

Institute for Ecological Economy Research and  
future e.V. – verantwortung unternehmen (Eds.)

# IÖW/future Ranking 2009: Sustainability Reporting of German Small and Medium-sized Enterprises



With support by:



IÖW/future (Eds.):	IÖW/future Ranking 2009: Sustainability Reporting of German Small and Medium-sized Enterprises; Berlin, Münster, 2010.
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## Summary

The IÖW/future ranking has been evaluating and comparing the society-related reporting of German companies for the past 15 years. The first IÖW/future rankings in the 1990s were dominated by the environmental reports of small and medium-sized enterprises (SMEs) which set the standard for reporting on environmental corporate responsibility from a strong environmental management approach. The Report on the Results of the 1995 Ranking stated: “SME environmental reports are more explicit, more credible and – unsurprisingly – clearer and more comprehensible than the reports of major companies...” (p. 20).

With the growing number of environmental reports of major companies and also with the further development of sustainability reporting, the IÖW/future ranking concentrated on the 150 largest German companies from the year 2000. However, sustainability reporting has recently also become an important topic for a broad range of SMEs – and SME reports in turn are also important for the ranking: developments made it necessary to establish a separate competition for SME sustainability reports.

With the IÖW/future ranking of sustainability reports we want to make a contribution towards the transparency and disclosure of socially-relevant repercussions of corporate activity being recognised as a legitimate expectation of society and being practised by companies more and more as a matter of course. We support companies in this endeavour by translating the transparency and information requirements of relevant social, political and economic stakeholders into specific criteria for sustainability reporting. At the same time, we apply these criteria as an evaluation benchmark to the company reports, which we then compare with one another.

The SME ranking is primarily about raising the awareness of SMEs for the subject and providing examples of good reporting. What are the social requirements of your corporate activities and how can these be justified and legitimised? Where are the demands on smaller enterprises just as great as on major companies and in what way do the specific features of SMEs with regard to capacity, know-how, regional integration etc. have a particular impact on shaping their social responsibility and their reporting? From which enterprises can the others learn and where can they find good examples to follow and imitate?

SMEs display one key difference to the major companies which are under great public pressure to demonstrate their legitimacy: SMEs report less out of a sense of accountability but rather when they “have something to say”. They perceive manuals and sets of criteria as guidelines but do not feel obliged to follow them to the letter. They themselves determine the relevance of social, environmental and economic issues for their products and services as well as their business processes and relations. The emphasis of their reports is set accordingly. In this respect, their descriptions of corporate sustainability are anything but standardised accountability reports.



It is rather the case that SME reports offer a frank picture of the main challenges and target conflicts which the individual enterprises experience and show the implementation problems they encounter in their improvement processes. The focus of SME reports is on value orientation and the responsibility they derive from this with regard to their products and their firm links with their regional and business environment. The main point of emphasis in environmental responsibility is on the current number one topic: energy management and combating climate change. The biggest deficits of SME reports are in the field of employee interests; job satisfaction and staff retention are the only issues which are well-reported.

In the 2009 IÖW/future ranking of SMEs we assessed and compared the quality of 46 reports by small and medium-sized enterprises. The companies we included in the SME ranking exhibited a wide range in terms of both the number of employees and annual turnover. In addition, the number of explicit sustainability reports is still limited; environmental statements, expanded to cover social aspects, also play a major role for SMEs. That is why we make a distinction in the selection of best reports according to size of enterprise and type of report. The remarkable thing is that the best reports come from companies with less than 250 employees.

We chose three winners from each of the following categories: in the category of companies with less than 250 employees, memo won ahead of Neumarkter Lammsbräu and Johanssen + Kretschmer Kommunikationsberatung. In the competition for the category 250 to 5,000 employees, the successful companies were Bremer Straßenbahn, Solarworld and the Rheinbahn. In the third category of environmental statements with information on social sustainability, excellent results were achieved by Oktoberdruck, HIPP and Wilkhahn.

We present the specific results of the current evaluation of reports from the period 2007-2009 in the following text. In so doing, we regard our work as an information service that we provide for other social actors but equally for the companies themselves through the individual evaluation forms. We hope that the manner in which we conduct the evaluation and convey both the evaluation benchmark and the results supports the companies constructively in their further development and makes good performance visible in the reporting.

We are of course ourselves interested in constant further development. We therefore welcome your feedback in whatever form and look forward to a lively, critical exchange.

With special thanks to the Federal Ministry for Labour and Social Affairs and the German Council for Sustainable Development for their support, we send you our best wishes until the next IÖW/future ranking.

Jana Gebauer and Udo Westermann

## 1. Introduction

### 1.1. The IÖW/future ranking of the sustainability reports of German companies

The ranking of sustainability reports is a joint project of the Institute for Ecological Economy Research (IÖW) and the business initiative future e.V. – verantwortung unternehmen. Based on a comprehensive set of social, environmental, management and communication-related criteria, we have been evaluating the society-related reporting of major German companies and compiling a ranking of the best reporters since 1994. The IÖW/future ranking was conducted for the seventh time in 2009 – with a set of criteria which has been completely revised since 2005 and accompanied by an independent evaluation of the reports of German small and medium-sized enterprises (SMEs).

Even if the number of SMEs publishing a sustainability report is so far modest, sustainability reporting is a key instrument with which companies can actively meet the increased transparency requirements and information needs of a broad spectrum of stakeholders. Pioneering companies are also using it to a growing extent to present their own suggested solutions to pressing social problems. Good, substantial sustainability reporting enables companies to display awareness of responsibility coupled with innovative and management strength, thus distinguishing them from the competition.

By regularly evaluating this form of corporate communication, we should like to contribute to the “systematic comparison of sustainability and CSR reports” (German Council for Sustainable Development 2006: 7). On the one hand, we want to promote competition between sustainability reports and the further development of reporting. On the other hand, we assume a positive impact also on sustainability performance and a continuous process of improvement towards sustainability. Since companies enter into a commitment with the publication of their sustainability goals and expose themselves to public scrutiny of the level of ambition, appropriateness and achievement of these goals, they must present corresponding structures and management systems as well as developing programmes and measures.

Sustainability reporting and its independent evaluation thus provide an important basis for a constructive dialogue about the sustainability demands on companies in general and critical accompaniment and further development of specific business activities. In this connection we refer to our project website [www.ranking-nachhaltigkeitsberichte.de](http://www.ranking-nachhaltigkeitsberichte.de) which contains all the information and documents on the ranking.



## 1.2. Sample of the SME ranking

This sub-project of the IÖW/future ranking examines the sustainability reporting of Small and Medium-sized Enterprises (SMEs). In order to capture the typical German “*Mittelstand*”, we have set a different size limit to the one used in the EU definition of SMEs and include enterprises with up to 5,000 employees or annual turnover of up to €500 million, as long as a group does not have a majority holding.

The subject of evaluation consists of sustainability reports, extended environmental statements as well as comparable society-related reports which refer to the entire company and a clear reporting period. Contrary to the procedure with major companies, reports are submitted on a voluntary basis. It is therefore not possible to name non-reporters.

The enterprises which submitted reports for evaluation in the SME ranking cover a wide range in terms of both number of employees and annual turnover. Alongside explicit sustainability reports, environmental statements also play a major role among the submissions. These were extended by the SMEs to include social aspects. In selecting the best reports we therefore make a distinction according to size of company and type of report.

Sustainability reports of companies with less than 250 employees

Sustainability reports of companies with 250 to 5,000 employees

Environmental statements with additional information on social sustainability

## 1.3. Course of the 2009 SME ranking

The 2009 ranking began back in autumn 2008 with the development of the evaluation criteria (cf. Section 3.1). The SME criteria were developed in parallel with the revision of criteria for major companies and incorporated findings from its broad online stakeholder dialogue. The set of criteria for SMEs, which was also discussed with representatives from industry and politics at a workshop in Nuremberg on 17 February 2009, was published on the project website in July 2009.<sup>1</sup>

The actual evaluation of the reports was preceded by a stock-taking exercise: in January and February 2009, we launched a search for reports as well as an appeal to submit reports via the Chambers of Industry and Commerce and Federations. We surveyed companies to obtain further numbers and publication dates of potential reports for the ranking. The survey was also aimed at gathering answers to further questions on how the topic of sustainability reporting is perceived within the companies, current topics of main interest, publication cycles and further trends. We have published the results of this survey in a discussion paper on the project website (cf also Chapter 2).<sup>2</sup>

<sup>1</sup> IÖW/future (2009): 2009 Ranking of the sustainability reports of German SMEs - Set of criteria. Münster, Berlin (available for download at [www.ranking-nachhaltigkeitsberichte.de](http://www.ranking-nachhaltigkeitsberichte.de)).

<sup>2</sup> Westermann, Udo / Merten, Thomas / Grelewitz, Ingrid / Gebauer, Jana (2009): Status und Tendenzen der Nachhaltigkeitsberichterstattung deutscher KMU. Ergebnisse einer Befragung 2009; Münster, Berlin (available for download at [www.ranking-nachhaltigkeitsberichte.de](http://www.ranking-nachhaltigkeitsberichte.de)).

All reporting companies were also asked in the survey to send their current sustainability, environmental or other society-related reports. We set 30 June 2009 as the final deadline for submitting reports to participate in the ranking.

The reports were evaluated in the summer of 2009. For each report, the criteria-related sources and evaluations were documented in detail in an evaluation sheet. As is customary with the ranking of major companies, we sent these sheets to the SMEs in July for their written feedback. This feedback loop serves the dual purpose of transparency of the evaluations and quality assurance. Half of the SMEs took advantage of this opportunity and pointed to report contents which might have been overlooked or to individual requirements whose relevance had been wrongly evaluated in their estimation. On the basis of feedback received, the evaluations were revised and where necessary adjusted.

We compiled the overall list of reports in the IÖW/future ranking of SMEs on the basis of the individual evaluations. The results of the ranking were presented at workshops and an award ceremony in the context of the Annual Conference of the German Council for Sustainable Development on 23 November 2009.

In the following Chapter 2, we first present summarised results of the survey which we conducted at the beginning of the ranking process. This is intended to give an initial overview of the reporting practice of German SMEs. In Chapter 3, we explain the evaluation method underlying the ranking and address the development and content of criteria in particular. Then the overall results are presented in Chapter 4 with a description of each of the best reports for both the individual categories and selected individual criteria. Chapter 5 is aimed at potential newcomers to sustainability reporting and explains the benefits and guidelines for SMEs.





## **2. Sustainability reporting of SMEs – Initial findings from company surveys**

From 12 January to 20 February 2009, we conducted a survey of those SMEs which were known to us as pioneers in sustainability management or from sustainability reporting. We received feedback in the form of 30 questionnaires that were almost exclusively completed by companies which already compiled sustainability or environmental reports. The detailed results of the survey are available as a download on the project website. Individual aspects are summarised below.

Up to 2004, SME reports appeared primarily as environmental reports or statements before the surveyed companies compiled their first sustainability reports in 2005. Owner-managed family businesses proved to be particularly active reporters. By their own admission, they placed main emphasis on environmental product responsibility, employee orientation, combating climate change, energy efficiency and value orientation.

The motivation for the reporting comes predominantly from the companies themselves and is geared to content: the companies want to advance sustainability topics and contribute to public awareness-forming. It is only in individual cases that sustainability communication is a reaction to external enquiries or perceived expectations. Responsibility for reporting consequently lies to an overwhelming extent with those responsible for content who process topics such as environmental protection, occupational health and safety.

Customers and employees are primarily regarded as target groups. Just over half the companies also aim their reports additionally at the general public. Communication with these internal and external interest groups is targeted chiefly at information and exchange, less at improving the company's image or promoting sales. A few also expressed the expectation that they would receive external suggestions for improvements or that they would create a better data source for their own purposes.

The form of reporting is diverse, ranging from explicit sustainability reports, extended environmental statements and packages of various partial reports and publications to integrated business and sustainability reports. We have included these different report formats equally in the evaluation.

### 3. Evaluation method in the IÖW/future ranking of the sustainability reports of German SMEs

#### 3.1. Developing the criteria

IÖW and future conducted their first ranking of environmental reports on the basis of their own set of criteria back in 1994. However, society's demands on corporate activity and expectations of the reporting are constantly changing: new problem scenarios emerge, focuses shift, growing experience and routine make it possible to tackle new challenges. Consequently, the criteria underpinning the first ranking were continuously developed further during the subsequent three evaluation periods (1996, 1998, 2000) and expanded into sustainability criteria for the first time for the 2005 ranking.<sup>3</sup> These formed the basis for the 2005 ranking and – in a modified form – for the 2007 ranking.<sup>4</sup>

The criteria which had so far been exclusively applied to major companies were fundamentally revised for the 2009 ranking.<sup>5</sup> The SME criteria were developed in parallel with this process. Against the background of our own work and project experience with SMEs, the criteria were adapted to specific SME characteristics. Management-related, environmental and social requirements were made more specific and the weighting of criteria was changed e.g. to the detriment of supply-chain responsibility. This is justified by the fact that SMEs tend to have fewer international locations and less influence on the supply chain than major companies.

Since layout and internet presence generally play a smaller role for SMEs than for major companies, the general requirements of report quality were also adjusted to take account of these points. The draft criteria incorporated basic findings from the process of developing criteria for major companies and this draft was discussed with 24 representatives of reporting SMEs at a workshop on 17 February 2009. The outcome of these discussions led to a further revision of the SME requirements, in particular a reduction in the number and scope of the criteria.

#### 3.2. Criteria structure

The set of criteria of the IÖW/future ranking for SMEs consists of 12 main criteria (cf Table 1), five of which are specified further in sub-criteria. As a result, the reports are subject to 26 individual criteria. They are divided up into material reporting requirements and requirements of general report quality. The material requirements cover economic and management-related aspects as well as social and environmental aspects of production, products, services and supply chain relations. The requirements of general report quality comprise

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<sup>3</sup> Loew, Thomas/Clausen, Jens (2005): Kriterien und Bewertungsskala zur Beurteilung von Nachhaltigkeitsberichten, Berlin (available for download at [www.ranking-nachhaltigkeitsberichte.de](http://www.ranking-nachhaltigkeitsberichte.de)); Loew, Thomas/Ankele, Kathrin/ Braun, Sabine/Clausen, Jens (2004): Bedeutung der internationalen CSR-Diskussion für Nachhaltigkeit und die sich daraus ergebenden Anforderungen an Unternehmen mit Fokus Berichterstattung, Berlin, Münster 2004 (available for download at [www.ioew.de](http://www.ioew.de)).

<sup>4</sup> IÖW/future (2007): Nachhaltigkeitsberichterstattung in Deutschland. Ergebnisse und Trends im Ranking 2007, Berlin (available for download at [www.ranking-nachhaltigkeitsberichte.de](http://www.ranking-nachhaltigkeitsberichte.de)).

<sup>5</sup> IÖW/future (2009): Requirements of sustainability reporting - Criteria and evaluation method of the IÖW/future ranking, Berlin (is available for download at [www.ranking-nachhaltigkeitsberichte.de](http://www.ranking-nachhaltigkeitsberichte.de)).

criteria from good reporting practice, such as materiality, openness, comparability and communicative quality.

Since the topics underlying the individual report requirements differ in relevance, a weighting element was introduced. The table below gives an overview of the main criteria with their respective weighting and maximum number of points. A maximum of 700 points can be achieved.

Ranking criteria and the weighting elements	Maximum evaluation	Weighting	Maximum points
<b>A Material requirements of reporting</b>			
A.1 Company profile	5	5	25
A.2 Vision, strategy and management	5	20	100
A.3 Objectives and programme	5	15	75
A.4 Employee interests	5	15	75
A.5 Environmental aspects of production	5	15	75
A.6 Product responsibility	5	20	100
A.7 Responsibility in the supply chain	5	10	50
A.8 Society	5	10	50
<b>B General report quality</b>			
B.1 Materiality	5	10	50
B.2 Openness	5	10	50
B.3 Significance and comparability	5	5	25
B.4 Communicative quality	5	5	25

Table 1: The main criteria in the IÖW/future ranking of the sustainability reports of German SMEs

### 3.3. Overview of criteria content

For details on the formulation of the criteria we refer you to the set of criteria which is available as a download on the SME ranking website. Here we can only give a summary overview of the contents of the main criteria and mention individual aspects of sub-criteria.

The data on the company profile provides readers with the necessary background information on the size of the company, its international set-up, business purpose and areas, which enable them to put the sustainability information into context. At the same time, this data forms the logical starting point for the reporter to derive the sustainability requirements and substantiate the fields of action. Required here are details of the company's overall turnover, number and regional distribution of employees and locations as well as business areas and product groups. The comments on vision, strategy and management show the readers the extent to which the company compiles and evaluates the social and environmental impact of its business activities, the expectations of stakeholder groups and the opportunities and risks for business activity and competitiveness. Primarily of relevance is how the company translates these findings into sustainability-related goals, strategies, structures and action plans. Required here are first of all explanations of the company's values, its sustainability vision and sustainability-oriented business strategy. It is also important to depict the integration of sustainability topics into corporate governance and decision-making processes, to present

the relevant management systems and to explain how the company shapes its relations with the relevant internal and external stakeholders.

The presentation of objectives and programme, including reporting on the objectives (not met during the reporting period, makes it clear to the readers what priorities and specific measures the company derives from its sustainability strategy and to what extent the company is working on a continuous process of improvement towards sustainability. On the one hand, systematic, comprehensible and complete reporting on former targets and the meeting of targets is important in this process. On the other hand, all currently valid sustainability-related company targets should be depicted as a verifiable package.

The comments on employee interests clearly show the readers the extent to which the company assumes responsibility for its current and future employees and is guided in this by questions of (regionally different) sets of interests and need for protection of employee groups as well as nationally and internationally recognised norms and standards. At the same time, the company shows how it meets the main challenges of demographic developments with its activities. The sub-criteria here refer to guaranteeing workers' rights, remuneration policy and working time regulations as well as the in-house implementation of basic and further professional training. Information is also expected on occupational health and safety, the promotion of diversity and equality of opportunity as well as job satisfaction and employee retention.

The presentations on the environmental aspects of production show the extent to which the company surveys, evaluates and systematically improves its consumption of resources and pollutant emissions. Required here are statements on energy management and climate protection; air and water pollution and noise emissions; the use of material resources; waste management; logistics and transport. In view of the particular relevance of climate protection, the depiction of targets and achieved objectives enables readers to judge how ambitious the company's activities are in this field. The comments on energy management and climate protection carry double weight in the overall evaluation of production ecology.

The presentations on product responsibility show the extent to which the company gears its products and its development activities to sustainability requirements and takes account of the impact over the entire product life cycle. To this end, criteria and instruments are mentioned which are deployed in product development to constantly improve the sustainability impact of products and services. The extent to which the company's current portfolio is both geared to environmental compatibility and takes account of consumer interests is also significant. Not least of all, this criterion focuses on questions of customer information and consumer protection.

Companies should also show the extent to which they assume responsibility for implementing and guaranteeing environmental, labour and social standards in the supply chain. They must demonstrate how standards for key procurements are observed and how suppliers' rights to a fair and practicable process are taken into account.

With regard to society, readers expect an overview of the extent to which the company acts like a "good citizen" and is committed to sustainability development beyond its core business. This includes information on responsible behaviour in the region as employer and contractor as well as the approach towards and measures for promoting charitable projects (corporate citizenship concepts).

Companies enhance the credibility of their report by dealing openly with the key sustainability challenges. They put them into the context of their overall strategy and promote transparency and dialogue by permitting external comments.

The structure, text and layout of the report should give the reader a clear picture of the corporate sustainability challenges and performance in a high quality of both text and layout and grant the reader rapid access to relevant information. These aspects are evaluated in the IÖW/future ranking under the heading “General Report Quality”.

### 3.4. Evaluation

The IÖW/future ranking criteria should be regarded as a guideline to help companies identify and structure report topics. Rather than simply “ticking off” topics in the evaluation, a distinction is made between the quality of reporting on these topics. The crucial element here is our points system. There are four grades for evaluating the individual criteria, with five points representing the maximum requirements and the expected best level of current practice.

Fulfilment of the individual criteria is evaluated as follows:

5 points = The stipulated requirements have been met in an exemplary manner.

3 points = The stipulated requirements have been largely met.

1 points = The stipulated requirements have only been partially met.

0 points = No information or data available.

Based on this, the specific formulations of the individual criteria contain more precise descriptions of how to interpret the grades. In a few cases, we have set minimum requirements which are essential e.g. for attaining three points.

Our assessment team consists of six evaluators. In order to guarantee the highest quality for the evaluations, the evaluation process contains systematic steps for internal checking: those in charge of quality assurance and project management ensure that there are uniform standards in the application of criteria for each report evaluation. For external quality assurance, the report evaluations are shown to the companies which in turn are offered the opportunity to give their feedback in writing. This transparent, feedback-oriented evaluation process is an intrinsic quality feature of the IÖW/future ranking of sustainability reports.

## 4. Results of the 2009 IÖW/future ranking of the sustainability reports of German SMEs

### 4.1. Overall results

In the 2009 IÖW/future ranking of the sustainability reports of German SME, we evaluated 46 sustainability reports and extended environmental statements (cf Figure 1). Both the sustainability reports and the environmental statements were supplemented by further partial reports such as environmental life cycle assessments, management reviews, business reports inter alia. These combinations of partial reports were quite substantial in some cases: the size of evaluated reports ranged from a thin 15 pages to voluminous 260 pages. SME sustainability reports are 54 pages long on average. Disregarding the combined reports, the average is 41 pages.

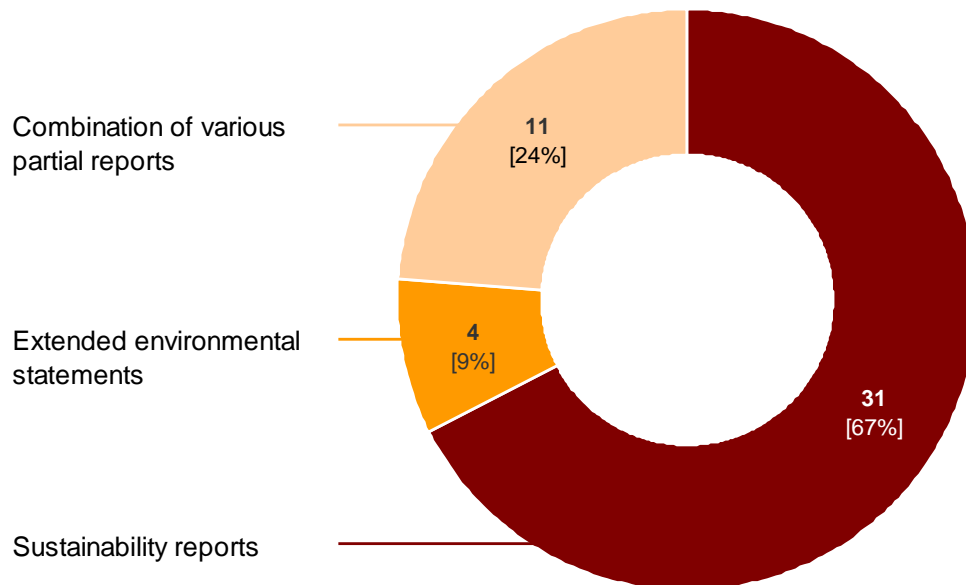


Figure 1: Proportion of different report formats in the IÖW/future ranking

Reports were submitted by church and educational institutions, counselling agencies, financial service providers and sports associations, travel agents, printers and forestry companies, public transport companies and public utilities, trading enterprises, food and drink manufacturers as well as other producers from various sectors.

Eight particularly good reports came from the church and educational institutions as well as from the food and drink manufacturers: these eight reports scored an average of 463 points and thus fulfilled two thirds of the requirements formulated in the set of criteria. But the best report was published by a trading enterprise which attained 574 points from a possible maximum of 700. The average across all reports was 393 points, the lowest value being 216 points.

Figure 2 shows the average degree of fulfilment which the SME reports achieved in the individual categories. We distinguish here between the following categories:

Management	= company profile (A1); vision, strategy, management (A2); objectives und programme (A3)
Social	= employee interests (A4); product responsibility (A6); responsibility in the supply chain(A7)
Environment	= environmental aspects of production (A5); product responsibility (A6); responsibility in the supply chain (A7)
Society	= society (A8)
General	= general report quality (B1, B2, B3, B4)

The reports do best in the presentation of their society: By systematically and transparently setting out their high regional integration and the resulting responsibility but also their involvement in strengthening sustainability-oriented initiatives and networks, the SMEs fulfil on average 70% of the relevant requirements formulated in the IÖW/future ranking.

At 62%, the general quality of reporting is also high and shows that the companies take a professional approach to their reporting. This is also reflected in the level of fulfilment of the management-related requirements – a respectable 58%. However, greater transparency is required with regard to social and environmental aspects of work and production conditions, products and services and supply-chain relations. The performance of the overall best report in this year's IÖW/future ranking, also depicted in Figure 2, gives an impression of the current development potential of other reporters.

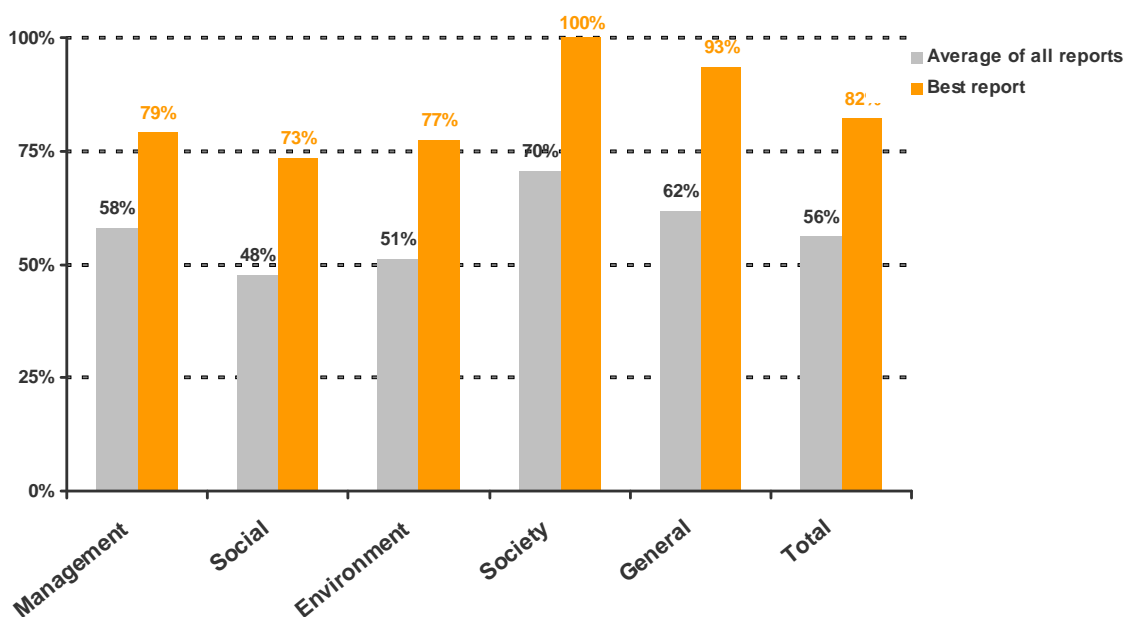


Figure 2: Average degree of fulfilment of report requirements by category

A look at the next level of main criteria shows more precisely where the particularly strong company performances lie, but also the weaknesses in the SME reporting. Figure 3 thus depicts the average evaluation of the report performances in the respective criteria.

It is apparent, for example, that the good level of fulfilment of the general reporting quality requirements is due less to the quality of the report language and layout in the narrower sense. It is rather the visibility of formal efforts by the companies to depict the main challenges and performances in an open and meaningful way, which permits a high degree of transparency about the basic data and calculations as well as time series comparisons or matching against sectoral and policy targets.

The strong performances of the SME reports on the management-related requirements lie especially in the depiction of the company profile, which is to be regarded more as a basic starting point for good reporting. In the final analysis, the actual quality must be measured against the substantial demands on the presentation of strategies, programmes and targets in the field of sustainability. However, this is where the reports score much lower.

As mentioned above, the transparency requirements with regard to working and production conditions, product responsibility and supply-chain relations are comparatively less well fulfilled. Below-average scores are achieved in particular for corporate policies and measures in the field of employee interests. By contrast, the SMEs are comparatively good at presenting how they view and assume their product responsibility.

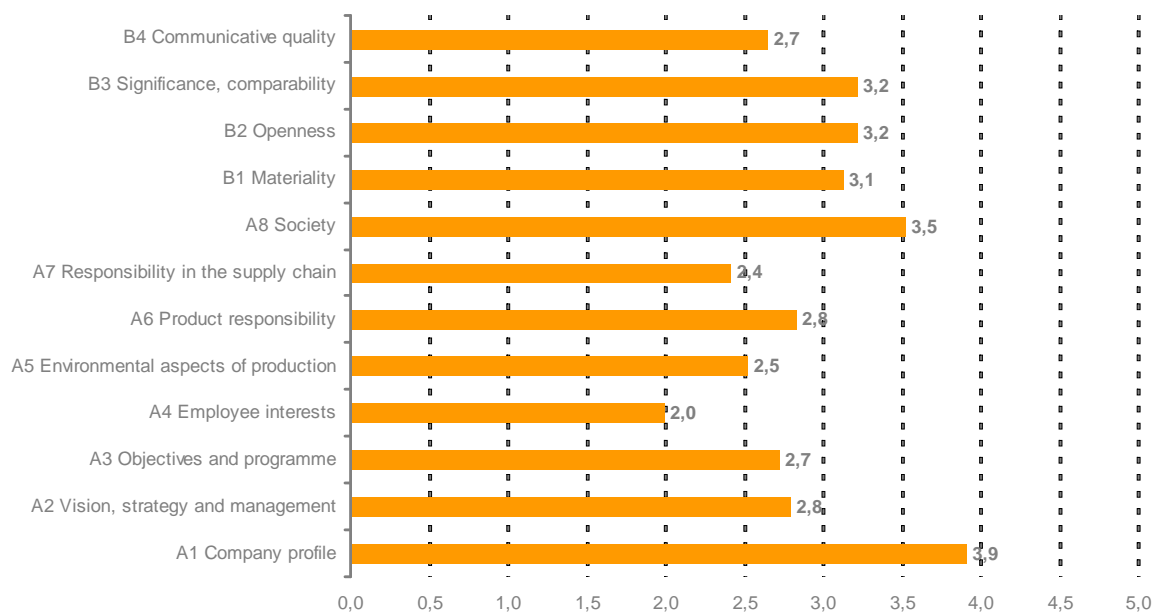


Figure 3: Average evaluation of report performances in the main criteria.

The following Table 2 contains a complete overview of the companies and reports included in the 2009 IÖW/future ranking of SMEs and shows the three best reports according to size of company and type of report together with the points scored.





IÖW/future-Ranking sustainability reports 2009 Results SME			
Companies	Points	Branch	Reports
Best sustainability reports of companies with less than 250 employees			
memo AG	574	Trade	Nachhaltigkeitsbericht 2009/10
Neumarkter Lammsbräu, Gebr. Ehrnsperger e.K.	568	Food	Nachhaltigkeitsbericht 2008 - 17. Öko-Controlling Bericht
Johanssen+Kretschmer Strategische Kommunikation GmbH	536	Service provider	Wissen. Wirken. Werte. CSR-Bericht 2008
Best sustainability reports of companies with 250 to 5,000 employees			
Bremer Straßenbahn AG	486	Public utilities/transport	Fahrtwind. Nachhaltigkeitsbericht 2007
Solarworld AG	470	Production	Konzernbericht 2008
Rheinbahn AG	451	Public utilities/transport	Nachhaltigkeitsbericht 2008 - Unsere Verantwortung
Best environmental statements with additional information on social sustainability			
Oktoberdruck AG	442	Printing	Wie wir drucken. Umwelterklärung 2008
Hipp (Werke Pfaffenhofen, Gmunden und Hanságliget)	436	Food	Nachhaltigkeitsbericht - Umwelterklärung 2009 Werk Pfaffenhofen
Wilkhahn Wilkening + Hahne GmbH+Co.KG	432	Production	Konsolidierte Umwelterklärung 2008
Companies		Branch	Reports
Further sustainability reports and environmental statements			
Arkadia Yachtcharter & Segelreisen		Travel	Nachhaltigkeitsbericht 2009
August Faller KG		Production	Nachhaltigkeitsbericht 2008
Baufritz GmbH & Co. KG		Construction	Umwelterklärung mit integrierten Sozialzahlen 2008
Bayerische Staatsforsten AöR		Service provider	Nachhaltigkeitsbericht 2008
Bischof + Klein GmbH & Co. KG		Production	Lengerich und Konzell Umwelterklärung 2008
Deutsche Börse AG		Service provider	Nachgefragt Corporate Responsibility 2008

## IÖW/future Ranking 2009: Sustainability Reporting of German SME

Companies	Branch	Reports
Druckhaus Berlin-Mitte GmbH	Printing	Nachhaltigkeitsbericht 2008
Evangelische Akademie Bad Boll	Educational inst. /church	Nachhaltigkeitsbericht 2008
Evangelische Kirchengemeinde Markdorf	Educational inst. /church	Nachhaltigkeitsbericht 2008
Faber Castell AG	Production	Nachhaltigkeitsbericht 2008
forum anders reisen e.V.	Travel	CSR Corporate Social Responsibility (Oktober 2007)
gealan Fenster-Systeme GmbH	Production	Qualität durch Verantwortung. Nachhaltigkeitsbericht mit Umwelterklärung 2008
Hamburger Sport Verein e.V.	Service provider	Grenzenlos Gut. CSR-Broschüre des Hamburger Sport-Verein e.V. (2009)
Heidelberger Versorgungs- und Verkehrsbetriebe GmbH	Public utilities/transport	Verantwortung im Wettbewerb 2007
Kommunale Wasserwerke Leipzig GmbH	Public utilities/transport	Gesellschaftliche Verantwortung Bericht 2006/2007
Leipziger Verkehrsbetriebe GmbH	Public utilities/transport	Ohne Bahn und Bus geht nichts. Nachhaltigkeitsbericht 2008
Märkisches Landbrot GmbH	Food	Umwelterklärung 2008
Neue Wege Seminare und Reisen GmbH	Travel	Nachhaltigkeitsbericht (2009)
Nomad Reisen zu den Menschen	Travel	CSR-Bericht 2009
Nordzucker AG	Food	Nachhaltigkeitsbericht 2008
One World - Reise mit Sinnen	Travel	Nachhaltigkeitsbericht 2009
Radissimo GmbH	Travel	Nachhaltigkeitsbericht 2009
Regens Wagner Zell	Educational inst. /church	Nachhaltigkeitsbericht 2008
ReNatour	Food	Nachhaltigkeitsbericht 2009
Rucksack Reisen	Food	Nachhaltigkeitsbericht 2009
Schreiner Group GmbH & Co. KG	Production	Bekenntnis und Beitrag 2008 - Verantwortung für Umwelt und Gesellschaft
Stadtreinigung Hamburg AöR	Public utilities/transport	Nachhaltigkeitsbericht (Februar 2007)
Stadtwerke Bonn GmbH	Public utilities/transport	Vertrauen! Nachhaltigkeitsbericht 2008
Stadtwerke Hannover AG	Public utilities/transport	energcity report 2008 - Vorwärts nach weit
Stadtwerke Münster GmbH	Public utilities/transport	LebensWerte. Verantwortungsbericht (2008)
THS Wohnen GmbH	Service provider	CSR-Bericht 2007 - Verantwortung für Menschen
travel to nature GmbH	Travel	Nachhaltigkeitsbericht 2009
Ulrich Walter GmbH	Food	Werte leben - Nachhaltigkeitsbericht 2009
Urlaub & Natur	Travel	Nachhaltigkeitsbericht 2009
VAUDE Sport GmbH & Co. KG	Trade	Umwelterklärung 2008
Vinnolit GmbH & Co. KG	Production	Nachhaltigkeitsbericht 2006 + Fortschreibung 2007 und 2008 + Umwelterklärung
Werner & Mertz GmbH	Production	Nachhaltigkeitsbericht mit integrierten Umwelterklärungen 2008

kmu.ranking-nachhaltigkeitsberichte.de

Table 2: Results table for the 2009 IÖW/future ranking of the sustainability reports of German SMEs



## 4.2. The “Top 9” of the best SME reporters

The best reports are presented below divided into three evaluation categories, thus producing a somewhat unusual “Top 9” of the 2009 IÖW/future ranking of SMEs.

As a reminder: we make the following distinctions:

Sustainability reports of companies with less than 250 employees

Sustainability reports of companies with 250 to 5,000 employees

Environmental statements with additional information on social sustainability

The best three reports in the category of companies with less than 250 employees are interestingly also the winners of the overall SME ranking. They are therefore presented here first.

### 4.2.1. Companies with less than 250 employees

#### 1<sup>st</sup> place: Memo

Memo’s “Sustainability report 2009/10” scored 574 points and is thus the winner not only among the smaller participating companies but also of the overall SME ranking.

The mail order business, trading in office and promotional articles as well as office furniture, reports annually on its sustainability performance and has continuously improved its report concept. The “Sustainability report 2009/10” focuses on describing the sustainability impact of the product range as well as climate protection at the production site and in the logistics chain.

In its presentations on the range of products, the company comprehensively describes what social and environmental requirements it integrates into its listing criteria. It uses recognised labels, such as FSC, the “Blauer Engel” and “Fairtrade”. The labels are set out in the report; for the most important, the report shows how the percentage of correspondingly certified products in the range has developed over the years. The report also gives details of customer-orientation in the context of configuring the range: it explains how this is embedded in the company philosophy and, as evidence of consistent implementation, depicts the development of customer complaints.

The company openly cites implementation problems. For example, the report explains setbacks in distribution logistics and also critical feedback in staff surveys. Overall, memo succeeds in showing where the company is on the path to sustainable management, what obstacles it has already overcome and what it still plans to tackle. As a result, the report sounds authentic and confirms the reputation which the company has gained in matters of sustainability management.

## **2<sup>nd</sup> place: Neumarkter Lammsbräu**

The sustainability reports published on the website of the organic brewery Neumarkter Lammsbräu go back to 2003 and contain validated environmental statements. The “Sustainability Report 2008” scored 568 points and thus achieved 2<sup>nd</sup> place in the ranking

At the same time, it is already the company’s 17<sup>th</sup> environmental control report. As one would expect, its particular strengths lie in the presentation of the environmental impact throughout the entire production process. The core of the report is the detailed input-output balance (IOB) which breaks down the various content and packaging materials and provides an analysis of the most important environmental impacts. Measures to improve the environmental impact throughout the product life cycle are also set out, and the development of a CO<sup>2</sup> footprint in particular is reported.

The company’s mission statement is also exemplary. In addition to the ecological objectives, the social and economic objectives are also depicted. The company reports in detail about targets reached during the reporting period and specifies its targets for the coming period stating implementation measures.

The report comprehensively presents the company’s regional links, describes the organisation of long-term relations with regional contracted suppliers as well as its engagement in a number of regional initiatives.

## **3<sup>rd</sup> place: Johanssen + Kretschmer Kommunikationsberatung**

The report “Knowledge. Impact. Values. CSR Report 2008” by the Berlin-based communications agency Johanssen + Kretschmer is the company’s first report. It scored 536 points, thus achieving 3<sup>rd</sup> place in the SME ranking. The report puts a clear focus on the business area “central topics” which are treated in a structured way. The agency deals openly with weaknesses and presents critical external evaluations.

In its first key item, the agency explains in depth the ethical challenges in its sphere of business, presents a Code of Business for tackling these challenges and illustrates difficult decision-making situations in an exemplary manner. The report also shows how management and staff champion ethical concerns in sectoral associations.

Employee satisfaction and retention is another important topic. Pay, development opportunities and qualifications, flexible working time models and work-life balance are treated from this point of view. The report also goes into the subject of qualifications in detail, by setting out various offers for employees at all levels, including interns.

The main emphasis of reporting in the environmental field is on climate protection and energy efficiency. The agency reports here, for example, on its aims and (offset) measures for neutralising its carbon emissions.



## 4.2.2. Companies with more than 250 employees

### 1<sup>st</sup> place: Bremer Straßenbahn AG

In its report “Fair Wind. Sustainability Report 2007”, the long-standing reporter BSAG works its way in a very compressed form with supporting data through the breadth of relevant topics and scored 486 points as a result. One special feature of the sustainability report is the integrated EMAS validity declaration. The company also refers to the sustainability charter of the International Association of Public Transport (UITP) as well as to the declaration of compliance with the German Corporate Governance Code (DCGK). The BSAG convinces with a high general report quality; above all the layout of the report and the Internet link work well.

The company places special emphasis on questions of customer orientation, the environmentally compatible design of its vehicles and route network, the internal pressure to restructure triggered by profitability requirements as well as employee considerations. The comprehensive details on basic and further professional training, occupational health and safety and questions of employee satisfaction make the topic of employee interests particularly strong.

### 2<sup>nd</sup> place: Solarworld AG

Solarworld’s “2008 Group Report”, which scored 470 points, integrates the company’s business and sustainability reporting, whilst referring to the DVFA indicators and displaying a comprehensive index of the Global Reporting Initiative (GRI)<sup>6</sup>.

The report contains a central chapter on sustainability which follows the group accounts and is very data-oriented. Various sustainability aspects are also integrated into the situation and forecast part of the report, especially the aspects relevant to company structure, the presentation of management systems and strategic statements. The strengths of the report lie here and in the presentation of how the company treats its employees.

### 3<sup>rd</sup> place: Rheinbahn AG

Rheinbahn sees particular challenges in ascertaining stakeholder interests as well as in dealing with noise and vibration emissions and reports comprehensively overall on aspects of environmental protection. Together with good reporting on dealing with employees and customer expectations, the “2008 Sustainability Report. Our Responsibility” is very balanced and scored 451 points.

Rheinbahn based its report concept and choice of topic on a stakeholder survey as well as relevant report standards and sector indicators: in addition to the requirements of the GRI (application level C), it refers to the sustainability charter of the International Association of Public Transport (UITP). Rheinbahn offers several Web links to depict the comprehensive information.

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<sup>6</sup> The EFFAS (European Federation of Financial Analysts Societies) Commission on ESG Environmental, Social & Governance Issues, coordinated by the Society of Investment Professionals in Germany (DVFA), defined key performance indicators for ecological, social and Corporate Governance aspects built on requirements of investment professionals. The Global Reporting Initiative (GRI) developed an international standard for sustainability reporting that includes requirements of a broad stakeholder spectrum.

### **4.2.3. Environmental statements with supplementary information on social sustainability**

#### **1<sup>st</sup> place: Oktoberdruck AG**

The best of the extended environmental statements scored 442 points and was submitted by Oktoberdruck. With its specific points of emphasis but also its personal tone, “We print. Environmental Statement 2008” conveys the special nature of this alternative printing company with its self-administration structures and its roots in the community of social and environmental activists.

Oktoberdruck deliberately breaks down the general CSR and sustainability requirements with regard to its own company situation. The actual printing process, including environmentally-oriented customer advice, is central here. The presentations on environment impact, as well as the objectives, programmes and measures which the company implements to improve this impact, are exemplary.

#### **2<sup>nd</sup> place: Hipp GmbH & Co. Vertrieb KG**

The food and care product manufacturer HIPP presented an environmental declaration in 2009 for its main works in Pfaffenhofen as well as a sustainability report for a total of three works (Pfaffenhofen, Gmunden and Hanságliget) and thus scored 436 points.

As with Oktoberdruck, HIPP’s strengths lie in its portrayal of its objectives and programmes as well as the environmental aspects of production. The focus is primarily on questions of energy, climate and raw materials. The product link is made e.g. through presentations on product safety and the description of a carbon footprint. The responsibility towards employees is related above all to measures for health prevention and healthy nutrition.

#### **3<sup>rd</sup> place: Wilkhahn Wilkening + Hahne GmbH+Co.KG**

For its consolidated environmental statement in 2008 and continued environmental statement in 2009, the office and building furniture manufacturer Wilkhahn scored 432 points.

The company is particularly frank in discussing critical questions of product design with regard to purpose, durability and reparability. It presents objectives and guidelines for product development and innovation and gives detailed information on products with regard to use of materials, recycling capability and product takeback. In this connection the company also explains its collaboration with suppliers, refers to supplier questionnaires and the transmission of environmental and social standards and sets out transparency requirements for the value-added chain.



### 4.3. Results in the individual categories

In the following text, we set out the results which the SMEs achieved with their reports in the individual categories. These are the categories of social, environmental, management, periphery and communication-related requirements, briefly summarised in Chapter 4.1. We present the overall performances and the best reporters in each category and illustrate the performance for one of the best reports. We also go into the selected individual criteria for each category and here also give an example of good practice in each case.

#### 4.3.1. Management-related requirements

The management-related requirements refer to the description of the company profile and the corporate values, the sustainability vision and the sustainability strategy. In addition, the structures and responsibilities of the company management, the sustainability-relevant management structures, the handling of stakeholder groups as well as future goals, planned measures and objectives achieved to date should also be portrayed. Reporting on management-related requirements is good, with an overall average of 116 points from a possible maximum of 200. Particular highlights are the reports by Solarworld, Neumarkter Lammsbräu, the Protestant Church Community in Markdorf and memo, which all met more than three quarters of the criteria requirements.

Solarworld, for example, deals with strategic aspects in detail. The company describes the opportunities arising for the company from the development of framework conditions (above all climate change and resource availability) and discusses the need to secure funding capability, strategy and tempo of growth. Furthermore, it presents an Ethics Council for dealing with conflicts of interest, measures for preventing corruption within the context of risk management and a code of conduct, and refers to relevant audits and certifications.

#### Selected sub-criteria

##### ***Company profile***

As a rule, the companies provide comprehensive and detailed information about their economic performance, depict their geographical distribution and explain their business sectors and products as well as their economic importance for the company's success. Half of the companies score maximum points here and thus create a very good basis for enabling readers to recognise the specific sustainability challenges and put the company's other comments into context.

##### ***Stakeholder relations***

SMEs have some ground to make up with this criterion and the topic of stakeholder orientation overall: 65% of the reports score one point at most or none at all. Only two companies, Rheinbahn and Solarworld, achieve the maximum points tally. Both explain how they identify the major stakeholders and their interests (partly through surveys) and shape the dialogue with them. They each respond to the needs of specific stakeholder groups.

The other companies frequently treat stakeholders as simply addressees of their reports but do not tackle the issue of who their key stakeholders are and in which aspects of the company's activities they are particularly interested.

### ***Objectives and programme***

Only Neumarkter Lammsbräu scored maximum points both for comparison with previous objectives and presentation of its future programme. The two first-time reporters, the Protestant Church community in Markdorf and nomad, cannot make a comparison of objectives and were not evaluated for this; but they each receive five points for the presentations of their future programme and are thus the only other companies also to receive 5 points in the overall criterion. Otherwise, the environmental statements submitted demonstrate a sound presentation of objectives and programme, so that the average of all reports nevertheless reaches 2.7 points.

Neumarkter Lammsbräu lists all the objectives contained in its last report, comments on the level of attainment and also explains why objectives were not or only partially achieved. New objectives are set out with clear deadlines and specific implementation measures and thus verifiably portrayed. This systematic comparison of objectives is frequently missing across the broad range of reports: old objectives are seldom listed, the degree of fulfilment and resulting consequences, such as corrective measures, are frequently not stated. In addition, the new objectives for the coming reporting period are in some cases scattered throughout the report; it is therefore difficult to follow whether these objectives have later been attained.

### **4.3.2. Social requirements**

The social requirements cover employee interests and social aspects of product and supply chain responsibility. As with the major companies, the SME reports also receive the lowest evaluations in the social criteria: on average the companies score 71 out of a possible 150 points. Very good in this category are Johanssen + Kretschmer and the Bavarian State Forests with an average points tally of 4.3 each as well as – a little way behind – memo, Märkisches Landbrot and Ulrich Walter. They each fulfilled almost three quarters of the requirements.

The communications agency Johanssen + Kretschmer gives a comprehensive and detailed portrayal of employee interests. In the report, the remuneration practice is explained, also with regard to bonus payments and pension scheme, equality of pay and benefits for interns and trainees, and compared with average remuneration for the sector. The report also focuses on the structures, contents and improvement needs of the basic and further professional training system, the guarantee of equal opportunity as well as critical comments from female employees and questions of employee satisfaction, retention and recruitment. In addition, the company discusses its responsibility towards clients, including questions of confidentiality in the advisory process, the ascertaining of client needs and data protection.

### **Selected sub-criteria**

#### ***Employee rights and employment, in particular remuneration practice***

Some fundamental questions on dealing with employees are hardly treated by the SME reports. These include employment trends, the establishment of interest representations and the structure of remuneration policy. Two thirds of the reports score only one point or none at all; only three SMEs scored full points. The average thus lies at 1.7 out of 5 possible points.





In addition to Johanssen + Kretschmer and the Bavarian State Forests, the very good reporters also include the Protestant Academy Bad Boll. It portrays the involvement of employees in decision-making processes about employee representation, states the overall staff costs, shows the different groups of employees and explains the implementation of job cuts as well as how it deals with fixed-term employment contracts. The majority of reports do not yet contain comparable statements on employment quality.

### ***Working time models***

Flexible working times and different working time models are even less often a topic of the SME reports. Here the average lies at 1.2 points; only one single report scored maximum points in his area.

The Protestant church community in Markdorf explains the possibilities of flexible working time arrangements and sets out models for implementation, for example job-sharing for pastors and leave of absence to care for dependants.

### ***Diversity and equality of opportunity***

With an average of 1.5 points, the SMEs also score badly for the criteria diversity and equality of opportunity. Only Johanssen + Kretschmer and the Bavarian State Forests, which lead overall on the presentation of employee interests, achieve maximum points.

The Bavarian State Forests explain their approach to equality and anti-discrimination, depict their equality concept and provide the necessary data and facts. They also state the ratio of women in managerial positions as well as the percentage of foreign and severely disabled employees. The majority of reports merely give formal details of the general percentage of women and severely disabled. Frequently they contain no further information on the company's approach to establishing equality of opportunity among the various groups of employees.

### **4.3.3. Ecological requirements**

With an average of 77 out of a possible 150 points for reporting on the ecological aspects of production, products and supply relations, the companies do slightly better in this category than for social requirements. There are very good reports by the Protestant church community in Markdorf, HIPP, Märkisches Landbrot, Neumarkter Lammsbräu and Oktoberdruck which all fulfilled over three quarters of the requirements.

Neumarkter Lammsbräu, for example, provides extensive information on energy consumption and explains measures for reducing energy demand. The company shows greenhouse gas emissions, especially CO<sub>2</sub> emissions, and also takes account of the CO<sub>2</sub> emissions from transport and preliminary production stages. CO<sub>2</sub> is also a topic when examining the product: the report sets out the company's efforts to determine a carbon footprint for individual products. Further information on operational ecology can also be found in the report – for example on the exact breakdown of material flows via an input-output balance sheet or the very detailed waste balance sheet. The information from the controlling system also feeds into the product development if it is e.g. a question of reducing the indirect environmental impact.

## **Selected sub-criteria**

### ***Consumption of material resources***

For their presentations of the key material flows, environmental impact of the materials employed and material efficiency, the use of recycled material, raw materials which are renewable or grown in an environmentally compatible way as well as water consumption and land use, the SMEs achieve an average of 2.4 out of a possible 5 points. Maximum points were scored by Baufritz, Protestant Academy Bad Boll, HIPPP, Märkisches Landbrot, Neumarkter Lammsbräu and Oktoberdruck.

Oktoberdruck's environmental statement provides the requisite information on key input factors such as inks, paint and paper as well as office material. In particular, the company also sets out the materials it can do without as a result of adjustments to processes and procedures and explains recycling management and the use of recycled materials. The other reports frequently contain just information on water consumption or in some cases on the use of paper and packaging materials.

### ***Environmental product responsibility***

Product responsibility covers both social and environmental aspects of a company's development activities and the structure of the product portfolio. Within the context of environmental product responsibility, presentations are expected on the one hand about what guidelines, analysis and evaluation instruments the company employs in order to systematically improve the environmental impact of products and services. On the other hand, it is important to know the extent to which the company's current portfolio is already environmentally compatible and what product labels the company can already refer to. Full points in this category were awarded to memo and Märkisches Landbrot; a short distance behind them came Neumarkter Lammsbräu, Wilkhahn, Werner + Mertz and THS Wohnen.

Memo presents numerous initiatives and approaches for analysing and improving the environmental impact of its products which, as a rule, are implemented in cooperation with suppliers. For the different product groups, the company shows what environmental standards the products have to fulfil and on what scale products have so far been offered in accordance with these standards. It is precisely this quantitative information which is frequently lacking in the majority of reports.

### ***Environmental responsibility in the supply chain***

This criterion refers to the implementing and guaranteeing of environmental, labour and social standards in the supply chain. From an ecological perspective, the requirement is to set out what environmental standards are formulated for key procurements and how cooperation with suppliers is organised in order to ensure observance of these standards. On average, the reports evaluated scored 2.4 out of a possible 5 points in this category; full points were achieved by Neumarkter Lammsbräu, nomad, vaude, Ulrich Walter and Wilkhahn.

The tour operator nomad comprehensively explains cooperation with partners in the destination countries and the underlying standards. The company shows how business partners are actively integrated into the process of organising the tours and presents the control and evaluation system which also involves customers via feedback processes. In general, the structuring of supply chain relations is a subordinate topic for SMEs, often also due to their



lack of market power. However, at least the company's responsibility as the recipient of preliminary services is frequently set out in the form of a code of conduct. But the structure for its implementation and enforcement are not clear as a rule.

#### **4.3.4. Society**

Responsibility for the social environment is an important topic for locally and regionally-based SMEs. Companies achieve the highest average evaluation in this category, namely 35 out of a possible 50 points (70%). 16 of the 46 companies score maximum points, the others generally 3 points.

The SMEs describe how they understand and justify their regional responsibility as well as what necessities and also possibilities for their own engagement they derive from this. In particular, they give details of partnership initiatives within their sectoral associations of local Agenda 21 processes with which they intend to advance sustainable development via the specific development of standards and instruments. The reports contain less comprehensive and systematic depiction of SME engagement in the form of donations, sponsoring or voluntary work; frequently they just list individual activities.

#### **4.3.5. Communication-related requirements**

The general quality of reports, expressed in the frank approach to reporting, the focus on essential sustainability requirements and achievements but also in the text and graphics layout, is good overall. Here the companies score an average of 93 out of a possible 150 points.

Maximum points in all the individual criteria were scored by Johanssen + Kretschmer: the company presents the key topics in a comprehensible manner, mentions not only its achievements but above all also frankly sets out its weak points, unresolved issues and critical points and shows what consequences follow e.g. from critical external evaluations.

The high average values for individual "B criteria", such as materiality (B1), openness (B2) as well as significance and comparability (B3) show that the majority of SMEs are already meeting the fundamental communicative requirements of sustainability reporting and have found access to this instrument of corporate communication which is based on authenticity and credibility.

## 5. To the non-reporters

A sustainability report establishes transparency about the social, environmental and economic conditions and impact of corporate activity. It provides the participating companies with a place for reflection and contributes to their self-assurance. Pioneering companies present their proposed solutions to urgent social problems and display a sense of responsibility as well as innovative and management strength. Without transparency and understanding of their actions, they are not capable of such performance levels. The reporting process thus also has an internal benefit: the gathering, systemisation and operationalisation of all information helps to improve the basis for decision-making and action for good corporate governance. For many companies, the benefits thus already outweigh the time and effort spent on reporting. This also emerges from our analyses of the reporting conducted by major German companies but also from the submission of no less than 46 reports for the first IÖW/future ranking of small and medium-sized enterprises. SMEs which compile sustainability reports are frequently pursuing several objectives at the same time. On the one hand, they want to portray themselves and their performance to the outside world. On the other hand, they want to promote sustainability topics among the general public. Via the sustainability report, they are seeking a dialogue primarily with their customers and employees, but also with the broader general public.

Companies seeking a way in to sustainability reporting should take a look at current examples of good practice and other first-time reports from comparable sectors or size categories. The reports by German SMEs presented here provide good starting points. There are also numerous guidelines and sets of criteria, some of which are tailored to the specific needs of SMEs. In addition to the internationally oriented and broadly recognised Global Reporting Initiative (GRI), the IÖW/future ranking now offers its own set of criteria for SMEs. Such guidelines are important because they show what social expectations and what standards already exist. But one thing applies particularly to SMEs: sustainability reporting is a succession of numerous small steps. At the beginning, companies should therefore not aim to implement the sets of criteria in full. They should rather base their reporting on their previous performance, their values and culture as well as the characteristics of their products and business processes and then set the focal points of their reports accordingly. One sensible approach is also to extend an existing environmental statement point for point by adding social information. The extended environmental statements included in the ranking show the good suitability and applicability of this reporting instrument taken from environmental management. SMEs can also receive support from environmentally oriented networks and associations which offer workshops on sustainability reporting. With the ranking we are also aiming at dialogue and exchange with and among the SMEs and striving for broad learning processes. Companies should also make contact with their industrial associations: individual initiatives began as a convoy of several companies – like the tour operators in the 2009 ranking who were introduced to reporting via the forum anders reisen.

<http://www.ranking-nachhaltigkeitsberichte.de/>

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