Sustainability management and ethics

A comparison of four ethical frameworks: Global Reporting Initiative, German Sustainability Code, ISO 26000 and Common Good Balance Sheet

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Summary:
In the German-speaking discussion on sustainability management, the ethical frameworks GRI, GSC, ISO 26000 and ECG are increasingly subject to comparison. This discussion focuses on the scope of corporate responsibility in a free society based on the underlying question regarding the extent to which the ecological and social benefits and costs generated by enterprises should be rewarded or sanctioned, as the case may be. Concerning this question and the ongoing development of sustainability management, comparison criteria will be introduced as a basis for tabular comparison of the four standards after they have been depicted briefly. The article will close with a look at the future of corporate responsibility reports.

Key words: EU Directive 2014/95, comparison of frameworks, sustainability and CSR management, corporate responsibility, voluntariness of CSR, transformation of the economic system

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1. Introduction: the question behind the standard

In October of last year, the European Union adopted EU Directive 2014/95, which provides that in the future, enterprises with more than 500 employees are to report on "strategies, risks and results in regard to environmental matters, social and employee aspects, respect for human rights, anti-corruption and bribery as well as diversity in management and supervisory bodies."[1] To date, the legislative process is still under way; it will be completed by December 2016. The EU Directive makes reference to various frameworks, among them the OECD Guidelines for Multi-National Enterprises and CSR management guideline ISO 26000 as well as what is currently the most prevalent standard for sustainability reporting, namely the Global Reporting Initiative. Since 2010/2011, two additional standards have drawn attention, particularly in the German-speaking world, namely the German Sustainability Code (*Deutscher Nachhaltigkeitskodex; DNK*) developed by the German Council for Sustainable Development, and the Economy for the Common Good Balance Sheet developed by the international, civic movement Economy for the Common Good (ECG).

The aim of this article is to contribute to the discussion on comparison of these various frameworks. In concrete terms, the authors propose nine criteria for comparing the frameworks with one another.

To begin with, one should call to mind that the question as to which standard is best suited for which corporate sustainability or ethics management scheme always entails addressing the fundamental question as to what responsibility enterprises should take in a free society. Over the past decades, answers to this crucial question have mainly come from three schools of thought. We wish to reiterate them here briefly in the sense of ideal types.
First of all, there is a neo-liberal answer most pointedly formulated and frequently quoted as follows: "The social responsibility of business is to increase its profits." (Friedman 1970, pg.32)
Secondly, the field of economics contends that enterprises should not be weighed down with moral demands, their responsibility being to define a systematic framework. Homan's formula puts it succinctly: "The systematic place of morality lies in the framework conditions." (Heeg 2002, pg. 28) And thirdly, there is a 'Republican' answer, which even views enterprises in part as 'res publica' and consequently demands a normative primacy which lies above any economic "logic of factual constraint." (cf. Ulrich 2000; Schachtschneider 2002)
Over the past decades, the first two types of answers have dominated the discussion and CSR was able to establish itself as a strategic success factor at best (cf. Kuhn/Weibler 2011), while the third, 'Republican' approach, continued to play a very peripheral role. This is reflected in sustainability reporting, which has been characterized by voluntariness and a large degree of latitude in terms of the form it takes. But today the view that the primary

[1] http://ec.europa.eu/finance/accounting/non-financial_reporting/index_de.htm; last access on 08/09/2015

goal of corporate management is to increase the value of the company (in keeping with the shareholder value doctrine) is being called into question to an ever increasing degree. The societal consensus regarding the question of corporate responsibility has moved beyond the narrow concept of shareholder value, profit maximization and the compulsion to grow, addressing the very nature of our economic system.[2] The priority placed on profit maximization for decades led to enormous wealth for a minority, mainly for financiers and company owners.[3] Precarious living conditions for the majority of human beings, environmental destruction, climate catastrophes and undermining of democratic processes have come to the attention of people responsible for the economy, however, to the point that ethical management frameworks are being compared from a new perspective and a discussion concerning future-oriented frameworks is gaining momentum.

The primary, thought-provoking question raised by this article is whether the frameworks under discussion, be it in their current form or a modified version, can help transform our economic system in such a way as to allow enterprises to operate sustainably and ethically without having a competitive disadvantage due to higher costs, which is to say, whether sustainable performance can be evaluated in such a way as to generate a “return on sustainability investment” via markets or through legal framework conditions.

Before nine criteria for comparison and/or further development of the frameworks are proposed, the frameworks under discussion here should be briefly depicted.

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[2] “In light of the Europe-wide economic and debt crisis, eight out of ten German citizens desire a new economic order.” This was the result of a survey commissioned by the Bertelsmann Foundation which was conducted by the TNS-Emnid in 2012. See: http://www.bertelsmann-stiftung.de/en/press/press-releases/press-release/pid/umfrage-buerger-wollen-kein-wachstum-um-jeden-preis-1/; last access on 08/09/2015

[3] An article entitled “Reiche trotz Finanzkrise immer reicher” (“The rich get richer despite the financial crisis”) published by *Süddeutsche Online* on Sept. 19th, 2012 summed up the poverty and wealth report issued by the federal government as follows: “According to governmental statistics, private net assets increased by 1.4 billion Euros between 2007 and 2012 alone. (…) In 2008, more than 53 percent of the total net assets was already in the hands of a group of the most wealthy households. *The lower half of households has only a bit over one percent of the total net assets at its disposal.*“ http://www.sueddeutsche.de/wirtschaft/neuer-armuts-und-reichtumsbericht-der-bundesregierung-reiche-trotz-finanzkrise-immer-reicher-1.1470673; last access on 08/09/2015

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2. Short depiction and categorization of the four frameworks

2.1. Reporting frameworks G3 to G4 of the Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) was founded in 1997 by an international multi-stakeholder coalition of enterprises, investors, governmental organizations, universities, civic organizations and other groups. This fact alone invests it with a high degree of legitimacy. It constitutes a tool which defines reporting demands on a triple bottom-line basis (economy, ecology, society). A fourth version (G4) now exists. The GRI is the most prevalent standard.[4] It allows firms to define key reporting indices for their business field in keeping with stakeholder demands according to certain provisions and to report accordingly. This reduces the previous mass of data involved. Whereas the third generation, G3, still differentiated various application levels (from C to A+), this practice, which applied to the contents of the report, has been omitted from the fourth generation, G4.
Companies can have their GRI sustainability report attested on a voluntary basis. Such attestations only refer to the completeness or accuracy of the data chosen for inclusion in the report by the reporting company itself, however; they do not constitute any evaluation of a company's actual sustainability performance. The comparability of reports now achieved through a uniform format has its limits too. These evidence themselves particularly when it comes to reports issued by large corporations and groups. On the whole, such reports can only be read by experts and require a large expenditure of time. In print form they take on catalogue format; this makes it difficult for inexperienced consumers to compare the sustainability performance of various companies.

The merit of the GRI is that it provides a uniform reporting scheme with a high degree of legitimacy and worldwide prevalence. The GRI has defined how indexes are to be calculated and succeeded in rendering the reports issued by enterprises fundamentally comparable instead of allowing them to merely report on 'pleasant' aspects of their organization.

2.2. CSR Directive ISO 26000

The ISO 26000 framework was developed under the auspices of the International Organization for Standardization through a process of years-long multi-stakeholder consultation as well. Thus it also enjoys a high degree of legitimacy. At first sight, the guideline is often mistaken for a management system such as the ISO 140001, however. Unlike management systems, the ISO 26000 is a guideline and as such not certifiable. Instead, it provides

[4] According to the GRI database, 7,472 reports registered according to G3, G3.1 or G4 have been filed in Europe; see http://database.globalreporting.org/; last access on 07/25/2015

seven principles and seven core topics which serve as a guideline for obtaining a minimum standard of responsible company management. This makes it clear that this *guideline* does not actually constitute any management or reporting standard but rather a soft orientation tool. Nevertheless, explicit reference is made to it by the EU Commission in the framework of Directive EU2014/95. In keeping with its self-conception, the aim of guideline ISO 26000 is to provide a general standard for responsible company management which makes reference to other codices and standards. Although the management process and sustainable development are weighted more heavily here, the yardstick used often makes only minimum demands on responsible company management. Since the ISO 26000 itself has no intention to define any explicitly testable standards, it encompasses all CSR-related aspects involving activities of organizations (not only firms), but it offers no certification.

Through the ISO 26000, the issue of CSR management entered the realm of standards for the first time. This built a bridge to a new clientele and in this respect it has made an essential contribution towards driving home the importance of this topic.

2.3. The German Sustainability Code (*Deutscher Nachhaltigkeitskodex; DNK*) 2014

The German Sustainability Code (GSC) was passed in 2011 by the German Council for Sustainable Development (*Deutscher Rat für Nachhaltige Entwicklung; RNE*). It was established by the German Chancellor in 2001 as a body designed to advise the federal government, fuel the public debate and identify concrete fields of action. Its declared main objective is “to set new framework conditions for entrepreneurial success” and to ensure “competitive comparison of sustainability performance through standardized minimum demands.”[5] Companies are to sign the codex voluntarily and respond to 20 criteria in an annual compliance report. These criteria make reference to the 28 indicators of the previously described GRI standard or to the 16 indicators of the European Federation of Financial Analysts Societies (EFFAS). In methodological terms it adopts the approach “comply or explain.” In other words, criteria must either be substantially fulfilled or reasons must be given for non-compliance.
Whereas it was previously possible to use a GRI-G3-Report for GSC reporting, this option, gladly used by companies in the past, will no longer exist after G4 has found application. Then participating companies will have to submit a separate compliance report. According to the Council for Sustainable Development, 86 GSC compliance reports were submitted by August 2015 (but with no conclusive indication as to how many were actually GRI-G3 reports ‘used twice’[6]).

The advantage which the GSC has for medium-sized enterprises in particular lies in its compact format and a correspondingly low entrance threshold. Its compact design also

[5] http://www.deutscher-nachhaltigkeitskodex.de

[6] Newsletter des Rates für Nachhaltige Entwicklung (July 16th, 2015)

enhances comparability for consumers. As initially stated, the GSC focuses completely on rewarding enterprises in the market by improving communication of minimum standards and making them comparable. This means that there is no evaluation of sustainability performance; so far, the GSC/RNE has made no efforts to provide legal awards for enterprises with high sustainability performance. In terms of its concept of sustainability, the GSC likens the GRI in premising its approach on the "triple bottom-line" consisting of economy, ecology and society.
Through the establishment of the German Sustainability Code, the issue of sustainability management has been addressed by the government and pursued using corresponding organizational resources for the first time. During the initial phase until 2015, this standard seems to have led a marginalized existence as a German accessory to the GRI, but since 2015 an active, wide-scale campaign has begun which targets the large number of medium-sized German enterprises, seeking to achieve wide application of the standard. The GSC is an alternative to the GRI for medium-sized organizations since it offers a compact reporting scheme while demanding much less expenditure of time and effort than a GRI Report does. It does not allow for any comparison of performance, however, and it stands for voluntary CSR management.

2.4. The Common Good Balance Sheet (Version 4.0 and 4.1)

The Economy for the Common Good (*Gemeinwohl-Ökonomie; GWÖ*)[7], which was founded as an association, is a coalition of enterprises, municipalities and citizens who strive for an economic model which combines private economic interests with benefits for all directly and indirectly involved parties. In 2010, Christian Felber published his book *Gemeinwohl-Ökonomie* (cf. Felber 2012) and according to the website database, over 200 companies have drawn up a Common Good Balance Sheet to date.
Version 4.1, the current version of the Common Good Balance Sheet, has seventeen indicators with up to four sub-indicators. It does not include any economic indicators, as these are covered by legally binding commercial and tax balance sheets; instead, the Common Good Balance Sheet aims to assess the eco-social performance of organizations.

The approach used here is for organizations to assess themselves with the help of a freely available handbook oriented to seventeen indicators and in terms of four possible levels ("first steps," "experienced," "advanced," "exemplary"). The balance sheets may only be published if they are either attested in a peer-group procedure involving other enterprises or, as is generally the case, by a certified auditor. The results are given in points. Thus, entrepreneurial sustainability performance is evaluated.

The Common Good Balance Sheet approach involves viewing enterprises as responsible economic subjects who are interested in good societal living conditions. Thus the Common

[7] https://www.ecogood.org/

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Good Balance Sheet orients entrepreneurial practices to humanistic values such as human dignity, solidarity, ecological sustainability, social justice and democratic participation. These values make intentional reference to many democratic constitutions, just as the name of the movement makes a clear constitutional reference to most Western constitutions rather than employing concepts like CSR or sustainability.

Use of the Common Good Balance Sheet implies a willingness to go beyond any conventional entrepreneurial mindset. The principle of maximization of profits no longer holds; instead, management weighs the interests of the stakeholder groups and meets them in the framework of its economic possibilities. Profit-making continues to be understood as the prerequisite for entrepreneurial activity but no longer as the main objective of an enterprise. Increase of enterprise value for the owner is embedded in a long-term perspective and enhanced by the goal of enabling all persons involved in the value creation process to adequately participate in it. This generates new kinds of freedom and possibilities for shaping activities on the part of the enterprise in question.

3. Introduction to nine comparison criteria

The various frameworks address sustainability in different ways, in keeping with the respective underlying notion of what entrepreneurial responsibility means. The active principle behind reporting lies with the expectation that transparency and societal discourse improve the sustainability performance of enterprises. Hence, the ways in which reporting models create transparency and depict sustainability performance in relation to entrepreneurial activities play a crucial role here.

The effort to determine the quality and merits of these various frameworks calls for the introduction of purposeful comparison criteria. This article proposes *nine well-founded criteria* for comparing the depicted frameworks and reporting standards.

1) Legal consequences (sanctions / rewards) deriving from sustainability performance

During a podium discussion held at the annual B.A.U.M. conference [8] in 2014, Ernst-Ulrich von Weizsäcker stated that one central problem of our economic system lies in the fact that ecological costs are not reflected in prices. By making this remark he took the line adopted by critics of the economic (voluntary) CSR-approach, finding fault with the fact that eco-social performance was viewed as lying outside of 'actual' economic business. Corporations like Puma, the Otto Group, NovoNordisk, Interface and others were the first who became interested in finding out what the overall societal costs of their entrepreneurial activities are, where in the supply chain the greatest environmental damage is incurred, for example, and where human rights are endangered or violated. They draw up statistics which extend beyond the customary duty to report (ordinarily GRI) and publish them. This circumstance points to the need for legal consequences if a holistic perspective is to be adopted without such issues merely being treated as 'externalized costs.' In speaking of legal consequences, what is meant are tax breaks and tax increases, with the legal framework rewarding high eco-social performance and sanctioning particularly weak performance respectively.

2) Core values of the framework

The reporting indicators used for sustainability and CSR standards reflect ethical values. One must examine whether such values are universal and possess the highest possible degree of legitimacy or whether they over-represent certain societal groups. Moreover, one must consider whether the underlying framework allows for depicting conflicts between values and expressing relative levels of implementation in regard to the individual values

[8] According to its own statement, the *Bundesdeutscher Arbeitskreis für Umweltbewusstes Management e.V.*, which has over 500 members, is the largest entrepreneurial network for sustainable business management in Europe.

or not. In addition, one must ask whether the framework in question reflects the notion it has of how business and society are connected.

3) External auditing and attestation of declared sustainability performance

‘Green-washing’ is a practice which entails describing sustainability performance in such a way as to highlight a few positive initiatives while glossing over poor overall performance and which discredits those organizations which actually pursue serious and comprehensive sustainability management. Examining the completeness and substantive accuracy of reports has a trust-building effect. Methodological requirements should be made for cases of non-compliance regarding reporting indicators (for ex. in the sense of “comply or explain”).
Verification of accuracy calls for expertise on the part of auditors and in turn, this must be anchored in transparent and comprehensive guidelines regarding these auditors‘ duties.

4) Evaluation of sustainability performance

In order to acknowledge the sustainability performance of an organization, the measured results must be assessed on the basis of evaluation standards. Good sustainability performance is the result of ambitious goals and an intelligent line of action. Acknowledgement of this is only possible by using standards which do not ‘compare apples and oranges’ and by employing standards which are applicable to all enterprises.
Evaluation makes it possible to assess the relation between effort and result and it is a purposeful control parameter for the organization in question. Moreover, the sustainability performance of any organization should have legal consequences; the prerequisite for ensuring this is a mode of evaluation which depicts relative performance levels and thus allows for realistic comparison.
To evaluate sustainability performance, such performance must be measured first and then be reported comprehensively. Such demands will be elucidated separately.

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5) Completeness and effort

This criterion mainly pertains to whether all essential indicators are covered or not. In regard to large companies and corporations, the reporting framework should ensure consistent depiction of essential indicators so as to guarantee readability of reports.
A company's business risks should not be the sole frame of reference for determining what constitutes essential aspects of the report. The effect which business activities have on stakeholder groups, ecological connections and societal demands should be incorporated into the determination of what is deemed essential.
This criterion also sheds light on the question as to how much effort is spent on reporting. To date, medium-sized enterprises in particular, which constitute 99 percent of all enterprises, have not yet come forward in any sizable numbers to report on their sustainability performance although there is a considerable amount of such performance which deserves to be reported. Thus this criterion addresses the question as to whether the framework is suitable for enterprises which are defined as small or medium-sized (SMEs) in terms of the European definition[9]. Regarding SMEs, it is important for the effort needed to draw up a substantive sustainability report (in terms of costs and time expended) to be educible, and it should be possible to draw up the report without resorting to any expensive advisory mandate.

6) Measurability of sustainability performance

In keeping with the old management adage "you can't manage what you don't measure," eco-social performance must be measured as well. Measurability is the basis for any comparison. Critics who claim that is is not possible to measure such complex issues should consider three arguments
First of all, when it comes to eco-social performance, we are not talking about decimal places in this phase of development, but rather 'ballpark figures,' i.e. rough estimates. Compare, for example, the development of greenhouse gas emissions assessments. Here as well, assessments are made on the basis of what is essential, and figures are calculable which express general tendencies.
Secondly, aspects which cannot be adequately depicted in terms of figures can still be precisely gradated, and such gradations can be expressed in quantitative terms.
And thirdly, complex aspects which cannot be expressed in measurable or countable terms can be related to definitions of best or good practices. Once again, this makes measurability possible.
Putting things into relation constitutes an operation based on original measurements, and this in turn improves our understanding of the measurement parameter in question. The

[9] According to the European definition, fewer than 250 employees and less than 50 mill. € turnover or 43 mill. € total assets.

contents of reports should put resource consumption in relation to sustainability performance and to the overall activities of the enterprise, with reference being made to societal dimensions and/or key metrics of the company (using specific key indicators such as CO_2 emissions/added value or number of advanced training days per employee).

7) Comparability of sustainability performance

Genuine comparability requires depiction of sustainability performance in relation to business volume as well as to exploitation of natural and societal resources. The substantial level of responsibility actually taken by a given company cannot be depicted. And no standards exist which could serve as benchmarks for making relative differences between enterprises visible. How could the situation in the supply chain, for example, be made universally measurable? Making reference to best or good practices is a feasible alternative to standards because in this way the relative degree of efforts made by individual enterprises becomes visible.

Comparability can be improved even more if the framework in question puts limits on how it is defined individually. Let us take the example of practices performed in accordance with business and tax laws, for example, which make regulations and put limits on the way individual balance sheets are designed.

To be sure, all of the aforementioned standards are committed to making sustainability reports and sustainability performance comparable. But despite standardization it is still not always easy to compare the sustainability reports of any two enterprises in the same sector. In democratically oriented economies, sustainability reports should not be reserved for rating specialists but also be accessible to comparison on the part of consumers.

Today, investors and asset managers commission rating agencies to make the sustainability performance of various enterprises comparable. Rating agencies employ various methodological approaches in doing so, however, and this leads to even more confusion when it comes to comparing the sustainability performance of various companies. Moreover, such rankings are usually only provided against payment of a fee and are not publicly available. This puts limits on possibilities for conducting a public discussion concerning the sustainability performance of individual enterprises or sectors.

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8) Comprehensibility of reported sustainability performance

Comprehensible depiction of sustainability performance calls for clear definitions of facts conveyed in figures as well as verbally formulated information. The data should be compiled in such a way as to provide a compact overview. Sustainability reports can increase their degree of comprehensibility by providing an overall depiction of the performance levels of individual indicators. Graphical forms of depiction make them easier to grasp and understand. This is important for interested laypeople in particular, as they possess neither the expertise nor do they have the time to engage in any in-depth perusal of such reporting documents.
Comprehensible processing of the facts and figures subject to reporting is necessary for informing the public in a democratic framework and for providing the foundation for consumer decision-making practices.

9) Legitimacy of the leading organization

All standards have their own origin story; ideally, they evolve out of a freely accessible multi-stakeholder process. Here one must examine how openly accessible and democratic the approach of the leading organization was in developing the standard and what kind of legitimacy it may lay claim to as a result. Are procedures for adapting the framework to new developments in place and/or for deciding who may engage in the developmental process? Are the necessary documents freely accessible?

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4. Tabular comparison of the four frameworks

Criterion	GRI G4	ISO 26000	DNK 2014	ECG 4.1
1) Legal consequences for organization	*No* preparation of legal consequences due to lack of comparability	*No* legal consequences intended	*No* legal consequences intended	Legal consequences are a basic objective of the concept and can be linked to overall result
2) Core values	UN-Global Compact and General Declaration of Human Rights but no questioning of principle of profit or growth, for ex.	Minimal requirements such as respect for human rights and rule of law	GRI/EFFAS; see GRI	Values of democratic constitutions, universal human values, objective of doing business in society
3) External auditing and attestation	Attestation of completeness and accuracy by external auditor possible but *no* reference to key figures /standards intended	Attestation (certification) *not* intended	*no* systematic attestation intended; “comply or explain”; otherwise as for GRI	Attestation is a component of application and the prerequisite for publishing reports
4) Evaluation	*not* intended	*not* intended	*not* intended	Evaluation in points, maximum of 1,000 points, negative points also possible, yardstick is implementation of values; this expresses the degree to which responsibility is taken. *But*: unclear in cases of users for whom indicators do not apply
5) Completeness and effort required	28 Indicators, three-column concept, usually external consultancy necessary; determination of what is essential lies in the hands of the enterprise; ‘core’ or ‘comprehensive’ version applicable	7 Principles and core issues cover all CSR aspects of organization; differentiation between "relevant“ and “important.“	20 indicators; *no* external consultancy necessary; determination of what is essential as for GRI; “comply or explain”	17 Indicators with up to 4 sub-indicators which should all be answered, *But:* no indicators pertaining to economy; external consultancy helpful when drawing up report for the first time.

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6) Measurability	Protocol for gathering data, in part use of key figures but *no measurement of eco-social performance* since no standards are defined	*No* measurement of eco-social performances	*No measurement of eco-social performance* since the GSC refers to GRI or EFFAS respectively; see GRI	Reference to "good practices" per indicator, level of performance expressed in points; measured data from GRI, EMAS and other frameworks can be incorporated
7) Comparability	In-company time comparisons possible; comparisons between enterprises require translation by ranking agencies	A management standard, not designed for reports	Comparability difficult since measurability is not given, but more compact format than GRI	Attestation on basis of points awarded per indicator and overall result; thus comparison of time, enterprises and sectors is possible
8) Comprehen-sibility	No easily understandable overview, large number of pages and latitude for design make many GRI reports more difficult to read	Yardsticks for comparison of companies and sectors is missing	Yardsticks for comparison of companies and sectors is missing; great latitude for design but essentially a compact scheme	Overall result is shown in tabular form on one page in form of points; diagrams allow for better overview of strengths and weaknesses; uniform depiction.
9) Legitimacy of leading organization	Evolved via multi-stakeholder forum; documents freely accessible	Evolved via an open ISO committee; standard only available against payment of fee	Evolved by initiative of German government; appointment of RNE not very transparent but codex freely accessible	Evolved as a democratic movement and association; participation in further development of balance sheet particularly on part of users is desired; all ECG documents are freely accessible

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5. The future of corporate responsibility reporting

This article shows that the discussion on ethical management standards ultimately leads back to the question as to the scope and consequences of corporate responsibility. The commonly held notion of enterprise is that decisions are dictated by the interests of entrepreneurs. The criteria are growth, return-on-investment and maximum profitability for further growth. Initially, the costs are carried by the general public, however; they are usually not priced into products or services. Pioneer companies committed to sustainability which make concerted efforts to improve their sustainability performance and report on it in a transparent fashion accept their accountability vis-a-vis stakeholder groups and the interested public. To date, they are not rewarded by legislative action, however. But market participants are now starting to acknowledge such performance to an ever-increasing degree. The demand that enterprises which make extensive use of their natural and societal environment and change it as a result should shape it in a responsible way is clearly asserting itself.

This is a virulent issue. This is not only shown by the aforementioned study conducted by the Bertelsmann Foundation (2012). In 2013, six out of ten campaigns conducted by Campact, a civic organization with a scope of almost 1.5 mill. members[10], addressed issues of corporate and business responsibility. CorA, a network for corporate responsibility which is supported by more than 50 civic organizations, is committed to "corporate responsibility oriented towards the common good."[11]

EU Directive 2014/95 now offers a great opportunity for further development of our economic system. Do we wish to view corporate responsibility as voluntary CSR which continues to give priority to economic interests or do we view the triad of economy, ecology and society as truly coequal? Europe has set the goal of being a pioneer of climate protection and sustainability. This is only possible if the business realm participates in a constructive manner. The first step is substantial reporting on the effects which entrepreneurial activities have on society and nature. In this way, a foundation for transparent accountability and adequate assumption of responsibility is laid. Just as guidelines are given for drawing up commerce and trade balance sheets, we should also arrive at a credible, binding standard for drawing up eco-social balance sheets.

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[10] https://www.campact.de/

[11] http://www.cora-netz.de/

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