

**Opening of the Multistakeholderforum to further develop the
Sustainability Code**

**Marlehn Thieme,
Chairwoman of the German Council for Sustainable Development
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Ladies and Gentlemen,

Dear Dr. Weis,

Thank you all for gathering for this very important exchange amongst stakeholders of the Sustainability Code:

1. To those of you at European or national levels who are involved in the discussion about the implementation of the EU guideline to disclose non-financial information and specifically the CSR implementation act in Germany - thank you for coming here today.
2. Companies, business associations and federations, as well as consultants that want to find out more about how to implement the reporting requirements,
3. as well as other Stakeholders und civil society organizations, that see business information serving a sustainable development for people and the world.

Last week, on the occasion of “15 years of the Council for Sustainable Development”, we took a look back: on the short history of this advisory body, but more so on the long history of the idea of sustainability and on current political events.

This picture shows one thing in particular: how the long lines of sustainability policy stand in conflict with short-term pressure to act - due to refugees, economic crises and corresponding increasing political polarization.

The fact that the objectives of a sustainable development lie beyond the average life expectancy and even more so beyond the periods of politicians or entrepreneur activities, does not simplify matters. But still it is important to prepare the groundwork today so that important fundamental changes can be heralded in perspective of the distant future.

This needs:

1. To change the structure so that it provides sustainable management with scope and competition. Today we need the knowledge about integrated thinking and management, which breaks out of the description of responsibilities and overcomes borders. Let us change competition rules so that sustainable business models have an advantage over those who are only oriented towards short-term profit – at whatever the cost.
2. Let us search for ways to rebuild trust in the economy – especially in the financial sector and in the value of real economy, so that people rediscover the desire to roll up their sleeves and get involved – and this especially in parts of the value chain that are often extensively excluded from a share of the profits. The longer profits are only creamed off “at the top” and we are not willing to participate or share with others, the more mistrust and fundamental criticism of capitalism grow against those “up there”.
3. This also includes using creative power and government control opportunities. We thereby ultimately secure and strengthen social cohesion and social peace in our countries, in Europe and even throughout the world.

To bring about such fundamental changes, we must all be determined and actively drive the change.

Next week is Rana Plaza's third anniversary. The collapse of the textile factory scared many citizens in Europe. They asked themselves: "How can it be that European companies and consumers participate in such dehumanizing business practices?"

The Panama Papers also undermine confidence in "those up there", who possibly want to unjustly enrich themselves and bypass legislation. It is striking that these revelations also come from something so important to democracy - investigative journalism - and not from state authorities, but from a branch which is subject to massive change.

The experiences gathered from these incidents are bitter:

1. These scandals also affect unrelated companies, uninvolved female entrepreneurs and politicians, whether they like it or not. Thanks in particular to the Internet, memories linger for a long time. Some undermine faith in the economy and our constitutional state, even in our liberal democracy.
2. But there are also many committed people, who are more and more saying that things must change in the worldwide division of labor. They are ready to bring in their competence and they are being criticized for it. These change agents can be found in all areas, even if they don't yet represent the majority.

One thing is clear: We cannot regulate all failures out of this world and into a sustainable economy. But: in a global economy, we can use regulations as a means to staple the information about products, raw materials and companies which would also be available in a manageable world. In a regional manageable economy, consumers would know where the raw materials, food and products come from, who produced them and how and whether they were dealing with respectable merchants.

We have to redesign such recognizability and traceability in an anonymous and global economic situation.

Because it is clear: Trust is built on transparency, on the traceability of important facts.

Therefore we must sound the bell for a new information era:

- How can we distinguish reliable and resilient information from useless data?
- How do we go about telling inspiring stories on how sustainability is successfully integrated into the core business, how getting started with these issues can go smoothly and how can we help others learn from our experiences?
- And: How can we raise awareness for a good business model, which companies can rely on? Market access, competitive advantages and easier access to capital spring to my mind.

Beyond a technocratic implementation of reporting, we need a coherent concept for sustainability. Over the last few months we have received several impulses:

1. The UN Sustainable Development Goals, which prompt nation states to develop meaningful reporting for 17 global sustainability goals.
2. The epochal agreement between Heads of State and Government at the climate conference in Paris to set a 1.5-degree warming goal that is literally crying out for clear goals and the determination of measures and milestones.
3. The increasing divestments of institutional investors that are removing carbon-intensive technologies from their portfolios and at the same time, the ever increasing number of sustainable investments.

The interest rate policy of the European Central Bank will bring further clarity: similar to how supposedly secure investment forms have become risky, the equity market is gaining

attractiveness. Can the trend towards sustainable investments be strengthened? Where is the sustainable federal bond, which would bring an additional boost for sustainability?

Tomorrow my council colleague Prof. Bassen will explain why sustainable investments convince in performance. He recently published a meta-study about this.

The political discussions about the Sustainable Development Goals (SDGs), the update of German and the revival of European sustainability strategies show that the window of opportunity could not be open wider. We should go for it!

- We should describe clear political and social visions for a more equitable and stable market economy.
- We need the political courage to implement guidelines for responsible entrepreneurship.
- We must adjust competitive conditions and outdated risk assessment models to current and - in particular - to identifiable future challenges, instead of updating concepts of the past. Otherwise we run the risk of repeating old mistakes. He, who rethinks today, creates options and degrees of freedom. He, who keeps waiting, will put pressure on his business model and will have to make modifications when it may already be too late.

The facts lay clearly on the table: therefore companies must today obtain a competitive advantage to be able to ambitiously push sustainability ahead and they must already constructively include challenges such as climate change, respect for human rights and fair economic relations in their business model and must act responsibly.

That is why transparency is the order of the day.

Let us use these one and a half days to discuss the framework of resilient sustainability information – which ones they are, in what quality and form they should bring benefits for

market players. You know that we are convinced that the Sustainability Code is a good instrument. But we also know that we have to further develop this instrument at all levels and do so step by step.

Walk down this path with us!

I promise you: the entire Council for Sustainable Development is more interested in these lively discussions than in non-resilient consensus.

I am counting on this productive discussion - and on new partnerships and with new measures to drive change with new ideas for active policy-making. The principle of stakeholder dialogue with the people belongs to this policy-making. This dialogue must be the starting point for everything else, not an order from above. We invest in building competencies for sustainability-integrating management and reporting with help from training partners and DNK mentors from companies, the Chambers of Commerce and Industry and regional economic development. Success is rooted in our attitude to take criticism seriously and not to argue it out of existence. And it is rooted in the regional networks, where companies learn from each other – and not from the Council.

Competencies for the subject are clearly in your hands! What we can do, is visualize your ideas at a political level and with commitment and your sound arguments to urge that ideas become reality in the market design.

Dear Dr. Weis, we are delighted that you are here today on behalf of State Secretary Billen and we look forward to your remarks about the new disclosure requirements and which role is envisaged for BMJV for the Sustainability Code.