

SUSTAINABILITY UPDATE 2018

# DELIVERING THE FUTURE

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**1,181,100**TEUR TURNOVER

1,075,000 PRODUCTS

**2,734 EMPLOYEES** 

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We are delivering the future. There is only one way for this: sustainable action. From the complete digitalization of all processes to our employees' involvement in social projects.



As the leading direct marketing specialist for business equipment, we have achieved our goal of serving as a role model for sustainability in the industry and across the entire supply chain — sourcing, warehousing, order intake, shipping and delivery. As part of this, the TAKKT business is based on three guiding principles:







# PRIORITIZING SUSTAINABILITY

With this our goal already extends beyond 2020. We want to achieve a long-term balance between economic, ecological and social concerns — thereby optimizing the benefits for all stakeholders and creating long-term success.

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#### **Core Business**



#### SOURCING

We take responsibility for the entire life cycle of the products we sell – from sourcing to their use, including the disposal of materials and packaging. The excellent quality of our products ensures our customers that the products will have a long useful life.

#### **Core Business**



# **MARKETING**

In the course of our digital transformation, e-commerce is becoming our most important sales channel. In the traditional catalogue business, we make sure that resources are used efficiently at all steps of the process – from catalogue production to the sending of advertising materials.

#### **Core Business**



# **LOGISTICS**

Our single-tier direct sales business model to the end customer generates significant environmental advantages over multi-tier distribution systems. At the same time, it allows high product availability, short delivery times, adherence to delivery dates and optimized transport of goods.

#### **Environment**



# **RESOURCES & CLIMATE**

In all business processes, we focus on those areas with the greatest savings or improvement potential. Modern environmental and energy management systems and respective certifications are a standard for us and our business partners along the entire value chain.

#### Commitment



# **EMPLOYEES**

The basis of teamwork at TAKKT is mutual respect. We invest a great deal of time and resources in the targeted advancement and development of our staff because they are the pillar of our success.

#### Commitment



# SOCIETY

As part of society, TAKKT sees itself as a driver of social involvement and supports local activities. Active involvement in social projects comes from our employees, who provide material and non-material support on site.

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A number of measures were identified in 2011, encompassing the six focus areas of sourcing, marketing, logistics, resources & climate, employees and society. With SCORE (Sustainable Corporate Responsibility) TAKKT has anchored an organizational structure throughout the group enabling the implementation and targeted management of measures across all levels and divisions in day-to-day business. SCORE is coordinated by high-ranking management contacts in each division and – in order to send a clear signal both within and outside the company – is managed directly by the management board.

In 2012, TAKKT committed to complying with and disseminating the ten universally recognized principles of the United Nations Global Compact covering human rights, labor, the environment and anti-corruption. In the context of adhering to the Global Compact principles, TAKKT has been producing progress reports summarizing its results and developments in this area since 2013. In 2014, TAKKT was one of the first few German companies to achieve Global Compact "Advanced Level" status. This classification was confirmed in previous years as well as in 2018.

### **GERMAN CSR AWARD**

TAKKT was presented with the 2018 German CSR Award in the "Environmental Commitment" category as the most sustainable company at the German CSR Forum. The German CSR Award is one of the most important accolades for sustainability and CSR commitment in Germany.

# **DIGITAL AGENDA**

TAKKT has continued to make good progress with the digital agenda and, for the first time, generated more than half of its order intake through e-commerce. TAKKT was able to increase the efficiency of its customer-oriented marketing, while simultaneously preserving natural resources.

#### **ADVANCED LEVEL**

TAKKT has been an active supporter of the Global Compact of the United Nations since the beginning of 2012 and is thus committed to upholding the universal principles of sustainability. With its 2018 sustainability report, TAKKT was one of the few German companies to once again achieve "Advanced Level" status from the Global Compact.

# **CARBON-NEUTRAL SHIPMENTS**

Having already been able to convert general cargo at our US subsidiaries almost completely to carbonneutral shipping, we also made further progress in Europe. This means that all the general cargo we and our logistics partners send to Germany, Austria, Slovenia, Croatia and Hungary is carbon-neutral.

# TREE PLANTING INITIATIVE

With the support of the nonprofit organization PRIMA-KLIMA, our subsidiary KAISER+KRAFT planted 3,000 trees in Nicaragua as part of a tree planting initiative. With this action it made an important contribution to the climate as well as to the living conditions of farmers there.

### **CARBON-NEUTRAL COMPANY**

Our largest sales company in Europe, KAISER+KRAFT Germany, took the next step in climate protection in early 2018 by making its entire company carbon-neutral. This makes KAISER+KRAFT Germany the first major B2B direct marketing specialist for business equipment to have a fully balanced carbon footprint.

#### **RESOURCES & CLIMATE**

Our subsidiary ratioform has made an important contribution to this by reducing its consumption of paper further, sending all its customer invoices digitally, for example. Customer invoices are only sent by paper if specifically requested by the customer.

#### **CARBON-NEUTRAL CATALOGUE**

Since mid-2018, the Hubert group has exclusively used carbon-neutral print advertising material. Thanks to the additional carbon offsets, we achieved a significant positive impact as a result.

# **CARBON DISCLOSURE PROJECT**

Since 2008, TAKKT has participated in the annual ranking of the Carbon Disclosure Project (CDP) international initiative. It aims to make companies' climate strategies more comparable and to sustainably reduce their emissions. In the 2018 reporting year, TAKKT was able to improve its CDP Climate Score to B. This makes TAKKT a leader among the participating SDAX companies.

# **VOLUNTEER INVOLVEMENT**

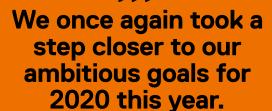
The employees of National Business Furniture demonstrated tremendous social commitment in 2018. Almost all employees have participated in charitable projects and activities in the social domain, in some cases even several times a year.

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Investing in sustainability is worthwhile for us, as it creates a lasting competitive advantage.

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FELIX ZIMMERMANN
Chairman of the Management Board



CLAUDE TOMASZEWSKI Chief Financial Officer

We are particularly proud of our employees, who demonstrate extraordinary social commitment.

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Through the systematic digitalization of our processes and business models, we conserve resources and increase sustainability.

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DIRK LESSING
Member of the Management Board



HEIKO HEGWEIN

Member of the Management Board

# 2017 **\*\*\*\* YESTERDAY \*\*\*\***

TAKKT has developed its sustainability strategy for 2017 and beyond as part of a comprehensive dialogue with stakeholders. We reconfirmed our focus areas of sourcing, marketing, logistics, resources & climate, employees and society, which had been defined in a process lasting until the end of 2016. Within the individual focus areas, specific measures were defined to enable us to achieve our targets by the end of 2020.

# 2018 >>>>> TODAY <<<<<

In the current reporting year, TAKKT was able to achieve the goals it set for itself for 2018. Once again good progress was made in all six focus areas. With the sustainability update "Delivering the future" TAKKT provides information not only about the current sustainability key figures, but also the principal highlights and projects from the past year.

#### 2020

#### >>> TOMORROW >>>

TAKKT has set itself the goal of expanding its position as a role model for sustainability in its industry by the end of 2020. We understand sustainability to be an integral part of long-term corporate success. Therefore, we do not want to rest on our laurels, but instead will push ahead with our activities with this as our foundation.

>>>>>>> KEY FIGURES >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>							
			STATUS 2017		STATUS 2018		ZIELE 2020
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CORE BUSINESS	SOURCING	Share of sourcing volume from certified suppliers	% 46.8	%	44.2	%	50-60
		Share of direct imports sourcing volume from certified suppliers	<b>% 39.8</b>	%	39.3	%	30-40
		Share of sales with sustainable ("green") products	<b>%</b> 9.3	%	9.5	%	12-15
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	MARKETING	Share of carbon-neutral advertising materials per year	7		12	24.0	15
		Paper consumption print advertising materials per order	ка 5.4	KG	4.2	KG	6-6.5
		Carbon-neutral web shops for major companies	<b>%</b> 12.1	%	19.9	%	100
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	LOGISTICS	Share of carbon-neutral shipments					
		- thereof parcel delivery	% 91.4	%	93.5	%	100
		- thereof general cargo delivery from distribution center	% 44.7	%	48.9	%	90-100
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ENVIRONMENT	RESOURCES & CLIMATE	Carbon footprints for major companies	13		13		15 – 18
		Environmental management systems for major companies	6		6		10-13
		Energy management systems for major companies	4		4		5-8
		Energy consumption at GER/US locations per order	мл 70.6	MJ	66.7	MJ	50-55
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COMMITMENT	EMPLOYEES	New hires digital agenda: Share of retained "digital talents"	% 90.9	%	89.9	%	>50
		Diversity: Share of women in top executive positions	<b>%</b> 10.5	%	12.3	%	>10
	>>>>>>>	>>>>>>>>>>>	>>>>>>	>>:	>>>>>	>>>	>>>>>>
	SOCIETY	Share of employees who have the option of taking paid leave for local volunteer involvement	<b>%</b> 65.7	%	70.2	%	55-60
		Share of employees who took part in local volunteer projects	<b>%</b> 15.1	%	18.0	%	8-12
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#### **VERSIONS**

The Sustainability Report is published in German and English. In case of doubt, the content of the German version is definitive.





