

Declaration of conformity 2017

INPACS (Headquarters)

Indicator set

GRI 4

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Indicator set

The declaration was drawn up in accordance with the following reporting standards:

GRI 4

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General

General Information

Describe your business model (including type of company, products / services)

INPACS

Founded in 2004 by leading European wholesalers, today [INPACS](#) is a global organisation offering a unique Global Supply Solution to international B2B customers from facility management, hospitality and catering, industry and not-for-resale retail, health care and transport sectors.

Our mission is to provide holistic solutions that optimise our customers' supply chains through a one stop approach with a vast product portfolio and tailored services such as:

- Customer consulting by dedicated local and global key account management
- Product selection
- Supply chain optimisation
- Customised e-ordering solutions
- Efficient logistics including delivery to point of use
- After sales service
- Web-based budgeting and cost control tools
- Ongoing business development and review [View INPACS introduction video here.](#)

The comprehensive set of added value services is about to ensure consistent services across all of our customer's local operations, in more than 50 countries worldwide.

Each INPACS member company observes strict ethical guidelines and rules of cooperation.

These family-run longstanding businesses all demonstrate strong local engagement as part of their communities.

INPACS HEADQUARTERS [reporting company]

INPACS head office represents the service and coordination centre of the distribution network with a strong focus on setting the quality, efficiency and performance standards in a manner which best meets changing needs of customers.

To successfully fulfil this facilitator role, there are **three major value-creating divisions** within INPACS head office:

Sales: Channelling communication and data flow across local branches through one dedicated global contact. Thus creating a powerful hub with reports,

management information, global contracts and international tender management, customer-specific assortment harmonisation through to roll-out management.

Procurement: Identifying and developing cooperation with appropriate supply partners in respect of purchasing conditions, transparent supply chain and sustainable products; meeting the strictest of standards and fulfilling our international customer's product demand at best.

Sustainable Business Development: Guiding the development and growth path for the INPACS network with special focus on local mid-sized family-run companies and pursuing common interests to sustainably strengthen these for future challenges; driving forward the environmental awareness and Corporate Social Responsibility (CSR) among all INPACS stakeholders by taking the leading role in implementation of sustainability projects and initiating a CSR development process across all members.

Additional remarks:

INPACS GmbH head office is certified according to [ISO 9001 Quality Management System](#) as well as to [ISO 14001 Environmental Management System](#) and is a [Climate Neutral Company](#), investing in projects designed to reduce the environmental impact caused by its operations.

A recent independent evaluation of the CSR values within the head office has resulted in a [Gold rating](#).

CRITERIA 1–10: SUSTAINABILITY POLICY

Criteria 1–4 concerning STRATEGY

1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

As stated in the [Company Policy](#), INPACS defines its Corporate Social Responsibility through the principles regarding the protection of human rights, fair labour conditions, eco-friendly acting as well as anti-corruption within its sphere of influence.

INPACS GmbH has included these principles in the [INPACS Code of Ethics](#) and expects compliance from its employees and members. Accordingly, this is defined in the INPACS Basics of Cooperation which are applicable to every single INPACS member, globally.

Suppliers and other partners are equally obliged to comply with mentioned principles stated in the [INPACS Supplier Code of Conduct](#). This document is part of the partnership agreement with every single INPACS supplier and is binding.

By implementing these basic CSR principles, INPACS has initiated the sustainable development and increased awareness within the network. Subsequently the further sustainability strategy of the group will be defined. For this reason, in 2017, INPACS initiated an evaluation process of the members' CSR management systems - through its policies, actions and results in the core subjects of environment, social, ethics and sustainable procurement (see criterion 3).

The resulting scorecards of the members will be taken as a basis for the establishment of the group's sustainability strategy.

2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

Global societal movements such as the Sustainable Development Goals (SDG), the EU's reporting requirement (CSR-RUG) and the like lead to increasing CSR awareness and legal compulsions within our business. Accordingly, our customers continuously tighten up their CSR requirements shown by the following tender criteria that we often are faced with:

1. Implementation of an environmental management system according to DIN EN ISO 14001, environmental goals and/or energy/resource efficiency.
2. Adherence to the 10 principles of the UN Global Compact and/or compliance with fair labour standards according to ILO.
3. Eco-friendly/eco-label/"green" products.
4. Transparent supply chain through supplier evaluation conducted by EcoVadis (see criterion 3).

In order to remain competitive, the mentioned criteria are particularly relevant to INPACS as they represent important prerequisites or sometimes limitations when selecting new members in any regional market.

At the same time, being able to anticipate future CSR objectives of customers, bears a great opportunity for early development of innovative and holistic solutions. Thus retaining our unrivalled offering of added value services to our customers.

Furthermore, our international key account team are in the good position to use their consulting power to steer our customers' order pattern (reduced deliveries, less fuel consumption, reduced GHG emissions), product selection and other environmentally important decisions. Elaborating sophisticated agreements together with the customers' decision makers offer relevant opportunities for INPACS as well as for the environment (see criterion 4). On the procurement side, INPACS takes on a great responsibility when making agreements with large international suppliers and manufacturers, because these cover a relevant part of members' purchasing and sales volume, worldwide. To think, that fair labour conditions, the protection of human rights and the environment as well as prevention from corruption and bribery as basic principles of the supplier relationship management is enough carries multiple supply chain risks as well as the risk to lose a tender.

On the other hand, a transparent supply chain on group level is a big challenge and at the same time offers competitiveness. Therefore and as a first step in order to secure a sustainable supply chain, a defined set of rules is stipulated

in regards to the supplier monitoring (see criterion 17).

3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

The long-term approach of INPACS with respect to the organisation's CSR activities is to bring each single INPACS member on an equally high level of CSR performance across its existing network and at the same time to meet the expectations of the international customers in this field. For this, INPACS initiated multiple member CSR assessments in cooperation with [EcoVadis](#) at the beginning of 2017.

EcoVadis is an independent rating platform for various companies to record, evaluate and communicate its standards, measures and activities in support of its corporate social responsibility.

The final sustainability scorecard of each evaluated company is based on the performance in 21 criteria in four themes including environment, fair labour and business practices as well as supply chain.

The objective of the EcoVadis CSR rating methodology is to measure the quality of a company's CSR management system - through its policies, actions and results and is based upon seven founding principles, including consideration of industry sector, country and size; assessment by international CSR experts; traceability and transparency of rating process.

INPACS head office achieved a [Gold Status CSR rating \(advanced\)](#). [With 70/100 points, INPACS GmbH was ranked in the top 3 percent of best-rated companies within our business category, worldwide](#) which have been evaluated by EcoVadis to date.

By the end of 2017 further 14 out of 32 members have been assessed with further two gold and nine silver ratings to be highlighted.

The short-term goal of INPACS is to achieve transparency with regards to the CSR performance of the network as a whole and finalise the members' evaluation process as of the end of 2018.

The above performance is monitored by the INPACS head office using the INPACS group account on the EcoVadis platform. The minimum score should be a silver recognition level (46/100).

Based on the above results, the next step for INPACS until the end of 2018 is to determine "smart" sustainability targets for each area - environment, fair

labour and business practices, supply chain - and include them into the INPACS strategy 2022.

Furthermore, to establish appropriate performance indicators and proper monitoring.

[The objective of the EcoVadis CSR rating methodology is to measure the quality of a company's CSR management system – through its policies, actions and results and is based upon seven founding principles, e.g. consideration of](#)

4. Depth of the Value Chain

The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

INPACS head office represents the service and coordination centre of the distribution network with a strong focus on setting the quality, efficiency and performance standards in a manner which best meets changing needs of customers and in a responsible frame.

To successfully fulfil this facilitator role, there are **three major value-creating divisions** within INPACS head office:

Sales: Channelling communication and data flow across local branches through one dedicated global contact. Thus creating a powerful hub with reports, management information, global contracts and international tender management, customer-specific assortment harmonisation through to roll-out management.

Procurement: Identifying and developing cooperation with appropriate supply partners in respect of purchasing conditions, transparent supply chain and sustainable products; meeting the strictest of standards and fulfilling our international customer's product demand at best.

Sustainable Business Development: Guiding the development and growth path for the INPACS network with special focus on local mid-sized family-run companies and pursuing common interests to sustainably strengthen these for future challenges; driving forward the environmental awareness and Corporate Social Responsibility (CSR) among all INPACS stakeholders by taking the leading role in implementation of sustainability projects and initiating external evaluation of environmental, ethical and social issues across all members.

Within our sales division, CSR aspects are of significant importance to our tender management and are principally indispensable elements of tender conditions - as shown in criterion 2.

At the same time, the entire sales team is aware of its environmental impact on customers' decisions regarding their supply chain, e.g. through optimised ordering to directly influence CO₂ emissions caused by transport; promotion of eco-friendly product ranges as well as electronic communication (ordering,

invoicing etc.) reducing paper usage.

On the procurement side, INPACS cooperates with large international suppliers which cover approximately 50 percent of INPACS' purchasing volume worldwide. These are important partners to serve INPACS' end-customers at its best.

To ensure a continuous service and the growth path with these suppliers, INPACS initiated an extensive supplier evaluation process including risk assessments and factory audits with regards to the production capabilities, product assurance, financial and ethical risks and concerning the environmental awareness (see criterion 2 and 17).

The sustainable business development of the network fundamentally depends on the development of each single member. For this reason, the business development management includes CSR KPIs in the members' monitoring program. Depending on the individual performance of each member, the results are taken into consideration when joint business plans are prepared.

Criteria 5–10 concerning PROCESS MANAGEMENT

5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

In the course of regular meetings, the INPACS Supervisory Board of Shareholders and the CEO decide on the strategy, investments as well as basic principles for the entire INPACS network. Since 2015 the Supervisory Board has nominated a Sustainability Manager in order to promote the sustainable development within the network, globally. The Sustainability Manager develops the sustainability strategy, goals and standards whereas the Board of Shareholders and CEO finally decide upon its implementation.

6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

To date, applicable rules and practices based on the fundamental [Corporate Policy](#) and the [Code of Ethics](#), have been implemented into various corporate units, e.g. in customers' consulting standards, the audit process for relevant suppliers as well as within the monitoring of members' sustainability KPIs (see criterion 4).

Further rules and processes will be set depending on the final defined CSR strategy of the group.

For the part of the INPACS head office on the local basis, there are obligatory approval procedures in place in order to minimise the environmental impact caused by travelling for all corporate units. Additionally, the use of videoconference solutions and [compensation programs of CO₂ emissions](#) are promoted.

Furthermore, the management takes great care of fair and healthy working conditions as well as of personnel development and team spirit.

7. Control

The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

For the group as a whole, there are still only a few KPIs related to sustainability. However, due to the newly implemented evaluation process of the members in cooperation with EcoVadis (see criterion 3), we soon will be able to define new sustainability KPIs for the network and respectively all the members within, e.g.:

- environmental KPIs such as natural resources efficiency, CO₂ emissions and share of eco-friendly products within the portfolio;
- fair labour practices KPIs with respect to the [INPACS Code of Ethics](#), e.g. implementation of an H&S management system;
- sustainable supply chain criteria such as share of local suppliers who have signed the [INPACS Supplier Code of Conduct](#) or number of factory audits;
- ethical behaviour KPIs, e.g. anti-corruption measures or the handling of the Data Protection Act.

On the local level of INPACS head office, KPIs for environmental as well as health and safety aspects are monitored within the framework of the environmental management system.

Energy consumption and CO₂ emissions' monitoring is verified and counterbalanced by [Climate without Borders](#), "a non-profit corporation based in Germany promoting climate protection projects in developing and emerging countries".

In support of our commitment "to minimising the harmful effects of [...] greenhouse gases" mentioned in the [INPACS Company Policy](#), INPACS head office organisation is a climate neutral company.

Key Performance Indicators to criteria 5 to 7

Key Performance Indicator G4-56

The organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.

The INPACS values and norms of behaviour are mainly based on the ten principles of the UN Global Compact including:

- the protection of human rights;

- the fundamental principles and rights at work;
- the protection of the environment;
- the prohibition of corruption and bribery;
- regulatory compliance.

These principles are stated in the following INPACS documents that are of international validity:

- [Company Policy](#)
- Basics of Cooperation
- [Code of Ethics](#)
- [Supplier Code of Conduct](#)

Furthermore, a Guideline for Accepting and Providing Grants applies to all employees at INPACS head office.

The above mentioned set of principles and rules has been included into the management system to challenge the management, instruct employees and to consistently evaluate suppliers.

Furthermore, the said principles are included into individual joint business plans with members and suppliers respectively, in order to implement these on operational level in each country.

8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

Adherence to sustainability directives and goals is perceived as a basic premise for all employees.

There is no link to a compensation system.

Key Performance Indicators to criteria 8

Key Performance Indicator G4-51a

Remuneration policies for the highest governance body and senior executives.

INPACS offers to all its employees - including the general management - a comprehensive and sustainable remuneration which consists of salary above minimum wage, retirement pension and, if applicable, additional contributions in order to achieve a fair, reliable and competitive compensation. This is mentioned accordingly in the internal Personnel Policy.

Key Performance Indicator G4-54

Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

No monitoring.

9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

INPACS' economically and socially most relevant stakeholders are determined by focusing those who directly benefit from respectively are directly involved in the value-creating services of INPACS. These are the international customers, the INPACS members and the suppliers.

As INPACS is a sales driven organisation there is a proactive dialogue taking place with our **International Customers** via regular personal contacts, trade fairs, customer conventions as well as associations memberships or cooperations, such as [WFBSC](#) (World Federation of Building Service Contractors), [EcoVadis](#) and [ISSA](#) (International Sanitary Supply Association). **Members** represent the "extended arms" of the INPACS Network into the local markets, they are an essential part of the group and rank amongst the most important stakeholders of INPACS, as well.

They safeguard the local market presence of INPACS by serving international accounts in the respective region.

Next to daily operational contact, a regular newsletter, intranet access, an annual conference and multiple regional as well as division related conferences take place in order to ensure a continuous and intensive communication.

Suppliers play an important role as strategic partners. They are particularly instrumental in the harmonisation of INPACS product portfolio, thus enabling

us to provide single sourcing to international accounts in all countries. There are daily business operational contacts as well as regular business review meetings regarding agreed joint business plans.

We conduct this intensive dialogue in order to avoid simply reacting, but instead to already be actively involved in designing developments in advance. We want to identify opportunities, risks and trends at an early stage. For this purpose, we have to be aware of the expectations of our stakeholders, today and in the future.

Each of the INPACS shareholders are the columns of the network with respect to financial and solidary aspects, being responsible for exemplifying the spirit of INPACS. INPACS shareholders, employees of INPACS head office and international partners (e.g. Network in the U.S.) are classified as second most important stakeholders.

Societal stakeholders (competitors, neighbourhood, community, NGO etc.), stakeholders from compulsory environment (Legislative Authority, public authorities, Social Insurance, Accident Prevention & Insurance Organisation etc.) and financial market participants (financial, insurance institutions) are further secondary stakeholders.

Key Performance Indicators to criteria 9

Key Performance Indicator G4-27

Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.

There has been a recent increase in the requirements for commitment and traceable supply chains with respect to CSR practices from our international customers.

As a result, in the past 2 to 5 years, out of our dialogue with our customers, we have implemented the basic CSR principles and activated by this the necessary awareness within the group.

As our latest measure, INPACS initiated multiple member CSR assessments in cooperation with [EcoVadis](#) in order to achieve transparency regarding the CSR performance within the network and to ultimately establish a CSR group strategy (see criterion 3).

Furthermore, many of our international customers are currently undergoing a digital transformation process and expect support and impulses from INPACS. For this, INPACS is proactively investing in its business transformation from being a hub of products to also become a hub of data which is of high value for its customers' operations as well as for manufacturers' product development.

[See interview with INPACS Chief Information Officer, Francisco Muñoz.](#)

10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

As mentioned in the general description above, INPACS plays a key role when sharing innovations within its network of stakeholders.

When it comes to sustainable product innovations, INPACS brings these from manufacturers to the end-users – on local level as well as on international scale and including expert advice and trainings.

The innovation management regarding service and supply chain innovations at INPACS is mainly a result of communication management (see criterion 4).

Furthermore and in cooperation with [EcoVadis](#), INPACS is establishing more transparency regarding members' CSR practices including the ecological impact of INPACS' value chain on local level (see criterion 3). By this, we will be able to assess product ranges and value chain processes, set common goals and standards as well as further promote innovation across the group.

Additionally, being supported by the business development management, this process necessarily will lead to positive environmental and where applicable social effects.

Generally, the key environmental impact of INPACS' sales division consists of influencing the CO₂ footprint caused by deliveries through steering customers' order pattern; of minimizing the ecological effects of product deployment by promoting eco-friendly product ranges as well as of reducing paper usage due to electronic communication with the customers (ordering, invoicing etc.).

On the procurement side, social and environmental effects are achieved in the supplier selection and evaluation process. INPACS head office influences around 50 percent of the purchase volume and applies social and environmental criteria aligned with the [INPACS Supplier Code of Conduct](#).

Key Performance Indicators to criteria 10

Key Performance Indicator G4-FS11
(report also in accordance with GRI SRS): Percentage of assets
subject to positive and negative environmental or social screening.

No monitoring.

Criteria 11–20: Sustainability Aspects

Criteria 11–13 concerning ENVIRONMENTAL MATTERS

11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

INPACS head office direct consumption of natural resources is relatively low: We use only small amounts of office paper due to the fact that mainly electronic mediums (email, Intranet and PDF) are used for correspondence and invoicing.

Water consumption corresponds to the consumption of operation staff bathroom and kitchen facilities.

Usage of energy resources for office infrastructure (IT, lighting, kitchenware) and heating corresponds to modern energy-efficient office buildings.

Only consumption of energy resources for travelling represents a bigger lot within INPACS head office organisation even though only consumption data of car fuel is collected; monitoring of energy consumption for flying and travelling by train will be implemented in 2018.

Anyway, the number of flights is an indicator for energy consumption and we can report 447 flights in 2017, 61 less than in the previous year (-6 percent). These flight have caused 146,36 tonnes of CO₂ emissions.

As value creation centre for its stakeholders INPACS' most material impact regarding usage of natural resources consists of demanding environmental standards with an environmental management system as a starting point as well as of continuously promoting practice sharing with regard to resource-efficient processes and technologies within the global network.

Generally, [EcoVadis](#) attested INPACS an outstanding environmental [performance](#).

12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

Generally, the [Company Policy](#) requires ecological responsibility expressing INPACS' commitment "to minimising its environmental footprint within its sphere of influence by reducing the consumption of all natural resources as well as minimising the harmful effects of pollution from waste, chemicals and greenhouse gases."

Being the headquarters and value creation centre of a global network of more than 35 family-run member companies, INPACS' sphere of influence is represented by its stakeholders, especially customers, suppliers and members. Therefore, goals are set appropriately - additionally to the objectives described in criterion 3:

Implementation of environmental management

Demand of every single member to implement an environmental management system (DIN EN ISO 14001) in order to achieve transparency regarding the ecological footprint on local and international level and to be able to set common goals such as joint sustainable standards and/or ecological targets. By the end of 2017 about 65 percent of the members have got a certified environmental management system according to ISO 14001.

Concentration of purchase activities

Further concentration of members' purchase activities on nominated INPACS suppliers leading in consolidated supply chains by pooled orders which help to reduce usage of fuel for transports.

Actually, about 49 percent of purchase volume is realised with strategic/nominated INPACS suppliers consequently following an ascending trend.

Minimise travelling

Continuously intensify video and telephone conferencing and/or e-media capabilities in order to minimise the amount of business trips, where possible. On the other hand, plan required business trips in the most efficient way, i.e. combining them with other meetings on the same route respectively at the same place.

Key Performance Indicators to criteria 11 to 12

Key Performance Indicator G4-EN1 Materials used by weight or volume.

Yearly office paper usage at INPACS head office amounts to approximately 25,000 recycled paper sheets. Further paper usage for print media is reduced to 4,000 INPACS catalogues (240 FSC-certified pages) every two years.

Key Performance Indicator G4-EN3 Energy consumption within the organisation.

The energy consumption within the head office organisation in 2017 amounts to 37,940.58 kWh for electricity (45,500 kWh in 2015) and 74,821 kWh for heating (79.654 kWh in 2015).

Key Performance Indicator G4-EN6 Reduction of energy consumption.

Electricity: -16.5% in relation to 2015
Heating: -9.4 % in relation to 2015

Key Performance Indicator G4-EN8 Total water withdrawal by source.

The water consumption of INPACS head office amounts to 119 m³ (153 m³ in 2016).

With 0.55 m³ per employee, water consumption is not considered a significant environmental impact factor as it corresponds to the consumption of operation staff bathroom and kitchen facilities.

All water is provided by regional water utilities.

Key Performance Indicator G4-EN23 Total weight of waste by type and disposal method.

INPACS' exclusively non-hazardous waste is mainly divided into small amounts of office paper and kitchen waste, rarely does it contain electronic scrap.

Waste is classified as a non-material environmental aspect at INPACS head office and is included in the landlords' waste management. No separate monitoring at INPACS head office.

13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Energy consumption and CO₂ emissions' monitoring of INPACS head office is verified and counterbalanced by [Klima ohne Grenzen](#) (Climate without Borders).

INPACS head office organisation is a [climate neutral company](#). We have counterbalanced our CO₂ emissions of 2017 by investing in a project for [clean water through borehole rehabilitation in rural districts of Uganda](#).

No monitoring regarding renewable energy yet.

The CO₂ footprint of INPACS' network worldwide is incomparably bigger, caused by running the organisations' infrastructure locally, members' logistics and customer visits, influenced by product assortments choice as well as by customers' and suppliers' own supply chain.

Therefore and corresponding to the commitment "to minimising the harmful effects of [...] greenhouse gases [...] within its sphere of influence" mentioned in the [Company Policy](#), INPACS focuses on:

Demand of every single member to implement an environmental management system (DIN EN ISO 14001) in order to achieve transparency regarding the CO₂ footprint on local and international level and to be able to set common CO₂ reduction goals (see above criterion 12).

By the end of 2017, about 65 percent of the members have got a certified environmental management system according to ISO 14001.

Further concentration of members' purchase activities on nominated INPACS suppliers leading in consolidated supply chains by pooled orders which help to reduce CO₂ emissions caused by transports (see above criterion 12).

Promotion of supply chain optimisation at customers' side (pooled orders, product concentration, ecological alternatives, etc.) to help them further reduce their environmental footprint, as well.

Continuously intensify video and telephone conferencing and/or e-media capabilities in order to minimise the amount of CO₂ intensive business trips, where possible.

On the other hand, required business trips are planned in the most efficient way, i.e. combining them with other meetings on the same route respectively at the same place (see above criterion 12).

Key Performance Indicators to criteria 13

Key Performance Indicator G4-EN15

Direct greenhouse gas (GHG) emissions (Scope 1).

Climate neutrality = 0.00 tonnes of GHG emissions.

192.3 t of direct GHG emissions due to usage of fuel for travelling and heating by INPACS head office - counterbalanced by Klima ohne Grenzen (see above criterion 13)
(244t in 2015)

Key Performance Indicator G4-EN16

Indirect greenhouse gas (GHG) emissions (Scope 2).

Climate neutrality = 0.00 tonnes of GHG emissions.

22.3 t of indirect GHG emissions at INPACS head office due to electricity consumption - counterbalanced by Klima ohne Grenzen (see above criterion 13).
(27.5 t in 2015)

Key Performance Indicator G4-EN17

Other indirect greenhouse gas (GHG) emissions (Scope 3).

No monitoring.

Key Performance Indicator G4-EN19

Reduction of greenhouse gas (GHG) emissions.

The total number of flights that still represent the lion's share of the CO₂ emissions of INPACS head office (147t) have been reduced by approximately 12 percent (equivalent to 61 flights) due to the measures taken (such as video- and teleconferencing).

In general, consumption of resources as well as CO₂ emissions have decreased in all areas considered.

All emissions were compensated for by investing in an eco-social project by Klima ohne Grenzen (Gold Standard).

To further avoid travel in some cases, WebEx and Skype are the best video conferencing solutions. Skype came into use in the new premises in November 2017, while the WebEx tool has been running since January 2018.

Furthermore, the travel planning increasingly examines the possibility of traveling by train with comparable or better (time) effort in order to further reduce greenhouse gas emissions.

13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Energy consumption and CO₂ emissions' monitoring is verified and counterbalanced by → [Klima ohne Grenzen](#) (Climate without Borders).

INPACS head office organisation is a → [climate neutral company](#) having counterbalanced its CO₂ emissions of 2017 by investing in a project for → [clean water through borehole rehabilitation in rural districts of Uganda](#).

The CO₂ footprint of INPACS' network worldwide is incomparably bigger, caused by running the organisations' infrastructure locally, members' logistics and customer visits, influenced by product assortments choice as well as by customers' and suppliers' own supply chain.

Therefore and corresponding to the commitment "to minimising the harmful effects of [...] greenhouse gases [...] within its sphere of influence" mentioned in the → [Company Policy](#), INPACS focuses on: Demand of every single member to implement an environmental management system (DIN EN ISO 14001) in order to achieve transparency regarding the CO₂ footprint on local and international level and to be able to set common CO₂ reduction goals (see above criterion 12). By the end of 2017, about 65 percent of the members have got a certified environmental management system according to ISO 14001. Further concentration of members' purchase activities on nominated INPACS suppliers leading in consolidated supply chains by pooled orders which help to reduce CO₂ emissions caused by transports (see above criterion 12).

Promotion of supply chain optimisation at customers' side - pooled orders, product concentration, ecological alternatives, etc. - to help them further reduce their environmental footprint, as well. Continuously intensify video and telephone conferencing and/or e-media capabilities in order to minimise the amount of CO₂ intensive business trips, where possible.

On the other hand, required business trips are planned in the most efficient way, i.e. combining them with other meetings on the same route respectively at the same place (see above criterion 12).

What you should report

Explain:

Anmerkungen...

- Whether renewable energy is used and, if yes, to what extent, and if not whether this is planned.

Fehit:

Comply:

Explain:

Anmerkungen...

Criteria 14–20 concerning SOCIETY

Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

As stated in the [Company Policy](#) and the [Code of Ethics](#), INPACS has committed to fair labour standards and social protection according to the International Labour Organisation (ILO).

This commitment is part of the Basics of Cooperation with INPACS members, too, and therefore the common understanding of the whole network. Above that, each member is responsible for fair labour standards and compliance with labour law according to local conditions. No implementation of German standards abroad.

At INPACS head office, compliance, especially with the strict German Labour Law and Social Insurance Regulations has been proved due to regular external controls by the Pension Insurance Institution as well as by Tax Inspectors examining remuneration, working hours, holidays and many labour conditions aspects more.

Furthermore, [EcoVadis](#) attested INPACS an outstanding performance regarding labour practices, in general.

Apart from that, there is an intense employee involvement in sustainability management as the different operational departments lead the activities with members, customers and suppliers, directly. In the course of regular small team meetings, individual interviews and project assignments with the Sustainability Manager, the employees develop the concrete input for sustainability measures (see also criterion 5).

15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

The [Code of Ethics](#) is valid for INPACS head office as well as for INPACS members due to its inclusion into the Basics of Cooperation. We expect from all our members and employees compliance with the equal opportunities' principles stated in mentioned code.

In the course of the evaluation process with [EcoVadis](#) (see criterion 3) the implementation of equal opportunities on local level is disclosed. This gives INPACS the opportunity to determine the status quo of the group as a whole, set joint goals and implement best practice within the member network.

At INPACS head office, compliance with the basic rights of employees, especially with the strict German Labour Law and Social Insurance Regulations has been proved due to regular external controls by the Pension Insurance Institution as well as by Tax Inspectors examining remuneration, working hours and holidays, equal opportunities and diversity as well as occupational health and safety.

Equal opportunity and non-discrimination regardless of color of skin, nationality, social background, disabilities, sexual orientation, political or religious beliefs as well as age or gender are the pillars of INPACS' own [commitment](#) being an international organisation.

Any breaches can be reported to an ombudsman, anonymously if need be, without repercussions for the reporter.

INPACS affirms its openness by assembling a team of german employees with intercultural experiences as well as employees with a spanish, chinese, turkish repectively ukrainian background.

There is no goal set regarding commensurate pay.

Occupational health and safety is part of the integrated management system which corresponds to OHSAS 18001 and is regularly internally and externally audited.

All employees benefit from regular occupational health checks based on their age.

When necessary, the organisation supports changes to job content, ergonomics, work equipment etc.

Overtime is uncommon and, if needed, sporadically compensated with time off after previous arrangement. On the other hand, in case of personal issues

(mourning, move or the like), flexible arrangements are set. Furthermore, there is a formal process for occupational reintegration.

16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

The Code of Ethics is valid for INPACS head office as well as for INPACS members due to its inclusion into the Basics of Cooperation.

In the course of the evaluation process with EcoVadis (see criterion 3) the mode of implementation of the Code of Ethics including measures to promote employability and qualification on local level is disclosed. This gives INPACS the opportunity to determine the status quo of the group as a whole, set common goals and implement best practice within the member network to this respect.

At INPACS head office, in 2017, the yearly appraisal interviews held with each individual employee resulted in a number of training measures in order to meet the employees' wishes regarding their personal development.

Furthermore, these discussions led to various changes of responsibilities within the organisation.

As stipulated by the quality management system, new employees received an induction training with a health and safety and an anti-corruption briefing as well as a base training where the scope is determined by existing qualifications and the final operation area.

These practices, amongst others, were very much appreciated by EcoVadis during the evaluation process leading into an outstanding result.

Key Performance Indicators to criteria 14 to 16

Key Performance Indicator G4-LA6

Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender.

140.5 lost days leading to an illness rate of 3.5 percent.

No injuries in the last five years at INPACS head office, no work-related fatalities.

Key Performance Indicator G4-LA8

Health and safety topics covered in formal agreements with trade unions.

No formal agreement with any trade union.

Key Performance Indicator G4-LA9

Average hours of training per year per employee, by gender and by employee category.

Standardised reporting of average annual training and instructional hours per employee does not exist at INPACS head office, as required by G4.

Anyway, a part from mandatory regular health and safety instructions, employees are supported with individual training based on their job requirements and existing qualifications (e.g. time or personnel management training).

In total, this leads to an average number of over 20 hours of training per employee per year.

Key Performance Indicator G4-LA12

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

Composition of governance bodies and employees			
	total	female	male
Employees	17	8	9
Managers	5	2	3
Fulltime	16		
Foreign background	3		
Age:			
Up to 30 years	1		
Between 31 and 55	15		
Older than 55	1		
Seniority:			
More than 10 years	7		
Up to 10 years	10		

Key Performance Indicator G4-HR3

Total number of incidents of discrimination and corrective actions taken.

No incidents since foundation of INPACS in 2004.

Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

All suppliers are expected to acknowledge in writing and to adhere to the [INPACS Supplier Code of Conduct](#) also with respect to their own supply chain. Hereby, they confirm also compliance with human rights according to the Universal Declaration of Human Rights (Resolution 217 A (III) of 10.12.1948) including prevention from forced and child labour as well as any form of exploitation.

When being doubtful about this commitment, the viability of the cooperation with INPACS might fundamentally be called into question.

A basic monitoring of suppliers takes place with respect to adherence to said Code of Conduct. This monitoring process will be extended as of 2018:

On the basis of a detailed risk assessment a selected number of suppliers has been defined as "to be audited on site in 2018 or 2019".

The factory audits will be planned in cooperation with related local members and conducted using a standardised audit form that focuses on the production, quality assurance, local conditions on site and ethical standards. In particular, human rights aspects will be examined such as working hours, health and safety, employees' age, dormitories etc.

Key Performance Indicators to criteria 17

Key Performance Indicator G4-HR1

Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

100 percent of the strategic and nominated INPACS suppliers have signed the [INPACS Supplier Code of Conduct](#) confirming by this the protection of Human Rights according to the Universal Declaration of Human Rights (Resolution 217 A (III) of 10.12.1948).

All INPACS members are obliged to apply the same standards as set in the INPACS Supplier Code of Conduct within their business principles and trading operations, analogically.

Monitoring of the status on members side has started to take place via [EcoVadis](#) platform (see criterion 3).

Key Performance Indicator G4-HR9

Total number and percentage of operations that have been subject to human rights reviews or impact assessments.

In 2017, all strategic and nominated suppliers as well as private label manufacturers have been screened regarding human rights risks and other criteria from the [INPACS Supplier Code of Conduct](#) leading into factory audits, where appropriate (see criterion 17).

Key Performance Indicator G4-HR10

Percentage of new suppliers that were screened using human rights criteria.

New suppliers can only become nominated INPACS suppliers when committing in writing to the principles stated in our [Supplier Code of Conduct](#) and therefore confirming the protection of Human Rights according to the Universal Declaration of Human Rights (Resolution 217 A (III) of 10.12.1948). From experience, this is mainly about suppliers already known by one or more INPACS member companies confiding in said suppliers, not about completely unknown new suppliers.

Key Performance Indicator G4-HR11

Significant actual and potential negative human rights impacts in the supply chain and actions taken.

No incidents since foundation of INPACS in 2004.

Criterion 18 concerning SOCIAL MATTERS

18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

INPACS builds upon guiding the development and growth path for INPACS network with special focus on local mid-sized family-run companies and pursuing common interests to sustainably strengthen these for future

challenges.

INPACS head office itself has spent 3,219 € in an eco-social project in Uganda in order to counterbalance its CO₂ footprint and act climate neutrally, to take on social responsibility for local challenges in developing and emerging countries as well as to increase CSR-awareness within its stakeholder network.

Key Performance Indicators to criteria 18

Key Performance Indicator G4-EC1

Direct economic value generated and distributed.

INPACS undertakes its best efforts to maximise its members' benefits. Therefore, INPACS GmbH shares all generated benefits (direct and indirect) with its members.
Renouncement on further reporting.

Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

In principle, all ongoing legislative processes in the fields of anti-trust, competition, trademark, environmental and employment law as well as at present the German Federal Data Protection Act (GDPR) are relevant to INPACS.

Within the last months, INPACS has initiated several measures needed to implement the new GDPR, e.g. appointment of a data protection officer, adjustment of our cookie policy and consent etc. – in order to meet the requirements.

Generally, it is INPACS' aspiration to be compliant with all current legislation in time.

No entry in any lobby list, no contributions or donations at all to political

parties or politicians since foundation of INPACS in 2004. This corresponds to the [INPACS Code of Ethics](#) that regulates, amongst others, "not to make donations to political parties, individual persons, profit-oriented organisations or organisations whose objectives are contrary to the principles of INPACS and those of its members or harmful to the groups reputation. Donations made must always be transparent – e.g. the identity of the recipient and the intended use of the donation are known and the reason for the donation and the purpose for which it is to be used are legally justifiable." Membership in and active participation by INPACS senior advisor in the committee of [ISSA](#) (International Sanitary Supply Association) including annual fees of 410€.

Key Performance Indicators to criteria 19

Key Performance Indicator G4-SO6
Total value of political contributions by country and recipient/beneficiary.

0,00 € political contributions since foundation of INPACS in 2004.

20. Conduct that Complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

The guideline regarding compliance with applicable law and, in particular, regarding prevention from corruption and bribery is defined in the [INPACS Code of Ethics](#).

In addition, a *Guideline accepting and providing of grants* has been formulated for INPACS employees.

With respect to the four-eye principle and shared electronic data within the teams, basic monitoring is installed in order to adhere to above mentioned guidelines.

Any case of illegal activities can be reported to an ombudsman, anonymously if need be, without any repercussions for the reporter.

In order to raise awareness, regular training on prevention of corruption and bribery has been established.

Generally, prevention of corruption and bribery is a topic promoted by the Sustainability Manager.

As a result, [EcoVadis](#) attested INPACS an outstanding performance with respect to fair business practices.

Key Performance Indicators to criteria 20

Key Performance Indicator G4-SO3

Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.

No assessment for risks related to corruption.

Key Performance Indicator G4-SO5

Confirmed incidents of corruption and actions taken.

No incidents at INPACS head office since foundation of INPACS in 2004.

Key Performance Indicator G4-SO8

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

[Link](#)

There have not been any significant fines or non-monetary sanctions since foundation of INPACS in 2004.