

Jens Clausen
Thomas Loew
Udo Westermann

Sustainability Reporting in Germany

Summary of the Results and Trends
of the 2005 Ranking

Berlin 2005



Jens Clausen, Thomas Loew, Udo Westermann:
Sustainability Reporting in Germany: Summary of the Results
and Trends of the 2005 Ranking. Berlin, Hanover 2005
pdf-download: www.ranking-nachhaltigkeitsberichte.de

future e.V. – Umweltinitiative von Unternehme(r)n
Am Hof Schultmann 63, D-48163 Munster
Tel: +49 (0)251/973 1634 muenster@future-ev.de

Institute for Ecological Economy Research (IÖW) gGmbH
Potsdamer Straße 105, D-10785 Berlin
Tel: +49 (0)30/884 594-0 mailbox@ioew.de

Contacts authors

Jens Clausen, phone: +49 (0)511/164 0345, clausen@borderstep.de
Thomas Loew, phone: +49 (0)30/4435 2094, loew@4sustainability.org
Udo Westermann, phone: +49 (0)251/973 1634, muenster@future-ev.de

Contents

1	Introduction.....	3
2	Evaluation methodology.....	4
2.1	Criteria and weighting.....	4
2.2	Evaluation and calculation.....	6
2.3	Platform approach	7
2.4	Evaluation focus	7
3	Ranking results.....	8
4	Sector results.....	12
5	Non-reporters.....	12
6	From environmental reporting to sustainability reporting	13
	Literature	14

1 Introduction

The ranking of sustainability reports is a follow up of former rankings of environmental reports carried out in 1994, 1996, 1998 and 2000. Against the background of the ongoing discussion on sustainability management and CSR as well as considering the increasing number of sustainability reports the existing criteria of the past ranking of environmental reports were extended by social and economic criteria.

The 2005 ranking criteria reflect activities of many organisations as well as our own research¹. In particular the following activities and documents have been considered:

- GRI Reporting Guidelines (2002)
- World Business Council for Sustainable Development (WBCSD) Sustainability Performance Indicators
- Reporting Guidelines of the European Association of the Chemical Industry (CEFIC)
- SA 8000 Standard (and some other activities on social aspects in the supply chain)
- AA 1000 Standards
- The Global Reporters Survey of UNEP and SustainAbility

Within the process of developing the evaluation criteria stakeholder representatives were invited to critically review our set of criteria. Comments of industry representatives as well as industry associations and the German Council for Sustainable Development were included in the set of criteria.

The results of the ranking have been published in the German business magazine CAPITAL in February 2005. Background information as well as the detailed ranking criteria are made available to the public on our project website www.ranking-nachhaltigkeitsberichte.de. By doing so we strive for transparency in order to promote the quality of future sustainability reports and to contribute to the discussion on sustainability reporting and Corporate Social Responsibility (CSR). We also apply the same demand for transparency on ranking processes which we demand from the companies.

Due to its relevance for both the quality of reporting and the discussion on sustainability in business Volker Hauff, chairman of the German Council for Sustainable Development, gave auspices to the ranking 2005. In the 1980ies Volker Hauff became member of the UN-World Commission On Environment And Development (Brundtland Commission).

¹ Loew et al (2004), Loew, Clausen (2003), Clausen et al (2001), future (2000), future, IÖW (2000).

2 Evaluation methodology

2.1 Criteria and weighting

The evaluation is made according to 13 main criteria and 48 sub-criteria. The main criteria and their weighting are displayed in figure 1.

Figure 1: Weighting of Criteria

Type	Main criteria	Weight
Environmental requirements	<ul style="list-style-type: none"> ● Environmental aspects of products and services ● Environmental aspects of production 	30%
Social requirements	<ul style="list-style-type: none"> ● Employee interests ● Associated social responsibility ● Social aspects of products and services 	30%
Integrated requirements ecological, social and	<ul style="list-style-type: none"> ● Vision, strategy and management ● Objectives and program 	40% (20%)
general requirements	<ul style="list-style-type: none"> ● General information about the company ● Sources of more detailed information ● Credibility ● Comparability ● Materiality and clarity ● Communicative quality 	(20%)

The maximum score possible was 700. The contribution to the score of social and environmental criteria was 200, respectively. Integrated management and reporting requirements contributed a maximum score of 300.

Each main criterion has a set of sub-criteria.

Figure 2: List of main and sub criteria

- A.1 GENERAL INFORMATION ABOUT THE COMPANY
 - A.1.1 Sales revenue, employees, sites
 - A.1.2 Divisions, products/product groups
 - A.1.3 Ownership, company structure
- A.2 VISION, STRATEGY AND MANAGEMENT
 - A.2.1 Vision and strategy
 - A.2.2 Management systems and tools
 - A.2.3 Description of ongoing and planned activities with external stakeholder groups
- A.3 EMPLOYEE INTERESTS
 - A.3.1 Remuneration and incentive systems
 - A.3.2 Working time models
 - A.3.3 Education and training
 - A.3.4 Employment and employee rights
 - A.3.5 Diversity
 - A.3.6 Gender non-discrimination
 - A.3.7 Health and safety
- A.4 ASSOCIATED SOCIAL RESPONSIBILITY
 - A.4.1 Local responsibility as an employer and customer
 - A.4.2 Donations, foundations, sponsorships and corporate volunteering
 - A.4.3 Taxes and subsidies
 - A.4.4 Anti-corruption
 - A.4.5 Human rights
 - A.4.6 Contribution to political life and regulatory frameworks
- A.5 SOCIAL ASPECTS OF PRODUCTS AND SERVICES
 - A.5.1 working conditions and human rights in the supply chain
 - A.5.2 Fair trade
 - A.5.3 Customer information and consumer protection
- A.6 ENVIRONMENTAL ASPECTS OF PRODUCTS AND SERVICES
 - A.6.1 Description of key environmental issues in product development
 - A.6.2 Environmental protection in the supply chain
- A.7 ENVIRONMENTAL ASPECTS OF PRODUCTION
 - A.7.1 Energy management and climate protection
 - A.7.2 Hazardous substance emissions to air
 - A.7.3 Raw materials and material consumption
 - A.7.4 Waste management
 - A.7.5 Water management
 - A.7.6 Logistics and transportation
 - A.7.7 Production and transport accidents, release of chemicals, fuels and oils
 - A.7.8 Nature conservation, biodiversity and use of land
- A.8 OBJECTIVES AND PROGRAM
 - A.8.1 Target attainment in the period under review (reporting back)
 - A.8.2 Objectives and measures
- A.9 SOURCES OF MORE DETAILED INFORMATION
 - A.9.1 Disclosure of contact details
 - A.9.2 Offer for further information

- B.1 CREDIBILITY
 - B.1.1 Statement of the board of management
 - B.1.2 Audits
 - B.1.3 Compliance
 - B.1.4 Disclosure of unresolved problems
 - B.1.5 Evaluation by external bodies
- B.2 COMPARABILITY
 - B.2.1 Details on the scope of the report
 - B.2.2 Details of how information was ascertained and is to be interpreted
 - B.2.3 Significant developments during the period under review
- B.3 MATERIALITY AND CLARITY
 - B.3.1 Focus on key quantitative and qualitative aspects
 - B.3.2 Clarity of the reporting structure and accessibility of the information and the selected data
- B.4 COMMUNICATIVE QUALITY
 - B.4.1 Layout
 - B.4.2 Text
 - B.4.3 Figures

The detailed description of the requirements is available in German. See Loew, Thomas; Clausen, Jens (2005): Kriterien und Bewertungsskala für das Ranking der Nachhaltigkeitsberichte, <Criteria and evaluation scale for the ranking of sustainability reports 2005> Berlin, Munster (pdf-download: <http://www.ranking-nachhaltigkeitsberichte.de/pdf/rankingkriterien.pdf>).

2.2 Evaluation and calculation

Evaluation and weighting is performed for each main criterion. The evaluation draws on the detailed set of requirements for each sub-criterion. Points will be given for:

5 = exceptional fulfilment of requirements

3 = good fulfilment of requirements

1 = poor fulfilment of requirements

0 = no fulfilment of requirements

The points for all sub-criteria will be added and divided by the number of sub criteria. The resulting value is multiplied by the weighting factor and gives the score of the main criterion.

Figure 3: Section of the evaluation spreadsheet

Example Company Limited				
Sustainability Report 2004				
A.1 GENERAL INFORMATION ABOUT THE COMPANY	evaluation-points	Weighting factor	resulting points	page in the report, comments
A.1.1 Sales revenue, employees, sites	5			Pg. 3-5: Sales revenue, employees number of last three years, good overview on the existing international sites.
A.1.2 Divisions, products/product groups	3			pg. 7-9 Divisions and products are introduced. Information on turnover or other information which shows the importance of each division is lacking.
A.1.3 Ownership, company structure	1			Pg.. 13 very little information
Calculation of points for A.1:	3,00	5	15	

2.3 Platform approach

Our general requirement is, that a report has got a clear scope of reporting, e.g. all activities of a TNC, and a clear reporting time, e.g. a report for the year 2004. Homepages which are continually updated do usually not fulfil the requirement for a clear reporting time. Generally, printed reports and pdf-reports most often fulfil the requirement.

But we do not only value information within a printed report or pdf-report. If within these reports a clear reference is given to further information, e.g. "Our complete emission data is available on our website under `environmental data`", we will value this information as if it were included in the report. The requirement for this is a clear reference. We would not accept "Further information on social and environmental matters is available from our website", which gives the reader no concrete idea which information he or she may find where.

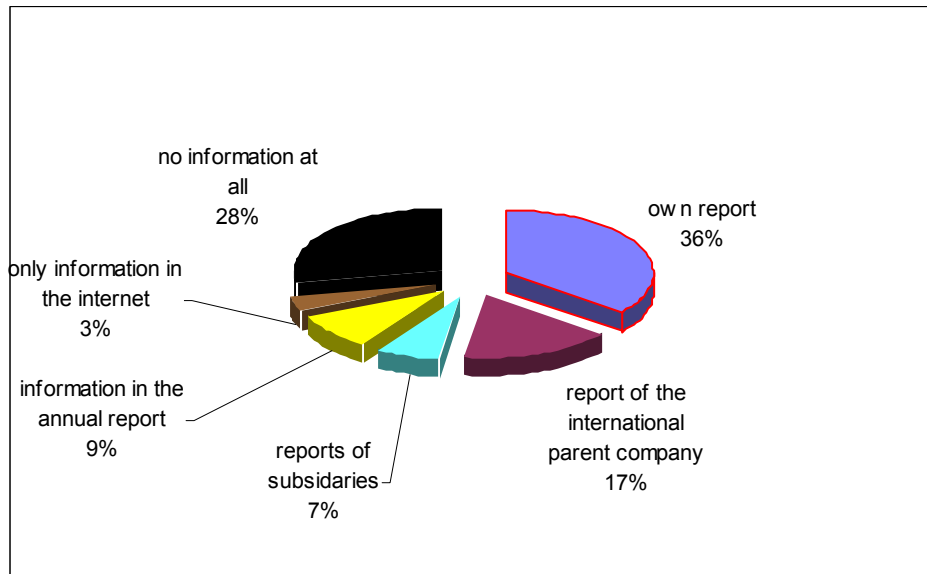
2.4 Evaluation focus

In the German ranking of sustainability reports, the reports of the 100 largest German industrial and service enterprises were included, as well as the reports of the 50 largest enterprises in retail, banking and insurance. This selection is made using a list of the German top 500 companies set up by F.A.Z, a leading German business newspaper. Environmental, sustainability, CSR, social reports or comparable reports of German enterprises were included.

Of these 150 companies, 53 publish a stand alone sustainability report in Germany. These reports were evaluated. Another 25 companies are equipped with a sustainability report by their international mother company. This is responsible and reasonable, but these foreign reports were not included in the German ranking. Some other companies only have got reports for subsidiaries available, include information in their annual report or their website. All this shows, that business is striving for sustainability transparency, but it is not considered a stand alone reporting activity.

An overview of the information provided by the top 150 German companies is given in figure 4:

Figure 4: Reporters and non-reporters of the top 150 companies in Germany



3 Ranking results

The winner of the 2005 German ranking of sustainability reports is the sustainability report of Henkel scoring 494 of 700 possible points. The report includes exceptional information on product safety and employee issues and scores best in general reporting requirements. Very good is also Henkel's methodology of references into their special sustainability homepage.

The second best report is issued by the retailer KarstadtQuelle closely followed by another retailer, Otto. Both reports scored best in the fulfilment of social criteria and were rather good in environmental issues. Rank four was taken by the publisher Axel Springer AG, who fulfilled 79% of the environmental requirements and scored best in this respect. Adidas-Salomon (rank 5) presented a credible and fair description of problems and achievements in social supply chain aspects.

The Environmental Report of Volkswagen was indeed a good sustainability report and the best of automotive industry. Within the TOP 10 we find also the energy company RWE, the bank HVB Group, BMW Group, Deutsche Telekom and BSH Bosch Siemens Household Appliances.

Figure 5: The best 35 sustainability reports in Germany

Rank	Company	Report title	Weighting	Integrated requirements								Social requirements				Environmental requirements			Overall score	Points per page (Information density)	
				A.1 Company Information	A.2 Strategy Management	A.8 Targets, Program	A.9 Further Information	B.1 Credibility	B.2 Comparability	B.3 Materiality	B.4 Communicative Quality	Score General Requirements	A.3 Employee Interests	A.4 Social Responsibility	A.5 Social Product Aspects	Score Social Requirements	A.6 Env. Aspects: Products	A.7 Env. Aspects: Production			Score Environment Requirements
1	Henkel KGaA	Nachhaltigkeitsbericht 2003		3,6	5,0	4,0	5,0	5,0	3,8	5,0	5,0	4,4	269	3,0	3,0	3,0	2,4	105	494	11,0	
2	KarstadtQuelle AG	Besser miteinander - Nachhaltigkeitsbericht 2003		5,0	4,3	2,5	5,0	2,2	5,0	2,6	5,0	3,6	220	3,3	2,0	4,3	4,0	3,0	136	490	7,8
3	OTTO (GmbH & Co KG)	Bewusstsein(s) formen - Nachhaltigkeitsbericht 2004		3,6	3,7	4,0	5,0	3,4	3,0	2,6	3,0	3,6	221	3,3	3,0	3,7	4,0	2,5	123	478	4,7
4	Axel Springer Verlag AG	Nachhaltigkeitsbericht 2003		2,4	3,7	3,0	5,0	4,2	5,0	3,0	1,6	206	2,9	3,0	1,7	5,0	3,3	158	462	5,1	
5	Adidas-Salomon AG	Das Ziel vor Augen Sozial- und Umweltbericht 2003		3,0	5,0	5,0	4,0	4,6	1,6	3,0	4,4	253	2,3	1,6	4,3	5,0	0,4	86	454	8,7	
6	RWE AG	Unsere Verantwortung - Bericht 2003		5,0	4,3	3,0	4,0	2,6	3,6	4,0	3,6	224	2,7	2,2	2,3	4,0	2,7	127	449		
7	HVB Group	Nachhaltigkeit bewegt 2002 vom Umweltbericht zum Nachhaltigkeitsbericht		1,6	4,3	3,0	5,0	3,8	3,0	4,0	3,6	215	3,0	2,8	2,5	3,5	2,8	123	448	4,7	
7	Volkswagen AG	Umweltbericht 2003/2004		3,6	4,3	4,0	5,0	3,0	4,4	4,0	3,6	243	3,0	2,6	1,7	4,0	2,0	109	448	3,7	
9	BMW Group	Sustainable Value Report 2003/2004		2,4	3,0	3,0	4,0	3,2	3,0	3,0	3,0	183	3,3	1,8	3,7	4,0	2,1	112	417	4,1	
10	BSH - Bosch und Siemens Hausgeräte GmbH	Verantwortung für Umwelt und Gesellschaft 2003/2004		3,0	4,3	3,0	5,0	3,0	3,6	3,0	3,6	216	1,3	1,0	1,7	5,0	2,7	142	412	13,3	
10	Deutsche Telekom AG	Neue Wege. Neue Ideen. Eine neue Zeit. Der Personal- und Nachhaltigkeitsbericht 2004		3,0	4,3	1,0	4,0	3,8	3,6	3,6	3,0	3,6	185	2,7	3,4	2,3	4,0	2,3	117	412	4,9

Rank	Company	Report title	weighting	Integrated requirements										Social requirements				Environmental requirements			Overall score	Points per page (information density)									
				A.1 Company Information	A.2 Strategy Management	A.8 Targets, Programme	A.9 Further Information	B.1 Credibility	B.2 Comparability	B.3 Materiality	B.4 Communicative Quality	Score General Requirements	A.3 Employee Interests	A.4 Social Responsibility	A.5 Social Product Aspects	Score Social Requirements	A.6 Env. Aspects Products	A.7 Env. Aspects Production	Score Environment Requirements												
12	Robert Bosch GmbH	Weitweite Verantwortung		5	15	15	5	5	5	5	5	5	5	3,0	3,0	4,4	4,0	3,6	217	1,7	1,6	1,7	4,0	2,3	118	15	25		402	8,4	
13	BASF AG	Unternehmensbericht 2003		3,6	3,7	1,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	3,0	163	3,0	3,4	3,0	3,0	3,0	124	4,0	2,0	110	4,0	2,0	397	5,8
14	DaimlerChrysler AG	360 Grad Umweltbericht 2004		1,6	3,7	3,0	4,0	2,0	3,0	3,0	3,0	3,0	3,0	2,0	2,0	2,0	2,0	183	2,4	2,4	2,3	2,3	2,3	95	4,0	2,3	118	4,0	2,3	396	
15	Degussa AG	Corporate Citizenship Report 2003		3,6	1,7	4,0	3,0	3,0	3,0	4,4	1,0	4,4	4,4	3,0	3,0	3,0	3,0	182	2,7	2,6	1,7	1,7	1,7	92	3,0	2,9	117	3,0	2,9	391	3,4
16	KfW Bankengruppe	Umweltbericht 2003		2,4	4,3	4,0	4,0	2,6	5,0	2,0	2,4	2,4	2,4	2,6	5,0	2,0	2,4	217	0,1	1,0	1,1	1,1	1,1	29	3,5	3,6	142	3,5	3,6	388	4,8
17	Miele & Cie. KG	Nachhaltigkeitsbericht 2004		2,0	3,0	1,0	3,0	3,4	3,6	3,0	3,0	3,0	3,0	3,4	3,6	3,0	3,0	150	3,0	1,4	2,3	2,3	2,3	94	4,0	3,1	137	4,0	3,1	381	3,9
18	Deutsche Lufthansa AG	Balance 2004. Das Lufthansa Journal für Luftverkehr, Umwelt und Nachhaltigkeit		3,6	1,0	4,0	4,0	2,2	3,6	3,0	3,0	3,0	3,0	2,2	3,6	3,0	3,0	172	3,4	1,8	1,3	1,3	1,3	89	2,5	3,1	115	2,5	3,1	376	4,0
19	Wacker-Chemie GmbH	Nachhaltigkeitsbericht Wacker-Chemie		1,4	3,0	3,0	1,0	2,6	3,0	2,0	2,0	3,6	3,6	2,6	3,0	2,0	3,6	158	3,3	1,8	0,3	0,3	0,3	72	3,0	3,2	126	3,0	3,2	356	3,7
20	ZF Friedrichshafen AG	Umweltbericht 2002		4,4	3,0	4,0	3,0	2,4	3,6	3,0	3,0	3,6	3,6	2,4	3,6	3,0	3,6	205	1,0	0,8	0,0	0,0	0,0	23	5,0	1,8	120	5,0	1,8	348	9,2
21	TUI AG	Nachhaltig wirtschaften in der World of TUI		0,6	5,0	3,0	5,0	2,8	2,6	4,0	4,0	2,4	2,4	2,6	2,6	4,0	2,4	207	0,1	1,8	1,7	1,7	1,7	45	3,0	2,0	94	3,0	2,0	346	5,2
22	METRO AG	Nachhaltigkeitsbericht 2004		3,0	3,0	1,5	4,0	1,0	3,4	3,0	3,0	3,6	3,6	1,0	3,4	3,0	3,6	158	2,1	0,8	1,7	1,7	1,7	65	3,0	2,6	111	3,0	2,6	334	3,8
23	Münchener Rück	Perspektiven - Ideen von heute für die Welt von morgen 2003		3,6	3,7	2,0	5,0	3,0	3,6	3,0	3,0	3,6	3,6	3,0	3,6	3,0	3,6	194	0,1	1,2	1,8	1,8	1,8	41	2,5	2,3	96	2,5	2,3	331	4,1
24	Adam Opel AG	Nachhaltigkeitsbericht 2002		2,4	3,7	2,0	1,0	1,6	2,6	2,0	2,0	2,4	2,4	1,6	2,6	2,0	2,4	145	2,6	2,0	1,3	1,3	1,3	79	4,0	1,8	105	4,0	1,8	329	3,0
25	Heidelberger Druckmaschinen AG	Nachhaltigkeitsbericht 2003/2004		3,6	1,7	3,0	5,0	2,0	3,6	4,0	4,0	3,0	3,0	2,0	3,6	4,0	3,0	176	2,4	0,6	0,3	0,3	0,3	47	3,0	2,2	100	3,0	2,2	323	9,5

Rank	Company	Report title	Weighting	Integrated requirements								Social requirements				Environmental requirements			Overall score	Points per page (information density)		
				A.1 Company Information	A.2 Strategy Management	A.8 Targets, Programme	A.9 Further Information	B.1 Credibility	B.2 Comparability	B.3 Materiality	B.4 Communicative Quality	Score General Requirements	A.3 Employee Interests	A.4 Social Responsibility	A.5 Social Product Aspects	Score Social Requirements	A.6 Env. Aspects. Products	A.7 Env. Aspects. Production			Score Environment Requirements	
26	HOCHTIEF Aktiengesellschaft	Umweltbericht. Arbeitssicherheit und Gesundheitsschutz 2003.		5	15	15	5	5	5	5	5	5	5		15	25				318	2,8	
26	Merck KGaA	Verantwortung für Mitarbeiter, Umwelt		3,6	2,3	1,5	3,0	3,0	1,6	3,0	3,6	147	3,3	2,8	3,0	122	2,0	0,8	49	318	6,5	
28	Bayerische Landesbank	Umweltklärung 2002		3,6	3,7	3,0	4,0	2,0	2,6	3,0	2,0	186	0,0	1,4	1,1	31	1,5	3,0	99	316	4,8	
29	Schering AG Berlin	Konzernumweltbericht - Nachhaltigkeit ist		2,4	3,7	3,0	3,0	2,2	2,4	2,0	3,6	178	2,1	1,6	1,7	73	1,5	1,5	61	312	4,8	
30	Dr. August Oetker Nahrungsmittel KG	Ökonomische, ökologische und soziale Verantwortung		2,4	2,3	3,0	1,0	2,6	1,6	3,0	3,0	148	3,0	1,2	0,7	67	3,0	2,0	96	311	6,1	
31	Bayer AG	Nachhaltigkeitsbericht 2004		0,6	2,3	2,0	3,0	2,4	3,0	3,0	2,4	137	2,6	1,0	1,3	69	2,0	2,9	102	308	2,0	
32	Infineon Technologies AG	Umweltbericht 2002		3,0	3,7	3,0	0,6	2,6	3,0	3,0	2,4	173	0,9	1,0	0,3	28	3,0	2,1	97	298	2,6	
33	Landesbank Baden-Württemberg	Umweltbericht 2002 mit aktualisierter Umweltklärung 2004		1,6	2,3	4,0	2,0	1,0	3,6	3,0	2,4	163	0,1	0,2	1,1	21	1,5	3,6	112	296	4,6	
34	Deutsche Post AG	Natürlich vernetzt. Umweltbericht 2003		1,6	1,7	5,0	1,6	1,4	3,6	2,0	3,0	166	0,4	1,2	0,3	23	2,5	2,7	105	294	4,1	
35	Dresdner Bank AG	Zukunft Gestalten Stakeholder Report der Dresdner Bank		0,6	2,3	1,0	5,0	2,0	1,0	3,0	3,6	126	1,7	1,6	1,8	69	2,5	2,2	93	288	2,7	
Statistical Values				2,5	3,1	2,2	3,2	2,3	2,7	2,9	3,1	163,5	1,8	1,6	1,6	66,3	2,7	2,2	95,2	325	4,9	
For all 53 Reports:				50,6	62,4	43,5	65,0	45,9	54,8	57,4	62,6	54,5%	36,2	31,9	31,0	33,2%	54,0	43,8	47,6%	46,4%		
Maximum				5	5	5	5	4,6	5	5	4,4	269	3,4	3,4	4,3	134	5	3,6	158	494	3,2	
Minimum				0	1	0	0	0,8	0,6	1	1,4	88	0	0	0	4	0,5	0,4	22	130	6,8	
Standard deviation				1,24	1,02	1,37	1,46	0,91	1,17	0,96	0,77	45,76	1,14	0,88	1,12	35,79	1,26	0,79	30,36	91,31	2,9	

4 Sector results

The highest degree of professional reporting we found in the sectors automotive, paper and printing, transport and communication as well as chemicals. In these sectors, sustainability reporting is practiced by a high number of companies and generally in a good quality.

In the automotive sector all companies publish a sustainability report and on average these have a high quality (mean score automotive: 359, mean score all companies: 325). Only Porsche published a report of rather poor quality.

Performing as good as the automotive companies, all three of those paper and printing companies which we found in the group of the biggest 150 German companies published sustainability reports.

Within transport and communication the best report came from Deutsche Telekom. But there is also Thomas Cook AG, where we did not find the smallest bit of environmental or social information in the public domain.

In the chemical sector (incl. pharma) $\frac{3}{4}$ of the companies issue a report. The quality of these reports is quite different. Very good reports come from Henkel, BASF and Degussa while Braun Melsungen and Beiersdorf present a rather poor reporting. Concerning the DAX 30 Altana AG, sustainability information on the website only focuses on some aspects of philanthropic engagement in science and culture and a very brief vision on social and environmental responsibilities. It is regrettable, that also one of the best stock market performers nearly totally ignores sustainability transparency demands.

Half of the German banks issues environmental or sustainability reports. The quality of these reports represents an average level. The best report was issued by the Bavarian Hypovereinsbank (HVB-Group). But 6 of Germany's largest banks do not at all report on social responsibilities.

In the group of the 17 biggest insurance companies only four provide an stand alone report. Two of them are published by international mother companies, leaves two German reports of Münchner Rück and Allianz. While further 3 insurers offer at least some little information on social and environmental issues, 10 companies in this sector provide no information at all.

5 Non-reporters

Reporting is seen as a major element of corporate social responsibility not only by the EU. Reporting has got several aspects: On one hand it reflects the accountability of industry towards society in certain issues, on the other hand it is a voluntary contribution to the dialog between companies and their stakeholders. Furthermore the process of preparing those reports has a significant impact on the internal learning processes of a company.

But still nearly half of the TOP 150 German companies do not participate in the reporting exercise. This includes some of the DAX 30 companies, the best German performers on the stock market: Commerzbank, Eon, Altana und Thyssen-Krupp.

And in 28% of the cases we could not find any piece of information concerning social or environmental issues. These black sheep include HUK-Coburg, R&V Insurance, Rheinmetall and the retailers, Aldi, REWE und Schlecker. These companies refuse to account for their activities, as far as they have a non-financial impact.

Really criticised should therefore not be the companies, which have average or poor sustainability reports, but those companies, who do not issue a report on social and environmental issues or do not make any information at all on these issues public.

6 From environmental reporting to sustainability reporting

Since 1990 a lot of experience has been gained in environmental reporting. This reflects in the results of the 2005 ranking. The environmental requirements have been fulfilled on average by 48%, while only one third of the social requirements has been met.

It is interesting that the degree of fulfilment has been nearly identical for all three main criteria:

- Employee interests (36%)
(including remuneration and incentive systems, working time models, education and training, employment and employee rights, diversity, gender non-discrimination and health and safety)
- associated social responsibility (32%)
(including local responsibility as an employer and customer, donations, foundations, sponsorships and corporate volunteering, taxes and subsidies, anti-corruption, human rights, contribution to political life and regulatory frameworks)
- Social aspects of products and services (31%)
(including working conditions and human rights in the supply chain, fair trade, customer information and consumer protection)

For the two main criteria “employee interests” and “associated social responsibility” the best report met 68% of the maximum score.

For the main criterion “Social Aspects of Products and Services” no report scored better than 43% of the maximum achievable points. Especially “Social Aspects of Products and Services” still wait for good pioneers of high quality reporting.

The results show that today’s sustainability reporting very often is generally an environmental reporting with added on social aspects. Although modern social reporting goes back into the 70th, some of the experience gained seems to be buried and also new issues like diversity or the social aspects of the supply chain have emerged, which have to be dealt with. It is important, that companies focus on social aspects in the years to come and develop not only reporting, but as well underlying management systems and performance.

Literature

- Accountability (Hrsg.) (1999): AA1000 Assurance Standard, no place. (PDF -download: <http://www.accountability.org.uk/uploadstore/cms/docs/Assurance%20Standard%20for%20Web.pdf>).
- CEFIC (1993): Guidelines on environmental reporting for the European chemical industry. Brussels.
- Clausen, Jens, Loew Thomas (2005): Internationale Analyse des Nutzens von Testaten in der Umwelt- und Nachhaltigkeitsberichterstattung <international analysis of the benefits of assurance statements in sustainability reports>, Berlin 2005 (to be published 2005)
- Clausen, Jens; Loew, Thomas; Klaffke, Kathrin; Raupach, Michaela; Schoenheit, Ingo (2001): Der Nachhaltigkeitsbericht – ein Leitfadens zur Praxis glaubwürdiger Kommunikation für zukunftsfähige Unternehmen. < The INEM Sustainability Reporting Guideline > Berlin, Hamburg. (PDF-download: www.nachhaltigkeitsberichte.net and www.inem.org).
- Clausen, Jens; Fichter, Klaus; Loew, Thomas (1998) Die Bewertungsskala für das Ranking der Umweltberichte, Diskussionspapier des IÖW DP41/98, Berlin
- Europäische Kommission (Ed.) (2001): Green Paper: Promoting a European framework for Corporate Social Responsibility, European Commission. Brüssel
- Europäische Kommission (Ed.) (2001a): Mitteilung der Kommission. Nachhaltige Entwicklung in Europa für eine bessere Welt. Strategie der Europäischen Union für die nachhaltige Entwicklung, Brüssel, (PDF-Download: <http://www.bba.de/mitteil/aktuelles/forumpfs/nachhaltentweu.pdf>)
- Europäische Kommission (Ed.) (2002): Auf dem Weg zu einer globalen Partnerschaft für nachhaltige Entwicklung, Brüssel, (PDF-Download: http://europa.eu.int/eur-lex/de/com/cnc/2002/com2002_0082de01.pdf)
- future e.V. (Ed.) (2000): Nachhaltigkeit. Jetzt! Anregungen, Kriterien und Projekte für Unternehmen. München
- Future e.V. Institut für ökologische Wirtschaftsforschung (Eds.) (2000): Ranking der Umweltberichte 2000 (online) www.ranking-umweltberichte.de (1.2.2005)
- Global Reporting Initiative (GRI) (Ed.)(2002): Sustainability Reporting Guidelines 2002. Boston (PDF-Download: www.globalreporting.org)
- Hockerts, Kai (2001): What Does Corporate Sustainability Actually Mean from a Business Strategy Point of View?, St. Gallen, (PDF-Download: www.oikos-stiftung.unisg.ch/campus2001/hockerts.pdf)
- Loew, Thomas; Ankele, Kathrin; Braun, Sabine; Clausen, Jens (2004): Significance of the CSR Debate for Sustainability and the Requirements for Companies, English Summary, Berlin, Münster (pdf download <http://www.future-ev.de/projekte/csrsummary.pdf>) (Full Report in German <http://www.ioew.de/home/downloaddateien/bedeutung%20der%20csr%20diskussion.pdf>)
- Loew, Thomas; Clausen, Jens (2003): Monitoring von Umweltleistung und Umweltmanagementsystem, 5. abschließende Panelbefragung 2002. Endbericht an die Hessische Landesanstalt für Umwelt und Geologie (To be published 2005.)
- Loew, Thomas; Clausen, Jens (2005): Kriterien und Bewertungsskala für das Ranking der Nachhaltigkeitsberichte. (pdf-download: www.ranking-nachhaltigkeitsberichte.de)
- oekom research (Ed.) (2003): Corporate Responsibility Rating. Questionnaire. General Part. München
- SAM Research (Ed.) (2003): Corporate Sustainability Assessment Questionnaire. General Part. Zürich
- Social Accountability International (Ed.)(2001): Social Accountability 8000 – SA 8000, New York
- SustainAbility/UNEP (Ed.) (2002): Trust Us. The Global Reporters 2002 Survey of Corporate Sustainability Reporting. London
- SustainAbility/UNEP (Ed.) (2004): Risk & Opportunity Best Practice in Non Financial Reporting. London (pdf-download: www.sustainability.com)

