



# PROGRESS

Sustainability Report 2014



**ista**

# ABOUT THIS REPORT

*Under the heading „Progress – from metering to conscious action“, we are providing our stakeholders with transparent information on the progress we made in 2014 with the pursuit of our strategy, the attainment of our objectives and the implementation of action.*

## SUSTAINABILITY REPORT 2014

We are presenting the sustainability report 2014 of ista International for the first time as an interactive PDF. Under the heading “Progress – from metering to conscious action”, we are providing our stakeholders with transparent information on the progress we made in 2014 with the pursuit of our strategy, the attainment of our objectives and the implementation of action. This sustainability report also represents the progress report for the Global Compact of the United Nations.

G4-17 | G4-23

## FRAME OF REFERENCE

The report includes 48 companies worldwide. This sustainability report is based on the key performance indicators of the 2014 calendar year. The companies ista USA and ista Bulgaria were sold in the reporting period and are not included in the key figures for 2014. However, this is not reflected in the development of the key figures for 2014 as ista grew both in terms of building size and employees despite the sale of these two companies.

The data for these two companies were still included in the figures for 2013 and previous years. The CO<sub>2</sub> emissions of these two countries totalled 733 t in 2013 and therefore 4.5% of all emissions.


## GUIDELINES AND REPORT PREPARATION

In our reporting, we comply with the internationally recognised guidelines of the Global Reporting Initiative (GRI). We are reporting for the first time in accordance with the new version GRI-G4 and satisfy the “in accordance” option. This report has also been verified by the [Materiality Disclosure Service](#) of the GRI.

In preparation for this report and to determine the report contents, we conducted a materiality analysis with external stakeholders and internal sustainability experts. We present this process and its results in the chapter [„Determining material report topics“](#).

## KEY FIGURES AND AUDIT

Whereas the key figures of the workforce structure in the chapter “Employees” were recorded as of December 31, 2014, the specific key environmental figures are based on the average full-time equivalent (FTE) for 2014. Selected employee key figures, for example, the number of training days per head, are also based on the FTE figures.

Selected environmental KPIs for the calendar year 2014 were the subject of an audit with limited assurance conducted by KPMG AG Wirtschaftsprüfungsgesellschaft. Audited key figures are identified in the chapter “Energy and Resources” by the symbol .

We professionalised the recording of the environmental key performance indicators in 2014 and so considerably fewer extrapolations had to be made. The proportion of the data based on estimates and extrapolations is 19% for electricity consumption, 55% for water consumption and 30% for heating energy consumption.

As the procedures for recording key company figures and HR figures as well as for billing energy consumption sometimes differ in the individual countries, the quality of the data on which this report is based also varies. While some figures are precisely recorded data, others are based on estimates and extrapolations. In order to steadily reduce the proportion of estimates, ista is installing its own meters at more and more rented branches.

As a result, we can increasingly prepare our own ancillary cost bills without delay.

In countries where precise data are only available for some branches, we estimate the figures for the other branches on the basis of the FTE figures or the square metres. The global ista average is used as a calculation basis for countries without precise recorded data.

The key consumption data for 2013 include figures of locations with rents billed as a lump sum. The individual types of consumption – electricity, water and heating – have been extrapolated in these cases. In some cases, ista has now obtained more accurate data on the billing of key consumption figures from the period of the 2013 Sustainability Report which still had to be estimated at the time of reporting. The 2013 key figures were not subsequently adjusted as the difference to the original figure was less than 5%.

The CO<sub>2</sub> emissions were calculated, for example, on the basis of the conversion factors of the IEA, the Bavarian State Office for the Environment and the Institute for Housing and Environment.

## EDITORIAL NOTE

The copy deadline for this report was April 30, 2015.

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 appears annually. The next report will probably appear in summer 2016.

## AUDIT CERTIFICATE

[KPMG-Certificate](#)

# CONTENTS

## INTRODUCTION

- 4 Foreword
- 5 Portrait
- 9 Sustainability Strategy
- 12 Sustainability Management
- 14 Materiality

## FACTS AND FIGURES

- 53 G4 Content Index
- 56 Imprint

## PORTFOLIO 17–24



## ENVIRONMENT 25–36



## EMPLOYEES 37–46



## DIALOGUE 47–52



# FOREWORD

## Dear Readers,

For us, progress means doing something better and more simply than we did in the past. It generally involves technical innovations which enable us to achieve this. Since the invention of the steam engine and its industrial use, almost no other technology has revolutionised our daily lives so much as the use of digital structures nowadays. The digital world is changing our energy future, our mobility and the way we live together. Our everyday lives are becoming increasingly “smarter” and our homes more and more “smart homes”.

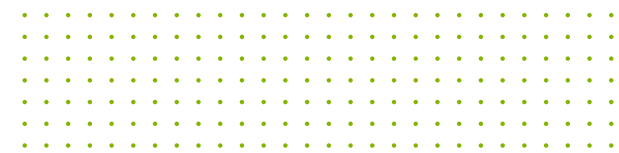
However, the smartest technology is not much good if we users cannot handle and employ it efficiently. For example, what's the use of being able to control our heating systems when we are away from home if we do not know how much energy and costs we are saving as a result? Only when our energy consumption is transparent does our personal use of energy resources become “smart”.

We at ista are on a mission to create this transparency. On the basis of advanced digital radio technology, we record individual energy consumption in multi-family buildings for our customers and bill them at least once a year. At the same time, we go one step further and make heating and hot water consumption transparent for all users at all times. Our monthly consumption information provides all our users with reliable data on their own individual energy behaviour at all times.

*“We make heating and hot water consumption transparent for all users at all times.”*

Progress and transparency guide us, not just in our core business. In 2014, one particular example of progress for us was the refinement of our company's Shared Values which shape our actions today and in future. We are also continuously improving our own sustainability performance: we ourselves save energy and water and are constantly cutting our consumption of paper. But it is only through transparent reporting and open, constructive dialogue that we can exchange views with our stakeholders on how we can achieve progress together – from which society and the environment benefit. This year, we are reporting for the first time in accordance with the new [G4 guidelines](#) of the internationally recognised Global Reporting Initiative. Moreover, this report is 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 wish you informative and entertaining reading and I would be delighted if you would share your impressions with me and my colleagues. Please write to us at [sustainability@ista.com](mailto:sustainability@ista.com).

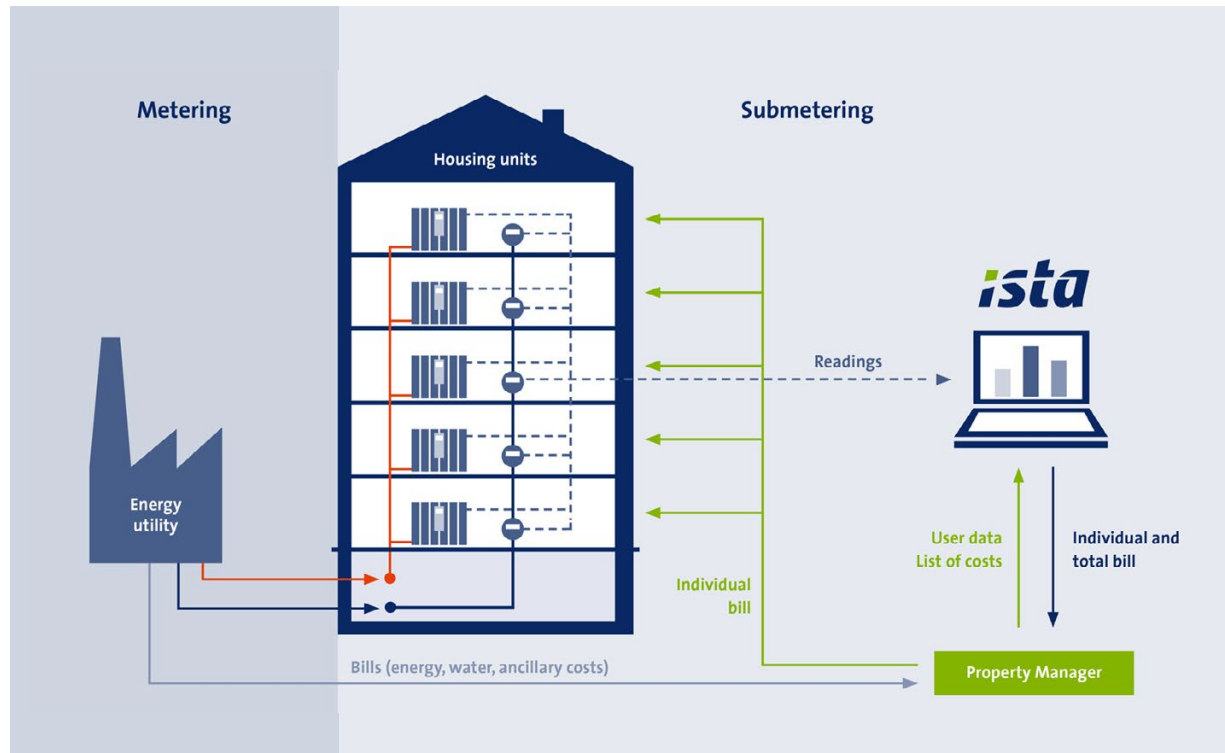
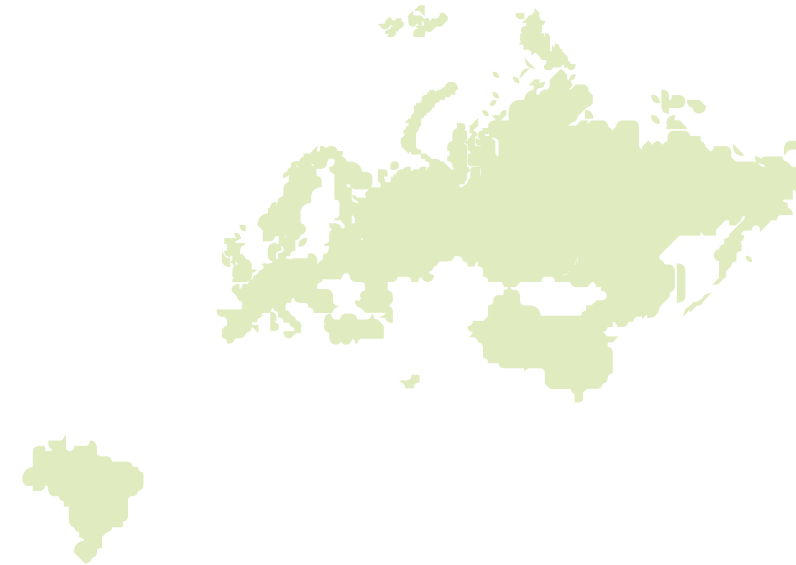


Yours,  
Walter Schmidt

CEO ista International

# FROM METERING TO CONSCIOUS ACTION

ista's business model is fundamentally based on conscious and careful use of natural energy and water resources. In 24 countries around the world, we demonstrate that energy efficiency and climate protection do not have to be complicated or expensive.



Our approach, so-called submetering, is primarily geared to the individual user in the building instead of cost-intensive refurbishment measures on the outer envelope of a building. For the consumer decides on how efficiently he uses energy in his own four walls. ista creates the basis for taking this decision – by providing information and cost transparency. Tenants can only initiate targeted action if they know their consumption – and together we can achieve progress in the conservation of natural resources.

Our customers are real estate companies, house owners, home owners' associations and energy utilities. We offer them and their tenants transparency based on individual energy consumption. Using advanced radio technology, we first record individual heat and water consumption mainly in privately used multi-family buildings but also in commercial properties. We process the data in an illustrative manner and prepare a detailed bill of each user's individual energy consumption. Everyone therefore only pays for the energy they actually consume. That is not only transparent but also fair. ►

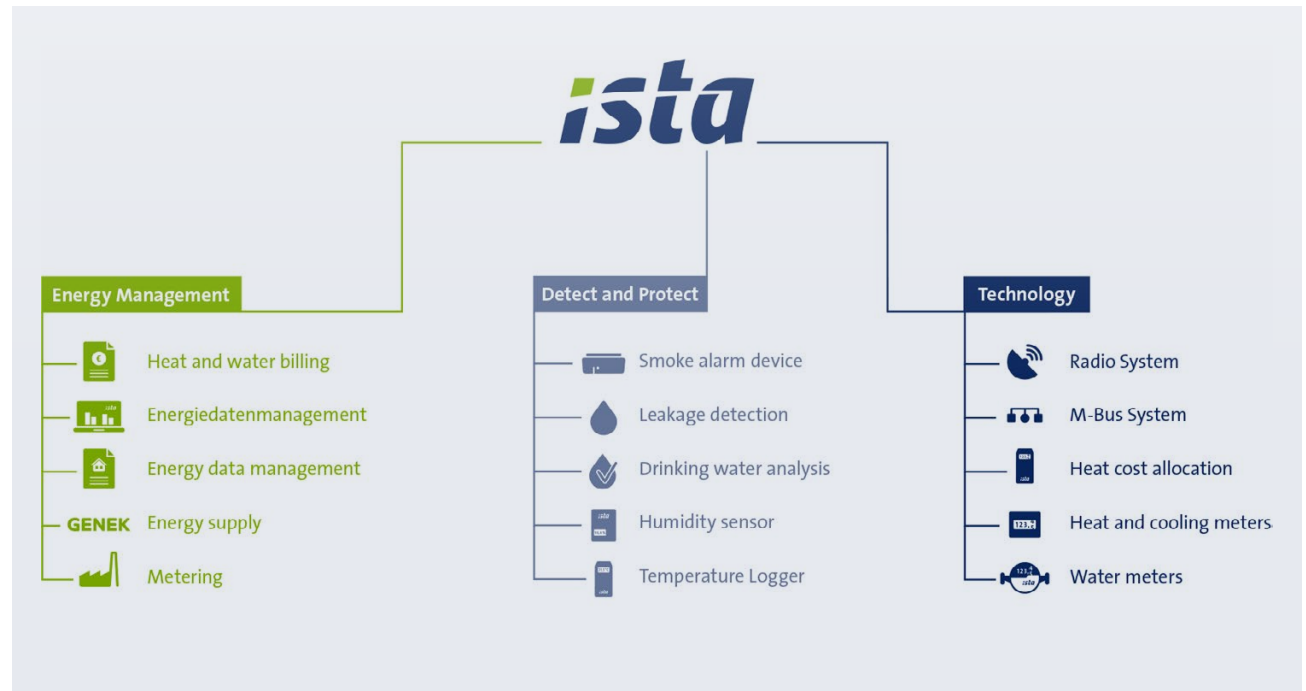
In addition to fairness, transparency also has another effect. People who have responsibility for their energy consumption and therefore pay for the relevant costs generally keep a much closer eye on their energy consumption behaviour. After evaluating numerous international studies, the European Commission concluded that from 15% up to even 30% of heating energy can be saved through nationwide submetering and corresponding allocation of the heating costs. Consumption and cost transparency is therefore one of the greatest levers for the efficient use of energy. Therefore, ista continuously supports the improvement of transparency in the heating sector and now offers consumption information which can also be quickly accessed via digital media. Together with our customers in the real estate industry, we are therefore turning the tenant into a “smart tenant”.

**SUBMETERING – THIS IS HOW IT WORKS**

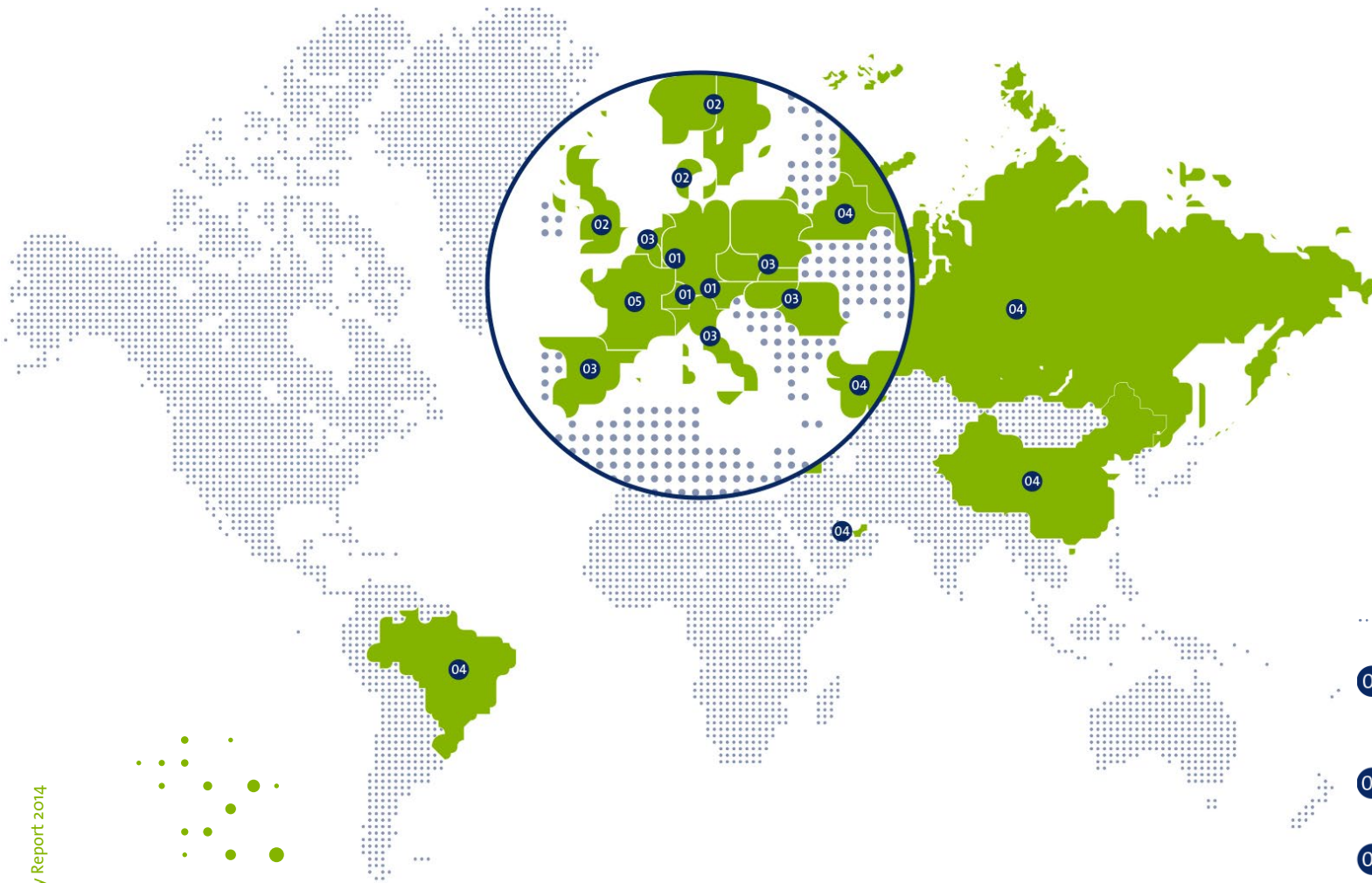


**SUSTAINABLE SOLUTIONS**

Our product portfolio mainly comprises radio-based heat cost allocators, heat and water meters as well as the relevant installation accessories. Based on this, we offer, as part of our energy management, numerous supplementary services with which we further improve the energy efficiency of buildings. For example, our Heating ECG checks and monitors the performance of central heating systems. In addition to more efficiency, however, we also ensure greater safety: we help to save lives with our smoke alarm devices. Moreover, our [drinking water analysis](#) offers efficient protection against potential hazards in drinking water, e.g. legionella or other dangerous germs.



ista looks after roughly 49 million metering devices in over 12 million dwellings all over the world. Our customers include property managers and owners as well as energy utilities.



- 01 REGION EUROPE CENTRAL**  
Austria, Germany, Luxembourg, Switzerland
- 02 REGION EUROPE NORTH**  
Denmark, Norway, Sweden, UK
- 03 REGION EUROPE WEST, EAST & SOUTH**  
Belgium, Czech Republic, Hungary, Italy, Netherlands, Poland, Romania, Spain, Slovakia
- 04 REGION EMERGING MARKETS**  
Belarus, Brazil, China, Russia, Turkey, United Arab Emirates
- 05 FRANCE**  
France

**ACTIVE AROUND THE WORLD**

With its headquarters in Essen (Germany), the ista Group operates in 24 countries worldwide. In addition to Germany, we focus in particular on other European markets such as Denmark, France, Italy, Spain, the Netherlands, Romania and Poland. In 2015, we are opening a new office in Croatia. Emerging markets, such as China, Russia, Brazil and the United Arab Emirates, are also steadily

gaining importance. ista is already the market leader in many of these countries. In Germany, the company holds a strong second position. The companies in the USA and Bulgaria were sold in the reporting period. ista's activities are supported in some countries by independent service partners. In Germany, they are responsible, for example, for installing and reading the meters.

in EUR million	2014	2013
<b>Total capitalisation</b>	<b>4,230</b>	<b>4,257</b>
– of which liabilities	3,960	3,939
– of which equity	270	317

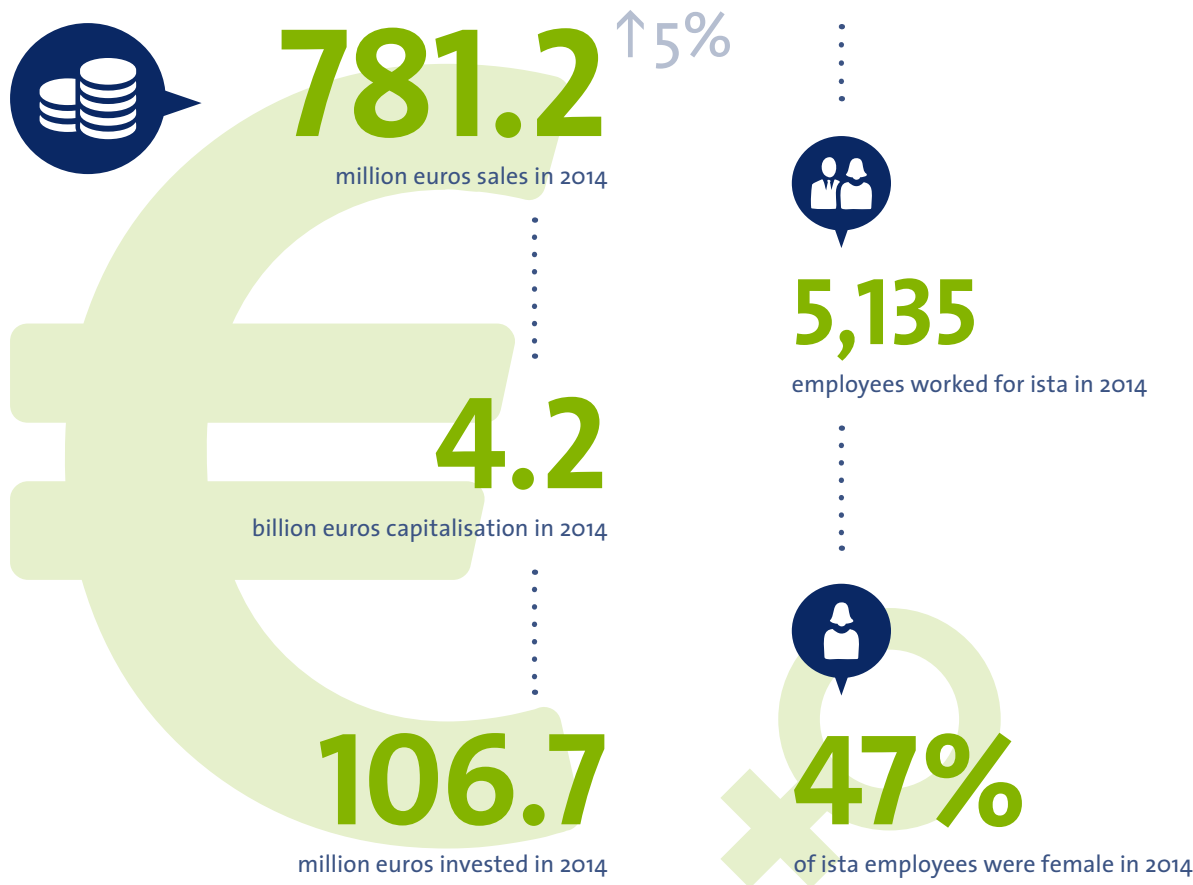
G4-17

**MAJOR KEY FIGURES**

In 2014, ista recorded worldwide sales of EUR 781.2 million. That is a 5% increase in sales over 2013. Total capitalisation amounted to EUR 4.2 billion. In the reporting period, EUR 106.7 million was invested, including EUR 80.8 million alone as upfront investment in hardware which we rent out to our customers. 5,135 employees worked for the Group. The full-time equivalent as at December 31, 2014 was 4,775. Women accounted for 47% or almost one in two of the workforce in 2014. In addition to ista Luxemburg GmbH S.à. r.l., another 47 companies are included in the consolidated financial statements of ista Luxemburg.

**OUR MANAGEMENT**

The management of ista International GmbH is responsible for strategic and operational control and also has overall responsibility for risk management of the entire Group. The managing directors are Walter Schmidt, Chief Executive Officer (CEO), Christian Leu, Chief Financial Officer (CFO) and Jochen Schein, Chief Operating Officer (COO). The remuneration of the management consists of a fixed and a variable component which depends on the overall success of the company. Christian Leu and Jochen Schein also sit on ista’s Supervisory Board – Christian Leu is the Supervisory Board Chairman. The ultimate 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 also holds shares in the company.





# 360° SUSTAINABILITY

Sustainability is at the core of our business model. We help our customers to save energy and water in residential and commercial buildings. The better we do this, the better our market position is. It is therefore a question of living the sustainability idea throughout the entire company in a credible way.

We are continuously improving our own use of resources, working on ever new product and service innovations and are committed to open dialogue with civil society. And we encourage our employees to show initiative outside the company as well.

## CONTRIBUTING TO THE BIGGER PICTURE

With our sustainability strategy, we are also contributing to our corporate vision. With it, we want to

**be leading in energy and water management**, as our products and services contribute to greater transparency, energy efficiency and therefore to a reduction in CO2 emissions.

**partner with our customers** for, as both a global and local partner, we put customer satisfaction first.

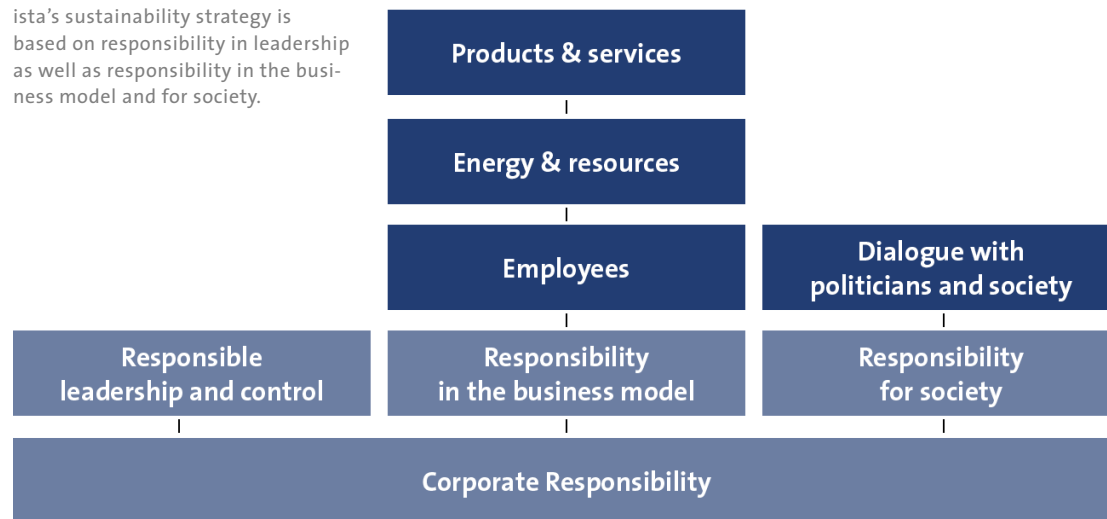
**achieve process and technology leadership** through innovation in our technologies, through internationally standard processes and through highly qualified employees.

**create a culture of trust** as the relationships with our business partners and employees are based on openness, honesty and mutual respect.

At ista, the corporate vision and sustainability strategy pursue the same goal: to make a contribution to sustainable added value.



ista's sustainability strategy is based on responsibility in leadership as well as responsibility in the business model and for society.



**CONFIRMATION OF OUR STRATEGY**

We want to continually improve our performance in the field of sustainability. In the reporting year and in preparation for this report, we therefore conducted a process to establish key subjects. The sustainability issues prioritised by external stakeholders and internal sustainability experts largely confirmed our strategic fields of action. These are: energy and resources, products and services, employees and dialogue with politicians and society (see diagram). The structure of the ista sustainability report is also based on these fields of action. We are planning further specification and differentiation of these fields of action for the coming reporting year.

In order to implement the sustainability strategy, we have set ourselves a strategic objective for each field of action. Our sustainability report describes what action is needed to achieve these goals and the current degree to which these targets have been attained.

**FIELDS OF ACTION AND STRATEGIC OBJECTIVES**

**FIELD OF ACTION**  
**Energy and resources**

**Strategic objective:** 13 % reduction in the average CO2 emissions of our company car fleet in Germany (excl. pool vehicles and vehicles of the customer service technicians)

**Status 2014:** Implemented in 2014, new company car regulations reduce the previous upper limits for CO2 emissions of the vehicles in the individual company car groups. New vehicles may only be chosen and leased if the ECE standard consumption is below the thresholds. Company car drivers are provided with regular information on their own consumption. The average CO2 emissions of the company car fleet were reduced by 4.8 g per km or 2.67% in 2014.

**Target horizon:** 2018

**FIELD OF ACTION**  
**Products and services**

**Strategic objective:** International harmonisation of the product and service portfolio to increase efficiency and reach new markets and customers with the existing portfolio.

**Status 2014:** Establishment of an international Product Management and Marketing Team at the end of 2014. Anchoring of the marketing processes ongoing in 2015.

**Target horizon:** 2016

**FIELD OF ACTION**  
**Employees**

**Strategic objective:** Increase in employee satisfaction.

**Status 2014:** Employee survey conducted in 2014. Indices 82 (Engagement Index) and 73 (Commitment Index).

**Target horizon:** 2016

**FIELD OF ACTION**  
**Dialogue with politicians & society**

**Strategic objective:** Further intensification of dialogue with external stakeholders.

**Status 2014:** A materiality analysis to determine the stakeholder interests and concerns was conducted for the first time in 2014. Decision taken to extend the materiality analysis to international locations.

**Target horizon:** 2016

**AMBASSADORS FOR SUSTAINABILITY**

Our employees are our ambassadors for greater sustainability. They implement ista’s sustainability strategy in everyday working life and communicate our values to the public through their social engagement. For it is only through respect for the environment, colleagues, customers and society that we remain an attractive employer, an internationally successful company and opinion leader in our branch of industry.

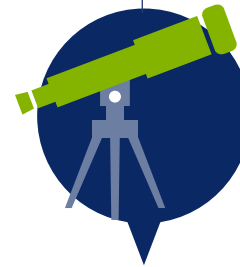


**MISSION**

**Our task**

In times when resources such as energy and water are becoming ever more expensive and valuable, our products and services help to save these resources intelligently.

This is our key mission, our corporate and social task: “We manage and save valuable resources sustainably.”



**VISION**



**Our aspiration**

What do we aspire to? What demands do we place on ourselves and on our thoughts and actions? Our vision provides detailed information on this:

- Leading in energy and water management
- Partnership with our customers
- Process and technology leadership
- Culture of trust

**LONG-TERM OPPORTUNITIES AND RISKS**

ista is affected both by the opportunities and risks of climate change because of the strong focus on energy efficiency in our core business. For products and services which conserve resources are in ever greater demand. Furthermore, politically driven climate protection involves laws and regulations which promote individual and regular consumption information. One example of this is the [European Energy Efficiency Directive \(EED\)](#). However, we do not gain any competitive advantages from this.

We are not experiencing any negative effects on our business from climate change. However, we may well be affected by regulatory action at our branches, for example in connection with energy-efficient refurbishment work which has to be performed on ista buildings. Against this background, ista’s management has not put a figure on the financial consequences for the company arising from climate change.

# SUSTAINABILITY MANAGEMENT AND GOVERNANCE

Sustainability is firmly anchored in the structures at ista. Our actions are guided by strong values as well as by company and international guidelines. We take the concerns of external stakeholders seriously for they help us to develop constantly.

Values govern ista's actions. Therefore, in the reporting period – following the refinement of our corporate strategy – we developed the [ista Shared Values](#) and presented them at all branches. They give employees guidance in daily working life and promote value-based conduct within the company.

In addition, ista's Code of Conduct is binding on all employees. It explains important principles, such as how employees can avoid conflicts of interest and that the company rejects corruption and bribery. Every employee has a printed copy of the Code of Conduct. In order to avoid corruption and bribery, Corporate Internal Audit and Compliance regularly informs and advises the management. Furthermore, in 2014 guidelines were introduced on gifts and gratuities (Germany) as well as on money laundering and the funding of terrorism (international).

## INTERNAL AUDIT ADVISES

The Intranet gives our employees access to all documents which provide guidance on action. Corporate Internal Audit and Compliance also ensures compliance with the guidelines as part of its regular audit activities and advises employees throughout the world on subjects such as corporate governance, compliance or risk management. In 2014, compliance requirements were brought to the special attention of all employees in Germany. Employees can get in touch with the Senior Vice President Corporate Internal Audit and Compliance if they have any questions.

## INTERNATIONAL CONVENTIONS

ista acts in compliance with the principles of international conventions. They include the UN Declaration on Human Rights and the UN Convention against Corruption as well as the International Labour Organization's (ILO) Declaration of Principles. ista supports the [United Nations Global Compact](#) initiative for businesses and has committed itself to aligning its operations and strategies with 10 universally recognised principles relating to human rights, labour standards, environmental protection and fighting corruption. Employees can report violations to the Internal Audit department.



### INTERNATIONALLY RECOGNISED

ista supports the United Nations Global Compact initiative for businesses and has committed itself to aligning its operations and strategies with 10 universally recognised principles relating to human rights, labour standards, environmental protection and fighting corruption.

## SUSTAINABILITY IN EXPERT HANDS

The Sustainability Council is responsible for implementing ista's international sustainability strategy and reports direct to the management (see chart). This body – made up of sustainability experts from relevant departments – meets three to four times a year to refine the sustainability strategy and to anchor sustainability even more firmly in the organisation. This includes developing sustainability standards as well as initiating environmental and climate protection projects and identifying social topics. In addition, the Sustainability Council advises the departments on the operational implementation of sustainability measures and is the contact for sustainability questions in the company. The Sustainability Council is supported by 23 international representatives, so-called sustainability delegates, in the implementation of measures in the national organisations.



**SUSTAINABILITY IN EXPERT HANDS**

**Sustainability Council**

Through a continuous exchange of views, the sustainability strategy is refined and sustainability is anchored in the organisation. This includes developing sustainability standards, initiating environmental and climate protection projects and identifying social topics.

G4-24, G4-25, G4-26

**IN DIALOGUE WITH STAKEHOLDERS**

ista maintains open dialogue with its stakeholders. The concerns of ista's stakeholders are as different as they themselves. It is a challenge for all departments to address their individual needs and take account of them in the business processes.



ista's most important stakeholders include owners and employees as well as customers, suppliers, associations and the media (see table). Stakeholders also played a decisive role in [determining material topics for this report](#). Furthermore, there is regular contact between ista and its stakeholders (see table).

**SUSTAINABILITY COUNCIL**



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

# DETERMINING MATERIAL REPORT TOPICS

ista focuses on transparency not only in its core business – but also in reporting. Above all, we want to report on those topics which are particularly important for our business model and our stakeholders. In 2014, we therefore again intensified our reporting process.

## G4-18

ista is presenting its fifth sustainability report. It is the fourth report written in accordance with the internationally recognised guidelines of the Global Reporting Initiative. This year, we are reporting for the first time in accordance with the new version GRI-G4, which prescribes intensive inclusion of stakeholders to determine the report content. We took this opportunity to focus our reporting on key topics and to align our sustainability strategy with them. We have strived to communicate a comprehensive picture of our corporate activities and to show what contribution ista can make to a sustainable development. In an initial step, we conducted the materiality analysis, which focused on Germany. However, it is valid for all companies of ista International, in line with the [scope of the report](#).

## G4-18

### TOPICS FOR ISTA

The materiality analysis was conducted in a three-stage procedure between December 2014 and February 2015. Relevant topics were selected in the first stage. This preliminary selection of topics was based on an analysis of national and international, industry-wide and pan-industry sustainability standards as well as on the evaluation of subjects raised during contact between ista and its stakeholders in the reporting period. The result was a list of 12 sustainability topics which, given ista's business model, may be fundamentally material to the company.



## G4-18 G4-24 G4-25 G4-26

### PRIORITISATION BY STAKEHOLDERS

In the second stage of the materiality analysis, internal and external stakeholders prioritised the 12 topics during an online survey. They were asked to evaluate these subjects on a scale of 1 to 10 according to their relevance for ista. Moreover, in additional questions the stakeholders provided a general assessment of ista's sustainability performance and its communications on this subject.

The external stakeholders were 10 people selected by ista, who, on the one hand, know the company well and, on the other, belong to one of the stakeholder groups relevant for ista. They are customers, tenants, associations, NGOs, representatives from politics as well as sustainability and financial experts. Prior to participating in the online survey, the external stakeholders were asked in detail about their expectations of ista and their assessment of ista's sustainability engagement in a roughly half-hour, semi-structured telephone interview. Members of the [ista Sustainability Councils](#) and representatives of the national organisations, the so-called sustainability delegates, took part in the survey as internal stakeholders.

G4-18 G4-27

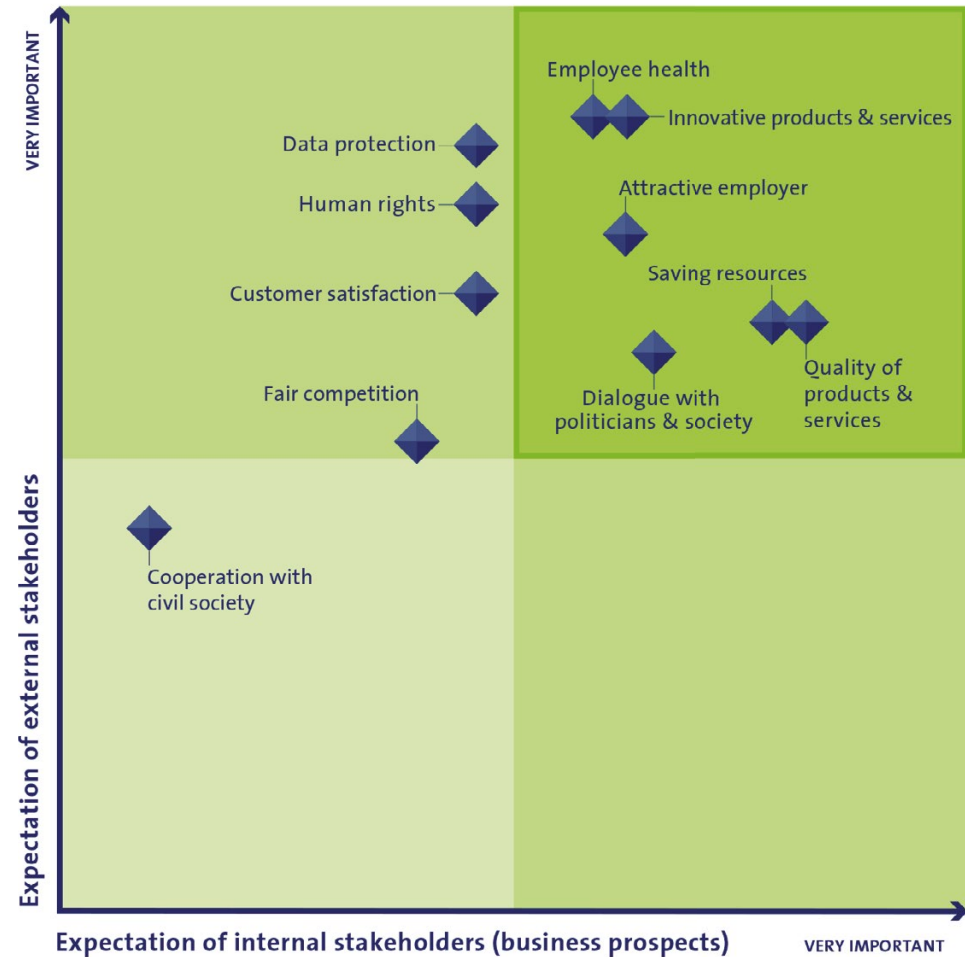
**ADOPTION OF MATERIAL TOPICS**

A workshop organised by the ista Sustainability Council was the final stage of the materiality analysis. The objective and result of the workshop was to adopt the materiality matrix (see diagram) containing the major topics for ista’s reporting. To achieve this, the results of the internal and external stakeholder surveys were presented, discussed and the internal assessment modified, where necessary. Finally, the decision was taken on where the boundary is drawn between material and non-material subjects. The materiality matrix diagram shows what relevance internal and external stakeholders attach to the sustainability topics. The subjects highlighted in the diagram are those which we prioritise in our report. This matrix acts as a guide, helping us to determine the content of this sustainability report, further develop our sustainability strategy and select topics for internal and external communications.

**PRIORITISATION BY STAKEHOLDERS**



**RESULT OF THE STAKEHOLDER ASSESSMENT**



G4-19, G4-20, G4-21

**MATERIAL GRI ASPECTS**

The table assigns the relevant GRI aspects to the topics identified as material and states whether the topics reported have ecological and social impacts inside or outside our company.

The above analysis of internal and external stakeholder expectations is the first materiality analysis of its kind conducted by ista. In future, it will be an integral part of ista's sustainability reporting and will be repeated at regular intervals.



Field of action	Topic	Relevant GRI aspect	Inside / Outside
Employees	Employee health	Occupational safety and health	Inside
	Attractive employer	Equality Same pay for men and women	Inside
Products & services	Innovative products & services	Products & services	Outside
	Quality of products & services	Products & services	Outside
Energy & resources	Saving resources	Energy emissions Transport	Outside
Dialogue	Dialogue with politicians & society	Politics	Outside

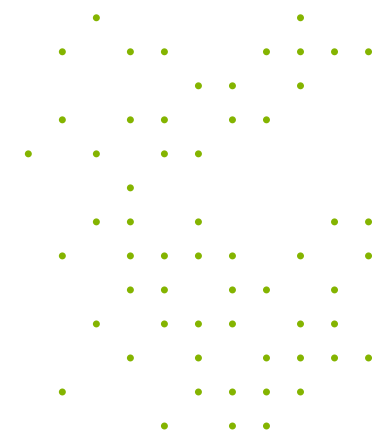


# PRODUCTS AND SERVICES

## PORTFOLIO

Climate change is one of the greatest challenges that we are currently facing. We at ista take this seriously and make a sustainable contribution to greater climate and environmental protection. We therefore systematically develop innovative products and services which make individual energy and water consumption transparent and, as a consequence, sensitise consumers to active resource conservation.

# MANAGEMENT APPROACH



## CONTRIBUTING WITH PRODUCTS TO GREATER RESOURCE CONSERVATION

The transformation of the global energy systems, greater energy efficiency and CO<sub>2</sub> savings but also the use of efficient digital technologies are some of the key social and economic issues of our times. Nowadays, modern energy service providers in particular must sustainably combine resource conservation, new technologies and convenience for their users in order to achieve success on the global market. We at ista therefore want to set ever new standards. We are already one of the world's leading service providers for the consumption-dependent metering and billing of heat, water and ancillary costs and we want to further expand this position in the coming years. This will only be achieved with continual innovation. The latest technical and regulatory trends from 24 ista markets worldwide are therefore systematically taken into account in the continuous development of our product and service portfolio.

We have a clear objective: our customers in the housing industry and their users must benefit as much as possible from our services. The actual savings of energy, water and

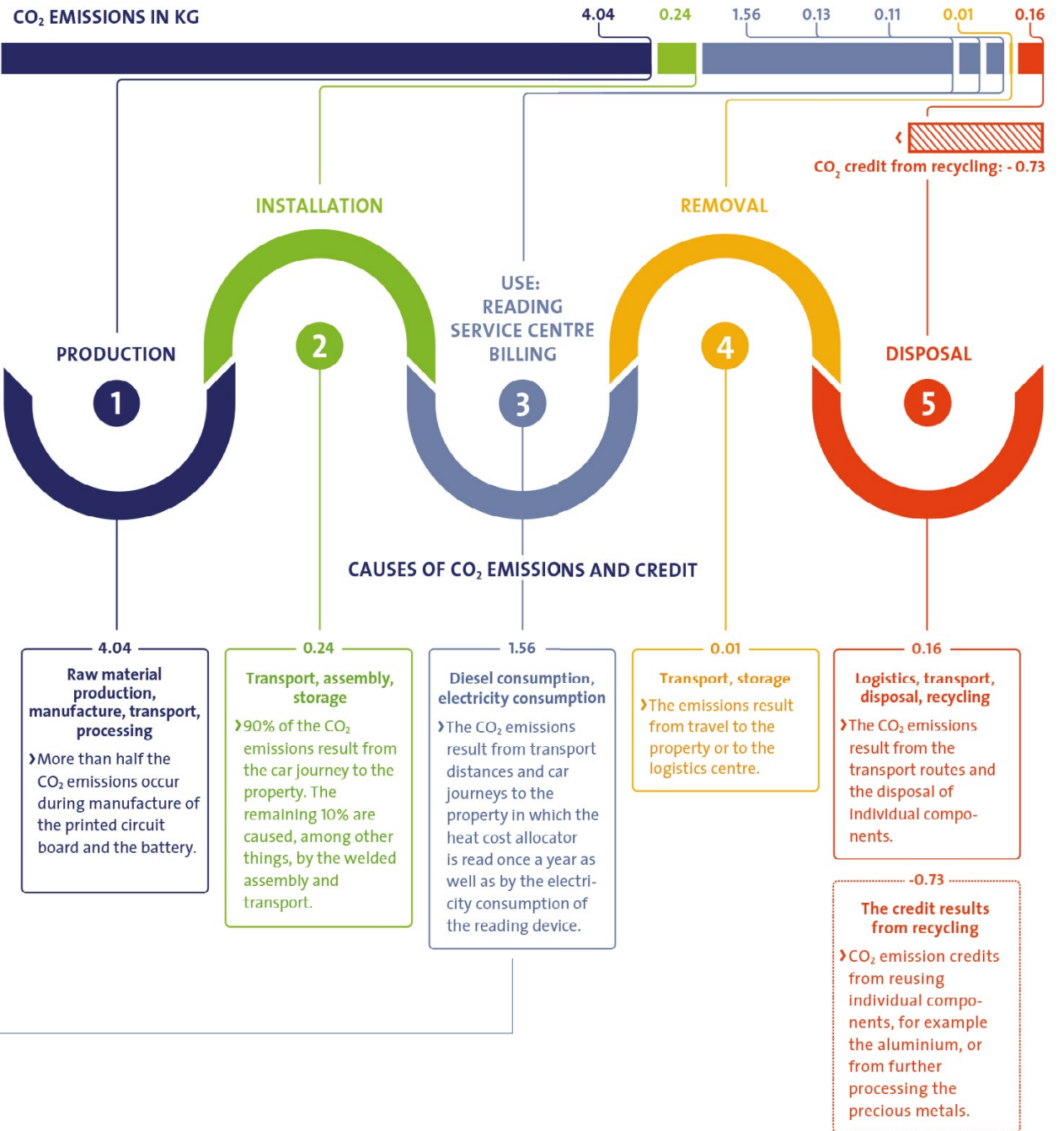
therefore also costs must be substantial. We therefore offer not only appropriate product and service packages but also different financing options for every specific customer need. Hardware components can be purchased or simply rented from us and additional services provided directly through us, by the customers themselves or by third parties. In this context, we offer various products which are tailored to the different needs and requirements of our customers: our heat cost allocator doprimo 3 ready can be operated in three different service versions: with meter reading directly on the device, outside the apartment or by means of remote reading.

We are committed to minimising the consumption of resources and risks to the environment which the production, use or waste disposal of new offerings could entail. In order to guarantee quality and environmental compatibility, we have introduced a quality management system certified to ISO 9001 at the German locations Gladbeck, Au and Essen (material management and production).

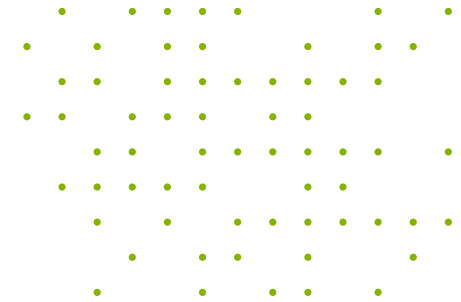


### RESULTS OF OUR LIFE CYCLE ANALYSIS OF THE DOPRIMO 3 RADIO NET

We also try to accurately examine in life cycle analyses the relationship between CO<sub>2</sub> emissions produced in connection with our devices and future savings. Taking our heat cost allocator doprimo as an example, we were able to prove that consumption-dependent heating cost billing based on the doprimo 3 radio net saves 158 times more CO<sub>2</sub> than is produced during the device's entire life cycle. The CO<sub>2</sub> emissions over the entire life cycle were calculated to produce the carbon footprint of the doprimo 3 radio net. The life cycle is 10 years on average and includes the production of raw materials, manufacture, transport, installation, use including preparation of the consumption-dependent heating cost bills as well as disposal or recycling.



# PERFORMANCE



## MAKING GREAT STRIDES INTO THE DIGITISED AGE

In the age of rapidly increasing digitisation, we systematically exploit the latest opportunities to advance the development of sustainable products and services to save scarce resources. We believe our product development efforts give us competitive advantage through product innovation. At ista, innovation comprises, on the one hand, the optimisation and modification of existing products in line with market developments such as the trend towards saving energy. On the other hand, we are committed to developing new products for the energy efficiency sector and to highly efficient, radio-based machine-to-machine (M2M) communications.

## CUTTING CO<sub>2</sub> WITH RADIO TECHNOLOGY

With the use of our advanced radio technology, we have already taken a major step towards digital progress, innovation and transparency. Almost all of our products are now equipped with radio, old devices can be simply upgraded using a radio module. Our real estate customers and their tenants therefore no longer need ista service partners visiting their apartments: the heat cost allocators, heat and water meters can be read remotely, thus offering additional savings potential not only as regards the CO<sub>2</sub>-intensive journeys to and from the properties. With our radio technology,

the frequency of information on individual consumption can be very simply increased at a reasonable price. For example, we can now provide transparency of consumption not only once a year in the heating cost bill but also sub-annually on a monthly basis. And it has been proved that greater transparency means lower energy consumption.

## COMPLETE TRANSPARENCY WITH ISTA ENERGY DATA MANAGEMENT

With our energy data management system (EDM), we have already converted this sub-annual, monthly consumption information into a marketable product. In the basic version, the EDM is a reasonably priced and sustainable solution with which our customers can retrieve the data of the previous five billing periods and view detailed analyses on an online platform. With the premium version, we also provide further relevant consumption information and analyses on a monthly basis – all digitally, so without using paper and therefore without harming the environment.

With the ista energy app, Initiative Mittelstand award-winner (SME initiative), our customers' tenants also keep convenient track of their consumption while out of the house. Using this knowledge, they can save costs, valuable resources and CO<sub>2</sub> themselves, independently and voluntarily.

## IMPORTANT PILOT PROJECT FOR GREATER TRANSPARENCY

With the [“Saving Money through Clever Heating“](#) pilot project, we are demonstrating what potential can be harnessed in Germany with our energy data management system (EDM). Together with the German Energy Agency, the German Tenants' Association and the Federal Ministry for Environment, Nature Conservation and Nuclear Safety, we have initiated the largest field trial in Europe for sub-annual consumption information. Some 200 private households in Berlin, Essen and Munich receive, in addition to their annual bill, monthly information on their individual energy consumption. They can view their consumption figures on a web portal or by app. Furthermore, they obtain consumption forecasts and can view their consumption in relation to other anonymised households. Based on the evaluation of the first heating period from October 2013 to April 2014, initial interim results show that participating tenants did in fact succeed in reducing their consumption by an average of almost 10%. ►

## HEAT MONITOR GERMANY

Together with the German Institute for Economic Research (DIW Berlin), ista Germany developed the “Heat Monitor Germany” in the reporting period. The aim of this monitoring is to create more transparency of heating energy consumption and costs throughout Germany. Measures for greater energy efficiency in the building sector are therefore to be implemented in future in a more realistic and targeted way. The “Heat Monitor Germany” is based on data on the energy consumption of over three million apartments. Energy-saving measures – especially against the background of the energy-efficient urban and district refurbishment programmes – can, in future, be defined, calculated and implemented in a more targeted manner. In the long term, consumers will therefore also benefit from the index in that actual energy consumption and costs will be the basis for the further implementation of efficiency measures in buildings.

An equally important basis for optimum building efficiency is our energy performance certificate which we offer in two versions. The consumption-based energy performance certificate determines the actual energy consumption per square metre on the basis of the last three heating periods. By contrast, the demand-based energy performance certificate analyses the building envelope, the materials used and the heating system. The result therefore provides an objective picture of the energy quality of the building, irrespective of the behaviour of individual users.

## SAFETY IN THE HOME

Safety is also close to our hearts. Our solutions for tenant safety reliably satisfy statutory requirements and help to save lives: ista’s certified smoke alarm devices protect people against unnoticed smoke development. The optional maintenance service ensures that the devices are regularly inspected and operate at all times.

In addition, the ista drinking water analysis offers reliable protection against potential hazards in drinking water.

Risks such as legionella or other dangerous germs are therefore reliably identified. Our humidity sensor, which is used in Denmark and Norway and measures both room temperature and air humidity, ensures a healthy room climate.

## RAW MATERIALS RETURNED TO THE MATERIAL CYCLE

What happens when products have reached the end of their service life? Do we simply throw them away? No. We ensure proper disposal. Most of ista’s devices are only rented to the customers for their service life and so they remain in our possession. At the end of the product’s life, we can therefore guarantee a maximum recycling rate.

We achieve this together with different partners. For example, the [Haus Hall Foundation](#) supports us in Germany. We have already been cooperating with the workshops for the disabled in Ahaus, Coesfeld and Gescher since 2002. Here, the employees ensure that our products are disposed of properly and decommissioned products are dismantled into their individual components: batteries, plastics, metals and waste cables are separated and then recycled, where possible.

## MEASURING CUSTOMER SATISFACTION

Naturally, we also want to know what our customers think about us and how satisfied they are with our products and services. We therefore conduct an international customer survey once a year. In this way, we learn directly how we can further optimise our processes, products and services. In the year 2014 alone, we surveyed roughly 2,750 customers in a total of 11 countries – including Germany, the Czech Republic, Poland, Denmark, the Netherlands, Italy and France – by telephone interview or an online form. We are always striving to steadily increase the proportion of online surveys as they offer our customers more flexibility. The results are combined in the Customer Retention Index (CRI). On a scale of 1-10, the satisfaction ratings were between 5.4 and 9.1. Most of the 11 countries which participated in the survey achieved scores of between 6.2 and 8.1, which for ista means overall high customer satisfaction. We

achieved good results, particularly in the meter reading sector: in most countries our customers gave us 80% or more, confirming that they are very satisfied with our service. It is particularly pleasing that, since the start of the CRI survey in 2011, we have maintained these good scores.

We want to improve in those areas where the results do not meet our high demands on ourselves. One positive example is France: here, ista has been able, over the last four years, to steadily increase the satisfaction of those customers who tended to be sceptical.

## FOCUS ON DATA PROTECTION

The subject of data protection is a particular concern of our customers but also politicians and society in times of data espionage affairs, increasing globalisation and discussions about the “transparent citizen”. Not least of all because of this, we take this subject very seriously. As a service company, we naturally store data on customers and tenants. These include both personal information such as addresses and individual energy consumption figures. In handling these data, we comply strictly with all applicable laws and have included the protection of customer and consumer data in our Code of Conduct. We do not record complex data profiles of consumers – for example, at what time of day which appliance is being used. The data are not passed on to third parties.

The fact that we prioritise the subject of data protection is demonstrated by the appointment of a company data protection officer in all companies of the ista Group in Germany who is registered with the supervisory authority responsible. The data protection officer reports directly to the management.

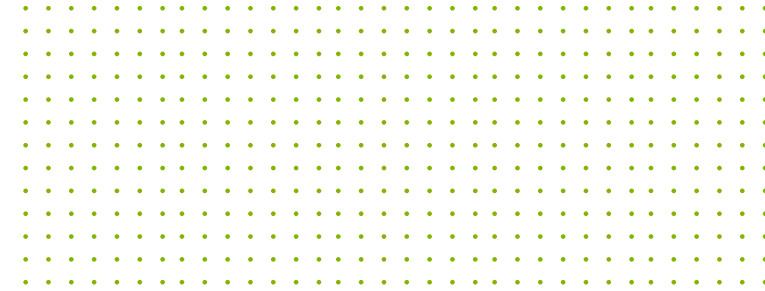
Moreover, we regularly train our employees on data protection issues. The subject of data protection is ever-present, also when we introduce new processes or review procedures already in place. In the reporting period, there were no complaints as regards infringements of data protection.

### HIGH DEMANDS PLACED ON SUPPLIERS

We place high demands on our suppliers: here, we do not make any compromises. This is particularly important as most of the products we market are specially manufactured for ista. We also sell devices we have developed ourselves. They are manufactured and subjected to a final inspection at specialised assembly factories according to our precise specifications. ista provides the production equipment and material. Some devices are supplied to ista as semi-finished products for final assembly. Our employees at the Au site perform this final assembly work and ensure a 100% inspection of every single device. The central logistics centre in Gladbeck then dispatches the products to our 24 markets.

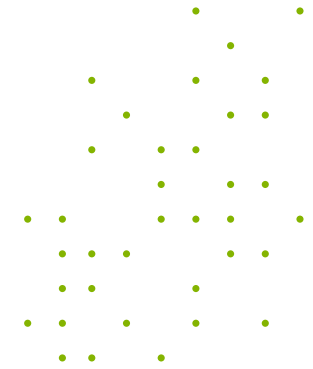
It is therefore absolutely essential to comply with the social and ecological minimum standards. They are stipulated in our [Supplier Code](#), which is based on the principles of the Organisation for Economic Cooperation and Development (OECD) for responsible corporate management and on the core conventions of the International Labour Organisation (ILO). Child, compulsory or forced labour are expressly forbidden in our Code. We therefore also implement the principles of the Global Compact of the United Nations.

All suppliers must commit to satisfying the requirements of this Supplier Code. Fundamentally, it is the suppliers' responsibility to ensure the requirements are met. However, in order to support sustainable production at suppliers', compliance with the Code is checked in regular supplier audits by the Quality Management or Direct Procurement department. We have set up an engineering office in Thailand to support our Asian suppliers. Moreover, we have deployed resident engineers at our two most important Asian suppliers (Electronic Manufacturing Services) to provide support and quality assurance. Infringements of the Supplier Code can be reported to ista's Corporate Internal Audit and Compliance department. In the reporting period, no formal complaints regarding work practices were submitted.



# HARNESSING POTENTIAL

The rapid advance of digitisation is changing our daily lives, our work and even our thinking – and therefore also the subject of sustainability. How can the new digital possibilities be used to sustainably save important resources such as electricity, gas or water? We at ista believe that consumption transparency plays a crucial role here. For greater transparency changes behaviour and consequently our energy consumption as well.



## SMART WORLD?

Today, there are already many visions for the “smart” world of tomorrow. In this world, the front door recognises who is entering the apartment, energy data can be viewed and controlled at all times and the espresso coffee machine in the kitchen receives orders from the bedroom by app. With a smartphone, people control everything, from the room surveillance system and the room temperature to the energy management system of their electric car, which is parked in front of their house as a smart mobile energy storage system.

## MANY UNANSWERED QUESTIONS

However, many questions remain unanswered. Does “intelligent living” mean that in future we will really network everything in the building, from the light switch to the heating system and the fridge? To what extent will the data then remain under the householder’s control and not simply become a cool “commodity” for others to buy and sell? And how can the appropriate systems be installed and operated cost-effectively, in particular for tenants in multi-family buildings as well?

*We at ista are already working today on key technologies for a digital world.*



**SMART SUBMETERING**

We at ista also believe that the advancing digitisation of our everyday lives is a genuine opportunity for greater sustainability. However, the key questions of cost-effectiveness and data protection must be answered. For example, electricity consumption reveals precise details about our lifestyle and our private habits. Smart electricity meters touch on an area of critical infrastructure as they are connected to the transmission network. Their integration in particular into a residential building is therefore considerably more sensitive and complex.

By contrast, with heat, there is no connection to a critical infrastructure. Intelligent heat recording and control in apartment buildings only begin at the central heating system in the cellar and – just like elevator maintenance or stair cleaning – it is the property manager or owner who is responsible for it and orders it for the entire building. In contrast to the huge data volumes of individual power sources which are recorded by smart metering – from the

washing machine to the individual lights in the different rooms, submetering remains restricted to the metering and visualisation of heat and hot water consumption in an apartment or a property. Complex data profiles are not recorded. The “smart” approach of submetering consists in giving tenants possibilities to control their energy consumption solely by using digital channels to prepare transparent, monthly heat and hot water consumption data. All studies conducted so far on submetering and on the provision of heat consumption information during the year show that the savings potential is huge compared to the investment cost.

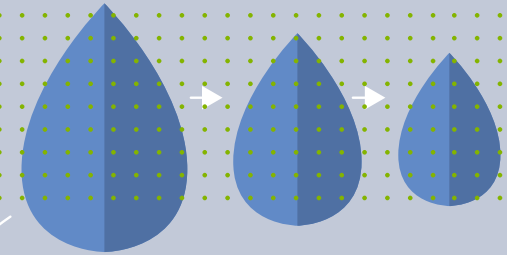
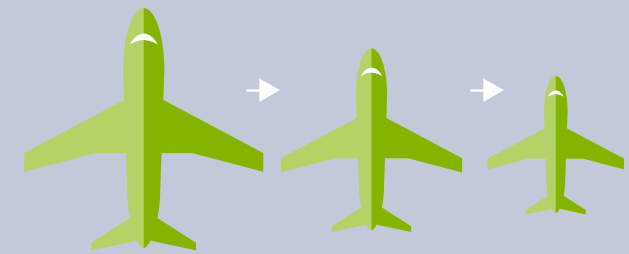
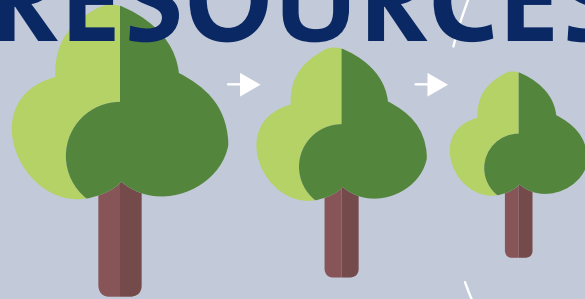


**EDM PREMIUM**  
– THE SMART WEB PORTAL

Users have complete access to their energy consumption at all times on the ista web portal – also with mobile terminal devices such as tablets or smartphones.



# ENERGY AND RESOURCES

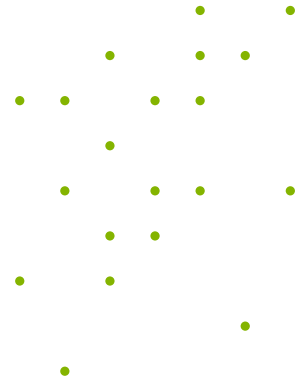


## ENVIRONMENT

At our branches, we consume electricity and heating energy, our business trips produce greenhouse gas emissions – we take responsibility for this. To protect the environment and conserve valuable resources, we are continuously optimising our workflows and processes.



# MANAGEMENT APPROACH



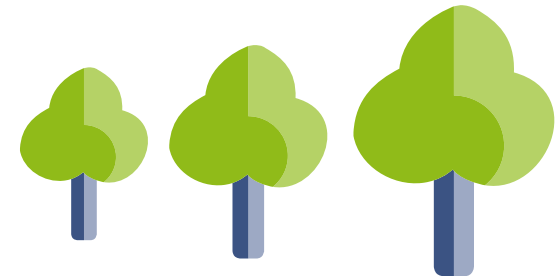
## CONSERVING RESOURCES AND CUTTING HARMFUL GREENHOUSE GAS EMISSIONS

The protection of the environment and the climate is a key issue for ista. On the one hand, this is a logical consequence of our core business and is anchored in our corporate vision. On the other hand, the subject of environmental protection is playing an ever greater role in the public debate and external stakeholders' expectations of companies' engagement are increasing in this respect. The demands we place on ourselves are also rising. We therefore save heating energy, electricity, water, paper, fuel and production materials at our own branches.

Our environmental objectives chart the course ahead. The responsibility for achieving them lies with the ista Sustainability Council, which is the contact responsible for all subjects relating to sustainability and the implementation of suitable action. It reports directly to ista's CEO. The Council has an environmental consultant responsible for ecological issues.

As part of environmental management, the ista [Environmental Guidelines](#) oblige the management, managers and employees to use resources sustainably and responsibly. They apply to the entire Group throughout the world. It is the duty of the managers to promote the environmental protection philosophy among their staff. In addition to compliance with environmental laws, the responsible use of energy and raw materials – particularly at the individual's workplace – is prescribed in the Environmental Guidelines.

A new travel policy which is tailored to our objective of saving resources has applied to ista employees worldwide since May 2014. Alongside operational expediency and cost-effectiveness, ecological aspects must be continually reviewed and taken into account. In concrete terms, this means, for example, that train journeys are to be given preference over air travel. Moreover, before booking a trip, the employees are to examine whether communication using modern technologies, such as Internet telephony, can replace a meeting.



# A HOST OF IDEAS TO CONSERVE RESOURCES

The systematic and careful use of raw materials is just as much an intrinsic part of ista as the fjords are of Norway. The company is committed to tailored projects and combines ecological, economic and social aspects. An international journey of discovery.



## NORWAY

### MODERN COMPANY CAR FLEET WITH ENVIRONMENTAL BONUS

In Norway, the government has set itself ambitious targets: the land of the fjords intends to be CO<sub>2</sub>-neutral by 2050. ista Norway welcomes this approach – and itself plans to increase the proportion of low-emission and emission-free vehicles in its fleet. In 2014, our local colleagues bought the first electric vehicle.

The government has provided special incentives for owners of electric cars in Norway since setting the climate neutrality goal: all-electric cars are already exempt from VAT on purchase. Drivers of electric cars can park free in all public car parks and even charge up their vehicles for free at some charging points. At 40 and 50% respectively, the costs of insurance and road tax are considerably lower than for a conventional car. Country Manager Espen Karlsholmen is convinced of the advantages of electric cars. He himself already drives one when he is on the road for ista. “The driving experience is very good. Actually just like in a normal Ford Focus – but faster.”

### USE OF HYBRID CARS FOR LONG DISTANCES

As the range of an electric car is nevertheless still limited, ista Norway is also extending its use of hybrid vehicles. ista Norway has bought its first environmentally-friendly hybrid vehicle which, with a consumption of 3.6 litres per 100 kilometres and emissions of 84 grams of CO<sub>2</sub> per kilometre, has an excellent environmental balance. Karlsholmen is confident about the future: “The performance of electric and hybrid vehicles is constantly improving. So we will be progressively replacing more vehicles in our fleet.”

### DIGITISATION AGAINST THE FLOOD OF PAPER

Alongside new forms of mobility, digitisation in particular is providing a great deal of savings potential, both in our own company and for our customers. For example, some 90% of all customers of ista Norway opted for paperless billing in 2014. Reason enough to make electronic billing standard for new orders in this national organisation. “Everybody wants the much more convenient digital billing,” reports Karlsholmen, adding, “not one single new customer has requested a paper bill.”



Norway is a paradise for nature lovers and, to ensure it stays that way, ista Norway is cutting CO<sub>2</sub> emissions where it can – particularly in its company car fleet.

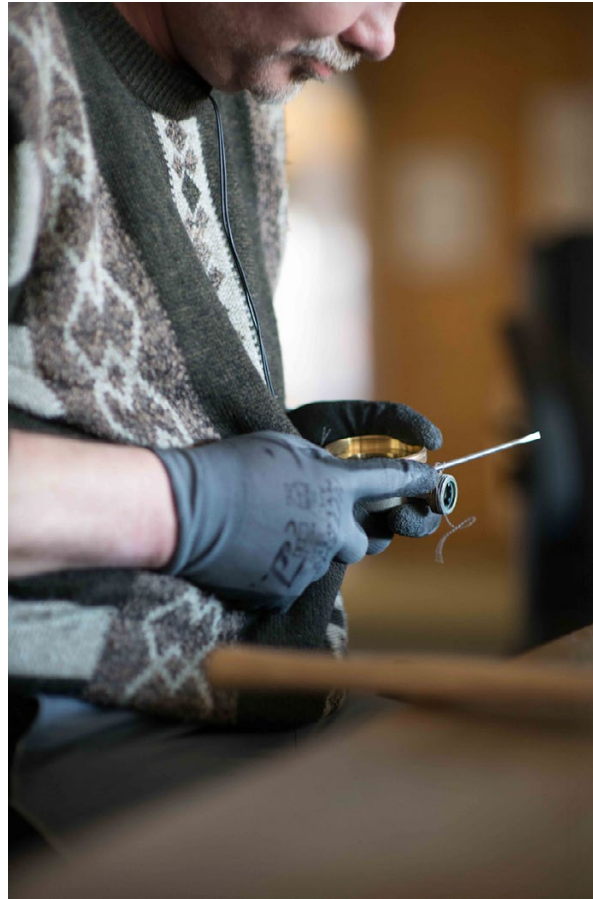
By changing over to electronic mailing, the company saved more than 22,000 sheets of paper last year – that is 85% of total consumption. The change-over has also paid off financially: replacing the high-performance printer by a smaller office printer has saved ista Norway over EUR 5,000 a year.



## LUXEMBOURG RECYCLING WITH THE HANDICAPPED

ista knows that many decommissioned, old devices contain valuable raw materials: brass in water meters, batteries in heat meters and heat cost allocators. The individual components of the used devices are professionally sorted and properly disposed of to ensure that they are returned to the production cycle after use.

In Luxembourg, ista has been combining this recycling process with supporting handicapped people since the start of 2014: the devices go to the “Luxemburger Liga zur Unterstützung von Menschen mit geistiger Behinderung” (Luxemburg league to support mentally handicapped people, in short: Ligue-HMC). Ligue-HMC ensures the proper disposal of the old products and, at the same time, integrates mentally handicapped employees into working life: they collect the old devices from ista Luxembourg and dismantle water meters etc. into their individual components. Ligue-HMC sells the valuable raw materials and the proceeds help to cover the running costs. “We are delighted that our recycling management can give handicapped people a genuine value-adding job,” says Luxembourg branch manager, Hans-Ulrich Benecke, summing it up.



In this case, going round in circles is actually progress: raw materials are optimally used in the recycling process. For example, in the “Haus Hall” workshops where more than 18 people work for ista.



## GERMANY WITH HEART AND HAND

ista has also adopted this win-win approach in Germany where the company works together with the “Haus Hall” workshops for recycling old devices. Here in western Münsterland, people with disabilities dismantle old devices for ista into their individual parts for further use of the raw materials. More than 18 people from Haus Hall work for ista. In 2014, they dismantled over 1 million heat cost allocators in addition to other devices for ista.

## SMALL MEASURES, BIG EFFECT

Also take a look at how ista Denmark, Poland and Turkey engage. With healthy nutrition, sport offerings and language courses, employees are the focus of attention here.

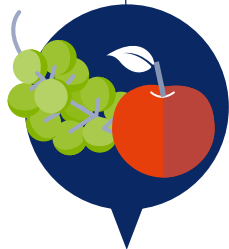


### ISTA Denmark

„Keyhole“ certified food has been offered in the works canteen of ista Denmark since 2013. That primarily means that the food is prepared with low fat, sugar and salt contents. More and more whole grain products and high-fibre foods are also on the menu.

**30–40 %**

**FEWER CALORIES & FAT**  
are contained in „Keyhole“  
certified foods



**2**

**PORTIONS OF FRUIT**

are given to the employees  
every day



### ISTA Turkey

The employees of ista Turkey receive a subsidy of 50% if they attend a private English course. The positive outcome: greater satisfaction and loyalty.



**7**

**Employees**

have attended English courses in the  
last two years.



### ISTA Poland

ista Poland encourages its employees to do sport. A team organised a training course to teach the importance of warming-up, the right shoes and a healthy diet.

**11**

**Employees**

joined the running group in 2014



**800 KM**

**was covered by**

the group in official competitions.  
During training, they cover on average  
20 km a week.

# PERFORMANCE



## ENERGY CONSUMPTION CUT

In 2014, roughly 23,115 gigajoules of electricity were consumed at ista branches worldwide. This electricity was mainly used for running offices. In addition, electric heating is used at our branches in Thimister (Belgium) as well as in Oslo and Trondheim (Norway). The consumption of heating energy from gas, oil and district heat amounted to roughly 22,248 gigajoules in 2014. Gas accounted for the lion's share (64%). The company car fleet consumed a total of some 88,394 gigajoules of fuel. Rented and private vehicles used for company purposes consumed a total of 2,490 gigajoules and 3,735 gigajoules respectively. The energy consumption for electricity, heating and fuel is 29.3 gigajoules per employee.

Compared with the previous year, we succeeded in reducing our energy consumption both at the German and international branches. The specific electricity consumption per employee fell from 5.12 gigajoules in 2013 to 4.84 gigajoules in the reporting year. The consumption of heating energy also developed positively in the reporting year: in Germany, we managed to cut the consumption of heating energy per employee by 22% compared with the previous year to 6.84 gigajoules in 2014. Even allowing for the mild weather, our heating energy consumption still fell by 0.92 gigajoules.

We reduced our fuel consumption worldwide in all three vehicle categories – company car fleet, rented vehicles and private vehicles. In total, we saved 1,800 gigajoules compared with 2013.

## CONSUMPTION OF ELECTRICITY AND HEAT WITHIN THE ORGANISATION

Energy consumption	2013 Gigajoules	2014 Gigajoules
<b>Electricity consumption</b>	<b>23,552</b>	<b>23,115</b>
<b>Total heating energy</b>	<b>26,574</b>	<b>22,248</b>
- of which gas	17,016	14,223
- of which heating oil	1,231	211
- of which district heat	8,327	7,813

## ENERGY CONSUMPTION OF VEHICLES WITHIN THE ORGANISATION

Energy consumption	2013			2014		
	Litres	Gigajoules	Percent (of GJ)	Litres	Gigajoules	Percent (of GJ)
<b>Fuel company fleet</b>	<b>2,497,944</b>	<b>89,423</b>	-	<b>2,468,699</b>	<b>88,393</b>	-
- of which diesel	2,323,238	83,553	93 %	2,303,173	82,831	94 %
- of which patrol	174,706	5,870	7 %	165,526	5,562	6 %
<b>Fuel rented vehicles</b>	<b>76,050</b>	<b>2,717</b>	-	<b>69,447</b>	<b>2,491</b>	-
- of which diesel	68,388	2,460	89.9 %	66,508	2,392	96 %
- of which patrol	7,662	257	10.1 %	2,939	99	4 %
<b>Fuel private vehicles</b>	<b>121,949</b>	<b>4,294</b>	-	<b>106,093</b>	<b>3,735</b>	-
- of which diesel	86,584	3,114	71 %	75,326	2,709	72.5 %
- of which patrol	35,146	1,147	28 %	29,706	998	26.7 %
- of which LPG	1,219	33	1 %	1,061	28	0.7 %



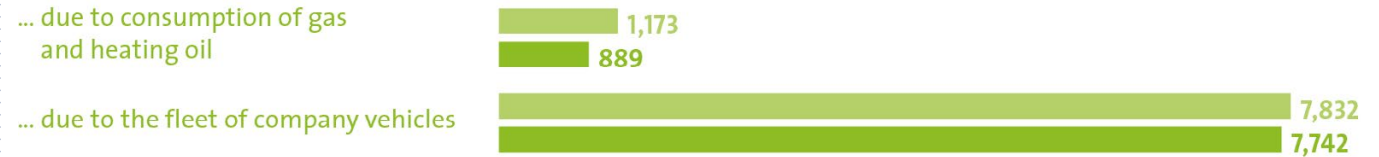
**AVOIDING EMISSIONS**

The direct and indirect CO<sub>2</sub> emissions – caused by heating energy and electricity consumption as well as business trips and paper consumption – amounted to 15,636 tonnes in 2014. With 7,742 tonnes, the company car fleet accounted for almost half of the emissions, followed in second place by air travel with about 2,799 tonnes. The consumption of gas and heating oil caused direct CO<sub>2</sub> emissions of some 889 tonnes in 2014. District heat and cold led to indirect CO<sub>2</sub> emissions of about 640 tonnes. All in all, we saved 666 tonnes of CO<sub>2</sub> in the categories heating energy, electricity, transport and paper compared with 2013.

**TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (TONNES OF CO<sub>2</sub> EQUIVALENT)**

**Direct CO<sub>2</sub> emissions (Scope 1)**

■ 2013 ■ 2014



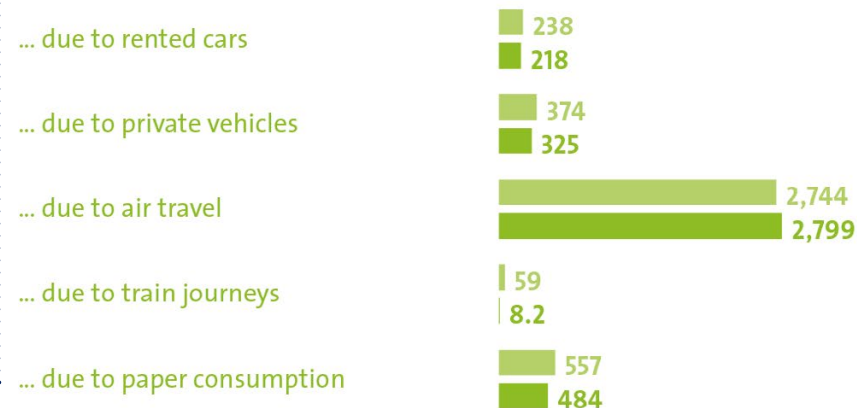
**Indirect energy-related CO<sub>2</sub> emissions (Scope 2)**

■ 2013 ■ 2014



**Further indirect CO<sub>2</sub> emissions (Scope 3)**

■ 2013 ■ 2014



## SAVINGS OF GREENHOUSE GASES IN THE REPORTING PERIOD

Tonnes of CO <sub>2</sub> equivalent	2014
Heating energy	368
Electricity	70
Transport	155
Paper consumption	73



### ECO-FRIENDLY TRAVEL

In the reporting period, ista's employees worldwide covered a total of some 51 million kilometres, 79% of which in cars. In Germany, we reduced the upper limits for vehicle CO<sub>2</sub> emissions in the individual company car groups in the reporting period. They apply as purchase criteria for diesel vehicles which are being newly leased. To record the consumption figures, we conducted our own measurements and surveys and did not rely on the manufacturers' information. According to our calculations, the average consumption of ista Germany's vehicle fleet amounted to 6.6 litres per 100 km in 2014 (compared with 6.78 litres per 100 km in 2013). Given a distance travelled of 12.9 million kilometres, this is equivalent to savings of 23,220 litres of diesel and therefore 73 tonnes of CO<sub>2</sub> equivalent.

Compared with 2013, the average CO<sub>2</sub> emissions of the company car fleet were therefore reduced by 5.7 g per km. Thanks to the new CO<sub>2</sub> upper limits, our entire fleet will be low in emissions and consumption by 2018. Furthermore, we regularly informed company car drivers about their consumption in order to sensitise them to an environmentally friendly driving style.



### PAPER SAVED

In 2014, ista's paper consumption worldwide totalled roughly 467 tonnes. Of this, printing and copying paper accounted for 137 tonnes and production paper for 240 tonnes. Including notepads, envelopes and marketing materials, the share of recycled paper amounted to 62 tonnes. Compared with the previous year, paper consumption fell by 12.5% in absolute terms and the share of recycled paper was increased from 9% to 13%.

Various measures at ista's branches worldwide are geared to cutting paper consumption. For example, ista Netherlands has set itself the target of reducing the number of printouts by 50%. At ista Spain, electronic billing is to be promoted even more and at ista Norway 90% of the bills are already dispatched electronically. ista Turkey does without printouts completely: faxes are forwarded as e-mails. At ista's headquarters in Essen, we were able to save 42% of resources through centrally controlled, double-sided printing, i.e. we printed 55.5 million pages on 32 million sheets of paper. That corresponds to a saving of more than 100 tonnes of paper.

In addition, we have acquired CO<sub>2</sub> certificates for some of our printed products produced at printing works, therefore making them climate-neutral. In the reporting period, the volume totalled 144 tonnes of CO<sub>2</sub>, which ista used to offset printed products and one event.

In 2015, we are changing over our bills in Germany, Luxembourg and Switzerland to certified recycled paper identified by the Blue Angel label. 2.5 times less water and energy is required to recycle waste paper than for the production of virgin fibre paper and no timber has to be harvested.

In the reporting period, one new hybrid and one new electric vehicle were purchased in Norway. In Belgium, 13 new hybrid vehicles were bought, increasing the total number of hybrid vehicles in use to 17. Moreover, a fuel-saving competition for technicians is regularly held in Belgium. In the UK, employees who ride to work on a bicycle receive financial perks.

Long-distance business trips using Deutsche Bahn are CO<sub>2</sub>-neutral for ista as a corporate customer. Deutsche Bahn certifies to corporate customers that long-distance train travel has no CO<sub>2</sub> impact as DB itself generates or purchases green electricity. That was the main reason for the sharp decline in CO<sub>2</sub> emissions caused by rail travel although the number of kilometres travelled is roughly the same. For short-distance journeys, it is assumed that they are either not counted as business trips since they are travel to work or they are, for example, trips to the airport which are already included in Atmosfair's calculation of flight distances.

Our core business requires trips to customers by car. Thanks to digital remote meter reading, we can already reduce but not avoid these journeys entirely. This trend will continue. In Germany, independent service partners are responsible for the installation and reading of metering devices.



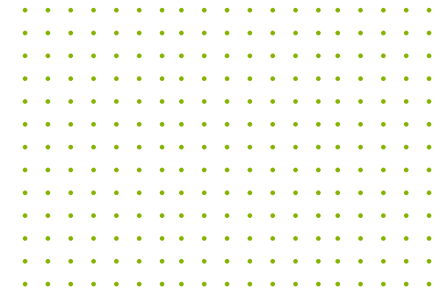
**PAPER USED BY WEIGHT – PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS** ✓

Paper consumption	2013		2014	
	Kilograms (total)	Percent	Kilograms (total)	Percent
<b>Total</b>	<b>533,274</b>	-	<b>466,573</b>	-
Printing and copying paper	124,640	-	136,972	-
- of which recycled	45,892	36.8 %	60,313	44 %
Production paper	306,622	-	240,005	-
- of which recycled	988	0.3 %	434	0.2 %
<b>Share of recycled paper in printing and copying paper as well as production paper</b>	<b>46,880</b>	<b>10.9 %</b>	<b>60,747</b>	<b>16.1 %</b>
Notebooks	3,495	-	2,908	-
- of which recycled	50	1.4 %	101	3.5 %
Envelopes	48,197	-	40,213	-
- of which recycled	253	0.5 %	1,407	3.5 %
Marketing materials	50,321	-	46,476	-
- of which recycled	337	0.7 %	32	0.1 %
<b>Total recycled paper</b>	<b>47,520</b>	<b>8.9 %</b>	<b>62,287</b>	<b>13.3 %</b>

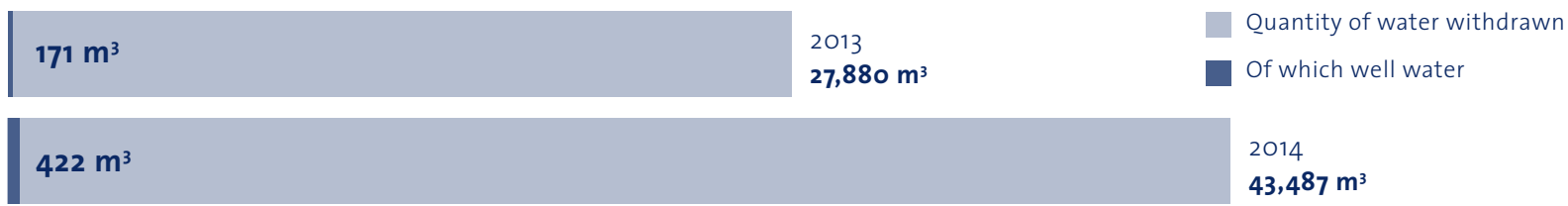


**WATER RESOURCES CONSERVED**

ista withdraws water almost exclusively from the public drinking water supply. The consumption figures are based on an estimated extrapolation. According to this, the volume of water withdrawn in 2014 amounted to 43,487 m<sup>3</sup>, including 422 m<sup>3</sup> of well water. We at ista use water exclusively for sanitary purposes and as drinking water.

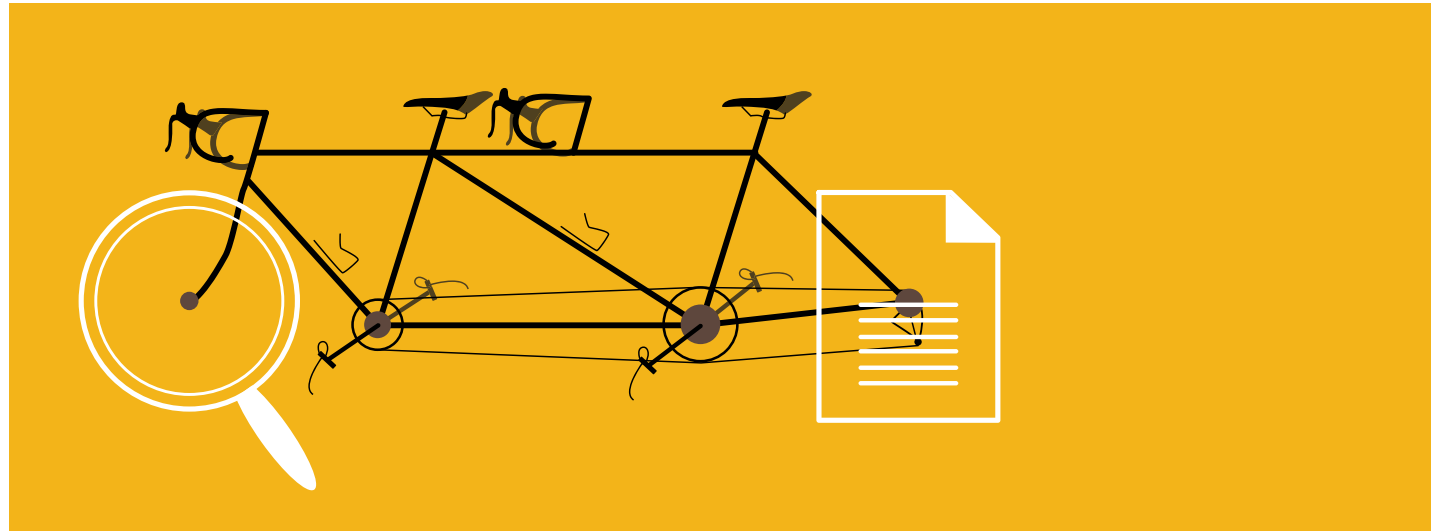


**TOTAL WATER WITHDRAWAL BY SOURCE** ✓



# SUCCESSFUL TANDEM

Experts regard energy efficiency as the „sleeping giant“ for the new energy era. But how do we wake it so that we use energy more consciously, transparently, sustainably and therefore more efficiently every day? And what does that cost?



If possible, energy efficiency should not cost more than it ultimately saves in consumption. A critical point particularly with regard to measures for the energy efficiency improvement of the building envelope. Here implementation sometimes involves substantial payback periods. ista has therefore focused on low-investment measures to boost energy efficiency which take effect where most energy is actually consumed: in buildings themselves, especially with respect to individual heating and hot water consumption. We create transparency of this consumption and therefore enable landlords and tenants to change their energy behaviour themselves.

## LAW WITH HUGE EFFECT IN THE NETHERLANDS

ista also checks the quality and performance of the central heating system in the cellar. For even the most efficient consumption behaviour loses sustainability if the heating system does not work properly. In the Netherlands, politicians have recognised this connection and have established appropriate mechanisms to consistently link consumption behaviour and heating performance: a new Heating Law, the so-called „Warmtewet“, came into force in the Netherlands in January 2014. Under this law, meters for the individual recording of consumption are to be installed in all multi-family buildings with a central heating system. Furthermore, the law caps the maximum amount which

residents in multi-family buildings have to pay every year for their heating energy. The consumer advice centre defines a maximum price every year: for example, in 2014 it was EUR 254.00 for fixed costs and EUR 24.03 per gigajoule of energy consumed, including VAT.

So if the actual energy consumption of a resident exceeds the previously fixed maximum amount, it is not the tenant but the landlord who has to pay the additional costs. Therefore, the landlord has every interest in improving the overall efficiency of his building. With the Heating Check, ista Netherlands offers an interesting service which is already in great demand.



*Even the most efficient consumption behaviour loses sustainability if the heating system does not work properly.*

**JÖRG PLÖNISSSEN**  
Country Manager ista Netherlands



**HEATING CHECK MONITORS EFFICIENCY**

In addition to the individual heating cost bill, the team under Country Manager Jörg Plönissen measures and checks the efficiency of a heating system throughout an entire heating period. With gas heating, the gas meter is integrated into ista’s radio circuit by means of a pulsonic module. ista therefore not only records how energy consumption in the building is split up among the residents but, at the same time, how much primary energy is supplied in total to the building. Therefore, at the end of a billing period, the actual continuously measured efficiency of a heating system can be calculated from the delta of the heating energy supplied and used.

The results of this Heating Check are processed and explained for the landlord in a simple, clear and concise manner on the web portal. On this basis, the landlord can then get an installation company of his own choice to make tailored adjustments to the system. “The Heating Check goes hand-in-hand with our core business, individual heating cost billing,” Jörg Plönissen explains.

**ENABLING CHANGE**

Both are very reasonably priced processes for checking the actual energy consumption within a building for both landlords and tenants: through the actual performance of the heating system and through actual individual consumption in the building. “We expect the additional savings potential provided by the Heating Check to be roughly 10%,” Jörg Plönissen explains.

Thanks to very simple, easy-to-implement legislation, the Netherlands has succeeded in wakening the sleeping giant, energy efficiency. An exciting venture to which ista Netherlands gladly makes a contribution in the heat sector with smart, low-investment services for multi-family buildings.



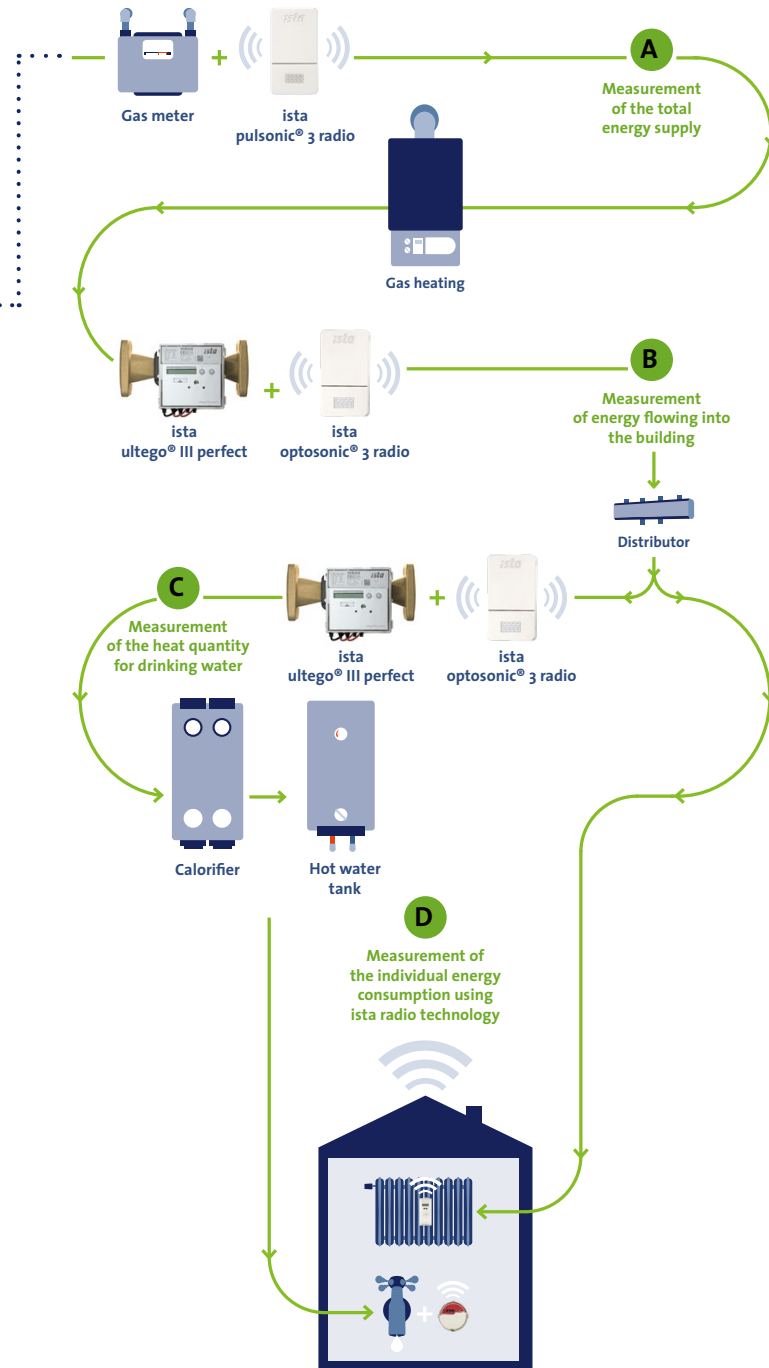
**ISTA**  
Netherlands

Established in: 1955  
Business focus: Heat and water  
Market share: almost 65%  
No. of employees: 80  
Branches: 1

### HEATING CHECK

**An important measure on the road to the efficient use of energy.**

The Netherlands is showing us how to do it. If you want to know how efficient the heating system is, it all comes down to the difference between „total energy supply“ and „total energy consumption“. This can be calculated using the measurements from ista devices.



*We expect the additional savings potential provided by the Heating Check to be roughly 10 %.*

**JÖRG PLÖNISSEN**  
Country Manager ista Netherlands

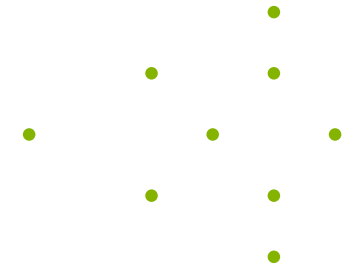


# EMPLOYEES

## EMPLOYEES

Top employer awards and a high level of satisfaction among the employees confirm we are doing things right. Our success concept: we foster a positive and value-oriented employee culture in everyday working life and offer our employees a wide range of health and further training programmes.

# MANAGEMENT APPROACH



## BEING AND STAYING ATTRACTIVE

As a service company, our success is closely linked to committed employees. Developments such as the demographic change and the associated shortage of skilled workers present ista with the challenge of setting itself apart as an attractive employer for present and future employees.

The vocational and further training of employees plays an important role: development opportunities open up new prospects for our employees and increase employee satisfaction. At the same time, their motivation, training and expertise are crucial for achieving the company objectives. ista offers its employees throughout the world development opportunities so that they can develop and improve their professional, methodological and personal skills.

ista guarantees that employees can pursue their occupation in a non-discriminatory environment, irrespective of their gender, age, religion, sexual identity, origin or disability and have equal opportunities. This also means that women receive the same remuneration as their male colleagues for doing the same work.

Internal employee surveys, feedback talks and external rankings help us to assess to what extent we have achieved our goal of being an attractive employer for present and future employees.



## PROMOTING HEALTH

A fast pace of work and change govern the everyday working lives of many employees. For we have set out to safeguard our position as one of the world's leading energy service providers by offering innovative products and services. In this mission, it is challenges such as digitisation and the associated potential which demand creativity of us and make us part of a fundamental change. That may be inspiring but may also have a negative impact on physical and mental health. Workplace health promotion is therefore high on ista's agenda – for our joint success is closely linked to our employees' ability to perform. In our health offerings, we focus on relaxation, balance and a general increase in well-being. We try to minimise accidents at the workplace through safety precautions and education.

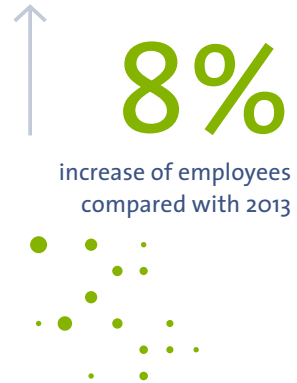
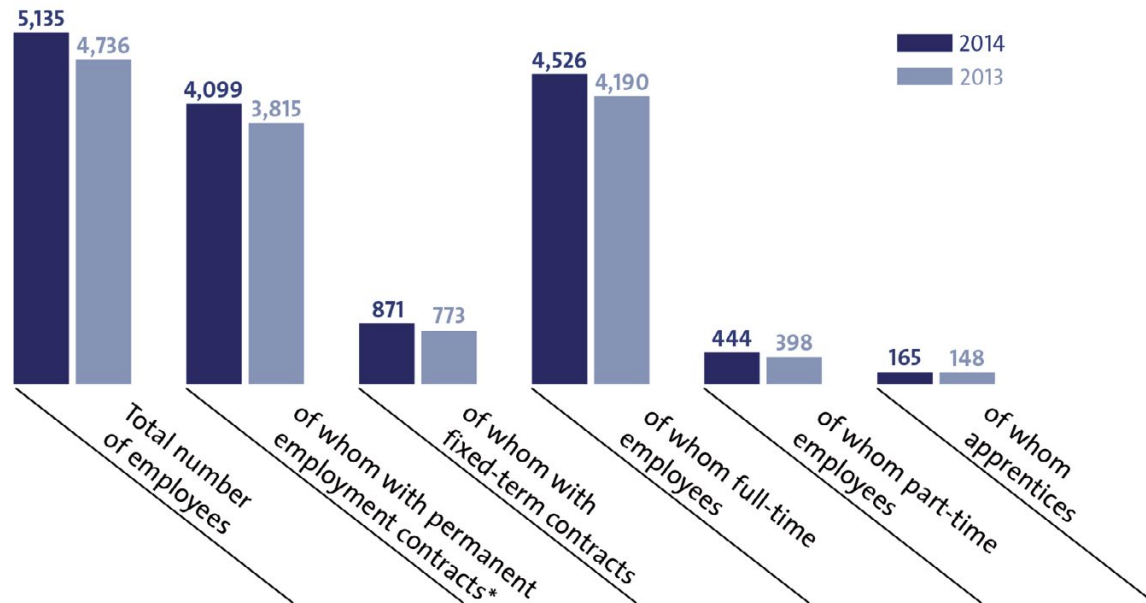
# PERFORMANCE

## WORKFORCE IS GROWING

In 2014, the ista Group employed 5,135 people, 82% of whom with permanent employment contracts. With 1,945 employees, the largest age group is the 36 to 50-year-olds. The number of employees has increased by some 8% compared with the previous year. ista Germany employs the most people with a headcount of 1,309, followed by ista Shared Services Poland.

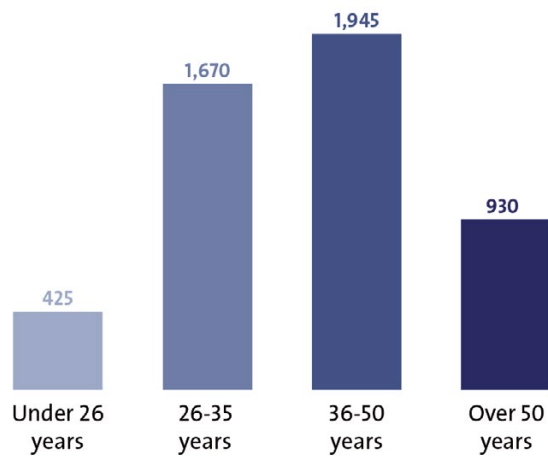


## TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND TYPE OF EMPLOYMENT



\*excluding apprentices

## AGE STRUCTURE OF THE WORKFORCE (2014)\*



## WORKFORCE BY REGION AND GENDER\*

Region	2014			2013		
	Female	Male	Total	Female	Male	Total
Central Europe (excl. D)	78	101	179	72	92	164
ista Germany	688	621	1,309	651	601	1,252
ista France	224	445	669	223	436	659
North Europe	107	124	231	106	131	237
West/East/South Europe (excl. F)	384	721	1,105	375	683	1,058
Emerging Markets	64	129	193	57	112	169
ista International	120	249	369	104	223	327
ista Shared Services	704	211	915	549	173	722

\*excluding apprentices

## GUARANTEEING EQUAL OPPORTUNITIES

For ista, it is quite natural for all our employees to be treated equally. In 2014, almost half of our employees (47%) were female. Female and male employees are paid according to the same performance criteria. No cases of discrimination were reported in 2014.

## RECONCILING WORK AND FAMILY

ista supports its employees in achieving a good work-life balance. Our offerings are available equally to female and male employees, thus promoting gender equality.

We create greater freedom for our employees to develop by making their working hours more flexible and offering

more part-time work. At some branches, they are allowed to work from home, if they need to, or make use of flexi-time.

Furthermore, we have set up concrete measures under our family-friendly HR policy. For example, the ista “E-Mail Etiquette” sensitises employees to the responsible use of work-related e-mails in their spare time. A family room at head office offers parents a workplace with a play corner for exceptional circumstances where childcare cannot otherwise be ensured. ista Germany cooperates with a nationwide family service for questions relating to childcare or family care. An external employee counselling service is also available to ista employees who find themselves in dif-

ficult situations and offers support in the event of health, personal or work problems. There is also a wide range of offerings at international level. For example, in France, two social workers are permanent members of the HR team to assist employees on all questions.

## FURTHER TRAINING OF EMPLOYEES

In 2014, every ista employee took part in further training for an average of 28 hours. Global offerings for our employees include induction programmes, staff appraisal interviews and target agreements as well as programmes for young managers, specialised training and individually tailored training courses.



## EXAMPLES OF OUR FURTHER TRAINING OFFERINGS

### JUMP International Talent Development Program

The programme is tailored to the identification and qualification of high potentials for general management positions. The aspiring managers take part in special training courses to expand their professional and general skills. With international participants since 2014.

### LEADership Training

Our internal LEADership Training programme is targeted at international managers below the Country Managers. The training programme permits the theoretical and practical analysis of the subject of leadership and offers an opportunity to exchange views with other ista colleagues.

### TETA

The TETA seminar has been a permanent feature of HR development at ista for some years. TETA is an experience-based leadership training programme which is geared to self-awareness, personal responsibility as well as effective communication and conflict resolution.

### Health-appropriate leadership

Sensitisation of managers to the connection between health and leadership as well as health promotion.

### Stress management

Offer of seminars on stress management and interpersonal dynamics.

### iSS Leadership Academy

The iSS Leadership Academy in Poland is a programme which is targeted at middle management. The main objective is to develop and increase general leadership skills.

### iSS Leadership Development Training

The aim of the iSS Leadership Development Training programme is to identify aspiring managers and prepare them for future positions of leadership.

### ista Campus France

France pools all its training needs, whether professional or personal training, in the ista Campus. The contents are taught both by internal and external coaches.

## VALUING THE EXCHANGE OF VIEWS

At ista, we foster an open, direct and constructive exchange of views. Once a year, staff appraisal interviews and target agreement talks are held for employees to strengthen mutual respect and improve cooperation. The aim of the staff appraisal interview is to evaluate performance and provide effective feedback and also enable the joint development of ways to achieve targets and optimally perform work. In 2014, the percentage of employees invited to these interviews was again high.

We also foster this “open-door culture” at management level. At head office in Essen, the management invites employees to a dialogue in a “get-together” format. Employees in the national organisations can also stay in contact with the management in Essen through a multilingual blog. Furthermore, national dialogue formats permit employees to exchange views with their own management. In France and Spain, for example, a breakfast regularly takes place with employees and the management. Denmark organises so-called “canteen meetings” and many other countries – e.g. Germany and Belgium – regularly invite employees to “inside talks” where they discuss topical issues in their own country.



**MEASURING SATISFACTION**

We have already been measuring the satisfaction of our employees since 1998 in our annual, anonymous and online-based survey “People Survey ista”. Employees and managers can assess ista as a company, leadership, cooperation and work organisation. Furthermore, they can give feedback to their direct and next higher superior. In 2014, the participation rate was 80%. Employees from 23 national organisations took part. The result was very positive: the Engagement Index (81/100) and the Commitment Index (73/100) prove that our employees are highly motivated and feel loyal to the company. One new feature in 2014 was the Shared Values Index, which measures the degree of implementation of the new company values. With a score of 81/100, the employees showed that the [new company values](#) have already been well received at ista. After an in-depth study of the results, specific improvement measures will be developed and implemented in each country.

The high level of employee satisfaction is also reflected in the stable staff turnover rate at ista. For example, in Germany, the average duration of service at the company is 12.5 years, roughly 2 years above the national average. The length of service at the Danish subsidiary is particularly high, i.e. almost 12 years, roughly 4 years above the national average. ista employees in Spain work for the company on average for 10 years, roughly 2 years longer than is usual in that country.

**ACCLAIMED AS TOP EMPLOYER**

The high demands we place on our HR management are also reflected in external awards. In the reporting period, ista received the “Top Employers Certificate” for three branches – ista Germany, ista Poland and ista France. The certificate of the Top Employers Institute is awarded to companies with an outstanding HR policy where above-average employee offerings set them apart. ista also received the “Top-Job” award, which honours the best employers in German small and medium-sized enterprises, for the fourth time in succession in the reporting period.

**TURNOVER BY REASON FOR EMPLOYMENT TERMINATION AND RECRUITMENT RATE**

	2014	2013
Termination by employee	257	193
Termination by ista	231	275
End of fixed-term contracts, retirement, seasonal termination or similar	314	395
<b>Total turnover</b>	<b>802</b>	<b>863</b>
New recruits	961	981
<b>Rate (in %)*</b>	<b>16.7 %</b>	<b>19.3 %</b>

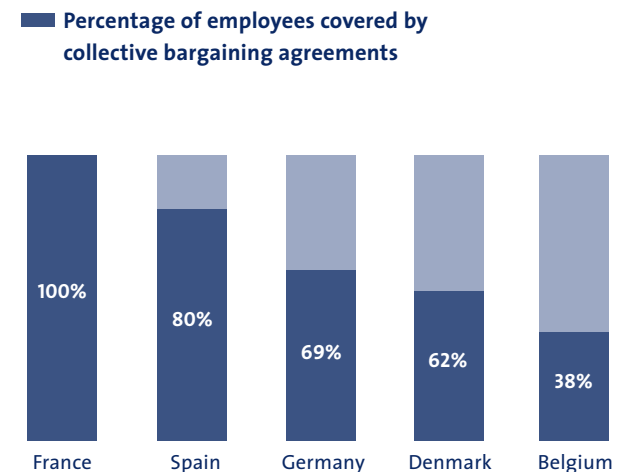
\* Total number of departures divided by (total workforce minus total number of new recruits plus total number of departures)

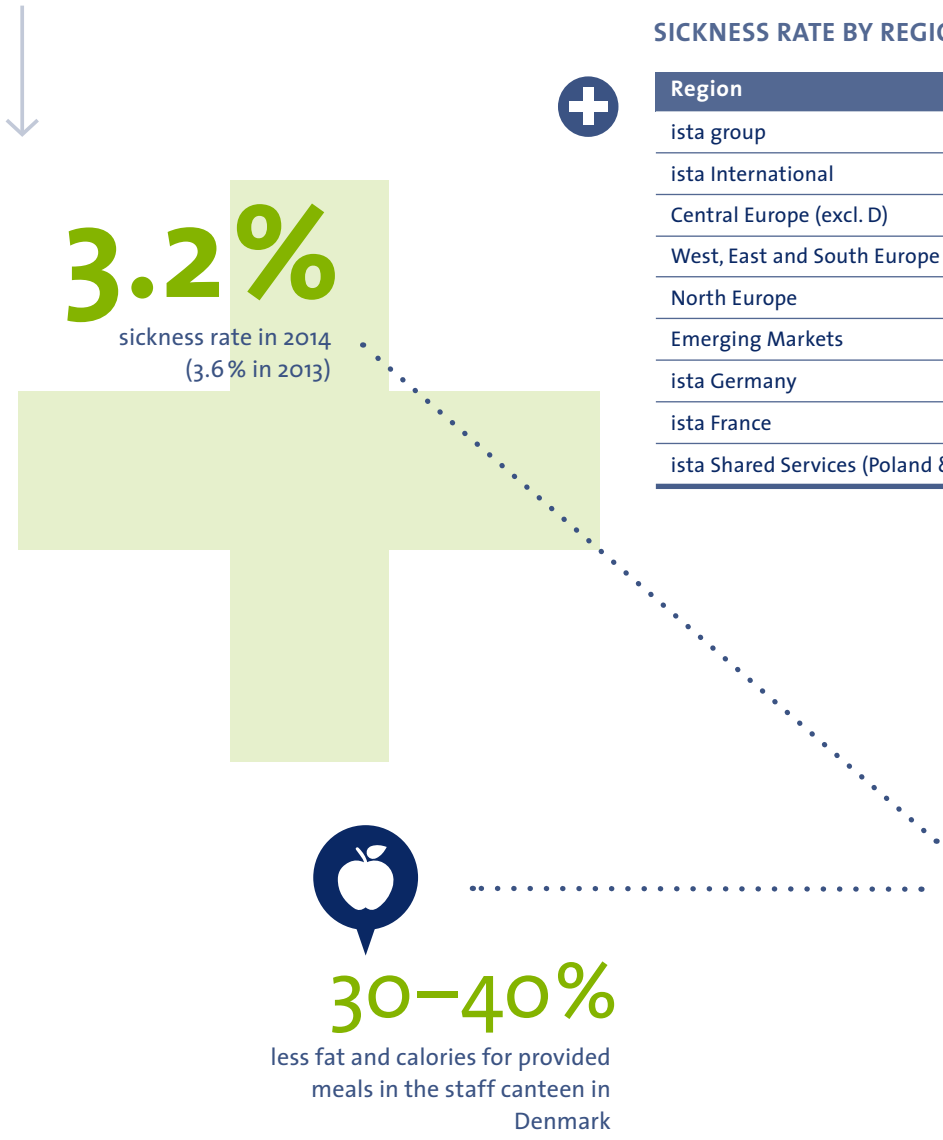


**RECOGNISING WORKERS’ RIGHTS**

ista recognises the right of the workers to form trade unions, join them or conduct collective bargaining negotiations. The interests of our employees are represented by works councils in many countries. At present, we survey the percentage of employees covered by collective bargaining agreements (see table) in five of the 24 countries where we operate. No incidents of infringements of the freedom of association or the right to conduct collective bargaining negotiations were reported in 2014.

**COVERAGE BY COLLECTIVE BARGAINING AGREEMENTS**





**SICKNESS RATE BY REGION**

Region	2014	2013
ista group	3.2 %	3.6 %
ista International	2.7 %	3.8 %
Central Europe (excl. D)	3.9 %	5.3 %
West, East and South Europe (excl. F)	1.5 %	2.0 %
North Europe	2.1 %	2.0 %
Emerging Markets	0.9 %	0.6 %
ista Germany	4.1 %	5.6 %
ista France	5.1 %	4.5 %
ista Shared Services (Poland & Romania)	3.1 %	3.5 %

**MAINTAINING HEALTH**

In 2014, our employees were absent for seven days on average; in 2010 the figure was still 8.4 days on average. Therefore, the sickness rate fell again to 3.2% as against 3.6% the previous year. This success is mainly attributable to our company-wide health management.

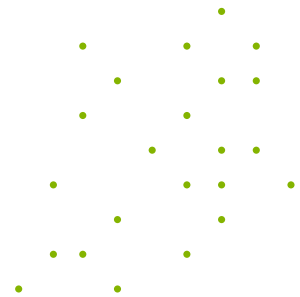
In Germany, all employees train at reduced rates in fitness studios, receive a subsidy for health-promoting massages and get special conditions for taking part in the Weight Watchers diet programme.

Our offerings also ensure the greater well-being of our employees in other countries. In Denmark, we provide meals in the staff canteen which contain 30-40% less fat and calories. In Spain and our Service Center in Poland, we promote fitness exercise programmes directly at the employees' workplaces.

We educate employees about risks at the workplace in training courses, company publications and on the Intranet. In the reporting period, there were 19 accidents in Germany. No fatalities occurred.

**7**  
days of absence of employees in 2014  
(8.4 days of absence in 2010)

# FIVE VALUES FOR A FEELING OF TOGETHERNESS



Success without values is inconceivable for ista. ista's business environment is dynamic and is constantly changing. In order to actively shape this change, the company refined its strategy in 2014. The next logical step was to revise the corporate values. They are the basis for the feeling of togetherness in our daily working lives and are the foundation for the employees' volunteering work.



The making-of film shows with what commitment and enthusiasm the ista employees "modelled" the values.

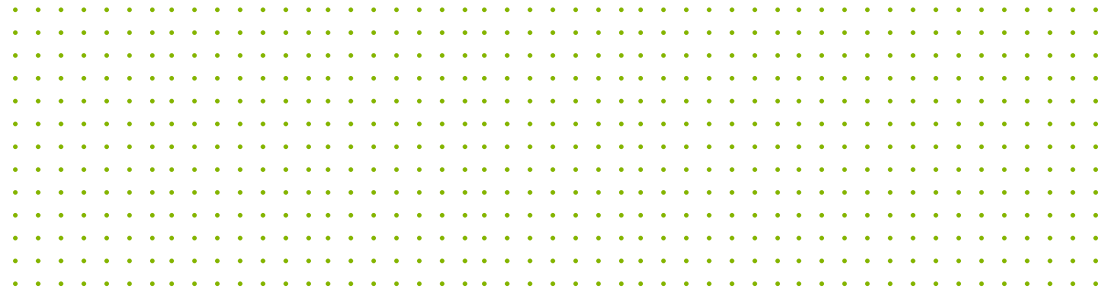
## SUCCESSFUL TOGETHER

"Keeping Commitments", "Encouraging Empowerment", "Taking Responsibility", "Promoting Trust" and "Building Partnerships": these new corporate values are the basis for our daily work together. At the same time, they also reflect changed market conditions and ista's strategic objectives. "Our Shared Values form the core of our corporate culture. They represent ista's character and identity but also how we want to work together around the world. At the same time, they confirm to our partners and customers that they can justifiably have high expectations of us," explains Jana Eggerding, Senior Vice President Corporate HR of ista.

## EMPLOYEES AS VALUE AMBASSADORS

One declared objective of the review was to define corporate values which optimally fit ista and offer guidance to every employee in everyday life. An international working group was therefore established to develop the new Shared Values in numerous workshops. The end result was five values which embody how ista thinks and acts. At the same time, they stand for how each individual can contribute to the joint company success. And as ista employees can best represent the Shared Values, they – instead of professional models – give the values a face as part of the campaign.

“The enthusiastic participation in the photo shoots shows that the new Shared Values were readily accepted by our colleagues,” says the Project Manager from Corporate HR, Tanja Seidler.



**CAMPAIGN START WITH PHOTO SHOOT**

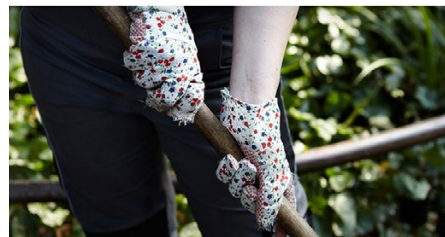
The global campaign for the Shared Values started in spring 2014. ista presented the new values to its employees in a campaign unique in the company’s history. Presentations and speeches by the management focused in particular on the strategic relevance of the new corporate values. However, the highlight of the day for the employees was the opportunity to slip into the role of value ambassadors themselves: organised photo shoots invited employees to recreate the campaign motifs together with their colleagues.





### HEDGE CUTTERS INSTEAD OF HEAT COST ALLOCATORS

With the international corporate volunteering programme, “grow”, ista and its employees are contributing to the corporate value, “Taking Responsibility”. The focus is on the Corporate Volunteering Days: campaign days when employees are released from work to pursue voluntary and charitable activities. With grow, ista supports its employees in their engagement with which they are not only helping people and the environment but also breathing life into ista’s sustainability strategy.



When everyone lends a hand, even entire parks can be made accessible again.

### ESSEN: THINK GLOBAL, ACT LOCAL

The Corporate Volunteering Day, organised by Essen head office in autumn 2014, was a resounding success. Equipped with shovels, hoes and brooms, some 80 Essen employees volunteered to clear storm damage in a public park. The severe storm, “Ela”, had raged that spring leaving chaos in its wake. After the clear-up, the public could safely use the park again. In response, the Ministry for Family, Children, Youth, Culture and Sport of the state of North Rhine-Westphalia honoured ista’s Corporate Volunteering Day as the “Engagement of the Month November 2014”.

### POLAND: ON STAGE WITH SHARED VALUES

ista Poland is proving how deeply the corporate values are anchored at ista. For years, the employees there have been doing volunteer work for an orphanage. In 2014, they came up with a very special Christmas event: our Polish colleagues staged the three children’s plays “Peter Pan”, “Cinderella” and “Sleeping Beauty” – and lit up the children’s eyes.

Reflecting the new ista Shared Values, they formed five groups to put on the plays. The group “Taking Responsibility” was responsible for the stage scenery and technical equipment. The “Encouraging Empowerment”, “Keeping Commitments” and “Building Partnerships” teams were the actors and the “Promoting Trust” team looked after the children during rehearsals. Country Manager Thomas Bazga: “It was a wonderful evening which we will all remember for a long time. And the most important thing: the children thoroughly enjoyed our fairytale performances.”

Are you interested? Please visit our [career Website](#).

# DIALOGUE WITH POLITICIANS AND SOCIETY

## DIALOGUE

Alongside our customers and employees, it is particularly politicians and society who influence our actions and expect us to deliver solutions for sustainable resource conservation. We are therefore in constant dialogue, characterised by fairness, openness and respect, with political players and civil organisations.



## MANAGEMENT APPROACH



### CONDUCTING FAIR DIALOGUE WITH POLITICIANS

Increasing energy efficiency is a key task for greater climate protection. For the cleanest, lowest priced and most eco-friendly energy is the energy that we do not consume. Given this fact, the European Union but also emerging markets such as China and Brazil are increasingly taking systematic action to improve energy efficiency. This also has a direct impact on our business model. For with the consumption-dependent metering and billing of energy and water, we offer a low-investment fundamental solution for saving energy in multi-family buildings.

Submetering is therefore part of the solution for a climate-conscious, sustainable energy concept. We campaign for this at political level and enter into dialogue with a wide range of political players as well as government and non-government organisations in all our markets. Our aim is to further establish ourselves as a reliable contact and expert.

In order to further intensify this continuous, transparent and solution-oriented dialogue with political decision-makers, Corporate Communications was expanded to include the “Public Affairs” segment in 2014.

Furthermore, for the first time, we have also explicitly taken into account the opinions of political players as part of a [materiality analysis](#) to determine the contents of this report. The survey was initially limited to Germany but we are planning to extend it to international stakeholders [next year](#).

## PERFORMANCE



### TRANSPARENCY IN OUR OWN ACTIONS

All our public affairs activities are subject to very strict transparency and compliance rules. ista supports the “transparent politician” project and is entered in the transparency register of the European Commission. We never make donations to political parties.

### SUPPORTING THE ENERGY EFFICIENCY DIRECTIVE

The implementation of the European Energy Efficiency Directive (EED) continued to play an important role in the reporting period. The directive prescribes, among other things, the individual metering and billing of energy consumption in multi-family buildings using appropriate metering equipment. We are committed to the punctual, sustainable and cost-efficient transposition of the directive into national law for the benefit of our customers and their tenants and we campaign for this at the European institutions and in our European core markets.



### ENGAGED IN ASSOCIATIONS

ista sets great store by active association work. We value associations and interest groups as platforms to critically discuss issues with like-minded people and get new angles on subjects. At the same time, we campaign together on common concerns.

The European Association for Energy Cost Allocation (E.V.V.E.) is the key European representative of the industry. The aim of its activities at European level is to promote systems for saving energy and water in buildings – with ista as an active member company. In 2014, ista CEO Walter Schmidt was elected its President for the third time in succession and regularly attends conferences and consultation rounds as the key representative of the entire industry in Europe.

In Germany, ista is a member of the trade association, Arbeitsgemeinschaft Heiz- & Wasserkostenverteilung e.V. (ARGE). The objective of this association is to foster cooperation with authorities, business and other institutions and to actively participate in the preparation and implementation of statutory measures.

We are also actively engaged in the energy efficiency initiative of the Federation of German Industries (BDI) as well as in the initiative of German energy efficiency businesses (DENEFF).

We maintain regular dialogue at international level with real estate associations and work in various national interest groups and bodies in key European markets such as France, Spain, Sweden and Italy but also in Turkey, for example.





### COMMITTED TO HEARTFELT CAUSES

Environmental protection and social engagement are integral parts of ista's corporate culture: we want to make a contribution to sustainable development above and beyond the scope of our core business. We therefore support initiatives and organisations which resonate with our values and corporate objectives. In 2014, we supported an SOS Children's Village in Romania with our Christmas donation to enable them to buy a suitable heating system.

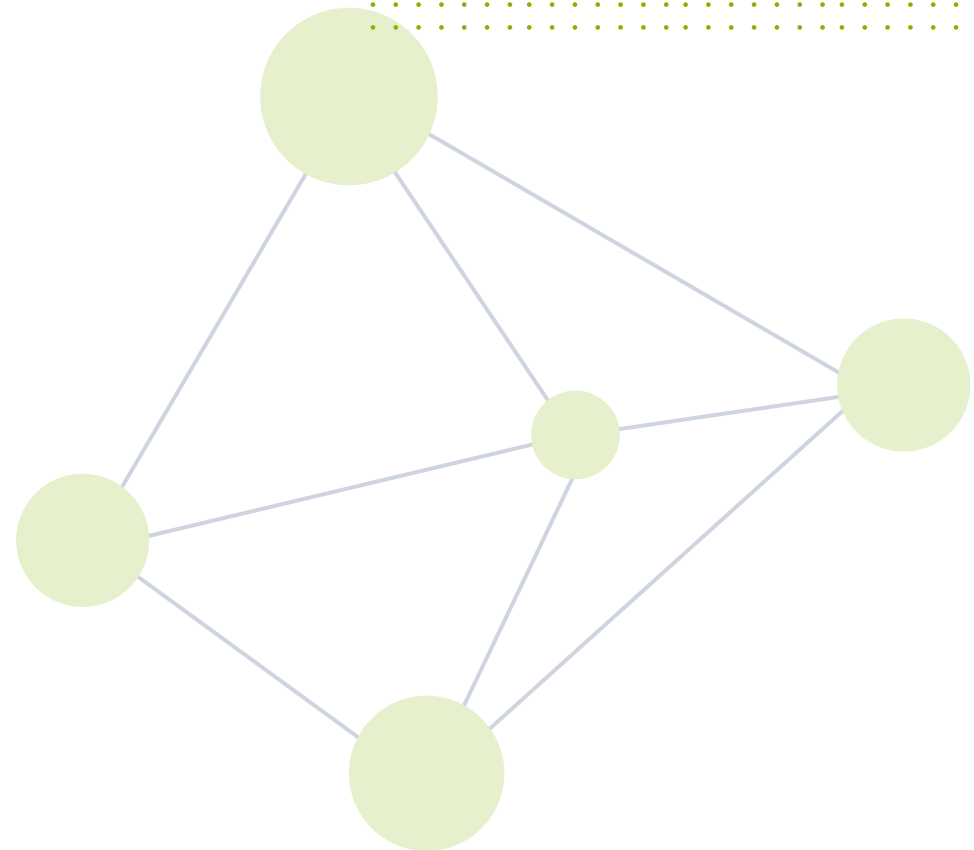
Through our engagement in "Initiativkreis Ruhr", we support numerous projects in the area near the company's headquarters in order to generate important momentum for structural change in the region around Essen and to sustainably promote its economic and ecological image. The promotion of young talent is particularly close to our hearts: we support the "Dialogue with Youth" event series and the "Ruhr Fellowships" programme and give pupils and students a practical insight into our company.

For us, it is a matter of routine to also campaign for the environment outside our direct business activities. We are therefore a member of the German network of engaged companies and non-profit intermediary organisations (UPJ) as well as the environmental initiative, Bundesdeutscher Arbeitskreis für Umweltbewusstes Management e.V. (B.A.U.M.). This also means that we recognise the B.A.U.M. Code of Ethics for environmentally aware company management.



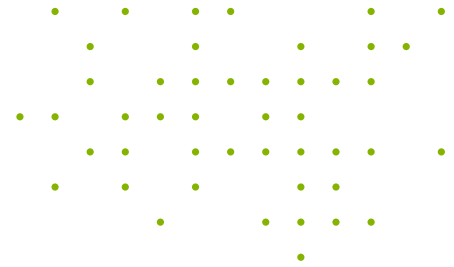
### EMPLOYEES ASSUME RESPONSIBILITY

The respect we have for the environment and our stakeholders is also reflected internally in our new [Corporate Volunteering Programm](#), "grow – great respect for our world". With grow, we encourage our employees worldwide to get involved in environmental protection projects which have a sustainable impact. So each individual can make a positive contribution to the environment and society.



# TRANSPARENCY FOR CLIMATE PROTECTION

There are currently many discussions about a new energy age. About new power lines, wind farms, the future of coal-fired power plants or a modern European emissions trading system. But what can the individual do for climate protection and more responsible use of energy? The pilot project „Saving Money through Clever Heating“ shows: only transparency makes householders players in the energy transition.



Heating and hot water alone account for 85% of the energy requirements of a private household in Germany. If every household only saved a little energy, with over 40 million households, the savings would already be substantial. All the more so when you not only think of private households in Germany but also those in large, energy-intensive economies such as China or Brazil.

## **SUBMETERING: EVERYONE PAYS FOR WHAT THEY CONSUME**

But how can that work? A simple, cost-efficient key to success is submetering. That is individual consumption-dependent recording and billing of heating energy and hot water. Tenants receive an annual bill for their individual consumption and the associated costs. Each tenant only pays for the energy he has actually used and is completely free to decide himself: how consciously do I want to control my energy behaviour? In many countries, submetering has already been obligatory in apartment buildings for decades. The result is impressive: the EU Commission believes that submetering saves from 15 to even 30% of energy, CO<sub>2</sub> and costs a year – simply through metering and the fair allocation of individual energy and water consumption costs.

### SUBMETERING 2.0: NEW DIGITAL POSSIBILITIES

The technology used for metering and visualising consumption data has changed rapidly since the introduction of submetering. Thanks to advanced radio technology, the data are, to a large extent, already read digitally and remotely. The traditional meter-reader no longer has to enter homes to read the individual heat cost allocators. “Nowadays, our radio system in the building records the consumption data of the individual apartments very exactly and reliably and transmits them by mobile radio to our servers at ista’s head office. We then process the data and, in the next step, make them available to our customers in a simple and transparent way,” explains Antonio Fischetti, Head of Marketing and Business Development at ista Germany, and adds: “With this digital consumption metering, we can again considerably increase the possibilities and efficiency of submetering.” For – in contrast to electricity – the infrastructure is already fully developed and ready to use for sub-annual recording and visualisation of consumption.



### SAVING MONEY THROUGH CLEVER HEATING

In order to verify this, ista, together with the German Energy Agency (dena), the German Tenants’ Association and the Federal Ministry for Environment, Nature Conservation and Nuclear Safety, initiated the “Saving Money through Clever Heating” pilot project. The idea is simple: if transparency leads to greater energy efficiency in the home, transparency has to be systematically increased. In addition to their annual bill, the tenants in the pilot project therefore receive monthly information on their individual energy consumption – digitally on a web portal or as an app on their smartphone.

The energy data management system was developed by ista. The tenants can view and analyse their consumption figures and costs with just a few clicks. Forecast functions show how their personal consumption will probably develop in the coming weeks and months. Anonymised comparisons with other households put their own consumption in the right perspective. Together with conversions into euros and kilograms of CO<sub>2</sub>, every tenant gains complete transparency of his consumption behaviour.

*With this digital consumption metering, we can again considerably increase the possibilities and efficiency of submetering.*



**ANTONIO FISCHETTI**  
Head of Marketing and Business Development at ista Germany



**ANDREAS KUHLMANN**  
Managing Director of the German Energy Agency (dena)

**INITIAL RESULTS ARE CONVINCING**

The project started in autumn 2013. In the meantime, almost 200 households in Berlin, Munich and Essen are participating. The result after two heating periods: tenants who are informed monthly about their heating consumption require on average 16% less energy than tenants who do not receive regular heating information. And the tenants in the neighbourhood also benefit from the field test: for example, heating consumption falls on average by 12% in the buildings of the pilot regions. This is due in particular to an increased exchange of information among the tenants and greater sensitisation of all tenants after having been contacted about potential participation in the project. Moreover, extrapolated to an average multi-family building in Germany, it is shown that a tenant could save almost 80 euros per year by receiving monthly consumption information. These savings are offset by the cost of the service of between 21 and 41 euros per year, depending on the metering technology installed. The bottom line is that the tenant saves up to 60 euros. “The technical work involved is minimal, the costs per household are absolutely manageable whereas the savings effect is huge,” Antonio Fischetti says.

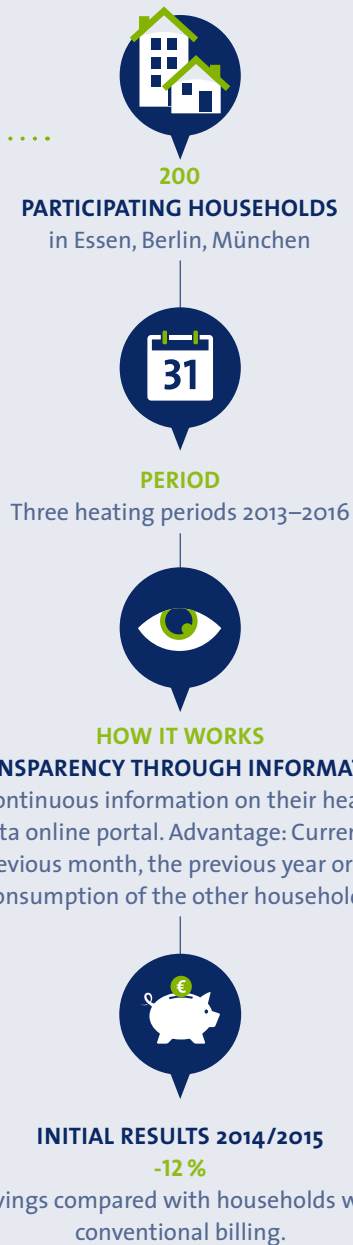
No wonder the tenants are satisfied with the pilot project. Over 80% of the participants surveyed would, in principle, recommend the energy data management system to friends, colleagues and acquaintances. Over 70% of the participants say that they now have better control over their consumption. Federal Environment Minister, Barbara Hendricks, also thinks that providing monthly consumption information is a good idea: “Energy costs are a major component of people’s total rent. Regular consumption information can help to reduce the so-called second rent,” Hendricks said when she received the study results in Berlin. “Furthermore, it sensitises consumers to the responsible use of energy and can therefore make a contribution to climate protection.”

**SAVING MONEY THROUGH CLEVER HEATING:  
A PILOT PROJECT**

Initiators:  
ista Germany  
German Energy Agency (dena)  
German Tenants’ Association  
Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMUB)

You will find more on the pilot project at:  
[www.dena.de](http://www.dena.de)

**Do you have any questions?**  
Please ask us at: [info@ista.com](mailto:info@ista.com)



# GRI G4 CONTENT INDEX

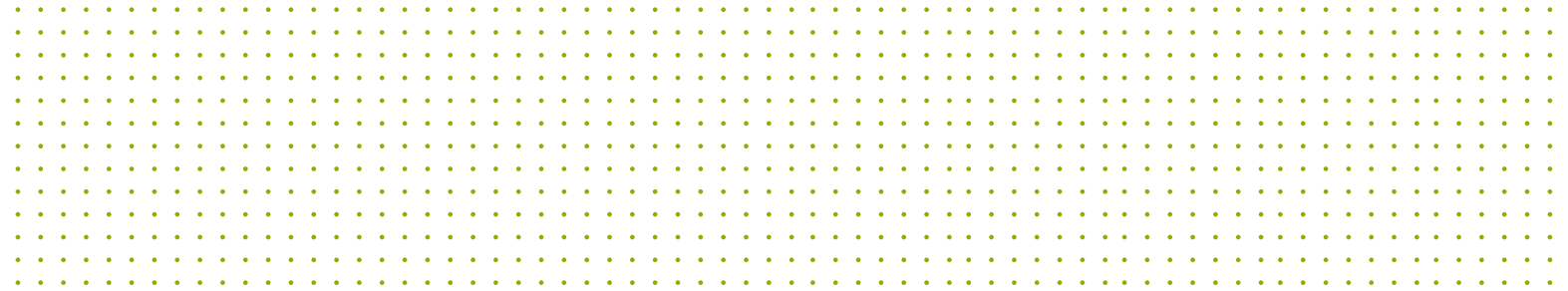


The ista sustainability report 2014 has been prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) and satisfies the „in accordance“ option. The G4 guidelines valid since May 2013 have been applied. If not all the requirements of an indicator are satisfied in full, the information omitted is information which is not material for ista.

GRI indicator	Page	External assurance	UNGC
<b>GENERAL STANDARD DISCLOSURES</b>			
<b>Strategy and Analysis</b>			
G4-1 Statement by the most senior decision-maker	4	No	1–10
<b>Organisational Profile</b>			
G4-3 Name of the organisation	ista International GmbH	No	
G4-4 Primary brands, products and services	6, 18, 20	No	
G4-5 Location of the organisation's headquarters	Essen, Germany	No	
G4-6 Countries where the organisation has significant operations	7	No	
G4-7 Nature of legal form and ownership	8	No	
G4-8 Markets served	5, 7	No	
G4-9 Scale of the organisation	6, 8	No	
G4-10 Employees by employment contract, gender and region	8, 39, 40	No	6
G4-11 Percentage of total employees covered by collective bargaining agreements	42, 43	No	1, 3
G4-12 Description of the organisation's supply chain	22	No	
G4-13 Significant changes during the reporting period	7	No	
G4-14 Implementation of the precautionary principle	12, 26	No	7
G4-15 Support of external initiatives	12, 49	No	1–10
G4-16 Memberships of associations and advocacy organisations	48	No	
<b>Identified Material Aspects and Boundaries</b>			
G4-17 List of all entities included in the organisation's consolidated financial statements	2, 8	No	
G4-18 Process for defining the report content	14, 15	No	
G4-19 All material aspects	16	No	
G4-20 Material aspects within the organisation	16	No	
G4-21 Material aspects outside the organisation	16	No	
G4-22 Restatements of information provided in previous reports	None	No	
G4-23 Significant changes in the scope and aspect boundaries	2	No	

GRI indicator	Page	External assurance	UNGC
<b>Stakeholder Engagement</b>			
G4-24 Stakeholder groups engaged by the organisation	13, 14	No	1–10
G4-25 Identification and selection of stakeholders	13, 14	No	
G4-26 Organisation's approach to stakeholder engagement including frequency of engagement	13, 14	No	
G4-27 Key topics and concerns of the stakeholders and the organisation's response	10, 15	No	1–10
<b>Report Profile</b>			
G4-28 Reporting period	2	No	
G4-29 Date of most recent previous report	Juli 2014	No	
G4-30 Reporting cycle	2	No	
G4-31 Contact point for questions regarding the report	57	No	
G4-32 The "in-accordance" option and the index selected	2	No	
G4-33 External assurance of the report	2	–	
<b>Governance</b>			
G4-34 Governance structure including committees of the highest governance body	8, 12	No	1–10
<b>Ethics and Integrity</b>			
G4-56 Values, principles and norms of behaviour	12	No	1–10
<b>SPECIFIC STANDARD DISCLOSURES</b>			
<b>Environmental</b>			
Aspect: Materials – Management approach	26	No	7, 8
G4-EN1 Materials used by weight or volume	32, 33	Audit certificate <a href="#">Link</a>	7, 8
G4-EN2 Percentage of materials used that are recycled input materials	32, 33	Audit certificate <a href="#">Link</a>	7, 8
Aspect: Energy – Management approach	26	No	7, 8
G4-EN3 Energy consumption within the organisation	30	Audit certificate <a href="#">Link</a>	7, 8
G4-EN5 Energy intensity	30	Audit certificate <a href="#">Link</a>	8
Aspect: Water – Management approach	26	No	7, 8
G4-EN8 Total water withdrawal by source	33	Audit certificate <a href="#">Link</a>	7, 8
Aspect: Emissions – Management approach	26	No	7, 8
G4-EN15 Direct greenhouse gas emissions (Scope 1)	31	Audit certificate <a href="#">Link</a>	7, 8
G4-EN16 Energy indirect greenhouse gas emissions (Scope 2)	31	Audit certificate <a href="#">Link</a>	7, 8
G4-EN17 Other indirect greenhouse gas emissions (Scope 3)	31	Audit certificate <a href="#">Link</a>	7, 8
G4-EN19 Reduction of greenhouse gas emissions	31, 32	No	8
Aspect: Products and services – Management approach	18	No	7–9
G4-EN27 Mitigation of environmental impacts of products and services	18, 20, 21	No	7–9
Aspect: Transport – Management approach	10, 26	No	8
G4-EN30 Significant environmental impacts of transporting products	32	No	8

GRI indicator	Page	External assurance	UNGC
<b>Labour Practices and Decent Work</b>			
Aspect: Employment – Management approach	38	No	1
G4-LA6 Accidents, occupational diseases, lost days and work-related fatalities	42, 43	No	1
Aspect: Training and education – Management approach	38	No	
G4-LA9 Average number of hours of training	40	No	
G4-LA10 Programmes that support the continued employability of employees	40, 41	No	
G4-LA11 Percentage of employees receiving regular performance and career development reviews	40, 41	No	
Aspect: Equal remuneration for women and men – Management approach	38	No	1, 6
G4-LA13 Ratio of the basic salary and remuneration of women to men	40	No	1, 6
<b>Human Rights</b>			
Aspect: Non-discrimination – Management approach	38	No	1, 2, 6
G4-HR3 Incidents of discrimination and corrective action taken	40	No	1, 2, 6
<b>Society</b>			
Politics – Management approach	48	No	1-10
G4-SO6 Total value of political contributions	48	No	
<b>Other G4 Indicators reported</b>			
G4-EC-2 Financial implications, risks and opportunities for the organisation's activities due to climate change	11	No	7
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No fines or sanctions	No	
G4-EN34 Formal grievances about ecological impacts	No grievances	No	
G4-LA1 New employee hires and employee turnover	42	No	6
G4-LA12 Composition of governance bodies and breakdown of employees according to indicators of diversity	8, 39, 40	No	1,6
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	22, 43	No	1-3
G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labour and measures taken	22	No	1, 2, 4
G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour and measures taken	22	No	1, 2, 5
G4-SO4 Communication and training on anti-corruption policies and procedures	12	No	10
G4-SO7 Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices	No investigations	No	
G4-SO11 Grievances about impacts on society	No grievances	No	
G4-PR2 Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	No infringements	No	
G4-PR4 Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling	No infringements	No	
G4-PR5 Results of customer satisfaction surveys	21	No	
G4-PR8 Substantiated complaints concerning breaches of customer privacy	21	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 infringements	No	



**RESPONSIBLE**

Dr. Mirko-Alexander Kahre  
Tel. +49 (0) 201 459-3281  
Mirko-Alexander.Kahre@ista.com

**CONTACT**

Maike Böcker  
Tel. +49 (0)201 459-5668  
Maike.Boecker@ista.com

**IMPRINT**

**Publisher**

ista International GmbH  
Grugaplatz 2, 45131 Essen  
Tel. +49 (0)201 459-7160  
sustainability@ista.com  
www.ista.com

**Editorial team**

Janna Carina Bühlhoff  
akzente kommunikation und beratung gmbh, Munich

**Design**

loveto GmbH, Agentur für Markenentwicklung und Design, Berlin  
grasundsterne GmbH, Agentur für Content Marketing, Munich

**Photography**

Mike Henning

**Photo credits**

Thomas Gasparini  
grasundsterne GmbH  
Getty Images