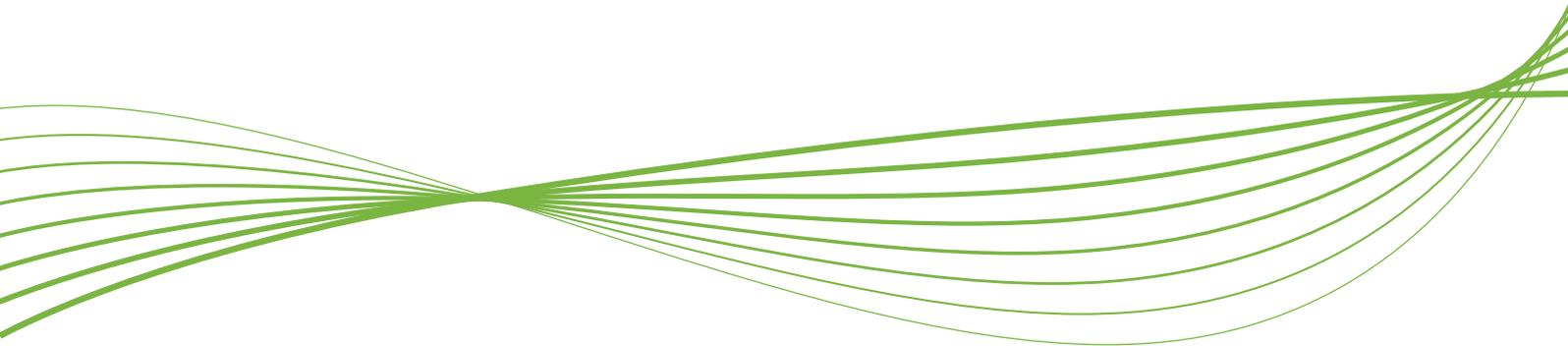


SUSTAINABILITY REPORT
2013

TRANSPARENCY

METERING. UNDERSTANDING. ACTING.



TRANSPARENCY

METERING.
UNDERSTANDING. ACTING.

This report is the fourth sustainability report published by ista. With this report, we would like to provide our employees, customers, business partners and other stakeholders with transparent information about our sustainability progress in 2013.

In our reporting, we comply with the internationally recognised G3.0 Guidelines of the Global Reporting Initiative (GRI). 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 indicator index on page 46 ff. This sustainability report is based on the key performance indicators of the 2013 calendar year. The assurance of selected environmental KPIs for the 2013 financial year was performed by KPMG AG Wirtschaftsprüfungsgesellschaft. The copy deadline for this report was June 11, 2014.

In addition to this print edition, you will find detailed figures in a year-on-year comparison as well as more detailed background information on our website at www.ista.com/sustainabilityreport2013/. The changes in the reporting period – for example, the new definition of the regions worldwide, the basis of the report and report boundaries as well as notes on calculations and survey methods for the key environmental and HR figures – are itemised online.

This report is regarded as a “Communication on Progress” (COP) as part of ista’s membership in the UN Global Compact.

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A GLANCE



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Walter Schmidt

CEO ISTA INTERNATIONAL GMBH

TRANSPARENCY IS OUR DNA

Dear Readers,

Transparency is in the DNA of our company. With our products and services, we make energy consumption visible, thereby helping consumers to save energy. At the same time, transparency is a central component of our corporate responsibility. We are therefore reporting in detail this year for the fourth time on our commitment to the environment and society. This sustainability Report is based on the guidelines of the Global Reporting Initiative (GRI) and meets the Advanced Application Level B+ (see page 45).

Metering, understanding, acting

In our 2013 sustainability report, we would like to show you how greatly transparency determines ista's business and social actions. We not only meter consumption, but also make it visible. Everyone can therefore better understand their individual consumption behaviour and, as a result, optimise it themselves. We also demand this from ourselves: we constantly optimise our consumption of resources, and every year, we record progress in the field of sustainability. We also apply transparency to our HR policy. We maintain an open-door culture based on trust, support and promote personal involvement as well as critical, yet constructive feedback. We are also committed to the ten principles of the UN Global Compact, which, among other things, set working standards and serve to prevent corruption.

We repeatedly find in talks with customers, consumers, politicians, NGOs and the media that there is great interest in our company, coupled with an increasing need to explain our services and innovations. This year, we are therefore devoting the first chapter of our sustainability Report entirely to the question of who we are and what exactly we do. The subsequent three chapters then provide details on the three pillars of our commitment to greater en-

ergy efficiency and therefore to environmental and climate protection: in other words, products and services, energy and resources as well as employees and society.

We achieved a lot in the reporting period, as evidenced by the key figures. We managed to anchor our sustainability strategy even more firmly at our 26 national organisations – and will continue to drive this strategy forward in future. This process entails a wide variety of country-specific challenges and therefore progresses at different rates from country to country. However, we are very confident of being able to achieve all the objectives we have set ourselves.

New growth opportunities

The fundamental change in the global energy balance, in particular with regard to climate change, is a major key political and societal project of our times – which also has a considerable influence on our business model. The demand for solutions for more efficient use of energy is increasing all over the world. In Europe, for example, the European Energy Efficiency Directive (EED) prescribes that energy consumption of multi-family houses will have to be metered individually with appropriate devices in the medium term. Tenants are to receive a consumption-based bill and be regularly informed about their consumption.

Today, we are already making an important contribution to the future of energy and facing up to our responsibility to the environment and society. We will create greater awareness of energy efficiency using innovative technologies. We concentrate on both acting sustainably and growing profitably.

I wish you informative and entertaining reading and would be delighted if you would share your impressions with me and my colleagues. Please write to us at sustainability@ista.com. ■



Walter Schmidt

{ CEO ISTA INTERNATIONAL GMBH }

“The efficient use of energy and water is one of the major issues of our time. Transparency is the key to success and our daily motivation.”



A

THINKING SUSTAINABLY

ISTA AT
A GLANCE



ENERGY BECOMES TRANSPARENT

People can only save energy in a targeted manner if they know how much they are consuming! It is therefore so important for residents of multi-family houses to be informed individually and regularly about their energy and water consumption. As a global energy service provider, ista makes a substantial contribution to consumption transparency.

Who we are

Energy efficiency and sustainability have long been in the focus of corporate action at ista. Even as far back as the late 1950s, when Johannes Schultz and Karl Völker founded the company, one thing was clear: people have to know their consumption so that they do not waste heating energy. Operating in 26 countries, the company, once a supplier of heat allocation meters, is now a leading global energy service provider with an extensive product portfolio – a real “hidden champion”.

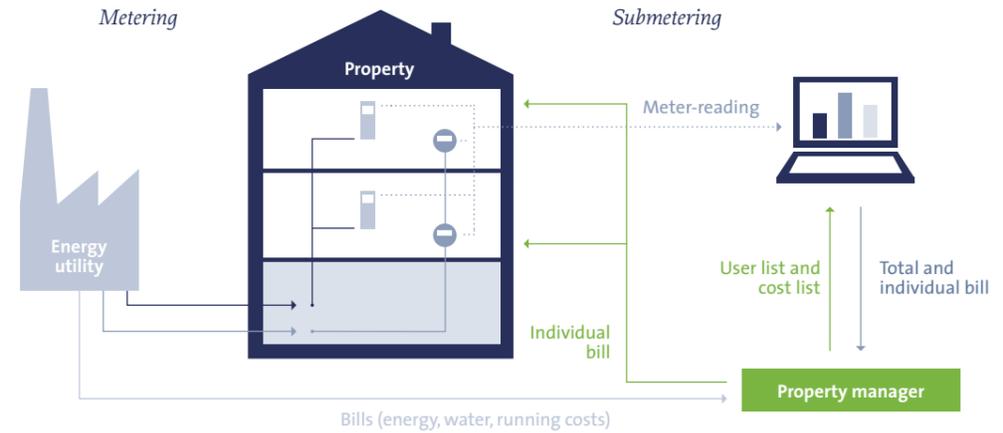
What we do

ista's business model covers the consumption-dependent metering and billing of energy and water. “Submetering” is the technical term for this and includes the individual metering, billing and visualisation of consumption data for multi-family houses and

commercial properties. Whereas energy utilities provide the total consumption figures for an entire building, ista records, using modern radio metering technology, how this consumption breaks down for the individual units in the building. Tenants receive their individual bills every year; at the same time, landlords obtain the bill for the total consumption of the building. The result: people only pay for what they have actually consumed. Individual billing results in greater transparency and gives the consumer the possibility to save energy in a controlled manner. The European Commission estimates the energy savings potential in buildings through submetering at 15% to 25%. ista has already been making a major contribution towards leveraging this enormous potential for several decades.

The basis of consumption-dependent billing is cutting-edge technology: ista's product portfolio comprises metering equip-

ENERGY DATA UNDER CONTROL – WITH SUBMETERING



Info

► Accurate individual billing of energy consumption makes savings potential visible for everyone. Consumers can directly counteract high consumption by responsible use of energy.

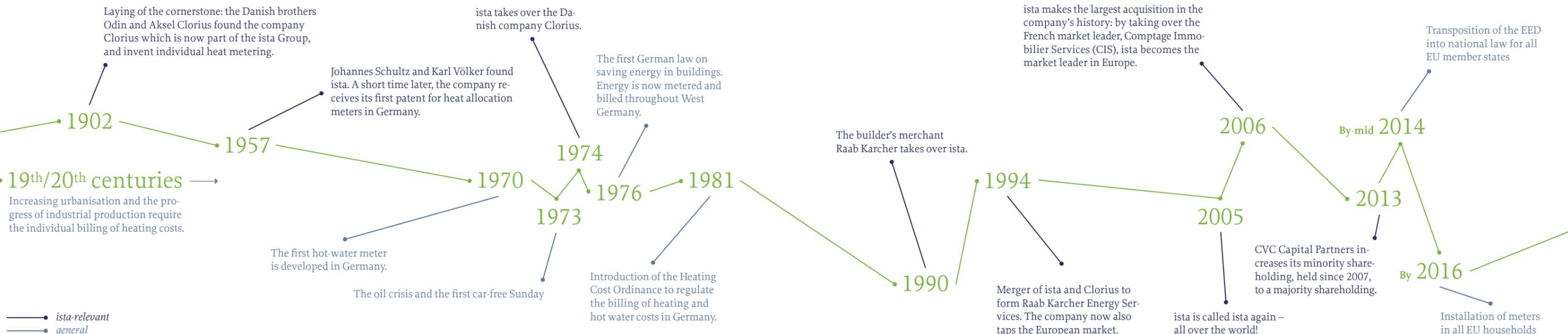
ment in the form of heat allocation meters, heat and water meters, radio and M-bus system technology as well as the appropriate accessories. So-called Energy data management is particularly forward-looking. Here, all consumption data are transmitted by radio and visualised on an online portal or by app. The great advantage: tenants receive their consumption information every month and, on this basis, can proactively control their own consumption.

What we want to achieve

As natural resources are becoming increasingly scarce and the restructuring of our global energy systems is vital, greater aware-

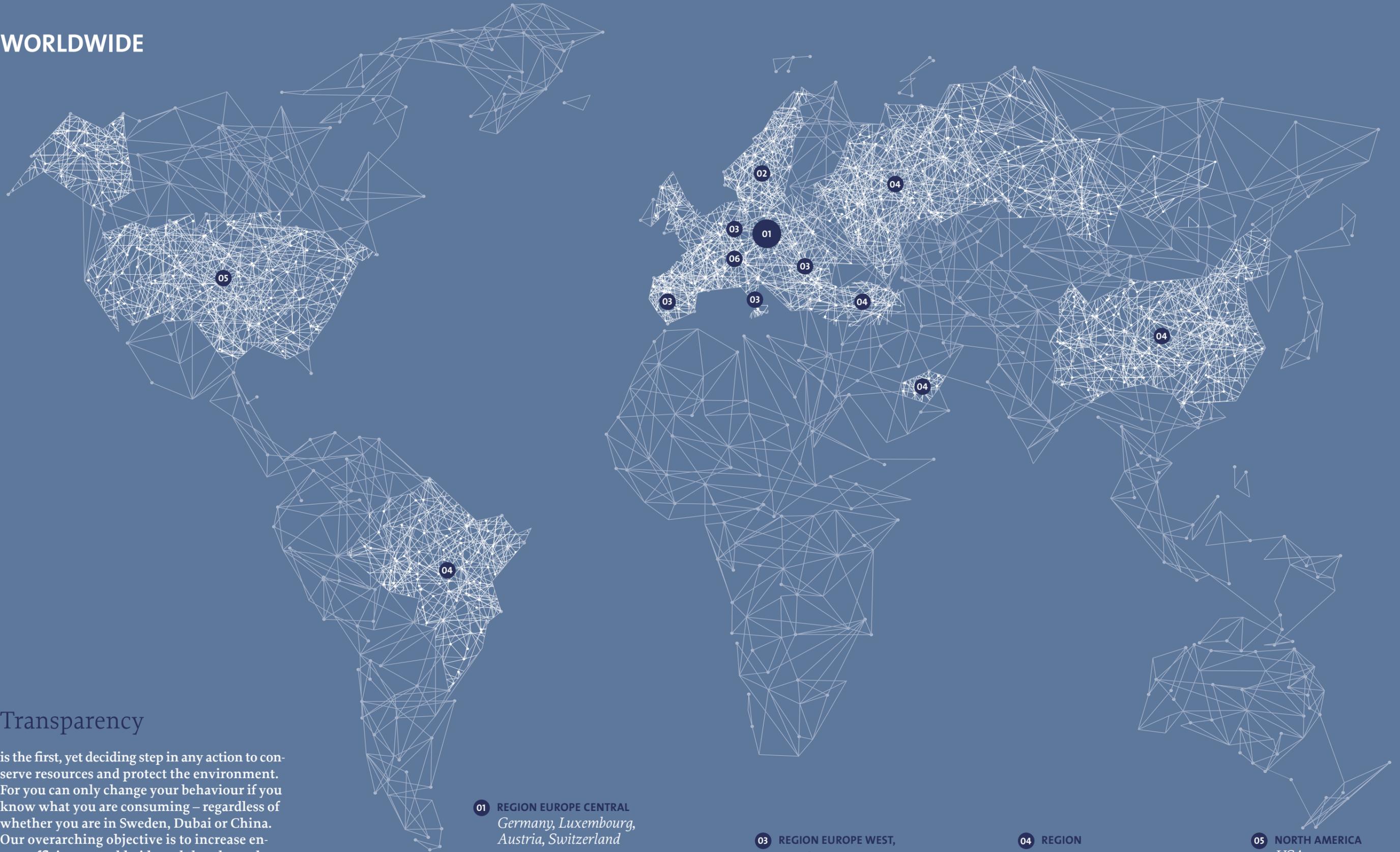
ness of energy consumption must be created worldwide. Radio technology and energy data management can make a crucial contribution to this. They permit information to be made available to consumers quickly and during the year. Additional savings potential: 5% to even as much as 20% of energy, CO₂ and costs. And that is exactly what the new Energy Efficiency Directive prescribes. The EU is therefore acting on the realisation that consumers who are regularly informed about their consumption behaviour verifiably reduce their consumption. Tenants and property owners can make a contribution themselves to the energy turnaround as ista makes consumption transparent.

HISTORY OF ISTA AND THE ENERGY MARKET



— ista-relevant
— general

WORLDWIDE



Transparency

is the first, yet deciding step in any action to conserve resources and protect the environment. For you can only change your behaviour if you know what you are consuming – regardless of whether you are in Sweden, Dubai or China. Our overarching objective is to increase energy efficiency worldwide and thereby make a contribution towards climate protection. Our employees are committed to this at our locations in 26 countries worldwide.

01 REGION EUROPE CENTRAL
Germany, Luxembourg, Austria, Switzerland

02 REGION EUROPE NORTH
Norway, Denmark, UK, Sweden

03 REGION EUROPE WEST, EAST & SOUTH
Belgium, Bulgaria, Italy, Netherlands, Poland, Romania, Spain, Slovakia, Czech Republic, Hungary

04 REGION EMERGING MARKETS
Brazil, Turkey, China, United Arab Emirates (UAE), Belarus, Russia

05 NORTH AMERICA
USA

06 FRANCE
France

OUR OBJECTIVE: EFFICIENCY GAINS

With our products and services, we help to save energy and cut CO₂ emissions and costs sustainably. The better we do this, the more successful we are on the market. Today, as the world market leader, ista already operates in 26 countries all over the world.

The European Commission believes that the individual metering and billing of energy consumption saves as much energy as virtually every other measure with comparatively low investment costs. The reduction in consumption is estimated at a figure of 15% to 25%. ista is the global leader in increasing energy efficiency. Last year, the company read and billed water, heat and ancillary costs with roughly 48 million devices in about 12 million households all over the world. The more than 450,000 customers include property managers and owners as well as energy utilities. Thanks to consumption-dependent billing, ista saves roughly 1.5 million tonnes of CO₂ emissions every year in Germany alone.

We provide the entire spectrum of our industry's services, from delivery and installation to the commissioning of the devices and billing. ista not only analyses energy and water data, but also inspects and optimises heating systems. Furthermore, the company offers products and services for tenant safety, such as smoke detectors and drinking water analyses. ista also provides individual solutions for energy consumption and energy cost management

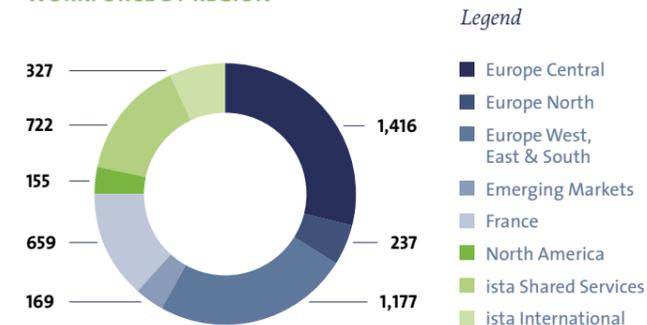
(see overview on page 12). In total, the company's portfolio comprises nine service areas with 16 individual services. The range contains 58 modular individual products.

With radio into the future

In Europe, buildings now account for almost 25%* of primary energy consumption, 80%** of which is attributable to heating and hot water. ista's solutions for energy data management can significantly reduce the consumption of energy and resources – without major investments being necessary. At the same time, ista is making an important contribution to protecting the climate and conserving resources by doing so. If the national and global climate objectives are to be achieved, it is crucial to cut heating energy and hot water consumption. Individual consumption billing sensitises people to the more responsible use of water and heat.

However, it is not just consumption-dependent metering that plays a crucial role in ista's long-term business success. The development of new products and services for mass use is equally important. For this reason, the development of sustainable solutions for saving resources in the real estate sector is anchored in the corporate strategy. Advanced technologies such as energy data management already permit further significant savings today. Thanks to data transmission by radio, consumption data can be made available in a transparent way during the year, in particular in the cost-intensive heating period. Users are therefore given the possibility to actively control their own consumption. For they can see every month whether their energy consumption is rising or falling and how much they will be billed.

WORKFORCE BY REGION



Different countries, different markets

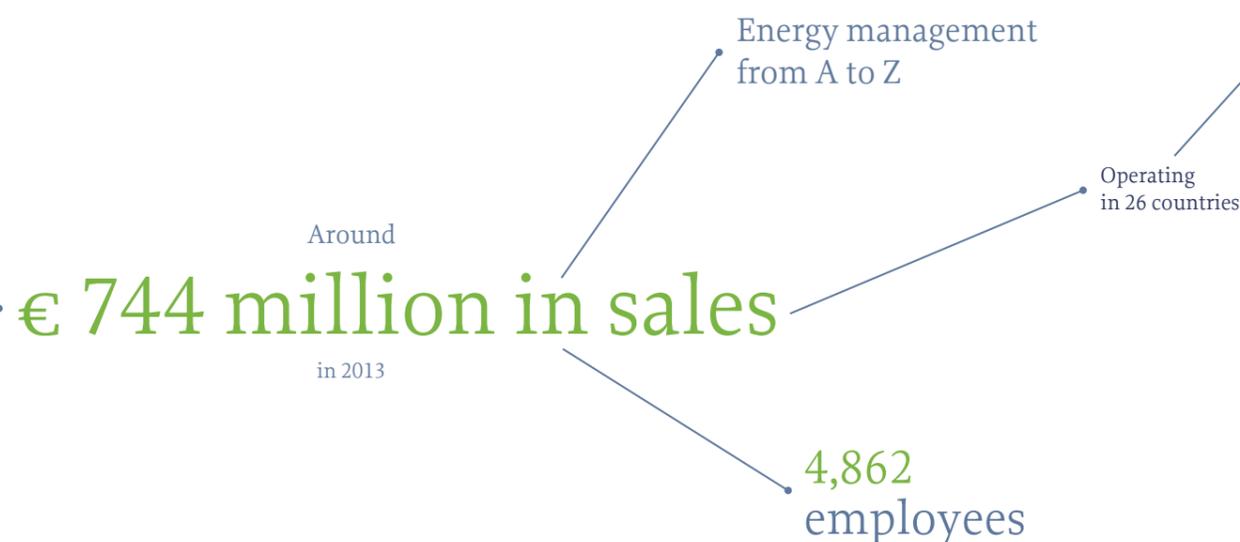
The ista Group operates in 26 countries. Sweden was added to the list in 2013. Its head office is located in Essen (Germany). In addition to numerous European countries, such as Denmark, the Netherlands, France, Italy, Spain, Belgium and Poland, the company is also represented in Russia, Brazil, China and the United Arab Emirates (see page 8–9). Europe forms the company's core market.

ista is the leader in most markets where the company is represented, including France, Belgium, Luxembourg, Denmark, the Netherlands and Poland. In Germany, ista is in a very strong second place. Almost everywhere, ista offers products and services for the consumption-dependent billing of heat and water. However, as the company focuses on meeting the local requirements in each country, the offering also varies from country to country.

The market potential for consumption-dependent billing depends on the proportion of multi-family houses and the importance of district heat and central heating in the particular energy supply market. In principle, ista sees two areas of growth here: European legislation is leading to a distinct trend towards the standardisation of products and services for individual consumption metering in the European market. The European Energy Efficiency Directive (EED) in particular has set crucial standards for this which now have to result in changes in the individual European member states. At the same time, the need for low-investment measures for greater energy efficiency is also growing in the major emerging countries, especially China.

4,862 employees, one common goal

In 2013, ista achieved worldwide sales of EUR 743.9 million. That is an increase in sales over 2012 of 4.8% (see table on page 12). In the reporting period, capital expenditures were EUR 92.7 million, of which EUR 68.5 million was in rental devices. ista acquired customer contracts of Präzisa Wärmemessdienst Tetzner e.K. and in the last quarter acquired the French metering service providers SAC Eau S.à r.l. and SAC Chauffage S.à r.l. With this acquisition, the energy service provider further extended its market leadership in France.

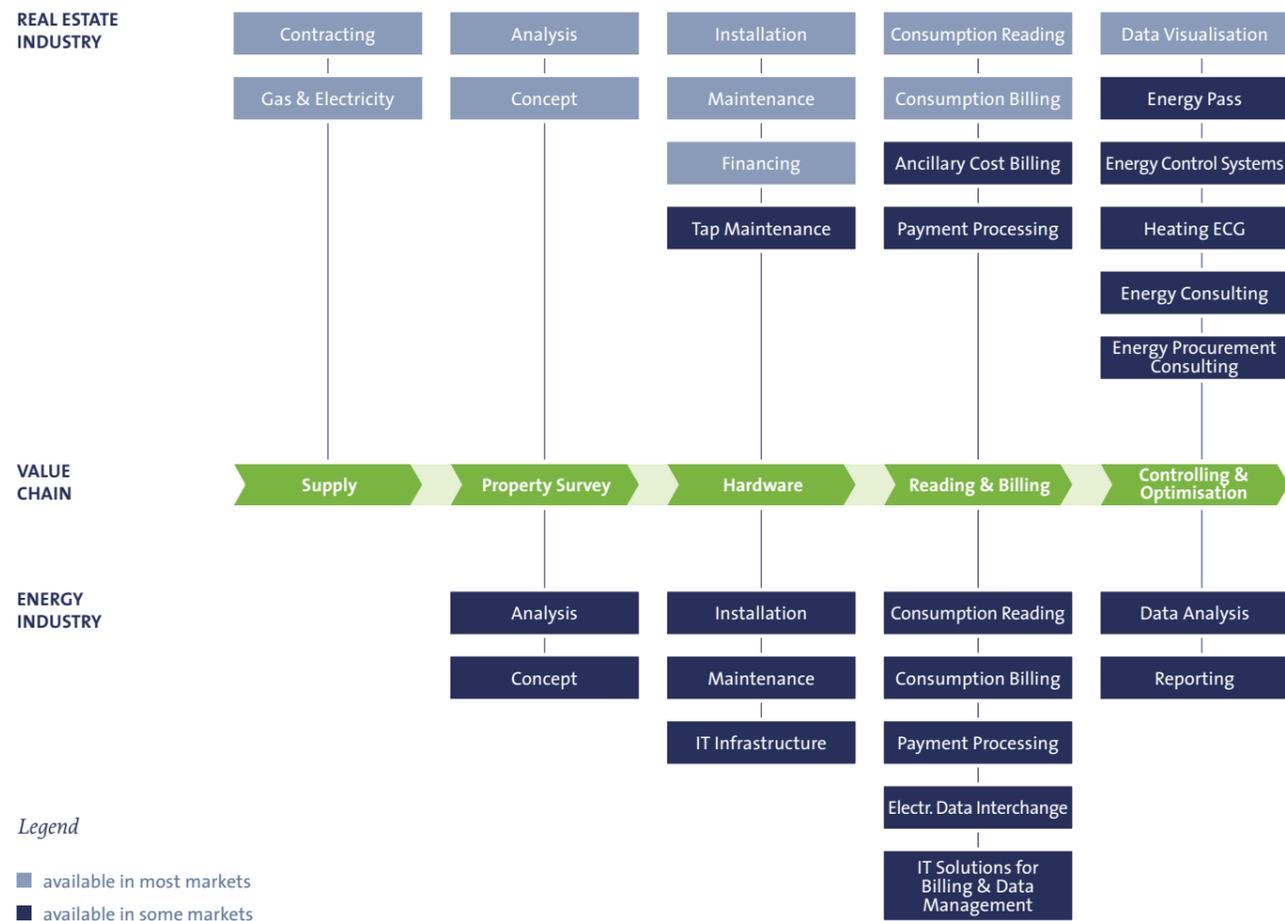


Source:

* cf. Eurostat 2009

** cf. UK Department for Business, Innovation and Skills

GLOBAL SERVICE – THE ISTA ENERGY MANAGEMENT PORTFOLIO



KEY FIGURES

	2012*	2013*	Change
Sales of ista International GmbH	EUR 710.1 million	EUR 743.9 million	+4.8%
Employees worldwide (average FTE)	4,477	4,647	+3.8%

*As a result of the sale of the ista Group to CVC Capital Partners in June 2013, and to improve comparability with prior periods and show meaningful key figures, the 2013 financials shown in this table are based on pro forma financials only, assuming the transaction took place as at January 1, 2013. No adjustments have been made to the 2012 financial figures.



Flexible: With ista EDM mobil, property managers and tenants have access to consumption figures and costs for heat, water and electricity.

A total of 4,862 employees worked for the Group as at December 31, 2013. In the reporting period, ista employed an average of 4,647 full-time equivalent employees, representing a slight increase compared with the previous year (4,477). In 2013, women accounted for almost half the workforce, with a share of 47%. In some countries, ista cooperates with independent service partners. In Germany, these partners perform meter installation and reading, for example.

Management triumvirate

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

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

ista in proven hands

In 2013, funds advised by CVC Capital Partners acquired the majority shareholding in ista; the management continues to hold shares in the company. Subsequently, ista issued corporate bonds for the first time in its history. The bonds are listed on the Irish stock exchange in Dublin; investors can purchase and trade ista's notes. ista regularly informs its investors in the form of quarterly reports and investor calls about the latest financial results and developments at the company.

The consolidated financial statements of ista as at December 31, 2013 included 48 companies in which ista holds directly or indirectly the majority of voting rights or determines the financial and business policy directly or indirectly on the basis of a controlling position. More detailed information on data and changes regarding the company and workforce structure can be found at www.ista.com/sustainabilityreport2013/.

Info

- The takeover of the majority shareholding by funds advised by CVC Capital Partners and the first issue of corporate bonds marked a new milestone in the company's history in 2013.



DON'T FORGET HEAT IN THE ENERGY TURNAROUND

The energy turnaround is a done deal in Germany. The entire electricity supply is to be changed over to renewable energies within just four decades. Wind power, solar energy and renewables will then replace fossil fuels such as coal and gas. The aim is also to improve energy efficiency – above all in the building sector.

The way in which the energy turnaround is being practised today is more like a change in the supply of electricity. It is resulting in the electricity supply becoming ever more decentralised. Small and medium-sized plants for renewable energies or combined heat and power generation are increasingly being used instead of large-scale power stations. However, too little or no consideration is being given to the subject of “energy efficiency”: attention is currently not focused on considerably reducing individual energy consumption, especially “building energy” or “energy for mobility”. Tremendous potential lies hidden here.

Identifying major savings potential

Above all, the effects of the heat market have so far been completely underestimated. Space heat and hot water account for 85 % of total energy consumption in private households in Germany. But why is everybody still talking mainly about a “cap on electricity costs”? In order to safeguard the success of the energy turnaround, there must be greater public awareness of the relevance of the heat sector and politicians should support this area much more than before.

The fact is that if we reduce our energy consumption, we are less dependent on fossil resources which are becoming increasingly scarce and more expensive. The government has quite rightly decided that the energy savings potential in the building sector has to be exploited. The EU Energy Efficiency Directive provides for measures which would oblige energy suppliers and distributors to save energy amounting to 1.5 % of their energy sales every year. Energy efficiency funds are also to be set up as independent organisational units and targets for restricting absolute energy consumption are to be formulated. ■

Source:
 • BMWi, 12/2011; reference year 2010



Prof. Dr. Claudia Kemfert
{ ENERGY ECONOMIST }

CV
Claudia Kemfert heads the Energy, Transportation and Environment department at the German Institute for Economic Research (DIW Berlin) and lectures as a professor for energy economics and sustainability at the Hertie School of Governance in Berlin. Her specialisations are energy research and climate protection. Moreover, she is a member of advisory councils of various research institutions as well as federal and state ministries.

Berlin, Germany

OUR STRATEGY: SUSTAINABILITY

Sustainability is our business. We contribute to saving energy, costs and emissions worldwide. We create transparency by determining and managing individual energy and water consumption. Everyone therefore finds out what they are actually consuming. This transparency and knowledge lead to the efficient use of energy and water – on quite a considerable scale.

For ista, sustainability is more than just lip service and more than just a part of our operations. As a company, we are totally committed to sustainable thinking and action. Our products and services help to save energy and water on a large scale. The production processes and workflows at our company are designed to achieve sustainable management and conserve resources. Our employees are passionate about acting in an environmentally compatible manner and are active on behalf of society. As a result, so each one of them is an ambassador for greater sustainability.

Therefore, corporate responsibility (CR) is not pursued on the sidelines, but at the heart of ista. When we develop new products and services or establish them on the market, energy efficiency is our leitmotiv. The more energy and costs our products save, the more successful we are on the market. At the same time, we optimise our internal processes and thereby cut expenditure on resources and materials. With both its current and prospective employees, ista sets great store by the respectful and careful treatment of the environment and society, of colleagues, customers and other relevant stakeholders (see diagram on page 16). This enables us to strengthen our credibility as an employer and an internationally successful company. It is not without reason that ista is the industry opinion-leader.

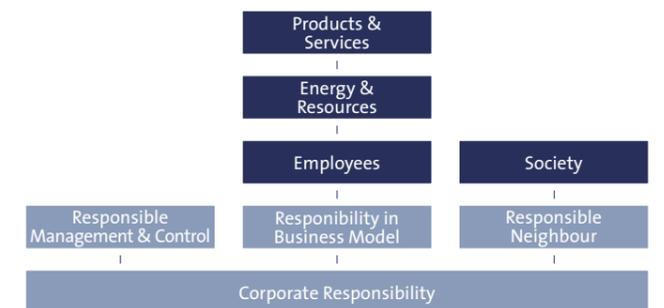
Commitment grows with “grow”

ista is so successful in the field of CR because of its employees’ commitment. Their effort plays a key role in the successful implementation of the sustainability strategy as well as in the company’s economic success. That’s why ista takes its responsibility towards its employees very seriously, offering them a wide range of development opportunities in the fields of vocational and further training and health. For example, in 2013, every employee spent on average 3.4 days, in other words 27.2 hours, on further training programmes.

For ista, it is quite natural for men and women to be treated equally – in terms of job opportunities and pay. For all these reasons, ista received the “Top Job” award in Germany for the third time in 2013. The “Top Employer” award was again conferred on the ista Shared Services Center in Poland.

In 2013, ista implemented the corporate volunteering programme “grow” for the first time – with the aim of encouraging the voluntary commitment of its employees even more effectively. To this end, the company combined the two programmes “energy matters” (international) and “ista gets involved” (Germany). The heart of “grow” involves Corporate Volunteering Days. In this way, the company aims to implement environmental projects which its employees have initiated themselves.

HOLISTIC CR APPROACH



ista’s sustainability strategy encompasses responsibility in management, responsibility in the business model and being a responsible neighbour.

The key environmental figures serve the management as a yardstick to measure the company's environmental performance. The Management Board uses the key figures of the Corporate Human Resources department to assess the company's societal and social performance. The analysis of staff turnover and further training rates enables the company to identify optimisation potential in this field. Furthermore, ista assesses projects completed in the field of social engagement.

A code offers guidance

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. In addition, ista's Code of Conduct is binding on all employees. It advises on how employees can avoid conflicts of interest and explains that the company rejects corruption and bribery. Corporate Internal Audit and Compliance supports the employees in applying all of ista's guidelines and ensures their compliance as part of its regular auditing activities. Employees who have questions about the requirements or do not want to discuss a topic with their superior can get in touch with the Senior Vice President Corporate Internal Audit and Compliance, Günther Meggeneder (see interview on page 19). All employees have access to ista's guidelines on the Intranet. Information on avoiding corruption and bribery is regularly brought to the attention of the management.

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. All employees have the possibility of reporting violations or a suspected violation to the Internal Audit department. No instances of discrimination were reported in 2013. In the reporting year, ista became a member of the Global Compact of the United Nations and therefore pledged to gear its business activities and strategies to ten universally recognised principles relating to human rights, labour standards, fighting corruption and environmental protection.

Body of experts promotes sustainability action

Sustainable management has a positive effect on the economy, society and the company. ista has therefore developed an international CR strategy which, in institutional terms, is anchored in the Sustainability Council (see diagram on page 18). This body identifies and promotes sustainability activities at all ista companies. It convenes three to four times a year. The Council develops standards, initiates projects and gives recommendations on strategy. More-

over, it is the contact for all sustainability questions and supports the operational units in implementing suitable measures.

The Sustainability Council reports directly to the management and advises the members of the management on sustainability issues. Here in Germany, there is still no procedure with which the sustainability performance of the Management Board can be assessed. At the other ista companies, the Council is supported by sustainability delegates. These employees coordinate the implementation of all CR activities in the individual countries together with the specialist departments. Furthermore, one member of the Council is an environmental consultant who is responsible for environmental questions at ista. He implements the environment management requirements and advises all companies on matters relevant to the environment.

Opinions and comments more than welcome

ista's most important stakeholders include customers, employees, owners, suppliers, associations and the media. They all place dif-

STAKEHOLDER DIALOGUE

Stakeholder	Communication examples and aims
EXTERNAL	
Customers	Customer events, customer advisory council, customer satisfaction survey, customer newsletter, Internet, personal customer care and support, corporate blog, newsroom
Associations, organisations, NGOs	Memberships, association work
Politics	Discussions with political parties
Owners	Monthly reporting and consultation meetings
Press	Press meetings / conferences, press releases, corporate blog, newsroom
Suppliers	Regular consultation meetings
Students, scientists	University cooperations
INTERNAL	
Employees	Staff appraisal interviews, employee opinion survey, information events, management blog, staff magazine, newsletter, Intranet

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

Sustainability institutionalised: the ista Sustainability Council is responsible for the successful implementation of international CR projects worldwide.

Member of the Global Compact of the United Nations

International corporate volunteering programme "grow"



ferent demands on ista. It is the task of all departments to address and allow for their individual needs in their business processes. ista has been in open dialogue with its stakeholders for many years (see table on page 16). The company selects the stakeholders considered in the CR strategy according to their proximity to the fields of action relevant to sustainability. In 2013, 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 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 stra-



Info

► At ista, transparency is not only visible in the business model itself, but also understood by the company as holistic, sustainable action in all areas of society.

SUSTAINABILITY COUNCIL



Representatives of all departments relevant to sustainability issues get together and report direct to the management.

tegic considerations through customer surveys and the customer advisory council.

The interests of the employees are determined in surveys and through direct feedback to superiors. Internal media keep the employees regularly informed about current developments at 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. The “get-together”, for example, is such an event held at the head office in Essen to which the management invites employees to exchange views with them. The multilingual management blog on the Group-wide Intranet serves a similar purpose; here, employees

Info

ista measures and can be measured – not least in terms of sustainability. Association work and its active membership in internationally renowned organisations are important components of this.

can post their opinions. 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. They then discuss current issues together. In addition, works councils champion the needs of the employees in Germany, France, Spain, Belgium and Denmark. In 2013, no cases were reported where the freedom of association or the right to conduct collective bargaining negotiations was jeopardised.

In demand as a discussion partner

Thanks to its expertise and international market leadership, ista is in demand as a discussion partner on the subjects of energy efficiency and energy management for politicians, business, associations and organisations. In this context, ista repeatedly makes it clear that transparency is an essential requirement for reducing energy consumption and the resultant impact on the environment.

ista is a member of various associations and organisations. One of them is “Europäischer Verein zur verbrauchsabhängigen Energiekostenabrechnung e.V.” (The Association for Energy Cost Allocation), in which five subsidiaries are represented and Walter Schmidt is the President. In Germany, ista is a member of the trade association “Arbeitsgemeinschaft Heiz- und Wasserkostenverteilung e.V.” (ARGE) and the environmental initiative B.A.U.M. e.V. 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. 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.

A step closer to the goal

ista’s core business is to promote energy efficiency. The management therefore 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. Due to 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 not put a figure on the financial impact of climate change on the company.

In 2013, ista came a step closer to its goal of becoming a company with a holistic sustainability approach. In the next few years, it is also important to further develop the CR strategy and anchor it more strongly at all locations worldwide. ■



Günther Meggeneder
{ SENIOR VICE PRESIDENT CORPORATE
INTERNAL AUDIT AND COMPLIANCE }

CV
Günther Meggeneder has headed Corporate Internal Audit and Compliance at ista as Senior Vice President since 2008. He is responsible for auditing processes in all 26 ista countries and in the central departments. Furthermore, Günther Meggeneder has been involved in the Institute of Internal Auditors for some years. Before joining ista, he worked as a coach and consultant in the auditing field.

ista Group

THREE QUESTIONS FOR ...

Only companies which repeatedly subject their internal processes to rigorous scrutiny and look for improvement potential can be successful in the long term. When it comes to these activities, ista places its trust in the expertise of the Senior Vice President Corporate Internal Audit and Compliance, Günther Meggeneder. He explains what his work is all about.

01 What is Internal Audit? Internal Audit supports ista in achieving strategic and operational goals. For this purpose, we examine business processes in the respective branches or national organisations as well as, for example, contracts which ista has with partners and suppliers. Before every audit, we draw up a detailed plan defining the object of the audit and determining the workflow. We then analyse existing process data and conduct interviews with employees. We examine whether the actual situation corresponds to the target situation. If this is not the case, we develop measures to optimise the process. Furthermore, we advise our colleagues worldwide on subjects such as corporate governance, compliance and risk management. Moreover, the workforce receives guidelines and directives from us.

02 What are the special features of internal auditing at ista? ista has a long history. So, on the one hand, we are dealing with traditional markets where we have already been successful for a long time. And, on the other hand, with new markets where we have only recently been operating. Here, many things are still in the start-up mode and the national organisations have, in some cases, not yet dealt in detail with certain issues such as risk management. Many processes are still undergoing change in the new markets, whereas the workflows in the traditional markets are firmly established. We have to convince both of the need for change, but in very different ways. ista has a very good communication culture. Therefore, these special features are not a major challenge for us.

03 What importance does transparency have for you? Transparency enables us to see how workflows are actually functioning. As a result, we can identify improvement potential and act accordingly. For me, transparency is the basis for the constant improvement of workflows at ista. ■

MAKING AWARE

PRODUCTS &
SERVICES



Energy savings through transparent energy data management and regular information on consumption

1,400

kWh per year*

... compensate for roughly 1,650 wash loads.** The washing of a family of four could be done for about 6.5 years.***

MANAGEMENT APPROACH

ista is constantly further developing its service and product portfolio on the basis of radio technology. Product and IT development are increasingly going hand in hand. The result: innovative technologies which create a significant increase in comfort and efficiency in the building sector with low investment. And, not least of all, the environment benefits from this.

People who save energy sustainably do not just save money. In these times of climate change, reducing CO₂ emissions remains one of the most pressing tasks of our time. ista's management therefore closely studies the opportunities and risks of climate change. On the one hand, legal developments such as the European Commission's Energy Efficiency Directive are increasing the demand for offerings which contribute to greater energy efficiency and the conservation of resources. On the other hand, medium-size businesses such as ista are facing tremendous structural and organisational challenges with no competitive advantages being gained. On the contrary, competition will be further intensified beyond industry boundaries.

Our advantage: today, ista's products and services are already playing their role in significantly cutting CO₂ emissions – all over the world. We create transparency through energy consumption and by doing so make it possible for people to deal responsibly with their own energy and resource consumption. It is this empowerment of people to change the way they deal with resources which, from our point of view, is one of the most important tools for active climate protection.

ista aims to safeguard profitable growth and increase the company's value. Today, the energy service provider is already the world leader in the consumption-dependent metering and billing

of water, heat and ancillary costs. ista intends to further extend this lead in future. 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.

The company values form the basis for the further strategic and operational development of the Group. They serve as a guideline for all employees. The establishment and maintenance of valuable partnerships with customers are of key importance. ista therefore regularly conducts customer surveys to find out how satisfied its customers actually are.

ista's Code of Conduct reflects how the company fundamentally expects employees to act and serves as a guideline on how to deal with sensitive issues, 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 strictly complies with ethical standards both in political lobbying and in marketing. The Group therefore does not sell any products which are banned in certain markets or are the object of critical public debate.

Info:

* Based on 15% savings of gas through the use of EDM Premium in an average rented apartment with a living area of 68.0 m², www.stromseite.de
*** A household with two adults and two children does about five loads of washing on average per week, which is about 260 wash loads per year.

Source:

** dena.de; based on an average, modern appliance in a normal washing cycle with a consumption of 0.85 kW/h
*** www.energieverbraucher.de

EVERYTHING UNDER CONTROL!

The restructuring of global energy systems is one of the most ambitious projects of our times in economic terms. Ever rising energy prices are mostly the result. But there is a simple remedy for this: transparency. People who know what they are consuming can act. ista shows how that works with the “Saving Money through Clever Heating” project.

People’s annual heating cost bills have so far failed to answer their questions as to when they have consumed, how much and why. As a consequence, they often have to make high additional payments for hot water and heating. However, there is great potential, especially in private households, to take the initiative and already cut consumption by very simple means. But how can that succeed? The most important requirement for this is transparency. If residents are regularly informed about their consumption, they can control their behaviour in a targeted manner and save energy and costs.

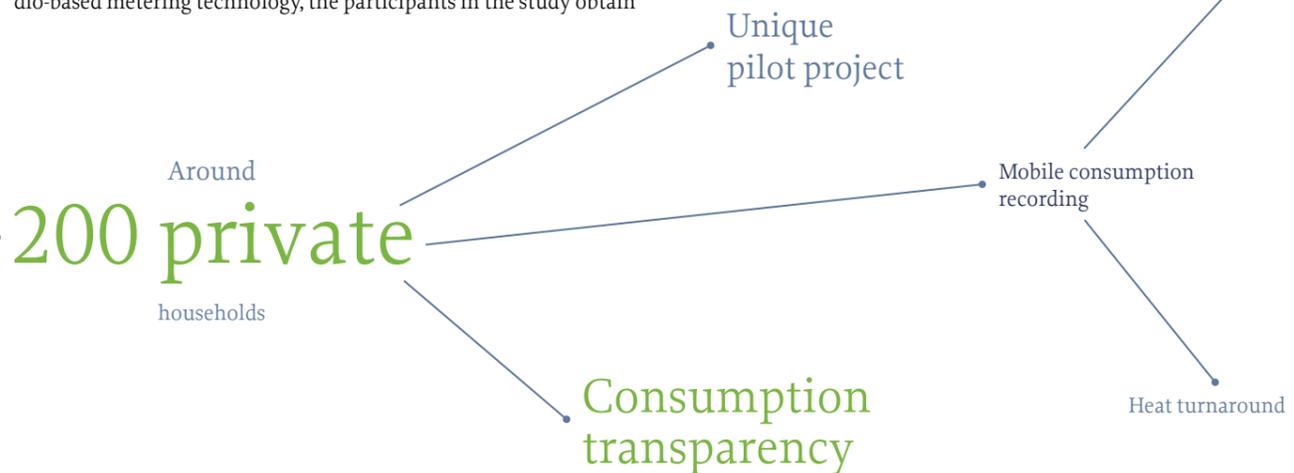
Saving energy can be so simple

Together with the German Energy Agency (dena), the German Tenants’ Association and the Federal Ministry for Environment, Nature Conservation and Nuclear Safety, ista has therefore initiated the “Saving Money through Clever Heating” project. In cooperation with the three real estate companies Allbau in Essen, Vaterländischer Bauverein in Berlin and GWG in Munich, ista has invited 700 households to participate in Europe’s largest field trial for consumption information during the year. Some 200 households are now checking their individual savings potential. With the aid of radio-based metering technology, the participants in the study obtain

their consumption data every month. “With this major project, we want to show that regular transparency is the key to saving energy in the building sector. With monthly information on their individual consumption, all the tenants can actively perform their own energy management and systematically save energy – depending on their own requirements,” says Antonio Fischetti, Head of Marketing and Business Development at ista.

The “smart tenant”

“We determine the individual monthly heating and hot water energy consumption for every apartment using the radio system. Very simple, manageable and easy for everyone to understand,” Fischetti continues. The latest data are presented to the users every month in graphs on a web portal, by app or in paper form, if requested. Thanks to ista, the tenants always have their current consumption for heating and hot water under control. They can compare their figures with those of the previous year, previous month and with the average consumption of the other apartments in their build-



Antonio Fischetti
{ HEAD OF MARKETING AND
BUSINESS DEVELOPMENT }

Award-winning: the ista energy app
Since 2013, ista has been offering a mobile energy app for smart phones and tablets to provide property managers and tenants with considerably more transparency concerning their energy consumption. The presentation of the consumption figures and costs for heat, water and electricity was adapted for mobile applications. The Initiative Mittelstand (“Initiative for small and medium-sized enterprises”) judged the ista energy app to be one of the best and most future-proof ideas and products for SMEs in Germany and awarded ista the Innovation Prize IT 2013.

Region Europe Central

ing – naturally climate-adjusted. Another bonus point: the cost savings are also displayed. This creates maximum transparency and boosts people’s awareness of the actual amount of energy consumed. “We are creating a real turnaround in attitude from the energy turnaround,” Antonio Fischetti stresses. “We are using transparency to counter the widespread feeling in the population of being powerless to do anything against rising energy costs. We are ensuring that the consumer can take personal charge of saving energy, costs and also CO₂ with very low investment costs.”

The “heat turnaround”

Consumers’ behaviour is so crucial because there is great energy savings potential, above all in the building sector. Heat and hot water consumption together account for roughly 85%* of total energy consumption in private households. We therefore need a “heat turnaround” – more responsible use of energy in our own four walls. This is the only way we can master the restructuring of the energy systems in an acceptable manner.

In black and white

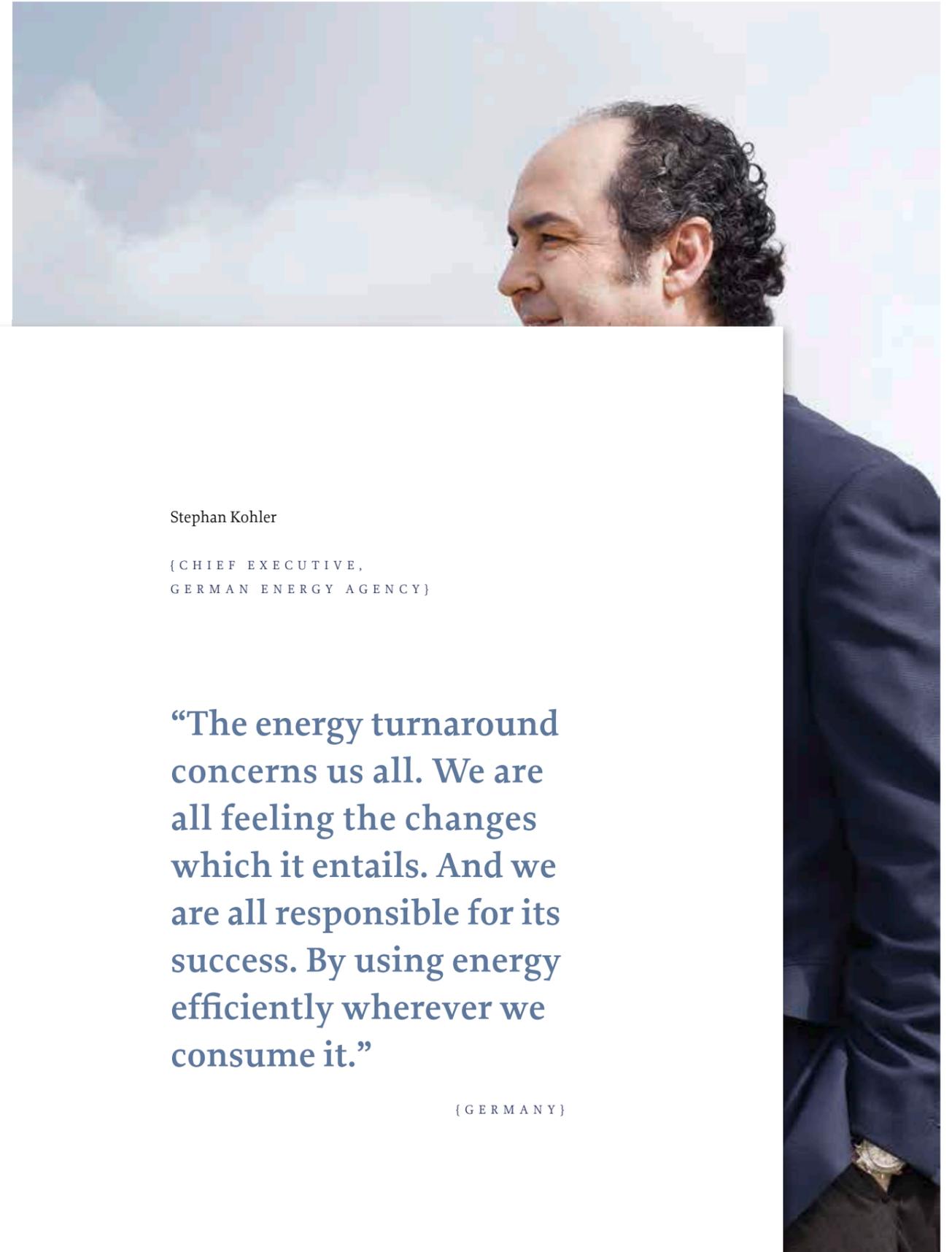
The “Saving Money through Clever Heating” project is to cover three heating periods and ends in 2016. A previous project implemented by the Institut für Wohnen und Umwelt (Institute for Housing and Environment) in Darmstadt determined an average savings effect of 14% as a result of providing monthly information on consumption. This is now to be confirmed. “I know of no other comparable project in the building sector,” says Antonio Fischetti, “which has such a positive cost-benefit ratio. Just imagine that at a cost of EUR 1 to EUR 2 a month, you can cut your energy consumption by a total of 10 to 15%; in other words, save more than EUR 100 a year.” Not to mention the impact on CO₂ emissions. The introduction of compulsory monthly consumption information in Germany alone would save as much energy as a nuclear power station generates in a year. Or to put it another way: 7.28 tonnes of CO₂ saved would be the equivalent of the total annual CO₂ emissions of a major city like Stuttgart.**

Info

► **Economy drive with ista energy data management.** ista develops sustainable and affordable solutions in the field of energy data management (EDM). Using this web-based service, customers can retrieve the data of the previous five billing periods from an on-line platform and view detailed evaluations. The premium version of the EDM goes even one step further: in this case, the consumption data of all the different types of energy can be metered and processed monthly thanks to modern radio technology.

Info / Source:

* BMWi, 12 / 2011; reference year 2010
** CO₂-Rechner klimAktiv; calculation based on an average of 11.1 tonnes of CO₂ emissions per capita



Stephan Kohler

{ CHIEF EXECUTIVE,
GERMAN ENERGY AGENCY }

“The energy turnaround concerns us all. We are all feeling the changes which it entails. And we are all responsible for its success. By using energy efficiently wherever we consume it.”

{ GERMANY }



Ignacio Abati

{ COUNTRY MANAGER }

“Saving energy is an ecological and economic megatheme. The statutory introduction of individual metering and billing of energy consumption could be a milestone for Spain. A milestone for greater transparency and lower costs.”

{ SPAIN }



SELECTION OF SUPPLIERS

Examination of suppliers regarding

- 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, Organisation for Economic Co-operation and Development (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 Corporate Internal Audit and Compliance. Of the major suppliers and service providers, 85 % 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. The company organises hardware and material procurement centrally. The engineering and production site is in Au (Germany). The hardware is also tested there.

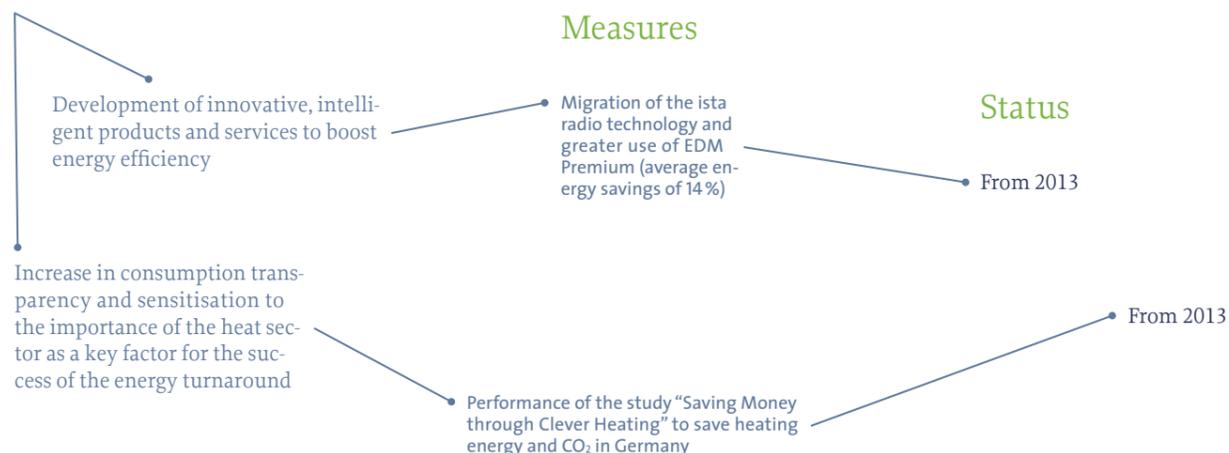


CRI

We gear our entire corporate action to our customers. That is why the company has been conducting a customer survey according to the specifications of the Customer Retention Index (CRI) for three years now. A total of 11 national organisations participated in 2013. On a scale of ten, the satisfaction ratings were between 5.9 and 8 points. The latest survey has shown that customers in the Czech Republic are particularly satisfied: 8 points were scored there.

PROGRESS TABLE

Aims & fields of action



Savings of CO₂ emissions through individual billing

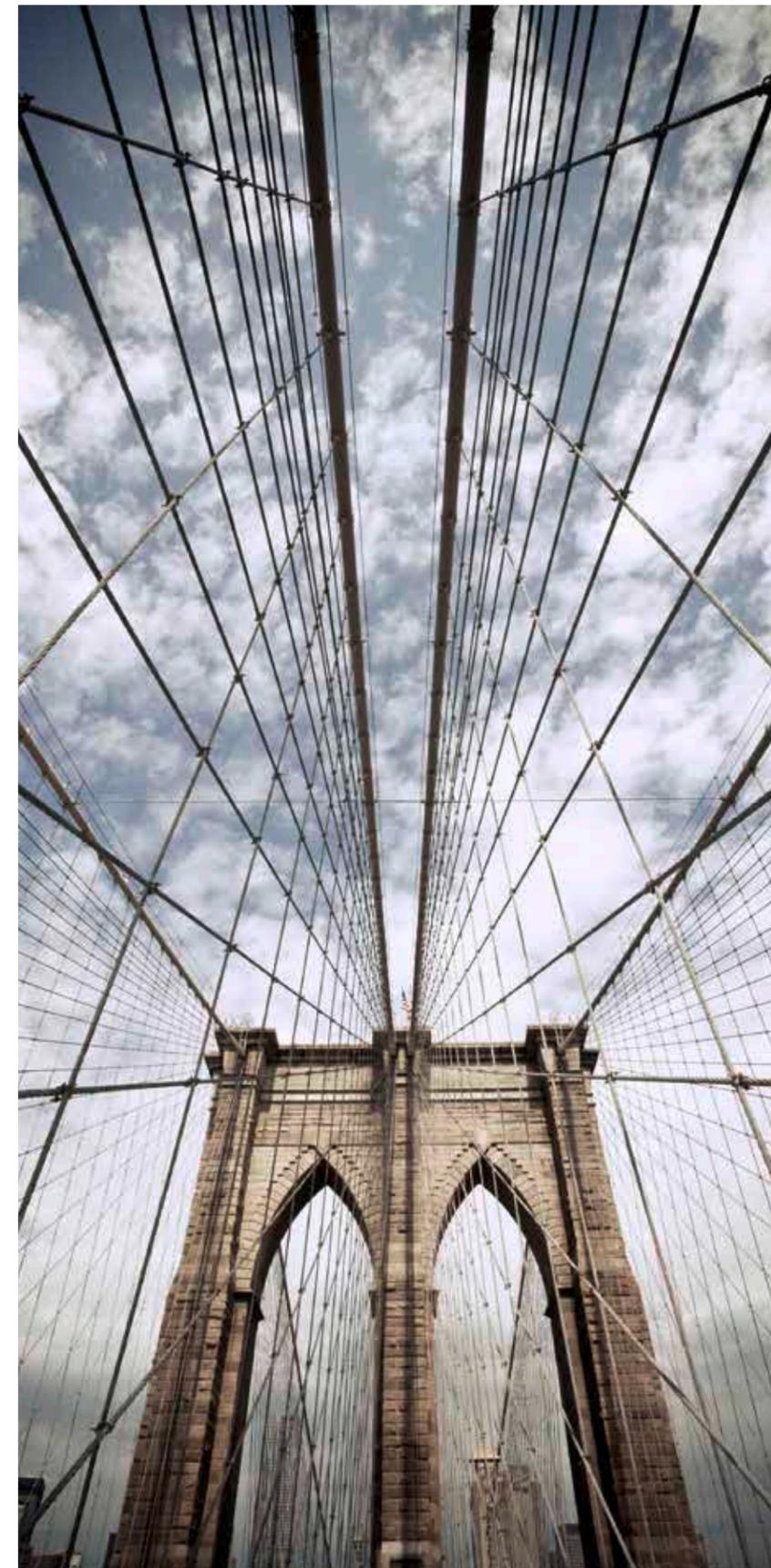
1.5

million tonnes of CO₂ emissions per year*

... compensate for roughly 440,000 return flights between Berlin and New York.**

Source:

*www.ista.de, ** www.atmosfair.de; with emissions of 3,410 kg of CO₂, based on a scheduled flight in economy class on an A330-300 over the distance of 12,868 km



ACTING CONSCIOUSLY

ENERGY &
RESOURCES



Water savings at ista worldwide

2,836,482

litres
of water

... correspond to roughly 18,910 bath fulls.*

MANAGEMENT APPROACH

At ista, resource conservation is a task which aims at the heart of our company. Just like our products, we are also committed in our workflows and processes to the conservation of nature and the environment. We are continuously optimising our consumption of paper, water, energy and fuel. Moreover, many of our employees also pass on their knowledge outside work as environment ambassadors. In order to make its constantly growing commitment visible, ista measures its progress in the field of sustainability every year.

Ista employees are bound by the company's Environmental Guidelines. These Guidelines not only prescribe compliance with statutory regulations, but also the responsible use of energy and resources. Through articles in internal communication media or training courses such as fuel-saving training programmes, our employees are given ideas on how they can use energy and resources more responsibly in their everyday working lives.

An integral part of the corporate strategy is to take ecological requirements into account. Therefore, saving energy and resources as well as cutting CO₂ emissions are core objectives of the Group-wide environmental management system. The focus is on reducing the consumption of heating energy, electricity, water, paper, fuel and production materials. ista also tries to produce as little waste as possible.

Therefore, each of the 26 ista national organisations initiates projects which increase environmental awareness – either inside or outside the company. Our Swiss colleagues, for example, have

moved into a building which is considerably more energy efficient than the previous premises. And in Belarus, employees give lectures as experts on the subject of energy efficiency at the country's universities.

Some years ago, ista began to set up a Group-wide environmental management system. Responsibility for this system lies with the Sustainability Council, which reports direct to the CEO of ista. The Council is the contact for all sustainability matters and provides support in the implementation of suitable measures. One member of the Council is an environmental consultant who is responsible for ecological issues. The Council is supported by sustainability delegates in the implementation of the sustainability strategy in the respective countries. Furthermore, key environmental data provide transparency on the progress made in this field. The recording of these KPIs is continuously being professionalised at ista. In the reporting period, data collection was revised and data processing optimised.

Info:

*Based on an average bath size with a capacity of 150 litres

Source:

*www.feelgreen.de

EFFICIENT ON THE ROAD

ista can't do without cars: the ista service technicians need vehicles to visit their customers. To ensure its employees worldwide get from A to B in as eco friendly a manner as possible with the least impact on resources, the company is constantly searching for new, more efficient solutions.

When the ista technicians in Belgium set off to their customers, they not only keep an eye on their speed, but also on fuel consumption. "Our technicians rely on their vehicles. Therefore, we have to consider how to send them off on the road in as eco friendly a manner as possible," says Finance and HR Manager Alexandre Stroobants. The plan: by 2017, the 42 vehicles of the Belgian company-car fleet are to be replaced by hybrid cars, i.e. cars with a combined electric motor and internal combustion engine.

The ambitious project was launched in mid-2013. Stroobants wanted to introduce hybrid cars even sooner. "But many models were too small. And our technicians need space in the boot for their work equipment," says the 43-year-old. Then Toyota launched the Auris Hybrid on the market, a car which satisfies ista's requirements. "For us, the right moment to make our company car fleet even more environmentally friendly," Stroobants explains. Five employees of the Belgian company now drive hybrid cars. When a conventional car has to be replaced, the more eco-friendly version is the only choice.

In addition, Stroobants is looking to raise the technicians' awareness of their consumption. Since 2011, he has been inviting his colleagues to participate in a fuel-saving competition. The message: "Each individual can conserve a lot of resources simply by modifying his or her behaviour slightly." The technicians who already drive a hybrid car are very satisfied, according to Stroobants. "The new cars have similar features to the old company cars and the same driving comfort," he says, summarising the feedback received so far.



Alexandre Stroobants
{ FINANCE & HR MANAGER }

ista Belgium has worked it all out: the hybrid model is more expensive to buy than the previous company vehicles, but fuel costs are lower. "We spend just as much money as before, but are doing something good for the environment at the same time," says Alexander Stroobants. "If we only cut fuel consumption by 20%, we'll reduce our CO₂ emissions by 36 tonnes – a very good result."

ista Belgium



5 technicians from ista Belgium are now driving hybrid cars.

All 42 vehicles of the Belgian fleet are to be replaced by 2017.

40 cars

at ista Spain are fitted with a so-called Masternaut system. It provides the drivers with regular information on their driving style. If they drive too fast, an alarm sounds.

12 hybrid vehicles are used by ista Brazil. They mainly run on ethanol.

However, Belgium is not the only ista company which is now opting for an eco-friendly company car fleet. In France, the employees' company cars must not emit more than 120 grammes of CO₂. "As a company that makes a contribution towards protecting resources with its products, we must also pay attention to this with our vehicles," says Najat Bouhnaïda, Process owner. Taxes can also be saved as a result. In addition, ista France has tested an electric car. "It is so small that we can easily find a parking space in the centre of Paris," says David Fellous, Manager for Direct Purchasing and Car Fleet. However, charging up the car is still a little problematic as the connection is not compatible with many charging stations. They are therefore currently looking for a different solution.

"As a company that makes a contribution towards protecting resources with its products, we must also pay attention to this with our vehicles."

ista Spain has also bought a small electric car which the technicians use in the city traffic of Madrid. "Slow-moving traffic is the rule here, especially at rush hour. That naturally consumes a lot of fuel. We drive more efficiently with the electric car," reports Rafael Ruiz Ruiz, Quality Manager at ista Spain. Another benefit: the drivers do not have to pay any parking charges when they park their car.

Furthermore, the Spanish company has installed a so-called Masternaut system in 40 of its vehicles which provides the technicians with regular information on their driving style. For example, an alarm peeps when they are driving too quickly and fuel consumption rises considerably as a result. In addition, they receive detailed information about their individual trips every month. "With this system, we can visualise the technicians' driving behaviour and encourage them to use fuel more efficiently," Ruiz says. Initial successes can already be seen. ista Spain will be able to reduce its petrol consumption by 10% within one year.



Benny Mathiesen

{ REGIONAL MANAGER REGION EUROPE NORTH }

“We are pushing the use of ultramodern radio technology so that our customers and users can save ever more energy. But ista itself also conserves resources: we are steadily reducing our paper consumption and use energy-saving LED lights.”

{ DENMARK }



Malgorzata Kisielewicz

{ TEAM LEADER AND
SUSTAINABILITY DELEGATE }

“We save resources where we can. To avoid business trips, we are making increasing use of web conferences. What’s more, we rarely print out e-mails. And when we do, only on recycled paper.”

{ POLAND }



ista's most important consumption figures – Trends in a year-on-year comparison

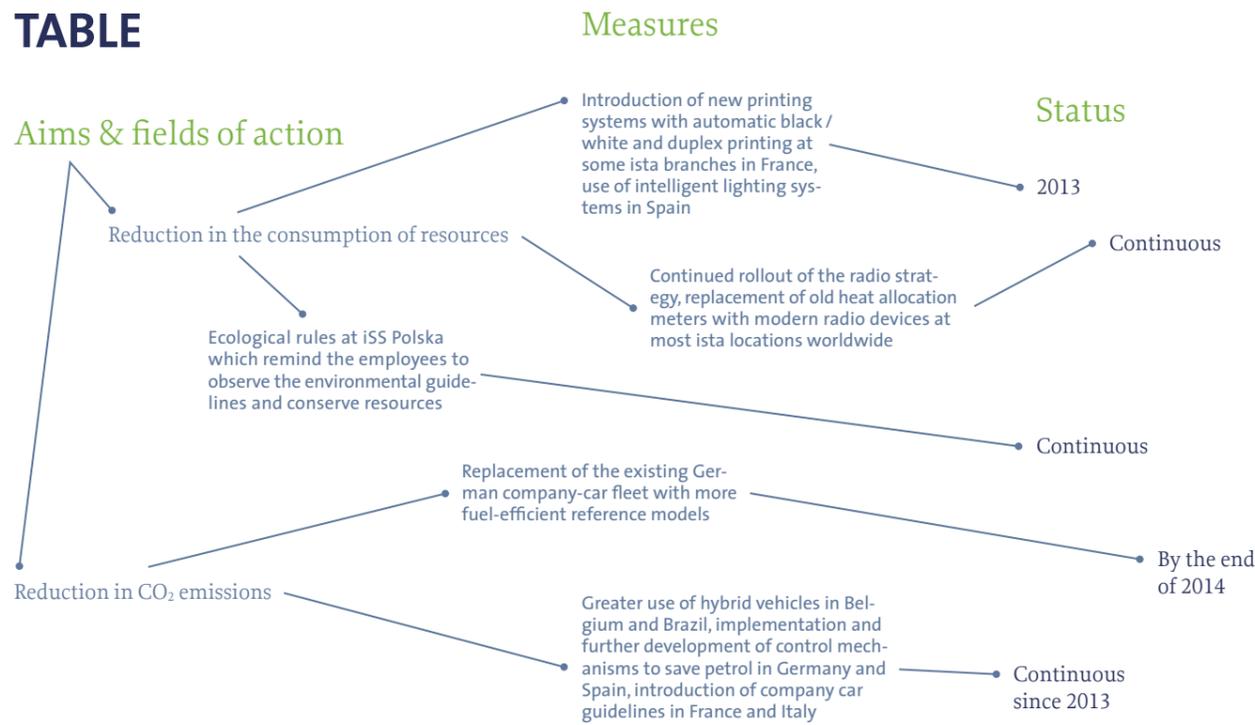


Info

► The key consumption data for 2013 include figures of locations with rents billed as a lump sum which, just as in the 2011 and 2012 reports, have been uniformly extrapolated to the individual types of consumption electricity, water and heating. Detailed information on the consumption figures is shown in tables on ista's website at www.ista.com/sustainabilityreport2013/.



PROGRESS TABLE



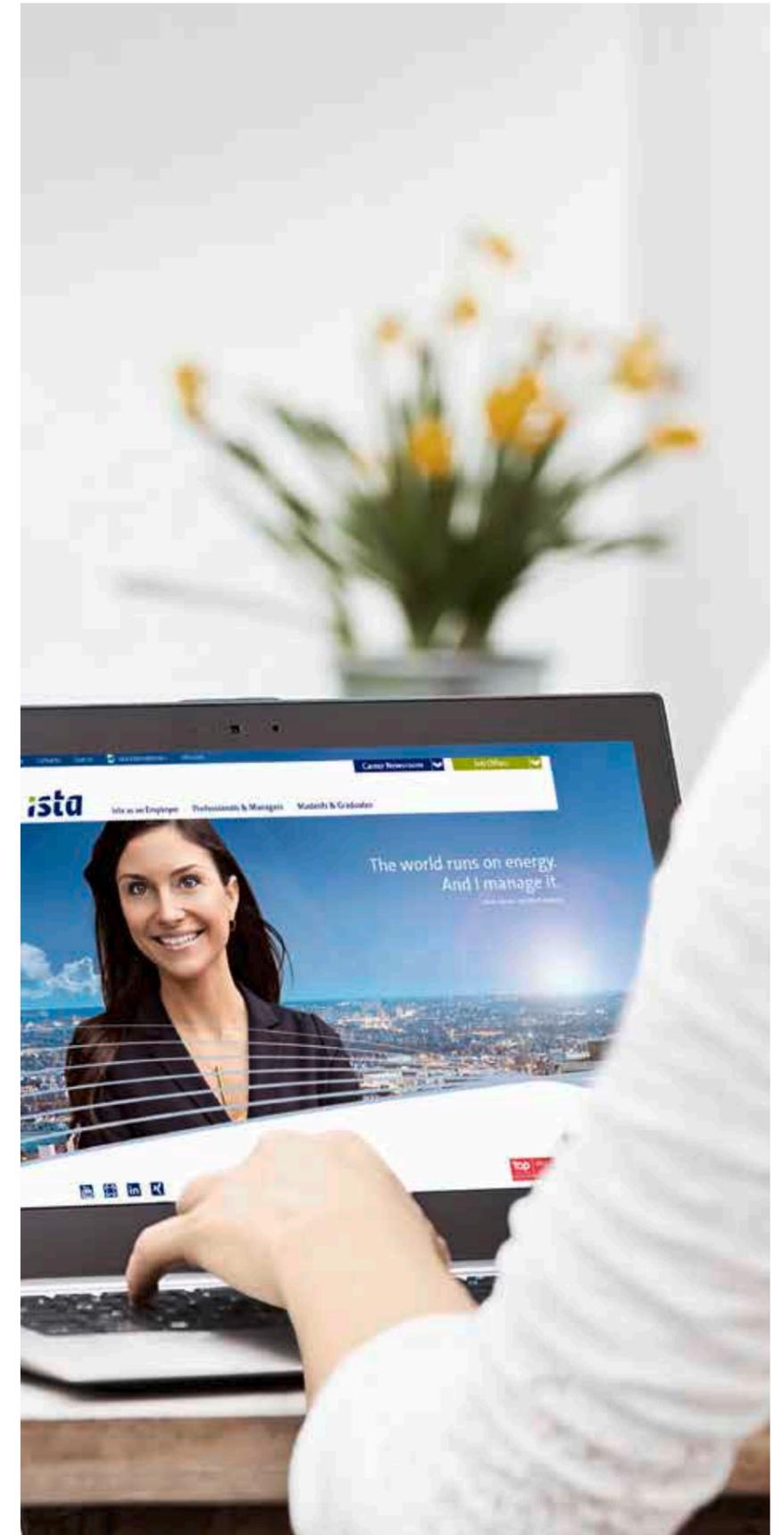
Source:
^{*} These keys figures were subject to a limited assurance engagement by KPMG AG Wirtschaftsprüfungsgesellschaft in 2014.
^{**} More accurate data for the period of the previous-year report 2012 are now available for individual key figures, which is why the corrected figures for 2012 are indicated at this point.
^{***} Based on an average use of 4 hours per day, rating of 80 W, <http://blog.123energie.de>

Electricity savings at ista worldwide of around

2.6

thousand gigajoules

... correspond to the annual electricity consumption of around 6,164 laptops.^{***}



COMMUNICATING OPENLY

EMPLOYEES &
SOCIETY



Balanced workforce structure

47%

*of ista employees
are women,*

... which shows that ista offers men and women equal job opportunities. That cannot be taken for granted, particularly at an IT-oriented company.

MANAGEMENT APPROACH

An open-door culture, regular satisfaction surveys and a lively exchange of views between employees and managers – it all shows that, at ista, transparency plays a key role in staff communications.

Ista would not be successful without committed employees. Their motivation, their vocational training and their expertise are crucial for the company to reach its targets. ista therefore offers its employees comprehensive support and, at the same time, calls on them to express their opinions and aspirations. ista's employees can voice their views at any time in surveys and through direct feedback to their superiors.

Once a year, staff appraisal interviews and target agreement talks are held, in which great emphasis is placed on reciprocal feedback. The employees are also given support in organising worker representation bodies and representing their interests in collective bargaining negotiations.

Men and women receive the same career opportunities at all ista locations. Flexible working time models help staff to better reconcile work and family. ista offers a wide-ranging further training programme to improve its employees' professional, method-

ological and personal skills. The company's own health management promotes employees' fitness and health, for example, with sports offerings and screening programmes. On average, every employee was absent on 8 days in 2013, compared with 8.4 days in 2010. The sickness rate has therefore remained largely stable at 3.6%.

Many ista employees become involved outside their work. The company promotes this commitment in resource conservation and environmental education. Here, the employees gain new experience and, at the same time, help to make the individual ista locations an even more integral part of their neighbourhood. In early 2013, the two sponsoring programmes "energy matters" and "ista gets involved" were merged into the new international corporate volunteering programme "grow". ista provides financial support for the "grow" projects and gives the employees time off work to conduct campaigns together. ■

ENERGY MANAGERS WANTED

Anyone who gets to know ista as an applicant or new employee is soon really passionate about the company. But first of all, suitable candidates have to discover that this medium-sized enterprise even exists. A new international employer branding campaign is designed to help make ista better known and attract qualified employees.

Franziska Loos from Germany, Sarah Achatz from the USA and Daniel Gavrilă from Romania – all three have smiles on their faces. All three say: “The world runs on energy. And I manage it.” And all three work for ista. Since March 2013, the company has been advertising itself as an employer with the faces of its own employees. “In our employer branding campaign, which we developed

and implemented together with the HR department of the Region Europe Central, we were determined to feature real employees and not photograph professional models,” says Tanja Perbix, Senior Project Manager Corporate Human Resources. Our colleagues now show their passion for ista in flyers, print and online advertisements as well as on the company’s career websites.



Tanja Perbix
{ SENIOR PROJECT MANAGER
CORPORATE HR }

“My job is full of energy because ...” ista’s employees complete this sentence in very individual ways. They can be seen in short YouTube videos on ista’s channel. In these clips, employees from different national organisations describe their employer and their daily work.

Can be found at: <http://bit.ly/1hqxD05>

ista Group



The amateur models had lots of fun, and the response to the result was very positive: “The fact that our brand ambassadors come from the company strengthens the we-feeling.” And that’s exactly what an employer branding campaign is supposed to do: in addition to addressing applicants, the aim is to strengthen the present employees’ bond with the company. The campaign is intended to attract skilled people who do not yet know ista to the medium-sized enterprise. “We are a very successful and steadily growing company. And so our demand for qualified employees is also growing,” Tanja Perbix says.

“In our campaign, we were determined to feature real employees and not photograph professional models.”

Naturally, with such an international campaign, national specifics also have to be taken into consideration. “For example, in the USA, job vacancy descriptions must be much more detailed than in Germany,” Tanja Perbix says. “So we did not get very far with our original plan to design the job advertisements merely as eye-catchers with as little text as possible.” Internet presence also varies depending on the size of the national organisation: whereas the large ista companies have their own career website, the career section in the medium-sized countries is integrated into the general website. The small countries, which only rarely have a vacancy to fill, refer prospective applicants to the Group’s English website, career.ista.com.

“Since the new career pages have been online, the applicants are so well prepared for their interviews that our recruitment team sometimes can’t think of anything new to tell them about ista,” says Tanja Perbix with a smile. The professional external presentation is helping a great deal in the search for suitable employees, according to feedback from the managers. And what is ista looking for? “We are looking for energy-charged, highly motivated employees who enjoy working in an international environment,” the HR manager says in summary. In return, ista offers a professional working environment in which the employees can make a big difference – as energy managers. ■

Good advice

Since March 2013, ista has been offering its employees in Germany external counselling. The Employee Assistance Programme helps in the event of health, personal or work problems and in difficult situations.

Info

► More HR key figures of ista worldwide as well as information on the structure and development of the workforce in a year-on-year comparison are available at: www.ista.com/sustainabilityreport2013/



Karin Argoud-Violeau

{ HEAD OF CONTROLLING }

“The International LEADership Training programme made me realise what staff leadership is all about: long-term motivation and mutual respect.”

{ FRANCE }



Anshul Garg

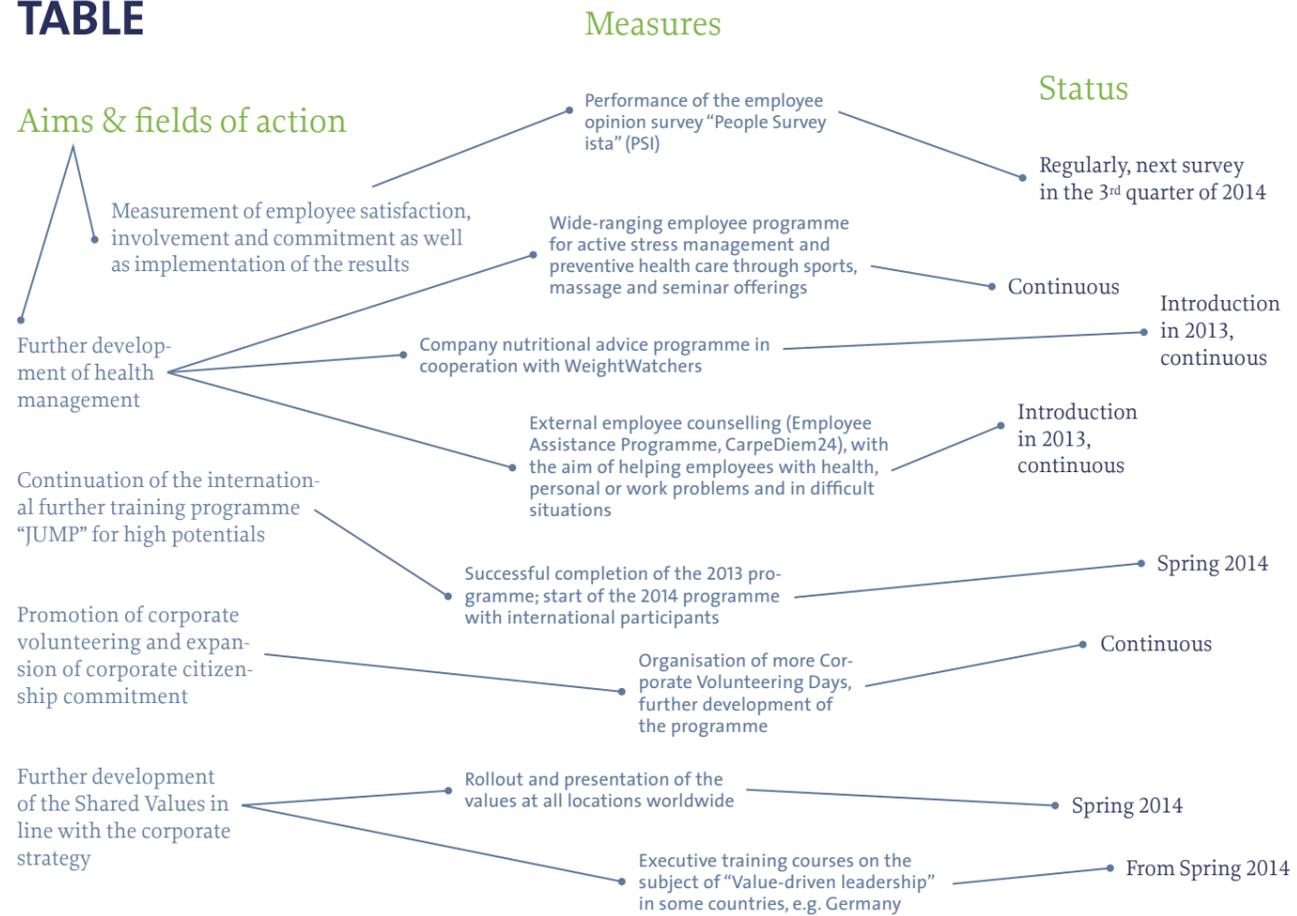
{ BUSINESS CONSULTANT EMERGING MARKETS }

“JUMP gave me the platform to accelerate both my professional and personal growth. Individual coachings helped me to define my objectives, and training courses gave me new perspective on leadership, our business and workplace management.”

{ GERMANY }



PROGRESS TABLE



New food for thought

Prominent experts talked about responsibility at the ista symposium



We must assume responsibility in all areas of life and towards all sections of society. For the obligation to act conscientiously and to take responsibility for what we have done is equally important in politics, industry and society.

Therefore, ista called its symposium held in June 2013 "Responsibility – the key subject of our times", with the aim of providing food for thought on responsible action.

The event was held as part of the 10th Housing Industry Discussions held in Düsseldorf. More than 180 guests attended the talks by the philosopher Richard David Precht, the political scientist Gesine Schwan and the actor Hannes Jaenicke. In his address, ista CEO Walter Schmidt summarised as follows: "Responsibility should be part of the DNA of each and every company."

Working together,
learning from one another

8.6

years
is the average length of service
at ista worldwide,

... which shows that the mixture of long-serving employees and those who joined the company more recently is just right at ista.



INDEPENDENT ASSURANCE REPORT*

To the Management of
ista International GmbH, Essen

We were engaged to provide assurance on selected environmental performance information for the business year 2013 in the "Sustainability Report 2013", including the further information on the Sustainability Report 2013 on the website, (further "The Report") of ista International GmbH, Essen (further 'ista'). Management of ista is responsible for the appropriateness of the determination and presentation of quantitative indicators on environmental performance in The Report in accordance with the reporting criteria, including the identification of material issues. Our responsibility is to issue an assurance report on the selected environmental performance information published in The Report.

Scope

Our assurance engagement was designed to provide limited assurance on whether the following environmental performance information is presented, in all material respects, in accordance with the reporting criteria:

- **Paper consumption:** Office consumption (incl. recycled), Production paper (incl. recycled), Notepads (incl. recycled), Envelopes (incl. recycled), Marketing materials (incl. recycled);
- **Energy consumption:** Electricity consumption, Heating energy (total), Heating energy I (gas), Heating energy II (oil), Heating energy III (district heating), Fuel for vehicle fleet (incl. diesel, petrol and LPG), Fuel for rented vehicles (incl. diesel, petrol and LPG), Fuel for private vehicles (incl. diesel, petrol and LPG);
- **Quantity of water withdrawn;**
- **Greenhouse Gas emissions:** through heating energy consumption, through electricity consumption, through the vehicle fleet, through rented cars, through private cars, through air travel, through train journeys and public transport.

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

Reporting criteria and assurance standards

ista applies the Sustainability Reporting Guidelines G3.0 of the Global Reporting Initiative, supported by internal guidelines, as described in the section "About this report", as reporting criteria. We 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, and the International Standard for Assurance Engagements (ISAE) 3410: Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require, amongst others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that we comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure our independence.

Work undertaken

Our procedures included:

- A risk analysis, including a media search, to identify relevant sustainability aspects for ista in the reporting period.
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of the environmental performance information, including the consolidation of the data.
- Interviews with relevant staff at corporate level responsible for providing the data, carrying out internal control procedures and consolidating the data in The Report.
- An analytical review of the data and trend explanations submitted by all sites for consolidation at corporate level.
- Visits to Essen (Germany) and Schiedam (Netherlands) to assess local data collection and reporting processes and the reliability of the reported data.
- An evaluation of the overall presentation of the selected environmental performance information within the scope of our engagement.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention to indicate that the selected environmental performance information for the business year 2013 in The Report is not, in all material respects, presented in accordance with the reporting criteria.

Düsseldorf, June 11th, 2014

KPMG AG Wirtschaftsprüfungsgesellschaft

Simone Fischer

Certified Public Accountant

Alexander Glöckner

Certified Public Accountant

Source:

*Translation of the independent assurance report, authoritative in German language. Our engagement applies to the German version of the ista Sustainability Report 2013



Statement GRI Application Level Check

GRI hereby states that **ista International GmbH** has presented its report "Transparency – Metering. Understanding. Acting." (2014) 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. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 2 June 2014

Ásthildur Hjaltadóttir
Director Services
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

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 23 May 2014. GRI explicitly excludes the statement being applied to any later changes to such material.



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 (G3 Indicators)	Level of Compliance	Pages
1. VISION AND STRATEGY		
1.1 CEO statement	completely	2 f.
1.2 Key impacts, risks and opportunities	completely	2 f., 10 ff., 15 ff., 21, 26, 29 ff., 37 ff.
2. ORGANISATIONAL PROFILE		
2.1 Name of the reporting organisation	completely	6 ff.
2.2 Brands, products and / or services	completely	6 ff., 22 f.
2.3 Operational structure	completely	6 ff.
2.4 Headquarter location	completely	11
2.5 Countries in operation	completely	8 ff.
2.6 Nature of ownership	completely	13
2.7 Markets	completely	6 ff., 38 f.
2.8 Scale of the organisation	completely	10 ff., online*
2.9 Significant changes during the reporting period	completely	Cover, 10 ff., online*
2.10 Awards received	completely	Cover, 15
3. REPORTING PARAMETERS		
3.1 Reporting period	completely	Cover, online*
3.2 Date of the most recent previous report	completely	Cover, online*
3.3 Reporting cycle	completely	Cover, online*
3.4 Contact point for questions	completely	Cover
3.5 Process for defining report content	completely	Cover, 2 f., 15 ff.
3.6 Boundary of the report	completely	10 ff., online*
3.7 Limitations on the report's scope	completely	Cover, online*
3.8 Joint ventures, subsidiaries, and outsourcing	completely	Cover, online*
3.9 Data measurement techniques	completely	Cover, 2 f., 29, online*
3.10 Effects of information re-statement	completely	Cover, online*
3.11 Changes from previous reports in the scope, boundary or measurement techniques	completely	Cover, 29, online*
3.12 GRI Index	completely	46 ff.
3.13 External assurance	completely	44 f.

Source/Additional information:

* ista Website: www.ista.com/sustainabilityreport2013/

** The ista Code of Conduct is binding for all our employees and informs them that ista rejects corruption. There were not specific training sessions on this issue in 2013, however employees receive the guidelines in written form and have to respect them. They also obtain further information via intranet and printed materials.

GRI Index (G3 Indicators)	Level of Compliance	Pages
4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT		
4.1 Governance structure of the organisation	completely	13, 15 ff.
4.2 Indication whether chairperson is also executive officer	completely	13
4.3 Independent members of the board	completely	13
4.4 Mechanisms for recommendations of shareholders / employees to the board	completely	15 ff.
4.5 Linkage between compensation of the highest governance body and the organisation's performance	completely	13
4.6 Mechanisms to avoid conflict of interest at board level	completely	16, 21
4.7 Qualification of the board in terms of sustainability issues	completely	15 ff.
4.8 Mission statements, codes of conduct and principles	completely	15 ff., 19, 21, 26
4.9 Processes of the board to control the sustainability performance	completely	2 f., 15 ff., 19, 21, 29, 37
4.10 Processes for evaluating sustainability performance of the board	completely	16
4.11 Precautionary approach principle	completely	2 f., 6 ff., 15 ff., 19, 21, 29, 37
4.12 External agreements, principles or initiatives	completely	Cover, 2 f., 16 ff., 21 ff.
4.13 Memberships in associations and advocacy organisations	completely	Cover, 16 ff.
4.14 Stakeholder groups	completely	15 ff.
4.15 Selection of stakeholder groups	completely	15 ff.
4.16 Inclusion of stakeholder groups	completely	15 ff., 19, 39 ff.
4.17 Questions and concerns raised by stakeholders	completely	2 f., 15 ff.
5. PERFORMANCE INDICATORS		
Economy – Management approach	partially	21
EC1 Direct economic value generated and distributed	partially	10 ff., online*
EC2 Financial implications due to climate change	completely	2 f., 6 f., 10 f., 18, 21, 25
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	26
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	
Environment – Management approach	partially	29
EN1 Weight / Volume of materials used	partially	34, online*
EN2 Percentage of materials used that are recycled input materials	completely	33, online*
EN3 Direct primary energy consumption	completely	34 f., online*
EN4 Indirect primary energy consumption	completely	34 f., online*
EN5 Energy conservation	partially	30 ff., online*
EN6 Initiatives for energy-efficiency and renewable energy	not at all	
EN7 Initiatives for reducing the indirect energy consumption	partially	30 ff.
EN8 Total water withdrawal by source	completely	28, online*
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	34, online*
EN17 Other relevant greenhouse gas emissions	completely	34, online*
EN18 Initiatives to reduce greenhouse gas emissions	partially	30 f.
EN19 Emissions of ozone-depleting substances	not at all	
EN20 NO _x , SO _x and other air emissions by weight	not at all	
EN21 Wastewater discharge	not at all	

GRI Index (G3 Indicators)		Level of Compliance	Pages
EN 22	Waste by type and disposal method	not at all	
EN 23	Total number and volume of significant spills	not at all	
EN 24	Hazardous waste according to the Basel Convention	not at all	
EN 25	Effects of wastewater on biodiversity	completely	online*
EN 26	Initiatives for minimising impact on the environment	not at all	
EN 27	Percentage of products sold and their packaging materials that are reclaimed	not at all	
EN 28	Sanctions for non-compliance with environmental regulations	completely	online*
EN 29	Impact of transport	partially	30 f.
EN 30	Expenditure on environmental protection	not at all	
Labour Practices and Decent Work – Management approach		partially	37
LA1	Workforce by employment type and region	completely	10, 12 f., 39, online*
LA2	Employee turnover by age group, gender and region	partially	43, online*
LA3	Benefits for full-time employees	not at all	
LA4	Employees with collective bargaining agreements	partially	37
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	37
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	15, 40 f.
LA11	Programmes for lifelong learning	not at all	
LA12	Performance reviews and development planning of employees	partially	37
LA13	Composition of governance bodies and employees	not at all	
LA14	Remuneration by gender and employee category	partially	15, 36 f.
Human Rights – Management approach		partially	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, 26
HR3	Training on human rights	not at all	
HR4	Incidents of discrimination and actions taken	completely	16
HR5	Freedom of association and collective bargaining	completely	18
HR6	Child labour	completely	16, 21, 26
HR7	Forced labour	completely	16, 21, 26
HR8	Training for security personnel	not at all	
HR9	Violation of rights of indigenous peoples	completely	online*
Society – Management approach		partially	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	16", 21
SO4	Corruption cases and actions taken against corruption	not at all	
SO5	Positions and participations in public policy development and lobbying	completely	16 ff., 25
SO6	Contributions to parties and politicians	not at all	
SO7	Legal actions for anti-competitive behaviour	completely	online*
SO8	Sanctions for non-compliance with laws and regulations	not at all	
Product Responsibility – Management approach		completely	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	online*
PR3	Principles / processes for product identification	not at all	
PR4	Non-compliance with product information standards	completely	online*
PR5	Customer satisfaction	completely	15 ff., 21, 26
PR6	Programmes for adherence to laws and voluntary codes relating to advertising	completely	18, 21
PR7	Non-compliance with marketing standards	completely	online*
PR8	Infringement of customer data protection	completely	online*
PR9	Sanctions for non-compliance with product and services requirements	completely	online*

Memberships



Awards



Responsible

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