

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

# 2009 Ranking of the sustainability reports of German SMEs

## Set of criteria



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## Preliminary remarks

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. In addition to the established ranking of sustainability reports of major German companies, an independent ranking of sustainability reports of small and medium-sized enterprises (SMEs) is also being conducted for the first time in 2009. The criteria set out in this paper apply to the SME ranking and thus serve the evaluation of sustainability reports, extended environmental reports and environmental statements as well as comparable social reports of German SMEs.

The SME criteria were created on the basis of the evaluation methodology for the ranking of sustainability reports of major German companies which has been conducted regularly since 1994. The new SME criteria, developed through stakeholder dialogue, takes account of smaller companies' lesser capacity for reporting by markedly reducing the number of criteria and adapting the grading of formal and substantive requirements. Account was also taken of aspects specific to SMEs, such as adapted management systems and instruments, and contents were concretised in the environmental and social requirements. Changes e.g. in the weighting of the criteria are justified by the fact that SMEs tend to have fewer international locations and less influence on the supply chain than major companies. In addition, the SMEs use the Internet to a lesser extent as a means of communication for their sustainability performance.

With this set of criteria we hope to give small and medium-sized enterprises a guide for their sustainability reporting on their performance. We want to increase awareness of this commitment and contribute to its further development. Support for the 2009 ranking by the Federal Ministry for Labour and Social Affairs and by the German Council for Sustainable Development is to be seen in this context.

Further information on the ranking can be obtained at [www.ranking-nachhaltigkeitsberichte.de/en/home.html](http://www.ranking-nachhaltigkeitsberichte.de/en/home.html). We should be pleased to answer any further questions about the ranking.

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# 1 Introduction

## 1.1 The IÖW/future ranking

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, the IÖW/future ranking has been evaluating the society-related reporting of major German companies and compiling a ranking of the best reporters for 15 years. The IÖW/future ranking is now being conducted for the seventh time in 2009 – this time with a newly revised set of criteria and accompanied by an independent evaluation of the reports of German small and medium-sized enterprises (SMEs).

With this ranking, the IÖW and future wish to contribute to good, stakeholder-oriented sustainability reporting in Germany. The criteria and the regular evaluation offer companies a guiding framework and initiate learning processes with regard to sustainability. The transparent presentation of the ranking results fosters a broad debate about the sustainability requirements of companies and their reporting.

The IÖW/future ranking thus intends to promote competition between sustainability reports and, through systematic comparison, contribute to the further development of reporting, but also of companies' sustainability achievements. There is often a positive relationship between the quality of companies' sustainability reporting and their actual performance. Companies whose reports have substance and are transparent inform the general public about their company policy and strategy as well as related and verifiable goals, measures and activities in the social and environmental areas. This requires a continuous process of improvement towards sustainability since companies enter into a commitment with the publication of their report: transparency in these topics offers a critical general public the opportunity to examine the company's strategies and business practices; the stated goals can be assessed in terms of ambition and appropriateness, and the public can observe and comment on the achievement of these goals. Sustainability reporting and its independent evaluation thus provide an important basis for a constructive dialogue and the critical observation and further development of a company's actions.

## 1.2 Sample and subject of evaluation

This element of the IÖW/future ranking examines the sustainability reporting of German small and medium-sized enterprises (SMEs). Companies which employ no more than 5,000 people or have an annual turnover of no more than € 500 million may submit their reports for evaluation.

The subject of evaluation consists of sustainability reports, extended environmental reports and environmental statements as well as comparable social reports referring to the entire company and a clear reporting period.



## 1.3 Methodology

### 1.3.1 Developing the criteria

In 1994, IÖW and future introduced what was then the world's first ranking of environmental reports on the basis of their own set of criteria. However, society's demands of 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, earlier criteria underpinning the ranking were continuously developed further during the subsequent evaluation periods (1996, 1998, 2000) and expanded into sustainability criteria for the first time for the 2005 ranking.<sup>1</sup> These formed the basis for the 2005 ranking and – in a modified form – for the 2007 ranking.<sup>2</sup>

The criteria which had so far been exclusively applied to major companies were fundamentally revised for the 2009 ranking.<sup>3</sup> The SME criteria were developed in parallel with this process of further developing the criteria for major companies. Against the background of our own work and project experience with small and medium-sized enterprises, these criteria were adapted to specific SME characteristics. Management-related, environmental and social requirements were made more specific and the weighting of the criteria changed. Adjustments in the general requirements of report quality took account of SMEs' lesser use of the Internet compared with major companies. The draft criteria were discussed with 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.

### 1.3.2 Structure of the criteria

The set of criteria of the IÖW/future ranking for SMEs consists of 12 main criteria, 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 criteria from good reporting practice, such as materiality, openness, comparability and communicative quality.

Since the topics behind 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.

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<sup>1</sup> Loew, Thomas/Clausen, Jens: Kriterien und Bewertungsskala zur Beurteilung von Nachhaltigkeitsberichten, Berlin 2005 (download at [www.konzerne.ranking-nachhaltigkeitsberichte.de](http://www.konzerne.ranking-nachhaltigkeitsberichte.de)); Loew, Thomas/Ankele, Kathrin/Braun, Sabine/Clausen, Jens: Bedeutung der internationalen CSRDiskussion für Nachhaltigkeit und die sich daraus ergebenden Anforderungen an Unternehmen mit Fokus Berichterstattung, Berlin, Münster 2004 (download at [www.ioew.de](http://www.ioew.de) and [www.future-ev.de](http://www.future-ev.de)).

<sup>2</sup> IÖW/future (publishers): Nachhaltigkeitsberichterstattung in Deutschland. Ergebnisse und Trends im Ranking 2007, Berlin 2007 (download at [www.konzerne.ranking-nachhaltigkeitsberichte.de](http://www.konzerne.ranking-nachhaltigkeitsberichte.de)).

<sup>3</sup> IÖW/future (publishers): Ranking der Nachhaltigkeitsberichte deutscher Großunternehmen 2009 – Kriterien-set, Berlin 2009 (download at [www.konzerne.ranking-nachhaltigkeitsberichte.de](http://www.konzerne.ranking-nachhaltigkeitsberichte.de)).

Ranking criteria (SMEs) and the weighting elements	Max. evaluation	Weighting	Max. points
<b>A</b> Material requirements of the reporting			
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 Associated social responsibility	5	10	50
<b>B</b> General report quality			
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

### 1.3.3 Evaluation

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 point = The stipulated requirements have only been partially met
- 0 points = No information or data available

Many of the individual criteria contain more detailed descriptions of how the grading is to be interpreted.



## 2 Set of criteria

### A Material requirements of the reporting

- A.1 Company profile
- A.2 Vision, strategy and management
  - A.2.1 Values, vision and strategy
  - A.2.2 Corporate governance and management systems
  - A.2.3 Stakeholder relations
- A.3 Objectives and programme
  - A.3.1 Achieved objectives
  - A.3.2 Objectives and measures
- A.4 Employee interests
  - A.4.1 Employee rights and employment, especially remuneration practice
  - A.4.2 Working time models
  - A.4.3 Basic and further professional training
  - A.4.4 Diversity and equality of opportunity
  - A.4.5 Occupational safety and health protection
  - A.4.6 Job satisfaction and staff retention
- A.5 Environmental aspects of production
  - A.5.1 Energy management and climate protection
  - A.5.2 Air and water pollution as well as noise emissions
  - A.5.3 Consumption of material resources
  - A.5.4 Waste management
  - A.5.5 Logistics and transport
- A.6 Product responsibility
  - A.6.1 Social and environmental aspects of product development
  - A.6.2 Environmental compatibility of products
  - A.6.3 Consumer orientation and customer information
- A.7 Responsibility in the supply chain
- A.8 Associated social responsibility

### B General report quality

- B.1 Materiality: focus on qualitatively and quantitatively essential aspects
- B.2 Openness: statement of main challenges and unresolved problems
- B.3 Significance and comparability of the data
- B.4 Communicative quality



## A Material requirements of the reporting

### A.1 Company profile

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 etc. 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.

- 5 The report contains data in rapidly accessible form on
- a) current overall turnover
  - b) the number and, where appropriate, international distribution of employees
  - c) the number and, where appropriate, international distribution of locations
  - d) the main business areas and product groups and their economic significance (e.g. as a proportion of the whole, employee numbers) for the company.

If there have been relevant changes since the previous year, these should be set out in figures and explained.

The report also contains a concentrated depiction of the ownership structure (shareholders / proprietors) and states, where appropriate, the majority holdings as well as those minority holdings which are important in terms of sustainability.

- 3 The requirements stipulated above have been largely met; readers are provided with a basic picture of the company, but part of the data is missing.
- 1 The requirements stipulated above have only been partially met.
- 0 No information or data available.



## A.2 Vision, strategy and management

The comments on vision, strategy and management show the readers to what extent 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 as well as translating them into sustainability-related goals, strategies, structures and action plans.

### A.2.1 Values, vision and strategy

- 5 The report sets out a long-term business strategy oriented to a sustainability approach, i.e. integrating social, environmental and economic requirements. In addition, the company explains its fundamental values, its corporate sustainability vision (e.g. in the form of a mission statement) and its long-term business objectives.

The report describes the main social and environmental impact of the business activity. Explanations of the impact of social and environmental framework conditions on business activity (opportunities and risks for business success and competitiveness) are desired. Both the current status and expected developments are taken into consideration.

The company shows how it derives key fields of action, specific targets and measures from this and prioritises them. In so doing, it explains the consequences for the company's strategic approach with regard to its products.

- 3 The stipulated requirements have been largely met. The minimum requirement for three points is that the company describes its own sustainability vision and targets as well as stating and substantiating fields of action and priorities.
- 1 The stipulated requirements have only been partially met.
- 0 No specific statements or information available.

### A.2.2 Corporate governance and management systems

- 5 The report describes the structural and personnel integration of sustainability topics into the company's decision-making bodies and processes. The responsibility of the company management for sustainability issues is credibly demonstrated (e.g. a statement by the CEO).

The report sets out what management systems are in place for environmental protection, avoidance of danger and incident precautions, personnel management, occupational safety and health protection, quality assurance etc (organigram(s) with areas of responsibility). Details are given of the underlying (where appropriate certifiable) standards or guidelines and the controlling instruments employed.

The company states the proportion of locations or business units which are internally or externally audited with regard to environmental protection. Where appropriate, internal or external audits of working conditions at international locations are set out. Details of relevant external assessments of the company (e.g. prizes and awards) are desired. The main results of the audits and assessments as well as the conclusions drawn from them



are demonstrated.

The company shows how it guarantees compliance with environmental, employee and competition laws. In dealing with conflicts of interest and the prevention of corruption, the valid guidelines or codes of conduct as well as corresponding structures and mechanisms within the company are explained. Where cases of corruption and bribery have occurred, the company takes a critical look at how it tackles them.

- 3 The stipulated requirements have been largely met. The minimum requirement for three points is that the company demonstrates the integration of sustainability into the decision-making bodies and processes and sets out the key management systems.
- 1 The stipulated requirements are only met to a limited extent: some topic areas are missing, the statements and information remain very general.
- 0 No statements or information available.

### **A.2.3 Stakeholder relations**

5. The report gives an overview of the company's dealings with relevant internal and external stakeholders. To this end, the report shows which key stakeholders and topics were identified. The company describes the objectives, form and results of stakeholder activities.

Surveys of employees or customers are evaluated under A.4 or A.6 respectively.

- 3 The stipulated requirements have largely been met. Three points are only achieved if the company's communication with key stakeholders is set out.
- 1 The stipulated requirements are only met to a limited extent.
- 0 No statements or information available.



## A.3 Objectives and programme

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.

### A.3.1 Achieved objectives

5 Systematic, comprehensible and comprehensive reporting is undertaken on the achievement of the sustainability-related objectives set for the reporting period.

The original objectives are explicitly listed. The non-achievement or change of objectives is openly and clearly set out and substantiated; where appropriate, corrective measures for the achievement of previously unfulfilled objectives are set out.

3 The requirements stipulated above have been largely met but original objectives are not listed explicitly or in full.

1 The requirements stipulated above have only been partially met. The text does not provide a systematic overview of the achievement of objectives.

0 No information available.

### A.3.2 Objectives and measures

5 The company's key sustainability-related objectives are presented as a bundle. These are formulated in a verifiable manner, have clear deadlines and, where possible, are quantified. Relevant measures are proposed for the central objectives. It becomes clear that the company has set itself demanding objectives, where appropriate by establishing a link to political (i.e. national sustainability strategies) or sectoral objectives.

3 The requirements stipulated above have been largely met, but either not all are treated as key topic areas or the objectives are only partially verifiable.

1 The requirements stipulated above have only been partially met; the objectives are hardly verifiable or not linked to measures.

0 No information available.



## A.4 Employee interests

The presentations with regard to 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.

### A.4.1 Employee rights and employment, especially remuneration practice

- 5 The report contains information on the development of the workforce (number of employees, where relevant the proportion of temporary and fixed-term employment contracts; recruitment and dismissals: over a three-year trend; where appropriate also internationally). In the event of changes in operation, the impact on staff as well as measures to cushion this impact in a socially compatible way are described (also internationally, if relevant).

The company explains its remuneration policy and gives details of the amount and appropriateness of wages and salaries (e.g. reference to compliance with wage agreements, minimum wage; where appropriate also providing details of other forms of remuneration such as payment in kind) as well as the form and extent of its company pension scheme. It describes how and to what extent the employees participate in the company's success. Where relevant, information is also provided on the remuneration practice for employment contracts of staff hired from agencies as temporary workers.

Companies with foreign locations demonstrate how they meet their obligation to observe the fundamental rights of employees working there and explain in particular how they meet the demand for appropriate remuneration. For locations in countries with no state pension or health insurance, the nature and extent of minimum social security is depicted.

Finally, the company shows what possibilities employees have to take part in business decision-making processes themselves or via elected representatives (e.g. works councils, shop stewards etc.)

- 3 The stipulated requirements have been largely met. Three points are only achieved if the company makes explicit reference to the problem of low wages and minimum wages where it is affected by this due to regional or sectoral situations. In the event of changes in business operations, measures to make the effects socially compatible are set out.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.



#### A.4.2 Working time models

- 5 The report describes the policy of flexible working time arrangements and sets out the associated targets. The working time models employed (e.g. shift systems, part-time and seasonal work, flexi-time, working time accounts, working from home and tele-working, sabbaticals or parental leave) are explained and figures given to show how much use is made of these options.
- 3 The stipulated requirements have been largely met. The minimum requirement for three points is an explanation of the models used for flexible working time arrangements.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.

#### A.4.3 Basic and further professional training

- 5 The report shows the company's approach to basic and further training and explains the possibilities employees have for professional development.

To this end, the report contains a company mission statement on training. For its German locations, the company gives an overview of the key aspects of vocational training on offer and provides details on the number of apprentices and trainees, where possible in relation to its own needs.

The company presents its approach to the continuous further professional training of all employees, where relevant also for its international locations. It describes how professional training needs are ascertained. Also required are an overview of key elements of further training and forms of in-house communication of knowledge and competences as well as an explanation of the importance of sustainability topics in this context.

The report contains figures including future trends for professional training hours or expenditure.

- 3 The stipulated requirements have only been partially met. The minimum requirement for three points is the mission statement and quantitative details on the basic and further training of employees.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.



#### A.4.4 Diversity and equality of opportunity

- 5 The report contains the company's guidelines and principles for promoting diversity and equal opportunity or guaranteeing non-discrimination on the grounds of ethnic/cultural origin, religion or ideology, age, gender identity and sexual orientation, disability etc.

The company presents the implementation of its guidelines in programmes, structures and measures and depicts in particular examples of measures to promote the equal treatment of women and men. In so doing, it explains in particular the way in which skills and careers of female employees are fostered and employees are supported in combining their family with their career.

Finally, the report provides detailed comments on the proportion of women in the overall workforce and at managerial level as well as the quota of employees with disabilities.

- 3 The stipulated requirements have been largely met. In addition to the provision of quantitative details, the minimum requirement for three points is either a reference to guidelines and principles or the demonstration of how they are implemented.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.

#### A.4.5 Occupational safety and health protection

- 5 The company explains its policy for maintaining the health of its employees and sets out the programmes and measures for ensuring occupational safety and (preventive) health protection in general and in specific hazardous situations (e.g. dealing with poisonous or allergenic substances, severe physical or psychological strain).

The report also contains figures and comments on the incidence of accidents (notifiable accidents at work per million working hours, with the previous year's figures for comparison) as well as on the quota of healthy working days or days lost due to illness. Where particularly affected, the company explains measures taken to avoid occupational illnesses and quantifies their occurrence.

- 3 The stipulated requirements have been largely met. In especially hazardous conditions, details of preventive health measures and occupational illnesses are essential for the three points.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.



#### A.4.6 Job satisfaction and staff retention

- 5 The report depicts how the company promotes the satisfaction and loyalty of its staff and thus presents itself as a good employer.

To this end, the company explains the fundamental values, norms and code of conduct which determine how people treat one another in daily working life.

The report describes how the company surveys employees on job satisfaction and loyalty (e.g. staff questionnaires, feedback discussions, complaint options, compilation of grounds for dismissal etc) and what results are thus achieved.

Finally, the company explains the measures it takes to improve employee motivation and performance. It describes the ways in which employees are integrated (e.g. into the business proposal system or the process of idea management) and shows further measures aimed at promoting a good working climate and high work motivation.

Information on the current state and development of the labour turnover rate are also desired.

- 3 The stipulated requirements have been largely met. Three points can only be achieved if the report contains either a survey of job satisfaction and its findings or the possibilities for employees to participate.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.



## A.5 Environmental aspects of production

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. 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.

### A.5.1 Energy management and climate protection

5 The company presents its energy consumption and reports on the development of its own energy efficiency in production and building management. A regional distinction is made where this is relevant to assist evaluation. The company states its targets, describes measures (e.g. climate protection programme) and reports on the achievement of objectives.

If the company generates its own power, it sets out the efficiency of the plants and gives a quantitative breakdown (e.g. proportion of CHP). If applicable, the company reports on its participation in the European emissions trading scheme. Where appropriate, the company reports on the use of renewables and puts this into context (as a proportion of own energy generation and volume of electricity purchased).

The following data and suitable trend data are also required:

- a) energy use in absolute terms
  - b) energy use broken down into relevant energy sources: electricity, heat, mineral oil, gas, fuels and others
  - c) CO<sub>2</sub> emissions from own plants; details of CO<sub>2</sub> emissions from purchased energy are also desired
  - d) emissions of other greenhouse gases (CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFC, SF<sub>6</sub>) in CO<sub>2</sub> equivalents, where relevant.
- 3 The stipulated requirements have been largely met. The minimum requirement for three points is figures on CO<sub>2</sub> emissions and the use of energy (either in absolute terms or broken down) as well as a presentation of company objectives in this area.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.



### A.5.2 Air and water pollution as well as noise emissions

5 The company explains its main (own) emissions of air pollutants. Where relevant, details are given in particular of acid-forming substances (SO<sub>2</sub> etc.), NM-VOC<sup>4</sup> as well as particle emissions (above all particulate matter). Where especially relevant, concepts and measures are presented for reducing the pollution.

The company also sets out the main pollutant load of its waste water discharge. Where especially relevant, concepts and measures are presented for reducing the pollution.

If important, the company also reports on noise emissions and respective protection measures.

The following data and suitable trend data are also required where appropriate:

- a) acidic emissions, at least SO<sub>2</sub> and NO<sub>x</sub>, or SO<sub>2</sub> equivalents
- b) NM-VOC emissions
- c) particulates
- d) waste water quantity
- e) pollution of watercourses with heavy metals (i.a. mercury, lead, cadmium), COD or BOD, nitrogen, phosphorus.

3 The stipulated requirements have been largely met.

1 The stipulated requirements have only been partially met.

0 No statements or information available.

### A.5.3 Consumption of material resources

5 The company presents its main material flows according to type and quantity. Particular environmental aspects of raw materials used are highlighted.

The company sets out the efficiency of its use of materials.<sup>5</sup> The material costs are preferably to be placed in the context of overall operating costs.

Where relevant, the company comments on the use of recycled materials or renewable and environmentally compatible raw materials and quantifies such use.

The company also gives details of water consumption; if relevant, the regional significance of water extraction is evaluated. Where particularly relevant, concepts and measures for reducing consumption in absolute terms are set out.

If relevant, quantitative details are given for the use of land, (new) soil sealing and soil pollution as well as offset and renaturalisation measures.

The following data and future trends are required:

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<sup>4</sup> Non-Methane Volatile Organic Compounds, e.g. solvents

<sup>5</sup> Material efficiency as a ratio of the quantity of manufactured products to the quantity of raw, auxiliary and operating materials used

- a) consumption of raw materials
  - b) consumption of auxiliary and operating materials
  - c) consumption of preliminary products; if important, details of the use of materials for transport and product packaging.
  - d) water consumption.
- 3 The stipulated requirements have been largely met. The requirement for three points is a presentation of the main consumption of material resources.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.

#### **A.5.4 Waste management**

- 5 The company gives details of overall waste quantity, broken down into the major kinds of waste, and on the overall proportion of hazardous waste. Where relevant, the report makes reference to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

In the event of especially large quantities and/or hazardous nature of individual types of waste, concepts and measures for avoidance, closed loop management and safe treatment are set out.

The following data and future trends are required:

- a) overall waste for disposal and recycling
  - b) overall waste for disposal, broken down into hazardous and non-hazardous waste (only manufacturing companies)
  - c) overall quantity of exported hazardous waste stating recipient countries, where relevant (may be summarised in thematic groups of countries).
- 3 The stipulated requirements have been largely met. The requirement for three points is a breakdown of overall waste according to degree of hazardousness and into waste for disposal and for recycling.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.



### A.5.5 Logistics and transport

5 The company reports on the level of transport directly caused, giving quantitative data including suitable trend data where possible:

- a) amount of transport (supply, delivery, official travel, where appropriate also staff journeys to work)
- b) modes of transport (air, rail, road, water)

The company sets out its logistical concept and specific plans for reducing transport; examples are quantified and put into context.

3 The stipulated requirements have been largely met. The requirement for three points is a presentation of the level of transport or a transport concept for the main areas.

1 The stipulated requirements have only been partially met.

0 No statements or information available.



## A.6 Product responsibility

The presentations on product responsibility show the extent to which the company gears its products to sustainability requirements; impact over the entire product life cycle is taken into consideration. The company also provides information on key aspects of customer information and consumer protection.

### A.6.1 Social and environmental aspects of product development

5 The report shows that the company is aiming at a constant improvement in products and services with regard to their sustainability impact along the entire value-added chain and throughout the product life cycle.

Questions of product development geared to sustainability requirements are explicitly addressed; key aspects are highlighted. It is demonstrated that sustainability interests are systematically integrated into product development and how this is done with suitable instruments (e.g. ABC analyses, ecological balance sheets or life cycle inventory analysis, check lists).

The product examples given are justified by their relevance to sustainability or their significant share of the product range.

3 Questions of product development geared to sustainability requirements are addressed. But the presentations refer only to part of the product development or it is not made clear to which proportion of the developments sustainability requirements apply.

1 The stipulated requirements have only been partially met, i.e. there is a random selection of individual examples of product development.

0 No statements or information available.

### A.6.2 Environmental compatibility of products

5 The company sets out the extent to which its portfolio of products and services is geared towards environmental compatibility. The entire life cycle of products and services is considered. A selection of products and services is chosen for their importance for the entire portfolio.

Where relevant, the portfolio is presented with regard to the following aspects:

- a) energy consumption and climate-relevant emissions throughout the entire life cycle<sup>6</sup>
- b) pollution load and particular environmental risks throughout the entire life cycle
- c) material and resource efficiency e.g. with regard to
  - use of recycled materials as well as renewable and environmentally compatible raw materials

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<sup>6</sup> In the B2B sector, also products which allow customers an energy efficient production

- recyclability of products and take-back plans
  - range of service plans which preserve resources<sup>7</sup>
- 3 The report comments on the environmental compatibility of products, looking at the phases of the valued-added chain and product life cycle which are important in terms of environmental impact. But the presentations only refer to a section of the products and services or do not make clear what quantitative proportion of the overall portfolio the products in question comprise.
- 1 The stipulated requirements have only been partially met. The report addresses the environmental compatibility of the products, but does not cover key environmental effects.
- 0 No statements or information available.

### A.6.3 Consumer orientation and customer information

- 5 The company sets out – where relevant – the extent to which the portfolio of products and services is geared to social needs and takes account of the specific requirements of minorities. The following aspects are included:
- a) consideration of health, safety and juvenile protection aspects and orientation to the specific needs of consumer groups (e.g. people with allergies, senior citizens, people with disabilities)
  - b) fair price structures (in market sectors where competition is limited, e.g. energy providers, district heating) and specific product orientation to low-income target groups to enable economic and social participation (e.g. special fares in local public transport)
  - c) ascertaining customer wishes and needs, for example through customer surveys.

The company also sets out its policy and practice with regard to customer information and consumer protection. Where relevant, it reports on the following areas:

- d) inclusion of sustainability information in product advertising (e.g. energy consumption of products, labels: organic, Fair Trade etc)
- e) product information with regard to user behaviour
- f) consumer protection measures (e.g. fair advertising, complaints systems and handling of claims, practice of recall campaigns).
- g) data protection concerns, handling of customer data (encryption, deletion) and established systems for data security (exclusion of transfer, protection against theft and abuse).

The quantitative importance of the examples given is apparent.

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<sup>7</sup> In the B2B marketplace, also products which allow customers an energy efficient production



- 3 The report covers aspects of consumer orientation, customer information and consumer protection, but requirements which are central to the company are not presented in sufficient detail.
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.



## A.7 Responsibility in the supply chain

5 The company sets out for key procurements how environmental<sup>8</sup> as well as labour and social standards<sup>9</sup> are implemented in the supply chain.<sup>10</sup> A system is set out for monitoring compliance with formulated standards (guidelines, purchase criteria, supplier assessments).

Where the suppliers are SMEs from non-industrialised countries, fair dealings in the sense of fair business relations are demonstrated (support with implementation, economic viability of demands, long-term nature of business relations, partnerships in projects and innovation).

3 The stipulated requirements have been largely met. However, the presentations of standards and procedures for their implementation refer only to part of the procurements; key procurement processes are not covered.

1 The stipulated requirements have only been partially met. Only general standards are formulated, but it is not clear how these standards are implemented.

0 No statements or information available.

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<sup>8</sup> For example, reduction of emissions and pollutants, groundwater protection

<sup>9</sup> For example, right to freedom of speech, protection against arbitrary and discriminatory behaviour, prohibition of forced and child labour, freedom of association and right to collective bargaining, wage equality of men and women

<sup>10</sup> For example, right to freedom of speech, protection against arbitrary and discriminatory behaviour, prohibition of forced and child labour, freedom of association and right to collective bargaining, wage equality of men and women



## A.8 Associated social responsibility

- 5 The report contains a description of the impact which the company has as employer and contractor on the local/regional environment at its locations. It also explains the measures to control the regional impact, such as investment in local infrastructure, regional procurement or Public Private Partnerships.

The report also contains information on non-profit-making activities, e.g. in the field of sport, culture, science and education, and places them in context with the company's business activity. Account is taken of financial contributions (donations, sponsorship), cooperation with charitable organisations as well as charity work by employees in their working time (corporate volunteering). The report contains figures which show the financial importance of the activities in relation to the company's overall activities.

In addition, the company shows its involvement in sustainability initiatives (e.g. sectoral initiatives, regional environmental initiatives) and its commitment to developing and implementing sustainability standards.

- 3 The requirements stipulated above have been largely met; the company's social commitment is clear.
- 1 The requirements stipulated above have only been partially met.
- 0 No statements or information available.



## **B General report quality**

The company enhances the credibility of its report by focusing on the key challenges. It reports openly about central aspects, places them in the context of its business strategy and promotes transparency and dialogue by enabling external comments. The structure, text and layout of the report provide readers with a clear picture of the corporate sustainability challenges and performance in text and layout of high quality and enable them to obtain rapid access to relevant information.

### **B.1 Materiality: focus on qualitatively and quantitatively essential aspects**

- 5 All essential issues of social and environmental responsibility are set out and evaluated. For detailed observations, targeted reference can be made to other report forms and the Internet. The focal points in the report are well-founded and comprehensible. From a sustainability point of view, minor activities are not placed in the foreground.
- 3 The stipulated requirements have been largely met.
- 1 The stipulated requirements have only been partially met, i.e. the report only addresses the essential issues in a very fragmentary way.
- 0 The report deals with issues of secondary importance.

### **B.2 Openness: statement of main challenges and unresolved problems**

- 5 The report specifies the environmental impact caused by the sector and the company and the social challenges. Relevant problems, unresolved issues and existing conflicts over targets or trade-offs are openly addressed. Reference is made where appropriate to current agreements and commitments by the sector and/or in the region. Evaluating contributions by external parties on sustainability issues of key importance to the company are desired.
- 3 The stipulated requirements have been largely met, however not comprehensively on all essential aspects.
- 1 The stipulated requirements have only been partially met, i.e. only in a few places are the problems of environmental impact and social challenges addressed and unresolved issues mentioned.
- 0 No statements or information available.



### B.3 Significance and comparability of the data

- 5 The spatial accounting parameters (which location(s), parts of the company etc. were included) and the temporal reference unit (the year etc.) are made clear. The accounting parameters are set in such a way that the major part of the company or its business activities as well as the relevant parts of the company/regions in terms of sustainability are included.

Important developments during the reporting period (location transfers, new or expanded locations, location closures) are explicitly treated. The consequences for the company's sustainability performance as well as the data collection are demonstrated.

The data provided enable quantitative time-line comparisons – even if reference parameters change. Where relevant, the report states how the data was calculated. Possible data inaccuracy is pointed out.

- 3 The stipulated requirements have been largely met (e.g. information refers only to selected locations; information refers to different parts of the company or periods of time).
- 1 The stipulated requirements have only been partially met.
- 0 No statements or information available.

### B.4 Communicative quality

- 5 The report is structured in a clear, logical and easily comprehensible way; a table of contents enables a rapid overview of the main contents and targeted access to individual aspects.

The layout supports the easy accessibility of the contents (with headings, sub-headings, highlighting of key information and terms). Illustrations are used with clear reference to the text. Charts and tables depict rapidly comprehensible data and facts about company performance and their time-span. The charts contain precise figures and do not distort the scale or proportion.

The text is stringent, factual and easily understandable. Formalised or technical procedures are presented in a generally comprehensible way. Where necessary, terms and abbreviations are defined or explained.

The report contains contact data for making direct contact and refers to additional internal and external information. To this end, further company information and material is explicitly mentioned and offered in an easily accessible form (e.g. direct reference to a specific website).

- 3 The stipulated requirements have been largely met
- 1 The stipulated requirements have only been partially.
- 0 No statements or information available.



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