



Sustainability Report 2019

Contents

Preface 05

Company profile 06

Company history 08

The early years: 1969 – 1984
The breakthrough: 1985 – 1999
Diversification and organic growth: 2000 – 2009
Unpredictability and change: 2010 – 2019

Sustainability strategy 10

Our understanding today
The world in which we live in

Our responsibilities 12

Ecological responsibility
Our contribution to climate transformation
Our contribution to biodiversity
Initial activities to create a closed-loop economy

Social responsibility
Municipality of Aachen
Euregio region of innovation
Nationwide activities
Human rights
Good working conditions
Combating fraud and corruption
Working with suppliers

Employees
Work-Life-Balance
Diversity
Education and training
Employee health

Imprint

INFORM
Institut für Operations Research und Management GmbH
Pascalstr. 35 / 52076 Aachen / Germany

Tel.: +49 (0) 24 08 / 94 56 - 0
info@inform-software.com

Credits
Title – © horstgerlach - istockphoto.com
Page 02 – © Tinnakorn Jorruang - istockphoto.com
Page 11 – © Piktogramme - un.org/sustainabledevelopment/news/communications-material

Preface

Dear Reader,

Since the founding of our company in 1969, we have understood that our actions have not only a local but also a national and global impact on humanity and our environment. Valuable and long-term relationships with our employees, business partners, and suppliers, and a resource and environmentally friendly approach to business are important values that shape how we work.

Over the last few years, sustainability has become an increasingly important topic in public discourse. Digitization is seen as an effective way to transform our traditional business practices into sustainable ones. Therefore, we would like to take this opportunity to publish our sustainability report. The report demonstrates and outlines our understanding of sustainability and our path forward.

We see sustainability as a process that develops over time or a long journey to a world in which all people can live well within the boundaries of our planet. No one can shape this world alone. On the contrary, each person can and should contribute to its betterment. In this spirit, we invite you to join us on this important journey.

Sincerely,



Adrian Weiler
Managing Director
INFORM GmbH



Company profile

For more than 50 years, INFORM solutions have helped companies run their businesses in a more efficient and environmentally friendly way. We work closely with institutions of higher education and professional associations (e.g., GOR¹) and continuously research and develop new methods that help companies worldwide optimize their value-added processes. The 'Agile Optimization' management method forges the path for decision-makers in complex, highly dynamic situations and helps them find useful, alternative courses of action based on data. Digital Decision Making uses artificial intelligence (AI) to support a company's IT department, giving them a unique competitive advantage.

Source: 1 <http://www.gor-ev.de/>

Success factors include:

Hybrid AI

Our technology integrates operations research and artificial intelligence, including fuzzy logic and machine learning. The link between computer algorithms and human expertise produces results that are far superior to those generated by traditional management and purely data-driven algorithms.

Agile Optimization

Digital Decision Making offers a new management strategy based on more intelligent, faster, and more interactive decision making. Agile Optimization is particularly useful when complex processes are confronted by many ad-hoc changes, volatility, disruptions, unpredictability, and time constraints.

Industry Expertise

With over 750 software engineers, data analysts, and consultants, we manage turnkey solutions for more than 1,000 customers today worldwide for manufacturing, commerce, aerospace, ports, logistics, banks, and insurance companies. We optimize demand planning, production planning, personnel deployment, logistics and transport, inventories, supply chain management, and the prevention of fraud for the insurance industry and payment transactions.



Facts and figures

- Software for intelligent optimization;
- More than 750 employees from over 30 nations;
- More than 1,000 customers worldwide;
- Software development exclusively in Aachen, Germany;
- Founded in 1969;
- 2019 sales figures: EUR 92.6 million;
- Profitable every year since 1985;
- Profits systematically reinvested in research and development;
- Internal capitalization, not beholden to external investors;
- Primary company goal: sustainability.

Company history

In 1969, Prof. Dr. Dr. h.c. mult. Hans-Jürgen Zimmermann, with his roots in university research, founded INFORM GmbH (Institut für Operations Research und Management). His goal was to prove that mathematical modeling can be useful in increasing the profitability of companies by increasing resource efficiency.

The following outlines the history of the company in four stages:

01 The early years: 1969 – 1984

In the early years, INFORM focuses mainly on customized software development projects to solve complex problems such as fleet and transport planning, maintenance planning, or food recipes. In addition, customer and internal training courses about emerging opportunities for data collection and data use, i.e. digitization, are offered. The challenge of implementing the practical use of operations research in companies is successful and the foundation for achieving resource-efficient productivity is laid. INFORM is a pioneer in mathematical optimization for corporations.

02 The breakthrough: 1985 – 1999

For fifteen years, we develop standard solutions for business processes used to organize material movement and production planning in companies. The ability to combine technical expertise with sound process know-how allows us to give our customers tools they can use to shape complex processes such as production, procurement, and personnel planning or fraud detection in real-time, even if data availability is low. INFORM operates as a pioneer for process optimization during this time.

03 Diversification and organic growth: 2000 – 2009

With the start of the new century, our INFORM experts gain a broader perspective. With the enormous increase in data availability, the complexity of the challenges that lie ahead continues to grow. Together with our customers, we uncover greater potential for optimization and examine cross-departmental processes, such as the overall aircraft dispatch process. The education and training of our employees as well as our customers remains an important topic. The company operates as a pioneer for company and business process optimization.

04 Unpredictability and change: 2010 – 2019

Now that decision-making situations have become more complex due primarily to the increase in the size of the systems in place, the dimension of time plays a significant role over the last decade in how it manifests itself in unpredictability. Along with this is the call for agility. In the era of big data and the exponential growth of software algorithm efficiency, it becomes possible to capture and model systems with a complexity unimaginable 50 years ago – for example, organizing new car distribution. The topic of employee health gains attention, and we work with our employees to find ways to promote this in a goal-oriented way. We expand our definition of sustainability and create a team to support the associated goals. Sustainability, as part of the company strategy and our daily business, becomes a regular topic on the management agenda. We implement our solutions globally as a pioneer for agile optimization.

Sustainability strategy

Sustainability has been an important corporate cause for us since the company's foundation. This has been visible for a long time in the following aspects:

We offer solutions that help our customers work efficiently with resources, fight fraud and corruption, and manage shift planning in an employee-friendly way. We nurture long-term customer and employee relationships and view them as partners.

Our understanding today

We align our actions to support sustainability on its definition in the 1987 Brundtland Report:

'In essence, sustainable development is a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations.'²

Furthermore, we work toward the UN Sustainable Development Goals (SDGs) adopted in 2015.



The transformation envisaged by the UN Sustainable Development Goals requires, among others, consideration of ecological and societal criteria in business decision-making processes. We are convinced that Digital Decision Making can support operative and strategic corporate decisions. The solution optimizes business and ecological benefits while simultaneously supporting economic sustainability.

The world in which we live

We currently live in a unique time of double system transformation:

The first and much-discussed system transformation refers to digitization. We have been digital pioneers since the founding of our company. With the introduction of the smartphone to the market, digitization has forged ahead at an impressive speed. It is mainly due to what is known as the 'brown economy' in the logic of economic growth. In the brown economy, a company's success is measured solely by its financial figures. Externalities play a role, and economic growth is the decisive economic index.

The emergence of SDGs, among other things, clearly signals that the economic model should change. One prominent, concrete example is the impact of CO₂. The transformation from a brown economy to a sustainable economy is lagging behind the digital transformation by approximately ten years. However, it has picked up speed since 2018. One indicator is, for example, the global emergence of the Fridays for Future movement.

The report published by the German Advisory Council on Global Change (WBGU)³ in 2019 with the title 'Towards our Common Digital Future' promotes the idea that digitization can and should accelerate the transformation to a sustainable economic system.

We agreed with this assessment of the WBGU and are convinced that people can improve global sustainability by making intelligent choices. For this reason, we design digital decision making for a more sustainable planet.

Our responsibilities

Our actions have not only local but also national and global impacts on humanity and the environment.

Ecological responsibility

The health of the environment is of great concern to us because the quality of life is not possible unless the ecosystem is strong.

Our contribution to climate transformation

Our innovative Digital Decision Making Solutions help many of our customers to reduce their CO₂ footprint. This applies, for example, to the optimization of internal logistics, multi-modal container logistics, ground logistics at airports, and automotive logistics.

Our CEO, Adrian Weiler, is a member of the board of directors for the Smart Freight Center. The Smart Freight Center is a non-governmental (NGO) organization that focuses on the topic of sustainable goods transport. The goal is for over 100 multinational companies to reduce their logistics emissions by at least 30% by 2030 compared to 2015 across their global logistics supply chain and achieve net-zero emissions by 2050. In concrete terms, this equals a yearly reduction of CO₂ emissions by 80 million tons by 2030⁴.

We determined our CO₂ footprint from our company campus for the first time in 2019. Based on this information, we will develop specific measures to reduce our internal emissions. The first goal for 2020 is the increase in the coverage of power consumption through renewable energies from the current 48% to 100% and the expansion of the company fleet to include electric vehicles. Our central office, built in 2009, is run by geothermal energy.

Emissions generated by our air travel will be offset by donations. For this, we were happy to support the organizations atmosfair⁵, Cape Town – Aachen Local Agenda 21 Partnership⁶ and Tony Rinaudo⁷ from World Vision.

To reduce our travel, we are implementing more telephone and video conferences. Even seminars, workshops, and program training courses for our customers are held partially online.

Our contribution to biodiversity

A quality life for us as humans directly depends on a healthy environment. We are therefore proud of our expansive green areas with nesting spots for birds and purposefully planted bee meadows. Our beehives are managed by our employees.

Initial activities to create a closed-loop economy

Since 1969, we have placed great importance on using our resources wisely. Among other things, we help companies in the food industry reduce food waste. Furthermore, we offer innovative container management solutions for the transport of fruit and vegetables from the producer to the retailer to take significant steps toward a closed-loop economy.

We donate old but still functional hardware, such as laptops, monitors, and cell phones, to non-profit organizations, day-cares, and societies. Defective devices are also refurbished and reused.

Sources: 4 <https://www.smartfreightcentre.org/en/> – 5 A climate protection organization focused on travel that actively supports climate protection by, for example, offsetting greenhouse gases through renewable energies. <https://www.atmosfair.de/en/> – 6 Cape Town – Aachen Local Agenda 21 Partnership has sponsored its own "Climate Ticket" project since 2009. Private citizens and business people have the ability to offset the CO₂ emissions caused by their air travel by purchasing a climate ticket. The proceeds of the ticket support the garden projects of the project partner Abalimi in Cape Town. <http://en.aachen-kapstadt.de/climate-ticket> – 7 Winner of the "Alternative Nobel Prize" Livelihood Award 2018 and creator of the FMNR method that restores unproductive farmland. <https://www.worldvision.de/aktuell/2015/05/Tony-Rinaudo-FMNR>.

Social responsibility

We believe in the spirit of social cooperation, and this has been a part of our corporate culture for 50 years.

Municipality of Aachen

As one of the largest employers in and around Aachen, we have close ties to our region. We believe it is our responsibility to contribute to the sustainable and social development of the city. Locally, we participate actively in the creation of sustainable mobility, for example, by supporting the Radentscheid Aachen⁸ cycling initiative and participating in the Pascalstraße initiative⁹. As a sponsor, we have supported small sports clubs in the region and various regional clubs such as Lebensraum Aachen¹⁰ civic trust and Refugio e. V. human rights initiative¹¹.

Euregio region of innovation

We are a founding member of digitalHUB Aachen. The objective of digitalHUB is to support digital start-ups and facilitate a dialog with companies to drive digitization in Aachen and its surroundings. Aachen and its surroundings have been traditionally home to medium-sized companies. This is also true for many companies that provide services and technology, as well as for manufacturing. The heterogeneous nature of the region, together with its academic landscape (RWTH University and FH Aachen University of Applied Sciences), offers the ideal environment for innovation and knowledge transfer, and mutual exchange of information¹².

We are members of the non-profit association REGINA e. V. REGIONaler Industrieclub INformatik Aachen. As an independent network of more than 120 participating organizations, REGINA e. V. promotes dialog and cooperation among the regional economy, education, and research¹³.

Nationwide activities

We also support Enactus, an international and non-profit NGO that focuses on creating better economic prospects for third parties through the practical management of projects run by student groups¹⁴.

Human rights

We understand our responsibility towards our customers, partners, and employees. Therefore, we have implemented strict ethical rules that guide us in our daily work. We support the principles of the UN's 'Global Compact', the UN's 'Universal Declaration of Human Rights', and the 'Declaration on Fundamental Principles and Rights at Work' of the International Labor Organization in cooperation with national laws and practices. Our fundamental principles are defined in our Code of Conduct.

Good working conditions

Our Workforce Management Division offers special solutions for the intelligent optimization of personnel planning for shift work. It allows our customers to take into consideration the personal needs of employees and ensure planning reliability for the company at the same time. This offers companies and their personnel more room for creativity even with shift work.

Combating fraud and corruption

In our Risk & Fraud Division, we develop solutions that help our customers combat bank fraud, detect money laundering and terrorist financing, and make corruption transparent.

Working with suppliers

Our purchasing department is the first contact for all INFORM service providers and suppliers. We consider sustainability just as important as the typical priorities such as price, on-time delivery, and quality. We work with our suppliers and service providers as partners and as equals. Our goal is to make them aware of sustainability issues and motivate them to take steps in the right direction.

Sources: 8 <https://radentscheid-aachen.de> – 9 <https://pascalstrasse.de> – 10 <https://www.buergerstiftung-aachen.de> – 11 <http://www.cafe-zuflucht.de/refugio-ev.html> 12 <https://aachen.digital> – 13 <https://www.regina.ac> – 14 <https://www.enactus.de/was-ist-enactus>

Employees

For 50 years, we have been an important local employer as our workforce has continued to grow. We have four divisions where we are testing approaches for agile, self-organized work.

Work-life balance

Our trust-based working hour model supports the balance between work and family. Flexible full and part-time positions, home office options, and our company-sponsored U3 daycare¹⁵ help employees combine family with career. Parental leave is available for all employees at all levels and in all departments. Furthermore, we support our employees with allowances for daycare and company pension.

Diversity

We live diversity. Our workforce in Aachen is international, with employees from more than 30 different nations. Female employees made up approximately one-third of the workforce in 2019, and the percentage of female employees in management positions was 20%. We participate in Girls Day and promote young women in MINT tracks of study and careers.

Education and training

We see the future in the next generations. Therefore, we support and guide youth by offering training and working with them as partners, for example, in the IT4Kids¹⁶ initiative. We also offer internships. We are just as proud of our close cooperation with the institutions of higher education in Aachen. We regularly support the RWTH University of Aachen¹⁷ as practical-experience partners in projects required by OR internships. Furthermore, we support a professorship at the Aachen University of Applied Sciences^{18 - 19}.

Participation in regular awareness training on data protection and IT security is mandatory for all employees.

We offer our employees professional training through our internal academy and external providers. Our INFORM Academy helps us to advance continuous individual training. The goal is to guide and support all employees in their

individual and personal development and fill any gaps between position-specific requirements and individual competencies. We also happily support personal development by offering opportunities for sabbaticals.

Employee health

Employee health has become a focus of our company culture. Our Corporate Health Management (BGM) department looks at human beings as a whole. We place great importance on understanding the different requirements and needs when implementing individual measures. Our offering is diverse.

BGM works closely with our company physician and psychologist. Our company offers physiotherapy, massage, and targeted sports classes in our gym or outside. Our attractive relaxation room is available to all.

During our 'Health Days' which are held multiple times a year, we offer a wide range of information on health-related topics such as nutrition or dealing with stress and addiction. Specific sports classes, training sessions on ergonomic workspaces, and various demo test stations complete our Health Days program. Furthermore, we offer flu shots, targeted screenings, and general health checkups. Workplaces are inspected regularly.

The entire year we offer fruit and vegetables as healthy snacks free of charge. We also provide various coffees and milk alternatives, as well as teas and mineral water. Our company cafeteria prepared fresh meat and vegetarian dishes daily. We subsidize the cafeteria for our employees.

Regular activity is also important to us. That is why we offer e-bike rental and bicycle storage, showers, and changing rooms. Participation in local events, such as a company run and the Business-Run Aachen²⁰, are fixed events in our yearly calendar.

Sources: 15 <http://www.pascalszwerge.de/verein/verein.html> – 16 <https://it-for-kids.org> – 17 <https://www.or.rwth-aachen.de/en/home.html> – 18 <https://www.fh-aachen.de/en> 19 <https://www.inform-software.de/news/news-details/news/inform-professur-fuer-angewandte-informatik-an-der-fh-aachen> – 20 <https://www.b2run.de/run/de/de/aachen/index.html>

