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German Sustainability Code

Outcomes of the Participation Phase and Adjustments to the GSC

Frankfurt am Main, 26.9.2011

Outcomes of the Participation Phase - Summary

- In spite of the very tight time schedule, 19 companies have submitted their declaration of conformity.
- Following the workshop held on 27.9.2011 and the suggestions put forward during the participation phase:
  - the Code criteria were revised,
  - the procedure and key terminology were explained in an annotation,
  - narrative and quantifiable KPIs were separated,
  - the KPIs were drastically reduced (20 KPIs)
  - room was made for voluntary sector-specific indicators
  - the template was modified: among other things, the Code criteria and KPIs were pooled in the template.
- Very high levels of compliance and/or plausible explanations among the participating companies

Key deviations and adjustments within the GSC

- **Corruption and Political Influence**: *(13 companies)* All significant input relating to legislative procedures, all significant lobbying activities through entry in the EU register, all significant payments of membership fees, all payments to governments as well as all donations to political parties and politicians should be disclosed and identified by country.
- **Corporate Citizenship**: *(7 companies)* The company should disclose what contribution it makes to corporate citizenship in the regions in which it conducts its core business activities. These include e.g. details relating to the taxation and the reinvestment of profits, with appropriate differentiation.
- **Incentive Schemes**: (*6 companies*) The company discloses whether and how target agreements and remuneration schemes for executives are also geared to achieving sustainability goals. […]
- **Corruption and Political Influence**: *(5 companies)* The company discloses, on the basis of an accepted standard (e.g. the Business Principles of Transparency International, International Corporate Governance Network's Guidelines Bribery and Corruption), what systems and processes are being set up to prevent corruption, how corruption is uncovered and prevented, and what sanctions are applied.
- **Innovation and Product Management** (3 *companies*) The company discloses whether innovations in products and services are enhanced through processes which improve sustainability with respect to the company's utilisation of resources and to the user. […]
- **Use of Resources:** *(3 companies)* The company discloses the GHG emissions along with the goals the company has set itself in accordance with the Greenhouse Gas Protocol or standards based on the Protocol.
- **Employability:** *(3 companies)* The company discloses whether it has taken steps to maintain the general employability of all employees and to expand general employability to match demographic trends.

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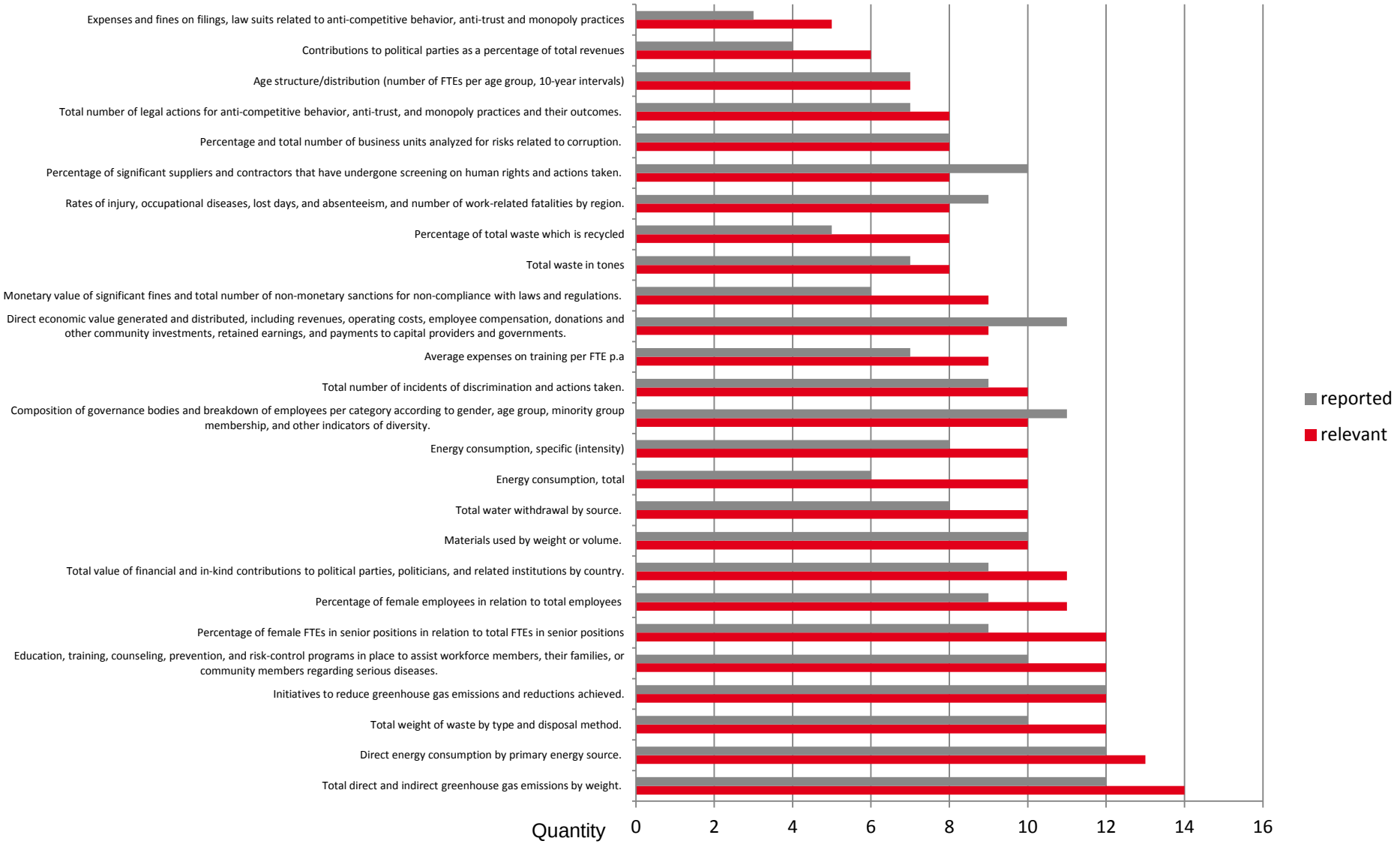
Company Evaluation of the Remaining KPIs



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Cumulative outcomes of the participation phase and the resulting implementation to be presented in the fourth draft.

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