



Press release +++ Blocked until 5.30 p.m. +++

15 years IÖW/Future-Ranking of Sustainability Reports

# German Federal Minister for Labour and Social Affairs Jung awards chemical company and eco-pioneer with first places for their exemplary sustainability reports

Over one hundred reports have been assessed: IÖW and Future identify the top sustainability reports of major German enterprises and SMEs / Climate protection the dominant topic of sustainability reports / One in five German corporate groups reticent about their ecological and social responsibility

Berlin, November 23, 2009 – A long-established German corporate group and a pioneer of the environmental sector have been distinguished as the best reporters in an evaluation of over one hundred German corporate sustainability reports carried out by the Berlin based Institute for Ecological Economy Research and the business initiative "Future". In the category major enterprises, the chemical company BASF achieved the highest number of points in the IÖW/Future-Ranking, followed by Siemens and BMW. The mail order company Memo, which provides environmentally friendly office supplies, was distinguished as the best reporter among the small and middle-sized enterprise (SME). The eco-brewery Neumarkter Lammsbräu and the Berlin based communication agency Johanssen und Kretschmer came in second and third in the category SME. Today, the winners are awarded by the Federal Minister for Labour and Social Affairs Franz Josef Jung and Volker Hauff, the Chairman of the German Council for Sustainable Development (RNE) at RNE's annual conference in Berlin. Over 1000 guests from the political arena, business and civil society are expected.

Thomas Korbun, the scientific director of IÖW: "Nowadays, hardly any annual report or company presentation escapes the mention of the attribute "sustainable". Sustainability reports are establishing themselves as an independent reporting standard. Companies use them to indicate their social and ecological responsibility in order to convince investors and business partners of the management's grasp of the economic long-term perspective. Not least, they intend to offer consumers a good conscience when buying the companies' products and services. The IÖW/Future-Ranking investigates the soundness of corporate reporting on sustainability activities."

The appraisal of German sustainability reports shows what companies are best able to satisfy the criteria for good reporting. Based on a comprehensive list of criteria, IÖW and Future have closely examined the corporate reports. On the one hand, overarching criteria such as sustainability strategy and management were applied. On the other hand, the concrete activities of the companies, e.g. with regards to employee concerns, ecological aspects in production and responsibility in the supply chain, were thoroughly examined. According to Udo Westermann of Future, sustainability reporting has become distinctly professional during the last years. "Increasingly, companies integrate reporting on social and ecological aspects of company activities in their corporate reporting. Especially in the ranks of smaller and medium-sized enterprises there is a positive trend in the numbers of reporters."

In the last years, climate protection can be distinguished as the dominant topic of sustainability reporting across all business sectors. According to the project manager at IÖW, Jana Gebauer, companies are aware of the relevance of climate protection. "There is no report that leaves out this issue." The ranking demands comprehensive reporting on data and activities that are deemed relevant to climate change. In addition, it is expected that companies establish sensible climate goals and communicate these transparently. On average, the sustainability reports satisfy these requirements to a large extent – more than one-fourth even to an exemplary degree. Gebauer: "Still, it has to be considered that being a model climate protector requires more than just good reporting. Good reports supply the readers with the necessary information for appraising and comparing the climate protection activities of companies. In





future, it will become even more a question of assessing whether the contribution of the companies is sufficiently large considering the scale of this global challenge.

It can however also be observed that one in five of the 150 largest German companies does not publish any information on sustainability issues separately. Many of the "non-reporters" are companies in the sectors of insurance, the food industry, technology and trade. Especially large trade companies such as Anton Schlecker and Aldi Nord stand out as they do not provide any information related to sustainability whatsoever. According to Westermann, such companies keep the interested public in the dark about their ecological and social performance. "In such cases, it has to be assumed that these companies lie miles behind the companies that openly address ecological and social issues. However, even among the discount stores some activity can be observed. For instance the Schwarz Group (Lidl) and Aldi Süd publish information online about some issues related to their social and ecological responsibility. Nonetheless, they are still nowhere near reporting transparently and comprehensively on their sustainability impact."

The IÖW/Future-ranking of sustainability reports has been assessing and influencing German corporate sustainability reporting on social and ecological challenges and activities for 15 years now. The criteria of this independent and recognised evaluation make a contribution to setting the ever-rising standard for credible corporate sustainability reporting. The Federal Ministry of Labour and Social Affairs and the German Council for Sustainable Development contribute with significant support to the ranking of sustainability reports.

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Further information on the IÖW/Future-ranking and the lists of results can be found in the digital press kit at <u>www.presse.ranking-nachhaltigkeitsberichte.de</u> (only in German).

The **Institute for Ecological Economy Research (IÖW)** is a leading scientific institute in the field of practice oriented sustainability research. It develops strategies and approaches for sustainable business activity. Together with **Future e.V.**, IÖW carried out the first ranking worldwide of environmental reports as early as 1994. In 2009, the seventh round is carried out with two separate categories for major enterprises and smaller and medium-sized enterprises for the first time. Future e.V. is an initiative for sustainable business that pursue the goal of building sustainable structures for the future and combining business thinking with the requirements for sustainable economic activity.

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#### For information regarding

#### content:

Jana Gebauer Institute for Ecological Economy Research (IÖW) Potsdamer Straße 105 10785 Berlin 0049 (0) 30 – 884 594-33 jana.gebauer@ioew.de Dr. Udo Westermann future Branch Office Münster Am Hof Schultmann 63 48163 Münster 0049 (0) 251 – 97 316-34 udo.westermann@future-ev.de

#### PR contact:

Richard Harnisch Institute for Ecological Economy Research (IÖW) 0049(0) 30 – 884 594-16 richard.harnisch@ioew.de www.ioew.de