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Sustainability Report 2016

ABOUT THIS REPORT

In this Sustainability Report 2016, we inform our stakeholders about progress made in relation to our sustainability strategy, goals and the implementation of measures in the 2016 reporting year.

SUSTAINABILITY REPORT 2016

The Sustainability Report 2016 of ista International GmbH is ista's seventh sustainability report. It also represents the progress report for the Global Compact of the United Nations. In addition, we are reporting the information in our Sustainability Report for the first time in accordance with the German Sustainability Code. The relevant declaration can be viewed [here](#).

G4-17

FRAME OF REFERENCE

The report includes 50 companies worldwide and is based on the key figures for the 2016 calendar year.

GUIDELINES AND REPORT PREPARATION

In our reporting, we comply with the internationally recognised guidelines of the Global Reporting Initiative (GRI). We report in accordance with the version GRI G4 and satisfy the "in-accordance - core" option. This report has also been verified by the Materiality Disclosures Service of the GRI. The correct positioning of the G4 materiality disclosures (G4-17 – G4-27) has been confirmed by the GRI. In preparation for this report and to determine the report contents, we once again conducted a materiality analysis. We involved internal and external stakeholders in this analysis and conducted an assessment from the business perspective. We present the process and results in the chapter [New focal topics](#).

KEY FIGURES AND AUDIT

Whereas the key figures regarding the workforce structure in the chapter Employees were recorded as of December 31, 2016, the specific key environmental figures are based on the average full-time equivalent (FTE) for 2016. The employee figures for the subsidiaries GENEK GmbH & Co. KG and Betriebskosten Geräte Software GmbH were not taken into account. Selected employee key figures, for example the number of training days per head, are also based on the FTE figures. Furthermore, there are differences in the headcount figures between the consolidated financial statements and this sustainability report. This is due to a different definition of headcount. In the context of the sustainability report, groups of employees such as temporary student workers, apprentices and employees on maternity or parental leave are recorded differently than in the consolidated financial statements.

Selected key environmental figures for financial year 2016 were the subject of an audit with limited assurance conducted by KPMG AG Wirtschaftsprüfungsgesellschaft. Audited key figures are identified in the chapter Key figures by the symbol . You can view the audit certificate [here](#).

We professionalised recording of the key environmental figures still further in the reporting year. Consequently, there are fewer estimates than in 2015. The proportion of

data based on estimates is 9 % for electricity consumption, 22 % for gas consumption and 40 % for district heat and water consumption. In this report, we have corrected some of the key figures for 2015 as the consumption figures for some branches were not yet available on the publication date of the Sustainability Report 2015. The corrected key figures have a footnote to that effect.

CO₂ emissions, for example, were calculated on the basis of the conversion factors of the International Energy Agency, the Bavarian State Office of the Environment (Bayerisches Landesamt für Umwelt) and the Institute for Housing and the Environment (IWU). When balancing CO₂ equivalents, we converted the other greenhouse gases emitted (e.g. carbon dioxide or methane) into CO₂ emissions in line with their impact on the climate and then stated them, together with the CO₂ emissions, as CO₂ equivalents.

EDITORIAL NOTE

The copy deadline for this report was May 31, 2017. To improve readability, we have avoided using both genders and only use the masculine form. However, the feminine form is also meant. The sustainability report of ista International GmbH appears annually. The next report will probably be published in the summer of 2018.

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FOREWORD

Dear readers,

Keeping in step with the future is good. Being a step ahead is better. This is one of the reasons why the title of this year's sustainability report is "Onwards and Upwards".

For we at ista take responsibility for our customers and employees and for the environment and society by steadily developing ourselves further. "Carrying on as before" is never enough for us. Together with our customers, we want to continually make further improvements to our solutions for greater energy efficiency in buildings. And we want to launch new, innovative products and services that fully exploit the opportunities of digitalisation. Not just for the mere sake of using a new technology but in order to achieve maximum energy savings from every euro invested.

To achieve this, it is important to conduct a regular critical review of ourselves and to check whether the path we have chosen is the right one. Therefore, in 2016 we launched a comprehensive, Group-wide strategy and development programme designed to make our company fit for the future. We want to become even better – together with our employees and customers. To do this, we want to strengthen the quality of our services and seek even more intensive dialogue with our customers. We want to further digitalise our metering technology and, with a view to our long-term corporate goal, continue growing and significantly enlarge our workforce.



We are committed to driving our company onwards and upwards so we can continue making a sustainable contribution to the success of the energy transition.

Against this background, we also started our new, large-scale sustainability project "ista schools in energy efficiency" in the reporting period. In 2017, the city of Essen was awarded the title "European Green Capital" by the European Commission – also in recognition of the successful structural transformation which the former mining and coal metropolis has undergone. ista is promoting the project and equipping schools in Essen with the latest metering technology to make consumption transparent and consequently make the pupils enthusiastic about energy-efficient behaviour.



Going forward, we want to extend the scope of the project to the whole of Germany and even roll it out internationally.

Our actions are guided by our company codes but also by general codes of conduct such as the ten principles of the UN Global Compact. In particular the [Shared Values](#), our five company values, form ista into a homogeneous unit despite its global presence in 24 countries and give our employees clear guidelines.

This report also represents our progress report to the [Global Compact of the United Nations](#) and illustrates how we promote human rights, good working conditions, environmental protection and anti-corruption programmes throughout the world.

I am very much looking forward to moving onwards and upwards with you into a transparent and energy-efficient future.

If you have any suggestions or would simply like to share your impressions with us, please write to us at sustainability@ista.com.

Your Thomas Zinnöcker

CEO ista International



WE WANT GREATER ENERGY EFFICIENCY – TOGETHER WITH YOU.



ista is developing further and becoming even better. From a specialist for heating cost billing to a modern real estate service provider for greater energy and process efficiency. To achieve this, we are systematically focusing on digital technologies: today for transparent metering, billing, visualisation and management of individual heat consumption, tomorrow for additional services for our residential real estate customers.

GLOBAL

We think and act globally. Our head office is in Essen, Germany and we operate in 24 countries worldwide. In addition to Germany, we focus in particular on European markets such as Denmark, France, Italy and Spain. But fast-growing markets outside Europe, such as the United Arab Emirates, China and Russia, are also gaining importance. We are already the market leader in many countries. In Germany, the Group is one of the leading companies in the industry. ista's activities are supported in some countries by independent service partners.

TRANSPARENT

We create transparency. People can only save energy if they know what they are consuming. Submetering enables every resident of a multi-family building to receive an individual bill for heating and hot water costs. Everyone therefore only pays for the energy they actually consume. And everyone can decide how actively they want to manage their own energy consumption. Residents make sustainable energy savings of 20% on average and therefore also achieve lasting cost cuts when they receive transparent annual consumption information. ►



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

Our customers are housing companies, house owners and home owners' associations. We are also increasingly extending our activities to include commercial properties.

DIGITAL

We want to become even more digital together with our customers. Together we want to develop and use digital technologies so that they provide greater comfort, greater quality and in particular greater energy efficiency for the user. To achieve this, in the first stage we intend to double our percentage of digital metering devices which can be read completely remotely by the end of 2017. 80% of our devices on the market are to be digital by 2021. Today, the fully remote reading of consumption figures has two major advantages: firstly, there is no need for meter-reading appointments, secondly, consumption and costs are processed even more transparently on the web portal or on a smartphone – not only once a year but also at regular intervals during the heating period. The latest studies show that, thanks to the monthly visualisation of their data, residents consume on average another roughly 10% less energy than residents who do not receive such information.

RESPONSIBLE

We act responsibly in everything we do. For our customers and employees, for the environment and society. And we get involved everywhere we are represented. For example, at our head office in Essen. In our school project, "ista schools in energy efficiency", we are equipping schools in Essen with the latest technology for metering energy consumption and therefore creating greater awareness for energy efficiency in schools.

G4-17

LEADING

In 2016, ista recorded worldwide sales of € 850.4 million, a year-on-year increase of 4.9%. Total capitalisation amounted to some € 4.2 billion. € 134.3 million was invested in the reporting period, including



€ 103.0 million alone in hardware components which we rent out to our customers. 5,710 employees worked for the Group. The full-time equivalent as at December 31, 2016 was 5,397. Women accounted for nearly 49% or almost one in two of the workforce in 2016. In addition to ista Luxembourg GmbH S.à r.l., another 49 companies are included in the consolidated financial statements of ista Luxembourg.

SMART

The Management Board of ista International GmbH is responsible for strategic and operational control of the ista Group. The managing directors are Thomas Zinnöcker, Chief Executive Officer (CEO), Christian Leu, Chief Financial Officer (CFO), and Jochen Schein, Chief Operating Officer (COO). The remuneration of the Management Board consists of a fixed component and a variable component that depends on the overall success of the company. Christian Leu, Maria Oestreicher and Pierre Baumruck sit on ista Deutschland GmbH's Supervisory Board – Christian Leu is the Supervisory Board Chairman. The parent company of the ista Group is Trius Holdings S.C.A. headquartered in Luxembourg. The majority of this company's owners are funds advised by CVC Capital Partners. The ista Management Board also holds shares in the company.



5,710

employees worked for ista in 2016



49%

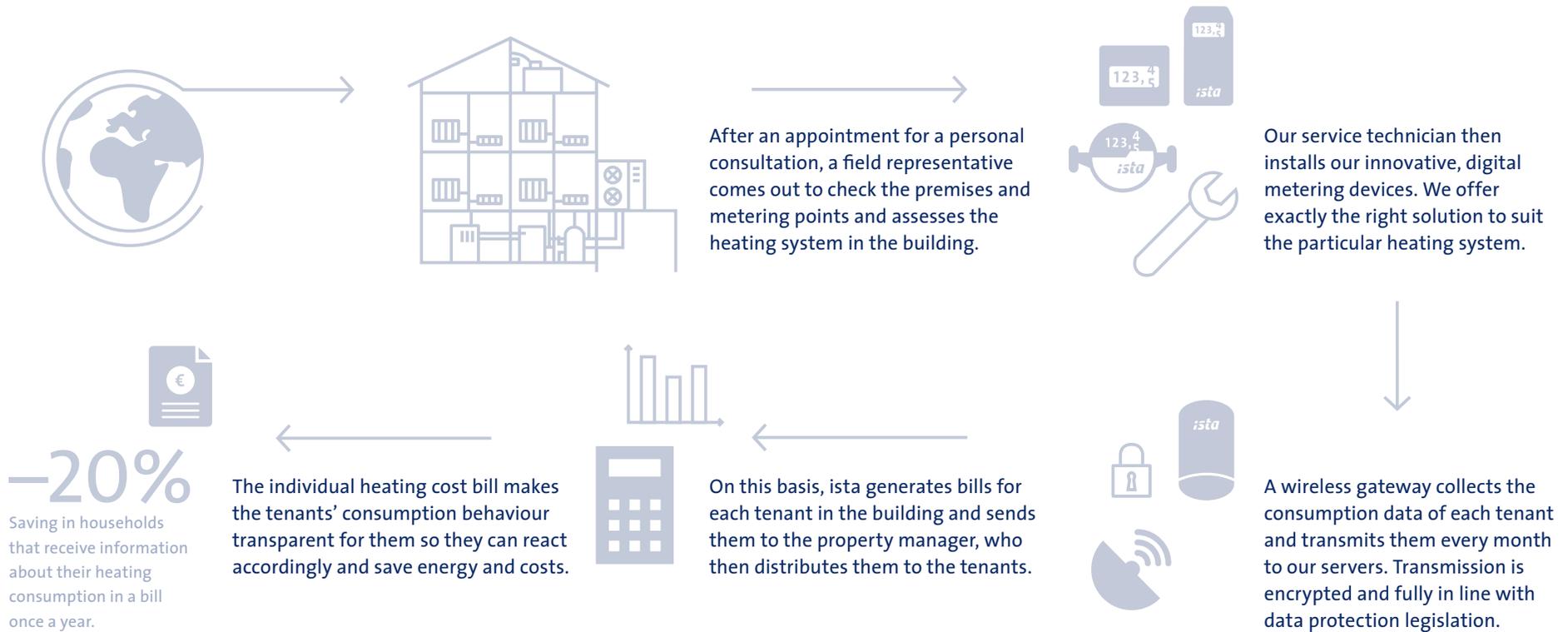
of ista employees were female in 2016



SUSTAINABILITY AS THE CORE BUSINESS

All over the world, we help our customers to meter, visualise, bill and manage individual energy and water consumption. Now already in 24 countries. As an energy service provider, we consider it our duty to systematically develop solutions that protect our natural resources and the climate.

HOW A HEATING COST BILL IS GENERATED:



COURAGE TO INNOVATE

We see the dynamics of digitalisation as an opportunity to further develop our company in a sustainable manner for the future. Our core business is already very much geared to digitalisation today and therefore provides an excellent basis. With courage to innovate, we will continue changing and further expand our position as a technology leader.



A BUSINESS MODEL WITH A FUTURE

ista is on a sound economic footing. Thanks to the high commitment and motivation of our employees, we have a leading market position in European core markets and can grow sustainably. But we cannot and do not want to rest on our laurels. Our customers expect us to continue delivering innovative products and services that simplify the processes in the residential real estate industry even more, provide greater energy efficiency and make modern housing attractive. At the same time, progressive climate change makes it urgently necessary to promote, implement and roll out clever, affordable solutions for greater CO₂ and resource savings.

We take our responsibility towards our customers, the tenants, the environment, politicians and society very seriously and continuously invest in the technical advancement of digital metering technology. We digitalise not for the sake of it but as a means to the end of greater energy efficiency. We want to create even greater transparency and therefore possibilities for the individual to influence their consumption so we can help our customers and their tenants to save more resources and reduce costs. This makes us a key partner for political decision-makers, landlords and tenants alike.

ONE ISTA, TOGETHER, FOR EXCELLENCE

We would like to advance very dynamically to a leading real estate service provider for greater energy and process efficiency. To achieve this, we will further improve collaboration with our customers and, through customer advisory boards, working groups and customer forums, seek even closer dialogue in a spirit of partnership. At the same time, we will, however, also systematically further expand and optimise our internal process landscape. Every employee is to have clear responsibilities and scope for decision-making. Thus, we want to further improve the way we cooperate with each other. We are methodically tackling all these objectives with our new internal corporate development programme, "One ista, together, for excellence", and making our company fit for the future. Professionalism, reliability and a culture of trust are the foundation for our actions.

We help property owners and managers all over the world to manage their assets sustainably and thus save valuable resources. We therefore contribute to a future which our children and grandchildren will also find worth living.

THOMAS ZINNÖCKER
CEO ista International GmbH





If we are to further increase our innovativeness, we have to reduce complexity even more, concentrate on the essentials and understand even better how we, together with our customers, can offer sustainable solutions for greater resource efficiency in buildings.

JOCHEN SCHEIN
COO ista International GmbH



SUSTAINABLE INNOVATIONS

For us, innovation begins with people. We harness the advantages of digitalisation in our company so we can be even more efficient and active for our customers. Digitalised work processes can reduce our employees' workload and give them more time for what is important. Digital management systems also provide the transparency needed for intelligent decisions. The basis for our performance is open and honest communication that permits a culture of trust. This includes creating scope for constructive criticism from our employees. For only when everything is thought of and discussed can we arrive at the best result for our customers.

In our "Future Lab", we are working flat out on new solutions so we can continue offering our customers innovative products and services. Alongside the digitalisation of our internal processes, we also see these new solutions in the digitalisation of customer processes and in the fields of digital energy management and smart buildings. With new innovations we can help our customers throughout the world to manage their assets sustainably and thus ultimately increase their value (see the chapter Portfolio). At the same time, we take our responsibility to raise people's awareness for greater energy efficiency very seriously.

As we were able to prove in a field test conducted throughout Germany together with the German Energy Agency, the targeted provision of regular sub-annual consumption information is key to the much more responsible use of resources (see page 41).

G4-18, G4-26, G4-27

STRATEGIC POSITIONS FOR THE FUTURE

In our strategy, we never lose sight of overarching goals: the clear roadmap for a sustainable economy and society that the United Nations drew up with its 17 Sustainable Development Goals is also an important yardstick for us, a yardstick against which we adjust our goals and the direction of our strategy.



The 17 Sustainable Development Goals of the United Nations.

We see five specific goals to which we can make a contribution:



Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11), Responsible Consumption and Production (SDG 12) and Climate Action (SDG 13). Through our products and services or our role as an employer, we exert a direct influence on these goals in our business activities or can help indirectly to achieve the goals in dialogue with politicians or customers. We decided to focus on these five goals in the light of an analysis involving our stakeholders which was performed in the reporting period. From page 19, we describe why we consider these subjects to be important and what action we have already taken or are planning in this respect.

The Management Board has just initiated a process to review and further hone our sustainability agenda. During this process, we will also adjust our present goals and make them more concrete. We see our own operational efficiency as the prerequisite for being able to think and act for the long term. It is only with a sound economic foundation that we can make forward-looking investments from which everybody ultimately benefits. Projects, particularly those that transform society like the energy transition, require the different aspirations of all those involved to be carefully balanced. One thing is certain: a successful business model can only be developed in the long term if it is in tune with the interests of the environment and society. And sustainable innovations can only be developed if business interests are also taken into consideration.

OUR GOALS FOR 2017

- 1 Development of a sustainability agenda and definition of sustainability goals that make a specific contribution to SDG 7, 8, 11, 12 and 13
- 2 Expansion of sustainability communications and measures to create awareness
- 3 Expansion of sustainable mobility by systematically adhering to our strategy of choosing replacements for the vehicle fleet according to energy efficiency and low emission criteria, also by purchasing electric and hybrid vehicles.
- 4 Conductance of interactive stakeholder dialogue between our Management Board and our customers, associations, NGOs, suppliers and politicians.
- 5 In the medium term: appointment of an internal sustainability manager



SUSTAINABILITY UNDER CONTROL

At ista, ethical action is anchored in strong values, guidelines and structures. For us, an integral part of aspiring to act responsibly in our business operations throughout the world is to have transparent processes and clear responsibilities in our own company and in the supply chain. By intensively exchanging information and views with the sustainability delegates in our countries, we ensure that sustainability is lived in the entire company.



G4-18

CLEAR DIRECTION

At ista, the subject of sustainability is the direct responsibility of the Management Board. Two bodies set the strategic guidelines and are in charge of operational implementation.

The Sustainability Steering Committee sets the focus and direction of our sustainability engagement. To do this, the heads of strategically relevant departments at the Essen head office, who make up the Sustainability Steering Committee, meet at least twice a year. Their work includes developing sustainability standards, initiating environmental and climate protection projects, and identifying relevant social topics. Furthermore, this body is responsible for approving the materiality analysis and therefore helps to set [the focus of this report](#). The Sustainability Steering Committee reports directly to the CEO.

LOCAL IMPLEMENTATION

The Sustainability Council, which consists of delegates from all national organisations, manages and implements sustainability measures. The council also shares ideas from the countries with the Steering Committee. This way we ensure not only that strategy topics are operationally implemented in the countries but also that we get input from the countries for the further development of content.

We also work in specialist bodies on specific sustainability topics. In Germany, for example, an energy team concentrates on implementing energy measures resulting from the requirements of the energy management system to ISO 50001. Here again, every branch in Germany has a representative who takes charge of the topic and initiates implementation measures to improve the energy efficiency at his or her branch. The members of the energy team therefore form their own network and are the contact persons for all energy topics at the branches.

SUSTAINABILITY COORDINATION AT ISTA



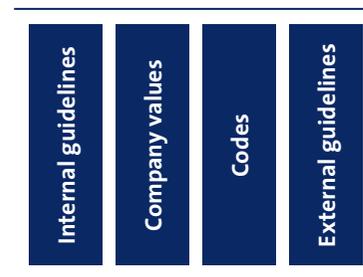


SHARED VALUES

The ista Shared Values shape daily working together at ista. The five values are the foundation of our corporate culture. They influence the implementation of strategic and operational measures in all countries and therefore largely determine our long-term development and our sustainable success. They are the basis for fair cooperation in a spirit of partnership, not only with colleagues but also with external partners. In the reporting period new employees learned the values in a Shared Values game at onboarding events. Some of our staff events, such as the annual soccer cup or the head office summer festival, were also a celebration of these values. The “Team Olympics” during the head office summer festival gave colleagues the opportunity to demonstrate in various team games what good cooperation is really about. For example, at one station they had to construct a tower together from building blocks under very difficult conditions. The employees formed a circle, each holding a string in their hand that was connected to all the other threads by a hook in the middle of the circle so the tower could only be built if everybody worked together.

GUIDELINES AND COMMITMENTS

Thanks to the organisational anchoring of sustainability, clear responsibilities are defined throughout the entire Group. Furthermore, Group-wide principles and commitments are lived by all employees in everyday business practice at ista: Shared Values (see information box), internal guidelines, international agreements such as the UN Universal Declaration of Human Rights, the UN Convention against Corruption and the International Labour Organization’s (ILO) Declaration of Principles.



Internal guidelines

The entire ista Group has to comply with guidelines, for example on gifts and gratuities (Germany), money laundering or the funding of terrorism (international). The [ista Environmental Guidelines](#) help us to reconcile our company’s economic performance with ecological responsibility.

Codes

The [Code of Conduct](#) contains important principles for all employees of the ista Group, such as those on avoiding conflicts of interest and rejecting corruption and bribery. The Code is binding on all employees and is available in printed form and on the intranet. The [Supplier Code](#) lays down standards for our suppliers.

Corporate Internal Audit and Compliance is responsible for monitoring compliance with the guidelines and commitments as part of its regular audit activities and is the central point of contact for employees. In selected countries, employees were personally trained on these guidelines and codes and a central monitoring process was set up for areas which appear to be particularly at risk from corruption.



OUR PILLARS FOR RESPONSIBLE ACTION:

Company values

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

External guidelines

As supporters of the Global Compact of the United Nations, we support and promote human rights, working standards, environmental protection and the fight against corruption.

We are also committed to the [Sustainable Development Goals](#) of the United Nations.



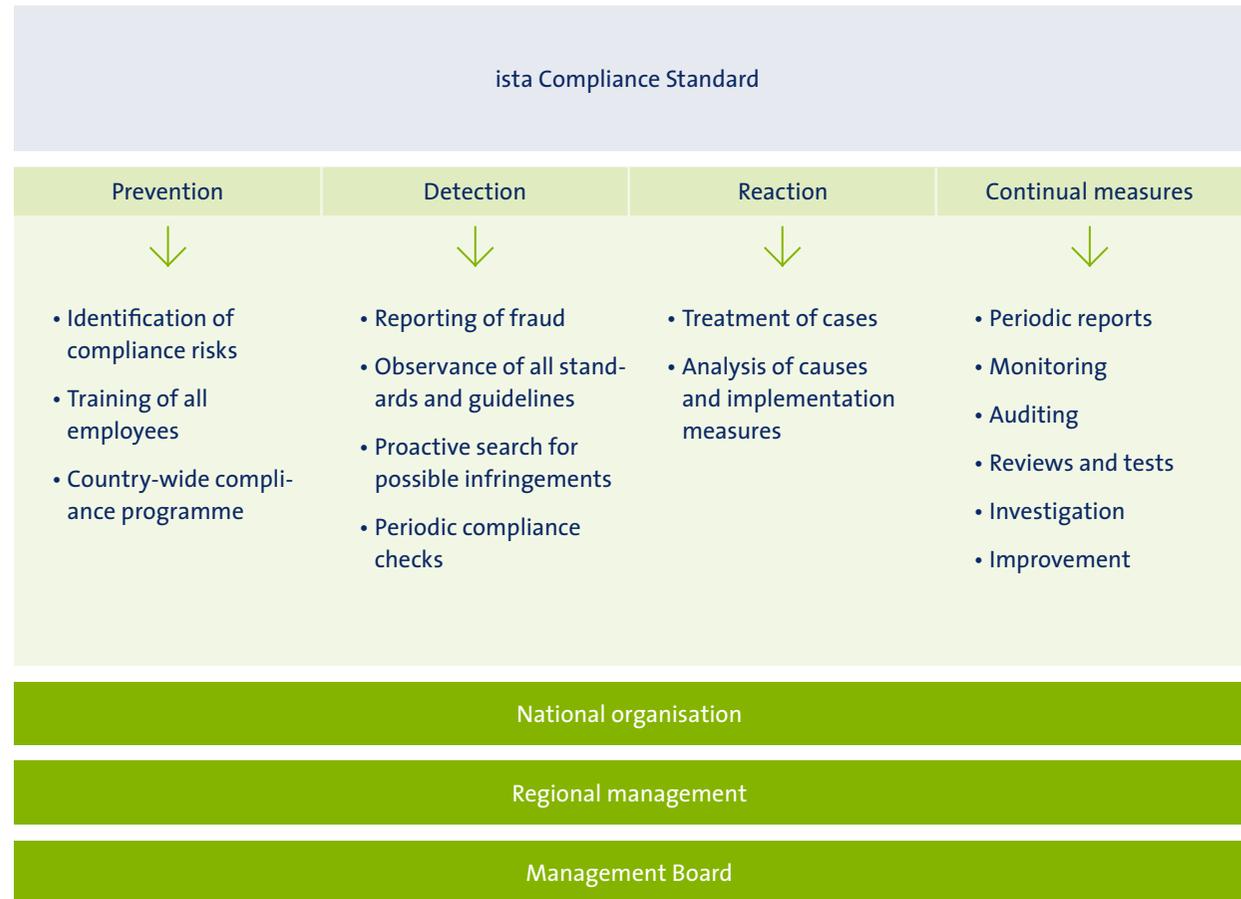
COMPLIANCE WITH THE CODE OF CONDUCT

To ensure that non-compliant conduct is heard about, Corporate Internal Audit and Compliance is currently setting up an employee hotline for reporting infringements. This hotline is to be run by an independent, external provider.

Furthermore, we offer appropriate training to create greater awareness of our Code of Conduct. This training includes a compliance game where the employees are faced with delicate situations and have to solve them in what they consider to be a compliant manner. In addition, regular compliance training sessions are conducted for managers. In 2016, all employees in Germany were informed about the compliance requirements in a separate communication.

A compliance reporting and approval system will be introduced in the emerging markets (China, the United Arab Emirates, Turkey, Belarus and Russia) in 2017. In future, the east-European countries Hungary, Croatia, Romania, the Czech Republic, Slovakia and Poland will also be included in a compliance management system that has been introduced centrally. Under this system, after comprehensive analysis of the compliance risks, measures for reducing the identified risks are set and their implementation continuously monitored. In each of these countries, there will be a compliance officer who will ensure local observance of the compliance rules. Two compliance managers from Corporate Internal Audit and Compliance in Germany carry out random checks on the units. In doing so, they follow the methodology of the internally developed ista Compliance Standard (see diagram on the right).

CORPORATE COMPLIANCE – STRATEGY



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





We have a very good relationship with ista. We know whom we can contact if problems arise and have two ista employees at our manufacturing facilities who are very supportive. As far as sustainability is concerned, we have various certifications – an internal auditor ensures that our practices are compliant.

QUOTE FROM A THAI SUPPLIER
during the stakeholder survey

FAIRNESS

The sector inquiry initiated by the Federal Cartel Office in 2014 in the industry for the consumption-dependent metering and billing of proportionate heating, water and hot water costs in buildings continued in the reporting year. The Office presented the report on the findings of the sector inquiry in May 2017. The report clarifies the significance and special features of the consumption-dependent metering and billing of heating and hot water costs and disproves prejudices existing against sub-metering providers. As expected, the nearly two-year-long comprehensive investigation revealed that metering service providers are operating in compliance with competition law. Therefore, the Federal Cartel Office sees no need for any intervention by the competition authorities.

In addition to the actual inquiry, the report gives suggestions as to how to make the market for submetering services even more consumer-friendly. Given the desire for even greater transparency, we see these recommendations as positive. We will continue to dedicate ourselves to offering practical and economical solutions for landlords and tenants.

When [setting our prices](#), we always consider the overall context including our customers' requirements, competitiveness and investment in new, innovative technologies. The high quality of our products and services is the decisive criterion.



We attach great importance to a sustainable and fair value chain. We ensure that both our employees and our suppliers comply with environmental and social standards. Next year, we will therefore again review and extend our Supplier Code.

GÜNTHER VAN DE RIJT

Senior Vice President Procurement & Supply Chain

RESPONSIBILITY RIGHT DOWN INTO THE SUPPLY CHAIN

We expect ethical conduct and the observance of environmental and social standards not just from our own employees and managers at our branches. We know that our purchasing materials from Germany and abroad comes with the responsibility for what goes on at suppliers'. A good understanding of our supply chain is the basis for this. In our supply chain management we distinguish between the materials needed for end products which we manufacture for our customers (direct materials) and materials which we need for the operation of our own organisation (indirect materials & services). Most of the latter are purchased by each national organisation itself. By contrast, new end products and devices are first developed centrally by the Product Development department at ista International GmbH and then manufactured in series by the Procurement & Supply Chain department in Asia and/or Europe.

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

COLLABORATION WITH SUPPLIERS

We currently work in direct procurement with some 250 suppliers worldwide and in indirect procurement with some 3,000 suppliers from all over Germany. The minimum requirements we place on environmental and social standards are laid down in our Supplier Code, which is based on the OECD principles of responsible corporate governance and on the ILO core conventions. Among other things, our Supplier Code expressly prohibits child, forced and compulsory labour and therefore we are also implementing the relevant principles of the Global Compact of the United Nations. In addition, ista requires its suppliers to conclude a similar agreement with their suppliers. It is planned to conduct a new review of the content requirements of our Supplier Code in 2017.

Suppliers with minimum sales of € 50,000 to ista must commit to meeting the requirements of the ista Supplier Code. Responsibility for ensuring observance of the Code always lies with the supplier. Furthermore, observance of the Code is checked in periodic supplier audits.



NEW FOCAL TOPICS

What topics are crucial to ista's future sustainability? It is very difficult to find an answer to this important question alone. So we again included internal and external stakeholders in the preparations for this report and thus gleaned very interesting information. We further professionalised and internationalised the process for identifying major topics.



G4-18

MATERIALITY ANALYSIS 2016

We conducted the first systematic materiality analysis in accordance with the guidelines of the Global Reporting Initiative (G4) in 2014. In order to take account of the internationality of our company as well as [internal and external developments](#), the materiality process was extended in 2016 to also cover branches outside Germany and potentially relevant sustainability topics were newly identified.

In addition to intensifying dialogue with stakeholders, the aim of the materiality analysis is to identify important topics, pinpoint strategic approaches and consolidate our internal sustainability competence.

We established our current focal topics in a three-stage process:

G4-18, G4-23

IDENTIFICATION OF THE TOPICS

The first stage was an internal process in which we critically examined the eleven topics formulated after the materiality analysis in 2014. They represent the basis for subsequent prioritisation by our stakeholders and companies. To determine whether it was necessary to adjust the content of the topics, we took into account national and international sustainability standards, the international development agenda as well as trends in the company and its environment. Moreover, we asked selected department managers for their evaluation. This resulted in 13 topics, some new, some revised. The new topics are "Apply fair business practices", "Create awareness" and "Drive smart living forward". We expanded the definition of other topics or reworded them in order to achieve a more appropriate focus in the light of new developments.

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

ASSESSMENT BY STAKEHOLDERS

In the second stage, we involved internal and external stakeholders to find out where they see the greatest need for ista to act. The internal stakeholders comprised employees from all hierarchical levels and national organisations. The external participants were largely people who know the company well and/or are affected by ista's business activities. These included customers, suppliers, sustainability experts as well as representatives from politics, NGOs, associations and the press. In addition to Germany, they came from France, Belgium, Denmark, the Netherlands, Italy, the United Kingdom, Spain, Poland and Thailand. They prioritised these 13 potentially relevant topics in an online questionnaire. Moreover, we used this survey to determine the most important [Sustainable Development Goals](#) for ista from the stakeholders' point of view. They also assessed our previous sustainability performance.

3.

We supplemented the online survey with qualitative interviews to gain a greater understanding of our stakeholders' expectations. In these roughly half-hour telephone interviews we also discussed ista's role in the field of the smart building, our mission to create awareness in society for greater energy efficiency, and the contribution of our products to the energy transition. In addition to external stakeholders, we also talked to selected managers from various departments. That helped us to compare the external assessments with internal opinions.

G4-18

ASSESSMENT BY GROUP OF EXPERTS

In a materiality workshop, the Sustainability Steering Committee discussed the results of the stakeholder survey and assessed the 13 topics itself. In doing so, the Committee members focused on their relevance for business success: they asked themselves to what extent each topic contributed towards "increasing image and reputation", "cutting costs" and "exploiting earning opportunities".

Our CEO, Thomas Zinnöcker, also participated in the lively exchange of views. On the same day, he and the Sustainability Steering Committee set the strategic course for the future of sustainability in the company.

G4-27

FOCAL TOPICS FOR ISTA

The diagram of the materiality matrix shows what relevance the 13 sustainability topics have from the stakeholder perspective (y-axis) and the business perspective (x-axis). The topics in the right-hand quadrant highlighted in colour are the topics which were identified as key for ista. They guide us in our reporting and provide important stimulus for our internal advancement.



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





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

MATERIAL GRI ASPECTS

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

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



What is really material? In the run-up to the materiality analysis, our Sustainability Steering Committee sets the fields of action that are most important for ista. The materiality analysis with internal and external stakeholders helps to validate these fields of action.





OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

As one of the world's leading energy service providers for greater energy efficiency in buildings, we can make an important contribution towards achieving the United Nations' Sustainable Development Goals (SDGs). In order to determine where the greatest possibilities of exerting influence along our value chain are and which SDGs are linked to the highest expectations placed on ista, we asked internal and external stakeholders to rank the 17 SDGs as part of our materiality analysis. Five SDGs were identified which were then checked and confirmed in an internal process.



The chart shows which five goals were rated as the most important for ista. We are planning to assign ista-specific goals to all SDGs by the end of 2017 and to underpin them with further action to improve energy efficiency. On the

following page, we describe, for each of the goals, where we see the relevance and our possibilities of influence and what contribution we are already making today to their achievement.



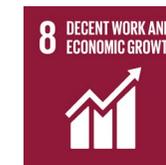
7 Affordable and clean energy. As a provider of services for the consumption-dependent recording and billing of energy, water and ancillary costs in buildings, we ourselves do not supply any energy. However, with our [core business](#), we contribute directly to a sub-goal of SDG 7: by 2030, the global rate of improvement in energy efficiency is to be doubled. Through our products and services, we make energy consumption transparent and enable the fair distribution of consumption costs in multi-family buildings and commercial properties. In addition, we are committed to the sub-annual recording and visualisation of consumption data, which encourages people to review their own consumption even more regularly and which can lead to additional energy-saving potential of up to 10 % per household (also see [“Saving Money through Clever Heating”](#)).

8 Decent work and economic growth. With sales of € 850.4 million and sales growth of 4.9 % compared with the previous year, we again demonstrated our performance in 2016. Our success not only secures sustainable growth for ista but also for the locations where we operate. We create [jobs](#) in 24 countries – both at our company and at our suppliers'. In 2016, about 5,700 employees worked for us directly. In the next ten years, we want to grow further, sustainably increase our sales and so also recruit more employees. Internal staff surveys and external awards confirm our success as an employer.

11 Sustainable cities and communities. What are the demands of the city of tomorrow? And how can ista help to shape them? These questions play a key role in the direction our company takes in terms of [product development](#) and strategic partnerships. In addition to continually optimising our core competence – the metering, billing and visualisation of energy consumption – we are systematically developing our product portfolio in the direction of the smart multi-family building. For us, it is above all about finding innovative solutions that take a holistic view of buildings and offer landlords and tenants real added value for energy efficiency, process efficiency, home comfort and safety. To make an optimal contribution, we cooperate with partners from the housing industry and invest in research and development.

12 Responsible Consumption and production. By recording individual consumption, we give tenants the transparency they need to make conscious decisions on consumption. We have made it our mission to pass on our knowledge and help consumers save natural resources. Our materiality analysis has shown that stakeholders also wish us to take on this role. Consequently, we have therefore defined “Create awareness” as a new major field of action for ista. With our project [“ista schools in energy efficiency”](#), we are taking an important step in this respect: we are starting with the young generation and getting them enthusiastic about protecting resources.

13 Climate action. In contrast to manufacturing companies for example, ista already makes a positive and sustainable contribution to climate protection through its core business and the energy savings this business makes possible. A [life cycle analysis](#) of our heat cost allocator doprimo 3 radio net shows that consumption-dependent heating cost billing saves 158 times more CO₂ than the device causes over its entire life cycle. The calculation included the production of raw materials, manufacture, transport, installation, use and disposal or recycling. We also help to reduce CO₂ emissions by the [measures we take at our branches](#). They include setting up an energy management system, employee engagement for greater environmental protection, reducing the emissions of our vehicle fleet and saving water and paper.



Scoring points with smart solutions

PORTFOLIO

With our products and services, we contribute to greater energy efficiency in buildings and actively help to shape the energy transition. We also enter into collaboration with other companies to find intelligent, digital solutions for tomorrow's homes. Customer surveys help us to find out how we can further optimise our service.

PROGRESS WITH RADIO
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SATISFIED CUSTOMERS
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SAFE PRODUCTS
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PROGRESS WITH RADIO

Our portfolio focuses on heat meters, water meters and heat cost allocators which record energy and water consumption using digital radio technology and therefore give our customers and their tenants transparent information on their individual consumption behaviour. Our portfolio also covers solutions for greater tenant safety by offering smoke alarm device services and drinking water analyses.

In order to be able to offer our customers and their tenants modern, cutting-edge technology, we have been committed to the systematic digital expansion of our infrastructure for some years now. So today more than 16 million of our metering devices are already “connected devices”, which can digitally transmit the metering data to our systems and servers. Another roughly 400,000 devices are added every month. We have therefore laid the foundation for a smart infrastructure and can, in future, make major progress with regard to customer service, transparency and environmental impact. Thanks to remote consumption meter-reading, tenants no longer have to be home at appointed times for the meter reader, there is no need to travel to the tenants to read the meters so CO₂ emissions are cut and information on individual consumption can be provided in a simple and low-cost way every month. Such information offers further potential savings of ten per cent on average as the pilot project [“Saving Money through Clever Heating”](#) has demonstrated.

SMART MULTI-FAMILY BUILDINGS

In addition to continually optimising our core competence – the metering, billing and visualisation of energy consumption – we are systematically developing our product portfolio in the direction of the smart multi-family building (see Systematic transparency, [page 26](#)). For us, it is above all about finding innovative solutions that take a holistic view of buildings and offer landlords and tenants real added value for energy efficiency, process efficiency, home comfort and safety. To develop such solutions, we are

increasingly forging partnerships with other companies such as Dr. Riedel Automatisierungstechnik GmbH. This cooperation has produced the platform solution, [“ista Smart Building”](#), with which the residents of multi-family buildings can control the heating system via a display in the entrance area of their apartment and receive detailed information on their consumption behaviour. Further solutions for tenant communication, lights, roller blinds, ventilation systems and electrical appliances are also integrated into the system.



WE WANT TO INCREASE THE PERCENTAGE OF REMOTELY READABLE ISTA PROPERTIES IN GERMANY TO 80 % BY 2021.

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



So far approaches to the smart home / smart building have mainly focused on single-family houses. However, digital technologies must be available for everybody and therefore also in multi-family buildings, creating not only greater comfort but also greater energy efficiency. We are working flat out on this.

ANTONIO FISCHETTI

Head of Marketing & Business Development
ista Deutschland GmbH

Photo: Jochen Schein, COO ista International, Achim Dicke, Senior Vice President Products and Thilo Kirchinger, Director Corporate Product Management, at the largest fair for innovations in the mobile industry, the Mobile World Congress, in Barcelona.



SMART HEATING SYSTEMS

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

RESEARCH AND DEVELOPMENT

In early 2017, we pooled our entire product development capability – from electronics and mechanics development to quality management and industrialisation – in the new technology centre “Technikum” in Essen. So we have created a place where know-how is concentrated and short communication paths help ensure that ideas are implemented efficiently. Parallel to this, our production facility in Au was converted into a manufacturing competence centre for heat meters.

The Products department is responsible for the entire technical product portfolio throughout the entire product lifecycle. We gear our product development to innovation and efficiency, taking care to get a good balance between quality, functionality and costs (see diagram). Our aim is to evaluate new, sustainable technologies and modularise them exactly to our needs. So we can equip our products to provide even more options for further services and even greater flexibility of use. This is the basis for continuing to offer our customers innovative and reliable services in the fields of energy management, tenant safety and home comfort.



The triad of ista product development: we develop our products according to the maxims quality, functionality and costs. All three centre on innovation and efficiency.

99% of our entire device portfolio is harmonised across our national organisations and looked after by a central engineering team. Only one per cent of the product portfolio is adapted to suit local conditions. So we can ensure consistently high quality and reliability in our entire product portfolio.



With the “Technikum”, our new technology centre, we are creating the right conditions to become even more effective in a fully digitalised environment. With over 16 million connected devices, we are already the technology leader in our industry in terms of digitalisation. The future in which we will further expand this lead has now begun.

ACHIM DICKE
Senior Vice President Products



COUNTRY-SPECIFIC SOLUTIONS

When we develop products and services, the focus is on bundling and scaling international requirements. One example of this is the use of a standardised hardware platform for international radio frequencies. We can then adapt the software for this hardware to country-specific requirements so we can not only satisfy customer demands but also comply with national laws. Country-specific solutions to meet the requirements of a particular market are also important. For example, ista developed two new apps for ista Italy in the reporting year. These apps contain instructions for commissioning and reading heat cost allocators. Used with a tablet and a mobile gateway (MGW), they enable property managers in Italy to read their consumption themselves. With this method, ista is for the first time positioning itself as a software provider among its competitors and offering modular sales of its products and services.

SAFE PRODUCTS

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



ista's most important products: heat cost allocator, water meter, heat meter, smoke alarm device

PROPER DISPOSAL

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

- 1 Heat cost allocator
- 2 Water meter
- 3 Heat meter
- 4 Smoke alarm device



POSITIVE FOOTPRINT

A life cycle analysis taking the example of our heat cost allocator doprimo 3 radio net has shown that consumption-dependent heating cost billing saves 158 times more CO₂ than the device causes over its entire life cycle. The CO₂ emissions were calculated over the entire life cycle of the device, which is 10 years on average and includes the production of raw materials, manufacture, transport, installation, use and disposal or recycling.

IN GOOD HANDS

As a service provider, we naturally store data on our customers and tenants. These data include not only personal information such as addresses but also individual energy consumption. We are obliged to protect these data against unauthorised access. To this end, we do not just rely on our data protection officers but also use systems which guarantee data protection for all ista's transactions in compliance with the applicable regulations. New statutory requirements as well as constantly changing threat scenarios require data protection measures to be continuously modified.

Naturally, ista implements the new requirements of the EU General Data Protection Regulation (GDPR). This regulation came into force in May 2016 and has to be applied in the EU member states from May 2018. The EU's aim with this regulation is to achieve a standard level of data protection throughout Europe. Although some country-specific details have yet to be clarified, ista is already taking account of the requirements of the GDPR in new projects.

SATISFIED CUSTOMERS

We always strive to offer customers and tenants the best products and services. With the aid of our annual customer satisfaction survey, we would like to better understand how we can further optimise processes, products and services and, at the same time, measure our customers' satisfaction. In 2016, 2,024 customers from seven countries (Belgium, Denmark, France, Germany, Italy, the Netherlands and Spain) took part in the survey either by telephone interview or by online questionnaire. The results are summarised in the Customer Retention Index (CRI). In 2016, the satisfaction ratings for meter reading and billing were in the high satisfaction range on a scale from 1 to 10 in nearly all countries surveyed. The questions on overall satisfaction as well as active and passive retention also showed that overall satisfaction is good. The survey revealed potential for improvement, above all in complaints management. Our customer survey concept has been in use for five years. In the light of continually changing market and customer demands, we are currently working on new ways of obtaining feedback. So far our customer survey only gives us a snapshot of satisfaction. The aim is to also incorporate the knowledge our ista employees gain about our customers in day-to-day business and to use various interfaces with the customer more efficiently so we also get feedback during the year. This is the only way we can make prompt adjustments, rectify faults, increase performance and strengthen cooperation with the customers in the long term.

A new video gives our customers insight into how a [heating cost bill](#) is generated.



Heating cost bill: how the bill gets to the tenant.



SYSTEMATIC TRANSPARENCY

With the “ista Smart Building” platform solution, which ista offers in cooperation with Dr. Riedel Automatisierungstechnik GmbH, the energy consumption of a multi-family building can be considerably reduced. The residents receive detailed information on their energy consumption via a display in the entrance area of their apartment and can actively optimise it. Further radio-based smart home applications can be integrated into the solution, e.g. for lighting, electrical appliances, ventilation systems or roller blinds.



Protecting the environment – our self-perception

ENVIRONMENT

We see protecting the environment and conserving resources as a task that is at the heart of our business model and thus at the heart of ista. Just as we enable others to conserve resources with our products and services, we also continually strive to optimise our consumption of energy, water and raw materials and avoid emissions.



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STANDARDISED ENVIRONMENTAL GUIDELINES

We oblige each and every employee – from our managers to our apprentices – to breathe life into resource conservation and to spread the word. Only if our employees get actively involved can we effectively implement and sustainably underpin the goals we have set and the measures we have planned. We describe how we see our company in our [Environmental Guidelines](#), which formulate our mission and set the framework for our actions.

OUR ENVIRONMENTAL MANAGEMENT

Environmental management at ista is organised Group-wide. As a member of the [Sustainability Steering Committee](#) and as Head of the [Sustainability Council](#), the environmental consultant is responsible for ecological issues. When implementing measures and projects in the respective countries, the consultant is supported by the local people responsible. Central recording of the important key figures regarding energy, emissions, water and materials gives us internal transparency and targeted management. For example, we see that fuel consumption accounts for the largest proportion of the [energy](#) we consume and our greenhouse gas emissions. And we are continually optimising the process for collecting key data. As a result, in the reporting period we managed to once again considerably reduce the proportion of consumption estimates, with regard to electricity consumption for example, from 22 % to now only 9 %.

Management certifications are an integral part of our quality aspiration in the environmental field. Accordingly, we have had our environmental management certified to ISO 14001 in Spain, England and Turkey. At the same time, we comply with the statutory requirements of the European Energy Efficiency Directive with other certifications in some countries: in 2015 we conducted an energy audit in France to DIN EN 16247-1, which is specially geared to the optimisation of energy efficiency. This is also currently taking place in Poland. In Germany, we set up an energy management system to ISO 50001 in 2016 and acquired the

corresponding certification. In doing so, we commit to sustainably reducing our energy consumption and increasing our energy efficiency in a continuous improvement process. Specifically, we are aiming for a continual improvement of energy efficiency by an average of 1.3 % per annum for ista Germany and for ista International.

MAKING PROGRESS COMPARABLE

ista also continued to grow in 2016. This is reflected in particular in the higher number of employees (+5.7 %) and larger building area used (+7 %). In order to permit a comparison with 2015, we therefore record not only the absolute consumption figures but also the figures related to building area or the number of employees (in FTE = full-time equivalent). Wherever possible – depending on the landlord's consent and the technical possibilities – we measure the consumption ourselves. Since the energy management system to ISO 50001 was introduced at ista in Germany, we have improved processes and since the “base year” 2015 have had a better data basis both for electricity consumption and for heating energy consumption. We have provided all consumption figures relating to the environment together in the [chapter Key figures](#).



CEO Thomas Zinnöcker at the sustainability hero award ceremony

ISTA SEARCHES FOR THE SUSTAINABILITY HERO

It is often small things that together have a big effect. That is why ista launched the [“Are you an ista sustainability hero?”](#) competition in 2016. Our employees were called upon to enter the competition with projects demonstrating their commitment to environmental protection and sustainability either in the company or in a volunteering capacity, in addition to their daily work. The idea behind it was to find out more about the volunteering work of our employees and at the same time to promote it. The winners were Johanna Rapp with her involvement in the [granting of microloans to women in Africa](#), the Madrid branch in Spain with various environmental campaigns as well as the two “dual studies students”, Vanessa Derksen and Julia Jasinski, who conducted an actual-target analysis of sustainability at the Bonn branch.





-22%

heating energy per square metre

HEATING ENERGY

Internationally, ista reduced its heating energy consumption per m² from 85 kWh/m² (0.30 GJ) to 66 kWh/m² (0.24 GJ) in comparison to the previous year. This was achieved above all thanks to the targeted efforts of certain national organisations. In the Netherlands, for example, they managed to cut consumption by 14%. Using their own specially developed “energy check tool” (called “Mijnketelhuis” in the Netherlands), they compare heating requirements and consumption and can therefore heat efficiently and in line with needs. We are also successfully offering this tool to our Dutch customers.



-12.9%

electricity consumption per FTE

ELECTRICITY

Electricity consumption fell in the reporting period, both in absolute terms and per FTE: from 1,256 kWh/FTE (4.5 GJ) to 1,094 kWh/FTE (3.9 GJ). Electricity consumption patterns showed different trends at the individual branches. Particularly in Germany, savings of 10% to 24% are seen, above all at the branches where they read their electricity consumption meters themselves every month or at least every quarter. So we also see in our own processes how effective regular consumption transparency is for our own behaviour. At rented premises where self-reading is not yet possible, we are trying to find solutions for the prompt installation of our metering devices.



-10%

average fleet vehicle fuel consumption per 100 km from 2013 - 2016

BUSINESS TRIPS BY CAR, PLANE AND TRAIN

The fuel consumption of our vehicle fleet accounts for by far the largest proportion of resources used. In the Group as a whole, more kilometres were travelled by company car in the reporting period and consequently more fuel was used in absolute terms. However, average consumption per 100 kilometres fell from 6.2 litres in 2015 to 5.87 litres in 2016. The data are based on the consumption actually measured and not on manufacturers’ figures. In Germany, new vehicles are selected in accordance with the ista company car regulations, in each case from a list of models with lower CO₂ emissions. From 2013 to 2016, average consumption therefore fell in Germany by 3% and internationally by 10%.

Basically we try to reduce air travel, but in an international company it cannot be avoided. Our travel policy regulates when air travel makes sense and when alternatives such as rail travel should be used. In the past years, the number of air kilometres travelled has continuously fallen. Compared with the 2015 reporting year, we cut air kilometres travelled in the entire ista Group by 11%. In Germany, we managed to achieve a 25% reduction in air kilometres compared with the previous year. One of the reasons for this is the increased use of video conferences.



FUEL ECONOMY TRAINING

In November 2016, we offered fuel economy training to our vehicle fleet drivers at head office. In addition to the theoretical part, the course also included two driving sessions accompanied by a coach. The training is a good investment: if the course participants reduce their consumption by 0.5 litres of diesel per 100 kilometres, the course pays for itself after 20,000 kilometres.





-4.5%

CO₂ emissions per FTE



-15.5%

water consumption per FTE

CO₂ EMISSIONS

We record our greenhouse gas emissions in accordance with the Greenhouse Gas Protocol in the categories Scope 1, 2 and 3. We give information on the basis for the calculations in the chapter [About this report](#). The largest part of our direct CO₂ emissions (Scope 1) is caused by our vehicle fleet, followed by the combustion of fuel for heating. In comparison to the previous year, the Scope 1 emissions increased by 3 %, but relatively speaking, i.e. in relation to the number of employees (FTE), they fell by 2 %. The increase in fuel consumption is due to the larger number of kilometres travelled on business. By contrast, we managed to reduce our indirect CO₂ emissions (Scope 2), resulting from electricity consumption and district heat, by 2.9 % (per employee even by 8.1 %) compared with the previous year. We also reduced our other indirect emissions (Scope 3) from the use of rental and private cars, air and train travel as well as our paper consumption by 1.3 % (per employee by 6.6 %) compared with 2015. In sum total, our CO₂ emissions in Scope 1, 2 and 3 increased by 0.9 % in absolute terms, but fell by 4.5 % per employee in comparison to the previous year.

WATER

As a service provider, we use water primarily for sanitary purposes and as drinking water. At all branches we obtain the water we need from the local water utilities. Water consumption per FTE and year fell from 5.92 m³ to 5 m³. This figure contains the largest proportion of estimates, which was, however, reduced from 60 % in 2015 to 40 % now. The estimates are necessary partly because some utilities bill after the reporting deadline and partly because non-consumption-based tariffs apply.

PAPER

We mainly use paper as production and as printing and copying paper. Our paper consumption increased in 2016 compared with the previous year by 21.5 % in absolute terms. It was above all consumption of printing and copying paper and marketing materials that rose. By contrast, consumption of production paper has fallen. Among other things, the rise is due to higher numbers of employees and customers. We managed to increase our proportion of recycled material by two percentage points to 63 % in 2016.



SELECTED ENVIRONMENTAL MEASURES AT OUR BRANCHES



FRANCE

CO₂ compensation

This year, our French headquarters in Massy and the Île-de-France and Lille branches have starting feeding the equivalent of their energy consumption into the grid as green electricity.



NETHERLANDS

Sustainable coffee time

Two colleagues in the Netherlands had the idea of collecting organic waste, such as the daily coffee grounds, separately and composting them. They also introduced a green rubbish bin in which organic waste can be properly and sustainably disposed of.



ITALY

Sustainable Christmas tree

In Italy, the staff made a very special Christmas tree in 2016 out of waste materials such as used cardboard and old heat cost allocators.

**SLOVAKIA****Energy saving and waste separation in the office**

Our branch in Slovakia is reducing its energy consumption through many small things like switching the light off or adjusting the room temperature. New coloured rubbish bins are also raising the staff's awareness for waste separation.

**SPAIN****Eco-friendly vehicles**

Our Spanish colleagues increased their vehicle fleet by three new hybrid vehicles at the end of 2016 and by another four at the start of 2017. For 2017 they are also planning to replace 30 diesel and petrol vehicles by alternative vehicles (gas, hybrid, electric). In this way they are trying to reduce their future CO₂ emissions.

**UAE****Shared journeys**

In the United Arab Emirates, employees set up a car sharing initiative to travel to and from work together and so save money and reduce the impact on the environment.

**THAILAND****Eco-friendly waste disposal**

Collecting points for used batteries are not yet widespread in Thailand. So ista employees set up their own collecting point which makes sure batteries are disposed of in an environmentally friendly way.

**ROMANIA & ISS ROMANIA****Green engagement**

In Romania, ista employees and other volunteers planted 500 willows as part of a national project and so made a contribution to the goal of planting one million trees throughout the country. On top of that, colleagues from our service centre in Romania took part in the litter-clearing campaign "Let's do it Romania" and, together with 200,000 other volunteers, removed rubbish and litter from a wood near Bucharest.

**GERMANY****Green classroom**

ista is supporting an open-air learning room in the grounds of a primary school in Rostock with raised beds, an insect hotel and a circular area for theatre performances. The aim is to raise children's awareness of how to treat nature respectfully and encourage them to learn creatively.

Energy training

A staff training course on "the responsible use of energy" was held at the Berlin branch. Employees are to identify where energy is being consumed unnecessarily and use energy more responsibly.

Individual development – joint success

EMPLOYEES

Each one of our employees is an ambassador for greater sustainability. That is why we want to recruit the best employees, get them enthusiastic and equip them with the skills to cope with the change necessary for a sustainable future. The individual development of our employees leads to joint success.

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STAFF ADVANCEMENT

We attribute our success as a company above all to our employees. It is their motivation and commitment day in, day out to which we owe our ability to continually improve and achieve our goals. Their targeted training and development is crucial for our own advancement. In 2016, every ista employee took part in training for an average of 31 hours, which is a slight increase on 2015 (28 hours).

OUR YOUNG TALENTS: INVESTING IN THE FUTURE

Investing in vocational training is very important to us as it means investment in tomorrow's skilled workers. To guarantee high-quality vocational training throughout the company, we further harmonised our apprenticeship standards in the ista Group in the reporting period. In Germany, we implemented a new appraisal procedure for apprentices. All instructors and apprentice supervisors were trained for this in order to ensure consistent application of the procedure. In addition, we launched the "Learning Goal Catalogue" project. In this project we are standardising the company's training programmes to ensure that the quality of ista's various apprenticeships is the same throughout Germany.

Alongside vocational training, we rely on the targeted advancement of young people in order to identify and recruit talent for ista. For example, we offer foreign students placements at our company and support programmes such as the "Ruhr-Fellowship" programme of Initiativkreis Ruhr, which awards scholarships to support interested students. As a result, last year ista managed to recruit a particularly well-qualified exchange student for a [permanent position in the Electronic Development department](#).

INTERNATIONAL SKILLS DEVELOPMENT

In France, an "ista Campus" has been pooling all training requirements for technical and industrial employees since 2016. Training courses on improved team communication, shared values and teamwork were held in several countries.

A common language is essential for collaboration at international level. To ensure this, we have been offering our employees in Germany classroom-based English courses for many years. At the beginning of 2017, we also introduced virtual English courses so the English training can be tailored even better to our employees' individual needs. Therefore, the employees can choose their language course and their training times themselves and gear both to their personal role at ista.



5,816

total employees in 2016

+328

increase compared with 2015

127

apprentices

8.4

average number of years of service



OUR INTERNATIONAL TRAINING PROGRAMMES FOR MANAGERS

LEADership Training

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

Odyssey Training

The Odyssey Training programme for all managers is an integral component of our HR development measures. In this three-day seminar, every participant has the opportunity to reflect on their personality in the context of leadership so as to improve their own leadership qualities. True to the motto "Lead yourself before you lead others", the training course is based on the fundamental idea that knowing yourself better enables you to have a more open approach to others. Employees can either express an interest in this seminar themselves or can be nominated by their supervisor.

For our Polish colleagues from the Service Centre in Poland, it is essential to not only speak English but also German so they can communicate with customers and colleagues from Germany. So iSS Poland offers all new employees a free German course. An employee with teacher training set up this course at the Service Centre and she has been in charge of giving these language lessons ever since. In recognition of her achievement, she received the internal “istaR Award” in the category “for iSS”.

Alongside the international management training programmes, we also offer the JUMP programme at international level. This development programme is tailored to the identification and qualification of staff with high potential for general management positions. Employees with development potential and a desire to have a career in international management are nominated by their supervisors. The aspiring managers take part in special training courses to expand their professional and general skills. The programme lasts 18 to 24 months and consists of training, coaching, networking events and development advice.

CFO ista Germany, Dieter Hackenberg, accepts the Absolventa award together with colleagues from Corporate HR and the ista trainees.



The happy employees and winners of the istaR Award in Poland.



ABSOLVENTA CONFERS AN AWARD ON THE ISTA TRAINEE PROGRAMME

ista has already had a trainee programme since 2010. Now it has received an award from the job portal Absolventa. This [award](#) is given to fair and career-advancing training programmes. It aims to reward employers who offer young talents first-class conditions, including assigning them responsible and varied tasks, fair pay, the opportunity of a long-term job as well as an evaluation of the programme by external experts. 15 graduates have now started their careers at ista in the Sales, Operations and Finance departments.

OPEN-MINDED TO CRITICISM

Only if we receive open and honest feedback from our employees can we identify optimisation potential and develop further. Every two years, we give them the opportunity to anonymously assess our leadership culture, cooperation and work organisation. In 2014, 80 % of the employees in the entire ista Group took part. In 2016, the staff survey could not be conducted but the 2017 one is about to be launched.

The results of the survey are included in management considerations. For example, our field service workers criticised the fact that their jobs made it difficult for them to rest and recuperate. This has prompted us to introduce mindfulness training in the Sales department: in a multi-step module, the employees have the opportunity to identify their personal stress factors and develop calmness and composure goals. These goals are explored in greater depth during the training and supplemented by relaxation



methods so they can be transferred to the individual's workplace in the last step – for example, during breaks while vehicles are being refuelled at a petrol station or before an appointment with a customer. In telephone practice units, external coaches help the employees to internalise these break rituals.

A direct and open exchange of views in the annual staff appraisal interviews and target agreement talks is equally important to us. As part of our [corporate development programme](#), we decided in 2016 to separate the results of these talks from staff bonus payments. Employees can develop more freely and unleash their creativity and entrepreneurial spirit if they are freed from the thought of money. At the same time, by linking bonus payments to the company's results, we promote work on a common agenda and make the calculation of bonuses more transparent.

ENJOYING WORK

Last year in a survey conducted by *meilleures-entreprises.com* in cooperation with the French magazine "Les Echos", young employees in France were asked questions on such subjects as career development, demands imposed by their work and work environment, motivation, appreciation of their work and enjoyment of their work. ista got more than 3.5 out of 5 stars in all categories. We are particularly pleased about the answers in the section on "enjoying work". Here, ista received 4.4 out of 5 possible stars. The results led to the "Happy at Work for Starters" award and show how satisfied young people are at ista in France. It was not just France who was able to stand out in this respect: our international TOP Employer awards in Germany, Austria and Switzerland as well as in Romania, France and Poland show that our HR management can measure itself against the highest standards and hold its own against global competition.



Some of our ista companies again received awards for 2017 as TOP Employer Europe and TOP Employer Deutschland.

Part and parcel of our open way of doing business is that our employees can form trade unions, join them or conduct collective bargaining negotiations. The interests of our employees are represented by works councils in many countries. In Germany, each branch has its own works council. In the Netherlands, a new works council was elected in the 2016 reporting period and managers were trained on how to work with its members. However, the co-determination rights of the works councils and their structure vary greatly from country to country.



We want to offer our customers good solutions with our products and services – to do this, we need highly engaged and qualified employees. With our vocational and further training measures, we promote the skills and knowledge of our employees and help them to develop their potential.

JANA EGGERDING

Senior Vice President Corporate Human Resources

82%

of the employees have a permanent position



G4-26

IN CLOSE DIALOGUE

ista fosters an open feedback culture and promotes it using various dialogue formats: alongside the staff meetings, the so-called inside talks, which have been a regular occurrence for many years now, digital and analogue formats have been introduced in particular to encourage direct contact with the Management Board. The employees can use a question box on the Intranet to contact the CEO Thomas Zinnöcker and ask him questions on their minds – also anonymously if they do not want to reveal their name. The answers to these questions are published on the Intranet for all employees to see. Dialogue is even more direct with the newly introduced format of the live chat: at a certain time and date announced in advance in the in-house newsletter, employees can use the chat on the Intranet to put questions on relevant subjects directly to the Management Board and receive a reply just a few seconds later.

Furthermore, two new personal dialogue formats, 9@9 and Coffee2Go, are available for our employees at head office: every month at nine o'clock, 9@9 gives eight employees the chance to have breakfast with one of our managing directors and discuss issues of current interest. The Coffee2Go format promotes personal discussions between one employee and Thomas Zinnöcker. The employee's personal concerns can be discussed over a cup of coffee at the nearest bakery or in the head office cafeteria.

EQUAL OPPORTUNITIES

All employees can only develop their full potential in a non-discriminatory working environment characterised by fairness. This includes filling positions with a balanced number of men and women and specifically increasing the proportion of women in first and second-level management positions in the next few years. In 2016, nearly one employee in two or 49% was female while 34% of our managerial posts were held by women.

BALANCING PRIVATE LIFE AND A CAREER

We offer all employees programmes and measures to promote a good work-life balance. These include a fathers' network to familiarise our male employees with the opportunities to take parental leave. The nationwide campaign launched by the German Ministry of Family Affairs helps by organising events and seminars for fathers but also mothers so as to enable parents to exchange information and views on reconciling work and family life. In addition, we offer our employees a nationwide ista family service where they can obtain information from an external provider about child day-care places, school-holiday care and nursing care for close relatives.

We also offer various working time models at our branches to enable a good balance between work and private life. For example, nearly all branches have the flexitime system and in many departments employees have the opportunity to work part-time, have a home office or have trust-based working hours. Our experience has shown that giving employees more freedom to manage their time leads them to work more efficiently and also promotes a working atmosphere characterised by a spirit of partnership.

**49%**

of the employees are female

**34%**

of the managerial positions are held by women

There are also many offerings in other countries. In France, for example, social workers are an integral part of the HR team. In Poland, employees' children get a fun opportunity to see what their mum or dad does at work on the newly introduced "Mum-and-Dad-at-Work Day". iSS Romania attaches particularly great importance to working together in a spirit of partnership. In addition to a monthly cinema evening in the meeting room, they organise a 30-minute meeting with the entire, steadily growing workforce so everybody can get to know each other and share views in a creative way.

I believe that further training opportunities are crucial – on the one hand, for my personal development but, on the other hand, also to enable me to keep doing a good job, continue learning and stay up to date. ista offers numerous opportunities and also supports staff who organise their own further training.

EMPLOYEE

from anonymous stakeholder survey

FAIR PAY

At ista, we take the principle of equal pay for equal work very seriously. We determine pay equity on the basis of the specific demands of a particular job. This leads to gradations to which we assign a salary band or a collectively negotiated pay group. The overarching goal is that the pay principles are based on the demands of the job and not on individual agreements. In order to ensure we keep to this goal in the long term, we use statistical procedures to regularly check whether groups of employees are being paid differently in relation to other employees because of their gender or part-time working rules.



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

ACTIVE HEALTH PROMOTION

However, it is not only fair pay that is part of our HR management and important to our employees but also workplace health. For only healthy employees are motivated employees. In 2016, our employees were absent for 7.6 days on average; in 2010, the figure was still 8.4 days on average. Therefore, the sickness rate fell slightly to 3.4 % compared with the previous year (3.5 %). In the reporting period, there were 16 workplace accidents in Germany.

We try to actively prevent physical and mental health problems caused by one-sided strain on the body from an office job or stress from excessive work demands. In 2016, we organised health days at head office and at the branches in Dresden, Kassel and Münster on the focal topic “Workplace Ergonomics”. Free eye examinations and flu vaccinations were also part of the health agenda. In addition, our employees could take part in seminars on relaxation in the workplace while our managers could attend seminars to familiarise themselves with the subject of “Healthy Leadership”.

At various branches, employees receive health-promoting massages if they need them - massages which we sometimes also subsidise. We also offer a 50 % subsidy on memberships of selected gyms. The cooperation agreements also apply to the employees’ partners or spouses. In addition, the employees can also obtain external advice on physical or mental health issues or take part in stress management training and company runs. The measures are heavily geared to the requirements and interests at the particular location. While the focus in Denmark continues to be on healthy eating in the canteen, in Italy weekly yoga courses were held last year. Furthermore, employees at some locations took part in courses on stress management and the understanding of emotional intelligence. After



Every year, over 1,000 colleagues come together for the ista soccer cup to promote community spirit, health, exercise and enjoyment.

winning the [ista sustainability competition](#), the employees of ista Metering Services España are receiving fruit every week for a year. This prize is designed to raise awareness of the subject of healthy eating. Healthy eating is already being deliberately encouraged at many of our branches in Germany and worldwide. Free fresh fruit is supplied in Hanover, Potsdam, Kassel, Karlsruhe and Stuttgart as well as in our international locations such as Belgium and Romania.





Energy efficiency – a social duty

DIALOGUE

As a company that acts responsibly and sustainably, we do not just restrict our contribution to the energy transition to our products and services. We would also like to actively help make society more conscious of energy efficiency. We do this in our sustainability projects, memberships and in the close dialogue we maintain with customers, politicians and associations.



ISTA SCHOOLS IN
ENERGY EFFICIENCY
PAGE 39



PARTNERSHIPS
AND INITIATIVES
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CLIMATE-
NEUTRAL LIVING
PAGE 41

ista MACHT SCHULE

ISTA SCHOOLS IN ENERGY EFFICIENCY

With the [ista schools in energy efficiency](#) initiative, we raise pupils' awareness of the energy transition. We have been involved at five selected schools in Essen since the end of 2016, equipping them with the latest metering technology, visualising and making their consumption data accessible to the pupils. We are also developing a teaching concept together with the teachers and climate protection managers from the city of Essen. The aim is for pupils to learn in various teaching units how energy consumption in the school can be improved through simple action. ista employees can actively participate in this project as [volunteers](#), helping decide on lesson content and teaching it in workshops or school projects. As one of the main sponsors of the ["European Green Capital – Essen 2017"](#), we are making a contribution at local level to greater environmental and climate protection with this project.



The ink is dry: Lord Mayor of the city of Essen, Thomas Kufen, (left) and ista CEO Thomas Zinnöcker (right) show the signed sponsoring agreement for the "European Green Capital – Essen 2017" project.



Girls' Day at the Borbeck Girls Grammar School in Essen: as part of "ista schools in energy efficiency" ista employees teach sixth-form girls to be energy detectives.



Saving energy is important and fun. That's exactly what we want to teach the pupils in our project "ista schools in energy efficiency". For one thing is certain: people have to learn energy efficiency and there's no better place for that than school.

KATHARINA KEMLER

Project Manager of "ista schools in energy efficiency",
Corporate Communications & Public Affairs



PARTNERSHIPS AND INITIATIVES

In addition to our new contacts at educational institutions and our cooperation with the Climate Agency in Essen, we are an active member of numerous associations and initiatives. Together with other members, we champion greater energy efficiency or initiate projects, workshops and networking meetings that help solve social problems.

LIST OF KEY MEMBERSHIPS

- Bundesdeutscher Arbeitskreis für Umweltbewusstes Management e. V. (B.A.U.M. – German Environmental Management Association)
- Bundesverband der Deutschen Industrie e. V. (BDI – Federation of German Industries)
- Deutsche Unternehmensinitiative Energieeffizienz e. V. (DENEFF – German Industry Initiative for Energy Efficiency)
- Arbeitsgemeinschaft Heiz- & Wasserkostenverteilung e. V. (ARGE – Trade Association of Heating and Water Cost Allocators)
- Initiative Corporate Governance der deutschen Immobilienwirtschaft (ICG – Corporate Governance Initiative of the German Real Estate Industry)
- Initiativkreis Ruhr
- UPJ e. V. (German Network of Engaged Companies and Non-profit Intermediary Organisations)
- UN Global Compact
- Zentraler Immobilien Ausschuss (ZIA – German Real Estate Trade Association)

As an expert for greater energy efficiency in buildings, we also see ourselves as a trustworthy partner of politicians. We are committed to transparent and constructive dialogue with all democratic parties. Our political activities are subject to the strictest transparency and compliance rules. ista supports the “transparent politician” project and is entered in the transparency register of the European Commission.

ACTIVE IN EUROPE

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

As a result of the implementation of the submetering requirements of the European Energy Efficiency Directive (EED), ista is now more active in some European countries. However, some tenants are not fully aware of the

benefits of submetering. Therefore, we also support Europe-wide industry associations, for example ANCCA (Associazione Nazionale Contabilizzazione del Calore e dell’Acqua) in Italy, or AERCCA (Asociación Española de Repartidores de Costes de Calefacción) in Spain, which explain the advantages of submetering and the effect on environmental and climate protection to consumers. ista Hungary has also launched an education campaign in collaboration with Matászs – a Hungarian association of district heating utilities. They have set up a website where consumers can obtain information on the advantages of consumption-dependent billing, heat cost allocators, heat meters and their billing.



Constructive dialogue at EU level: ista has been a member of the European Parliamentary Network on Energy Solutions since the beginning of 2017.





10% ENERGY SAVING THANKS TO INCREASED HEATING COST TRANSPARENCY

Together with the German Energy Agency (dena), the German Tenants' Association and the Federal Ministry for Environment, Nature Conservation, Building and Nuclear Safety (BMUB), ista conducted the pilot project "Saving Money through Clever Heating" with three customers. The aim was to find out whether tenants save more energy if they are informed more frequently about their heat consumption. For a period of three years, some 200 households in Berlin, Munich and Essen received monthly information about their heat consumption via web portal, app or by post. The result: the participating households used on average ten per cent less energy than a reference group that only received an annual heating cost bill. Savings of 3% and more already meant a bottom-line gain for the tenants. Greater consumption transparency therefore pays off simply and effectively for everyone: tenants have more money in their pockets, landlords have a better product and the climate is protected as CO₂ emissions are cut. Overall, 90% of the tenants surveyed said they could basically recommend use of energy data management to acquaintances, friends and colleagues.



CLIMATE-NEUTRAL LIVING

ista has been a member of the [Allianz für einen klimaneutralen Wohngebäudebestand](#) (Alliance for Climate-neutral Housing) since 2016. This is an alliance of the housing industry, industrial companies, associations and research facilities and is helping to achieve the German government's goals set in its climate protection plan 2050 by offering solutions for climate-neutral housing by 2050. The alliance advocates a mixture of measures which is open to different technologies without ranking them.

This mix comprises:

- technical measures to improve heat generation efficiency and heat distribution and enable more energy-conscious consumption and ventilation behaviour
- modern heating systems
- improvements to the structural shell of buildings



Handover of the final report on the pilot project conducted by dena, the German Tenants' Association, the Federal Ministry for Environment and ista – (from left) Ulrich Ropertz (German Tenants' Association), Jochen Flasbarth (BMUB), Andreas Kuhlmann (dena) and Thomas Zinnöcker (ista)

Continual dialogue with politicians and other stakeholders is becoming increasingly important for a successful energy transition.

EMPLOYEE
during the online stakeholder survey

KEY FIGURES

FINANCES

SIZE OF THE ORGANISATION

	2016	2015
Employees ¹	5,710	5,397
of whom full-time employees (full-time equivalent)	5,397	5,114
Branches	50 in 24 countries	48 in 24 countries
Sales	€ 850.4 m	€ 810.4 m
Total capitalisation	€ 4,211 m	€ 4,228 m
of which liabilities	€ 3,959 m	€ 3,973 m
of which equity	€ 251 m	€ 255
Product and service groups ²	45	45
Total investment (CAPEX)	€ 134.3 m	€ 132.5 m

Acquisitions and sales
in 2016

- Acquisition of ista Varmemålerservice AS, Bergen, Norway
- Acquisition of S.L.E.C. S.à r.l, Courbevoie, France
- Acquisition of BGS Betriebskosten Geräte Software GmbH, Leipzig, Germany
- Discontinuation of operating activities of ista Brasil Servicos de Energia Ltda., Sao Paulo, Brazil
- Incorporation of istaDES B.V., Schiedam, the Netherlands
- Furthermore, business activities in Spain were acquired

¹ You will find an explanation of the different total employee figures in the chapter [About this report](#).

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

EMPLOYEES

SICKNESS RATE BY REGION

	2016	2015
ista Group	3.4 %	3.5 %
ista International	3.5 %	3.6 %
Central Europe (excl. D)	2.5 %	2.5 %
West, East and South Europe (excl. F)	1.6 %	1.5 %
North Europe	2.2 %	3.5 %
Emerging Markets	0.7 %	0.7 %
ista Germany	4.9 %	4.6 %
ista France	4.4 %	5.2 %
ista Shared Services (Poland & Romania)	3.7 %	3.9 %

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND TYPE OF EMPLOYMENT

	2016	2015
Total number of employees¹	5,816	5,488
of whom with permanent employment contracts ²	4,669	4,324
of whom with fixed-term contracts	1,020	1,024
of whom full-time employees	5,225	4,867
of whom part-time employees	463	481
of whom apprentices	127	140

¹ You will find an explanation of the different total employee figures in the chapter [About this report](#).

² excl. apprentices

**AGE STRUCTURE OF THE WORKFORCE¹**

	2016	2015
Under 26	480	490
26–35	1,980	1,845
36–50	2,182	2,042
Over 50	1,047	971

¹ excl. apprentices**WORKFORCE BY REGION AND GENDER¹**

	2016			2015		
	Female	Male	Total	Female	Male	Total
Central Europe (excl. D)	87	117	204	85	110	195
ista Germany	737	673	1,410	739	663	1,402
ista France	239	432	671	214	424	638
North Europe	116	140	256	111	126	237
West, East, South Europe (excl. F)	439	885	1,324	411	811	1,222
Emerging Markets	50	101	151	64	129	193
ista International	117	271	388	125	264	389
ista Shared Services	994	291	1,285	829	243	1,072

¹ excl. apprentices**TURNOVER BY REASON FOR EMPLOYMENT TERMINATION AND RECRUITMENT RATE**

	2016	2015
Termination by employee	372	320
Termination by ista	232	304
End of fixed-term contract, retirement, seasonal termination or similar	239	270
Total turnover	843	894
New recruits	1,118	1,082
Rate (in %)¹	15.6 %	17.3 %

¹ total number of departures (divided by total workforce minus total number of new recruits plus total number of departures)**PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS**

	2016	2015
France	100 %	100 %
Spain	85 %	83 %
Germany	100 %	100 %
Denmark	70 %	70 %
Belgium	40 %	39 %
Italy	100 %	100 %
Netherlands	100 %	100 %

ENVIRONMENT

✓ CONSUMPTION OF ELECTRICITY AND HEAT WITHIN THE ORGANISATION

	2016	2015
Electricity consumption	20,877 GJ	22,659 GJ
Total heating energy	22,733 GJ	23,185 GJ¹
of which heating oil	–	126 GJ
of which gas	13,513 GJ	13,194 GJ ¹
of which district heat	9,220 GJ	9,865 GJ

¹ figure adjusted in the light of data now available

✓ ENERGY CONSUMPTION OF VEHICLES WITHIN THE ORGANISATION

Energy consumption	2016			2015		
	Litres	Giga-joules	Per cent (of GJ)	Litres	Giga-joules	Per cent (of GJ)
Fuel company fleet	2,625,302	94,023	–	2,537,824	90,878	–
of which diesel	2,458,945	88,433	94	2,371,942	85,304	94
of which petrol	166,358	5,590	6	165,882	5,574	6
Fuel rented vehicles	260,877	9,322	–	181,863	6,455	–
of which diesel	235,547	8,471	91	145,810	5,244	81
of which petrol	25,330	851	9	36,053	1,211	19
Fuel private vehicles	93,566	3,317	–	117,447	4,146	–
of which diesel	73,432	2,641	80	84,582	3,042	73
of which petrol	20,134	677	20	32,864	1,104	27

✓ ENERGY INTENSITY

	2016	2015
Energy consumption (electricity, heating & fuel) per FTE	28 GJ	29 GJ

✓ TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

in tonnes of CO ₂ equivalent	2016	2015
Direct greenhouse gas emissions (Scope 1)		
due to consumption of gas and heating oil	826	818
due to the company vehicle fleet	8,236	7,960
Indirect energy-related greenhouse gas emissions (Scope 2)		
due to electricity consumption	2,312	2,350
due to district heat and cooling	756	808
Further indirect greenhouse gas emissions (Scope 3)		
due to rental cars	816	564
due to private vehicles	290	361
due to air travel	2,109	2,434
due to train travel	8	9
due to paper consumption	521	425

✓ DEVELOPMENT OF GREENHOUSE GAS EMISSIONS

(absolute changes compared with the previous year)

in tonnes of CO ₂ equivalent		2016
Heating energy:	reduced	-44
Vehicle fleet:	increased	276
Electricity:	reduced	-38
Transport:	reduced	-145
Paper consumption:	increased	96
Total:	increased	145



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

Paper consumption	2016		2015	
	Kilograms (total)	Per cent	Kilograms (total)	Per cent
Total	535,221	–	440,640	–
Printing and copying paper	130,488	–	97,995	–
of which recycled	47,660	37	24,483	25
Production paper	260,991	–	263,404	–
of which recycled	199,402	76	196,118	74
Share of recycled paper in printing and copying paper and production paper		63	220,601	61
Notepads	6,311	–	3,965	–
of which recycled	5	0	2	0
Envelopes	36,076	–	33,150	–
of which recycled	22,063	61	21,170	64
Marketing materials	101,355	–	42,125	–
of which recycled	5	0	12	0
Total recycled paper	269,136	50	241,785	55

✓ TOTAL WATER WITHDRAWAL

	2016	2015
Quantity of water withdrawn	26,620 m ³	29,767 m ³ ¹

¹ figure adjusted in the light of data now available

GRI G4 CONTENT INDEX



The ista Sustainability Report 2016 has been prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) and satisfies the "in-accordance - core" option. The currently valid G4 guidelines have been applied.

GRI indicator	Page	External assurance	UNGC
GENERAL STANDARD DISCLOSURES			
Strategy and Analysis			
G4-1 Statement by the most senior decision-maker	4	No	1–10
Organisational Profile			
G4-3 Name of the organisation	ista International GmbH	No	
G4-4 Primary brands, products and services	5, 6, 21, 22	No	
G4-5 Location of the organisation's headquarters	Essen, Germany	No	
G4-6 Countries where the organisation has significant operations	6	No	
G4-7 Nature of legal form and ownership	7	No	
G4-8 Markets served	6, 7	No	
G4-9 Scale of the organisation	7, 42	No	
G4-10 Employees by employment contract, gender and region	7, 42, 43	No	6
G4-11 Percentage of total employees covered by collective bargaining agreements	35, 43	No	1, 3
G4-12 Description of the organisation's supply chain	14, 15	No	
G4-13 Significant changes during the reporting period	42	No	
G4-14 Implementation of the precautionary principle	4, 24, 28	No	7
G4-15 Support of external initiatives	9, 12, 15, 19, 20	No	1–10
G4-16 Memberships of associations and advocacy organisations	40, 41	No	
Identified Material Aspects and Boundaries			
G4-17 List of all entities included in the organisation's consolidated financial statements	2, 7	No	
G4-18 Process for defining the report content	2, 9, 11, 16, 17	No	
G4-19 All material aspects	18	No	
G4-20 Material aspects within the organisation	18	No	
G4-21 Material aspects outside the organisation	18	No	
G4-22 Restatements of information provided in previous reports	2	No	
G4-23 Significant changes in the scope and aspect boundaries	16, 18	No	



GRI indicator	Page	External assurance	UNGC
Stakeholder Engagement			
G4-24 Stakeholder groups engaged by the organisation	16	No	1–10
G4-25 Identification and selection of stakeholders	16	No	
G4-26 Organisation's approach to stakeholder engagement including frequency of engagement	2, 9, 16, 36	No	
G4-27 Key topics and concerns of the stakeholders and the organisation's response	9, 17	No	1–10
Report Profile			
G4-28 Reporting period	2	No	
G4-29 Date of most recent previous report	June 2016	No	
G4-30 Reporting cycle	Annual	No	
G4-31 Contact point for questions regarding the report	50	No	
G4-32 The “in-accordance” option and the index selected	2, 46–49	No	
G4-33 External assurance of the report	2	–	
Governance			
G4-34 Governance structure including committees of the highest governance body	7	No	1–10
Ethics and Integrity			
G4-56 Values, principles and norms of behaviour	12	No	1–10
SPECIFIC STANDARD DISCLOSURES			
Economic			
Aspect: Economic performance – Management approach	8–10	No	
G4-EC-2 Financial implications, risks and opportunities for the organisation's activities due to climate change	8, 9 No quantification of the financial implications of climate change and the handling of opportunities or risks.	No	7
Environmental			
Aspect: Materials – Management approach	27, 28	No	7, 8
G4-EN1 Materials used by weight or volume	30, 45 Quantities of materials refer to office sites. Here, paper is the most important input material.	Yes, for paper consumption Link	7, 8
G4-EN2 Percentage of materials used that are recycled input materials	45 For paper	Yes, for paper consumption Link	7, 8
Aspect: Energy – Management approach	27, 28, 31	No	7, 8
G4-EN3 Energy consumption within the organisation	29, 43	Yes, for electricity, heat and vehicles Link	7, 8
G4-EN5 Energy intensity	28, 29, 44	Yes Link	8
Aspect: Water – Management approach	27, 28	No	7, 8
G4-EN8 Total water withdrawal by source	45 Not by source	Yes Link	7, 8
Aspect: Emissions – Management approach	27, 28, 30	No	7, 8
G4-EN15 Direct greenhouse gas emissions (Scope 1)	2, 30, 44 Biogenic emissions are not material for ista.	Yes, for gas, fuel oil and company car fleet Link	7, 8



GRI indicator	Page	External assurance	UNGC
G4-EN16 Energy indirect greenhouse gas emissions (Scope 2)	2, 30, 44	Yes, for electricity consumption, district heat and cooling Link	7, 8
G4-EN17 Other indirect greenhouse gas emissions (Scope 3)	2, 30, 44 Biogenic emissions are not material for ista.	Yes, for rental cars, private vehicles, air and train travel and paper consumption Link	7, 8
G4-EN19 Reduction of greenhouse gas emissions	30, 44	No	8
Aspect: Products and services – Management approach	20–25, 39, 41	No	7–9
G4-EN27 Mitigation of environmental impacts of products and services	22–24, 39, 41 No quantification of action	No	7–9
Aspect: Compliance management approach	12, 13	No	
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	None	No	
Aspect: Transport – Management approach	10, 27, 28, 29, 31	No	8
G4-EN30 Significant environmental impacts of transporting products	29	No	8
Aspect: Supplier environmental assessment – Management approach	15	No	
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	15 No indication of percentage	No	
Labour Practices and Decent Work			
Aspect: Employment – Management approach	32	No	6
G4-LA1 New employee hires and employee turnover	43 No breakdown of new employee hires and employee turnover by age group, gender and region	No	6
Aspect: Training and education – Management approach	32, 33	No	
G4-LA9 Average number of hours of training	33 No breakdown by gender and employee category	No	
G4-LA10 Programmes that support the continued employability of employees	33, 34 ista offers no transition assistance programmes.	No	
G4-LA11 Percentage of employees receiving regular performance and career development reviews	35 Percentage was not recorded	No	
Aspect: Diversity and equal opportunity – Management approach	36	No	6
G4-LA12 Composition of governance bodies and breakdown of employees according to indicators of diversity	7, 36, 42 No breakdown by age groups of management and minorities; no indication of percentage	No	6
Aspect: Equal remuneration for women and men – Management approach	37	No	1, 6
G4-LA13 Ratio of the basic salary and remuneration of women to men	37	No	1, 6
Aspect: Supplier assessment for labour practices	15	No	
G4-LA14 Percentage of new suppliers that were screened using labour practices – Management approach	15	No	
Human Rights			
Aspect: Non-discrimination – Management approach	36	No	1, 2, 6
G4-HR3 Incidents of discrimination and corrective action taken	No known incidents	No	1, 2, 6
Aspect: Freedom of association and collective bargaining – Management approach	15, 35	No	1–3
G4-HR4 Operations and suppliers in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights	15, 35	No	1–3



GRI indicator	Page	External assurance	UNGC
Aspect: Child labour – Management approach	12, 15	No	1, 2, 4
G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labour and measures taken	15 No operations have significant risk	No	1, 2, 4
Aspect: Forced or compulsory labour – Management approach	12, 15	No	1, 2, 5
G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour and measures taken	15 No operations have significant risk	No	1, 2, 5
Aspect: Supplier human rights assessment – Management approach	15	No	
G4-HR10 Percentage of new suppliers that were screened using human rights criteria	15	No	
Society			
Aspect: Anti-corruption – Management approach	12, 13	No	10
G4-SO3 Percentage of operations assessed for risks related to corruption and the significant risks identified	12, 13 No indication of percentage	No	
G4-SO4 Communication and training on anti-corruption policies and procedures	12, 13 No indication of percentage; no further breakdown by region, type of business partner, governance body members and employee category	No	10
G4-SO5 Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption	No	
Aspect: Anti-competitive behaviour – Management approach	12, 13	No	
G4-SO7 Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices	14	No	
Aspect: Compliance – Management approach	12	No	
G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No significant fines	No	
Aspect: Supplier assessment for impacts on society – Management approach	15	No	
G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	15	No	
Product Responsibility			
Aspect: Customer health and safety – Management approach	24	No	
G4-PR2 Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	No incidents of non-compliance	No	
Aspect: Product and service labelling – Management approach	25	No	
G4-PR4 Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling	No incidents of non-compliance	No	
G4-PR5 Results of customer satisfaction surveys	25	No	
Aspect: Protection of customer privacy – Management approach	25	No	
G4-PR8 Substantiated complaints concerning breaches of customer privacy	No complaints	No	
Aspect: Compliance – Management approach	12	No	
G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No significant fines	No	
ista-specific aspects			
Aspect: Research and development – Management approach	8, 9, 23	No	
Aspect: Pricing policy – Management approach	14	No	
Aspect: Creating awareness – Management approach	8, 20, 39	No	
Aspect: Smart living – Management approach	9, 20, 22	No	

**RESPONSIBLE**

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