



German Council for
SUSTAINABLE
Development



The Sustainability Code

Benchmarking sustainable business

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What is sustainability?

„Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. [...] In essence, sustainable development is a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations.“

Brundtland-Commission 1987



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1 Foreword



FOREWORD TO THE SUSTAINABILITY CODE BY CHANCELLOR DR ANGELA MERKEL

The task of achieving sustainability is both challenging and rewarding. This is the insight and conviction that guided the United Nations member states as they drafted and ratified the Agenda 2030. The Agenda documents our joint responsibility for sustainable development. It contains 17 ambitious goals which define key prerequisites for allowing today's society as well as future generations to live life with dignity.

This demands a comprehensive "transformation of our world", as the title of the Agenda 2030 succinctly states. We all – from governments and civil societies to the business and scientific communities to the world's citizens – are called upon to adapt the way we live, work, produce and consume in line with the tenets of sustainability.

And in fact, a great transformation is already under way. More and more consumers are choosing products that are produced in a socially responsible and environmentally friendly manner. More and more investors are now interested in investing in sustainable projects. More and more companies view sustainable business practices as their opportunity to convince people with innovations in the markets.

The facets of sustainable business are manifold. In order to help companies lay such foundations in day-to-day business, the German Council for Sustainable Development has developed and tested the Sustainability Code in dialogue with companies and adjusted it to current developments.

With its 20 criteria, the Code offers companies guidance for their strategic orientation. As it incorporates existing voluntary international reporting standards, it is also applicable to companies with global operations or companies in other countries. Furthermore, thanks to the greater transparency and comparability it allows with regard to companies' products and services, the Code can be used by clients and lenders as an important aid to decision-making.

Though the Sustainability Code is a voluntary instrument, the Federal Government explicitly supports the broad application of this transparency standard in order to promote sustainable business development. We regard sustainability as a joint effort that produces returns for everyone. Quite simply, sustainability is a question of economic prudence, environmental necessity and our perception of social cohesion. Thus, I invite all companies to apply the Sustainability Code.

2 Preamble

The Sustainability Code is an internationally applicable reporting standard for topics relating to sustainability. The German Council for Sustainable Development (RNE) adopted the Code on 13 October 2011 following a comprehensive preliminary review process together with stakeholders. After its successful introduction in Germany and against the backdrop of the European Directive on non-financial reporting by companies (2014/95/EU), the RNE established this reporting standard at European level as well.

With its most recent update of the Code, the RNE reinforced its aim of advancing sustainability considerations in industry and commerce and of making companies' sustainability performance transparent and comparable. This update was carried out in response to the CSR Directive Implementation Act ratified by the Bundestag in early 2017. By implementing amendments to, in particular, the German Commercial Code (HGB) and the German Companies Act (AktG), the Act made the Directive 2014/95/EU German law. Following its ratification, a reporting obligation now applies to companies and corporations of a certain size for all reporting years beginning after 31 December 2016 (see Chapter 3.4). In its preamble to the Act, the federal government names the Sustainability Code as a suitable framework for companies to look to for guidance on how to comply with their reporting obligation. The updates of the Code, of the explanatory information and of the checklists provided for assessing compliance with the Code have ensured legal compliance of the Code with the CSR Directive Implementation Act. This was not precluded by the previous version, however the update provides a range of clarifications in this regard. The RNE's aim is to provide via the Code and its explanations companies with clear guidance on content requirements and the process for preparing non-financial declarations/reports.

The Code continues to be a practicable tool even for all those companies and organisational forms not subject to the reporting obligation for providing voluntary information on their measures related to the various environmental, social and economic aspects of sustainability.

The advantage of the Code is its condensed and user-friendly form. It provides companies and organisations of all sizes and legal forms with a framework for preparing reporting on aspects of sustainability and their management. Its clear structure and focus on the essential issues represent the central benefits of the Code. Standardised presentation enhances comparability of disclosures and makes it suitable for use by various market players as a component in assessing companies' overall performance. By publishing a declaration of conformity with the Code, companies create a source that can be referenced when fielding questions from within the company itself, from civil society or from business partners.

The Sustainability Council promotes a holistic view of sustainability in the Sustainability Code. In a declaration of conformity with the Code, companies report via the 20 criteria of the Code on their strategies, goals, measures, policies and risks. Performance indicators underpin the information provided and allow for greater comparability of declarations. Companies' measure for assessing what to report is that the information is materially important (see Glossary "materiality") for understanding the course of business, the business result, the company's position and the impact of its business operations on the respective sustainability aspects. Sector-specific clarifications and supplementation with additional aspects or performance indicators necessary for understanding are also possible. The declaration of conformity is supplemented with a short description of the business model before the explanations relating to the 20 Code criteria.

The Sustainability Code database of the Sustainability Council can be accessed free of charge at www.sustainabilitycode.org for assistance in preparing a declaration of conformity.

Practical usage of the Code has shown that thanks to numerous medium-sized companies and public institutions, a sizeable group of users has been established that undertake voluntary reporting. Motivations aside from the statutory reporting obligation relate in part to conviction at management level and in part to the desire for entrepreneurial differentiation as well as the market's expectation of sustainability performance. Further deepening of this motivation is expected. The significance of supply chains and the interest on the part of companies subject to reporting obligation in consolidating their information are additional drivers.

In order to enhance the usability and the reach of declarations of conformity with the Code, for instance with ratings agencies and on the financial market, the Code database also offers interfaces that enable linking with other database systems. Moreover, declarations can also be useful as a source of high-quality basic information for business partners and stakeholders.

Sustainable business management requires superior corporate governance that goes beyond mere compliance with statutory requirements. This is the subject of broad public debate and is laid out in corporate governance codes. The German Corporate Governance Code (GCGC) formulated by the federal commission *Regierungskommission Deutscher Corporate Governance Kodex* plays a special role in this regard. The basic principles of good corporate governance are a pillar of the Sustainability Code.

The Code provides the opportunity for dynamic standard setting by the companies themselves when they make their applied and ambitious sustainability management a benchmark of sustainable business development. The RNE invites companies and organisations to make their contributions to sustainable development visible and to thereby enable them to be leveraged within the context of broad public discourse.

3 The Sustainability Code



The
SUSTAINABILITY
Code

3.1 THE 20 CODE CRITERIA

CRITERIA 1–10: Sustainability Concept

Criteria 1–4 concerning STRATEGY

Strategic Analysis and Action

- 1 The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

Materiality

- 2 The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

Objectives

- 3 The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

Depth of the Value Chain

- 4 The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

CRITERIA 5–10 concerning PROCESS MANAGEMENT

Responsibility

- 5** Accountability within corporate management with regard to sustainability is disclosed.

Rules and Processes

- 6** The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

Control

- 7** The company states how and what performance indicators related to sustainability are integrated into its periodical internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

Incentive Schemes

- 8** The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

Stakeholder Engagement

- 9** The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

Innovation and Product Management

- 10** The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

CRITERIA 11–20: Sustainability Aspects

Criteria 11–13 concerning ENVIRONMENTAL MATTERS

Usage of Natural Resources

- 11** The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services. .

Resource Management

- 12** The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

Climate-Relevant Emissions

- 13** The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Criteria 14–20 concerning SOCIETY

Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

Employee Rights

- 14** The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

Equal Opportunities

- 15** The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

Qualifications

- 16** The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

Human Rights

- 17** The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any material risks.

Criterion 18 concerning SOCIAL MATTERS

Corporate Citizenship

- 18** The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

Political Influence

- 19** All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

Conduct that Complies with the Law and Policy

- 20** The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be material risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

3.2 DECLARATION OF CONFORMITY WITH THE SUSTAINABILITY CODE

The declaration of conformity is composed of descriptive sections of texts and performance indicators that are backed up by figures. It should be as long as necessary and as short as possible in order to draw readers' attention to the essentials. By way of orientation, the short reports on the individual criteria should be between 500 and 3,000 characters long; however, the decisive factor is that all material information on a given Code criterion is presented in the declaration of conformity. Selected indicators from the comprehensive indicator catalogues by GRI G4 / GRI SRS and EFFAS and additional indicators selected to highlight company- or sector-specific particularities are the key to achieving a better understanding of the business environment in which the company operates and the particular challenges it faces. The checklist (Chapter 4.2) is a good source of information regarding the content to be reported.

Companies decide themselves whether to report on the basis of the performance indicators of GRI G4 / GRI SRS or EFFAS. However, they should, as a rule, continue on this basis throughout the declaration of conformity. The definition of the indicators and their calculation are explained in the relevant standards on which they are based. In addition, it is possible to add on a voluntary basis sector- or company-specific indicators or other relevant aspects insofar as the company views this information to be expedient to fostering better understanding.

Companies not subject to the reporting obligation can make use of the "comply or explain" approach as follows: they disclose information on the individual criteria according to the principle of materiality or provide an explanation for not doing so, e.g. the data has not yet been gathered. Pursuant to the CSR Directive Implementation Act, companies not subject to the reporting obligation have the option of leaving out information if publication of this information would likely result in a substantial disadvantage for the company; the disclosure, however, is to be made at a future date should the disadvantage no longer be a threat. Declarations of conformity are still considered to be in compliance with the Code even if they include multiple sections making use of the "explain" option, as they enable users of the declarations to make their own assessment as to at what stage the company or organisation is at in their pursuit of achieving full and integrated sustainability management. In such cases, it is advisable for the reporting company to state when it plans to publish the missing information. Information about the fundamental parameters, such as the scope of consolidation, significant assumptions and estimates, definitions used, as well as a description of the business field, are explained in the general informational sections.

3.3 COMPATIBILITY OF THE SUSTAINABILITY CODE DECLARATION OF CONFORMITY

The declaration of conformity offers companies that already prepare reporting in accordance with other standards the possibility of creating their declaration of conformity with the Code using the information of already published reports as a basis. To supplement, the company can for certain criteria of the Code point out where and how it reports on the individual Code criteria in a relevant and compatible way elsewhere. Relevant information is provided in the form of legislation as well as from international and private organisations, partly also in connection with certifications and audits. The options are:

- Global Reporting Initiative, GRI G4 / Sustainability Reporting Standard (GRI SRS)
- UN Global Compact (Communication on Progress)
- OECD Guidelines for Multinational Enterprises, 2011 version
- ISO 26000
- Eco-Management and Audit Scheme, EMAS (EU Regulation 1221/2009)
- Carbon Disclosure Project, CDP
- Task Force on Climate-related Financial Disclosures (TCFD)
- International Integrated Reporting Framework, IIRC (integrated reporting)
- Sustainability Accounting Standards Board, SASB
- Corporate governance report within the meaning of the German Corporate Governance Code, GCGC, and the declaration of conformity with regard to the GCGC in terms of Sect. 161 AktG (Companies Act)

Companies can make reference in their declaration of conformity with the Code to the respective sources of information by providing specific functioning links and page citations in other published reports. In the checklist, such references are considered to be using the “explain” option if the information they contain does not have direct application for third parties.

To enhance readability and comparability of declarations of conformity, however, it is recommended to provide at least a short overview of key points within the Code database. The focus on the essentials and the transparency of the declaration of conformity with the Code should be preserved.

Vice versa, it is helpful to include in the sustainability report an indexing of the Sustainability Code within the meaning of the GRI Index introduced.

For companies subject to a reporting obligation as per the CSR Directive Implementation Act, the type of reporting is not suitable for satisfying the statutory obligation, as then not all of the information required by law is contained in such a report. However, companies subject to the reporting obligation may use the compatibility version as a supplement to their non-financial (consolidated) declaration or their non-financial (consolidated) report.

[illegible]

3.4 REQUIREMENTS OF COMPANIES SUBJECT TO REPORTING OBLIGATION AS PER THE GERMAN CSR DIRECTIVE IMPLEMENTATION ACT

In December 2014 the European Commission passed a directive that expanded reporting requirements to include non-financial aspects and aspects related to diversity (2014/95/EU). In March 2017 the Directive was made German law by way of the CSR Directive Implementation Act. Following its ratification, a reporting obligation applies to certain companies and corporations for all reporting years beginning after 31 December 2016. Companies subject to the reporting obligation are now required to publish for every financial year in the context of management reporting a non-financial (consolidated) declaration of conformity or a non-financial (consolidated) report in which information is provided about material non-financial concerns. The Sustainability Code may be used for the preparation of the non-financial (consolidated) declaration of conformity or the non-financial (consolidated) report in compliance with the CSR Directive Implementation Act. However, when doing so, care must always be taken that when a declaration or a report is prepared, all statutory requirements are satisfied.

Independent of this, as per the CSR Directive Implementation Act, an at least partially divergent group of addressees must supplement the declaration on corporate governance with more precise information on diversity concepts for the company's governance bodies (Sect. 289f HGB).

Addressees

As per the CSR Directive Implementation Act, stock corporations (Sect. 289b Para. 1 HGB), limited-liability registered partnerships and cooperatives of a comparable nature are required to publish a non-financial declaration or a non-financial report insofar as they

- (1) are defined as large as per Sect 267 Para. 3 Sentence 1 HGB and
- (2) are oriented towards the capital market as per Sect. 264d HGB and
- (3) employ an annual average of more than 500 staff.

The same applies to credit institutions (Sect. 340a HGB) and insurers (Sect. 341a HGB) that fulfil criteria 1 and 3.

A corresponding obligation to publish a non-financial consolidated declaration or a non-financial consolidated report also applies to parent companies with the legal form of a stock corporation (Sect. 325b HGB), a limited-liability registered partnership or cooperative of a comparable nature, insofar as

- (1) they are oriented towards the capital market as per Sect. 264d HGB and
- (2) the companies to be included in the consolidated group do not fulfil the requirements for a size-related exemption as per Sect. 293 Para. 1 Sentence 1 No. 1 or No. 2 HGB and
- (3) the companies to be included in the consolidated group employ an annual average of more than 500 staff.

The same obligation applies to parent companies that are credit institutions (Sect. 340i Para. 5 HGB) or insurers (Sect. 341 Para. 5 HGB) and which fulfil criteria 2 and 3. In the case of a consolidated declaration or consolidated report, as per Sect. 315b HGB, the subsidiaries included in the consolidation are released from the reporting obligation.

Content of the non-financial declaration

The CSR Directive Implementation Act requires the disclosure of information on non-financial issues, at least on environmental, employee and social matters, on respect of human rights and on prevention of bribery and corruption (Sect. 289c HGB). As regards the individual non-financial components, those disclosures are to be made which are necessary for gaining an understanding of the course of business, the business result and position of the company as well as of the effects of its operations on the non-financial components (see also Glossary “materiality”). As per Sect. 289c Para. 3 Nos. 1 to 6 HGB, disclosures of material information on the individual non-financial aspects are to include the following:

- Description of the respective policy, incl. due diligence processes used, as well as the results of the policy (see Glossary “policy”).
- Presentation of material risks linked to business operations and which are highly likely to have significant negative impacts on the components as well as how these risks are dealt with (see Glossary “risks”).
- Presentation of material risks (see Glossary “risks”) linked with business partnerships, products and services and which are highly likely to have negative impacts on the components – insofar as the information is relevant and reporting on these risks is possible with commensurable effort – as well as how these risks are dealt with.
- Presentation of the most significant non-financial performance indicators that are relevant for the company’s business operations, and
- to the extent that it is necessary for understanding, references to the figures mentioned in the management report as well as supplementary explanations of these.

In addition to the information on non-financial disclosures, for companies or corporations subject to the reporting obligation, the business model must also be described.

If the company subject to reporting obligation does not pursue a specific concept with respect to individual aspects of sustainability, in place of a presentation of the concept and its results, the company must provide an explanation for this (“comply or explain” as per Sect. 289c Para. 4 HGB). Furthermore, the company may omit information that it deems disclosure thereof to be to its own detriment, provided the requirements of Sect. 289e HGB are met.

Preparation and review of non-financial declarations/reports

In line with its responsibility for financial reporting, the management board is responsible for the preparation of the non-financial declaration or report and must present it to the supervisory board as per Sect. 170 Para. 1 Sentence 2 AktG.

Pursuant to Sect. 171 AktG, a content level review of the non-financial declaration or non-financial report is the duty of the supervisory board. The supervisory board must present the results of this review to the general meeting of shareholders in written form (Sect. 171 Para. 2 AktG). As per Sect. 111 Para. 2 Sentence 4 AktG, the supervisory board must also commission an external audit of the declaration’s content. In accordance with Sect. 317 Para. 2 Sentence 4 HGB, the auditor generally only reviews if the non-financial (consolidated) declaration or the special non-financial (consolidated) report was presented.

In this context, it is important to note that the offer of a review of the declaration of conformity by the Sustainability Code Office relates exclusively to a review with respect to the formal transparency requirements of the Code and serves primarily to provide the reporting user with procedural support. It does not contain a review of fulfilment of the statutory requirements for non-financial (consolidated) declarations or non-financial (consolidated) reports. The Sustainability Code Office will continue to offer this formal review for conformity with the Code, however it does not assume any liability for the quality, completeness, currentness or correctness of the information contained in the declarations of conformity or fulfilment of the legal requirements of a reporting obligation as per the CSR Directive and the respective implementation acts at national level. Responsibility for the correctness and quality of the non-financial disclosures and reporting as well as the fulfilment of the legal requirements as per the CSR Directive Implementation Act lie exclusively with the respective reporting company.

Publication

A non-financial (consolidated) declaration or non-financial (consolidated) report must be published for every financial year. Companies and credit institutions with a reporting obligation can choose between three possible publication forms described in Sect. 289b HGB for their non-financial disclosures:

- the company with a reporting obligation may include the non-financial (consolidated) declaration as part of its management report,
- the company with a reporting obligation may prepare a special non-financial (consolidated) report and publish this at the same time as the (consolidated) management report in the Federal Gazette pursuant to Sect. 325 HGB, or
- the company with a reporting obligation may prepare a special non-financial (consolidated) report and publish this on its website, insofar as reference is made to it in the (consolidated) management report. In this case as well, the company must adhere to a publication deadline of four months from the balance sheet date and keep the report published on the website for at least ten years.

3.5 BASIC INFORMATION ON ESSENTIAL ASPECTS OF SUSTAINABILITY WITHIN THE POLITICAL CONTEXT

The Sustainability Code is positioned within the context of key international and national frameworks and agreements:

With the **Sustainable Development Goals** (SDGs) of the 2030 Agenda for sustainable development, the member states of the United Nations agreed on global sustainability goals as well as on the principles laid out in the Agenda.

The 17 SDGs and their corresponding 169 targets apply equally to developing, emergent and industrialised countries. They are thus generally also suitable as an orientation framework for companies to align their business operations with both within Germany, Europe and abroad. Implementation of the Sustainable Development Goals will occur primarily at the national level. In 2017 the German government relaunched its **Sustainable Development Strategy** to implement the 2030 Agenda in Germany. The strategy lays out in concrete form the crucial significance of the 17 Sustainable Development Goals for Germany and specifies measures the Federal Government will use to implement them within Germany, by way of German foreign and development policy, as well as through innovative made-in-Germany solutions. The Federal Government describes for which national sustainable development goals it intends to implement measures in various areas of policymaking for up to and including the year 2030. For companies the sustainable development goals and indicators relevant for their areas of business and sector are of particular interest as well as are the measures for reaching these goals. Only a few goals and indicators have specific relevance for the private sector. Reporting on the corresponding topics is also carried out via a declaration of conformity with the Code (in particular via the Code Criteria 4, 10, 11–13, 14–17 and supplementary indicators). In individual cases depending on the sector concerned and its prospects for the future, additional sustainable development goals from the German Sustainable Development Strategy may be relevant for companies.

4 Practical aids for preparing a declaration of conformity with the Sustainability Code

As part of a voluntary joint commitment, the **Business and Human Rights National Action Plan (NAP)** ratified by the federal government at the end of 2016 formulates goals for the implementation of the UN Guiding Principles on Business and Human Rights in companies and in particular the improvement of the human rights situation throughout the worldwide supply and value chain. According to the Action Plan, by the year 2020 at least 50% of all companies with over 500 employees are to have integrated human rights due care obligations into their processes. Companies can use the declaration of conformity with the Code (in particular criterion 17) to present their processes relevant to a commitment to human rights protection in the sense of the NAP (see Glossary).

In April 2016, 175 countries, including the United States, China and Germany, signed the **Paris Agreement** as a replacement of the Kyoto Protocol. This binding international agreement between the member states party to the United Nations Framework Convention on Climate Change (UNFCCC) has the aim of limiting global warming to significantly less than 2 °C – if possible to below 1.5 °C – above its pre-industrialisation level. In order to achieve this goal, according to the Paris Agreement, it will be necessary to reduce CO₂ emissions by 80–95%. Companies can use the Code criteria 11–13 to report on how they are responding to their responsibility for climate protection by describing there, for example, the goals they have set and measures they have taken to reduce their greenhouse gas emissions.

4.1 A DECLARATION OF CONFORMITY PREPARED IN FIVE STEPS

- 1 First, you need official approval from executive management level for the undertaking. Then select people with whom to form a team that reflects the various areas of your company's business. The team should include persons with specialist knowledge and responsibility from the various business units.
- 2 Review together with the team all 20 of the Sustainability Code criteria and performance indicators. Determine for which criteria data is already available and, if necessary, where information is still lacking. If you have not yet formulated a strategy/strategies and/or concepts, work together to identify which aspects of sustainability have key importance for your company to remain future-proof and what economic, environmental and social impact your business operations have. By including the perspective of your stakeholder groups (e.g. customers, suppliers, employees) you will create a broader basis for the reporting process. Finally, determine within the team who is responsible for which criteria and by when data and texts need to be supplied.
- 3 Consolidate all the quantitative and qualitative information available for the respective criteria. Formulate and describe the performance indicators you will be using to evaluate goal achievement. Decide whether you will be using the indicators of the Global Reporting Initiative (GRI G4 / GRI SRS) or the European Federation of Financial Analysts Societies (EFFAS) as your basis. Prepare an explanatory text (orientation: 500 to 3,000 characters per criterion) for each of the criteria of the declaration of conformity. Use these texts to provide key information necessary for understanding reporting on the individual criteria (see as well the checklist provided in Chapter 4.2).
Tip: when preparing your declaration of conformity, you can make use of the template provided in the download section of the website at www.sustainabilitycode.org. Once drafted, have the texts and data approved by executive management.
- 4 In order to prepare a declaration of conformity in the Code database, you must first register as an administrator with username and password. You will receive an email for the purpose of verifying your account. Once registration has been completed, you can begin creating your company profile in the Code database. You can edit it at any time, add additional users and create new reporting years.
Transfer all information collected thus far on the criteria (figures, texts and indicators) to the Code database. There is an entry field for each criterion wherein you can edit your texts and figures. The declaration of conformity can only be sent in for review by the Code Office once all entry fields have been completed. A formal review for compliance with the requirements of the Code is carried out based on a checklist (GRI G4 / GRI SRS or EFFAS) for completeness (incl. list of sources and links) and with respect to the "comply-or-explain" application of the Code. No certificate is issued, and the review does not constitute an audit in the sense of the statutory requirements of the CSR Directive Implementation Act. Following successful formal review by the Code Office and with your approval, the declaration of conformity is then published in the Code database and your company is provided with the Code user signet for the corresponding reporting year. Furthermore, compliance with reporting requirements stipulated in the CSR Directive Implementation Act must be ensured (see also Chapter 3.4).
- 5 Now you can use the declaration of conformity with the Code for your own corporate communications. Following the formal review by the Code Office, the Code signet can be included on your website, in brochures and in emails, among other things. You can issue a press release or inform your customers and/or commissioning partners and suppliers of the declaration of conformity personally. Furthermore, it can also be exported into different file formats, so the declaration of conformity with the Code can be used as a basis for additional sustainability reporting, a non-financial declaration (see Chapter 4.3.1) or other communication media.

4.2 SUSTAINABILITY CODE CHECKLIST

Checklist for assessing a submitted Sustainability Code declaration of conformity

The checklist below will provide you with guidance in preparing a declaration of conformity with the Code. The Sustainability Code Office uses this list as a basis for assessing the completeness of declarations of conformity with regard to the requirements of the Code. Please proceed as follows:

- The declaration of conformity is comprised of short descriptive reports and performance indicators that are backed up by figures. The reports should be as long as necessary and as short as possible in order to draw readers' attention to the essentials (guideline length for each criterion: 500 to 3,000 characters). Here, the aim is always to ensure that for all criteria the respective material information has been included in the report. Information is assessed to be material if it is necessary to gain an understanding of the course of business, the business result, the company's position and the impact of its operations on the aspects concerned. Definitions of the terms "materiality", "risks" and "performance indicators" as they apply to Code reporting can be found in the Glossary to the Code as well as other definitions.
- Select a catalogue of indicators to use as a framework of presentation: either EFFAS or GRI G4 (in use until 30 June 2018) or GRI SRS. Supplement as needed with additional sector- or company-specific performance indicators.
- Check that the declaration of conformity is complete by ensuring that information has been reported for all criteria and performance indicators. You can check for gaps in the information provided by going to the "Status of your profile" tab.
- To request a formal review with respect to the Code requirements by the Code Office, click on the button "Submit", which will become available once your profile is at least 95% complete.
- Generally, you will receive a response from the Code Office within two weeks. Until it has been published on the Code website, your declaration of conformity is only visible to you.
- Note on this checklist: the formal review is based on the Code criteria. In the column "What you should report", you will find information specific points you should ideally include in your reporting.

Notes

GENERAL

Criterion	What you should report	Missing	Comply	Explain
General	Company name, logo, reporting year, set of performance indicators used, third-party audit, reporting obligation yes/no, contact			
	Describe your business model (incl. business purpose, products/services)			

CRITERIA 1–10: SUSTAINABILITY CONCEPT

Criteria 1–4 concerning STRATEGY

Criterion	What you should report	Missing	Comply	Explain
1. Strategic Analysis and Action The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.	If a general sustainability strategy exists.			
	What the main elements of this strategy are and what opportunities result from this strategy.			
	What concrete measures are being taken to implement the strategy.			
2. Materiality The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.	The social environment in which your business operates and what effects its operations have on various aspects of sustainability.			
	Which aspects of sustainability are particularly relevant to your company's operations.			
	The social and environmental opportunities and risks that result for the company from these activities and the conclusions that can be drawn from these.			

Criterion	What you should report	Miss- ing	Comply	Explain
3. Objectives	Whether the company is pursuing longer-term goals with respect to its sustainability measures and, if it is, what they are.			
The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.	How the goals are assessed, how the goals are prioritised and how achievement is monitored.			
4. Depth of the Value Chain	What the company's value chain looks like, i.e. the full path the product/service takes (e.g. from manufacturer to end customer).			
The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.	What significance sustainability has for added value and how deep in the value chain the sustainability criteria are verified.			
	Whether the respective social and ecological problems that arise at the individual stages are known and how these problems are being approached.			
	Whether and how the company communicates with its suppliers and business partners about these.			

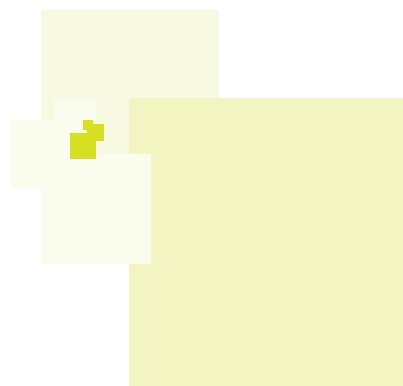
Criteria 5-10 concerning PROCESS MANAGEMENT

Criterion	What you should report	Miss- ing	Comply	Explain
5. Responsibility	Who in the company bears primary responsibility for sustainability topics (strategy, monitoring, analysis).			
Accountability within the company's management with regard to sustainability is disclosed.				

Criterion	What you should report	Missing	Comply	Explain
6. Rules and Processes	How the implementation of the overall sustainability strategy within the company is managed (rules, processes and structures).			
The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.				
7. Control	To what extent performance indicators for monitoring have already been decided and how reliability, comparability and consistency of the data is ensured.			
The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.				
For criteria 5-7 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI G4-56: The organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.			
	Indicator GRI SRS-102-16: Values, principles, standards, and norms of behavior.			
	Indicator EFFAS S06-01: Percentage of total suppliers and supply chain partners screened for compliance in accordance with ESG-criteria.			
	Indicator EFFAS S06-02: Percentage of suppliers and supply chain partners audited for ESG compliance.			
8. Incentive Schemes	Whether there is a compensation system in which sustainability goals are already integrated or can be integrated and, if not, whether such a thing is planned.			
The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).	Whether and how the achievement of the goals is monitored by the boards.			

Criterion	What you should report	Missing	Comply	Explain	01
For criterion 8 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI G4-51a: Remuneration policies for the highest governance body and senior executives.				02
	Indicator GRI G4-54: Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.				03
	Indicator GRI SRS-102-35a: Remuneration policies.				04
	Indicator GRI SRS-102-38: Annual total compensation ratio.				05
9. Stakeholder Engagement	Whether and, if yes, how stakeholder groups that are important for the company are identified.				06
	Who these stakeholders are.				07
	Whether and how you are in dialogue with these interest groups.				08
	Indicator GRI G4-27: Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.				09
For criterion 9 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI SRS-102-44 Key topics and concerns raised.				10
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Criterion	What you should report	Missing	Comply	Explain
10. Innovation and Product Management The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.	Whether the social and environmental effects of the key products and services are known and how they are determined.			
	Whether and how products are designed to be more sustainable, i.e. through innovations and processes.			
For criterion 10 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI G4-FS11 (report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening.			
	Indicator EFFAS E13-01: Improvement rate of product energy efficiency compared to previous year.			
	Indicator EFFAS V04-12: Total investments in research on ESG-relevant aspects of business as defined by the company such as eco-design, eco-efficient production processes, decreasing impact on biodiversity, improving health and safety conditions of employees or supply chain partners, development of products to exploit ESG opportunities, etc. in monetary terms, as a percentage of revenue.			



CRITERIA 11–20: SUSTAINABILITY ASPECTS

Criteria 11–13 concerning ENVIRONMENTAL MATTERS

Criterion	What you should report	Missing	Comply	Explain
11. Usage of Natural Resources The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.	<i>If you wish to use the declaration of conformity with the Sustainability Code to satisfy your reporting obligation pursuant to the CSR Directive Implementation Act:</i> Taking the materiality principle into account, describe for criteria 11–13 (Environment) the policies you pursue, the outcome of those policies, material risks related to them (see Glossary "materiality", "risks") and how these are managed as well as the main non-financial key performance indicators, making reference as necessary to KPIs from your financial reports. You should report on the following points among others:			
	<i>Note: the following information should be provided by all users.</i> Whether you know what ecological impacts are caused by your firm's activity.			
	Where in the value chain you see areas you can influence and are influencing.			
	To what extent the natural resources material to your business operations are used. Possible content here includes materials, water consumption (input and output), air pollution, soil, waste, energy (renewable and non-renewable), land and biodiversity as well as emissions for the life cycles of products and services.			

Criterion	What you should report	Miss- ing	Comply	Explain	01
12. Resource Management					02
The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.	What goals the company has set for the ecological aspects of its business operations and which measures it will or has already introduced to this end.				03
	Whether and how these goals are achieved.				04
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					06
For criteria 11–12 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI G4-EN1: Materials used by weight or volume.				07
	Indicator GRI G4-EN3: Energy consumption within the organisation.				08
	Indicator GRI G4-EN6: Reduction of energy consumption.				09
	Indicator GRI G4-EN8: Total water withdrawal by source.				10
	Indicator GRI G4-EN23: Total weight of waste by type and disposal method.				11
	Indicator GRI SRS-301-1: Materials used by weight or volume.				12
	Indicator GRI SRS-302-1: Energy consumption within the organisation.				13
	Indicator GRI SRS-302-4: Reduction of energy consumption.				14
	Indicator GRI SRS-303-1: Water withdrawal by source.				15
	Indicator GRI SRS-306-2: Waste by type and disposal method.				16
	Indicator EFFAS E04-01: Total waste in tonnes.				17
	Indicator EFFAS E05-01: Percentage of total waste which is recycled.				18
	Indicator EFFAS E01-01: Energy consumption, total.				19
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Criterion	What you should report	Missing	Comply	Explain	01
13. Climate-Relevant Emissions The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.	What you know about the company's climate-relevant emissions (e.g. greatest challenges, biggest sources of emissions).				02
	Whether and what reduction targets have been set, what you are doing to reach them and what has been achieved thus far.				03
	Whether renewable energy is used and, if yes, to what extent, and if not whether this is planned.				04
	Which reference figures you use for the calculations.				05
For criterion 13 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI G4-EN15: Direct greenhouse gas (GHG) emissions (Scope 1).				06
	Indicator GRI G4-EN16: Indirect greenhouse gas (GHG) emissions (Scope 2).				07
	Indicator GRI G4-EN17: Other indirect greenhouse gas (GHG) emissions (Scope 3).				08
	Indicator GRI G4-EN19: Reduction of greenhouse gas (GHG) emissions.				09
	Indicator GRI SRS-305-1: Direct (Scope 1) GHG emissions.				10
	Indicator GRI SRS-305-2: Energy indirect (Scope 2) GHG emissions.				11
	Indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions.				12
	Indicator GRI SRS-305-5: Reduction of GHG emissions.				13
	Indicator EFFAS E02-01: GHG emissions, total (Scope 1, 2, 3).				14
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Criteria 14–20 concerning SOCIETY

Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

Criterion	What you should report	Missing	Comply	Explain
14. Employment Rights The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.	<i>If you wish to use the declaration of conformity with the Sustainability Code to satisfy your reporting obligation pursuant to the CSR Directive Implementation Act:</i> Taking the materiality principle into account, describe for criteria 14–16 (Employee Rights) the policies you pursue, the outcome of those policies, material risks related to them (see Glossary "materiality", "risks") and how these are managed as well as the main non-financial key performance indicators, making reference as necessary to KPIs from your financial reports. You should report on the following points among others:			
	<i>Note: the following information should be provided by all users.</i> How the rights of employees are respected (national and international standards, working conditions, union rights, employees' right to information, advisory services and social dialogue, health protection, work safety, etc.) and whether specific goals have been set in this regard.			
	What measures the company envisions integrating to involve employees over and above the statutory requirements.			
	Whether and, if yes, how staff participation in the company's sustainability management is fostered.			
	Whether the company is active internationally. If yes: <ul style="list-style-type: none"> • Whether and possibly how German standards are implemented abroad. • Which international regulations are met. 			

Criterion	What you should report	Miss- ing	Comply	Explain
15. Equal Opportunities The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.	Has your company set goals and laid out a strategy for achieving commensurate pay for all employees? If yes, describe these.			
	What you are doing to prevent discrimination of any kind within the company (measures for gender equality and diversity within the company etc.).			
	Whether there are programmes in your company for supporting employee health and continuing education and work-life balance, what goals the company has set itself and what results have been achieved or not achieved thus far.			
16. Qualifications The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.	What the company is doing to ensure that staff can achieve optimal performance in the company over the long term (e.g. health management programmes, age-appropriate workstation design, professional development, incl. with a view to demographic change). Whether it has set concrete goals or implemented concrete measures to this end and what results have been achieved thus far.			
	For criteria 14–16 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)			
	Indicator GRI G4-LA6: Type injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender.			
	Indicator GRI G4-LA8: Health and safety topics covered in formal agreements with trade unions.			
	Indicator GRI G4-LA9: Average hours of training per year per employee, by gender and by employee category.			
	Indicator GRI G4-LA12: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.			
	Indicator GRI G4-HR3: Total number of incidents of discrimination and corrective actions taken.			

Criterion	What you should report	Miss- ing	Comply	Explain	01
	Indicator GRI SRS-403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.				02
	Indicator GRI SRS-403-4: Health and safety topics covered in formal agreements with trade unions.				03
	Indicator GRI SRS-404-1: Average hours of training per year per employee.				04
	Indicator GRI SRS-405-1: Diversity of governance bodies and employees.				05
	Indicator GRI SRS-406-1: Incidents of discrimination and corrective actions taken.				06
	Indicator EFFAS S03-01: Age structure/distribution (number of FTEs per age group).				07
	Indicator EFFAS S10-01: Percentage of female FTEs in relation to total employees.				08
	Indicator EFFAS S10-02: Percentage of female FTEs in senior positions in relation to total FTEs in senior positions.				09
	Indicator EFFAS S02-02: Average expenses on training per FTE p.a.				10
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Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

Criterion	What you should report	Miss- ing	Comply	Explain
17. Human Rights The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.	<i>If you wish to use the declaration of conformity with the Sustainability Code to satisfy your reporting obligation pursuant to the CSR Directive Implementation Act:</i> Taking the materiality principle into account, describe for criterion 17 (Human Rights) the policies you pursue, the outcome of those policies, material risks related to them (see Glossary "materiality", "risks") and how these are managed as well as the main non-financial key performance indicators, making reference as necessary to KPIs from your financial reports. You should report on the following points among others:			
	<i>Note: the following information should be provided by all users.</i> Whether and how your company ensures that it (and any subsidiaries) and its suppliers respect basic human rights.			
For criterion 17 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI IG4-HR1: Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.			
	Indicator GRI G4-HR9: Total number and percentage of operations that have been subject to human rights reviews or impact assessments.			
	Indicator GRI G4-HR10: Percentage of new suppliers that were screened using human rights criteria.			
	Indicator GRI G4-HR11: Significant actual and potential negative human rights impacts in the supply chain and actions taken.			

Criterion	What you should report	Miss- ing	Comply	Explain
	Indicator GRI SRS-412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.			
	Indicator GRI SRS-412-1: Operations that have been subject to human rights reviews or impact assessments.			
	Indicator GRI SRS-414-1: New suppliers that were screened using social criteria.			
	Indicator GRI SRS-414-2: Negative social impacts in the supply chain and actions taken.			
	Indicator EFFAS S07-02 II: Percentage of total facilities certified according to SA 8000 standard.			

Criterion 18 concerning SOCIAL MATTERS

Criterion	What you should report	Miss- ing	Comply	Explain
18. Corporate Citizenship The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.	<p><i>If you wish to use the declaration of conformity with the Sustainability Code to satisfy your reporting obligation pursuant to the CSR Directive Implementation Act:</i></p> <p>Taking the materiality principle into account, describe for criterion 18 (Corporate Citizenship) the policies you pursue, the outcome of those policies, material risks related to them (see Glossary "materiality", "risks") and how these are managed as well as the main non-financial key performance indicators, making reference as necessary to KPIs from your financial reports. You should report on the following points among others:</p>			

Criterion	What you should report	Miss- ing	Comply	Explain
	<i>Note: the following information should be provided by all users.</i> Whether and how your company involves itself on behalf of social, environmental or cultural projects in the community/ communities or region in which it operates (e.g. dialogue at community or regional level, ensuring protection for and development of local associations, donations, support for staff within the framework of corporate volunteering or cooperations). This can range from a simple note mentioning projects and organisations supported to a full presentation of the company's commitments.			
For criterion 18 (please select a performance indicator catalogue: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI G4-EC1: Direct economic value generated and distributed.			
	Indicator GRI SRS-201-1: Direct economic value generated and distributed.			

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Kriterien 19–20 zu COMPLIANCE

Criterion	What you should report	Miss- ing	Comply	Explain
19. Political Influence All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.	<i>If you wish to use the declaration of conformity with the Sustainability Code to satisfy your reporting obligation pursuant to the CSR Directive Implementation Act:</i> Taking the materiality principle into account, describe for criteria 19–20 (Anti-corruption and bribery matters) the policies you pursue, the outcome of those policies, material risks related to them (see Glossary "materiality", "risks") and how these are managed as well as the main non-financial key performance indicators, making reference as necessary to KPIs from your financial reports. You should report on the following points among others:			
	<i>Note: the following information should be provided by all users.</i> Which ongoing legislative processes are relevant for the company.			
	What the company's views or those of your industry association are with regard to political influence and how you exert influence in concrete terms. For donations to political parties: parties you have donated to in the past year and, if so, the amount of the donation(s).			
	What criteria are used to decide which activity or issue your business supports at a political level.			
	Which organisations the company is a member of.			
	Indicator GRI G4-SO6: Total value of political contributions by country and recipient/beneficiary.			
For criterion 19 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI SRS-415-1: Political contributions.			
	Indicator EFFAS G01-01: Contributions to political parties as a percentage of total revenues.			

Criterion	What you should report	Miss- ing	Comply	Explain
20. Conduct that Complies with the Law and Policy The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.	Whether you have compliance and anti-corruption guidelines, what these fundamentally comprise and how you monitor compliance with them (e.g. through due diligence processes) and how any contraventions are punished. Where and which possible material risks have been identified in this regard.			
	Who is responsible for the topic of compliance within your company.			
	Whether and how managers and staff are made aware of this topic.			
For criterion 20 (please select a performance indicator set: GRI G4 <u>or</u> GRI SRS <u>or</u> EFFAS)	Indicator GRI G4-SO3: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.			
	Indicator GRI G4-SO5: Confirmed incidents of corruption and actions taken.			
	Indicator GRI G4-SO8: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.			
	Indicator GRI SRS-205-1: Operations assessed for risks related to corruption.			
	Indicator GRI SRS-205-3: Confirmed incidents of corruption and actions taken.			
	Indicator GRI SRS-419-1: Non-compliance with laws and regulations in the social and economic area.			
	Indicator EFFAS V01-01: Expenses and fines on filings, lawsuits related to anti-competitive behavior, anti-trust and monopoly practices.			
	Indicator EFFAS V02-01: Percentage of revenues in regions with a Transparency International corruption index below 60.			

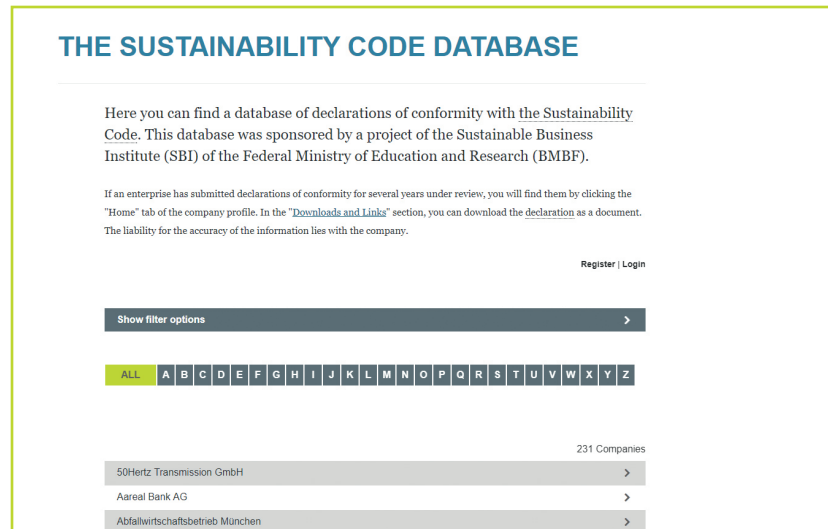
4.3 HELPFUL INFORMATION FOR USING THE ONLINE TOOL FOR PREPARING DECLARATIONS OF CONFORMITY WITH THE SUSTAINABILITY CODE

1. Registering and creating a company profile

1.1 CREATING A USER PROFILE / LOGGING IN

Before you can use the Code database, you will first need to register online. To do so, please launch the Code website and then select the "Database" tab or use the following link:

www.deutscher-nachhaltigkeitskodex.de/en/database



Once there, please click on "Register" in the top third of the screen. This will take you to the registration area. After entering your data, a confirmation link will be sent to your specified email address. After verifying your registration, you can begin using the database functions in order to create your declaration of conformity with the Code.

If you already have a user profile, please click on "Log in", which can be accessed via www.deutscher-nachhaltigkeitskodex.de/en/database

1.2 CREATING A COMPANY PROFILE

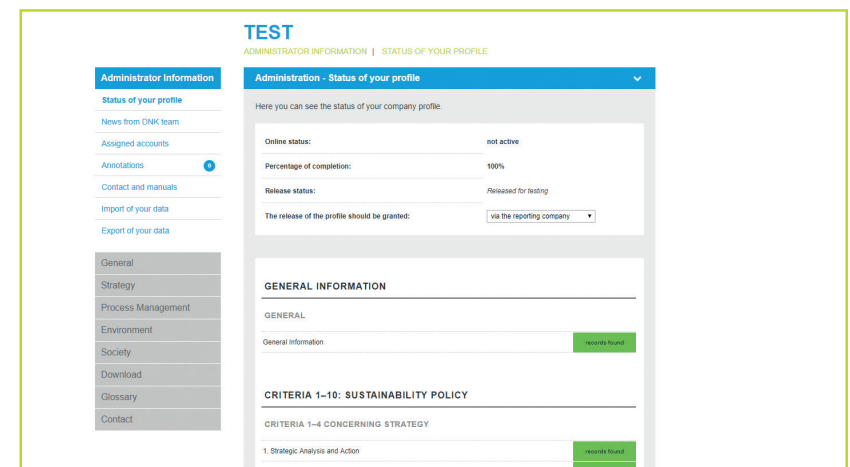
After successfully logging in, you can set up a new company profile. To do so, click on "Create new company" and fill in your company-specific information, such as number of employees, company head office and business sector. The company profile and all content contained in it is not visible to other users until the declaration of conformity has been published.

1.3 CREATION/EDITING OF A DECLARATION OF CONFORMITY IN THE CODE DATABASE

You can now create and/or edit a declaration of conformity in the Code database. The most recent past financial year is preset as a default. Click on the "Create report" button to edit these settings and create new reporting years under "Report". Select "German" or "English" to access the editing segment for the respective year under "Report". If you intend to submit

your declaration of conformity only in German or English, you will just need to complete one page.

The editing feature allows you to add content to the sections for the individual criteria (for more on this, please see Sect. 2). From a user perspective, please remember: keep it short and sweet. This is particularly true if you intend the information you provide to be used by third parties (rating agencies, analysts, awards). A good orientation is a length of between 500 and 3,000 characters per criterion, whereby application of the materiality principle is always decisive in determining which information the declaration is required to contain (see Glossary "materiality"). There is no technical limitation on content within the reporting boxes, however an automated note will appear when the recommended maximum length is exceeded. Particular attention should be given to quantitative performance indicators.



1.4 FORMAL REVIEW AND PUBLICATION ONLINE

Following completion of the declaration of conformity in the Code database, a formal review is carried out by the Code Office with regard to structural conformity with the Code. To request the formal review by the Code Office, go to "Status of your profile" and click the "Submit" button as soon as at least 95% of your profile has been completed. The formal review also includes the provision of notes on content with suggestions for further improvement of the declaration. This review relates exclusively to fulfilment of the requirements of the Code. It does not constitute a formal or content-level audit for legal reporting compliance as required of companies and corporations by the CSR Directive Implementation Act. An audit of whether the declaration of conformity with the Code fully satisfies the requirements of a non-financial declaration must always be carried out by the reporting company or a third party commissioned by the company (see definition of "Audit" in Glossary). No check of the correctness of the information at a content level or of plausibility is carried out in the formal review for companies not subject to the reporting obligation either, however.

Publication in the Code database is carried out by the Office of the Sustainability Code in coordination with the reporting entity. Publication is voluntary and serves to create greater comparability between declarations of conformity with the Code and enhanced transparency

for Code users. This notwithstanding, companies subject to reporting obligation as per the CSR Directive Implementation Act must publish disclosures as stipulated by the regulatory framework (see Chapter 3.4). Specifically, this means the declaration of conformity with the Code must be integrated into the management report as a non-financial declaration or published as a non-financial report together with the management report or in parallel on the website and maintained there for a period of at least ten years, insofar as the management report makes reference to content contained on the website.

2. Entering relevant content

2.1 ADMINISTRATOR INFORMATION

This input section allows you to view general information on the respective company profile. Neither this section nor the information entered in it is available to the general public. You can check for gaps in the information provided by going to "Status of your profile". You can also learn about the latest news from the Sustainability Code Office. The "Assigned accounts" section allows you to set up user accounts, for example for agencies or other people involved in compiling information. In "Contact and manuals", you will find links to useful work materials and can contact the Sustainability Code Office directly.

2.2 GENERAL INFORMATION

Here, you can enter information on whichever reporting standard you have applied or details of any external audit that may have been conducted as well as general information on the company. This is also where you select a performance indicator set (GRI G4, GRI SRS or EFFAS). Please provide a brief description of your business model (business purpose, services/products, etc.) and state whether you are subject to the reporting obligation stipulated by the CSR Directive Implementation Act; if you are subject to the reporting obligation, this information is required information. Then upload your company logo (PNG, JPG or GIF). The file may not exceed 1MB in size.

2.3 STRATEGY, PROCESS MANAGEMENT, ENVIRONMENT AND SOCIETY

These input pages allow you to add contents for the 20 Code criteria and performance indicators that relate to them. You should disclose the required information as dictated by the materiality principle (see Glossary "materiality"). Should you wish to supplement with sector- or company-specific performance indicators, you may also enter these here. For reasons of direct usability and comparability, RNE recommends that all companies enter quantitative performance indicators directly into the database instead of linking or referencing reported key indicators in cited reports. You may also make format changes and incorporate tables as well as, to a limited extent, graphs.

The screenshot shows the 'TEST' interface for '1. Strategic Analysis and Action'. The top bar includes the 'The SUSTAINABILITY Code' logo, language settings (English), and user information (Logged in as bopitz, Logout). The main heading is 'TEST' with a subtitle 'STRATEGY | 1. STRATEGIC ANALYSIS AND ACTION'. On the left, there's a sidebar with 'Administrator Information' and a list of sections: General, Strategy, Overview, 1. Strategic Analysis and Action (highlighted), 2. Materiality, 3. Objectives, 4. Depth of the Value Chain, Key Performance Indicators (1-4), Process Management, Environment, and Society. The main content area for '1. Strategic Analysis and Action' contains a text box with the instruction: 'The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.' Below the text box is a rich text editor toolbar with options for font family, font size, bold, italic, underline, strikethrough, link, unlink, text color, background color, bulleted list, numbered list, indent, outdent, link, unlink, and image. At the bottom right of the text box, it says 'Words: 0'. There are 'Close', 'Copy', and 'Save' buttons at the bottom of the main content area.

Once you have completed an entry in the text box, please click on the "Save" button to save your content.

3. Helpful tools

NOTES ON GUIDANCE/COMPARISON WITH OTHER DECLARATIONS OF CONFORMITY

For each reporting section, you will find a blue help box on the right-hand side of the screen that provides tips on content:

1. "What that means" describes the general expectations for this reporting section.
2. "What you should report" lists typical reporting elements usually cited by companies in the section concerned.
3. "What others write" shows what other companies have written in this section.
4. "Copy texts from previous years" facilitates regular preparation of a declaration of conformity by providing existing sections of text.

This screenshot shows the same 'TEST' interface as before, but with a blue help box open on the right side. The help box is titled 'What does that mean' and contains text explaining the purpose of the '1. Strategic Analysis and Action' section. It states: 'The statement "major activities" always refers to the company's core business, i.e. that part of the business activities where the company chiefly provides its services. The core elements of the business strategy can be presented in a materiality matrix. A business must decide for itself what its particular constitutes its "major activities". The firm thus has the chance to focus on what is really important instead of completing large, exhaustive, but often also quite meaningless lists of data. What is, above all important for sustainability are the impacts of the company's activities on society. This includes all environmental and social issues, such as natural resources, staff or the community. Every industry has its own particular focus. For all companies, regardless of industry, what also applies is that the recruitment, employment and further development of employees into areas of this year's contribution.' Below the text, there are four buttons: 'General Information', 'What you should report', 'What others write', and 'Copy text from previous years'. The main interface remains the same, with the '1. Strategic Analysis and Action' section selected in the sidebar.

4. Response from the Code Office

Following submission of a declaration of conformity for review, you will receive a response from the Code Office within two to three weeks' time. We will inform you via email once the review has been completed. The results of the review will be allocated to either "comply", "explain" or "missing" in the status column under your company profile. By clicking on "Details" you can view the feedback to the individual reporting sections and by clicking on the criterion itself you can return to the entry field. In some cases you may also see a blue Help box here containing additional information such as comments from the Code Office. The declaration of conformity can be published as soon as all sections contain complete reporting, i.e. when all the check marks in the status column are green.

GENERAL INFORMATION				
GENERAL				
		Fehlt	Comply	Explain
General Information	details	no record	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CRITERIA 1–10: SUSTAINABILITY POLICY				
CRITERIA 1–4 CONCERNING STRATEGY				
		Fehlt	Comply	Explain
1. Strategic Analysis and Action	details	records found	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Materiality	details	records found	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3. Objectives	details	records found	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4. Depth of the Value Chain	details	records found	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
What the company's value chain looks like, i.e. the full path the product/service takes (e.g. from manufacturer to end customer).		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
What significance sustainability has for added value and how deep in the value chain the sustainability criteria are verified.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Whether the respective social and ecological problems that arise at the individual stages are known and how these problems are being approached.		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Whether and how the company communicates with its suppliers and business partners about these.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Key Performance Indicators to criteria 1 to 4	details	records found	<input type="checkbox"/>	<input type="checkbox"/>

5 Glossary

The glossary for this brochure explains terms with relevance for the application of the Sustainability Code and an understanding of the legal environment and defines the meaning of the term relevant for reporting in line with the Code.

Audit: A targeted supervisory review conducted by a natural person (auditor) in which facts, information, characterisations or statements about the aforementioned (actual content) are compared with suitable benchmarks (target content) and any divergences are evaluated. In order to ensure the required procedural independence, the auditor may not be personally involved in the preparation of the actual content, either directly or indirectly. This is the main difference to a control.

Corporate citizenship: In the context of the Sustainability Code, corporate citizenship is to be understood as groups of persons or authorities that are linked to each other regionally or because of certain characteristics, for instance because of kinship or legal relations. Corporate citizenship offers its members the space wherein they can undertake political action. In democratic societies, the state is the dominant organisational form of political corporate citizenship, particularly with the involvement of local communities as one of its elementary subsystems. Companies can have a positive or negative influence on the economic, social or ecological conditions of corporate citizenship. Corporate contributions to the community are taxes paid, employment and purchasing volume as well as infrastructure development at

company sites. Value added statements or a common good balance sheet can provide information about this.

Corruption: The abuse of entrusted power for private gain or benefit. Among other things, an extensive catalogue of crimes exists in Germany that deals with topics related to corruption. These include paying/accepting a bribe, offering/accepting of unlawful advantage, etc. The Business Principles for Countering Bribery are guidelines issued by Transparency International and are addressed at companies with the aim of preventing and avoiding corruption. Further guidance is given by the OECD and the ILO conventions. In Germany, the auditing standard IDW PS 980 concretely defines compliance management requirements. Furthermore, the Extractive Industries Transparency Initiative (EITI), a global coalition of national governments, companies and civil society working together to improve transparency on the exploitation of natural resources, also outlines further requirements with respect to the issue of corruption. In the context of corruption and compliance, the guideline of the Food and Agriculture Organization of the United Nations (FAO) also provides important guidance on the responsible management of land, fish stocks and forests for the benefit of food security.

EFFAS: The European Federation of Financial Analysts Societies (EFFAS) is a network of European financial analysts, which, together with the German Association of Financial Analysts (DVFA), issued a guideline on integrating environmental and social

aspects into financial reporting in 2010, called KPIs for ESG (Key Performance Indicators for Environmental Social & Governance Issues). In addition to the 28 GRI performance indicators, the Code also takes into account the 16 EFFAS indicators.

EU Directive on Disclosure of Non-Financial Information: In December 2014 the European Commission passed a directive that expanded reporting requirements to include non-financial aspects and aspects related to diversity (2014/95/EU). In March 2017 this directive was made German law and ratified as part of the German Commercial Code (HGB). Companies directly affected by the reporting obligation are, in particular, capital market-oriented companies, credit institutions and insurers employing more than 500 staff or with total assets of more than € 20 million or net revenue of more than € 40 million. The law also contains special requirements with regard to consolidated reporting for capital market-oriented companies, credit institutions and insurers. For all financial years beginning after 31 December 2016 the companies affected are required to publish disclosures of individual non-financial indicators such as their environmental, fair employment and social issues as well as on respecting human rights and combating bribery and corruption. This may be satisfied either by expanding the (consolidated) management report or by publishing a separate “non-financial (consolidated) report”. Reporting is to be carried out using a legislatively mandated standard of materiality. As per Sect. 289d HGB, reports may be prepared on the basis of

framework catalogues, whereby the federal government specifically names the German Sustainability Code in this context within their preamble to the Act.

German Sustainable Development Strategy: Against the backdrop of Agenda 21 passed in Rio de Janeiro, a national sustainable development strategy for Germany was first agreed in 2002. It was comprehensively revised in 2016 to take account of Agenda 2030, passed in 2015, and the Sustainable Development Goals (SDGs) contained therein. Going forward, the federal government and the Federal Statistical Office alternates publication every two years of a report on policy continuation and assessment of the sustainability strategy or, respectively, an indicator report. The German Sustainable Development Strategy focuses on action at national level that is definitive for implementation of the global SDGs.

GRI: The Global Reporting Initiative (GRI) is an ongoing international dialogue on corporate reporting involving companies and their stakeholders. The GRI develops guidelines aimed at improving and standardising the quality of reporting and thus making it more comparable. In 2016 the GRI G4 guidelines were developed further and are replaced by the Sustainability Reporting Standards (GRI SRS). The G4 indicators will remain in use until 30 June 2018. This transition is the result of the desire for greater modularity as well as more flexibility with regard to reporting options and formats (www.globalreporting.org). A selection of GRI performance indicators

(alternatively EFFAS KPI) supplements reporting in accordance with the Sustainability Code.

ILO (International Labour Organization): The International Labour Organization (ILO) is a special organisation of the United Nations that formulates and implements international labour and social standards. Its actions are governed by four fundamental principles: freedom of association and right to collective bargaining, protection from forced labour, abolition of child labour, protection against discrimination in employment and occupation. On this basis, a total of eight core fundamental Conventions have been defined: Freedom of Association and Protection of the Right to Organise Convention, Right to Organise and Collective Bargaining Convention, Forced Labour Convention, Abolition of Forced Labour Convention, Equal Remuneration Convention, Discrimination (Employment and Occupation) Convention, Minimum Age Convention, Worst Forms of Child Labour Convention. Among others, Sustainability Code criteria 14–16 take up the individual issues related to the fundamental principles of the ILO.

Life cycle approach: “The main objectives of a life cycle approach are to reduce the environmental impacts of products and services as well as to improve their socio-economic performance throughout their life cycle, that is, from the extraction of raw materials and energy generation, through production and use, to end-of-life disposal or recovery. An organisation should focus on developing innovative solutions and not just concentrate on compliance with laws and regulations. Furthermore, it should commit itself to the continuous improvement of its environmental performance.” (Source: ISO 26000)

Lobby lists: Lobby lists are, for example, the public lists regarding the registration of associations and their representatives of the German Bundestag or other national parliaments and the publicly viewable Brussels transparency register for the European Parliament and the European Commission. There are also non-publicly accessible lists maintained by the Bundestag for the registration of individual companies as well as the lobby lists of other countries.

Management systems relating to aspects of sustainability: Performance requirements relating to sustainable management are set out in specific management systems. A uniform consolidated system for sustainability management does not yet exist. The following systems relate to partial aspects of the overall system: EMAS (Eco Management and Audit Scheme – European Regulation), IDW PS 980 (national auditing standard for compliance issued by the Institute of Public Auditors in Germany), ISO 14001 (international environmental management system), ISO 9001 (international quality management system), and SA 8000 (international standard relating to the minimum standards of working conditions of employees, published by Social Accountability International, an international non-governmental organisation).

Materiality: The principle of materiality is firmly entrenched in accounting standards. It is based on the idea that when preparing financial statements, all information must be disclosed that is material to gaining an understanding of the company's business operations. Using this as a measure helps to set the scope of the reporting and highlight important information. In the context of sustainability reporting, the respective frameworks use a variety of approaches for determining which information is material and therefore subject to reporting. As with the statutory reporting obligation as per the CSR Directive Implementation Act when preparing non-financial declarations/reports, the principle of materiality is applied in the same way

when preparing declarations of conformity with the Code in that those disclosures are to be made for each of the criteria where the information is necessary for gaining an understanding of the company's operations and the impacts of these operations on the various aspects of sustainability. It is this information in particular that makes the bidirectional relationship between the company's operations and the environment and society clear. However, according to the Code, the reporting obligation itself does not preclude the possibility that one particular piece of information may have greater relevance for an understanding of the business operations and another for understanding of the impacts of operations on the corresponding sustainability criteria. In individual cases it may even be necessary for overall understanding and the completeness of the declaration of conformity with the Code to provide information that at first glance is only relevant for an understanding of the course of business, the business result and the company's position or for an understanding of the affects of its operations on the respective aspect of sustainability. When applying the Sustainability Code, the principle of materiality as a measure of reporting scope applies to the whole document. It is to be taken into consideration for disclosures relating to all criteria. The reporting on strategy and/or the sustainability concept for criterion 2, however, is a special case: here, information is provided in the declaration of conformity about the aspects of sustainability with particular relevance for the company and how these impact the assessment of opportuni-

ties and risks as well as (sustainability) strategy. Thus, criterion 2 is also governed by the general reporting scope principle of materiality, but can in this respect be viewed as an independent reporting section containing supplementary information.

National Action Plan Business and Human Rights: The National Action Plan Business and Human Rights was agreed by the federal cabinet on 21 December 2016. The plan's aim is to realise the implementation of the UN Guiding Principles on Business and Human Rights and in particular to improve the human rights situation throughout supply and value chains in Germany and the world as a whole. In the Action Plan, the federal government lays out the goal of at least 50% of all companies with over 500 employees having integrated human rights due care obligations into their processes by the year 2020. A corresponding statutory obligation does not yet exist, however. The Action Plan was drawn up over a period of two years in consultation with a variety of players from civil society, the business sector and the political arena. In addition to the Federal Foreign Office (AA), acting as lead institution, the Federal Ministry of Labour and Social Affairs (BMAS), the Federal Ministry of Economic Co-operation and Development (BMZ), the Federal Ministry of Justice and Consumer Protection (BMJV), the Federal Ministry of the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and the Federal Ministry of Economic Affairs and Energy (BMWi) were also involved. From 2018 the Action Plan's implementation will be reviewed annually by the federal government.

OECD (Organisation for Economic Co-operation and Development): Die In 2011 the Organisation for Economic Co-operation and Development (OECD) formulated guidelines for the responsible behavior of companies (in particular multinationals). They were negotiated through an extensive international consultation process between companies, trade unions, NGOs and governments and contractually agreed between the governments of the OECD countries and a few others. However, they are not binding on companies. (<http://mneguidelines.oecd.org/>)

Performance indicator: Performance indicators serve to provide further quantification of current results and the respective sustainability goals; they thus improve the comparability of reporting as well as the performance of the reporting companies to the benefit of all users of declarations of conformity. The performance indicators help users from, for example, the capital market to integrate declarations into their analysis models or to use them to determine key data (e.g. emissions per unit of power). The performance indicators selected from GRI and EFFAS (see checklist) are used as a baseline for reporting in accordance with the Sustainability Code and are reported on like the Code criteria. Sector- or company-specific performance indicators may additionally be relevant.

Policies: Descriptions of (sustainability) policies refer to explanations of the strategies a company uses to approach the topic of sustainability overall and/or individual sustainability aspects, which measures it wants to implement in which time frame, how the company management is involved in these measures and which processes it wishes to implement, such as to involve employees or other stakeholders. The respective internal due diligence processes also form part of the policies. Companies subject to a reporting obligation as per the CSR Directive Implementation Act are required by Sect. 289c Para. 3 Nos. 1 and 2 HGB (Commercial Code) to present in their non-financial declarations, the policies they apply for the individual non-financial aspects and the results they have yielded. The reporting company only needs to report on existing policies or alternatively provide an explanation as to why no policy exists. With regard to a declaration of conformity with the Code, policies play a key role in two regards: due to the holistic sustainability concept of the Sustainability Code, the information provided for criteria 1–10 involves reporting on the company's overall sustainability policy. In these sections, information is provided on overall strategy, target setting and target achievement. Furthermore, in accordance with the understanding of a "policy" in the CSR Directive Implementation Act, for criteria 11–20 information is presented on the criteria-specific concepts and their corresponding results, meaning that, for example, in conjunction with criteria 11–13, information is provided on the environ-

mental policy. Due to the declaration of conformity being a closed comprehensive report, references to other sections of text can be used to avoid doubling of content.

Risks: The presentation of risks relating to the individual aspects of sustainability (criteria 11–20) that result from the business operations or the products or services serves in particular to allow for a better understanding of the company's course of business and makes it clear what challenges a company is aware of with respect to aspects of sustainability. As per Sect. 289c Para. 3 Nos. 3 and 4 HGB and in line with the CSR Directive Implementation Act, companies subject to reporting obligation must present the principal risks which are highly likely to have a significant negative impact on the individual non-financial components. Companies subject to reporting obligation must take this into account in their reporting on criteria 11–20. The severity of the effects should be assessed according to both extent and intensity. How the risks are managed is also to be presented. The risks to be reported on include not only those risks which are directly linked to the company's operations but also those risks that result from their products or services or from the company's business relationships, for example along the supply chain, insofar as the information is significant and a corresponding presentation does not entail undue effort. Risk reporting must thus also be included when submitting a declaration of conformity with the Code as a non-financial declaration or non-financial report. Companies not

subject to the reporting obligation should also report on risks in their declaration of conformity with the Code. They may use the statutory benchmark as their orientation for this reporting, however additional presentation of risks relating to individual aspects of sustainability that goes beyond the standard requirements may aid in achieving better understanding.

Scope of reporting: In order to establish financial reporting comparability, for companies that are not subject to the reporting obligation of the CSR Directive Implementation Act the declaration of conformity refers to the same group of companies as those included in the consolidated financial statements. In some cases, it may be useful and necessary to deviate from this. Generally it is necessary to expand the scope of the financial reporting when discussing individual criteria relating to the supply chain, for instance. In such instances, the companies indicate this and give reasons for their decision. Companies subject to a reporting obligation: According to the CSR Directive Implementation Act such companies must explain in their declaration of conformity with regard to scope of reporting whether they are preparing a non-financial declaration or a non-financial report that uses a

scope comparable to that of the annual financial statements and the management report which focuses at its core on the individual company, or if they are preparing a non-financial declaration or a non-financial report with a scope comparable to that of the consolidated annual financial statements and the consolidated management report and as such related to the consolidated group of companies.

Stakeholders: According to the G4 guidelines, stakeholders are defined as "entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products, and/or services; and whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives." (Source: Global Reporting Initiative [GRI]: G4 Sustainability Reporting Guidelines. Amsterdam 2013: 94)

Standard: In this context, a standard is a comparatively uniform, widely accepted course of action that is usually taken into account. A standard is often the result of a standardisation process. Whether a standard is established by a public or other formalised procedure or by general recognition is not decisive.

Supply chain: According to the management guidelines ISO 26000, the supply chain is the sequence of activities or parties that provides products or services to the organisation. Depending on a company's business area, supply chains can be of different lengths or branched. The depth of the supply chain denotes the stages of extraction of raw materials, prefabrication, refining, production, sales and logistics. Furthermore, product responsibility may also refer to the use of the products by customers as well as recycling and disposal (value chain).

Sustainability strategy: Sustainability strategies are the core foundation of sustainability management. They relate to key processes within companies and the political arena and are to be systematically integrated into processes and measures throughout all areas. Sustainability strategies are well suited for management purposes when they contain goals and time frames as well as quantifiable indicators, are reviewed regularly and regular reporting is carried out on goal achievements and, if necessary, conflicts among goals. Authors of sustainability strategies may be organisations, companies and nation states, countries, and local governments.

Sustainable Development Goals: This catalogue of 17 goals for sustainable development (also referred to as 2030 Agenda) was agreed in 2015 by the United Nations (UN) as a political objective and came into force as of 1 January 2016. It replaces the Millennium Development Goals (MDGs) that expired in 2015 and presents an ambitious and compre-

hensive development agenda for all UN member states for up to and including the year 2030. The 17 primary goals and their total of 169 targets are based on the principles of universality, indivisibility, participation and accountability. In contrast to the MDGs, these voluntary goals apply to both developing and industrialised countries.

UN Guiding Principles on Business and Human Rights: The UN Guiding Principles on Business and Human Rights – also known as the “Ruggie Principles” after their initiator John Ruggie – were endorsed by the UN Commission on Human Rights in 2011. They define the obligations of states and the responsibility of enterprises to protect and respect human rights and provide guidance for implementing due diligence processes, among other things. They comprise (1) an affirmation of the duty to respect human rights, (2) methods for determining actual and potential detrimental affects on human rights, (3) measures to prevent potential negative impacts and for assessing the efficacy of these measures, (4) reporting and (5) a complaint reporting mechanism accessible to all those potentially affected.
(www.unglobalcompact.org/docs/issues_doc/human_rights/Resources/IntroToGPs.pdf)

United Nations Global Compact: The UN Global Compact is an initiative of the United Nations for companies that commit themselves to aligning their operations with the ten principles of sustainability. These include, inter alia, human rights, labour standards, protection of the environment and

the fight against corruption (www.unglobalcompact.org). The large majority of content from a company's Communication on Progress (CoP) can be taken over for a declaration of conformity with the Code. And vice versa: supplemented by a statement from management affirming the company's ongoing commitment to the Global Compact, the declaration of conformity can be considered a complete Communication on Progress.

Usage: The usage of ecosystem services includes data about usage and the consumption of natural resources such as, in particular, input, process design, output and outcome as well as the data on impact over the life cycle of products and services.

Value chain: The value chain is the entire sequence of activities or parties that provide or receive value in the form of products or services. Parties that provide value include suppliers, outsourced workers, contractors and others. Parties that receive value include customers, consumers, clients, members and other users (see ISO 26000). Compared to the value chain, the supply chain is therefore the broader term.

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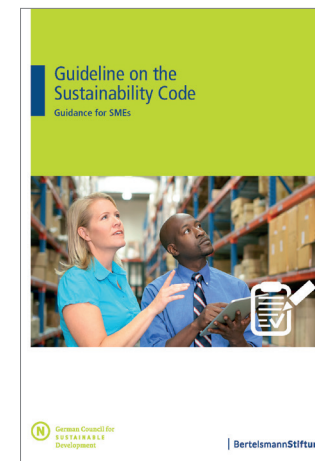
Former German Federal Minister for Economic Cooperation and Development, Vice-Chair of Friends of the Global Fund Europe Board for Germany

The German Council for Sustainable Development (RNE)

The Council comprises 15 public figures appointed 2016 by Federal Chancellor Dr Angela Merkel for a three-year term. The RNE was first established in April 2001 by then Chancellor Gerhard Schröder. The Council's tasks include generating contributions to the national sustainability strategy, specifying concrete fields of activity and projects and also providing contributions that make sustainability a public issue of vital importance.

For more information please visit:

www.sustainabilitycouncil.de



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SUSTAINABILITY
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