

Guideline for Compilation of a Sustainability Report

I. Preface

Sustainability has long established itself as a societal responsibility and internationally accepted vision. Even for sectors that are not automatically associated with conservative utilization of resources, sustainability has become a serious favor for the positioning of companies.

One of the important aspects of the novel sustainability discourse is the fact that the focus is no longer solely on ecological aspects, but also on economic and ethical issues. The current economic and societal changes give rise to a new way of thinking with the aim of being able to survive in the market in the future. It is already clearly evident that the demands of customers are increasingly pointing in this direction and that the implementation of ecological and social aspects is of ever greater interest to corporate management. This guideline's objective is to provide assistance with addressing sustainability issues and to offer a potential action framework for the compilation of a sustainability report. Annual report and sustainability will, in the future, be of equal importance and the company's own vision for its future strategy will have to be reviewed and expanded as a consequence.

II. What are the inherent advantages of a sustainability report?

Responsible and resource preserving action is characterized by long term impact and growing success:

The creation of ground breaking and sustainable forms of business management and working amplifies and intensifies business relationships with both suppliers and customers, but also with employees and hence comes with the inherent

potential of strengthening and further expanding one's own competitive positioning. As a result, the image of the company is boosted and the road is paved for optimum preparation options for pertinent customer requests. Risk management is improved, which results in enhanced operational stability and profitability. Integrated in a company's press and public relations work, sustainability is an argument that demonstrates that a business is innovative, responsible and progressive. After all, satisfying needs sustainably means being creative.

Addressing such issues processes and its relationship with its environment within one's own enterprise, expands one's own field of vision. By compiling a sustainability report you will be well prepared for the future today and will ensure that you will be able to meet today's as well as the future requirements of the market and of pertinent legislation immediately.

III. Five steps to take to complete a sustainability report

Step 1: Create a team and define your goals

Step 2: Take an inventory of the status quo

Step 3: Compile a check list

Step 4: Write and design your report

Step 5: Distribute your report

Step 1

Create a team; define the responsibilities and the scope of the fundamental objective. This could be worded in the following manner:

Development of sustainable processes. Evaluation of the interior concept of the enterprise, its relationship with its external environment and its future business alignment in terms of societal, ecological and social responsibility.

Step 2

During this process, take inventory of the status quo. Take into account three aspects:

A. External review:

List the individuals and institutions with which the company interacts (e.g. suppliers, banks, investors, government agencies, etc.)

Analysis: How does the company treat these groups?

B. Interior review:

List the individuals and groups inside of the company (entrepreneurs, employees, etc.).

Analysis: How do they communicate with each other, how are these people being fostered, how is knowledge accumulated, how do we take care of each other?

C. Review of resources:

Creation of transparency in economical processes under ecological aspects.

Analyze how resources are being used.

Analysis: Do we fully utilize all knowledge through the fostering of ecologically expedient corporate processes?

Step 3

In this step, work through a check list presenting the status quo as well as the assignments for the report. The list depicted here is an example only and does not claim to be complete. Use it as a suggestion and foundation.

You are also not required to cover all of the items on the list each time. In any event, the compilation of the various issues will always be a long term project. Maybe your company has not ever put the principles of corporate management into a written format before – instead the individuals in charge of them may have them in their heads and your company may have lived them for quite some time already.

A. The principles of corporate management

- Does your enterprise's vision correspond with the concept of sustainability?
- Does your company have a code of conduct?
- Does your business have a quality code?
- Are you engaged in knowledge management? – Do you bundle your corporate know-how and is it generally accessible?

B. External review

Customers

- Does your business consistently value the customer as a partner?
- Are you engaged in individual customer care as a business?
- Do you offer proactive consulting services?
- Are you completely committed to compliance with applicable laws?

Suppliers and sub-contractors

- Does your company pay its invoices in a timely and adequate manner?
- Do you engage in timely capacity planning early-on?
- Is your company clearly committed to forthrightness in interaction with others?
- Are you completely committed to compliance with applicable laws?

- Does a mandate for compliance with own value benchmarks exist?

Investors and providers of loans

- Does the company engage in open and transparent communications?
- Does the company work toward long term partnerships?
- Does the company at all times have current and accurate financial processes in place?

Government agencies and associations

- Does the company comply with its societal responsibilities?
- Is the company actively involved in making contributions to the image of the sector?
- Does the company maintain regional roots and is it committed to the long term sustainability of the location?
- Is the company involved in social sponsoring?

C. Interior review

Communications

- Does the company have written objectives – business objectives/personal goals?
- Is the vision alive internally?
- Does the company foster and demand team skills?
- Are all communications options available?
- Are you completely committed to compliance with applicable laws?

Employees

- Does the company promote topics employee care, safety and health?
- Does the company have a structure human resource development plan and does it offer continued education options?

- Does the company offer arrangements that make it a truly family-friendly employer?
- Are the interactions with each other marked by appreciation and respect?
- Does the company schedule time/work time in a realistic manner?
- Does the company compensate its employees adequately?
- Does the company ensure that the construction site set-up and equipment is safe at all times?
- Does the company provide adequate breaks and nourishment?

D. Operational business

Principles of organization

- Have all work processes been defined?
- Have the responsibilities and interfaces been defined?
- Does the company have long term plans?
- Does the company have a budget?
- Is the protection of the environment an active factor in planning?
- Does the company have a quality control and assurance system in place?
- Does the company utilize a merchandise/materials management system?

Principles of design and planning

- Are the business concepts in compliance with sustainability criteria?
 - Design concepts that are ecologically and economically feasible
 - Design language that offers the opportunity to re-use design ideas
 - Selection of suitable suppliers and sub-contractors under ecological, economical and social aspects
 - Re-use of materials and components
 - Material and engineering innovation

Environmentally sensible production, logistics, assembly and purchasing processes

- Resource conserving production processes
- Use of environmentally friendly building materials, support, mounting and surface materials
- Prevention of waste
- Use of recycling products
- Recycled paper
- Use of recycled or recyclable packaging material
- Regular machine maintenance
- Use of energy conserving devices
- Energy conserving lighting
- Main switch for nights and weekends
- Standby-switches off
- Use of renewable energies by own equipment or environmentally friendly power supplier
- Water conserving devices
- Waste separation and prevention, disposal concept
- Prevention of emissions of dangerous substances (e.g. painting systems)
- Heating energy concept
- Space and resource saving storage processes
- Material servicing and maintenance
- Use of or conversion to reduced emissions vehicles
- Grouping of consolidated shipments

- Use of regional sub-contractors
- Employee travel by train or in car pool arrangements

This check list or collection of ideas will of course have to be aligned with the needs of every company and aims at determining what the status quo is. It provides the basis for the taking of measures, for their definition in the report and for the elimination of deviations from these objectives and conceptual ideas.

Step 4

Now you are ready to write and compile your report. You will have to keep the following rules in mind:

- Level-headed, fact-based description of the status quo
- Definition of the future measures aiming at the goals you have set
- If you are preparing a follow-up report: place special emphasis on the goals from prior reports that have since been attained
- The report's value is amplified by its attractive presentation. All resources (supplementary images, third party comments from partners, etc.) are permitted and will prove helpful
- The scope and expanse is up to you. The number of pages will depend on how it is worded (bullet points or narrative).

Step 5

The report is now ready for distribution.

- Distribute it in-house as a basis to eliminate the deficits you have identified
- Companies engaged in transparent communications with their partners, use it as an external resource and distribute it to external partners.

- Contrary to the annual report, the sustainability report reviews the deficits and their successful elimination and improves the commitment to relationships with partners.

By providing a sustainability report, an enterprise demonstrates that it is accepting its responsibility for the environment and as a corporate citizen and that it is willing to make permanent updates to accommodate the ever changing general conditions