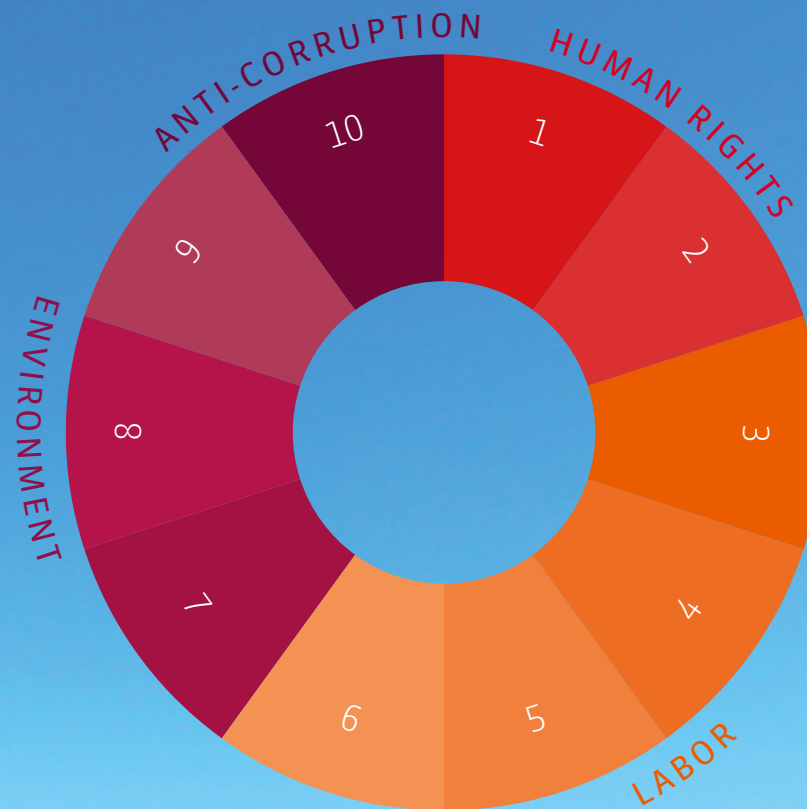


Sustainability Report 2017/18

UN Global Compact | Communication on Progress | August 2017 - August 2018



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UN GLOBAL COMPACT
COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

iPoint-systems gmbh
 Managing Director (CEO): Joerg Walden
 Ludwig-Erhard-Str. 58
 72760 Reutlingen
 Germany

I. Statement of Commitment and Continued Support

by the Chief Executive Officer of iPoint-systems gmbh, Joerg Walden



To our Stakeholders:

August 7, 2018

I am pleased to confirm that iPoint-systems reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

iPoint became a proud signatory of the UN Global Compact on August 7, 2017. Since our business strategy already reflects the UN Global Compact's ten principles, it was a logical step for us to join this initiative and accelerate the transition to a sustainable future.

We are proud of what we have achieved, yet humbled by how far we still need to go. Being that this is our first baseline report in which we account for our performance against these principles, this reporting exercise has given us an opportunity to pause and assess ourselves. Yet while we identified gaps, we also realized that in many instances how intuitively aligned we are with the objectives of UN Global

Compact. It became evident that we not only dedicate a large part of our mission and work to the attainment of these goals, and have ourselves taken concrete steps to do so, we actively assist other businesses to meet these very principles.

Increasingly scarce resources, environmental pollution, social exploitation – I strongly believe that the solution to many of today's global problems lies in the combination of the Circular Economy with digital data, an approach we at iPoint have come to call the "Digital Circular Economy".

For the sake of our planet, the findings in this report summarize and affirm the path we have chosen to follow. What we know is that we would like to be a part of that journey – and ourselves walk the walk.

We live sustainability.

Sincerely yours,

Joerg Walden
Managing Director (CEO)
iPoint-systems gmbh

*“I am driven by the vision of how today’s solutions
can contribute to securing a sustainable world
for future generations.”*

– Joerg Walden, CEO and founder of iPoint-systems gmbh

II. About iPoint – Business Introduction



iPoint-systems gmbh (iPoint) develops pioneering compliance and sustainability solutions to open the door to the Circular Economy. More specifically, we provide software and consulting for environmental and social product compliance, and sustainability which enables other companies to collect, process, and utilize product-related compliance and sustainability data from and for the entire product life cycle and the whole value creation network.

iPoint's software and consulting services support companies in meeting and staying one step ahead of regulations and requirements such as REACH, RoHS, WEEE, ELV, EHS, Conflict Minerals- and Modern Slavery-related laws, as well as other trending developments and challenges governing product, supply chain, and enterprise stewardship.

iPoint's holistic, circular perspective envisages a continuous, digital system lifecycle management process that supports not only compliance with the law, but also the sustainability of products, value chains, and brands.

Since our founding in 2001, iPoint has been constantly expanding the iPoint Group and its solutions portfolio to realize its vision of building an integrated digital platform for the Circular Economy and a holistic sustainable operating system.

Put simply, our very vision is to create solutions to solve sustainability issues. As our software platforms and tailored solutions are premised on legal compliance and sustainability, we achieve a positive impact pursuant to the 10 UN Global Compact (UNGC) principles.

II. About iPoint – Business Introduction

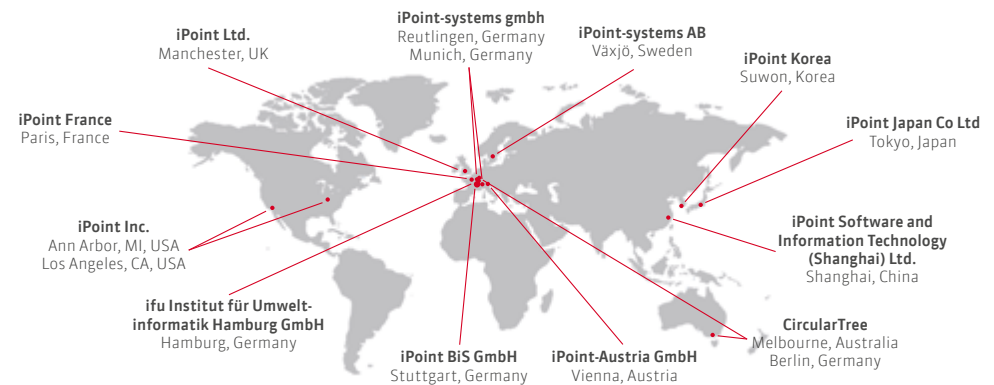
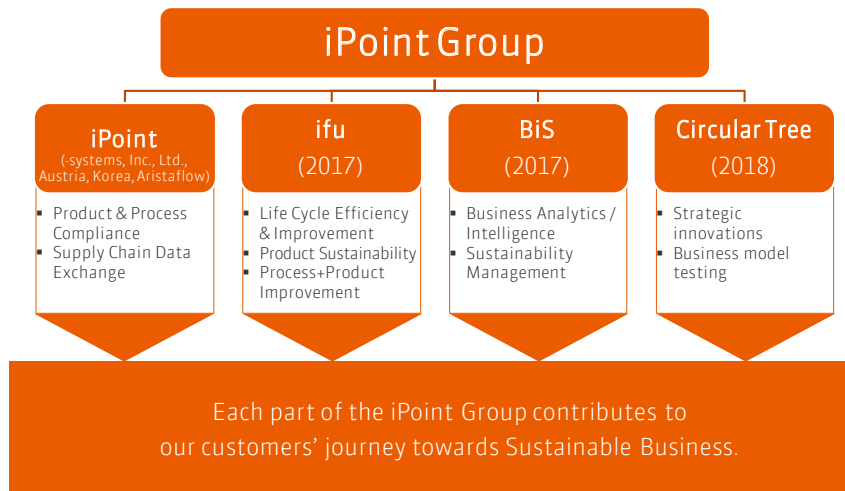


Yet we also strive to uphold these principles with respect to our internal day-to-day operations. Our main business comprising software and related services, and not selling any hardware or other goods, means that iPoint does not have traditional supply chains. That said, we do procure select goods and services that permit the functioning of a high-tech software company. This report will hone in on both our in-house and external impacts, viewed through the UNGC lense.

We should note at this juncture that only iPoint-systems gmbh, encompassing our Reutlingen headquarters and Munich branch, is covered by this report. The entire iPoint Group, however, consists of four pillars and includes 15 subsidiaries and offices worldwide.¹

Further information:

➔ www.ipoint-systems.com



III. Sustainability Facts at a Glance

Over the period from August 7, 2017 to August 6, 2018



Internal:

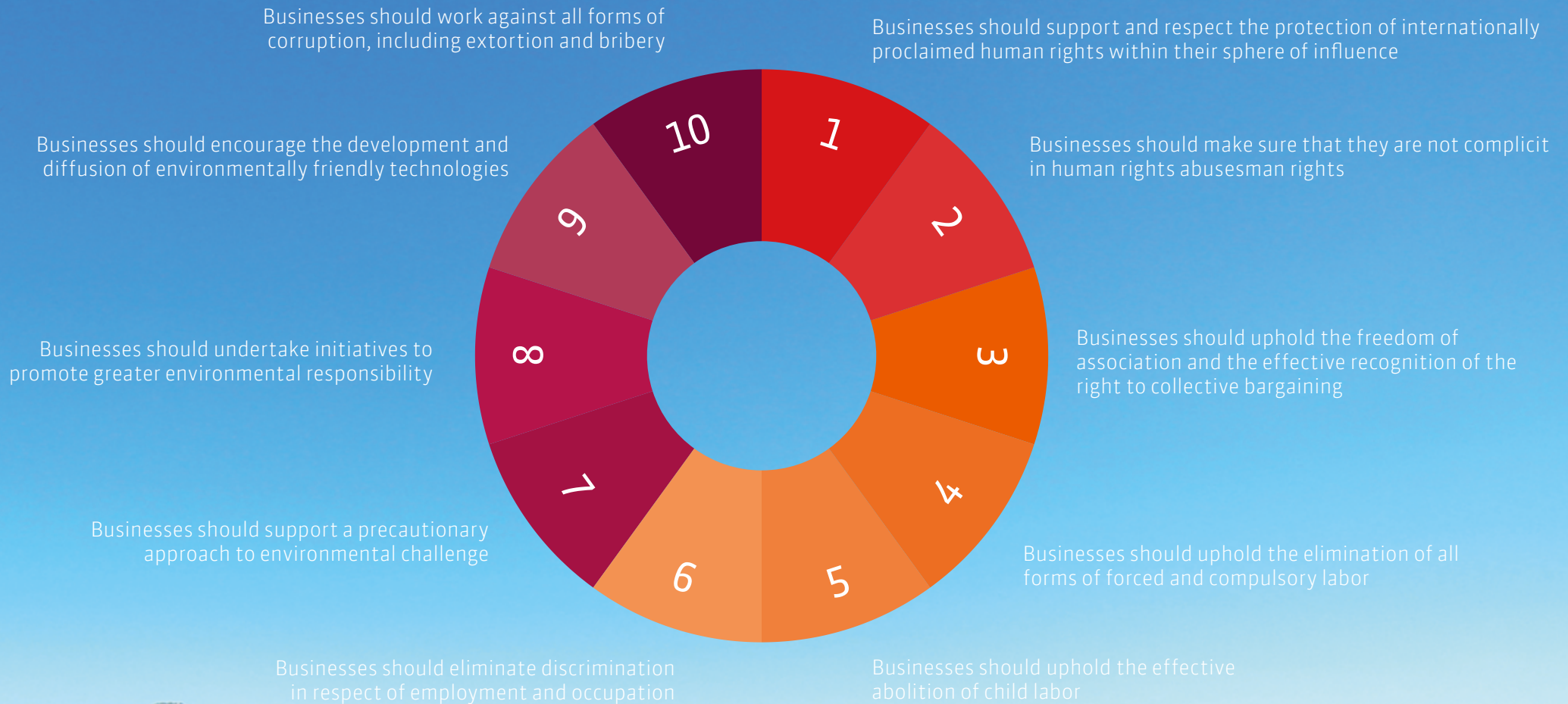
- 75%** Invoices in our accounting department are now filed electronically, reducing our paper consumption by 75%
- FSC** iPoint's corporate printing needs are met by FSC®- and ISO 12647-2-certified printers
- 2** iPoint's Reutlingen site features two electric vehicle charging stations
- ECO** iPoint's headquarters run on sustainable geothermal energy and are powered by renewable electricity sources
- 20%** Twenty percent (20%) of our employees had a citizenship other than German
- 33%** Thirty-three percent (33%) of our upper-level managers were female
- 793** iPoint employees have "raised" 793 plastic lids to contribute towards polio vaccination
- 3** Every day, iPoint employees consume 3 kg of sustainably produced coffee/espresso beans

External:

- SDG** iPoint's business solutions are aligned with SDG Goal 8 and SDG Goal 12
- 47,0000** The iPoint Conflict Minerals Platform (iPCMP) is now used by 47,000 companies around the globe
- §§§** iPoint commissioned or sponsored several independent studies investigating the corporate implementation of human rights-related laws (e.g. concerning Conflict Minerals and forced labor)
- 3** iPoint donated to 3 charitable causes
- EPRM** iPoint started an EPRM-funded project with partners which utilizes Blockchain technology for Conflict Minerals traceability from mine to store, to be piloted on 3TG in the African Great Lakes Region



IV. Living Up To UNGC's 10 Principles



IV. Living Up To UNGC's 10 Principles



On August 7, 2017, iPoint was officially welcomed as a signatory of the UN Global Compact (UNGC). Upon joining the world's largest corporate responsibility initiative, we have committed ourselves to support, implement, and uphold the UNGC's Ten Principles², which are grouped into four categories: human rights, labor, environment, and anti-corruption. In the following paragraphs, we describe our main actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations.

Human Rights

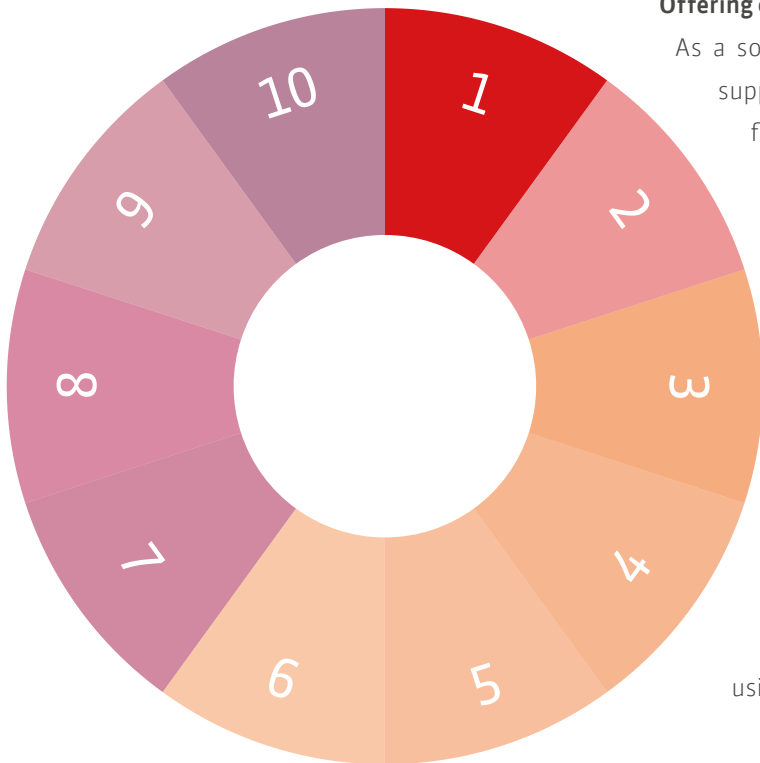
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

External focus

Offering our solutions

As a software and services provider specialized in digital supply chain solutions, we allow vital information to flow through entire value chains in an automated and controlled fashion. In many cases, the very information accompanying the transformation from materials to products concerns the subject of human rights. For instance, iPoint's Conflict Minerals solution (for tin, tungsten, tantalum, and gold), which is based on the Responsible Minerals Initiative (RMI)'s Conflict Minerals Reporting Template (CMRT), facilitates the flow of information concerning mineral provenance, mode of production, supplier chain of custody, due diligence, corrective action, assurance, and company policies.³ 47,000 companies worldwide are using our platform.⁴

A related initiative illustrates the overlap between our comparative advantage and UNGC's Principle 1. As a secure and distributed digital ledger, Blockchain technology⁵ has garnered much attention also in the context of Conflict Minerals traceability. As an early mover, iPoint is heading an EPRM⁶-funded project which aims at creating a Blockchain-based Conflict Minerals traceability system from mine to store, to be piloted in the African Great Lakes Region with partners, instituting a 3TG traceability process from mine to store.⁷



IV. Living Up To UNGC's 10 Principles

Human Rights



Sharing our expertise

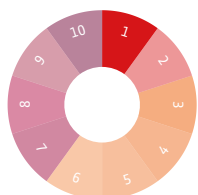
Along these lines, over the reporting period iPoint also contributed substantively to conferences and fora:

| topics | presentation / discussion title | more information |
|--|--|------------------------|
| Blockchain / material traceability / supply chain transparency | Blockchain – The Universal Remedy to Trace Materials and Make Supply Chains Transparent? | → link |
| | Blockchain-based traceability: Making raw material traceable | → link |
| | The role of technology and innovation in detecting social issues / human rights violations | → link |

Supporting human rights-premised fora

We also financially contributed to the following events where human rights was front and center of the agenda:

| event | location | more information |
|--|----------------------|------------------------|
| Business Leaders Forum to Combat Human Trafficking | Washington, DC | → link |
| AIAG Corporate Responsibility Summit 2018 | Novi, Michigan | → link |
| AIAG Conflict Minerals Industry Briefing VII | Southfield, Michigan | → link |



IV. Living Up To UNGC's 10 Principles

Human Rights



Advancing the SDGs

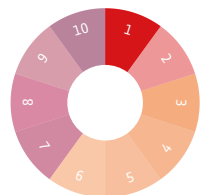
Our very business model and a large portion of our business portfolio is predicated on the advancement of internationally proclaimed human rights. Our support to other companies in their quest to become more sustainable may also be analyzed according to the Sustainable Development Goals (SDGs). Our business solutions align perfectly with Goal 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) and Goal 12 (ensure sustainable consumption and production patterns).⁸ More specifically, our external impact is aligned with Targets 8.2,⁹ 8.4,¹⁰ and 8.7,¹¹ as well as Targets 12.2,¹² 12.4,¹³ 12.5,¹⁴ 12.6,¹⁵ and 12.A.¹⁶

Engaging in collective action on social responsibility

In our increasingly interconnected global web of production and service delivery, there are ever-decreasing degrees of separation between individual business on the planet. That is why we work hand in hand with industry associations and collective action groups that were explicitly established to tackle complex human rights issues. iPoint is, for example, a member of the Responsible Minerals Initiative (RMI),¹⁷ of the Automotive Industry Action Group (AIAG),¹⁸ and of IPC,¹⁹ to develop the systems, processes and procedures needed to comply with U.S. Conflict Minerals legislation (Dodd-Frank Section 1502). In 2012, iPoint partnered with AIAG to develop the iPoint Conflict Minerals Platform (iPCMP), a solution now used by 47,000 companies around the globe.²⁰

“I first came into contact with iPoint through a consulting service I performed. I was immediately impressed by the various innovative solutions in the sustainability environment and I couldn't get iPoint out of my head. A few weeks later I saw a report on Conflict Minerals and mine certification in the Congo. I then realized that iPoint actually contributes to making the world a better place. I wanted to do my part, and I am very happy that it worked out.”

— Markus B., Knowledge Management



IV. Living Up To UNGC's 10 Principles

Human Rights



Internal focus

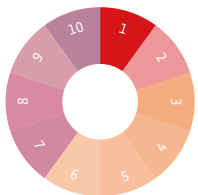
Upholding employee rights

Satisfied, healthy, informed, qualified, and committed employees are a basic condition for a sustainable company development. The employment contracts with each of our 100 iPoint-systems gmbh employees based in Reutlingen and Munich are premised on German national law, and either uphold or supercede requirements in areas such as minimum wage, job security, and paid vacation day standards. For example, all of our staff has permanent employment contracts, and we offer an attractive pension plan. In Germany, where most of our employees are based, our contracts reflect the constitution of Germany (Grundgesetz), which guarantees the rights as outlined in the Universal Declaration of Human Rights.²¹

We pay attention to healthy nutrition as well as employee fitness and health. Workstations are ergonomic, and height-adjustable standing desks are available to everyone on request. The company provides – free of charge – fresh fruit, mineral water in water bottles (not plastic bottles), and coffee to every employee every day on the headquarters office premises.

“Whether in the car, at home on the couch, or in front of the computer, we now spend the majority of our life sitting. It is a well-known fact that the associated back complaints have been appearing in health reports for years, occupying the top places in the list of illness-related absences. However, I’ve never experienced a company in my professional career that does something about it like iPoint and for which the ergonomic design of the workplace has such a high priority. And that certainly involves a great deal of expense, starting with the office chairs, which can be individually adapted to the anatomy of the individual employee and ending with the height-adjustable tables. While others remain seated, iPoint sets standards.”

— Nicole S., Human Resources



IV. Living Up To UNGC's 10 Principles

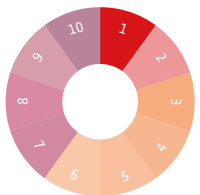
Human Rights

We see the health and fitness of iPoint's employees as both the basic prerequisite for and an indicator of the performance, competitiveness, and long-term success of our company. This is why sports are explicitly promoted at iPoint: since 2014 iPoint has rewarded and promoted participation in certain public sports competitions and events through its iAmFit campaign.

These include, for example, running competitions, long-distance cycling, and fitness tests to obtain the German sports certificate (Deutsches Sportabzeichen).²² To equip its athletic employees, the company worked with sport outfitter Trigema to fashion Germany-made, sustainably-produced running and cycling jerseys.²³

“As part of the iAmFit campaign iPoint has promoted employees' sporting activities for many years under the maxim 'Healthy employees for a healthy company.' As a hobby marathon runner, I take part in many running competitions all year round in my iPoint jersey. I am very pleased about this support and recognition of my sporting achievements.”

— Daniel H., Development



IV. Living Up To UNGC's 10 Principles

Human Rights



"In my area, I pay great attention to sustainability and the creation of healthy, safe working conditions. This ranges from the use of sustainably certified cleaning detergents and the procurement of fair trade coffee to the provision of height-adjustable tables.

— Michele G., Facility Manager

Ensuring occupational health and safety

With respect to occupational health and safety, we have four specifically trained first responders (exceeding the legal minimum), and each year the company holds mandatory occupational safety events at the headquarters. The regular inspection of our offices premises and the work equipment used, as well as regular consultations, guarantee our employees' safety and risk protection in the workplace.

Driving human rights-based research

iPoint's specific initiatives to support internationally proclaimed human rights notably include supporting independent studies on the very subject. For example, in 2017 we were a co-sponsor of DI's Dodd-Frank Section 1502 Conflict Minerals benchmarking study,²⁴ which assessed corporate disclosure and due diligence performance with respect to the so-called "Conflict Minerals" originating from the Democratic Republic of the Congo (DRC). In the chapter on Principle 4 we discuss in more detail the human rights-centered studies that iPoint has either commissioned or supported.

Ensuring privacy and protection of data

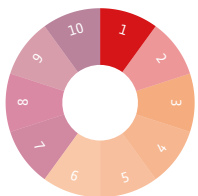
The protection and security of customer data have always played an important role at iPoint – not only since the implementation of the EU's General Data Protection Regulation

(GDPR). Currently, we are preparing a data protection and information security audit in accordance with ISO/IEC 27001,²⁵ the certification for a robust information security management system (ISMS), which helps organizations keep information secure (e.g. concerning financial information, intellectual property, employee details, or third party information). This audit will certify that all of our processes are systematically implemented and monitored in line with globally accepted standards. As a result, we will be adding assurance for the protection and security for customer data – beyond the GDPR requirements.

Supporting charity

iPoint has a long-standing tradition of contributing to charitable causes around Christmas time, and over the years, iPoint has donated to quite a number of charitable causes.²⁶ For Christmas 2017,²⁷ we made a donation to:

- the organization Behinderten-Förderung-Linsenhofen e.V. which works with the disabled, and specifically for their "Cycling for Charity" event in conjunction with Rad-Engel e.V.;
- JAM Deutschland e.V., which used the donation to provide clean water and school meals in Angola; and
- Wikimedia Foundation, the only top-ten-website that is run by a non-profit-organization and a global community of volunteers.



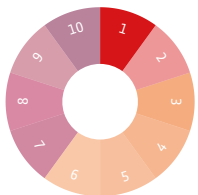
IV. Living Up To UNGC's 10 Principles

Human Rights



A range of charitable sporting events, in which iPoint employees take part wearing their iPoint jerseys, are also sponsored by the company. iPoint employees, for example, were sponsored to take part in the 2018 “Muddy Angel Run,” the first mud-race in Europe exclusively with female participation. A portion of the fees are donated to the cancer organization Brustkrebs Deutschland e.V.

In an effort to help end polio in children under the age of five, an iPoint employee recently introduced the company to a campaign – “Lids Against Polio – 500 lids for 1 life without polio” – that recycles the valuable plastic bottle caps and lids, and uses the proceeds to fight this disease.²⁸ On May 7, 2018, the Reutlingen headquarters has joined this plastic bottle lid initiative and has managed to raise 793 lids within the following three months – and counting.



Human Rights

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

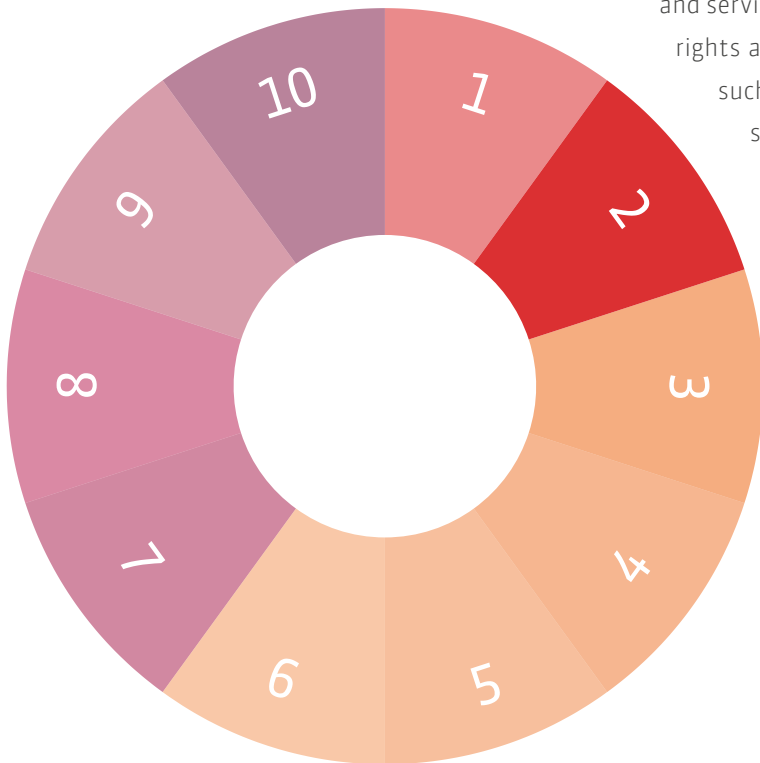
Selecting local service providers

In our assessment, the risk of our Germany-based, software- and service-oriented company itself being complicit in human rights abuses is close to zero. Immediate service providers, such as catering services, are carefully vetted to make sure their business practices are legal. That said, we employ continued vigilance and regular communication to ensure that this risk remains close to zero, and the actual incidence rate lies at exactly 0%.

A related step we would like to take within the next reporting period is to issue an official corporate procurement policy with selection criteria that include responsibility and sustainability dimensions.

Human Rights: Measurement of Outcomes

- iPoint has received zero (0) claims of human rights abuses related to our business or operations.



Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

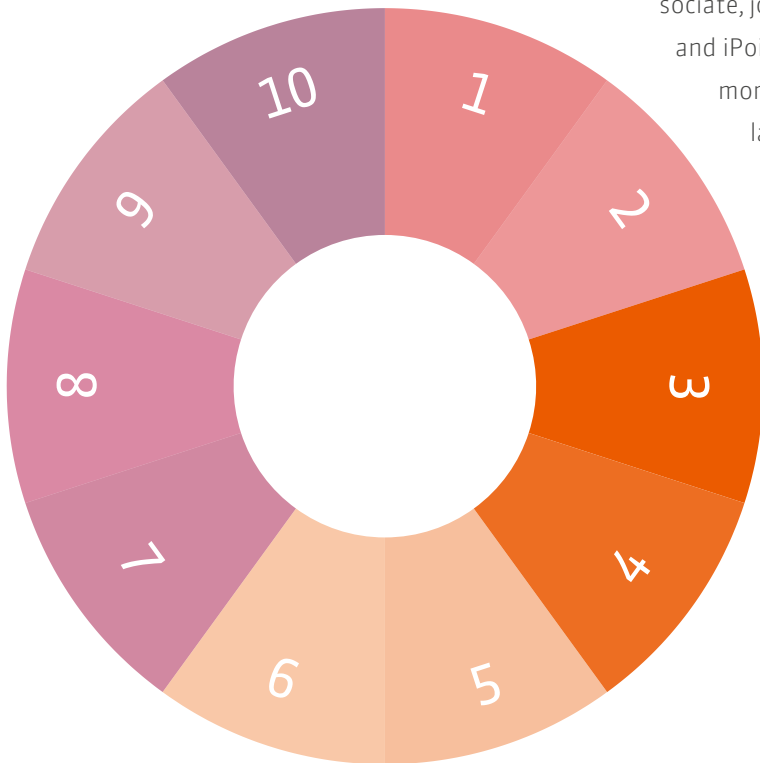
German law fully protects the right of employees to freely associate, join a labor union, and engage in collective bargaining, and iPoint fully upholds these rights and freedoms. Furthermore, we plan to develop our Social Charter, which stipulates basic work- and social-standards, and will include explicit mention of the freedom of association and collective bargaining.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.

Advancing human rights-oriented reporting tools and research

Given the risk to corporations, in particular within certain sectors, of forced labor in their supply chains, and the genuine concern many private sector actors have about such realities in their supply chains, we commissioned an independent consultant to develop the electronic Labor Rights Template (eLRT), a free, open-access Excel-based data exchange standard designed to support companies in their compliance with global human trafficking and modern-day slavery legislation.²⁹ Underpinning this tool, we commissioned two accompanying white papers, one exploring the emerging transnational legal framework creating disclosure and/or due diligence requirements for subject companies,³⁰ and the other a supporting guide to the tool.³¹ We plan on releasing a streamlined version of eLRT – eLRT lite – containing only the instrument's core set of indicators in the course of 2018.

We are not only keenly interested in learning how individual companies seek to control for human trafficking and modern-



IV. Living Up To UNGC's 10 Principles

Labor



day slavery in their extant supply chains, but also whether their individual and collective efforts move the needle on these issues. To this end, in 2016 iPoint fully funded an independent benchmarking study on the corporate implementation of the California Transparency in Supply Chains Act (SB 657) carried out by Development International e.V. (DI).³² Assessing the disclosure compliance and transparency of 1,961 companies subject to the law, the study revealed that while many companies had full-fledged supply chain anti-slavery programs in place, almost half of companies (48%) were not fully compliant.

iPoint furthermore supported the first benchmarking study on corporate compliance with the U.K. Modern Slavery Act Section 54, a law also exclusively dedicated to the topic of forced labor in value chains.³³ Having taken a random sample of 17,000 organizations that had a statement pursuant to the law, DI's study assessed the reported anti-slavery measures of 6,501 organizations with a legal compliance, conformance, and good practice assessment framework.³⁴

directly and indirectly – with the Democratic People's Republic of Korea (DPRK)-owned entities. U.S. sanctions now even cover North Korean work-gangs that work in other countries. To inform companies on these legislative updates, in November 2017 iPoint employee Tolga Yaprak hosted a webinar with the U.S. Department of Homeland Security (DHS) entitled: "North Korean Forced Labor in the Global Supply Chain: Why hiding behind a policy is not enough."³⁷

"We at iPoint are not just a company, but a collection of individuals who deeply believe in our work and that the catalyst for change must start from within. We are fortunate to be at a company that is an advocate for human rights and encourages our work in this space. That is why our webinars with DHS and AnnieCannons – an NGO specializing in providing survivors with computer programming skills – are critical to our efforts in raising awareness."

— Tolga Y., Senior Consultant

Raising awareness

Our concern about forced labor also extends to the case of North Korea, which is sanctioned by the U.S.³⁵ and the UN.³⁶ U.S. companies/individuals are prohibited from conducting any and all trade –

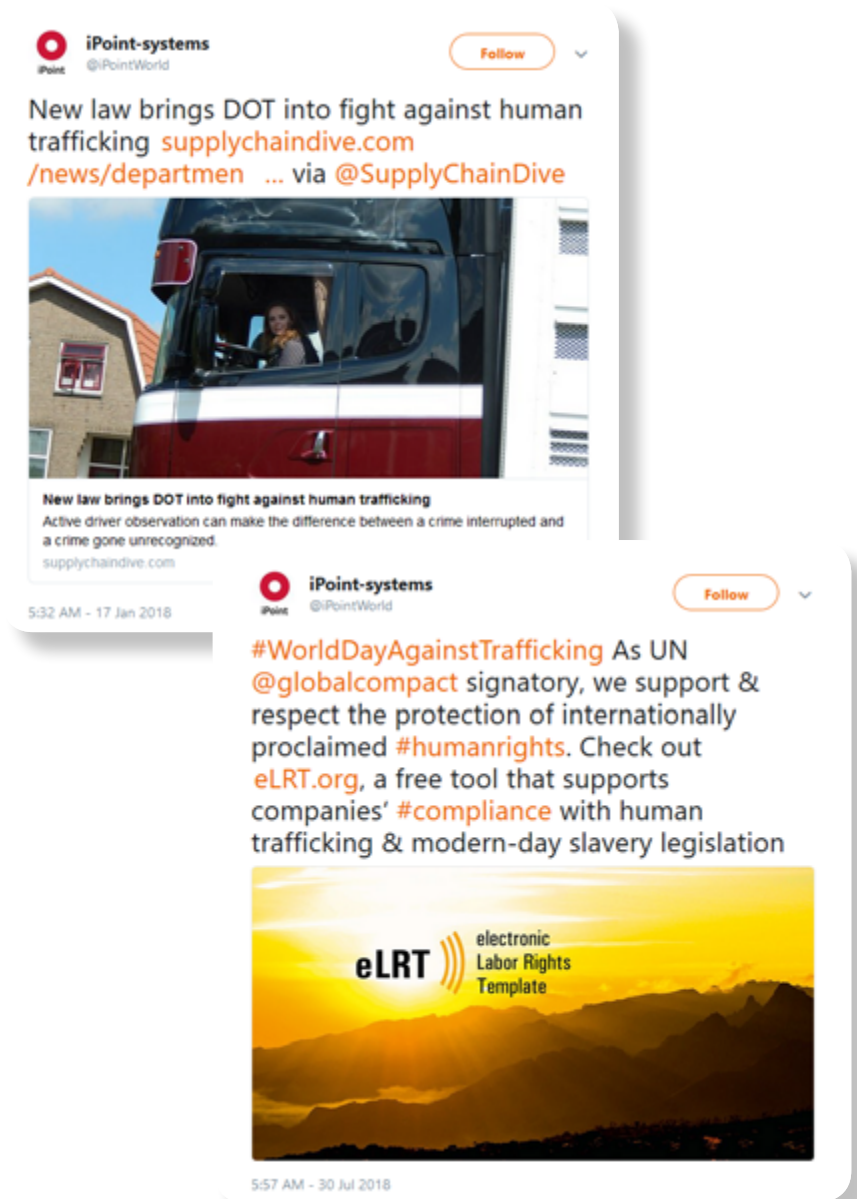


IV. Living Up To UNGC's 10 Principles Labor

Furthermore, we regularly mobilize our social media platforms and other corporate media to raise awareness about the practice of forced and compulsory labor, as well as human trafficking. Typical occasions include, for example, planned or new regulations,³⁸ the publication of new studies, facts, and figures, as well as national or international awareness days.³⁹

“In October 2017, I completed a charity run in Detroit to raise money to support the victims of human trafficking and modern-day slavery. This cause is very near and dear to my heart, pushing me out of my comfort zone, to take a stand and run. Through my work at iPoint I’ve had the opportunity to learn more about human trafficking and its vast, global scale. We work with companies to identify human trafficking and modern-day slavery and eradicate it from their global supply chains. It brings me great pride to work for a company that is instrumental in the causes that I believe in and that supports my personal efforts as well.”

— Melissa C., Support and Services Manager



IV. Living Up To UNGC's 10 Principles



Labor

Principle 5: Businesses should uphold the effective abolition of child labor.

Procuring responsibly

While as a software and services company we do not have traditional supply chains, we are conscious of the fact that even our consumables such as office materials, computers, food, etc. have a history and origin. And we work with suppliers to make sure that the history of our consumables is a happy one. For example, at our iPoint headquarters in Reutlingen we consume 2 kilograms of coffee and 1 kilogram of espresso per day on average -- one could say that it is the "lifeblood" of our staff. Needless to say, it is therefore important to us that also our coffee consumption is sustainable. We have selected a coffee supplier which shares our values: Lavazza, also a member of UN Global Compact,⁴⁰ pursues "sustainability by promoting its principles and by applying them daily through the involvement of all the Group's stakeholders."⁴¹ Specifically with regard to Principle 5, Lavazza obtains UTZ and Rainforest Alliance certification, which inter alia controls for child labor.⁴²

Raising awareness

With 1 in 4 children engaged in child labor in the world's poorest countries, and roughly half of them engaged in hazardous labor, as things stand, there cannot be too much awareness-raising on the subject.⁴³ To this end, we also leverage our social media platforms and other corporate media to raise awareness.



Labor

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

At iPoint, men and women from various nations and age groups, with different cultural, religious, ethnic and social backgrounds, and sexual orientation, work side-by-side. Our workforce diversity shapes our corporate culture and has a positive impact on creativity, innovation and performance, as well as employee motivation. With their unique individual skills, experience, and viewpoints, and often working in heterogeneous teams, our employees not only achieve better results, but also expand the potential for new ideas and innovation within the company. Twenty percent (20%) of our employees had a citizenship other than German over the reporting period, whereby the non-German employees belonged to 13 different nationalities.

We treat each other with respect, appreciation and mutual acceptance, are committed to the Universal Declaration of Human Rights, and act in accordance with Germany's Anti-Discrimination Act (Antidiskrimi-

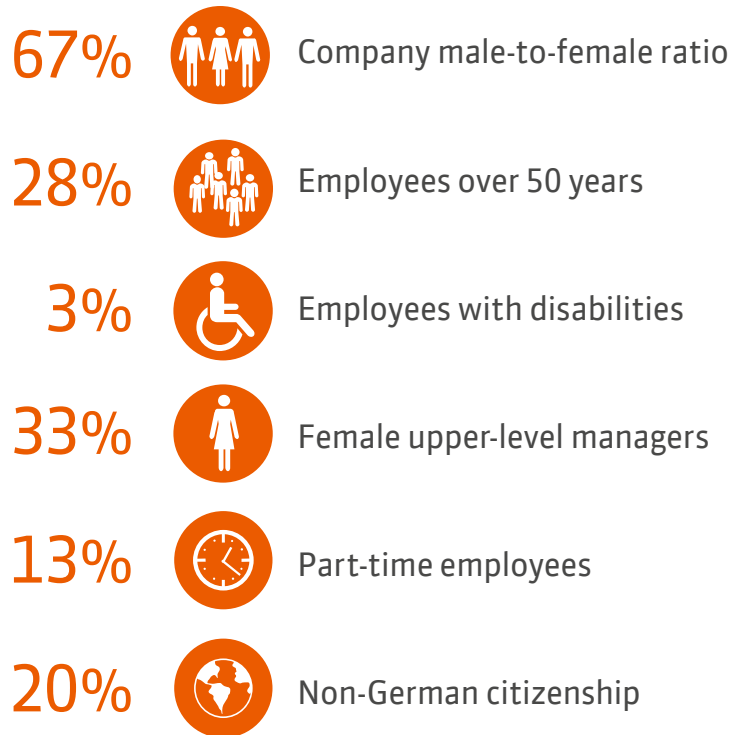
nierungsgesetz). In general, we at iPoint nurture an inclusive culture, starting with the first day on the job. Each new employee is presented with our Code of Conduct (Verhaltenskodex) – defining and condemning all forms of discrimination and sexual harassment – which must be signed. For those who strive for more integration, non-German employees at iPoint-systems gmbh are offered German-language courses.

iPoint's employee composition reflects our commitment to inclusion, gender equality, and sexual orientation non-discrimination. As of July 31, 2018, iPoint-systems gmbh (Reutlingen and Munich locations) had exactly 100 employees (a number which includes trainees and part-time student employees). Our male-to-female ratio was 67%, and 28% of our employees were over the age of 50 years. Three out of nine (33%) of our upper-level managers⁴⁴ were female. We also had 3% employees with disabilities over the reporting period. Equal opportunity also specifically means that our personnel and salaries are selected on the basis of the applicant's qualifications and motivation, not on the basis of ethnic origin, race, gender, or religion.



IV. Living Up To UNGC's 10 Principles

Labor



Working part-time is a distinct option for our staff, and 13% of our employees did so over the reporting period. iPoint also actively supports employee reintegration into the workplace (for those who e.g. took parental leave or were ill) with individualized plans.

“The flexible, family-friendly working hours at iPoint, the possibility of adapting working conditions to my current phase of life and personal requirements, the consideration for holiday planning, and the very good work organization in my team – all these and other measures to support the compatibility of family and work life are very helpful to me as a mother of two school-age children.”

— Andrea M., Human Resources

Labor: Measurement of Outcomes

- In the reporting period under consideration, iPoint has received zero (0) discrimination or labor-related claims.



Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Monitoring climate change and risks

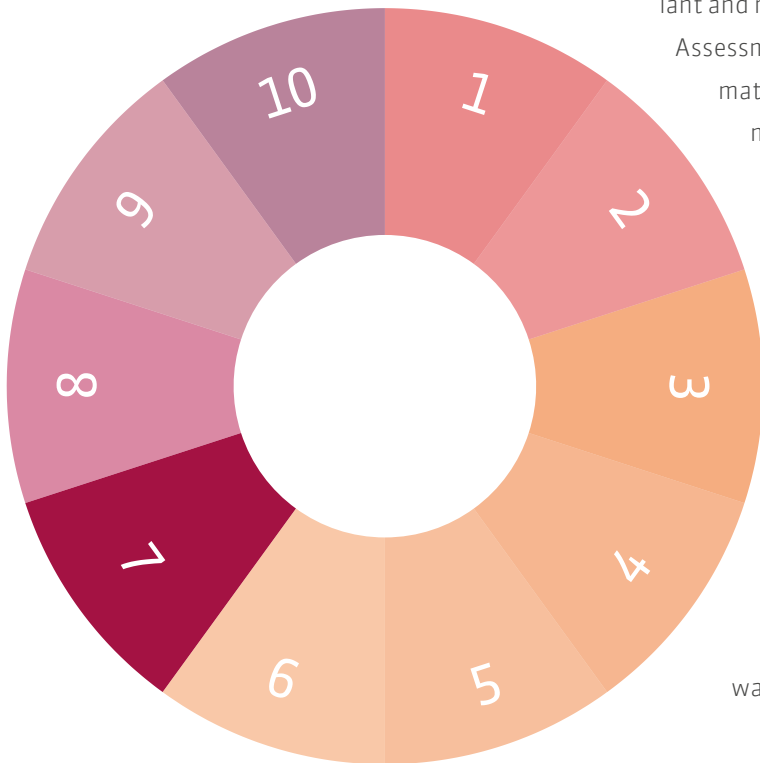
As a company that depends on electricity, we need to be vigilant and responsible about our effect on the climate. The Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) confirms that there is significant human influence on the world's climate. The acute danger is the long-term warming of the world's climate. Persistent heat waves, the warming and rising of the world's oceans, and extreme weather events are the probable consequences of this change.

One of the main drivers of climate change is high and increasing anthropogenic greenhouse gas emissions.⁴⁵ The main sources of greenhouse gas emissions are energy production, commercial enterprises, transport, agriculture and private households. iPoint is alarmed by these risks and continuously re-assessing where, as a software provider, the company may improve.

Conducting life cycle assessments

Sustainability is a corporate value for iPoint. As do all other businesses in the world, iPoint has a responsibility to do its part in protecting and sustaining our planet. Having established an environmental management system, iPoint strives to fulfil its responsibility by recording its environmental impact of our Reutlingen headquarters (where 59% of our iPoint Group employees work). The recording of operational environmental impacts, such as greenhouse gas emissions from business trips or raw material consumption, is conducted according to standardized methods and forms the basis of the company's environmentally-conscious design. Our environmental management system is based on the international environmental management standard ISO 14001.

iPoint also measures its environmental footprint by regularly carrying out life cycle assessments (LCAs). We did so in accordance with ISO 14040 requirements for 2014 and 2015. We also intend to carry out an LCA for 2018. iPoint is thus able to evaluate measures through an ongoing controlling process. Weak points are revealed and appropriate corrective measures can be taken where necessary. Our regular life cycle assessments ensure that trends are captured and degrees of target achieve-



IV. Living Up To UNGC's 10 Principles

Environment



ment measured. Upon completion of our 2018 LCA, we will be able to report our findings and re-visit our environmental goals.

Reducing CO₂ emissions

At our Reutlingen headquarters, iPoint only consumes electricity from renewable sources (Ökostrom), at a significantly higher cost to the company than regular electricity. We gladly absorb that cost impact, as it is one concrete step we can take.

Part of the reason we opt to set up country offices is to offset carbon emissions through international travel. The specific locations of our country offices are chosen in such a manner that they have ready access to public transport infrastructure. We also encourage carpooling, in order to reduce emissions and to relieve road traffic.

To conduct official business or due to their leadership position, certain Reutlingen-based employees currently receive a company car. Our corporate car policy however places restrictions on the type of vehicle and the permissible emissions in the three predetermined classes, the maximum CO₂-emissions being 140 g/km, 125 g/km, and 100 g/km, respectively. This policy has in fact resulted in employees downsizing their vehicles. Furthermore,

several iPoint staff members at the Reutlingen headquarters – including iPoint's CEO Joerg Walden – drive hybrid company cars, and iPoint's Reutlingen site features two electric vehicle charging stations.

Small, practical steps also help reduce our CO₂ footprint. iPoint's sustainability culture also maximizes the "practice" of webinars and web conferences in order to reduce travel costs. Home office is also permitted on a case-by-case basis.

In a bid to support our employees who use public transportation to commute to our headquarters, iPoint has leased "bike boxes" at the Reutlingen Central Station from the city. These small, individually lockable bike garages allow employees to park their two-wheeled steeds in a dry, theft- and vandal-proof place to continue their trip to work or way home.

"iPoint is a company that doesn't just simply produce software, but is also constantly looking for solutions that will enable future generations to live on our planet. What I particularly appreciate about iPoint as an employer is that you are not a mere number. From the very beginning I had the opportunity to get involved beyond my own area of expertise. I can grow with iPoint and take on new tasks."

— Stefan R., Software Engineer



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Working in a green headquarters building

The newly built company headquarters in Reutlingen, into which we moved December 2014, meets the latest environmental standards. It is characterized by high resource efficiency with regard to building materials, energy sources, and water technology. A number of features make it especially eco-friendly:

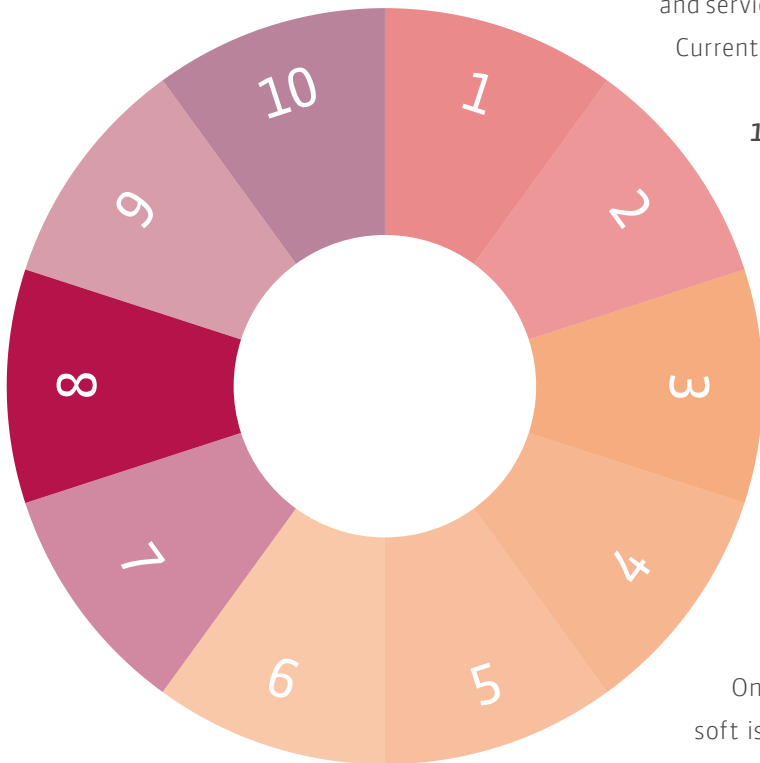
- large windows allow for much natural light to enter the building, and indoor lighting relies on LED lights which enable a clear reduction in energy consumption;
- the building furthermore regulates its temperature through a geothermal heat pump – a central heating and cooling system that transfers heat or cold air to or from the ground (while substantially more expensive to install than viable alternatives, iPoint does count on the geothermal pump to pay for itself over the coming decades);
- the building's open design reduces the need for ventilation, heating and therefore also reduces electricity consumption;
- hand dryers were installed in the bathroom to render paper towels obsolete;
- with a vegetation layer on its roof, from above its building is literally green, which also “consumes” rain;
- plants within the building provide fresh oxygen.

Environment

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Selecting business partners with sustainability criteria

Our commitment to sustainability extends to the products and services we procure, and implicates our business partners. Current technology partners include:



1. Oracle

Oracle has a robust environmental track record and has set specific environmental goals for 2020.⁴⁶ It has notably improved its score year-over-year since 2005, when the company first reported its emission data to the CDP.⁴⁷ In 2016, Oracle was recognized on CDP's Climate A List, putting it in the top 9% of the highest-scoring companies. Oracle was also ranked #17 among the top green companies in the world and #10 among companies in the US in the Newsweek Green Rankings 2016.⁴⁸

2. Microsoft

One of the reasons we are proud to work with Microsoft is that since 2012, their global operations have been

100% carbon neutral. Furthermore, the company is scaling up its clean energy consumption to power its data centers and operations each year. In 2017, Microsoft pledged to reduce its operational carbon emissions 75% by 2030, and is reportedly on target to achieve this goal.⁴⁹ An assessment of its social responsibility was inter alia provided by Development International's independent compliance benchmarking study against U.S. Conflict Minerals legislation, in which Microsoft scored 14/14 (100%) on legal compliance, and 16/17 (94%) on OECD Due Diligence conformance, for a combined score of 97%.⁵⁰

3. CHG-Meridian

To meet its hardware needs, iPoint partners with an IT specialist who supports us in the acquisition of new – and the recycling and reuse of our used – office computers in the spirit of an ecologically responsible Circular Economy. The company then professionally refurbishes and remarkets the IT equipment, and so extends its useful life. CHG-Meridian, in turn, partners with two non-profit organizations recognized by the UN: Close the Gap, which supplies schools and training establishments in developing countries with equipment that is still in good working order, and WorldLoop, which collects defective used equipment in developing countries and has it professionally recycled in order to recover valuable raw materials.⁵¹

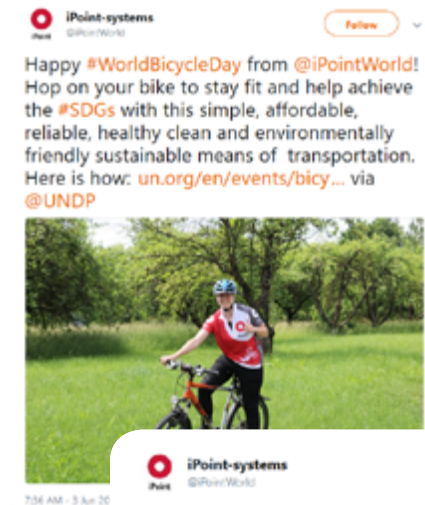
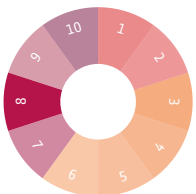
IV. Living Up To UNGC's 10 Principles Environment

Engaging in environmental sustainability collective action

Collective action – i.e. actions undertaken by an alliance of individuals and/or groups towards a collective purpose – is indispensable when matters are concerned that involve a multitude of stakeholders and competing interests. To foster the cause of the global commons, we engage in a number of joint initiatives and trade associations, such as the Expert Forum Global Environmental Compliance,⁵² the IHK Netzwerk Nachhaltigkeit,⁵³ and the VNU Verband für Umwelt- und Nachhaltigkeitsmanagement e.V.⁵⁴ We are furthermore a member of the Forum for Sustainability through Life Cycle Innovation (FSLCI), which has the specific aim of driving sustainable innovation and collaboration.⁵⁵ Martina Prox of our subsidiary ifu Institute of Environmental IT Hamburg is a member of the Board of Directors and has been elected to serve as president of the board of directors until Summer 2019.⁵⁶

Raising awareness

We regularly mobilize our staff as well as our social media platforms and other corporate media to raise awareness about environmental issues and promote greater environmental responsibility. Typical occasions include, for example, planned or new regulations,⁵⁷ individual initiatives, as well as national or international awareness days.⁵⁸



IV. Living Up To UNGC's 10 Principles

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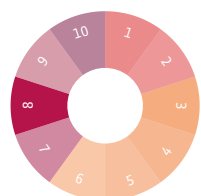
Informing and educating

iPoint often hosts – or participates in – national and international events that are intended to educate or inform interested stakeholders. Our subject matter experts presented the following discussion topics over the reporting period:

| topics | presentation / discussion title | more information |
|--|---|------------------------|
| Blockchain / material traceability / supply chain transparency | How can Blockchain support materials traceability, life cycle management, and supply chain transparency? | → link |
| Life cycle assessment (LCA) and live LCA | Resource efficiency, product stewardship, and the legally compliant operation in the processing industry | → link |
| | Ressourceneffizienz und Verbesserung der Ökobilanz durch Live LCA [Resource efficiency and improvement of life cycle assessment through Live LCA] | → link |
| EU RoHS directive | EU RoHS directive: challenges deriving from exemption rules and IEC 63000 (EN 50581) | → link |
| Digital Circular Economy | The Way to a Digital Circular Economy | → link |
| | Towards a Digital Circular Economy | → link |

In addition to contributing expertise, we also put money where our mouth is. Over the reporting period, we sponsored conferences or fora that had implicit or explicit environmental objectives. Examples include:

| event | location | more information |
|---|--------------------------------|------------------------|
| Life Cycle Management Conference 2017 | Luxembourg City, Luxembourg | → link |
| Deutscher Umwelt Kongress (German Environment Congress) | Bad Nauheim, Germany | → link |
| Life Cycle Assessment Conference (LCA) XVII | Portsmouth, New Hampshire, USA | → link |



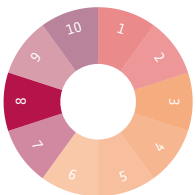
IV. Living Up To UNGC's 10 Principles Environment

Booking sustainable event venues

For regularly hosted public corporate events, such as our Annual Symposium or our Customer Conference, we choose “green locations.” The FILharmonie Culture and Convention Centre Filderstadt⁵⁹ has served as venue for our Annual Symposium “Conflict Minerals and Sustainable Supply Chain” since 2015. It is committed to *rightandfair* (*fairpflichtet*),⁶⁰ the Sustainability Code of the German-speaking events industry, and has been certified by Green Globe as a sustainable events venue. The Stadthalle Reutlingen⁶¹ was the venue of iPoint’s 2018 Customer Conference. It is the first and only city event hall in Germany to conduct fully carbon-neutral events, ranks among the top Green Globe-certified venues in Germany, and has several other sustainability certifications.

Improving our paper policy

Digitization is also a hot topic at iPoint, and here, as well, we wish to lead by example. In June 2018, our administration department introduced a change in our accounting policy cancelling all paper bank statements. Instead, all original invoices are now filed electronically without making a print copy. This step, eliminating the need for (physical) folders to file bank account statements and copies, has since enabled us to reduce our paper consumption by 75%, in the end saving many tons of paper.



For our corporate publishing needs (e.g. flyers, brochures, customer magazine, employee magazine, etc.), we demonstrate environmental responsibility by carefully selecting print services. For our printing needs, we work with FSC®- and ISO 12647-2-certified printers to achieve ecologically sustainable printing results.

Choosing sustainable gifts

In a bid to lead by example, also our gifts and giveaways for trade fairs, conferences, customer visits, and employees are selected according to ecologically and socially sustainable standards. The decisive factors here are corresponding certifications or information provided by the vendors well as an assessment whether the products meet our corporate criteria.⁶² Current promotional gifts include reusable, REACH-compliant fabric bags, plantable pencils,⁶³ eco-ballpoint pens and USB flash drives, coffee from sustainable farms,⁶⁴ coffee cups made from recycled coffee grounds,⁶⁵ and sustainably designed, reusable water bottles from a Cradle-to-Cradle-certified enterprise.⁶⁶



Environment

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Offering our software and services

As one of the world's leading software and consulting companies for environment-related product compliance and sustainability, developing and diffusing environmentally friendly technologies is indeed a *raison d'être* of iPoint and part of our core business portfolio. The company's digital solutions permit an automated and secure exchange of relevant information across entire value chains – from product design, manufacturing and use, to reuse and recycling. This includes software that enables manufacturing companies to comply with legal requirements, regulations, and directives addressing hazardous substances such as EU RoHS, EU ELV, and EU REACH. iPoint's software solutions in the area of environmental compliance was notably recognized when the European Commission selected iPoint to join the Scale-Up Circular Business project, a formal recognition that we are one of the SMEs ready to help other organizations to become more circular.⁶⁷

To cite a recent case of a customer success story, in May 2017, independent research firm Verdantix recognized iPoint's customer Emerson with an Environment, Health & Safety (EH&S) Innovation Award.⁶⁸ Emerson – a multinational technology and engineering, Fortune 500 company headquartered in St. Louis, Missouri – won in the utilities and telecoms category for the implementation of a new material compliance management system. Designed and developed by iPoint, the solution has significantly improved the company's EH&S management performance through more efficient material compliance processes and data reporting mechanisms concerning product-related international laws such as REACH, RoHS, California Proposition 65, the EU Batteries Directive, and Conflict Minerals.

Our 2017 acquisition of the ifu Institute for Environmental IT Hamburg – a company highly specialized in LCA – allows us to offer pertinent software and services, and accompany our customers on their quest to become circular.⁶⁹ What started out as a B2B cooperation in 2013 to develop design and evaluation tools for functional, ecologically-optimized, multi-material, lightweight automotive components in mass production (research project "MultiMaK"), flourished into a full-blown corporate merger this year. Our joint "Live LCA" project, which began



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in 2017, also implemented with other industry and research partners, seeks to develop a software solution enabling companies to combine available material and energy consumption data for a real-time calculation of LCA and Material Flow Cost Accounting (MFCA), thereby reducing the costs for EPDs (Environmental Product Declarations) and LCAs by 90%.⁷⁰

Environment: Measurement of Outcomes

- During the reporting period, iPoint received zero (0) complaints concerning environment-related violations.
- We continuously monitor our environmental performance and, where possible, find ways to reduce our environmental footprint.

“I like working at iPoint because I can develop products for the future, and, in doing so, improve the future. As a father this is extremely important to me.”

— Sebastian D., Product Manager



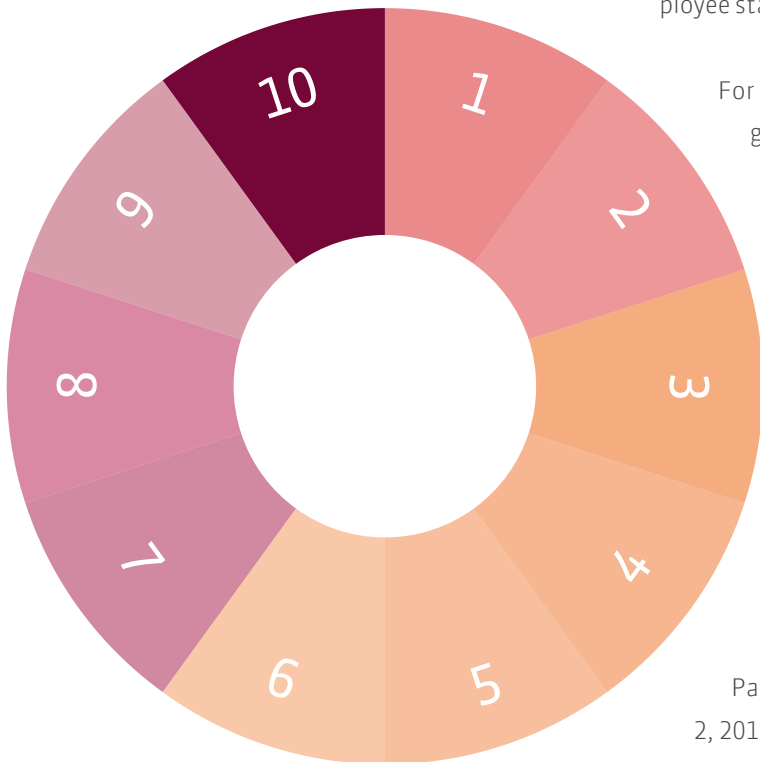
Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Ethical behavior is the cornerstone of a successful business. Anti-corruption clauses are therefore included in iPoint's new employee standard contracts which we introduced in March 2018.

and the Global Development Agenda by signing the letter of support. In the letter, iPoint affirms its commitment to integrate anti-corruption into our strategies and operations, and work against corruption in all its forms, including extortion and bribery.

Also in the area of anti-corruption, iPoint actively supports research on corporate behavior and disclosure. iPoint's commissioning of an EU Non-Financial Reporting Directive study – that specifically hones in on the actions companies in Sweden, Germany, and Austria are taking to counter the unethical practice of corruption – is another example of iPoint's vested interest in measuring macro-level trends.



For iPoint, sustainability means achieving long-term growth. Economic sustainability is anchored in iPoint's business processes, solutions, and customer relationships. We strive for continuous, sustainable improvement of the quality of our business processes and products. To this end, we are currently preparing an audit of our quality management system in accordance with ISO 9001. Organizations that are ISO 9001-certified have a single and complete set of managed and applied procedures, regularly updated and audited.⁷¹ ISO 9001 clauses 4.2.3, 4.2.4 and 8.0 address honesty in record keeping and records.

Participating in anti-corruption joint action, on August 2, 2018, iPoint endorsed the *Call to Action: Anti-Corruption*

Anti-Corruption: Measurement of Outcomes

- During the reporting period, there have been zero (0) infractions on the grounds of corruption or bribery, either alleged or verified.
- During the reporting year, no disciplinary action was required concerning corruption.

Over the next reporting period, we plan to undertake the following initiatives in line with the UNGC principles.

Overarching (all UNGC principles)

Materiality analysis

iPoint plans to undertake a materiality analysis premised on its own social and environmental footprint. This analysis will form the basis of our future CSR and sustainability planning.

Topping the list are employees, buildings, ICT (servers, computers, cloud infrastructure), electricity, travel, etc., to be analyzed according to spend.

Corporate procurement policy

We plan to issue an official corporate procurement policy with selection criteria that include social responsibility, environment-related and other sustainability dimensions, also making sure there are no human rights violations occurring among iPoint's service providers or suppliers. Purchasing as well as leasing (e.g. notebook leasing) are in-scope.

SDG-iPoint alignment analysis

In the forthcoming reporting period we will revisit where the company's impacts align with the SDGs, also in terms of

the specific SDG targets, and establish KPIs how our company will help contribute to these SDGs and targets.

Expertise sharing

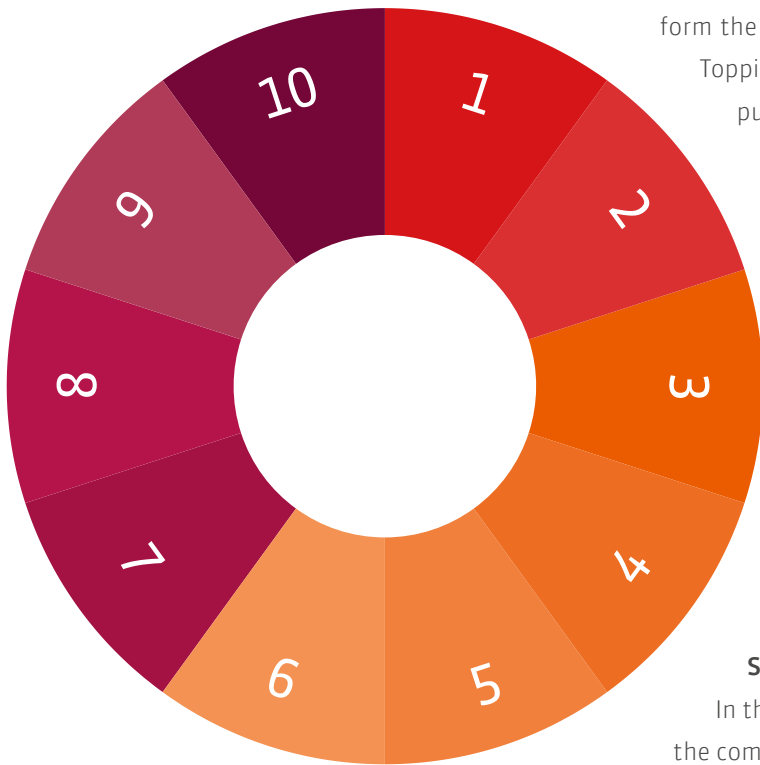
Over the next reporting period, iPoint will continue to contribute subject matter expertise covering one or more UNGC principles at conferences and fora.

Sponsorship of human rights-related research

iPoint furthermore plans to continue commissioning and funding independent research that investigates corporate implementation of Environmental, Social and Governance (ESG)-related laws. For example, we are supporting a study on the corporate implementation of the new EU Non-Financial Reporting Directive covering three European countries.

Sponsorship of human rights-related conferences and events

Also in the upcoming reporting year, iPoint will host and sponsor conferences where human rights are front and center.





Human Rights

eLRT lite

Over the course of 2018, we plan on releasing a streamlined version of eLRT – eLRT lite – containing only the instrument’s core set of indicators.

Labor

Social Charter

Our Social Charter, which stipulates basic work- and social-standards and will include explicit mention of the freedom of association and collective bargaining, will be created during the upcoming reporting period.

Environment

Environmental Management System for iPoint Group

As at now, an Environmental Management System (EMS) has been introduced only for the Reutlingen headquarters. iPoint plans to progressively scale up the number of sites for which an EMS will be established.

Carbon neutrality plan

iPoint is committed to gradually reducing its carbon emissions to the point of carbon neutrality, and has already taken specific steps in this direction. Upon studying the feasibility of attaining complete carbon neutrality, we will issue a carbon neutrality plan.

KPIs of LCA

iPoint intends to make public specific KPIs that emerged based on its 2018 LCA, including energy usage, waste, and emissions (Scope 1).

FSC-certified paper

iPoint plans to switch in-house paper consumption to FSC®-certified paper.

Anti-corruption

iPoint’s new employee standard contracts, introduced in March 2018, which include anti-corruption clauses, will be handed out to all future employees to sign. Employees will be educated on iPoint’s commitment to integrate anti-corruption into our strategies and operations, and work against corruption in all its forms, including extortion and bribery, as indicated by our signing the letter of support of the *Call to Action: Anti-Corruption and the Global Development Agenda* on August 2, 2018.

VI. Disclosure Regarding Forward-Looking Statements



This report contains “forward-looking statements”⁷² based on current assumptions, plans, estimates and forecasts which include, but are not limited to, statements about iPoint’s expected future vendor due diligence and engagement efforts and development of related processes. Although we believe that the expectations, opinions, and comments reflected in these forward-looking statements are reasonable, such statements are subject to risks and uncertainties that cannot be controlled or accurately predicted by us, and we can give no assurance that such statements will prove to be correct. Actual outcomes may differ materially from those expressed or implied in such statements.

All forward-looking statements speak only as of the date of this report. It cannot be guaranteed, nor can any liability otherwise be assumed by iPoint and the companies of the iPoint Group, that these forward-looking statements will prove complete, correct or precise, or that expected and forecast results will actually be achieved in the future. We do not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances, or changes in expectations after the date of this report.

¹The iPoint Group includes:

1) iPoint:

- iPoint-systems gmbh, Reutlingen, Germany (headquarters)
- iPoint-systems gmbh, Munich, Germany
- iPoint-Austria GmbH, Vienna, Austria
- iPoint-systems gmbh, Paris, France
- iPoint-systems AB, Växjö, Sweden
- iPoint Ltd., Manchester, United Kingdom
- iPoint Inc., Ann Arbor, Michigan, USA (central office USA)
- iPoint Inc., Los Angeles, California, USA
- iPoint Japan Co Ltd, Tokyo, Japan
- iPoint Ltd., Shanghai, China
- iPoint Korea, Suwon, South Korea

2) ifu Institute for Environmental IT, Hamburg, Germany (<https://www.ifu.com/en/>)

3) iPoint BiS gmbh, Stuttgart, Germany (<https://www.ipoint-bis.com/>)

4) CircularTree (<https://www.circulartree.com/>), located in

- Berlin, Germany, and
- Melbourne, Australia

² UN Global Compact, The Ten Principles of the UN Global Compact, <https://www.unglobalcompact.org/what-is-gc/mission/principles>

³ “The Conflict Minerals Reporting Template is a free, standardized reporting template developed by the Responsible Minerals Initiative that facilitates the transfer of information through the supply chain regarding mineral country of origin and smelters and refiners being utilized. The template also facilitates the identification of new smelters and refiners to potentially undergo an audit via the RMI’s Responsible Minerals Assurance Process.”

RMI, Conflict Minerals Reporting Template, <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template/>

⁴ Based on the RMI’s CMRT, the iPoint Conflict Minerals Platform (iPCMP) allows for cascade and roll-up of the collected data from companies’ supply chain.

⁵ Blockchain technology is a distributed, shared electronic ledger which can add an additional layer of transparency, traceability, security, and trust in the Conflict Minerals supply chain. Replicated across many nodes in a peer-to-peer network, data recorded on a Blockchain is not only instantly verifiable, but also immutable. While users may access, inspect, or add to the data, it is very difficult to change or delete it, and the original information leaves a permanent trail (“chain”) of transactions. Each transaction is recorded and added to the previous one, resulting in a growing chain of information. The secure, auditable and immutable transaction history of the movement of commodities and products across the supply chain is achieved without the need for a trusted central organization or intermediary. By essentially self-monitoring, blockchain can provide data reliability and eliminate reconciliation.

⁶ The EPRM (European Partnership for Responsible Minerals) “is a multi-stakeholder partnership established with the goal to create better social and economic conditions for mine workers and local mining communities, by increasing the number of mines that adopt responsible mining practices.” As of August 3, 2018, the EPRM members from industry, government, and civil society include Apple, Philips, Intel, NXP, and Valcambi Suisse, (“strategic members”), Umicore, TATA Steel, HP Inc. (“regular members”), Responsible Minerals Initiative (RMI), the Tantalum-Niobium International Study Center (T.I.C.), and Fairphone (“basic members”), Solidaridad, Diakonia, Cordaid, Pact, and IPIS (“civil society actors”), and the Ministry of Foreign Affairs of the Netherlands, Foreign and Commonwealth Office UK; BMZ – German Federal Ministry for Economic Cooperation and Development (“governments and institutions”). <https://europeanpartnership-responsibleminerals.eu/member>

⁷ CSRwire. iPoint Receives Funding for Blockchain-based Minerals Traceability System. Press release, February 07, 2018, http://www.csrwire.com/press_releases/40755-iPoint-Receives-Funding-for-Blockchain-based-Minerals-Traceability-System

⁸ UN, Sustainable Development Goals, <https://sustainabledevelopment.un.org/sdgs>

⁹ 8.2: “Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors”

¹⁰ 8.4: “Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead”

¹¹ 8.7: “Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms”

¹² 12.2: “By 2030, achieve the sustainable management and efficient use of natural resources”

¹³ 12.4: “By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment”

¹⁴ 12.5: “By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse”

¹⁵ 12.6: “Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle”

¹⁶ 12.A: “Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production”

¹⁷ iPoint joined the Responsible Minerals Initiative (RMI) – then known as the Conflict-Free Sourcing Initiative (CFSI) – as one of the first vendor members in 2016. <https://www.ipoint-systems.com/newsroom/news-detail/ipoint-joins-cfsi-as-vendor-member/>
RMI offers a range of tools and resources including the Responsible Minerals Assurance Process, the Conflict Minerals Reporting Template, Reasonable Country of Origin Inquiry data, and a range of guidance documents on responsible minerals sourcing. RMI, <http://www.responsiblemineralsinitiative.org/>

¹⁸ AIAG is an auto industry trade association where members collaborate to develop common global standards for Quality, Supply Chain, and Corporate Responsibility issues. AIAG, <https://www.aiag.org/>

¹⁹ IPC is a global trade association serving the printed board and electronics assembly industries, and has specific data exchange standards supported by iPoint’s solutions, e.g.: IPC-1752A, which allows companies in the supply chain to share information on materials in products, and IPC-1755, developed in partnership with the Automotive Industry Action Group (AIAG), the Responsible Minerals Initiative (RMI), and the Japan Electronics and Information Technology Industries Association (JEITA), allows companies in the supply chain to exchange information related to Conflict Minerals. For more information, see IPC, <http://www.ipc.org/ContentPage.aspx?pageid=Materials-Declaration>

²⁰ For more information, visit: <https://www.ipoint-systems.com/newsroom/news-detail/ipoint-systems-launches-web-based-tool-for-conflict-minerals-compliance/>, and <https://www.greenbiz.com/news/2012/09/14/honda-ford-conflict-minerals-reporting-tool>

²¹ With the exception of Article 14. See: United Nations, Universal Declaration of Human Rights, <http://www.un.org/en/universal-declaration-human-rights/>

²² UmweltDialog, iPoint: Gesunde Mitarbeiter für ein gesundes Unternehmen, 30.10.2017, <http://www.umweltdialog.de/de/wirtschaft/arbeitsbedingungen/2018/iPoint-Gesunde-Mitarbeiter-fuer-ein-gesundes-Unternehmen.php>

²³ TRIGEMA, <https://www.trigema.de/>

²⁴ Development International e.V., Dodd-Frank Section 1502 – RY2016 Filing Evaluation, July 26, 2017, http://docs.wixstatic.com/ugd/f0f801_9502a3a2a8f143a7b5d863792a01318a.pdf

²⁵ ISO, ISO/IEC 27001:2013(en), <https://www.iso.org/obp/ui/#iso:std:iso-iec:27001:ed-2:v1:en>

²⁶ Previous beneficiaries of iPoint donations include (excerpt): ARCHE IntensivKinder, the German Bone Marrow Donation Register (Deutsche Knochenmarkspenderdatei), Eldoret Kids Kenia, Hospice Veronika, Lebenshilfe Reutlingen, Make a Wish Foundation (Michigan), March of Dimes (Michigan), the Regional Group of the Registered Mucoviscidosis Association (Regionalgruppe Zollernalb-Tübingen des Mukoviszidose e.V.), the German foundation Give Education a Chance ("Gib Bildung eine Chance"), YouthVille Detroit, Raise Hope for Congo, and AnnieCannons, Inc.

²⁷ iPoint, iPoints Christmas Donation 2017, <https://www.ipoint-systems.com/newsroom/news-detail/ipoints-christmas-donation-2017/>

²⁸ Deckel Gegen Polio, 500 LIDS ... FOR 1 LIFE WITHOUT POLIO! http://deckel-gegen-polio.de/wp-content/uploads/2017/09/Deckel_Rotary_Flyer_DIN_A6_eng.pdf

²⁹ eLRT, Welcome to eLRT.org! <http://www.elrt.org/>

³⁰ Corporate liabilities for modern-day slavery in supply and service chains: A transnational framework

³¹ The electronic Labor Rights Template (eLRT): Introducing an anti-slavery, B2B measurement, tracking, and reporting tool for global supply and service chains

³² iPoint, CA-TISCA Report and Scorecards, <https://www.ipoint-systems.com/solutions/human-trafficking-and-modern-day-slavery-legislation/ca-tisca/>

³³ Section 54 of the UK Modern Slavery Act (2015) requires all organizations that operate in the UK, with a worldwide revenue over £36 million per year, to report annually on the steps they are – or are not – taking to prevent modern slavery in their value chains and business.

³⁴ Apart from issuing the report (Corporate Compliance with the UK Modern Slavery Act – 2017/18, Apr 18, 2018, https://docs.wixstatic.com/ugd/f0f801_7cc00bb9d48b42639427f55809bbd955.pdf) the study also produced individual scorecards for each organization assessed, and an interactive bubble chart that allows for an easy comparison of performance.

See: Development International, Human trafficking and modern-day slavery, <https://www.developmentinternational.org/trafficking-slavery>

³⁵ In the U.S., the Countering America's Adversaries through Sanctions Act of 2017 (P.L. 115-44) imposed new sanctions by amending the North

Korea Sanctions and Policy Enhancement Act of 2016. Under the new law, “any significant merchandise mined, produced, or manufactured wholly or in part by North Korean nationals or citizens is prohibited from entry into the United States unless CBP finds through clear and convincing evidence that the merchandise was not produced with a form of prohibited labor. Where CBP finds such evidence of North Korean labor, CBP will deny entry, which may include seizure of the merchandise, and refer the issue to Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) with a request to initiate a criminal investigation for violation of U.S. law.” Furthermore, the law created the presumption that goods made by North Korean citizens or nationals, anywhere in the world, are made with forced labor, and it provided for the imposition of sanctions on foreign persons that employ North Korean labor.

In November 2017, U.S. Customs and Border Protection (CBP) began enforcing the law.

See: CBP, CBP Combats Modern-Day Slavery with the Passage of the Countering America’s Adversaries through Sanctions Act, November 7, 2017,

<https://www.cbp.gov/newsroom/national-media-release/cbp-combats-modern-day-slavery-passage-countering-america-s>

³⁶ UN resolutions addressing North Korea include: resolution 825 (1993), resolution 1540 (2004), resolution 1695 (2006), resolution 1718 (2006), resolution 1874 (2009), resolution 1887 (2009), resolution 2087 (2013), resolution 2094 (2013), resolution 2270 (2016), and resolution 2321 (2016), resolution 2371 (2017) and resolution 2375 (2017).

³⁷ iPoint, Webinar: North Korean Forced Labor in the Global Supply Chain,

<https://www.ipoint-systems.com/newsroom/news-detail/webinar-north-korean-forced-labor-in-the-global-supply-chain/>

³⁸ E.g., the [No Human Trafficking on Our Roads Act](#) signed into U.S. law on January 8, 2018. <https://twitter.com/iPointWorld/status/953621151397371904>

³⁹ E.g., the World Day against Trafficking in Persons (July 30). https://www.facebook.com/plugins/post.php?href=https%3A%2F%2Fwww.facebook.com%2Fpermalink.php%3Fstory_fbid%3D1731505163635008%26id%3D101233979995476&width=500

<https://www.linkedin.com/feed/update/urn:li:activity:6429682743591858176>

<https://twitter.com/iPointWorld/status/1023915587834138624>

<https://www.instagram.com/p/BI24Pp5DCPG/>

⁴⁰ Lavazza, Beitritt zu UN Global Compact und Global Goals, <https://www.lavazza.de/de/nachhaltigkeit/unser-engagement/global-compact.html>

⁴¹ Of note is that Lavazza invested 17,7bln € in sustainability (in the three-year period 2014–2016), and in 2016 the Lavazza Foundation undertook 21 projects impacting 60,000 producers.

See: Lavazza, Sustainability Report 2016, https://www.lavazza.it/content/dam/lavazza/sostenibilita/bilancio/uk/Lavazza_BilancioSostenibilita2016_ENG.pdf

⁴² Ibid. Page 84.

⁴³ UNICEF, Child labour, December 2017, <https://data.unicef.org/topic/child-protection/child-labour/>

⁴⁴ Defined as head of department with personnel responsibilities.

⁴⁵ IPCC, Climate Change 2014 - Synthesis Report, 2014, <http://goo.gl/XEEXlf>

⁴⁶ Oracle, Our Progress, <https://www.oracle.com/corporate/citizenship/sustainability/facilities/index.html>

⁴⁷ CDP was formerly known as the Carbon Disclosure Project.

⁴⁸ Newsweek, TOP GREEN COMPANIES IN THE WORLD 2016, June 2, 2016, <https://www.newsweek.com/green-2016/top-green-companies-world-2016>

⁴⁹ For this and other areas in which Microsoft reports on its environmental performance, visit Microsoft at: <https://www.microsoft.com/en-us/environment>

⁵⁰ Development International, Dodd-Frank Section 1502 – RY2016 Filing Evaluation, July 26, 2017, http://docs.wixstatic.com/ugd/f0f801_9502a3a2a8f143a7b5d863792a01318a.pdf

⁵¹ CHG-Meridian, TOTAL COMMITMENT, <https://www.chg-meridian.com/explore-chg/responsibility/corporate-citizenship.html>

⁵² The Expert Forum Global Environmental Compliance was established by the Fraunhofer Institute for Manufacturing Engineering and Automation (Fraunhofer IPA) in 1994 with the objective of providing the electrical and electronic industries a comprehensive overview of current product-related environmental legislation (e.g. WEEE, RoHS, REACH, ErP and Conflict Minerals). A strong network from the scientific community, industry, associations, and legislative bodies emerged. In the regular meetings, participant exchanges focus on the current status of product-related environmental legislation, implementation strategies, and best practice approaches.

See: Fraunhofer IPA, Expert Forum Global Environmental Compliance, <https://www.ipa.fraunhofer.de/de/Kompetenzen/nachhaltige-produktion-und-qualitaet/schadstoffmanagement/expertenforum-global-environmental-compliance.html>

⁵³ The IHK Netzwerk Nachhaltigkeit is a network concerned with social, ecological and economic responsibility. The network provides up-to-date information and promotes the cross-industry exchange of expertise and experience.

See: IHK Netzwerk Nachhaltigkeit, <https://www.reutlingen.ihk.de/netzwerke/netzwerke-fortsetzung/nachhaltigkeit/>

⁵⁴ The VNU Verband für Umwelt- und Nachhaltigkeitsmanagement e.V. is an independent community of experts and users of environmental and sustainability management systems. It designs management systems through committee action, support their practical implementation in companies, and facilitates networking between members and stakeholders through conferences and regional meetings.

See: VNU Verband für Umwelt- und Nachhaltigkeitsmanagement e.V., <https://www.vnu-ev.de/>

⁵⁵ Forum for Sustainability through Life Cycle Innovation, <https://fslci.org/>

⁵⁶ Forum for Sustainability through Life Cycle Innovation, Board of Directors, <https://fslci.org/board-of-directors/>

⁵⁷ E.g., the [No Human Trafficking on Our Roads Act](#) signed into U.S. law on January 8, 2018. <https://twitter.com/iPointWorld/status/953621151397371904>

⁵⁸ E.g., World Bicycle Day <https://twitter.com/iPointWorld/status/1003284356964782080>, International Plastic Bag Free Day <https://twitter.com/iPointWorld/status/1014117961102254081>, and Earth Overshoot Day <https://twitter.com/iPointWorld/status/1024681174436851712>.

⁵⁹ FILharmonie Filderstadt, <https://www.filharmonie-filderstadt.de/>

⁶⁰ Fairpflichtet, <https://www.fairpflichtet.de/en/home/>

⁶¹ Stadthalle Reutlingen GmbH, <https://stadthalle-reutlingen.de/home.html>

⁶² These criteria comprise: (1) REACH-compliant, (2) RoHS-compliant, (3) No plastics, (4) A keeper (non-disposable), (5) Biodegradable, (6) Not too big (simple transport), (7) No expiration date, and (8) In line with our brand.

⁶³ Sprout, <https://sproutworld.com/>

⁶⁴ For gifts to customers and partners, we purchase coffee from Kaffee-Fleck, which sources coffee that was sustainably produced and fairly traded (<https://www.kaffee-fleck.com/>).

⁶⁵ Kaffeeform, <https://www.kaffeeform.com/en/>

⁶⁶ Dopper, <https://dopper.com/usa/>

⁶⁷ The European Commission, iPoint-systems, https://ec.europa.eu/environment/ecoap/scalingcircularbusiness/solution/ipoint-systems_en

⁶⁸ Market Watch, iPoint Customer Emerson Wins EH&S Innovation Award, May 18, 2017, <https://www.marketwatch.com/press-release/ipoint-customer-emerson-wins-ehs-innovation-award-2017-05-18>

⁶⁹ iPoint, iPoint takes over industry leader in life cycle assessment and material flow cost accounting, January 25, 2018, <https://www.ipoint-systems.com/newsroom/news-detail/ipoint-takes-over-industry-leader-in-life-cycle-assessment-and-material-flow-cost-accounting/>

⁷⁰ *ibid.*

⁷¹ Under the management review of ISO 9001 clause 5.1 and the internal audit requirements of clause 8.2.2, top management is required to establish an independent audit committee and has responsibility for the outcome of the audit. The standard requires respect for auditor independence and prohibits executive management from improper influence of an auditor. Clause 4.1 assigns responsibility of process controls to top management. They are required to assess whether internal controls are effective, certify compliance to the organization's quality manual, and be accountable for conformance to its quality system.

⁷² Statements including words such as “believe”, “expect”, “anticipate”, “plan”, “intend”, “will”, “should”, “could”, “would”, “may”, “strategy”, “potential”, “opportunity,” and similar expressions are forward-looking statements.

Abbreviations



| | | | |
|-----------------------|--|---------------|--|
| AIAG | Automotive Industry Action Group | iPCMP | iPoint Conflict Minerals Platform |
| B2B | Business-to-Business | IPC | Institute of Printed Circuits – Association Connecting Electronics Industries |
| CBP | Customs and Border Protection (U.S.) | IPCC | Intergovernmental Panel on Climate Change |
| CEO | Chief Executive Officer | ISO | International Organization for Standardization |
| CMRT | Conflict Minerals Reporting Template | KPI(s) | Key Performance Indicator(s) |
| CO₂ | Carbon Dioxide | LCA(s) | Life Cycle Assessment(s) |
| CSR | Corporate Social Responsibility | LED | Light-Emitting Diode |
| DHS | Department of Homeland Security (U.S.) | MFCA | Material Flow Cost Accounting |
| DI | Development International e.V. | REACH | Registration, Evaluation, Authorisation and Restriction of Chemicals (EU) |
| DPRK | Democratic People’s Republic of Korea | RMI | Responsible Minerals Initiative [formerly known as the Conflict-Free Sourcing Initiative (CFSI)] |
| DRC | Democratic Republic of the Congo | RoHS | Restriction of Hazardous Substances (EU) |
| EH&S | Environment, Health & Safety | SDG(s) | Sustainable Development Goal(s) |
| eLRT | electronic Labor Rights Template | TISC | Transparency in Supply Chains Act – California (SB 657) |
| ELV | End of Life Vehicles Directive (EU) | UN | United Nations |
| EMS | Environmental Management System | UNGC | United Nations Global Compact |
| EPD(s) | Environmental Product Declaration(s) | UNICEF | United Nations Children’s Fund |
| EPRM | European Partnership for Responsible Minerals | USB | Universal Serial Bus |
| ESG | Environmental, Social and Governance | | |
| FSC | Forest Stewardship Council | | |
| FSLCI | Forum for Sustainability through Life Cycle Innovation | | |
| GDPR | General Data Protection Regulation | | |
| HSI | Homeland Security Investigations | | |
| ICE | Immigration and Customs Enforcement | | |
| ICT | Information and Communication Technology | | |
| IEC | International Electrotechnical Commission | | |

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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.