

1. What has changed within the German Sustainability Code (GSC)?

The structuring of the texts has been fully overhauled. The quantifiable performance indicators have been separated from the criteria and placed further down in the Sustainability Code as a means of underlining the function they play in drawing comparisons. The foreword, which, based on practical experience, politically classifies the Council initiative, has undergone a fundamental revision: with voluntary implementation in Germany as well as a description of how it ties in to the European context, and in terms of the requirements of regulations in other nation states. The glossary has undergone significant revision and has been greatly extended in order to define undefined terminology and thus to eliminate uncertainties when applying the Code. New texts have been authored on the technical drafting of the declaration of conformity and on the compatibility version to cover the eventuality of references being made to existing reporting formats.

The number of performance indicators from GRI has risen from 27 G3.1 indicators to 28 G4 indicators, whilst the EFFAS KPIs for ESG have decreased from 19 to 16, should these be used. Indicators that became redundant as a result of the criteria requirements have been removed.

2. Amendments to the GSC Criteria

Criteria 1–4 concerning STRATEGY

Strategic Analysis, ~~Strategy~~ and ~~Goals~~ Action

1. The company discloses how, ~~for its main activities,~~ it ~~analyzes~~analyses the opportunities and risks ~~related to of its major activities in the context of~~ sustainable development. The company ~~outlines~~explains what concrete measures it is ~~taking in order~~undertaking to operate in ~~the~~compliance with the ~~main~~essential and recognized sector-specific, national and international standards.

Materiality

2. The company discloses ~~how the strategy devised for its main activities and the systematic implementation of the strategy takes into account all~~what aspects of sustainability ~~which have a~~ substantialsignificant impact on ~~the company, for example strategic competition-based positioning, innovation management, its~~ business activities ~~that conserve the climate, environment~~operations and how, in its strategy, it takes them into account and resources; demographic developments, the value added chain, the product life cycle, the product portfolio, etcsystematically addresses them.

Objectives

3. The company discloses what qualitative and/or quantitative as well as ~~temporal~~temporally defined sustainability goals are set and operationalized, and how their level of achievement is monitored. ~~The company discloses how the main suppliers, employees, capital markets, customers and main stakeholder groups are included on a regular basis.~~

Depth of the Value Chain

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

Criteria to 5–10 concerning PROCESS MANAGEMENT

Responsibility

5. Accountability in the corporate management with regard to sustainability is disclosed.

Rules and Processes

- ~~1. Within the company, accountability for the sustainability of the company is specified in corporate management.~~
- ~~5-6. The company discloses whether how the sustainability strategy is implemented using in the operational business by way of rules and processes. ~~The company depicts specific circumstances from purchasing, production, services, human resources, investment, research and development as well as logistics/transport and marketing and describes how suppliers, customers as well as other stakeholder groups (e.g. employees) are taken into account.~~~~

Control

- ~~6-7. The company discloses how, along the lines of financial parameters, key and what performance indicators on sustainability are integrated into its periodical internal planning and control and how the reliability, comparability and consistency of the data applied to internal controls and external communication are safeguarded through appropriate processes.~~

Incentive ~~Schemes~~Systems

- ~~7-8. The company discloses how target agreements and remuneration schemes for executives and employees are also geared to achieving towards the achievement of sustainability goals and how ~~these they~~ are geared aligned towards lasting long-term value creation. It discloses the extent to which ~~sustainability performance~~ the achievement of these goals forms part of the evaluation of the top ~~management~~ managerial level (board / managing directors) conducted by the monitoring body (supervisory board / advisory board).~~

Stakeholder Engagement

- ~~8-9. The company discloses how the socially and economically relevant stakeholders are identified, and integrated into the sustainability process. It is disclosed whether and how an ongoing dialogue takes place with them ~~on a regular basis~~ and how ~~they~~ the results are ~~systematically~~ integrated into the sustainability process.~~

Innovation and Product Management

~~9.10.~~ The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilization of resources and ~~to the user with regard to users. Likewise,~~ a further statement is made with regard as to ~~whether/how~~ the ~~economic, social, current~~ and ~~ecological effects~~ future impact of the ~~company's main~~ key products and services ~~are currently or will be assessed and improved through its in the~~ value-added chain and in the product life cycle. ~~are assessed.~~

Criteria 11–13 regarding the ENVIRONMENT

Usage of Natural Resources

~~10.11.~~ 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 ~~e.g. materials,~~ water, soil, waste, energy, emissions, land, and biodiversity) ~~. It discloses in what way the sustainability management system incorporates as well as emissions for the entire product-life cycle into the analysis. cycles of products and services.~~

Resource Management

~~11.12.~~ The company discloses what qualitative and quantitative goals it has set itself with respect/regard to ~~the efficient~~ its resource efficiency, its use of ~~resources, the use of renewable energy sources~~ renewables, the increase in raw material productivity and the reduction in the usage of ~~natural resources~~ ecosystem services, and how these goals have been met or will be met in the future.

Climate-Relevant Emissions

~~12.13.~~ The company discloses the GHG emissions ~~along with the goals the company has set itself~~ in accordance with the Greenhouse Gas (GHG) Protocol or standards based on ~~the Protocol~~ it and states the goals it has set itself to reduce emissions.

Criteria 14–20 concerning SOCIETY

Employee Employment Rights and Diversity

~~13.14.~~ The company reports on how ~~on it complies with~~ the ~~basis~~ employment rights of both nationally and internationally recognized standards ~~, it works towards observing employee rights and also towards promoting~~ how it promotes employee involvement ~~in sustainability management.~~

Equal Opportunities

~~14.15.~~ The company discloses in what way it has implemented national and international processes ~~in order and what goals it has~~ to promote equal opportunities, and diversity, occupational health and safety, the integration of migrants and people

with disabilities, fair pay as well as a work-life balance ~~and also in order to suppress all forms of discrimination, e.g. based on race, ethnic background, gender, religion/ideology, age, or sexual identity.~~

Qualifications

~~15.~~16. The company discloses what ~~steps~~ goals it has set and what measures it has taken to promote the ~~general~~ employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and to adapt it to demographic change.

Human Rights

~~16.~~17. The company discloses what measures it takes for the supply chain ~~steps are taken~~ with the aim of ensuring that human rights ~~being are~~ respected globally and that forced and child labour as well as all forms of exploitation ~~being are~~ prevented (Ruggie Report: "Protect, Respect and Remedy: a Framework for Business and Human Rights", ILO Core Labour Standards, UN Labour and Social Standards).~~.~~

Corporate Citizenship

~~17.~~18. The company discloses ~~what contribution~~ how it ~~makes~~ contributes to corporate citizenship in the regions in which it conducts its core business activities.

Political Influence

~~18.~~19. All significant input relating to legislative procedures, all ~~major lobbying activities through entry~~ entries in the lobby ~~register~~ lists, all significant payments of membership fees, all ~~payments~~ contributions to governments as well as all donations to political parties and politicians should also be disclosed by country in a differentiated way.

Corruption

Conduct that Complies with the Law and Policy

~~19.~~20. The company discloses, ~~on the basis of accepted~~ which measures, standards (~~e.g. the Business Principles of Transparency International, International Corporate Governance Network's Guidelines Bribery and Corruption~~), ~~what~~ systems and processes are in place to prevent unlawful conduct, and ~~corruption~~ in particular, corruption, and how ~~these systems~~ they are verified (~~e.g. IDW PS 980~~). The company depicts how corruption is ~~uncovered~~ and other contraventions in the company are prevented, and exposed and what sanctions are ~~applied~~ imposed.