

# Quicktest for Companies

## assessing the environmental and societal sustainability with the Economy for the Common Good Matrix 5.0



The **Economy for the Common Good** is a vision for a humane and sustainable economic activity. The economy should be designed according to the same values that make human relationships successful and which are already anchored in democratic societies. The first goal of economic activity is no longer to maximise profit, but to increase the "common good".

### The Common Good Balance Sheet

A company's contribution to the common good is defined and made measurable by using the Common Good Matrix.

The Common Good Balance examines how a company lives the following **four basic values** - (together with freedom, they are the most common constitutional values of democratic states): human dignity, solidarity and social justice, environmental sustainability, transparency and co-determination - in relation to its stakeholder groups: suppliers, owners and financial partners, employees including working owners, customers, other companies and the social environment.

### Measuring the contribution to the Common Good

20 themes with concrete questions measure a company's contribution to the Common Good. For example, at the interface between "human dignity" and "employees" theme C1 measures „human dignity in the workplace and working environment“.

By means of a Common Good Report, a company provides detailed information about its performance and its contribution to the common good, based on these 20 themes. Completing the full Common Good Report needs time and reflection, which companies do not always have due to economic constraints, scarce resources or other circumstances.

### Quick start

As a quick introduction, the most important questions are listed here, which can be evaluated and confirmed quickly.

The **evaluation** is divided into levels from +4 (exemplary) to ±0 (baseline) to -4 (risks very relevant, measures not yet initiated). Please answer the questions according to the grid on the right and enter your rating in the evaluation field. Finally, add up all the points - you will find the evaluation at the end of the quick test.

You can find a more detailed description and the complete workbook on the website

<https://www.ecogood.org/en/metanavigation-top/news/matrix-50-workbook-now-available-english/>

4	<b>Exemplary: innovative idea and realisation, best practice</b>
3	<b>Experienced: good results, evaluated, further measures implemented</b>
2	<b>Advanced: good practice, first changes/measures have been implemented</b>
1	<b>First steps: good intention, I have realized, I have engaged, addressed, considered measures, I am informed and have reflected</b>
0	<b>Baseline: legally required practices or customary in the industry, no risks involved.</b>
-1	<b>Risks of little relevance, measures initiated</b>
-2	<b>Risks of little relevance, measures not yet initiated</b>
-3	<b>Risks materially relevant, measures initiated</b>
-4	<b>Risks very relevant, measures not yet initiated</b>

## A1 Human dignity in the supply chain

- What do we know about our suppliers' commitment to respecting human dignity (e.g. the quality of the workplace), especially that of our larger suppliers?
- How does our company contribute to creating dignified conditions and solving social problems and challenges throughout the entire supply chain?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that the social risks in the supply chain are being reviewed and evaluated and that measures are being taken against serious grievances and human rights violations.

## A2 Solidarity and social justice in the supply chain

- How are fairness and solidarity in business relationships with direct suppliers\* ensured, in particular by structuring the price, payment and delivery conditions as well as in day-to-day operations?
- How does the company identify and sanction any risks and shortcomings?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that it demands and promotes fair and solidarity-based dealings with suppliers and in the entire supply chain and that the suppliers have a fair share of the value added.

## A3 Environmental sustainability in the supply chain

- What do we know about the environmental impacts in our supply chain, especially for the largest suppliers and those products and services that are associated with a high environmental risk?
- What environmental criteria are taken into account when selecting suppliers and their products?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that the environmental risks in the supply chain are being reviewed and evaluated and that measures are being taken against serious shortcomings.

## A4 Transparency and co-determination in the supply chain

- What measures has the company implemented to demand and promote transparency and participation for all stakeholders in the supply chain?
- How satisfied are suppliers with the company's information policy and participation rights?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that it is reviewing its shared responsibility for transparency and joint decision-making throughout the supply chain and is shaping its corporate actions accordingly.

## B1 Ethical position in relation to financial resources

- How are the financial partners evaluated in terms of their ethical and sustainable orientation?
- Which different ways of generating equity capital have been considered and how can financial risks be reduced?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that the social risks of its financial partners are being reviewed and evaluated and that measures are being taken against serious shortcomings and human rights violations.

## B2 Social position in relation to financial resources

- What investment expenditures are necessary to secure the company's future, and how much coverage and additional risk provision are available?
- What expectations do the shareholders have for dividend payments and why?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that the distribution of funds is fair and that locations/jobs (despite stable profit situation) have not been reduced.

## B3 Use of funds in relation to social and environmental impacts

- What social and environmental consequences are we anticipating in investment projects (fixed assets and financial assets)?
- Which investments already owned by the company have the potential for environmental improvement?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that the environmental risks associated with capital investments and financial investments are being reviewed and evaluated, and that measures are being taken to address serious shortcomings and environmentally harmful resources.

## B4 Ownership and co-determination

- Who are the owners, what shares do they have, what rights, obligations and liabilities?
- What forms of participation of stakeholders in decision-making and ownership are practiced?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that in front of all employees and possibly other stakeholders have opportunities to participate in decisions, ownership and responsibility.

## C1 Human dignity in the workplace and working environment

- What does human dignity in the workplace mean for our company, and how can we bring more humanity to our company?
- What measures have been implemented towards occupational health and safety and how is diversity promoted? How are they evaluated?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm human dignity and occupational health are being safeguarded and diversity is being promoted.

## C2 Self-determined working arrangements

- How can our employment contracts be tailored to individual needs and at the same time incorporate solidarity and fairness?
- What possibilities exist in the organisation for self-determining work hours?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that all employees are guaranteed regional "living wages" and that work loads and working hours are distributed fairly.

## C3 Environmentally-friendly behaviour of staff

- How do we influence nutrition during working hours?
- How do we deal with mobility and how do our employees commute to and from the workplace?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that all employees have the opportunity to eat healthy and organic food during their working hours, that they can get to work sustainably and that they are encouraged to behave ecologically.

## C4 Co-determination and transparency within the organisation

- How is the value of transparency and participation lived in our organisation? What are the fears and concerns, the advantages and potential regarding this theme?
- Which essential decisions can employees make by democratic or consensual means?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that all essential and critical data are transparent, easy to access and to understand for all employees and that they can contribute their ideas or suggestions. (One-person-companies please focus on the closest working partners.)

## D1 Ethical customer relations

- Does the company respect customers as equals and places emphasis on transparency and honesty in its relationship with customers?
- How does the company guarantee that the benefit to the customer takes precedence over the pursuit of revenue?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that no unethical advertising campaigns are being carried out and that the benefits, wishes and complaints of customers\* are being addressed.

## D2 Cooperation and solidarity with other companies

- In which areas does the company cooperate with other companies or does it act in solidarity and provide assistance?
- Which measures to increase industry standards have been/are being implemented or are being planned?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that knowledge and information is shared with other companies, that solidarity and assistance are provided unselfishly and that joint measures are taken to raise industry standards.

## D3 Impact on the environment of the use and disposal of products and services

- What strategies and measures are being employed to reduce the environmental impacts resulting from the use and disposal of products and services?
- In what ways does the business model take account of the issues of consistency, efficiency and sufficiency?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that the environmental impact is being monitored and that better alternatives and moderate use are being offered, and that excessive use is not being promoted through pricing, incentive systems, planned obsolescence, etc.

## D4 Customer participation and product transparency

- How do we involve customers in product development and market research especially for the development of sustainable products and services?

- How transparent are the components and hazardous substances of our products and the price elements?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that customers are involved in product development and market research and that the ingredients, hazards and price components of the products are disclosed.

## E1 The purpose of products and services and their effect on society

- How do our products and services (P/S) satisfy basic needs, provide for the personal growth of individuals, strengthen our communities, or contribute to the regeneration of our planet? What is their impact in society at large?
- What social and environmental problems (regional or global) are solved or reduced with our P/S, possibly in accordance with the UN Sustainable Development Goals?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that the P/S serve the basic needs, the personal growth of the people, the strengthening of the community or the regeneration of the planet and that it knows their societal effects.

## E2 Contribution to society

- What direct financial contribution does the company make to society and its institutions (e.g. taxes, social insurance contributions) and what direct financial support does the company receive (e.g. grants, subsidies)?
- How much money, resources and specific activities does the company put into charitable works? To what extent is this motivated by self-interest?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that in addition to making a direct material contribution to the community, it has an overall strategy or vision for volunteering and is taking structural measures to prevent corruption and illegitimate tax avoidance.

## E3 Reduction of environmental impact

- What are the environmental impacts of the company's activities, and how large are they in comparison to the industry and in the region (emissions, noise, waste, energy, water)?
- What complaints or controversies have arisen with local residents regarding environmental pollution? How is compliance with the relevant laws and regulations monitored?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that it is aware of the environmental impact of its activities in absolute terms and relative to the industry and that it is taking appropriate measures to reduce the impact.

## E4 Transparency and co-determination

- How do we make the effects of our core activities visible, and how do we make participation possible with regard to the legitimate interests of stakeholders?
- How can citizens and stakeholders enter into dialogue and represent their interests with regard to the company's activities?

**Rating: Level \_\_ (-4 to +4)**

**Goal:** The company can confirm that it has a transparent, honest, complete, unambiguous and above all fact-based information policy, that it enters into dialogue with citizens and that it does not disseminate false information about the company or societal phenomena.

## Score

The score is the combined total of positive and negative points and gives a rough compass for your Common Good orientation. At the same time, this quick test is intended to invite further reflection on the issues raised. .

Therefore, at the end of each range of points there is a recommendation for the next step.

### **Less than zero and zero points:**

You're in the right place. It is very important for the future of your company to address the issues of ethical corporate governance.

What are the issues where improvements are most urgent and most important for the company with regards to your partners in the value chain? The Economy for the Common Good workbook is a good guide to improvement.

### **1-20 points:**

Your company deals with aspects of the common good and already goes beyond the legal minimum standards. However, there is still a very high potential for development in the direction of the common good and sustainability.

The internal Common Good report, which you would not have to publish, can help to determine the status quo in more detail and, building on this, to set goals and measures for the coming year.

### **21-40 points:**

Your company is already recognizably addressing some of the important issues that are critical to sustainable and common good practice.

For a better overview, you could now create a Compact balance sheet that allows a more detailed discussion and at the same time takes less time than a Full Common Good balance sheet.

### **41-60 points:**

Your company is clearly sustainability-oriented and attaches high importance to socially and environmentally sound management. Maybe a company-wide, systematic approach is still missing.

If possible, prepare a Common Good report and contact like-minded companies in order to learn more effectively together. A Common Good report provides a detailed breakdown of your current status and helps you define areas of development potential and strategically address further improvements.

### **61-80 points:**

Your company is already exemplary in terms of most of the criteria and goals of the Common Good Economy.

In spirit and practices you are already an ECG company and have been an industry leader in the sustainability or social business scene for some years. As a pioneer, you are a role model for your fellow companies and inspiration for other ethically interested companies.

We cordially invite you to write a Common Good report and pass on your experience!

If you would like to take a closer look at the Economy for the Common Good Balance Sheet see <https://www.ecogood.org/en/common-good-balance-sheet/common-good-matrix/>