARDS



\* New membership  
in 2012

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## IMPRINT

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