

<b>Titel</b>	<b>Integrating the best and most widely used sustainability reporting frameworks into one unified and legally binding standard.</b>								
<b>Abstract (max. 300 words)</b>	<p>Over the past years, a large variety of sustainability report frameworks for organizations emerged, amongst them: the ILO’s Tripartite Declaration of Principles, the OECD Guidelines for Multinational Enterprises, GRI, the B Corporations or the <a href="#">Common Good Balance Sheet</a>.</p> <p>Their common characteristics are, besides their voluntary status, that they aim at evaluating the (common good) impact of an organization on environmental and societal resources and that they are used to identify potentials for improvement.</p> <p>The problem is that they vary to a high degree, thus there is no effective comparability. This creates confusion amongst consumers and investors who need a unified and comparable information for their market decisions; and it distorts competition between those companies who apply the holistic and transparent evaluation tools and frameworks and others who still prefer to publish only data that are incomplete and difficult to assess (go for greenwashing).</p> <p>In 2014, the EU’s directive on non-financial reporting (214/95) “NFI” was adopted and implemented in 2017. Nevertheless, in most countries, the “NFI report”</p> <ul style="list-style-type: none"> <li>- only affects a small amount of companies (mainly listed in stock markets)</li> <li>- does not have to be included in the annual report of corporations (in Germany the 'Lagebericht') and</li> <li>- is not audited by independent external institutions</li> <li>- the results do not have any legal consequences.</li> </ul> <p>This is a highly unsatisfactory state of the art. Policy issues from human rights to climate change, from social cohesion to fair distribution do not need to be reported in a transparent and uniform manner. Hence, it constitutes a strong distortion of competition between responsible high-performers (with higher costs and prices) and ruthless externalizers.</p> <p>In order to improve the current situation and, concretely, the European directive, the study consists of three parts.</p>								
<b>Key words (max. 10)</b>	Sustainability report, common good (balance sheet), CSR, new metrics, economic system change, success measurement, NFI, B Corps, GRI, ethical performance.								
<b>Description of activities</b>	<p><b>Part I: Comparative analysis and evaluation of tools</b></p> <p>The 10 – 15 most widespread sustainability reporting frameworks are compared according to societal requirements („metacriteria“) such as the following.</p> <table border="1" data-bbox="384 1906 1358 2078"> <tr> <td>universal (all values and relevant issues)</td> <td>legally binding</td> </tr> <tr> <td>measurable &amp; comparable (e. g. using points)</td> <td>externally audited</td> </tr> <tr> <td>generally understandable (for the public)</td> <td>public (websites, shop doors, products label)</td> </tr> <tr> <td>developed in participatory process</td> <td>linked to legal incentives (taxes, tariffs, ...)</td> </tr> </table>	universal (all values and relevant issues)	legally binding	measurable & comparable (e. g. using points)	externally audited	generally understandable (for the public)	public (websites, shop doors, products label)	developed in participatory process	linked to legal incentives (taxes, tariffs, ...)
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	<p>According to the outcome, a selection of the best standards are chosen for ...</p> <p><b>Part II: Integration to a unified standard</b></p> <p>Searches for methodologies to integrate the best existing into a unified ethical reporting standard (“legal common good balance sheet”) - according to the „metakriterien“ defined in part I. This legal standard should be the counterpart of the financial balance sheet which is the only legal document a company needs to publish at present (unified, binding, externally audited, legal consequences).</p> <p><b>Part III: Draft for a legal implementation instrument</b></p> <p>A draft of an according revision and improvement of the EU directive on non-financial information (214/95) and the German implementation law is created.</p> <p>The improved EU directive could be the basis for the further development of international standards and law. The „common good balance sheet“ could become the „entry (ticket) threshold“ to the world market (e. g. WTO members) for companies.</p>
<p><b>Schedule</b></p>	<p>Teil I der Studie sollte innerhalb von sechs Monaten umgesetzt werden, Teil II und III in jeweils drei weiteren Monaten. Vorgestellt werden sollte sie im Rahmen eine Veranstaltung, deren Format (Experten-Roundtable? Öffentlich? Teilnehmerzahl?) noch zu definieren ist.</p>
<p><b>Contribution to the work of the IASS</b></p>	<p>At the IASS, currently several projects are ongoing that directly or indirectly deal with indices/new metrics. A central project ist the Science Platform 2030 (Wissenschaftsplattform 2030) which heart piece is the global process toward the SDG – a potential linkage between these and the developed new metrics would add vauue to both. Furthermore, in this project the systemic risks of the sustainability of the financial system, and in the project Futurization the question of long-term investments and the concept of a Transformation Fund is posed. In both projects, enterprises and investors (as actors on financial markets or funds such as the Transformatoin Fund) a key role, and metrics play a key role for investors. Thanks to the evaluation of sustainability indices and the definition of metacriteria, cross-cutting potentials are explored and raised.</p> <p>Keeping this in mind, parts I and II are of special interest. Conclusion of part III will depend on the outcome of part II. Nevertheless, the project opens the opportunity to intensify IASS works and impact at the European level – especially in the confluence with the above mentioned projects. One intersting question could be, how and to which degree the European investment policy – and its instrument European Investment Bank, Regional and Structural Funds – could be linked to these new standards that would result from the integration of the work on metacriteria, on the sustainability of the financial system and the Transformation Fund.</p> <p>Considering the duration of European legislative processes and the</p>

	<p>election of the European Parliament in 2019 which includes the reconstitution of the European Commission, this work of the IASS would start in 2020 and reach into the next period of the institute.</p> <p>Besides this, in case of success, the project would contribute to the comparability of sustainability standards and indices and thus to the development of <b>orienting knowlege</b>. Furthermore, it would contribute to the better understanding of methodologies to evaluate sustainability and thus allow the <b>impact evaluation</b> of specific sustainability measures.</p>
<p><b>Time and resource needs (e. g. travel, workshops, etc.)</b></p>	<p>Part I: 2 researchers would work for 6 months full-time on the project.</p> <p>Part II. 2 reserchers would work for 6 months full-time on the project.</p> <p>Part II: 2 researchers would work for 3 months full-time on the project.</p> <p>Senior Fellow Christian Felber would, with the support of (ex) Senior Fellow Daniel Dahm, be part of the steering committee and orient and feedback the researchers. Daniel Dahm would also offer to take a supervision role from within his expertise and competences.</p>
<p><b>Results</b></p>	<p>A three-fold study would be published as an IASS project, with linked artikels in scientific journals.</p> <p>Three public events in the scientific community would draw more and more attention to the project/process. The ECG community would offer to support these conferences and create a stronger resonance.</p> <p>Draft law.</p> <p>Most importantly, companies would finally have <b>one</b> single sustainability report instrument which to use from now/then on.</p>