



German Council for
S U S T A I N A B L E
Development

A systematic comparison of the German Sustainability Code with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises

STRATEGY

Strategic Analysis, Strategy and aims

1. The company discloses whether, for its main activities, it analyses the opportunities and risks related to sustainable development and for its core business. The company outlines what measures it is taking in order to operate in line with the main and recognised sector-specific, national and international standards.

UN Global Compact

OECD Guidelines

Statement of Continuing Support

II. General Policies, A 5

2. The company discloses whether the strategy devised for its core business and the systematic implementation of the strategy takes into account all aspects of sustainability which have a substantial impact on the company, for example strategic competition-based positioning, innovation management, business activities that conserve the climate, environment and resources, demographic developments, corporate social responsibility in the value-added chain, for the product life cycle, for the product portfolio, etc.

Statement of Continuing Support

II. General Policies, A 9

3. The company discloses what qualitative and/or quantitative as well as temporal sustainability goals are set and operationalized, and how their level of achievement is monitored. They should relate to core and management processes. The main suppliers, employees, capital markets, customers and main stakeholder groups are included on a regular basis.

Actions Taken to Implement Principles 1-10

II. General Policies

4. The company states how deep into the value-added chain the sustainability criteria are verified and what impact sustainability has on the added value.

Actions Taken to Implement Principles 1-10

II. General Policies

PROCESS MANAGEMENT

Rules and Processes

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| 5. Within the company, accountability for the sustainability of the company should be specified in corporate management. | Actions Taken to Implement Principles 1-10 | II. General Policies, A 7, 8 and 13 |
| 6. The company discloses whether the sustainability strategy is implemented using rules and processes. The company should draw on specific circumstances from purchasing, production, services, human resources, investment, research and development as well as logistics/transport and marketing and take into account suppliers, customers as well as other stakeholder groups (e.g. employees). | Actions Taken to Implement Principles 1-10 | II. General Policies, A 7 |
| 7. The company discloses whether, along the lines of financial parameters, key indicators on sustainability are integrated into periodical internal planning and control and whether the reliability, comparability and consistency of data applied to internal controls and external communication are safeguarded through appropriate processes. | Actions Taken to Implement Principles 1-10 | III. Disclosure, 4 |

Incentive Schemes

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| 8. The company discloses whether and how target agreements and remuneration schemes for executives are also geared to achieving the sustainability goals. It discloses whether sustainability performance forms part of the evaluation of the top management (board/managing directors) which is conducted by the monitoring body (supervisory board/advisory board). | Actions Taken to Implement Principles 1-10 | III. Disclosure, 2 d |
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Stakeholder Engagement

<p>9. The company discloses whether the relevant stakeholders are identified, whether dialogue takes place with them on a regular basis and whether they are systematically integrated into the sustainability process (e.g. AA 1000).</p>	<p>Actions Taken to Implement Principles 1-10</p>	<p>II. General Policies, A 14</p>
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Innovation and Product Management

<p>10. The company discloses whether innovations in products and services are enhanced through processes which improve sustainability with respect to the company's utilisation of resources and to the user. A further statement is made as to whether the economic, social and ecological effects of the company's main products and services are assessed and improved through its value-added chain and product life cycle.</p>	<p>Principles 8 and 9</p>	<p>VI. Environment 6</p>
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ENVIRONMENT

Usage of natural resources

<p>11. The company states, evaluates and discloses the usage of natural resources for the company's business activities (input and output of e.g. materials, water, soil, waste, energy, emissions, land). The sustainability management system should incorporate the entire product life cycle into the analysis.</p>	<p>Principles 8 and 9</p>	<p>VI. Environment 1</p>
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<p>12. The company discloses what qualitative and quantitative goals it has set itself with respect to the efficient use of resources, the use of renewable energy sources, the increase in raw material productivity and the reduction in the usage of natural resources and how these goals have been met.</p>	<p>Principles 8 and 9</p>	<p>VI. Environment 1</p>
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13. The company discloses the GHG emissions along with the goals the company has set itself in accordance with the Greenhouse Gas Protocol or standards based on the Protocol.

Principles
8 and 9

VI. Environment 1

SOCIETY

Employee Rights and Diversity

14. The company reports on whether it has taken steps to observe employee rights both at home and abroad and also to promote employee involvement. Compliance with such rights should be geared to internationally recognised standards. The company should establish processes which create awareness of the sustainability and strategy process among employees and incentives for employee involvement.

Principles 3 and 6

II. General Policies, A 4 and
9; V. Employment and
Industrial Relations

15. The company discloses whether the impact of demographic developments – most notably with respect to the initial and further training of employees, equal opportunities, health and safety, integration of migrants and people with disabilities, fair pay as well as a work-life balance – is systematically recorded, evaluated, incorporated in the strategy, and initiatives derived which ensue from this process.

Principles 3-6

V. Employment and
Industrial Relations

16. The company discloses what steps it has taken to promote the general employability of all employees and to adapt it to demographic change.

Principle 6

V. Employment and
Industrial Relations

Human rights

17. The company discloses whether measures are taken for the value-added chain with the aim of human rights being respected and forced and child labour as well as all forms of exploitation being prevented (Ruggie Report: “Protect, Respect and Remedy: a Framework for Business and Human Rights”, ILO Core Labour Standards, UN Labour and Social Standards).

Principles 1 and 2

II. General Policies, A 2 and
13, B 2; IV. Human Rights

Corporate Citizenship

18. The company should disclose what contribution it makes to corporate citizenship in the regions in which it is represented. This includes providing details about how profit is taxed and reinvested locally.

No Specific Requirement

II. General Policies, A 3

Political Influence

19. All significant input relating to political consultations, all significant payments of membership fees, all payments to governments as well as all donations to political parties and politicians should also be disclosed and identified by country.

Principle 10

VII. Combating Bribery,
Bribe Solicitation and
Extortion

Corruption

20. The company should, by applying an accepted standard (e.g. the Business Principles of Transparency International, International Corporate Governance Network's Guidelines Bribery and Corruption), disclose how corruption is uncovered, prevented and certified (e.g. IDW PS 980) and sanctions are applied.

Principle 10

VII. Combating Bribery,
Bribe Solicitation and
Extortion

Sources:

UN Global Compact, [The Ten Principles](#).

OECD [Guidelines for Multinational Enterprises](#), May 2011.