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The Good Company Ranking 2007

The Good Company Ranking

Evaluation of the Corporate Social Responsibility
of Europe's 120 biggest Firms

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Report, Edition 2007

Published by: Kirchhoff Consult AG
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Klaus Rainer Kirchoff

The initial analysis of Corporate Social Responsibility (CSR) in the leading European companies shows one thing above all: that most companies are lacking a CSR strategy which is both well thought out and consistently implemented. This may be due to a perception of CSR and the profit motive as opposites, which is still common. In fact a company's economic performance and its assumption of social responsibility go hand in hand. Only a company earning an adequate return is in a position to act in the interests of staff, society, and the environment. Many institutional investors have now adopted this point of view: share indices such as the Dow Jones Sustainability Index or the FTSE4Good include companies on the basis of sustainability criteria and form a benchmark for fund managers and other professional investors.

Many companies are obviously also lacking the courage to be honest and open. However, both these qualities are indispensable conditions for successful CSR.

CSR should be aimed at improving a company's reputation. Companies with good reputations are deemed to perform well on the market. Their strategic competitive position improves, as they can attract qualified staff, rely on the loyalty of staff, investors, customers and suppliers and demand higher prices. A good reputation is seen as a success factor in strategic alliances and mergers. It creates trust and goodwill as well as the power to set agendas and exert influence. It is therefore also worth considering CSR from a reputational viewpoint. The economic vulnerability resulting from a loss of reputation can be enormous. As the legendary Warren Buffet once put it, "It takes ten years to give a company a good image, but only seconds to lose it." Being thought of as trustworthy, dependable and reliable are becoming ever more important to a company's reputation. In the future, reputation will have the same value as a brand, so that the development of reputation must be understood as a long-term investment.

It is interesting to note that companies that act responsibly often also have greater economic success in the long term. Those who observe their environment and their fellow human beings carefully and are willing to become involved with issues of general interest are better prepared for the future, as they recognise trends and problems in their own environment better and faster, and can include them in their strategic considerations. Noreena Hertz, Professor of Global Political Economy, identifies three key factors which make it indispensable for companies to act ethically and in an environmentally responsible manner:

- < Reputational gain for the company
- < Reduction of financial risks in connection with potential litigation.
- < Creation of competitive advantage by adopting upcoming regulations early.

CSR is therefore a major strategic success factor, which is often not given the value it deserves in the company. For example there are hardly any companies with a fixed written CSR strategy. The position of the Corporate Responsibility Officer (CRO) is also only rarely occupied in Europe. This is where the greatest need for action lies. It is not the good will, nor the activities, nor even the money that is lacking. Most companies show very strong commitment. As there is no visible strategy driving the activities, however, the value of the companies' involvement often remains paltry. Managers' primary responsibility is to invest the funds entrusted to them for the benefit of the company; ultimately to increase the value of the company. This means that a company's CSR commitment must also and primarily be judged from this perspective. Investing the company's money for an expensive golf tournament or the Board's art collection is bordering on embezzlement, if it does not result in a measurable benefit for the company. If a company shows commitment with targeted programmes for supporting women for example, or company kindergartens, this will have an effect on the recruitment of

new staff and staff satisfaction/motivation and benefit the company. I don't mean to discredit sport or art sponsorship, but these types of involvement must always be examined for the benefit they bring to the company (and not just a select group). A further requirement is that a company's activities be professionally communicated, in order to achieve the full benefit for its reputation.

So how are companies coming to terms with this challenge? Many company publications and particularly their CSR or sustainability reports are not worth their printing costs. The reader is treated to long passages on how its staff are the company's greatest asset and wonders why this capital is then being squandered (i.e. made redundant) in such large quantities. To be clear: redundancies can be a very important tool for regaining competitiveness or overcoming a crisis. But why do companies not discuss this openly and honestly. When I had to make a lot of job cuts in my company during a crisis caused by the stock market collapse in 2000, it made me ill. But when you read managers' comments and reports they mostly sound very technocratic and formal, but never humane and honest.

Other companies operating businesses with great environmental risks try to downplay the obvious dangers of what they are doing. Why do they not recognise the potential dangers caused by their factories and at the same time explain that they are dealing with them responsibly and describe how this responsibility works in practice. I recall the arrogance with which German energy companies reacted to power cuts in the USA. "Couldn't happen here – our equipment is in great shape" was the general tone. Shortly afterwards the pylons collapsed and thousands of people in Germany had to sit in cold houses for days without electricity. The damage is virtually irreparable. And another thing – what is the use of companies promoting initiatives to raise social standards in developing countries when they barely fulfil the statutory

minimum standards in dealing with their staff here in Europe. When I started the Good Company Ranking, I had three aims in mind:

1. To make CSR better known and to encourage managers to become aware of it.
2. To show the public that companies are already heavily involved in CSR.
3. To animate companies to professionalise their CSR.

The high level of acceptance that the ranking has achieved with the public, within companies and in academic circles shows that we are on the right track. In many companies a process of professionalisation has already begun. Work is under way on longer-term concepts. Nevertheless, it is often patchwork, and does not enjoy the active support of the Board. In fact, CSR is a matter for the Board, as it is about the strategic direction of the company, which impacts all areas of the business.

Klaus Rainer Kirchhoff
Chairman of Management board
Kirchhoff Consult AG



Prof. Wolfgang Grewe

For the second time Deloitte, Kirchhoff Consult and manager magazin are collaborating on the preparation and presentation of the Good Company Ranking. This represents the continuation of a partnership intended to generate greater awareness of the subject of value-oriented company management, often known as Corporate Social Responsibility or simply Corporate Responsibility. Supporting the Good Company Ranking is a gain for Deloitte. This may seem surprising at first, but on second glance is perfectly logical. It is based on recognition of the fact that a company can survive and enjoy lasting success when it identifies and pursues its long-term interests. As auditors, we also examine whether our clients are taking this insight into account. At the same time we consider it our task to provide advice on how a company can assume its social responsibility.

The contest based on the Good Company Ranking provides us with an opportunity to do so. With our involvement we also want to emphasise that we as a company consider a leadership culture based on values to be indispensable. The fact that we are doing so for the second year in a row underlines a vital condition for the success of value-oriented management: it must be sustainable, i.e. anchored in strategy. Our observations show that this principle is still insufficiently recognised. Some companies have not yet discovered this area at all, others are active only sporadically and without any identifiable long-term orientation. A further common observation is that CSR activities focused on the public relations effect suddenly increase when a company is getting a bad press and then die down again. This turns social responsibility into a mere knee-jerk response. A company's lasting survival cannot be ensured in this way; it takes a lot more than that. It is not enough to try to buy public goodwill on an ad-hoc basis and often without sufficient resources. A company must rather strive to earn something that could be called its civil rights. To do so the company must provide evidence that its business is not solely about differentiating itself from the competition, but is also embedded in a credible

context and represents an overall benefit for society. Only then will society allow the company to pursue its business activities unhindered over time, only then does a situation arise in which both parties benefit, the company and society. This situation must be sustainable, so it's not enough to create it once. Neither should a company think that it has paid its dues to society simply by earning profits and paying taxes. On the contrary, companies are well advised to keep an attentive and perceptive watch on how their image develops in their respective societies. Social value judgements are subject to the whims of fashion, but also to secular changes. This means that a company which only yesterday was praised for opening a new factory can be viewed with suspicion tomorrow, because public consciousness has altered. This in turn can have negative consequences for regulatory practice, jurisprudence and even legislation. Changes in public perceptions can therefore evolve into a tangible danger for companies' freedom of action.

From an auditor's perspective it is quite understandable that companies showed great reluctance to address this dilemma at first. It is one thing to evaluate success that can be measured financially, quite another to judge apparently abstract, non-quantifiable concepts such as a company's reputation in society. This makes the results of the second ranking all the more gratifying, as they show clearly that the number of companies addressing this difficult subject is growing. It is even more satisfying that now even non-listed companies are making progress on this score; companies which are not subject to such high levels of transparency. It would also be desirable for companies to recognise that value-oriented leadership does not represent an additional burden for management, only to be shouldered reluctantly because the public demands it. It is much more useful to think of value-oriented management as a kind of long-term "life insurance", as an additional source of insight into potential threats, but also potential opportunities.

At this point I may perhaps be forgiven for concluding with a description of one of these opportunities from an auditor's perspective. In our business, success is won and lost by the quality of the staff we attract. In recent years we have noted that new recruits, but also those entering the profession from other areas are asking increasingly clear and distinct questions about non-financial strategic goals. In other words, potential colleagues want to know whether we are a decent company to work for. And being able to answer the question in the affirmative will make it possible for us to engage the best staff, for the long-term. This in turn creates a solid foundation for sustainable innovation and business success.

Economics and the assumption of social responsibility are not mutually exclusive, they are complementary. Of course the financial conditions must be in place, but that alone is not enough. Over time companies will only prosper when the outside world, i.e. all stakeholder groups, consider the performance of those companies to be positive and are confident that this will continue. It is in this situation that society derives the most benefit from business activity, as companies can exercise their skills with a maximum of freedom. Not only because more and better products are developed and produced, but also because more and more secure jobs are created and higher and sustainable tax revenues are earned. The Good Company Ranking can give an indication of which companies are proving particularly successful in this respect and putting the theoretical principles into practice in their everyday work. We are very pleased to be able to help them do so.

Prof. Wolfgang Grewe
Senior partner and Spokesman
Deloitte Germany



Dr. Arno Balzer

The issue of Corporate Social Responsibility (CSR) is becoming increasingly important in capital markets and in the media. Justifiably so, for a company's economic potential and its assumption of social responsibility belong together. CSR does not mean forsaking a one-sided shareholder value strategy, however. On the contrary, CSR integrates shareholder value into an overall concept of company policy which pays due attention to diverse interest groups. For only companies that earn satisfactory returns are in a position to act in the interests of staff, society and the environment.

The CSR ranking published for the second time in manager magazin (issue 2, 2007) shows how seriously Europe's top companies take the issue. The Good Company Ranking is carried out jointly by manager magazin, the auditors Deloitte and the consultancy firm Kirchhoff Consult AG, who act as initiators and organisers. It is based on an independent rating of the 120 largest companies in Europe in the fields of staff,

environment, society and profitability. The ranking takes place every two years. The jury includes the former Director of the UN environmental programme Klaus Töpfer and Helmut Maucher, Honorary President of Nestlé.

In comparison with the 2005 ranking, this year's results show that more and more companies are systematically including CSR programmes in their strategy. In so doing, they demonstrate the major importance that the issue of CSR has today.

In the following information supplement the methodology and results of the ranking are described in detail – worthwhile reading for all those companies in which social responsibility is more than just empty rhetoric.

Dr. Arno Balzer
Chief editor
manager magazin

Society

Professor André Habisch

Professor at Catholic University of Eichstätt-Ingolstadt
Founding Director of the Center for Corporate Citizenship

1. Background: society – a category requiring explanation¹

Most of the subject areas in the ranking are well established in daily business and have more or less well organised management and performance control systems. This applies particularly to the financial market parameters of course, which are under permanent surveillance by analysts, investors, observers; etc. and can mostly be expressed in a few recognised indicators. It is also the case in Human Resources, however, where the target of standards of professionalism have been formulated in long discussions and are well represented in the ranking. This “collective learning process” has been carried out in exemplary fashion in the field of environmental management. Twenty years ago green pressure groups were still aggressively confronting companies with demands for action to protect the environment, but environmental management systems have meanwhile been developed which have ‘broken down’ the abstract demands into practical principles and rules for daily business. In the field of environmental management the professional debate in Germany is at the forefront of research worldwide.

In comparison, the category “responsibility towards society” still requires some explanation. What does it mean exactly? Compared to the other categories the debate about the role of companies in society (Corporate Social Responsibility, Corporate Citizenship, Business in Society) is still relatively young. Of course companies and entrepreneurs have always been active in their immediate environment as patrons and sponsors. It is often rightly pointed out what an important contribution the founder figures of today’s global players made in their day to economic and social development: Robert Bosch, Alfried Krupp von Bohlen zu Halbach, Fritz Thyssen and Werner von Siemens did not only create valuable companies and found

enterprises which have survived all the catastrophes of the 20th century. They also played an enormous part in providing affordable housing, medical treatment, cultural activities, transport infrastructure and health care in their communities.

From a macroeconomic perspective these companies did not only create private but also public goods. But since the Founding Epoch in Germany (1871–1914) these two dimensions of corporate activity have developed very differently. Whilst the core functions of managing production processes, sales and the organisation of labour experienced huge leaps in productivity and professionalisation, the social dimension remained quantitatively and qualitatively stagnant for many decades. In the course of the late 19th and early 20th century the production of public goods became more and more a role of the modern state. Its spending as a percentage of gross domestic product grew as part of this ‘division of labour’ from 15–20% to 40–50%. In contrast, the corporate social responsibility of companies was neglected and seemed to have foregone any political significance.

Michael Porter, a professor at Harvard Business School, was responsible for demonstrating this asymmetrical development in a series of groundbreaking articles. Porter criticises the shrivelled guise under which corporate social responsibility often presents itself at the start of the 21st century. Instead of orienting itself (at least implicitly) towards the process of value creation, which inspired the founder figures mentioned above and continues in many medium-sized companies today, sponsorship in many large corporations has mutated into a bizarre world remote from the company itself – a biotope devoted to the pet hobbies of the directors (and

¹ For a fuller treatment of the following cf. my articles in: Gazdar/ Habisch/ Kirchhoff/ Vaseghi (2006).

their family members), rather than to the strategic interests of the company.

Porter criticises this practice based on a liberal theory of the competing company. 'Pro bono' activities and sponsorship are not 'free'; they generate (opportunity) costs. This means that the donation activities of large companies are subject to the economic principle of scarcity just as much as cost-generating activities in the company's core business – and are therefore also subject to the necessity of an efficient allocation of resources. An analysis of the possible alternatives to sponsorship ('opportunity costs') points the way: for these funds would either have flowed to shareholders as dividends or to the state as taxes on earnings.

- < Duty of legitimisation towards shareholders: business case
- < (Opportunity) costs of philanthropy
- < Duty of legitimisation towards tax payers: social case

Expensive activities in the field of social responsibility can only be justified towards shareholders if they (at least as a subsidiary condition) contribute to a sustained increase in the company's value. It is true that the company's economic goals are not explicitly at the fore when it is involved in social responsibility activities. However, the challenge of a professional CSR management must lie in not losing sight of them when selecting strategic topics and when designing operational programmes. Even those management activities which are situated in the field of sponsorship/sustainability/corporate responsibility must be focused on the overall goal of corporate leadership, namely to maintain and increase the company's competitiveness. In this sense, the 'business case' is a prerequisite for the internal sustainability of responsible management within a company, particularly in difficult times. For only when social responsibility 'makes sense' in terms of the company's competitive goals, when it is seen as a *strategic investment*, will it also be sustained in difficult times.

The very fact that social responsibility costs money also engenders the second requirement, which in most companies attracts (even) less attention and is put into practice even less often: namely 'performance measurement' for social responsibility. In the tax system, expenditure for corporate responsibility can be deducted from taxable earnings and therefore reduces the public sector's capacity to act. From the perspective of politicians, non-governmental organisations, journalists and outside observers, corporate social responsibility is not able to achieve much credibility precisely because it is not clear to what extent it really 'makes a difference' to the underlying problems of society. This is not often publicly discussed, but ultimately a broad scepticism towards corporate social responsibility and a lack of professionalism in companies when carrying out these activities are two sides of the same coin. Only when someone is capable of making

a recognised contribution to solving a problem of society at the level of the relevant professional debates can they hope to gain any recognition and positive attention. Here too, it is indispensable to demonstrate the effectivity and goal-orientation of one's own action. However, precisely with regard to the impact on *society* – the 'social case' in the sense of 'social impact analysis' – very few management systems have been developed in companies to date. A system of quality measurement is broadly missing – in stark contrast to the situation in personnel or environmental management.

The professionalisation of corporate activity in the context of society is also made more difficult by the fragmentation of the debate into many specialised disciplines. In a specialised scientific system relevant knowledge is to be found in such disciplines as business studies, economics, political science, social work and social education, health sciences, social sciences, sociology and many others. Different 'scientific cultures' and world views confront each other within universities and colleges of applied science just as critically as do the corresponding sections of society, with 'business' on the one hand and 'social, health and education sector' on the other. Nevertheless, it is not seriously possible to establish a gauge for measuring the impact on society ('key performance indicators') without drawing on the knowledge of the disciplines mentioned.

Social responsibility – depending on the issues and areas of application chosen – must come to terms with business rationality and also, according to subject, with the findings of development aid, educational research, experience of youth integration processes, social medicine, etc. To take one example: it has long been an established tenet of developmental research, not just since the economist and founder of the Grameen Bank, M. Yunus, was awarded the Nobel Peace Prize in 2006, that microcredits represent a more effective means of fighting absolute poverty than unconditional transfers or other social programmes. Companies will therefore need to familiarise themselves with the standards of the relevant professional debates and design their programmes accordingly if they take action in these areas as part of their global social responsibility. The use of specialised academic findings is indispensable for strategic planning as for setting appropriate evaluation and performance indicators for social impact analysis.

Corporate social responsibility cannot and does not want to reinvent the wheel. Companies will collaborate with professional partners in these areas and apply their specialised knowledge. They will familiarise themselves with the current state of professional debate on 'their' field of involvement. Finally, they will also cooperate constructively with public authorities. As in the field of strategic advantage, the field of social impact distinguishes different efficiency factors for

corporate activity. Acting in a network makes it considerably more likely that a given project will yield 'sustainable effects'

and in the mid to long-term allows the actors to exert a joint influence on political institutions.

2. Rating the social responsibility of European companies in the area of "Society"

In line with the initial situation described above, we have developed a dual ranking system for the area of "Society". As we want to rate the professionalism of the management system and not the 'moral quality' of the products, we have completely abstained from identifying 'bad industries'. Points and ranking were awarded by two analysts: as in the previous ranking, all companies were evaluated independently by Prof. Dr. André Habisch (Director of the Center for Corporate Citizenship e.V., Professor at the Catholic University of Eichstätt-Ingolstadt) and Dipl.-Kfm. Franz Wenzel (Managing Director of the Center for Corporate Citizenship, independent businessman). The rating took place on the basis of documents sent to manager magazin, reports available on the Internet and occasional follow-up questions (particularly concerning the 2004/05 ranking).

2.a The business case

The field "*added value for the company*" ('business case') accounts for 50 per cent of the total rating. The strong weighting for this category is due to the fact that the company always remains in competition, even in its social responsibility activities – it does not 'stop playing its role'. As in other areas of corporate activity, the goal here is rather to identify better opportunities for action which would generate a mutual benefit.

The following sub-criteria of the business case were used in the ranking:

- < Strategic management of the activity (50%)
- < Professional implementation within the company (50%)

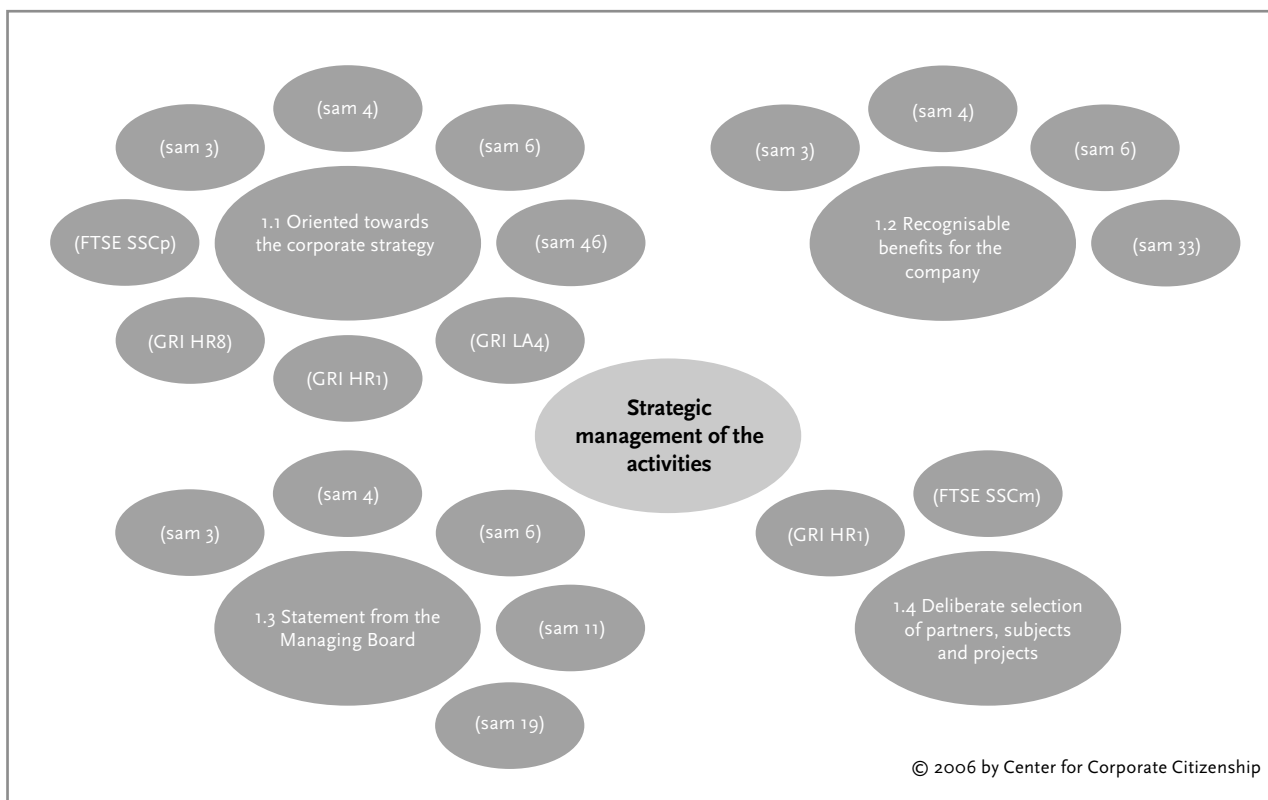
2.a.a Strategic management

Here the question is to what extent the company has oriented its selection of issues and forms of involvement towards the strategic corporate interests of its core business. Are core competencies deployed (1.1)? Can the company derive any competitive advantage from its involvement (1.2)? Are these the subject of explicit reflection, evidenced by a statement from the Managing Board or those in charge of CR for example (1.3)? Are the projects, partners and issues consciously chosen – by dedicated management systems within the company for example (1.4)? Whether CR is firmly anchored on the level of strategic corporate planning or not clearly makes the crucial difference between random PR activities and a well-implemented and sustainably structured overall concept. When this strategic approach is the subject of explicit reflection it also contributes to a better understanding of the qualities of the CR management beyond a small circle of specialists.

A comparison of this criterion with the main CR rating tools (Global Reporting Initiative GRI, Sustainable Asset Management SAM, FTSE4Good) shows that it is well represented in the relevant catalogues of criteria.

To understand better Ericsson's philosophy toward corporate responsibility, you should think of these commitments not as costs but rather as investments. We carry out our corporate social responsibilities diligently because we believe that they do not lower profits; quite conversely, they are essential to sustainable value creation ... In this case, the products that we create for less-developed regions are also suitable for (...) rural areas of more developed countries, enabling us to expand our market in both developing and developed markets. This makes the initiative a real business opportunity, not philanthropy or charity.

Fig. 1
Rating criteria
 Subject area Business case > Subject group 1
 Strategic management of the activities



The Swedish telecommunications company Ericsson can be considered a successful example of explicit reflection on the strategic character of its own CSR activities.

“To understand better Ericsson's philosophy toward corporate responsibility, you should think of these commitments not as costs but rather as investments. We carry out our corporate social responsibilities diligently because we believe that they do not lower profits; quite conversely, they are essential to sustainable value creation ... In this case, the products that we create for less-developed regions are also suitable for (...) rural areas of more developed countries, enabling us to expand our market in both developing and developed markets. This makes the initiative a real business opportunity, not philanthropy or charity.”

In this company, the statement is not pure rhetoric but corresponds to a CR involvement which is substantively aligned with its strategic goals, makes use of Ericsson's core competencies and is aimed at achieving maximum impact (here in the field of emergency aid).

The Spanish Banco Santander provides another example of an activity which is clearly strategic. Its enormous university portal Universia acts as a network for Latin American,

Spanish and Portuguese universities. The platform and the university cards issued with it cater to 9.3 million students, professors and researchers. The portal cervantesvirtual.com disseminates Spanish and Latin American culture – since its launch in July 1999 over 19,000 books have been digitalised and are available free for downloading. Even if it is not explicitly reflected in the company's communications, it is not difficult to see the strategic value of this involvement. The project addresses a clientele of the utmost interest to the bank, which (both in Spain and in Latin America) will mostly soon belong to the affluent professional classes in their country.

A further example of successful involvement in this field is the Micro Insurance Programme at Allianz. As a global insurance group the company appreciates the significance of developing and emerging markets which are largely unsaturated and offer enormous growth potential. The Indian economist C. K. Prahalad, who teaches in the USA, has drawn attention to the huge potential for worldwide economic development represented by the 4 billion people at the base of the global income pyramid (“bottom of the pyramid, BOP”). The social innovation of micro insurance is self-evident, as absolute poverty can be characterised by an existential incapacity to protect oneself against external threats such as illness, loss of earning potential, weather or environmental catastrophes,

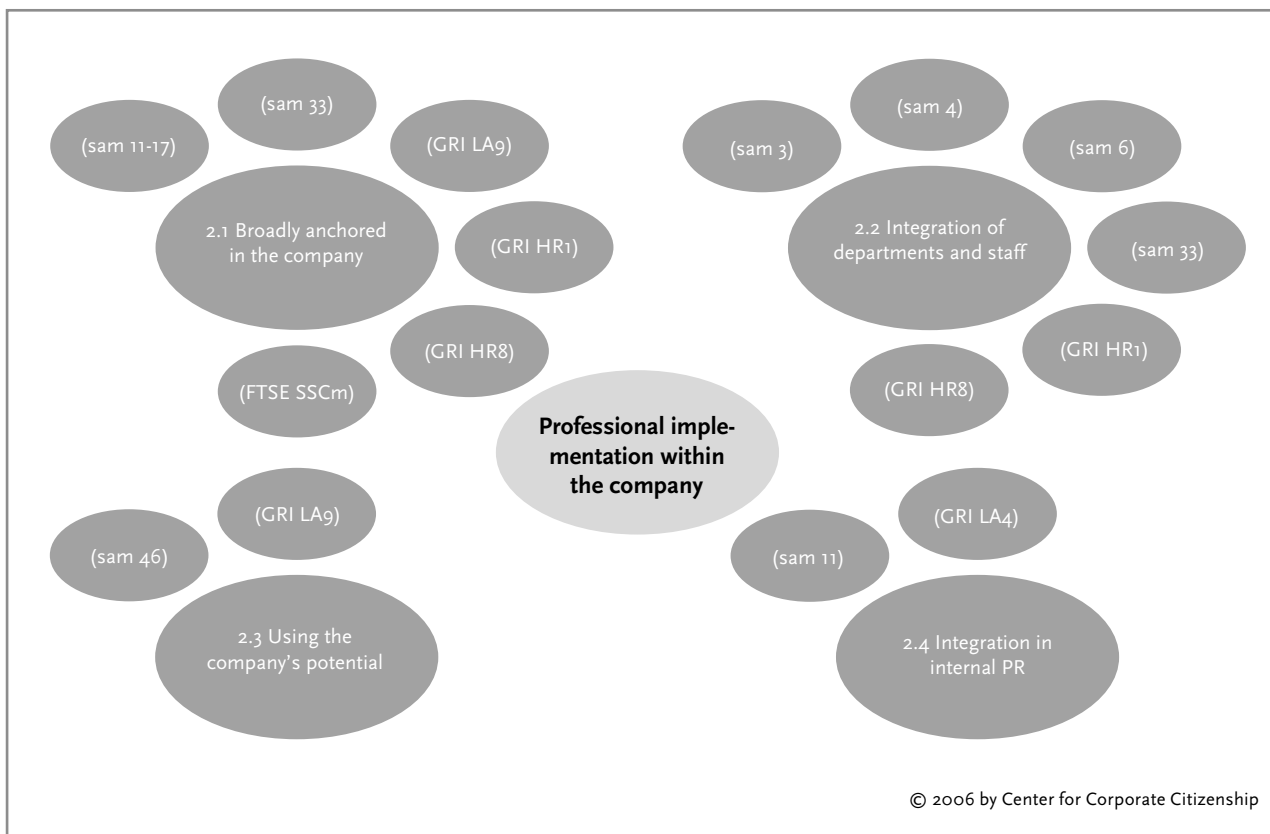
etc. The high number of children in these families is a rational adaptation to this situation, because as the Nobel prizewinner for economics, Theodore Schulz, pointed out in 1961, children are “the poor man’s fortune” and in this sense his only means of insurance against such emergencies. Together with the German GTZ and other development organisations the Allianz group has developed insurance products specially targeted at this group of urban slum-dwellers and those in rural areas living in absolute poverty. In addition to their direct protective function, these products have a further welcome side effect: they make broad sections of the population in developing countries aware of the benefits of insurance and thus open new commercial opportunities for the global Allianz group.

2.a.b Broad implementation within the company

In addition to the strategic focus, it is the professional implementation within the company that defines a high-quality CSR commitment. Companies that have been involved successfully for many years, such as Augsburg based Betapharm, attach particular importance to the benefits for staff motivation and the improvements to the corporate culture – areas in which there is still considerable work to do, as can be seen from the Gallup surveys on the subject. But to achieve these effects CSR activities must be communicated to as broad a group as possible. From the perspective of a professional CSR management it is about multiplying interfaces, especially with the company’s operational business. Do staff even know about their company’s projects? Can they get involved – maybe by making a donation or contributing personally? Is the potential in the company (including skills and specialised knowledge) being used in implementing the project or for internal activities?

Fig. 2
Rating criteria

Subject area Business case > Subject group 2
Professional implementation within the company



Once again, a glance at the main rating tools shows that this criterion is also relatively well represented – although often with a slightly different emphasis or way of expressing it.

The CSR activities of L’Oréal display a very intelligent form of implementation. The company includes its global network

of hairdressing salons in its activities and uses their direct access to the most important target group.

“The programme ‘Hairdressers of the world against AIDS’ promotes awareness of HIV through the regular training we provide to our global network of hairdressers. These

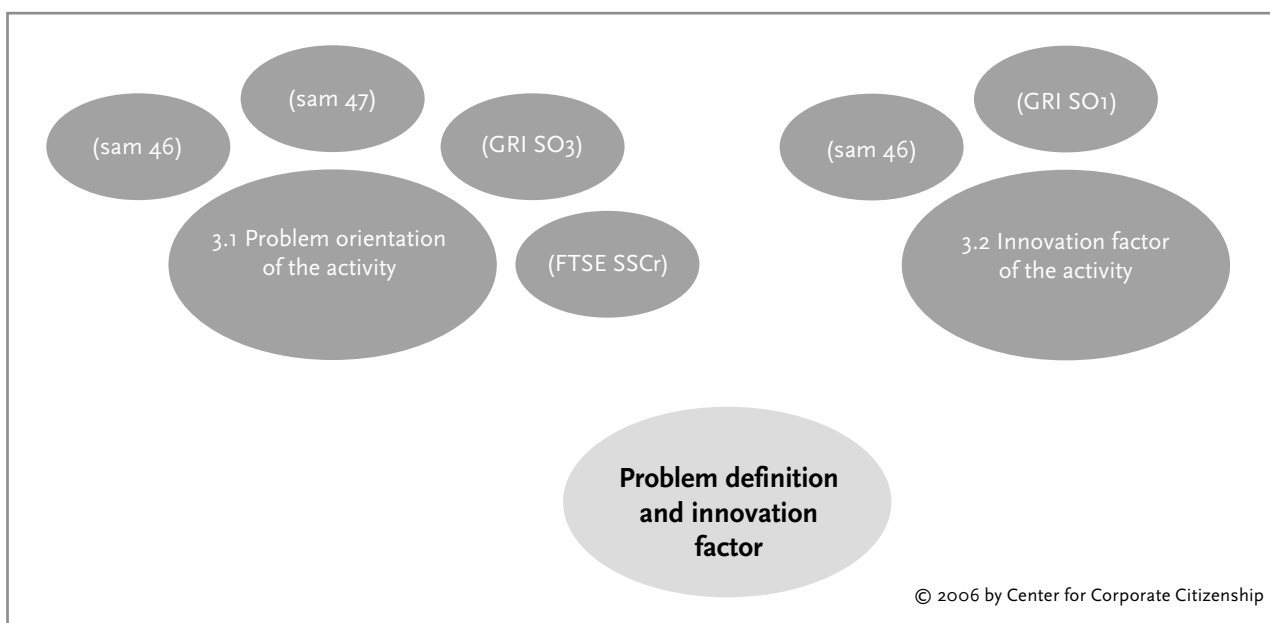
hairdressers then pass on their knowledge to customers at their salons, which are centres for the exchange of ideas and dialogue all over the world. Training materials compiled with UNESCO include an innovative film, presentation materials and an interactive quiz. Aimed at 400,000 partner salons all over the world, the programme should eventually reach more than two million professionals and their estimated 500 million clients.”

Like many German companies such as BASF, Bayer, DPWN, etc. the commodities group Anglo American has multi-site CSR management systems. “Good citizenship business principles” lay down guidelines, a SEAT Assessment System is intended to provide a better appreciation of the social environment and encourage people to realise (even more) win-win potential. As an important additional tool, the company organises “Social Forums” in different locations with over

200 managers and local community leaders on the subject of “Using core competencies to create more jobs”. When sites are closed the company endeavours to create replacement jobs with the help of these tools.

The Danone group has been using the internal management system Danone Way since 2001: business units define concrete targets themselves, in order to combine concrete social goals more effectively with economic targets and include local stakeholders in this participative process. Today, Danone Way is in place almost throughout the group and contributes via the exchange of information to an internal benchmarking process. “Danone Way enables the group to identify areas for improvement by defining new targets to meet expectations of stakeholders, such as the respect of Fundamental Social Principles for our suppliers or Diversity as a powerful lever for success.”

Fig. 3
Rating criteria
 Subject area Business case > Subject group 3
 Problem definition and innovation factor



2.b Added value for society (the social case)

If indicators relating to the company (*key performance indicators*) are relatively well established in the qualitative evaluation of social responsibility activities, their use in evaluating the social effects of CSR is still uncharted territory. This is also shown by the appearance of these criteria in the main rankings. This demonstrates a certain lack of consistency in the management practice of many companies, as mentioned in the introduction. Whilst permanent evaluation and process management in the core business are taken for granted today,

many CSR projects do not even measure the effects achieved by donations or the use of valuable staff time for social purposes – let alone take them into account for subsequent decisions.

A range of input-oriented assessment tools is fairly common. Many companies report on funds spent on CSR activities for example. But as is well known from the core business, even a high use of resources at a low degree of efficiency cannot bring about much change. The value of a product to the

company is not measured by its development costs either, but by the benefit it brings to the customer, as expressed in a willingness to pay. But what is the determinant of value for socially responsible activities? Corporate social responsibility cannot and should not simply replace activity by the state. The company doesn't become a social security office when it gets involved in CSR projects, but is and remains part of the 'community of citizens'. A community of citizens is the 'research laboratory' of a modern society, however. It is a place where innovative forms of action can be tested in a confined space, mostly by those directly affected, together with committed volunteers, and these forms of action can be adopted by others if the results are positive. This definition leads to the first sub-criterion.

2.b.a Problem definition and innovation factor

What social problem is a company addressing with its CSR activities? This simple question is suitable for giving an initial impression of the quality of CSR involvement. For often enough the project does not even give an account of the social problem it is addressing and what results the scientific findings from specialised research groups have obtained.

A glance at the main ratings shows that indicators of social effectiveness are considerably less well represented. Many catalogues lack a foundation, in the sense of an overall concept "Business in society". What are the opportunities, what are the boundaries for corporate effectiveness in the context of society? Companies will devote themselves to important problems and deliver a tangible contribution to their solution. In doing so, they will not only follow recognised paths but also search for new routes and deploy their capacity for innovation – this is precisely how they demonstrate that they are part of the community of citizens. But their actions will be limited in time and space and will – as far as possible – offer 'escape routes' for their own involvement.

A good example of this type of problem orientation and capacity for innovation is the CSR at Bayer AG. Relevant problems are addressed throughout, which also correspond to the company's skill set: hunger, poverty, diseases (sleeping sickness, malaria, AIDS), the LIBRA initiative against antibiotic resistance. In its locations in the Rhineland, the company offers training programmes as a form of hand-up for young people without a place in a trainee programme (known as 'second chance'). The results have been evaluated and are pretty respectable: 80 per cent of the young people who took part in the programme were offered a permanent job at the end of their training. The mentoring of the young trainees by long-term tutors also plays an important part, which was recognised by an award from Kinderhilfswerk, a children's charity. In school projects in Brazil, young people from slum areas are motivated to go to school by training sessions with well-known football stars. Particularly remarkable from an innovation perspective is a project against malaria that Bayer

is carrying out with WHO and National Geographic Germany: "Bayer AG challenged research scientists last year to come up with innovative ideas to protect drinking water."

2.b.b Building networks in the social environment

Projects are particularly capable of achieving sustainable results in society when problems are not only addressed sporadically but when a society's potential for self-help is also mobilised and strengthened. In developing and emerging countries "capacity building" plays a vital role, for instance via a partnership with non-governmental organisations. Empirical surveys in political science (cf. in particular the work of R. Putnam) have shown that networks of committed citizens represent an important location factor ("social capital") for their region. Regions with a highly developed social capital develop better both economically and politically/administratively, according to empirical comparisons. In the USA and Britain collaborations with companies have made a considerable contribution to the professionalisation of non-governmental organisations. In locations in developing and emerging countries companies can also make an important contribution to development by strengthening civil society.

BASF's activities are a good example. The company does not only participate in important networks such as Global Compact or Econsense in Germany itself, it also extends its activities to partnering with many different organisations, e.g. Forum for the future, UN-Habitat, Wissensfabrik in Germany, etc. The ecological efficiency analysis that BASF uses for its own processes is actively propagated by the company in its social environment. The goal could be to help the North African textile industry gain access to high-quality markets for its products in Europe and North America by increasing awareness of environmentally friendly processes and enabling it to become a premium supplier. The company has also built competence centres for ecological efficiency analysis in emerging markets such as Brazil. BASF is also active in capacity building at its own sites – for example when it develops crisis management networks for chemical accidents in active collaboration with stakeholders.

2.b.c Stewardship and participation in debates in the public arena

Sustainable changes in the social environment can best be achieved when active involvement in the context of joint projects also implies the (re)organisation and development of community institutions. In the context of modern society it is institutional routines and mechanisms which "sustain" certain ethical impulses over time. Responsible companies and their partners will therefore endeavour actively to bring the experience gathered in the course of their projects to bear in the public debates in their region and, together with those politically responsible, to push for reform of the institutional system of their community.

Fig. 4
Rating criteria
 Subject area Business case > Subject group 4
 Capacity building in the social environment

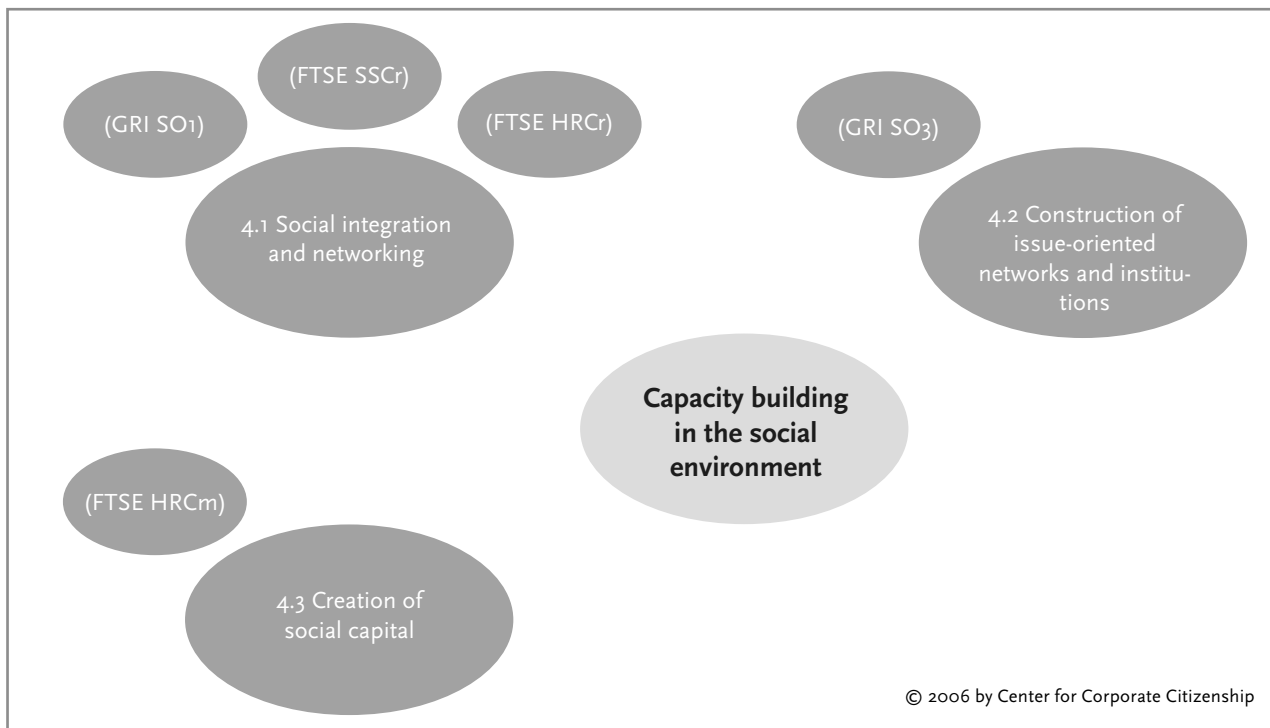
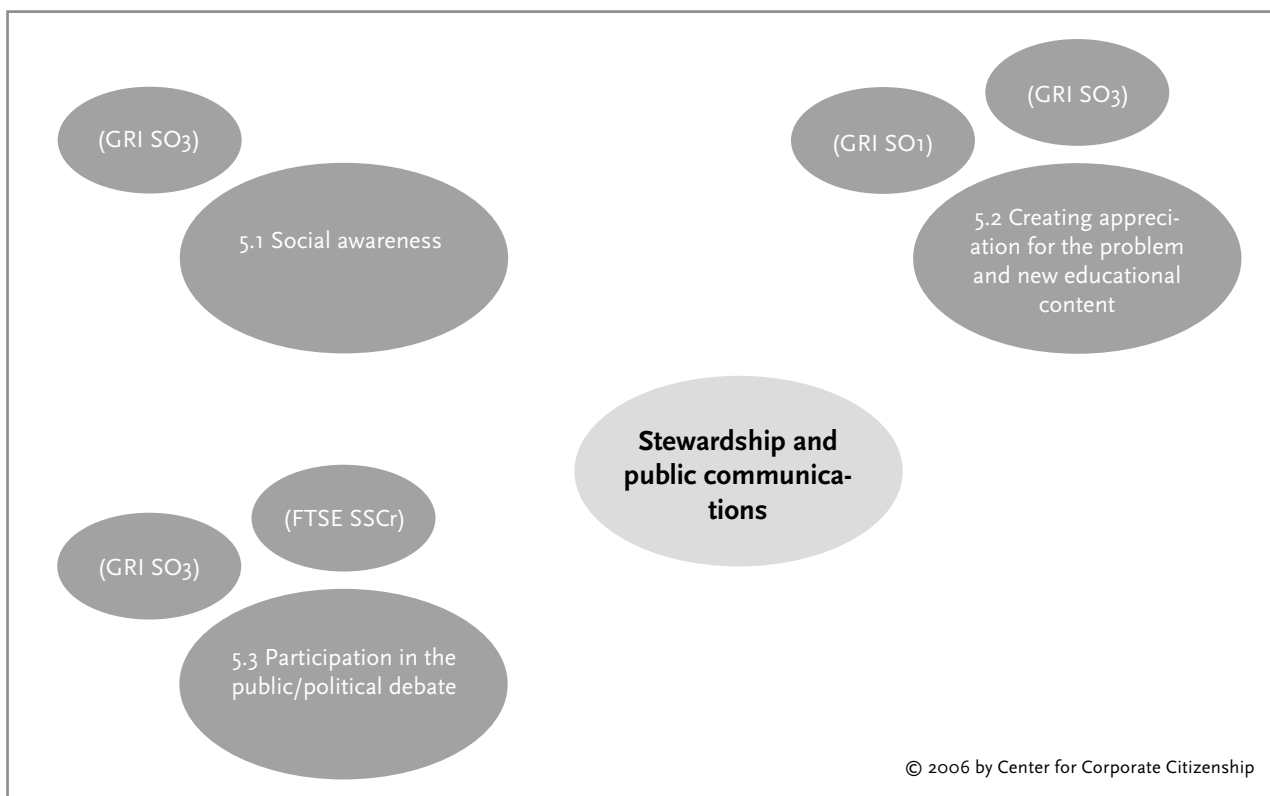


Fig. 5
Rating criteria
 Subject area Business case > Subject group 5
 Stewardship and public communications



This criterion for civil “political” involvement in a narrower sense is the least well represented in the common rating catalogues. This has to do with the fact that in the Anglo-Saxon world, where many of these criteria originate, this dimension of corporate social responsibility is often less developed. Nevertheless, its importance for the concept of the corporation as citizen can hardly be overstated. Only when a company can make the general public aware of a particular set of complex problems (e.g. regarding child labour, which in many countries in the world is a necessary requirement for a family’s survival), can it expect understanding and possibly even appreciation for its own CSR activities. Informing civil society is also a prerequisite for reaching sustainable solutions to problems via democratic political processes.

One example of best practice in this respect is provided by Volkswagen AG. In the 90s, its trendsetting cooperation with the town of Wolfsburg in the “Autostadt” project led to thousands of jobs in the region as well as numerous cultural, social and civil initiatives. New educational formats and contents were developed for the Autostadt (Car City) and tested in thousands of interfaces with schools and youth centres. But that wasn’t all: in a further step Volkswagen is partnering with the education ministry of Lower Saxony to transfer the Autostadt methodology to a “Mobility Curriculum” for cross-subject teaching in the whole of Lower Saxony. If this plan is successful, not only young people in Wolfsburg but also those in the whole of Lower Saxony will benefit from the new experi-

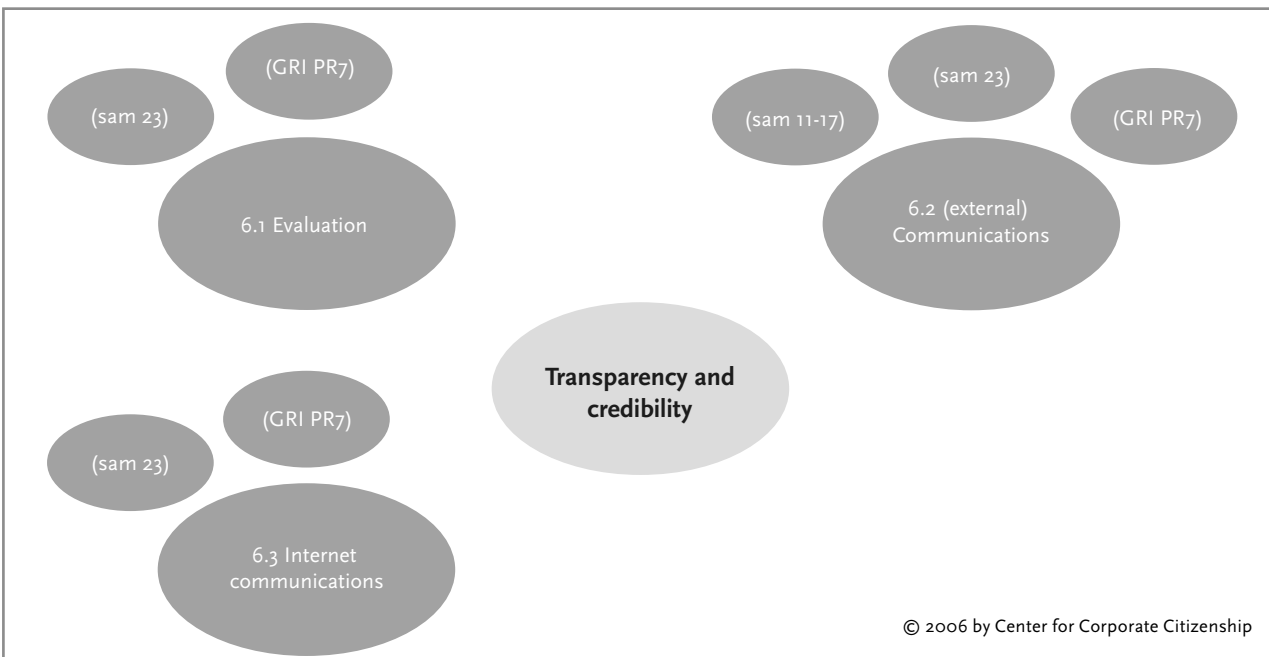
ence and approaches to education. This criterion is all about these kinds of generalisation.

A further example of broad implementation and public awareness is provided by the “Train of Life”, driven by the Franco-German Sanofi-Aventis group. The pharma industry is often accused of merely supplying pills and medicines after the event rather than taking the lead on prevention and health examinations for patients. This is exactly the aim of the interactive travelling exhibition in a railway train, which has already attracted more than 110,000 visitors and raised public awareness of the benefits of regular health checks. With this activity, which is specifically not aimed at promoting its own range of products, Sanofi-Aventis is making a contribution to general public awareness of health issues and thus exerting a stabilising influence on the health system as a whole.

2.c Transparency

In addition to the criteria for commercial and social added value (business case/social case) explained fully above, the rating of CSR activities also covers the criterion common to all four sections: transparency and credibility. In the Society section this joint criterion was made operational by measuring the availability of an external rating on the reported facts (3.1), the entire external and internal communications (3.2) and the use of a plurality of media (3.3).

Fig. 6
Rating criteria
 Subject area Business case > Subject group 6
 Transparency and credibility

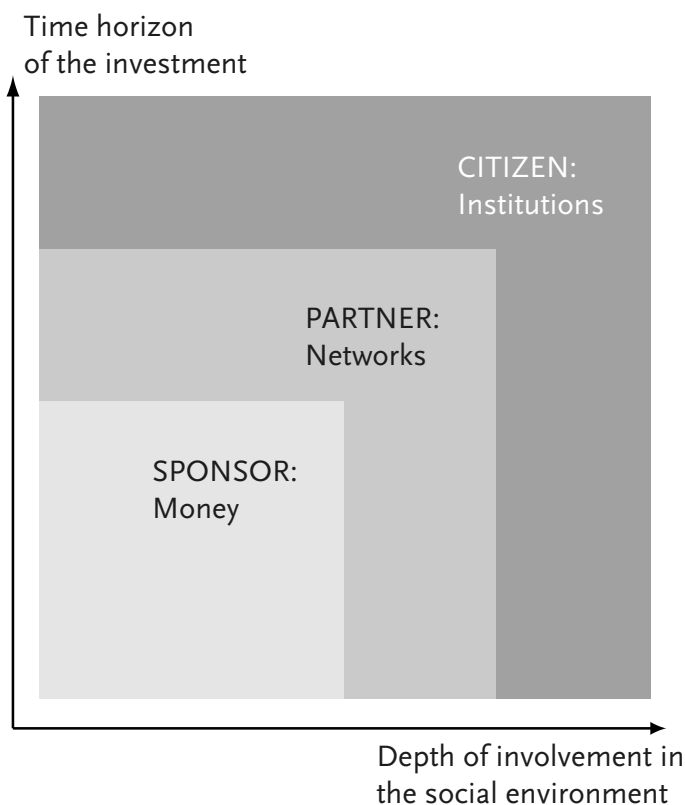


In this respect, Shell’s CR report sets the standards for the whole debate. By actively inviting external commentators and providing them with their own platform (“what the others say”), which has been maintained across all the issues and regions in the report, and by installing an external evaluation committee of NGO representatives who can give an independent assessment in the report, the company has succeeded in establishing its credibility. Also noteworthy is the approach of Anglo American, which consists of preparing a report on contacts to government in the countries in which it operates and reporting on the subjects under discussion – an initiative intended to bring widespread corruption in the industry under control.

These reflections on the sustainability of social impacts demonstrate that current CSR practice by no means exhausts the potential open to it.

- < In (the still widespread) *sponsorship* of individual events or initiatives a company only achieves a very limited impact on its social surroundings. Sustainable effects can rarely be achieved.
- < The momentum for change is much stronger in projects which are implemented in *partnership* with other institutions of civil society. Here something of the innovative nature of business is apparent, which can to a certain extent reform its social surroundings – and thereby alter the framework for its own future management decisions.
- < Some projects also evolve into a third phase; that of a collaboration on the *further development of institutions* and thereby on extending sustainable effects to the community at large (citizenship). A company’s political communications work has an important role to play in this respect.

Fig. 7
Degrees of involvement



3. Conclusion: companies as motors of social innovation

The final point underlines the direction the most recent discussions on corporate social responsibility have been taking. It really is not about management 'ticking the boxes' and completing reams of questionnaires for rating agencies, researchers or authorities. The way in which some participants in the discussion in Germany reduce the debate to ethics management and compliance risks losing crucial potential – particularly as public opinion in Germany has recently had a very mixed experience with these tools.

For responsible corporate leaders it is not only about minimising illegal activities or the negative effects of doing business by installing control systems. For a corporate social responsibility aligned with core competencies and strategy it is much more important to anchor openness and joint

responsibility for the common environment in the company culture itself. Highly qualified staff in particular do not only want to be perceived as part of a successful group of predators or looked at askance as potential criminals; they want to get involved in the company as moral individuals. This cannot be achieved by simply donating money to 'good causes', however. Instead, companies can bring their capacity for innovation and performance, their networks and their logistical resources to bear in the context of projects which are professionally prepared and implemented and are aimed at delivering solutions to concrete challenges in their social environment. This does not mean providing compensation or making concessions but investing in a shared and sustainable development which benefits all concerned.

Staff

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Expert in the fields of reporting and Human Resources

The most important asset – and a significant cost factor

That its staff are a company's most important asset is a common assertion. Nevertheless, many managers do not know to what extent a company's success is actually due to its staff – according to a survey published by PricewaterhouseCoopers, *Key trends in human capital – a global perspective 2006*. As a result, most companies' annual reports include a detailed breakdown of staff expenses, but not even an approximate quantitative estimate of staff profit. This makes the staff into a cost factor but not into a source of profit.

Despite this, methods for measuring human capital have undergone considerable refinement in recent years. On the one hand there are intellectual capital approaches like the Skandia Navigator and the Intangible Asset Monitor. On the other, human capital is defined by the Saarbrücken Formula, amongst others. As Christian Stolz, the developer of the formula puts it, "Everyone knows that human capital is becoming increasingly decisive for competing in an enlarged EU – but very few know how much their staff are really worth in euro."

Attempts at dealing with corporate responsibility for staff are similarly vague. Most CSR and sustainability reports do include long chapters with relevant information, but these often appear to be just going through the motions. To put it more precisely; imagination and coherence are both in short supply. The deficits in these reports reveal strategic weaknesses, as only a human resources management that is strategically oriented, that respects the dual imperatives of fairness and performanceorientation can enable the company to achieve a credible profile as a Good Employer.

The Good Company Ranking is about a comprehensive rating of a company's dealings with personnel. The starting point is the personnel strategy and the corporate values. The second focal point consists of themes such as training policy, flexible working hours and equality of opportunity. Human capital management constitutes a further focus. Finally, the quality of HR communications is assessed (*see Fig. 1*).

Responsibility is a universal norm, but the specific form it takes is decided in a given national context. As the Good Company Ranking rates the cream of the European economy, cultural differences become apparent. For most Continental European companies for example, codetermination is part of everyday company life. A wide range of social benefits are taken for granted. The situation is quite different in countries like Britain and the USA, where much greater importance is attached to civic virtues like diversity. Nevertheless, one thing became clear as a result of the ranking: excellent companies – and these are to be found in France and Spain as well as in Britain and Germany – attach as much importance to equality of opportunity and corporate volunteering as to training and social benefits (*see Fig. 2*).

Fig. 1
human capital criteria

Individual criteria	Max. %
1. Foundations: personnel strategy and ethical principles <ul style="list-style-type: none"> < Socially balanced HR strategy < Code of conduct (including control mechanisms and rules for whistle blowing) < Corporate values < Illustrations of ethics as related to the industry (child labour, prohibition of cartel agreements, etc.) 	5
2. Instruments: social responsibility in practice <ul style="list-style-type: none"> < Social benefits including pensions < Flexibility (part-time work, work-life balance, sabbaticals, etc.) < Employability (new employment models, outplacement assistance) < Training policy (vocational and management trainees, etc.) < Equality of opportunity/diversity (support for women in the work-place, work and family projects, support for non-nationals, older employees) < Health and safety < Corporate volunteering (staff involvement in schools, social centres, etc., integration with personnel development) 	7,5
3. Result: socially responsible human capital management <ul style="list-style-type: none"> < Development of staff numbers (e.g. FTE) < Knowledge management (intellectual capital, know-how, etc.) < Personnel development (staff review, professional training, etc.) < Commitment (dedication, motivation, etc.) < Working environment (codetermination, ideas management, internal communications, etc.) < Retention (loyalty, tenure, etc.) 	7,5
4. Communications: transparent HR reporting <ul style="list-style-type: none"> < Use of indicators (e.g. fluctuation rate, sickness rate, professional training expenditure as a percentage of total personnel expense and per capita, showing the calculations used) < Quality of HR reporting in the annual report (amount of data, coherence and intelligibility, etc.) < Quality of reporting in the personnel report or staff component of CSR report/sustainability report, especially openness regarding dissatisfaction, bottlenecks, etc. < Quality of the presentation on the website (depiction of corporate culture, etc.) 	5
Total	25

Fig. 2
Classic perceptions of responsibility

Continental European companies		Anglo-Saxon companies
Context: corporatist societies with strong welfare state	>	<
Strong collectivisation with representation of interests (works council, unions)	>	<
Reporting on staff is mandatory (obligatory chapter in annual report)	>	<
		Context: civil societies with comparatively weak welfare states
		Emphasis on individuality (equality of opportunity, derived from it: diversity)
		HR reporting is optional (often no chapter on staff, but mostly a section on corporate volunteering/ employee fund-raising)

1. Personnel strategy and ethical principles

Strategy and principles are the foundation of personnel leadership. They form the starting point for a range of policies and activities. The quality of a company's leadership can be determined by whether the outline of the strategy is clear, whether the values appear comprehensible and credible and whether the corporate behaviour laid down by management is made binding in the form of a code of conduct.

In this focal point most of the companies ranked were below average. Deficits can be identified in both strategy and in values and behavioural norms.

Strategy – structure follows strategy is a well-known piece of management wisdom, which was amply demonstrated in the Good Company Ranking. A responsible and at the same time performance-related treatment of human capital is only possible when it is based on strategy. However, only very few of the European companies rated had such a strategy. With most of them, personnel management appeared to be no more than the sum of its parts – recruiting, training, social benefits and motivation.

Notable exceptions were:

< Anglo American – the British group places emphasis on health, safety and minority empowerment. This has been adapted both to the business model and to the social environment. As in the past, the company's commercial focus lies in the mines of South Africa, and so overcoming the heritage of apartheid by social reforms and empowerment of black staff members is crucial.

< Barclays – based in the City of London, this bank has sharpened its profile by being specific. Its strategy is expressed in a grid of targets, performance rating and new targets, making success and failure measurable.

< DaimlerChrysler – here the focus is on the HR strategy process, including naming the most senior staff members involved by name (small circle). The strategic challenges facing the German-American automobile group are also clearly explained.

Most companies lack the transparency and clarity characteristic of Barclays. For inexplicable reasons an Italian company makes internal marketing an integral part of the HR strategy for example. In one DAX company the HR strategy is a technocratic marvel – not a trace of a social component.

Values – nowadays many companies have a catalogue of values, but the lists of corporate values often appear somewhat arbitrary. In too many cases the principles are merely a roll call of platitudes and contradictions.

Best Practice does exist, however:

< Adidas – the values proclaimed by the company, such as team spirit and a sporting ethos, have an affinity with the company's identity, i.e. they fit the corporate culture of a sporting goods manufacturer.

< Bertelsmann – particularly notable is the sense of perpetuating a long tradition of values. The company's values are established as essentials. The latest version was based on a two-year process of discussion which included the staff.

Values like creativity are appropriate to the identity of a media group.

< Novartis – the Swiss pharma group has a well-founded ethical fundament. Business and philanthropy are closely linked.

However, many companies fiddle with random concepts. What are we to think of a retailer in the Netherlands for example, who pitches commercial necessities such as “act customer” and “innovative mindset” as values? Or of a Spanish utility that has come up with the simple equation “Values = People”? In some cases, as in that of a Spanish bank, values are confused with goals. German companies are also guilty: one DAX company sees the meaning of values in bringing life to the brand; another one broadcasts empty slogans like “Take control of your own destiny”.

Code of conduct – trust is good, control is better. The numerous scandals in recent years demonstrate the necessity of a code of conduct for making rules of behaviour binding. Many companies have such codes. Many still have some catching up to do, however, concerning whistle blowing, the reporting in confidence of unacceptable staff behaviour.

2. Social responsibility in practice

This focal point deals with the doing, i.e. the use made of social benefits, flexible working arrangements such as part-time work and sabbaticals and of activities in such areas as health and safety. The issue of employability remains important when jobs are being cut; this includes outplacement assistance and the deployment of innovative employment models. A company's training policy constitutes an important focal point, both its vocational training and also support for work placement students and other trainees. Equality of opportunity, also known as diversity, is also becoming more important. Companies are faced with the dual challenge of behaving fairly and mobilising hidden performance reserves in areas ranging from support for women, to help for non-national staff and treatment of older members of staff ('ageing'). Mobilising social potential is also the main motivation for corporate volunteering, or voluntary work on social projects.

Overall, most of the companies rated got good marks in this section. Corporate volunteering, for example, is increasingly becoming part of the standard repertoire of personnel development on the continent. Equality of opportunity is also making progress, although concrete targets for measuring progress are often lacking.

The acid test for companies lies in the way they deal with breaches of the code:

< BP – the British oil company records all ethical transgressions and their consequences. This leads to a high degree of transparency concerning breaches of the code.

< Deutsche Bahn – although it does not have a classic code of conduct, Deutsche Bahn has issued effective compliance rules and publishes an annual corruption report which also documents the work of the external ombudsman.

< Sainsbury's – the British retailer doesn't have a classic code of conduct either, but it has a “wrongdoing policy” and operates an external hotline enabling breaches of ethics to be reported in confidence.

Some companies are not consistent in this point either. One Swiss company has assembled its code of conduct from a mongrel selection of six ethical values, including compliance, and six performance-related values. Whistle blowing provisions are nowhere to be found. It also makes a poor impression when, as with one German company, the code of conduct is only applicable in the USA, instead of there being one rule for the whole group. Or when there is no statement on the duty of managers to see that the code is respected, as is the case for one DAX company.

Remuneration, flexibility – performance-related remuneration and flexible working hours are standard in many companies. Part-time work and work-life balance are increasingly seen as producing winners on both sides, as cost savings and improved management control often sit well with humane working arrangements.

Two companies deserve special mention in this respect:

< Novartis – the Swiss pharmaceutical company has developed its own fairness standards according to the principle of a 'living wage'. This is a self-imposed minimum wage applicable in over 60 countries. The living wage is always higher than the statutory minimum wage, which means that Novartis staff always receive higher pay than the minimum required for subsistence.

< Ericsson – the Swedish telecommunications company shows an increasing level of personnel expense in its economic value added statement. The expense is divided by region and shows a healthy mixture of long-term and short-term incentives.

Fairness and transparency as at Novartis and Ericsson is by no means the norm, however. One global British group is lacking in any form of coherence. Flexibility is introduced on

a random basis – part-time work is available to staff in New Zealand for example, but no mention is made of flexible working hours for those in Britain. In one German company there is a baffling range of part-time and other flexible working arrangements, but apparently no strategy or targets.

Diversity – this is one of the areas in which Continental Europe has made astounding progress. Nevertheless, only a few companies take a holistic view of diversity, i.e. equality of opportunity for women, representatives of ethnic minorities, disabled and elderly employees as a strategic challenge.

The leaders in this field include:

- < RBS – particularly notable at Royal Bank of Scotland is the commitment of top management. The CEO takes part in discussion groups and has made diversity a top priority. Equality of opportunity is also pursued in a number of committees, networks and programmes.
- < Sanpaolo IMI – the Italian bank has a precisely balanced set of measures to increase the percentage of women in management. Progress made and deficits remaining are carefully recorded.
- < L'Oréal – the French cosmetics company deserves respect simply for what it has already achieved. It is one of very few companies worldwide in which the majority of managers are women. The company is now extending its commitment to underprivileged sections of society.

It creates a particularly bad image when a company says one thing and does another. This is the case for one DAX company, which excels in fine declarations. However, it does not escape the careful reader's notice that the percentage of women managers dropped slightly in 2005 and that there were more women managers in 1997 than in 2005. This combines to make the company's assurances ring hollow. Another company in the top echelons of the German economy underlines its commitment to disabled people. The published figures, however, show that the proportion of staff with disabilities is well below average at under 2%, and below the statutory level of 5%. It also seems rather provincial when, for example, a global French company limits its support for disabled staff to France.

Corporate volunteering – as with diversity, companies in Western Europe have made enormous progress in recent years. The level of professionalism in many projects and programmes has gone up dramatically. What is often still missing, however, is the integration with personnel development – it is rare that fostering social skills in specialists and managers is seen as an integral part of strategy.

Examples of good companies in this area include:

- < DPWN – Deutsche Post World Net uses its own core competencies as a logistics provider to provide worldwide emergency aid free of charge. In this way more is achieved than if staff were delegated to voluntary work in hospitals, children's homes, etc.
- < UBS – the Swiss bank has developed a clear commitment to volunteering and carries out a number of projects in various locations in Europe, the USA and Asia. Every employee receives two days of paid holiday per year for voluntary work.
- < Henkel – the staff initiative MIT (Miteinander im Team, together as a team) not only does good works but also enlivens the corporate culture, as the volunteering is managed autonomously by staff committees and generously financed by management.
- < Diageo – the world's largest supplier of alcoholic drinks has made volunteering an integral part of its corporate strategy. Staff at the British company act as ambassadors for the "Responsible Drinking" campaign, i.e. they contribute to ensuring that alcohol is kept away from those under age and at risk. As with DPWN, this makes sensible use of the company's core competencies.

For some companies, however, volunteering remains a blind spot. This is the case at a French company, which is exemplary in areas such as diversity, outplacement and safety but does not have a volunteering programme. In one German company volunteering is part of the ethics code, but the reality is made up of much more conventional donations. Another conventional, not to say hidebound practice is demonstrated by a DAX company where instead of volunteering, charitable works are carried out in consultation with the works council. This is precisely the opposite of the civic involvement that corporate volunteering is supposed to represent.

3. Socially responsible human capital management

Human capital is a central motif in the human resources debate of recent years. There are hardly any companies not claiming that staff are their most important asset. When it comes to measuring and managing this capital, almost all companies fail, however. On the one hand there is a total lack of even a schematic attempt at quantification, in the sense of a return on investment or an economic value added analysis. On the other we see that whilst most companies collect basic data such as Full Time Equivalents (FTE), they do not calculate what value those people generate or what investments are made to increase the potential of the human capital (HC). Most of the companies rated in the Good Company Ranking seem to view people as “objects” of responsibility. The human resources strategies that treat people as “subjects” are rare. The creativity and productivity of the staff do not really seem to be a priority. This is especially true in Continental Europe, where systems of codetermination are in place which tend to be counterproductive in the generation of human capital. Codetermination and collective bargaining agreements tend to collectivise, not differentiate. They favour an approach in which employees are considered as an indeterminate mass, to be fed and protected. On the other hand great progress has been made in areas such as commitment and retention, but also in personnel development.

Commitment, retention – Western European companies are increasingly attaching significance to key components of human capital such as commitment and retention. The proof can be seen in the growing number and sophistication of staff opinion polls (SOPs), which now go well beyond the measurement of staff satisfaction.

The leaders in this field include:

- < ABN Amro – the professionalism of the staff opinion poll at this Dutch bank is impressive. It focuses explicitly on “engagement” not on “satisfaction”. Polls are carried out across the whole group; there is a detailed presentation of the results with comparisons to the previous year. This reveals not only the mood in the company but also the potential for improvement.
- < Danone – the French food group has the courage to be self-critical, which is still a rare quality in the field of human resources. It has intensified the staff dialogue in connection with a higher fluctuation rate. Danone publishes critical comments by employees verbatim, as well as critical statements from growth markets such as Russia.

In this area the negative examples predominate, however. In one DAX company no SOPs take place at all, but only a survey of managers. The result demonstrates satisfaction, but there

is no trace of commitment. In another company in the German large company index there is no sign of staff involvement. As an alternative the managing director calls on staff to develop a “solutions-oriented disputing culture”. How this is to be achieved remains unclear – confirming the suspicion that it is just so much hot air. In one global French group the passivity is astonishing: a leaving rate of 7.5% is accepted as being too high, but there is no trace of a retention strategy. A Spanish company ignores the central findings. It provides a great deal of data on codetermination mechanisms but no explanation of why fluctuation is twice as high in its home country as in Brazil.

Personnel development, knowledge management – many companies have also made great progress in personnel development – a broad subject which includes professional training but also performance assessment as part of staff reviews and tests.

The following examples deserve special mention:

- < Alcatel – personnel development at this French telecommunications group is characterised by a highly systematic approach. The development programmes are closely integrated and managers are rated as part of a 360 degree feedback process. Learning priorities are set particularly in sales and marketing.
- < DPWN – ideas management is very strong at Deutsche Post. As well as monetary incentives – bonuses – there are also non-monetary rewards such as membership in the “Thinkers Club”.
- < Lafarge – this French company sets clear targets, which include implementing succession management and reducing fluctuation. Progress and setbacks are recorded in a progress report.

In Germany in particular, personnel development is a classic HR task. Nevertheless, two DAX companies are clear underperformers. In one the per capita expenditure for professional training was lowered without explanation. The ‘sustainability targets’ for the company do not include one single HR target. This makes human capital at this company practically a negligible quantity. Another DAX member is long on empty assertions – HC development targets are given as nearly 100% fulfilled, with no evidence. One Italian company remains resolutely technocratic. It refers to its IT-based knowledge management and provides data on the use of the intranet channels but is mysteriously silent about the contents, although in fact the IT infrastructure is only the means to an end.

4. Human resources communications

Reporting on human resources or human capital often seems to be done from a sense of obligation. There is a lot of documentation but not much interpretation. The fact that reporting increasingly takes place in the form of CSR or sustainability reports is actually counterproductive in the context of human capital. The annual report mostly publishes a summary or a skeleton overview made up of figures on staff numbers and personnel expense.

One positive development is the dramatic increase in the quantity of reporting. A process of modernisation has also taken place: now even in Continental Europe reports are provided on civic priorities such as diversity and volunteering. Overall, most of the companies in the Good Company Ranking do well. This is most apparent for the “Club Med” group France, Italy and Spain.

Substance of communications – a positive effect is achieved when companies have a clear focus and concentrate on the essentials instead of trying to record everything that happened in the Human Resources department. This is primarily true of the annual report but is also relevant to responsibility and sustainability reporting. The website generally reveals a broad-brush depiction of the company, aimed above all at job applicants and the general public.

The following companies’ communications qualify as best practice:

- < L’Oréal – like Novartis, the French cosmetics group focuses on health and safety. These issues are accompanied by very good commentaries, they are also well documented with multiple-year indicators and targets.
- < Sanpaolo IMI – the Italian bank has a strict reporting pattern of targets-results-new targets. This format provides a good framework for structured communications. The company’s performance on achieving its targets is given detailed comment.
- < RWE – this company demonstrates overall coherence with an intelligent mix of reporting types. The CSR report “Our responsibility” covers a broad range of subjects: values and code of conduct but also focal points of personnel management and measurements of staff satisfaction. This data is supplemented by an independent personnel report with meaningful indicators and good comments.

The quality of the personnel report is decisive, however. At RWE the report follows a strict logic and provides an insight into the personnel resources. At another DAX company the report looks more like a marketing brochure. It offers an interesting verbal account of the company but includes no indicators and also provides little evidence of the quality of human capital.

Quality of communications – the best substance doesn’t help if companies are not capable of presenting texts, charts and figures in an appealing and effective way. In HR departments in particular, many reports and headings look more like an archive entry than a presentation.

Notable exceptions include:

- < RBS – the Scottish bank’s presentation of its corporate culture is particularly succinct. It gives an insight into the inner workings of the company and provides coherent explanations of terms such as work-life balance.
- < MAN – the impressive thing about this German technology group is its courage to be self-critical. Failings and weaknesses are presented side by side with achievements. This reinforces the credibility of the reporting.
- < Lafarge – the HR policies are presented with notable clarity. The French company has a results-oriented process; consequently its policy statements are not simply vacuous but linked to targets and the presentation of results.

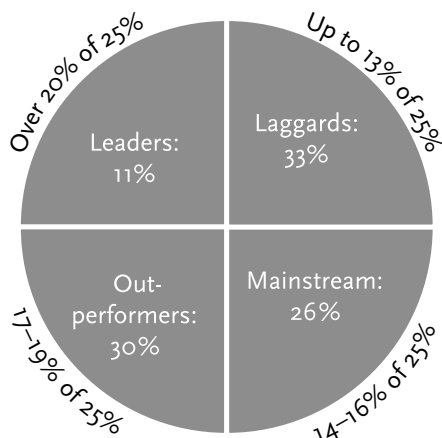
Lafarge is, as one might expect, convincingly concrete. The German companies are often much less consistent, however. One DAX company waxes lyrical amidst much self-congratulation about a company agreement on diversity. What is missing are clear targets on increasing the percentage of women in management – there are no figures either. The statements therefore appear more ‘political’ than real. At another member of the large-company index the lack of continuity is striking. In its 2004 Annual Report the firm published certain data on social responsibility towards the workforce. In the following year no guidance was given at all; the only figures published were the number of employees and the personnel expense. In view of the fact that the company was going through a difficult period at this very time, the suspicion must be that a portrayal of social responsibility was not considered opportune. A sense of responsibility only makes sense, however, when it is seen as a normative obligation and not as a “fine-weather” pursuit.

Comments on the results: between laggards and leaders

The analysis of the results of the 120 companies that were rated as part of the Good Company Ranking shows that quality is not dependent on size, nationality or industry. The best and the worst include members of the DAX and STOXX indices as well as non-listed companies. Those at the top of the list come from Britain, France, Spain and Germany and from industries such as oil, chemicals, financial services, telecommunications and retailing.

A good third of the companies rated were below average (up to 13% from a total of 25%); they are dubbed the laggards. A quarter of the candidates constitute the mainstream (14–16%). The outperformers (17–19%) include a further 30% of those ranked and 11% belong to the leaders (over 20% form a maximum of 25%) (see Fig. 3).

Fig. 3
Results of the rating by groups



Laggards – these companies have no recognisable HR concept. They also show hardly any initiative in areas such as diversity, volunteering and human capital creation. They are also generally characterised by inadequate reporting:

- < In one of the DAX companies for example, the company mission is only available in English; the company has no code of values beyond that of a pure market economy. The lack of a trainee programme is explained by ‘on the job’ training and the motto “Impatience as a virtue”.
- < A Dutch group quotes slogans like ‘act customer’ as values, has no code of conduct and revealingly only practices diversity in its US subsidiary. As with the DAX company, the lack of a clear HR strategy is evident.

Mainstream – this group does personnel work that is respectable but unimaginative. Most of the companies in the mainstream show little innovation concerning responsibility and

their reporting is also mediocre:

- < One DAX company did show potential with a subtle code of conduct and strong commitment to vocational training, also concerning young people with disabilities. But its diversity plans are not mature; there is a lot of talk about empowering managers and almost none on developing employees. Revealingly, the staff opinion poll shows increasing satisfaction levels, but there is no mention of commitment or retention.
- < A French group reports a high level of involvement for volunteering and carries out regular commitment measurements – in contrast to the DAX company just mentioned above. At the same time the percentage of disabled people in the workforce is only 1%, whereas the mandatory level in France is 6%. There is no commitment or voluntary undertaking to raise the percentage of disabled staff. In addition, the company has a high rate of absenteeism but no policy on absence management.

Outperformers – these companies have innovative approaches to HR and substantial reporting. They mostly do not reach their full potential because a coherent overall concept is missing. These companies often have sophisticated sets of figures but no targets or performance evaluation:

- < One DAX company has a lot in its favour: a modern code of conduct with whistle blowing, a strong commitment to vocational training (the company trains more people than it needs and also offers 100% of the trainees a full-time position). However, its values are a strange mixture of platitudes and invigorating rhetoric such as “respect for people and nature” and “the will to win”. The survey of managers also serves more to confirm their general satisfaction than to measure their commitment.
- < By contrast, the values of one Northern European company are eminently comprehensible and show Protestant leanings (‘perseverance’ as a key value). The company’s excellent volunteering programme and the high priority given to diversity (despite the lack of targets) also speak in its favour. But, the Code of Business Ethics is not a real code of conduct and the whistle blowing arrangements are rather vague. Although the group is active in a strongly knowledge-based industry, it has no strategic knowledge management, but simply reports the number of patents and refers to a knowledge-sharing IT tool.

Leaders – in the leading group are companies which have logical concepts and well thought-out processes. These companies are also characterised by meaningful reporting:

- < The best-ranked DAX company has an excellent HR strategy – performance-related and social at the same time. Its commitment to diversity is plain. The percentage of women managers has been increased; many older staff have

been recruited. In some subsidiaries the statutory rate for employees with disabilities of 5% has even been exceeded. Voluntary activities are determined by management and implemented through numerous projects. This company also demonstrates sophisticated personnel development, with potential assessment and management planning according to uniform criteria for the whole group.

< The best-ranked STOXX company, a British group, also gets best marks for its coherent, strongly retention-based HR strategy as well as for frank reporting on breaches of ethics and their consequences (the number of dismissals is shown

according to different categories). This company gives a high priority to vocational training and at the same time focuses on employability issues in the context of outsourcing and offshoring.

The leaders are clearly protagonists of civil society. Not only do they assume their social responsibility for their staff, they also establish human resources within a larger corporate context. In these companies the claim that staff are the most important asset is not just an empty boast; it is a daily reality.

Environment

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1. Classification and structure

On a horizontal axis the analysis for the Environment section is linked between the previous stage “Selecting and approaching participating companies” and the subsequent stage “Decisions of the jury”. On a vertical axis the analysis for the Environment section is classified as part of a quartet, to which the sections “Financial strength”, “Society” and “Employees” also belong. Transparency is not considered as an analysis section in its own right but is included directly in each of the four sections.

In the following the analysis procedure for the “Environment” section is presented with the following structure:

- < Assumptions
- < Logic of the individual criteria
- < Structure of the individual criteria
- < Input for the detailed description of the individual criteria
- < Individual criteria, detailed descriptions and scoring rules
- < Responsibility lies with the ranking team’s communications

2. Assumptions

Responsibility – in general, responsibility is understood as the positive structuring of development as regards aims and the accountability of the individuals involved towards a specific authority for specific results.¹ For society’s aim of sustainable development, the requirement of a response regarding the action taken can be construed as the actor’s accountability for his actions². For the analysis section “Environment”, every source within the company was analysed in which entrepreneurial activity as related to the environment was explained.

Stakeholder perspective – of course this responsibility is considered particularly in relation to the natural environment (as the bottleneck for future development), but also towards shareholders (as providers of capital), employees (as providers of labour), customers (as the target group for products and services) and the general public (as an instance providing legitimacy). The Good Company Ranking for the analysis

section “Environment” therefore ranks the selected companies from a stakeholder perspective and by means of a perception analysis, according to how responsible their management is seen in regard to the environment. For this reason, only such company information could be ranked which was either freely available or was provided by the company.

Entrepreneurial freedom and moral values – this necessary perception of responsibility is based on the individual freedom of the actors involved. “Responsibility without freedom is a contradiction in terms.”³ Responsible behaviour requires certain moral values and a recognition of the connections between actions and those values. Because it necessarily requires awareness, responsibility can only be assumed by human beings. Therefore human moral values are taken into account for the analysis section “Environment”, although the “Environment” section clearly does not only consider the effects of entrepreneurial activity on human beings.

¹ Cf. in summary Wuttke, S. (2000), p. 34.

² Cf. Ingarden, R. (1970), p. 7 et seq.

³ Girgenti, G. (2000), p. 111.

Decision-making parameters – by assuming responsibility the actors involved at the same time show how important they are for applying sustainable development to decision-making and show the importance of decisions for sustainable development. The ranking for the analysis section “Environment” focuses on the consideration of environmental aspects in entrepreneurial decisions as perceived by outsiders.

Cross-industry comparison – in the view of the analysts for the “Environment” section a cross-industry comparison of the companies at the results level, e.g. heavy metals, is

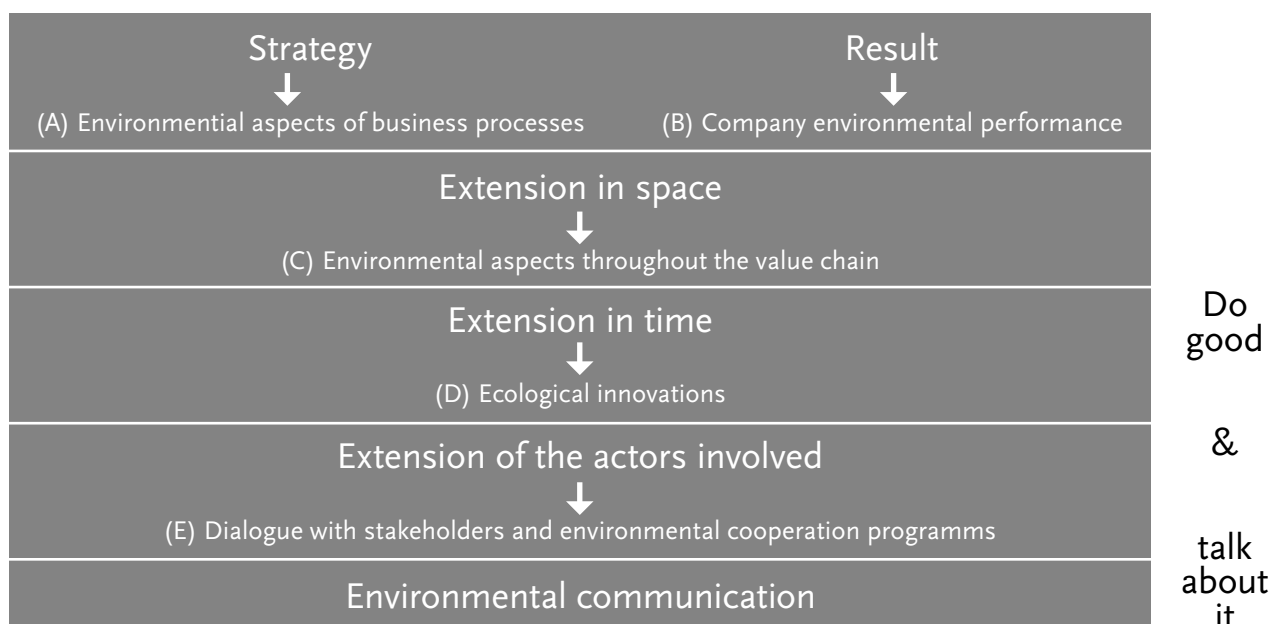
not appropriate. The various types of industries or product groups are too different (e.g. chemical industry, automobile industry or the IT industry). This would require not only reference values for each industry but also companies with identical value chains and identical products or services to be compared. The present ranking therefore focuses on the question, “How responsible is the company in dealing with environmental issues?” At this level a crossindustry comparison is possible in the same way as the EU Eco-Management and Audit Scheme or the DIN EN ISO 14001 apply to all industries without restricting themselves to generalities.

3. Logic of the individual criteria

The *individual criteria* have been adopted entirely from the previous Good Company Ranking in 2004, but have been logically structured this time. The *detailed descriptions* and the *scoring rules* for the individual criteria have been completely

revised, adjusted, made objective and above all intersubjectively verifiable. This means that the structure remains the same for the reader, whilst also addressing the criticism made of the previous ranking.

Fig. 1
Logic of the individual criteria in the analysis section “Environment”



4. Structure of the individual criteria

In a second step, *detailed descriptions* have been established for the newly structured individual criteria of the 2006 ranking

- < “Integrating environmental aspects into business processes” (A)
- < “Company environmental performance” (B)
- < “Environmental aspects throughout the value chain” (C)

- < „Ecological innovations“ (D) and
- < „Dialogue with stakeholders and environmental cooperation programmes“ (E)

based on the definitions from the Good Company Ranking as “Stakeholder perception of assumed responsibility”, which can be rated fully and intersubjectively. As previously shown

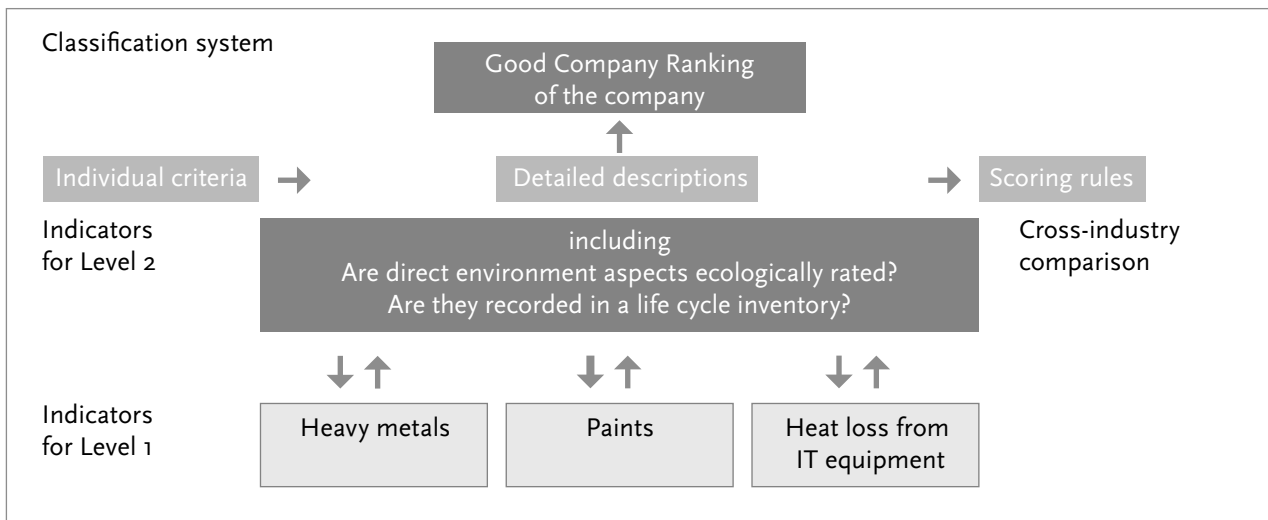
in the assumptions, it was decided to forego very specific criteria (level 1) for a cross-industry comparison and to resort to meta-criteria (level 2). This meant using higher-level, ag-

gregated criteria (from level 2), which enable a cross-industry comparison and the differences this entails.

5. Input for the detailed description of the individual criteria

Fig. 2

Individual criteria level, detailed descriptions and scoring rules



In order to take the state of the art in ranking matters into account, experts were questioned, earlier rankings evaluated, the guidelines of the Global Reporting Initiative, a common basis for sustainability reporting, were analysed and recognised models and concepts of environmental business economics were applied.

5.a Questioning experts

A two-phase request was sent to selected experts by email. In the first phase the experts were asked in an open question how they would structure a similar ranking for the analysis section "Environment" and which parameters they would gather data on. After answering this open question, the design of the individual questions with the detailed descriptions and scoring rules as it was at the time was sent to the experts for their feedback.

5.b Evaluating the criteria of previous rankings/ratings

Further input for optimising and verifying that the individual criteria, as well as their detailed descriptions and scoring rules were complete came from an analysis of the literature on *criteria of prior rankings/ratings*.

The criteria of the following selected prior rankings/ratings were examined as potential input for the individual criteria used in the Good Company Ranking, and the three categories, "fulfil the criteria as set", "interesting, could still be included", and "not relevant for our criteria" were chosen.

- < Oekom Corporate Responsibility Rating
- < Wirtschaftsprüferkammer
 - Deutscher Umwelt Reporting Award
- < IÖW & Future Ranking Sustainability Reports
- < SAM Corporate Sustainability
 - Assessment Questionnaire, self-assessment
- < Dow Jones Sustainability
 - Index Corporate Sustainability Rating
- < Scoris & SiRi Sustainability Rating
- < Hamburger Umweltinstitut Rating
 - Environmental Performance – last completed in 1999
- < KLD – Kinder, Lydenberg, Domini and Company Ranking
- < CEP-Rating (Council on Economic Priorities)
- < Rating by the magazine "Fortune"

5.c Analysis of the guidelines of the Global Reporting Initiative

In developing the detailed descriptions and possible scoring rules for the individual criteria, the guidelines of the Global Reporting Initiative valid at the time the ranking took place – GRI Guidelines 2002 – were analysed, as many company chose these as the basis for the information provided to the analysts. A comparison was made as to which of the 15 core indicators were appropriate for the ranking.

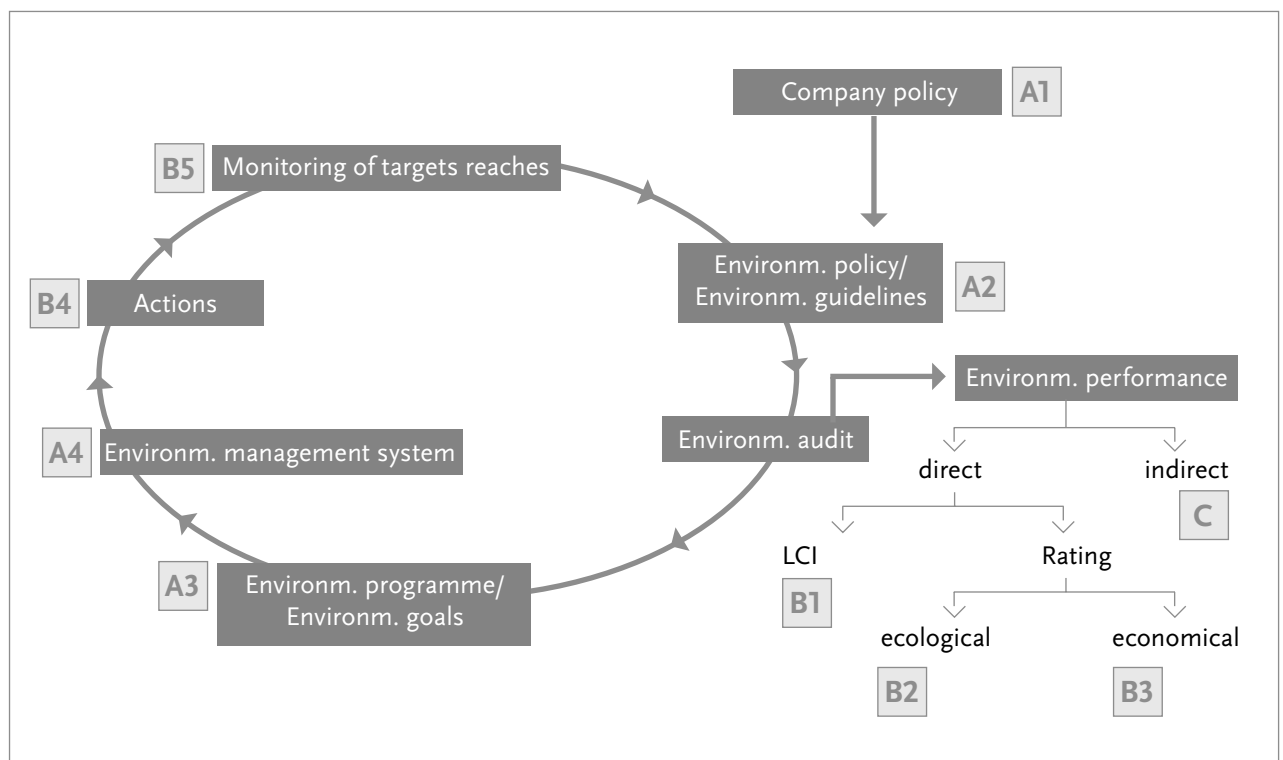
5.d Application of recognised models of environmental business economics

In order to ensure that the detailed descriptions of the individual criteria are complete, these must be based on recognised models and concepts. The following recognised models/concepts in environmental business economics were therefore used for the individual criteria:

- < Environmental management in line with EU Eco-Management and Audit Scheme (EMAS) and/or DIN EN ISO 14001
- < Life cycle assessment in accordance with DIN EN ISO 14040/14044.
- < Value chain according to PORTER
- < Classification of environmental innovations and
- < Stakeholder approach according to FREEMAN

The individual criteria “Integrating environmental aspects into business processes (A)” was based on the environmental management cycle in line with the EU Eco-Management and Audit Scheme and/or DIN EN ISO 14001 and the individual criteria “Company environmental performance (B)” was based on the concept of life cycle assessment in accordance with DIN EN ISO 14040 et seq. The detailed descriptions A1 to A4 and B1 to B5 as well as individual category C are linked to these.

Fig. 3 Environmental management cycle

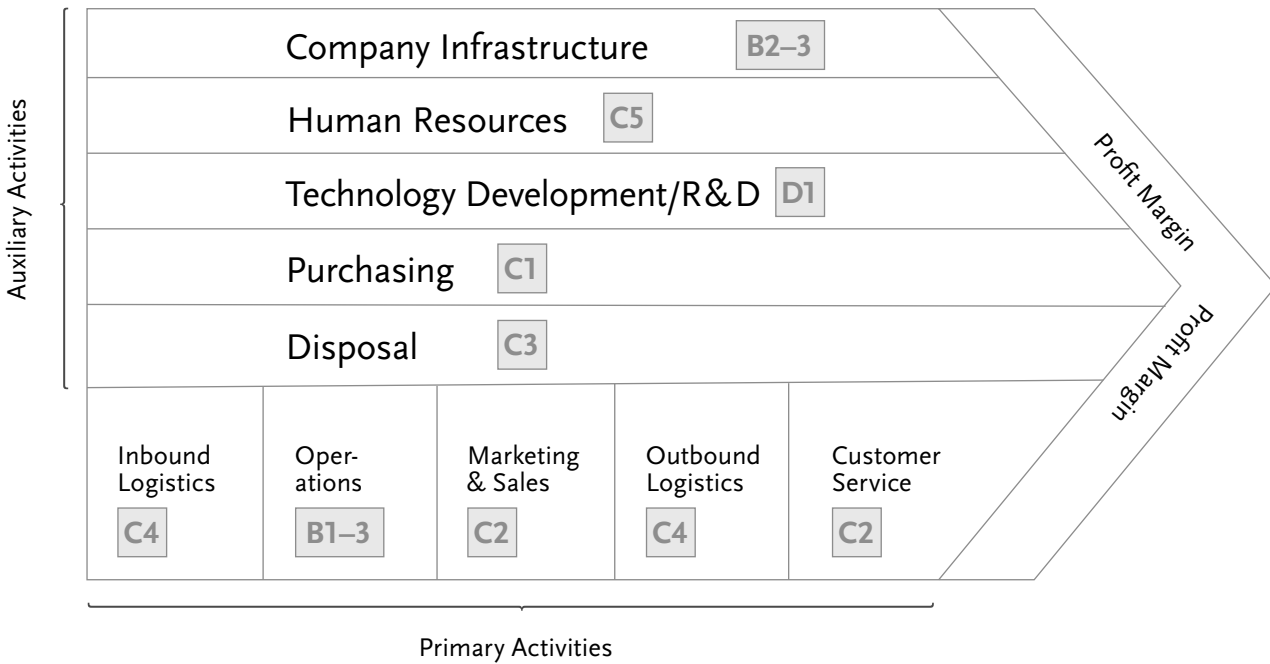


Environmental management cycle in accordance with EMAS/ISO 14001 (extremely simplified) and the company's environmental performance with links to the detailed descriptions of the individual criteria

The value chain in its current form can be considered a recognised model of environmental business economics. It enables the identification of both detailed descriptions of the individual criterion “Company environmental performance (B)”

– specifically B1 to B3 – and of the criterion “Environmental aspects throughout the value chain (C)” – specifically C1 to C5 – and also aspects of the individual criterion “Ecological innovations (D)” – specifically D1 and D4.

Fig. 4
The value chain

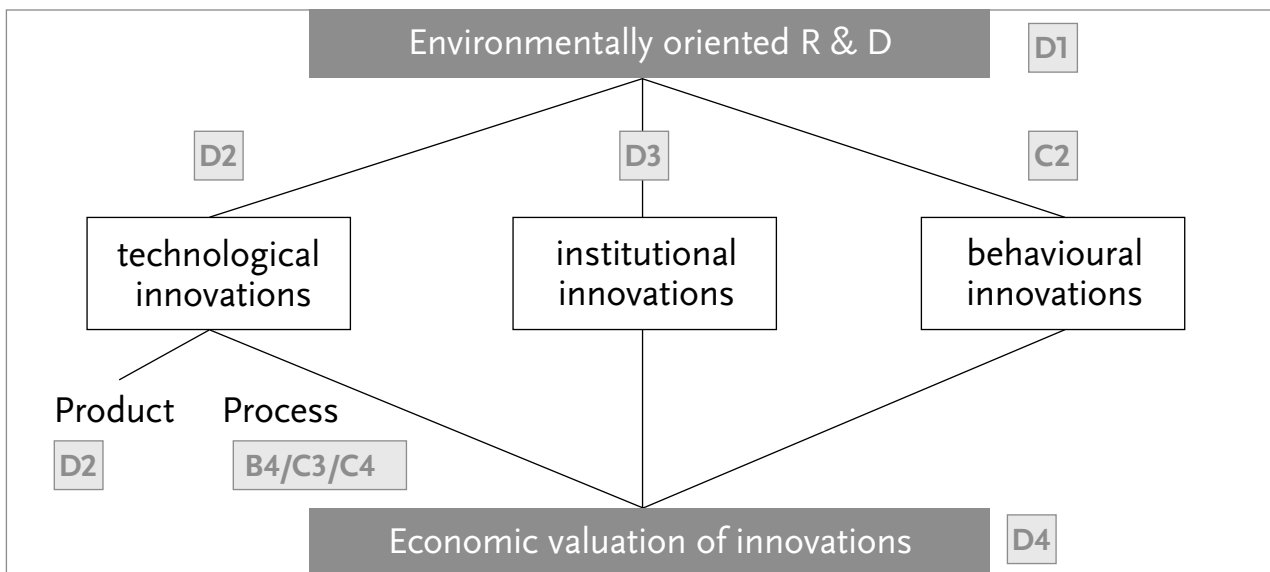


The value chain with links to the detailed descriptions of the individual criteria⁴

For the detailed descriptions of the individual criterion “*Ecological innovations (D)*” the recognised model for classifying ecological innovations was chosen. We can also see here how the detailed descriptions D1 to D4 are applied. Questions on

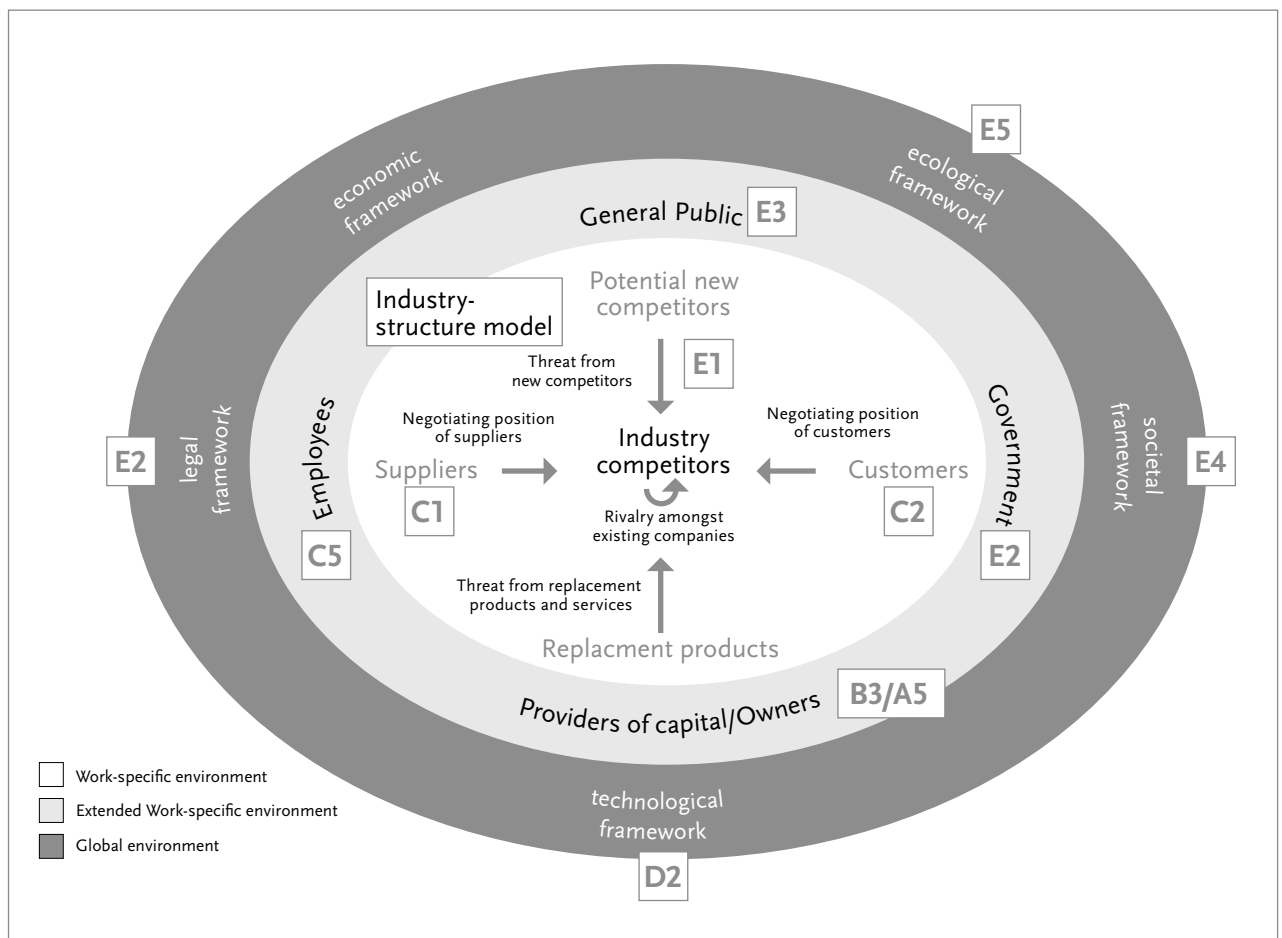
process innovations were already asked under the detailed descriptions B4 as well as C3 and C4 and behavioural innovations are already covered by C2.

Fig. 5
Classification of environmentally oriented R&D



Classification of environmentally oriented R&D with links to the detailed descriptions of the individual criteria⁵

Fig. 6
The stakeholder approach



The stakeholder approach with links to the detailed descriptions of the individual criteria⁶

Finally, the stakeholder approach is used for both the definition of the individual criterion “*Dialogue with stakeholders and environmental cooperation programmes (E)*” and to complete the individual criteria already mentioned. The detailed

descriptions E1 to E5 are included here. The multiple links between the detailed descriptions of other individual criteria generated previously also become apparent, as do links to other ranking sections.

6. Individual criteria, detailed descriptions and scoring rules

Building on the results of the previous chapters, the following individual criteria were identified and established as the basis for the ranking. The sixth individual criterion “*Environmental communication (transparency)*” was changed from the last Good Company Ranking to an examination of the fundamental sources in the current ranking.

To ensure that the reasons for the rating are intersubjectively verifiable, the original quotations have been included in the EXCEL spreadsheet with their precise source. In this way a third party can find the relevant quotation and understand why the analysts classified it as they did. This will be demonstrated in parts in the following schema:

⁴ Based on: Porter, M.E. (1996), p. 62.

⁵ Based on: Klemmer, P., Lehr, U. and Löbke, K. (1999), p. 31.

⁶ Based on: Baum, H.-G.; Coenenberg, A.G.; Günther, E. (eds.) (1999), p. 14.

6.a Integrating environmental aspects into business processes

A		1 Point	0,75 Points	0,5 Points	0,25 Points	0 Points
A1	Is protection of the environment included in company policies?	Yes	Sustainability, social responsibility, corporate citizenship, etc. mentioned			No
		Annual Report 2005, p. 1	Sustainability Report 04/05, p. 7: "because sustainability is the basis for secure future development, ABC AG assumes its responsibilities in this area."			
A2	Have environmental guidelines been set?	Yes, in the form of checklists (issue-specific and cross-issue, e.g. TU Dresden)			Body copy (also when under the heading environmental policy)	No
		see "Environmental guidelines at ABC AG"			Company Report 2005, p. 72 "We carry out our business sustainably to secure the future for all – is one of our strategic principles ..."	
A3	Have responsibilities been allocated and timelines set for the environmental targets (internal commitment)?	Environmental targets with timelines and responsibilities	Only timelines	Only responsibilities	Only environmental targets set	No environmental targets
		Sustainability Report 2004, p. 47: Attribution to individual hotels	Company Report 2005, p. 73 "Global environmental targets up to 20xx"		Sustainability Report 04/05, p.13 "The short and mid-term goal is a reduction in fleet fuel consumption ... in the long-term ABC AG aspires to the use of hydrogen as a fuel ..."	
A4a	Does the company have an environmental management system which fulfils recognised standards and is validated or certified?		ISO/EMAS	Low-threshold systems (e.g. Ökoprofit, TÜV-Umweltsiegel)	Proprietary system, not externally audited	No EMS
			Company Report 2005, p. 87			
A4b	How many of the company's sites have an environmental management system?				Number given	Not given
A5	Has the integration of environmental aspects in the company been positively rated by third parties?	Yes				No
		Sustainability Report 2004, p. 37: "EcoTopTen des Öko-Instituts", p. 62 "FTSE4Good"				

6.b Company environmental performance

B		1 Point	0,75 Points	0,5 Points	0,25 Points	0 Points
B1	Are direct environmental aspects recorded (in an LCI)?	Substantial input/output balance (more than 10)		Selected indicators (6–10)	Selected indicators (1–5)	No indicators
		Sustainability Report 2004, p. 69–77				
B2	Are direct environmental aspects rated from an ecological perspective (i.e. are connections made to environmental effects)?	Cardinal – quantitative procedure (e.g. effectiveness indicators)	Ordinal – ABC rating	Nominal – verbal comments		No
		Sustainability Report 2004, p. 98: “LCAs are prepared in line with ... ISO 14040/41 and audited by independent experts”				
B3	Are economic valuations made for the direct environmental aspects?	Yes, data, e.g. damages, avoidance costs (savings per measure taken)	Yes, information on market prices			No
		Sustainability Report 2004/05, p. 47: “District cooling mostly replaces conventional electrically powered cooling machines. This avoids emissions of up to 4500 t CO ₂ p.a. and saves around 7 million kWh of electricity; p. 16 et seq. sustainable value: €3,006 m”	Company Report 2005, p. 5: “Operating costs for environmental protection totalled €468 m”			
B4	Have environmental measures been taken to improve environmental performance?	Yes				No
		Annual Report, p. 24: “Example: waste water treatment plant to provide fresh water and reduce consumption”				
B5	Are percentages achieved given for environmental targets?	Yes				No
		Sustainability Report 2004, p. 49				

6.c Environmental aspects throughout the value chain

C	1 Point	0,75 Points	0,5 Points	0,25 Points	0 Points
C1a	Are environmental requirements made of suppliers?	Supplier rating (yes, EMS/Environmental declaration requested)	Supplier rating (yes, joint courses/training)	Supplier rating (yes, with matrix, questionnaire, etc.)	No
		3 of 3	2 of 3	1 of 3	No
		Sustainability Report 2004/05, p. 13: "Catalogue of requirements for suppliers: Environmental management"	Sustainability Report 2004/05, p. 14: "ABC AG has therefore initiated an environmental management programme to show suppliers what their legal obligations are, how they can make an active contribution to environmental protection and what benefits this has for their company"	Sustainability Report 2004/05, p. 12: "To obtain reliable information on the status of sustainability at our business partners, in 20xx ABC AG carried out a survey of our international suppliers"	
C1b	Are environmental specifications set for goods and services purchased from suppliers (using tools)?			Yes (catalogue of criteria, questionnaire, product environmental declaration)	No
				Sustainability Report 2004, p. 13 "Specifications for primary-products from suppliers"	
C1c	Is this specified using indicators?			Indicators	No indicators
				Sustainability Report 2004/05, p. 50: "90% of suppliers are certified under ISO 14001"	
C1d	Are environmental specifications set orally for suppliers or services purchased?			Yes, orally, without tools	No
				Sustainability Report 2004, p. 34: "Specifications on environmental and labour protection ...which are integrated into the supplier relationship."	

6.d Ecological innovations

D		1 Point	0,75 Points	0,5 Points	0,25 Points	0 Points
D1	Is R & D in the company organised along environmental lines (also means product development)?	Data on proprietary environmental research (also in cooperation) – indicators & verbal		Data on proprietary environmental research (also in cooperation) – only verbal		No
		Sustainability Report 2004, p. 56: "Reduce nitrogen oxides in exhaust gases by over 80% and soot particles by 40%; increase percentage of starch components from 75 to approx. 100%"				
D2	Does the company have environmentally oriented products/components/services?	Data on environmentally oriented products/components – indicators and verbal		Data on environmentally oriented products/components – only verbal	Only occasionally, e.g. fairtrade coffee	No
		Sustainability Report 04/05, p. 120 "The new engine presented in 20xx uses up to 10% less fuel"		Sustainability Report 2005, p. 87 "Product stewardship action: environmental impact study"		

6.e Dialogue with stakeholders and environmental cooperation programmes

E		1 Point	0,75 Points	0,5 Points	0,25 Points	0 Points
E1	Cooperation with industry organisations/competitors?	Financial expenditure		Round table		No
		Press release dated 13.10.2005, fuel additives for the environment, \$3.2 bn		Dates and Facts 2005, p. 41 "ABC AG is committed to the goals and principles of 'Responsible Care'"		
E2	Involvement in development and changing the legal framework (Lobbying, Committees, Politics)?	Financial expenditure		Round table		No
		Press release dated 14.09.2005, Project for World Bank climate protection fund \$40 m		Sustainability Report 2005, p. 13/14: "ABC AG is working with numerous partners from the worlds of science, politics and business to create the framework for a hydrogen infrastructure"		

7. Search strategy and company inventory

In order to locate as many basic sources as possible, the analysts pursue a four-stage search strategy:

7.a Responsibility lies with companies

Written request to companies to provide documents for the Good Company Ranking (carried out centrally for the whole Good Company Ranking).

7.b Responsibility lies with corporate communications

Companies make information about their environmental commitment available on their corporate websites.

7.c Responsibility lies with the ranking team

In carrying out the evaluation the following basic sources were searched for on the companies' websites and reviewed:

- < Environmental Report/ environmental declaration (partly identical to GRI Report)
- < Sustainability Report/Corporate Responsibility Report/CSR Report (partly identical to GRI Report)
- < Annual Report
- < Code of Conduct/Corporate Governance Code/Code of Ethics
- < On the Internet pages "environment", "CSR" or similar, in the news section, the last 3–5 news items are reviewed.

7.d Responsibility lies with the ranking team's communications

If the information found in the basic sources was scarce, the following steps were taken:

- < Email to the contact person named on the website requesting environmental documentation.
- < Search on the search engine "Google" using the search words: Company name + "environmental report", "sustainability report", "corporate social responsibility" "environ*"; "ecolog*", "sustain*".

Stage 4 had to be carried out for the companies Aldi, Credit Agricole, Edeka, Glencore and Lidl.

The basic sources gathered in all four stages were then recorded in an inventory index of company documents in order to document the sources used for the content analysis in an intersubjectively verifiable manner.

To keep the contents of the index in good order, the following basic sources were distinguished for each company: code of conduct, sustainability report, environmental report/declaration, news/ press releases, annual report, company brochure, annual financial statements and miscellaneous. These basic sources were partly provided by the companies and partly researched by the ranking team. In order to ensure that the sources and origins remained comprehensible despite the great quantity of material, a transparent system was constructed using colour coding and information on the file name, year of publication, date of origin (for researched sources) and the Internet address.

Performance

Jens Hecht

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The demands of the capital market and shareholders: Financial strength/performance and transparency

1. Companies' economic success: an essential component of Corporate Social Responsibility.

The fundamental goal of equity providers is without doubt to maximise the return on their invested capital. Accordingly, the goal of every company management is to increase the shareholders' assets sustainably. Generating "economic added value" is not inconsistent with sustainable business concepts which also allow for ecological and social considerations.

The concept of Social Corporate Responsibility (CSR) does not mean raising ethical and ecological standards on the one hand and on the other, neglecting or even abandoning the classic corporate responsibilities such as reaching monetary targets. Quite the opposite: aligning the company strategy with CSR considerations is of great importance for a company's economic success in the mid to long-term. Companies show foresight by conserving energy, treating their staff well and playing an active role in society.

The capital market, as the mainspring of global finance and trade, rewards sustainable company policies, as these go hand in hand with good financial performance. Thus the Dow Jones Sustainability Index (DJSI) has outperformed the broad market index over a period of five years by 4.8% percentage points.

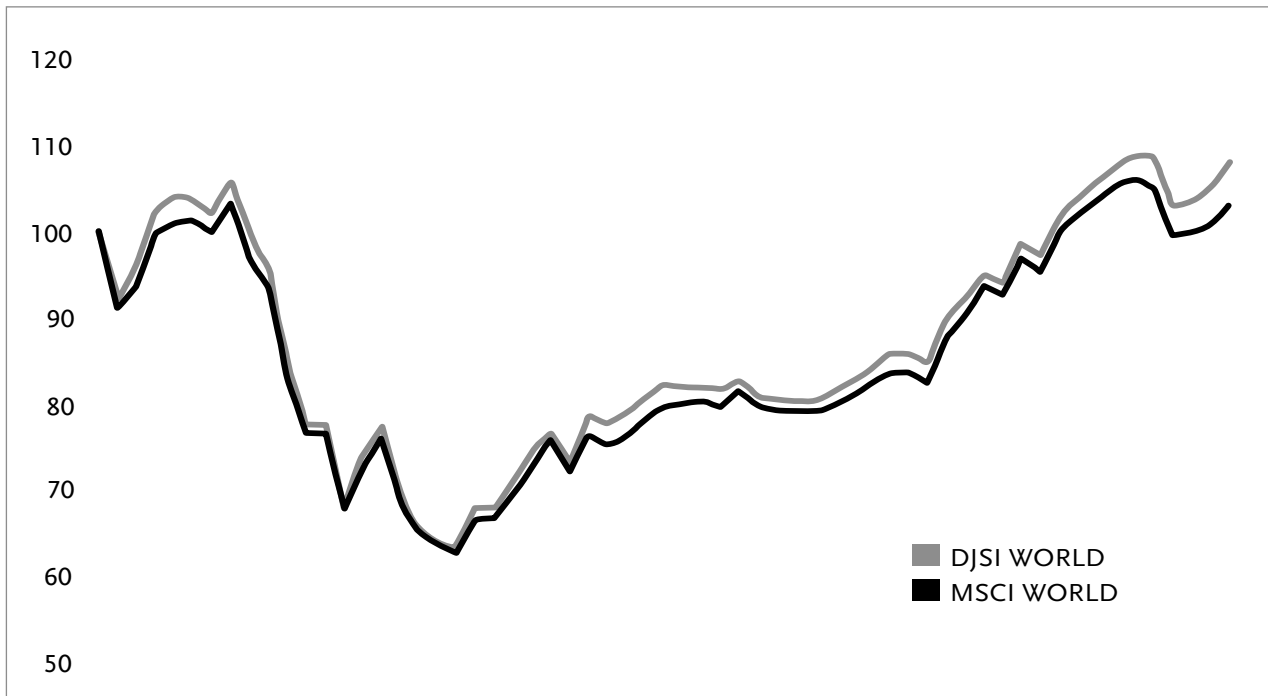
Abb. 1
Sustainability triangle



2. Transparency: The basis for evaluating performance

The division of ownership and control leads to a potential conflict between management and owners, resulting from the different interests and information levels of the two parties. This gives rise to two main areas of conflict. One is the control problem for the economic owners; the other is the asymmetric distribution of information between management and shareholders. Management science terms this the principal-agent conflict. A high degree of transparency helps to relieve the conflict.

Figure 2
Performance of DJSI World
5 Years, 08/01–08/06, EUR, Total Return Index



If a company assumes its role as a corporate citizen, it is obliged to be transparent. Only open communications build trust and provide the basis for external evaluation.

The different stakeholders have diverse requirements of corporate communications. The demands of the professionals (financial community, NGOs, trade journalists, authorities, etc.) include:

- < Preparing and dealing with critical issues
- < Publishing detailed information supported by data and facts
- < High demands of credibility and transparency
- < Direct, ongoing dialogue, involvement in corporate and sustainability strategy

Demands of the broader public, staff, customers, etc.:

- < Greater corporate responsibility for 'people and the environment'
- < Increased expectations of social commitment and behaviour in society (corporate citizenship)
- < Communications style as an important image factor (openness)
- < Dialogue orientation

The two main forces for change are the NGOs and the companies themselves. Calls to leave the whole matter up to the markets are not an appropriate response.

3. Ranking criteria: financial strength/performance and transparency

The financial strength and performance of a company are of interest to the shareholders, but also to all stakeholders. On the one hand the shareholders expect a good return on their capital in the form of dividends and rising share prices. On the other, only economically sound and successful companies can pay taxes, recruit staff and invest in projects for the future.

Financial strength and performance account for 70% of the maximum number of points. The ranking is based partly on classic indicators of balance sheet analysis and partly on the actual mid-term share price performance including reinvested dividends, compared to the benchmark STOXX 50. The latter, the total shareholder return, has the highest weighting in this ranking segment.

The companies receive additional points (30% of the maximum) for an open information policy and high degree of transparency. The assessment of the transparency of financial communications is based on the interests of capital market participants. How transparent and timely is the financial reporting, how detailed are the descriptions of corporate governance and value management and how extensive and incisive is the presentation of strategy?

A corporate strategy oriented towards sustainability requires transparent communications if it is to be perceived as such by society, and in particular by the capital and financial markets. Transparent communications means on the one hand

the openness to provide insight into and understanding of company activities, on the other, a credibility that is based on mutual fairness and which can easily lead to a loss of trust.

Fig. 3
Financial strength/performance and transparency ranking criteria

< Financial strength and performance	17.5 points (70%)
< Total Shareholder Return	
< Equity ratio, EBIT margin (ROE for financial services)	
< Volatility and cash flow growth	
< Transparency	7.5 points (30%)
< Financial reporting	
< Corporate governance and value management	
< Strategy	
Maximum total points	25.0 points (100%)

3.a Financial strength and performance

Financial success and a solid capital base are of vital importance to a private-sector company. The three indicators examined for financial strength are the equity ratio, the average EBIT margin over three years as well as the development and volatility of cash flow. Performance is measured by comparing the total shareholder return of the individual companies over five years to the benchmark index. The earnings performance of financial services companies is measured using the return on equity (instead of the equity ratio and the EBIT margin).

Criteria for financial strength/performance

Total shareholder return (5 years)

EBIT margin, equity ratio
(Return on equity for financial services)

Growth and volatility of cash flow

Total shareholder return

Total shareholder return shows the rate of return on the investors' capital over a given period. The share price performance is calculated assuming the reinvestment of dividends. The period under review was five years. The performance compared to the benchmark STOXX 50 is decisive. Total

shareholder return has the highest weighting in the ranking of financial performance.

EBIT margin

Earnings before interest and taxes (EBIT) is an economic indicator showing the operating earnings of a company. EBIT corresponds to annual profit before interest payment and taxes on income. This indicator enables an objective comparison between the operating performance of different companies. The EBIT margin shows EBIT as a percentage of sales and gives an indication of the operating profitability. The period under review is three years.

Equity ratio

The equity ratio is another economic indicator which gives the company's share capital as a percentage of total assets. It is an important indicator for the financial stability of a company.

Return on equity

The return on equity (ROE) is calculated as after-tax profits divided by the company's equity and is an indicator for measuring operating profitability. As the balance sheets of financial services companies are structured differently to those of industrial companies, the return on equity is used for banks and insurance companies as an indicator of financial

performance. The period under review is three years, as for the EBIT margin. For banks and insurers the ROE replaces the EBIT margin and equity ratio.

Volatility and cash flow growth

The development of operating cash flow is also included in the ranking, to measure financial performance and stability. Here the period reviewed is five years. A low volatility or fluctuation range for cash flow is an indicator for sustainable and low-risk company development. The analysis also gives higher points when the cash flow has increased significantly over the five-year period.

3.b Transparency

Financial reporting

The quality of the content of annual reports is at the centre of transparent reporting practice. Points are also awarded for the application of international accounting standards, publishing quarterly reports and timely publication of financial information. Although quarterly reports have sometimes been publicly criticised for possible errors of interpretation or a too short-term approach, these interim reports were rated positively in the ranking. In our view, quarterly reports are an important tool for informing the capital market regularly, developing trust and avoiding surprises.

The amount of information available on the Internet was also rated – particularly on investor relations and corporate governance.

Financial reporting criteria

Quarterly reporting

Timely publication of annual and interim reports

Quality of content in annual report

Amount of investor relations material on Internet

International accounting standards

Risk management reporting

Corporate governance and value management

The focus of the analysis was primarily on transparency regarding compensation of management and members of the Supervisory Board, information on the shareholder structure and the amount of information on the governance and control of the company.

Investors are basically very interested in whether a company is creating or destroying value, i.e. whether the return on equity exceeds the cost of capital. The reporting was therefore analysed from the perspective of the presentation of value oriented management systems. Points were awarded for a description of the value management concept, particularly

when these include quantitative performance indicators such as Economic Value Added (EVA) or Cash Value Added (CVA). Concrete value-oriented targets were also positively rated.

Corporate governance /value management criteria

Board compensation presented according to components

Individual compensation data for the boards

Shares held by management

Divisional responsibility of management

Description of the Supervisory Board committees

Shareholder structure

Value management system

Value-oriented indicators

Value-oriented targets

Company strategy

The strategy section reviewed whether there was a comprehensible description of the main elements of the company strategy including references to the industrial sector, as well as information on the short and mid-term goals.

Strategy criteria

Depiction of strategy

Description of industrial sector

Short-term goals

Mid-term goals

Result

Overall ranking

Rank	Company	Society	Staff	Environment	Performance	Total	Jury Overall
1	BASF AG	16.0	16.0	17.0	20.4	69.4	0
2	Henkel KGaA	20.2	13.6	14.6	18.3	66.7	5
3	Anglo American plc	17.6	12.0	14.2	21.2	65.0	0
4	BMW Group	12.8	20.2	17.6	12.8	63.4	5
5	Telefónica S.A.	16.0	16.8	16.0	14.6	63.4	0
6	UBS AG	12.2	15.2	15.0	20.5	62.9	5
7	Danone S.A.	17.6	14.4	13.2	17.5	62.7	0
8	ABN Amro Bank	13.6	14.4	17.4	17.3	62.7	1
9	Diageo plc	17.6	16.0	10.2	18.8	62.6	0
10	Repsol YPF S.A.	16.8	12.8	13.0	20.0	62.6	0
11	BBVA Group	8.0	17.6	16.4	20.5	62.5	0
12	Bayer AG	16.8	14.4	16.8	14.3	62.3	0
13	Iberdrola S.A.	13.6	13.6	16.8	18.0	62.0	0
14	Adidas Group	13.6	13.6	15.0	19.7	61.9	0
15	Sanofi Aventis	17.6	13.6	13.0	16.9	61.1	0
16	HBOS plc	13.6	16.0	13.8	17.6	61.0	0
17	Hoffmann-La Roche AG	14.4	15.2	12.8	18.4	60.8	0
18	Robert Bosch GmbH	17.0	15.2	15.0	13.4	60.6	5
19	Bertelsmann AG	15.2	16.0	14.0	15.3	60.5	0
20	Linde AG	10.4	15.2	14.8	19.7	60.1	0
21	Total S.A.	13.6	15.2	13.6	17.6	60.0	0
22	Statoil ASA	13.6	12.8	13.4	19.9	59.7	0
23	Deutsche Telekom AG	17.6	14.4	15.4	11.7	59.1	0
24	BT Group plc	17.6	18.4	14.2	8.2	58.4	0
25	Axa S.A.	13.6	12.8	12.0	19.9	58.3	0
26	Lafarge S.A.	11.2	17.6	15.4	14.0	58.2	0
27	Rio Tinto plc	13.6	8.0	15.4	21.2	58.2	0
28	Deutsche Post World Net	16.8	15.2	14.4	11.8	58.2	0
29	Uni Credito Group	14.4	13.6	13.6	16.5	58.1	0
30	HSBC Holding plc	13.6	11.2	12.8	20.0	57.6	0
31	ENI S.p.A.	9.6	10.4	15.2	22.1	57.3	0
32	Ericsson	18.4	15.2	12.6	11.1	57.3	0

Rank	Company	Society	Staff	Environment	Performance	Total	Jury Overall
33	Banco Santander Central Hispano S.A.	12.6	14.4	11.8	18.1	56.9	-5
34	L'Oréal S.A.	17.6	13.6	13.8	11.7	56.7	0
35	Barclays Bank plc	16.0	13.6	11.8	15.2	56.6	0
36	BP plc	16.8	16.0	14.2	9.5	56.5	0
37	E.ON AG	12.0	12.0	10.6	21.8	56.4	0
38	Nestlé S.A.	18.6	12.8	11.8	12.6	55.8	5
39	Tesco plc	12.0	10.4	16.6	16.5	55.5	0
40	Vodafone Group plc	17.6	14.4	14.6	8.8	55.4	0
41	Enel S.p.A.	9.6	14.4	14.0	17.0	55.0	0
42	Royal Bank of Scotland plc	15.2	17.6	10.2	11.9	54.9	0
43	Royal Dutch Shell plc	17.6	14.4	12.2	10.5	54.7	0
44	Daimler Chrysler AG	14.4	13.6	15.2	11.5	54.7	0
45	Deutsche Lufthansa AG	11.2	12.0	13.6	17.7	54.5	0
46	RWE AG	9.6	11.0	14.8	19.1	54.5	-5
47	Volkswagen AG	10.2	7.8	17.0	19.0	54.0	-10
48	Arcelor S.A.	9.6	11.2	12.6	20.5	53.9	0
49	J. Sainsbury plc	13.6	13.6	12.4	14.1	53.7	0
50	Glaxo-Smith-Kline plc	12.8	15.2	16.4	9.0	53.4	0
51	San Paolo IMI S.p.A.	17.6	15.2	10.0	10.5	53.3	0
52	Schering AG	8.8	12.8	12.0	19.5	53.1	0
53	Siemens AG	10.4	12.8	12.8	16.8	52.8	0
54	Renault S.A.	12.0	12.0	10.6	18.2	52.8	1
55	Nokia O.Y.J.	16.8	12.8	13.0	10.0	52.6	0
56	Endesa S.A.	8.8	11.2	13.4	19.0	52.4	0
57	European Aerohtautic Defence and Space Comapny EADS N.V.	9.6	13.6	12.6	16.1	51.9	0
58	Allied Irish Banks plc	16.0	9.6	6.0	20.0	51.6	0
59	Commerzbank AG	14.4	12.8	8.2	16.0	51.4	0
60	Deutsche Bank AG	12.6	8.6	14.2	15.7	51.1	-10
61	MAN AG	5.6	14.4	12.2	18.7	50.9	0
62	Deutsche Bahn AG	9.6	14.4	15.6	11.1	50.7	0
63	Louis Vuitton Moët Hennessy S.A.	6.4	8.8	15.2	19.9	50.3	0
64	SUEZ S.A.	12.0	13.6	15.0	9.5	50.1	0
65	Alcatel-Lucent	16.8	14.4	13.6	5.1	49.9	0
66	BNP Paribas S.A.	10.4	9.6	11.2	18.3	49.5	0
67	Fortis S.A./ N.V.	8.8	12.0	9.4	19.0	49.2	0
68	Société Generale S.A.	5.6	11.2	14.8	16.9	48,5	0
69	SAP AG	10.4	18.6	2.0	17.2	48,2	5
70	Thyssen Krupp AG	8.0	8.8	12.6	18.6	48,0	0
71	Unilever N.V.	12.6	12.8	13.8	8.0	47,2	-5
72	TUI AG	10.4	11.2	17.8	7.5	46,9	0
73	CNP Assurance S.A.	8.0	12.8	8.0	17.9	46,7	0
74	Novartis AG	14.4	14.4	6.6	11.2	46,6	0
75	Saint-Gobain S.A.	8.0	13.6	6.8	17.0	45,4	0
76	France Télécom S.A.	10.4	11.2	13.4	10.2	45,2	0
77	Credit Suisse Group	12.2	8.8	12.8	11.2	45,0	5
78	Astrazeneca plc	9.6	12.8	12.2	10.0	44,6	0

Rank	Company	Society	Staff	Environment	Performance	Total	Jury Overall
79	Münchener Rück AG	12.8	12.0	14.8	4.8	44.4	0
80	Vivendi-Universal S.A.	10.4	12.8	12.0	8.9	44.1	0
81	Telecom Italia S.p.A.	8.8	10.4	12.6	12.0	43.8	0
82	Allianz Group	8.6	9.6	16.6	8.9	43.7	-5
83	Altana AG	9.6	8.8	13.0	11.8	43.2	0
84	ING Groep N.V.	10.4	8.8	7.2	16.7	43.1	0
85	Metro AG	13.6	11.8	8.4	9.3	43.1	-5
86	Koninklijke Philips Electronics N.V.	11.2	16.0	6.6	9.2	43.0	5
87	Veolia Environment S.A.	9.6	13.6	13.8	5.4	42.4	0
88	Aviva plc	12.0	11.2	11.4	7.1	41.7	0
89	Carrefour S.A.	15.2	7.2	11.8	7.5	41.7	0
90	Electricité de France	3.2	12.0	15.4	10.7	41.3	0
91	Lloyds TSB Group plc	8.0	12.8	11.4	8.7	40.9	0
92	Koninklijke Ahold N.V.	13.6	8.0	11.8	7.2	40.6	0
93	Continental AG	1.6	10.4	8.0	20.2	40.2	0
94	Air Liquide S.A.	2.4	8.8	8.4	18.5	38.1	0
95	Prudential plc	12.0	6.4	13.2	6.3	37.9	0
96	Credit Agricole S.A.	9.6	0.8	8.6	18.4	37.4	0
97	Auchan Group S.A.	11.2	5.6	9.6	10.6	37.0	0
98	Franz Haniel & Cie. GmbH	11.2	5.6	5.0	14.2	36.0	5
99	Deutsche Börse AG	2.4	8.8	3.8	18.4	33.4	0
100	Assicurazioni Generali S.p.A.	7.2	12.0	6.4	7.2	32.8	0
101	Zurich Financial Services	12.0	4.8	9.6	5.5	31.9	0
102	DBV-Winterthur Holding AG	9.6	6.4	1.8	13.9	31.7	0
103	Pinault-Printemps-Redoute	4.8	8.0	10.0	8.4	31.2	0
104	PSA Peugeot Citroën	1.6	15.2	5.8	7.8	30.4	0
105	REWE-Zentral AG	6.4	11.2	4.8	7.8	30.2	-5
106	Publicis Groupe S.A.	10.4	7.2	2.0	10.0	29.6	0
107	Fresenius Medical Care AG	0.8	8.0	5.6	14.5	28.9	0
108	Infineon Technologies AG	1.6	8.0	11.0	8.2	28.8	0
109	Hypo Real Estate Holding AG	2.4	5.6	4.0	15.7	27.7	0
110	AEGON N.V.	4.0	11.2	7.2	5.2	27.6	0
111	Tengelmann Group	4.8	4.8	13.2	3.5	26.3	5
112	ITM Entreprises S.A.	8.0	1.6	4.6	10.0	24.2	0
113	Société National de Chemins de fer Luxembourgeois	0.8	2.4	11.8	6.6	21.6	0
114	Rallye S.A.	1.6	7.2	6.0	6.1	20.9	0
115	Edeka Zentrale GmbH & Co.KG	3.2	7.2	4.2	5.9	20.5	0
116	Association des Centres Distributeurs E. LeClerc	2.4	0.8	2.2	6.0	11.4	0
117	Fiat S.p.A.	0.8	0.8	2.0	5.0	8.6	0
118	Aldi Einkauf GmbH	3.2	0.0	2.2	0.0	5.4	0
119	Lidl Stiftung & Co. KG	3.2	0.8	0.8	0.3	5.1	0
120	Glencore International AG	0.0	0.0	0.0	1.5	1.5	0

Top – Bottom

Top 5

1. BASF AG 69.4

Thanks to its excellent corporate environmental performance, a clear vision of team spirit and corporate responsibility activities with a relatively acute strategic focus, BASF has taken first place in the ranking. The company is characterised by a high commitment to the health and safety of its staff; it also has a sophisticated Corporate Volunteering programme. The intensive dialogue with stakeholders as part of its CSR management system, the high priority attached to personnel development and a dialogue-oriented corporate culture ensure long-term security of employment and improve the sustainable utilisation of resources. Particularly notable is its commitment to the ecological efficiency analysis, which is not only applied internally but also promoted outside the company.

2. Henkel KGaA 66.7

As a result of its clarity of purpose in setting priorities Henkel is one of the best in this year's ranking. The elaborate CSR management system (with a global board), the considerable financial support given to voluntary activities and the very close cooperation with different stakeholder groups underline its excellent position. One benchmark is its volunteering programme "Mitarbeiter im Team, MIT" (together as a team) with over 500 international projects in total, which are generously sponsored by the company management. The ecological aspects of production are a decisive element of Henkel's success, by which the company has for many years included ingredients based on renewable raw materials in order to optimise product properties in a holistic manner.

3. Anglo American plc 65.0

The mining company has once again managed to win a top place with its outstanding CSR activities. A clear human resources strategy focused on health, safety and diversity, as

well as the social forums bringing together over 200 managers and civil leaders in various locations sit well with the identity of a company which still maintains an important corporate presence in South Africa. Its substantial commitment to climate protection, in which around \$2.5 million have been donated to the NEPAD Investment Climate Facility, shows that the issues on which the company has a major impact are the subject of particular attention.

4. BMW Group 63.4

The automobile manufacturer was able to strengthen its position thanks in particular to its economic innovations in the environmental sphere and to good communications with stakeholders. Especially notable is the Stakeholder Congress 2002/2004 in which issues of transport safety and international understanding were conveyed in new learning materials and educational projects. Its strong commitment to securing new staff, good partnerships with universities, a high priority for vocational training and the disabilities programme were all recognised in the ranking. The comprehensive flexible working systems represent innovations in this area, especially part-time work and telecommuting.

5. Telefónica S.A. 63.4

Telefónica has a strong social image. At the same time the Spanish telecoms provider is open-minded about the potential of co-determination to increase efficiency and attaches great importance to subjects such as life-work balance. Research and other programmes in areas such as Internet technology, ATAM projects for disabled people – financed and carried out by a total of 61,000 staff – activities such as "One bill, one tree" (planting a tree for every customer who opts for an electronic invoice), all show clearly this company's capacity for innovation in relation to the link between CSR and core business.

Bottom 5

116. Association des Centres
Distributeurs E. LeClerc 11.4

This company has taken some steps towards CSR, but there is virtually no transparency on the activities which may have been undertaken. Information is only given on career opportunities; otherwise the analysts had no access to data or reports. The company has not yet recognised and communicated sufficiently the opportunities presented by a sophisticated CSR strategy, which many of its competitors, particularly in the food industry, are already using.

117. Fiat S.p.A. 8.6

Information for job applicants is adequately presented, but there are no further details on human resources strategies. The company also scarcely reports on any activities in the fields of social and ecological involvement.

118. Aldi Einkauf GmbH 5.4

The data for this company are insufficient for a proper rating in any area. The potential of CSR for a food retailer is not being realised effectively or sensibly to increase the value of the company.

119. Lidl Stiftung & Co. KG 5.1

There is information on career prospects and vocational training for job seekers, but only in very poor detail. The company does not fulfil its obligation to provide fundamental data.

120. Glencore International AG 1.5

The company does not take advantage of the opportunities of CSR for an industrial supplier. Information on staff, society, performance and environment are not made sufficiently available.

Ranking by sectors

Rank	Sector	Participant	Average Score
1	Oil & Gases	6	58.5
2	Telecommunications	6	54.2
3	Basic Materials	7	50.7
4	Industrials	9	50.6
5	Health Care	8	49.0
6	Financials	32	47.2
7	Technology	6	43.5
8	Consumer Goods	24	42.8
9	Consumer Services	14	41.1
10	Utilities	8	39.3

Rank	Sector: Financials	Total
1	UBS AG	62.9
2	ABN Amro Bank	62.7
3	BBVA Group	62.5
4	HBOS plc	61.0
5	Axa S.A.	58.3
6	Uni Credito Group	58.1
7	HSBC Holding plc	57.6
8	Banco Santander Central Hispano S.A.	56.9
9	Barclays Bank plc	56.6
10	Royal Bank of Scotland plc	54.9
11	San Paolo IMI S.p.A.	53.3
12	Allied Irish Banks plc	51.6
13	Commerzbank AG	51.4
14	Deutsche Bank AG	51.1
15	BNP Paribas S.A.	49.5
16	Fortis S.A./N.V.	49.2
17	Société Generale S.A.	48.5
18	CNP Assurance S.A.	46.7
19	Credit Suisse Group	45.0
20	Münchener Rück AG	44.4
21	Allianz Group	43.7
22	ING Groep N.V.	43.1
23	Aviva plc	41.7
24	Lloyds TSB Group plc	40.9
25	Prudential plc	37.9
26	Credit Agricole S.A.	37.4
27	Deutsche Börse AG	33.4
28	Assicurazioni Generali S.p.A.	32.8
29	Zurich Financial Services	31.9
30	DBV-Winterthur Holding AG	31.7
31	Hypo Real Estate Holding AG	27.7
32	AEGON N.V.	27.6

Rank	Sector: Health Care	Total
1	Sanofi Aventis	61.1
2	Hoffmann-La Roche AG	60.8
3	Glaxo-Smith-Kline plc	53.4
4	Schering AG	53.1
5	Novartis AG	46.6
6	Astrazeneca plc	44.6
7	Altana AG	43.2
8	Fresenius Medical Care AG	28.9

Rank	Sector: Utilities	Total
1	Iberdrola S.A.	62.0
2	E.ON AG	56.4
3	Enel S.p.A.	55.0
4	RWE AG	54.5
5	Endesa S.A.	52.4
6	SUEZ S.A.	50.1
7	Veolia Environment S.A.	42.4
8	Electricité de France	41.3

Rank	Sector: Industrials	Total
1	Lafarge S.A.	58.2
2	Deutsche Post World Net	58.2
3	Arcelor S.A.	53.9
4	Siemens AG	52.8
5	European Aerohtautic Defence and Space Comapny EADS N.V.	51.9
6	MAN AG	50.9
7	Thyssen Krupp AG	48.0
8	Saint-Gobain S.A.	45.4
9	Franz Haniel & Cie. GmbH	36.0

Position	Sector: Oil & Gases	Total
1	Repsol YPF S.A.	62.6
2	Total S.A.	60.0
3	Statoil ASA	59.7
4	ENI S.p.A.	57.3
5	BP plc	56.5
6	Royal Dutch Shell plc	54.7

Rank	Sector: Telecommunications	Total
1	Telefónica S.A.	63.4
2	Deutsche Telekom AG	59.1
3	BT Group plc	58.4
4	Vodafone Group plc	55.4
5	France Télécom S.A.	45.2
6	Telecom Italia S.p.A	43.8

Rank	Sector: Consumer Services	Total
1	Bertelsmann AG	60.5
2	Tesco plc	55.5
3	Deutsche Lufthansa AG	54.5
4	J. Sainsbury plc	53.7
5	Deutsche Bahn AG	50.7
6	TUI AG	46.9
7	Vivendi-Universal S.A.	44.1
8	Metro AG	43.1
9	Carrefour S.A.	41.7
10	Koninklijke Ahold N.V.	40.6
11	Publicis Groupe S.A.	29.6
12	Société National de Chemins de fer Luxembourgeois	21.6
13	Rallye S.A.	20.9
14	Association des Centres Distributeurs E. LeClerc	11.4

Rank	Sector: Basic Materials	Total
1	BASF AG	69.4
2	Anglo American plc	65.0
3	Bayer AG	62.3
4	Linde AG	60.1
5	Rio Tinto plc	58.2
6	Air Liquide S.A.	38.1
7	Glencore International AG	1.5

Rank	Sector: Technology	Total
1	Ericsson	57.3
2	Nokia O.Y.J.	52.6
3	Alcatel-Lucent	49.9
4	SAP AG	48.2
5	Infineon Technologies AG	28.8
6	ITM Entreprises S.A.	24.2

Rank	Sector: Consumer Goods	Total
1	Henkel KGaA	66.7
2	BMW Group	63.4
3	Danone S.A.	62.7
4	Diageo plc	62.6
5	Adidas Group	61.9
6	Robert Bosch GmbH	60.6
7	L'Oréal S.A.	56.7
8	Nestlé S.A.	55.8
9	Daimler Chrysler AG	54.7
10	Volkswagen AG	54.0
11	Renault S.A.	52.8
12	Louis Vuitton Moët Hennessy S.A.	50.3
13	Unilever N.V.	47.2
14	Koninklijke Philips Electronics N.V.	43.0
15	Continental AG	40.2
16	Auchan Group S.A.	37.0
17	Pinault-Printemps-Redoute	31.2
18	PSA Peugeot Citroën	30.4
19	REWE-Zentral AG	30.2
20	Tengelmann Group	26.3
21	Edeka Zentrale AG & Co.KG	20.5
22	Fiat S.p.A.	8.6
23	Aldi Einkauf GmbH	5.4
24	Lidl Stiftung & Co. KG	5.1

Rank	Sector: Technology	Total
1	Ericsson	57.3
2	Nokia O.Y.J.	52.6
3	Alcatel-Lucent	49.9
4	SAP AG	48.2
5	Infineon Technologies AG	28.8
6	ITM Entreprises S.A.	24.2

Ranking by countries

Rank	Country	Participant	Average Score
1	Spain	6	59.9
2	Norway	1	59.7
3	Scotland	2	58.0
4	Sweden	1	57.3
5	England	15	53.2
6	Finland	1	52.6
7	Ireland	1	51.6
8	The Netherlands	9	46.7
9	Germany	39	46.3
10	Italy	7	44.1
11	France	28	43.8
12	Switzerland	8	42.0
13	Luxembourg	2	37.8

Rank	Country: France	Total
1	Danone S.A.	62.7
2	Sanofi Aventis	61.1
3	Total S.A.	60.0
4	Axa S.A.	58.3
5	Lafarge S.A.	58.2
6	L'Oréal S.A.	56.7
7	Renault S.A.	52.8
8	Louis Vuitton Moët Hennessy S.A.	50.3
9	SUEZ S.A.	50.1
10	Alcatel-Lucent	49.9
11	BNP Paribas S.A.	49.5
12	Société Générale S.A.	48.5
13	CNP Assurance S.A.	46.7
14	Saint-Gobain S.A.	45.4
15	France Télécom S.A.	45.2
16	Vivendi-Universal S.A.	44.1
17	Veolia Environment S.A.	42.4
18	Carrefour S.A.	41.7
19	Electricité de France	41.3
20	Air Liquide S.A.	38.1
21	Credit Agricole S.A.	37.4
22	Auchan Group S.A.	37.0
23	Pinault-Printemps-Redoute	31.2
24	PSA Peugeot Citroën	30.4
25	Publicis Groupe S.A.	29.6
26	ITM Entreprises S.A.	24.2
27	Rallye S.A.	20.9
28	Association des Centres Distributeurs E. LeClerc	11.4

Rank	Country: Finland	Total
1	Nokia O.Y.J.	52.6

Rank	Country: Switzerland	Total
1	UBS AG	62.9
2	Hoffmann-La Roche AG	60.8
3	Nestlé S.A.	55.8
4	Novartis AG	46.6
5	Credit Suisse Group	45.0
6	Zurich Financial Services	31.9
7	DBV-Winterthur Holding AG	31.7
8	Glencore International AG	1.5

Rank	Country: Italy	Total
1	Uni Credito Group	58.1
2	ENI S.p.A.	57.3
3	Enel S.p.A.	55.0
4	San Paolo IMI S.p.A.	53.3
5	Telecom Italia S.p.A.	43.8
6	Assicurazioni Generali S.p.A.	32.8
7	Fiat S.p.A.	8.6

Rank	Country: Luxembourg	Total
1	Arcelor S.A.	53.9
2	Société National de Chemins de fer Luxembourgeois	21.6

Rank	Country: England	Total
1	Anglo American plc	65.0
2	Diageo plc	62.6
3	BT Group plc	58.4
4	Rio Tinto plc	58.2
5	HSBC Holding plc	57.6
6	Barclays Bank plc	56.6
7	BP plc	56.5
8	Tesco plc	55.5
9	Vodafone Group plc	55.4
10	J. Sainsbury plc	53.7
11	Glaxo-Smith-Kline plc	53.4
12	Astrazeneca plc	44.6
13	Aviva plc	41.7
14	Lloyds TSB Group plc	40.9
15	Prudential plc	37.9

Rank	Country: Sweden	Total
1	Ericsson	57.3

Rank	Country: Spain	Total
1	Telefónica S.A.	63.4
2	Repsol YPF S.A.	62.6
3	BBVA Group	62.5
4	Iberdrola S.A.	62.0
5	Banco Santander Central Hispano S.A.	56.9
6	Endesa S.A.	52.4

Rank	Country: Scotland	Total
1	HBOS plc	61.0
2	Royal Bank of Scotland plc	54.9

Rank	Country: The Netherlands	Total
1	ABN Amro Bank	62.7
2	Royal Dutch Shell plc	54.7
3	European Aerohtautic Defence and Space Comapny EADS N.V.	51.9
4	Fortis S.A./ N.V.	49.2
5	Unilever N.V.	47.2
6	ING Groep N.V.	43.1
7	Koninklijke Philips Electronics N.V.	43.0
8	Koninklijke Ahold N.V.	40.6
9	AEGON N.V.	27.6

Rank	Country: Germany	Total
1	BASF AG	69.4
2	Henkel KGaA	66.7
3	BMW Group	63.4
4	Bayer AG	62.3
5	Adidas Group	61.9
6	Robert Bosch GmbH	60.6
7	Bertelsmann AG	60.5
8	Linde AG	60.1
9	Deutsche Telekom AG	59.1
10	Deutsche Post World Net	58.2
11	E.ON AG	56.4
12	Daimler Chrysler AG	54.7
13	Deutsche Lufthansa AG	54.5
14	RWE AG	54.5
15	Volkswagen AG	54.0
16	Schering AG	53.1
17	Siemens AG	52.8
18	Commerzbank AG	51.4
19	Deutsche Bank AG	51.1
20	MAN AG	50.9
21	Deutsche Bahn AG	50.7
22	SAP AG	48.2
23	Thyssen Krupp AG	48.0
24	TUI AG	46.9
25	Münchener Rück AG	44.4
26	Allianz Group	43.7
27	Altana AG	43.2
28	Metro AG	43.1
29	Continental AG	40.2
30	Franz Haniel & Cie. GmbH	36.0
31	Deutsche Börse AG	33.4
32	REWE-Zentral AG	30.2
33	Fresenius Medical Care AG	28.9
34	Infineon Technologies AG	28.8
35	Hypo Real Estate Holding AG	27.7
36	Tengelmann Group	26.3
37	Edeka Zentrale AG & Co.KG	20.5
38	Aldi Einkauf GmbH	5.4
39	Lidl Stiftung & Co. KG	5.1

Rank	Country: Norway	Total
1	Statoil ASA	59.7

Rank	Country: Ireland	Total
1	Allied Irish Banks plc	51.6

Analysis of companies

arranged in alphabetical order

ABN AMRO Bank

Country	Netherlands
Sector	Financials
Address	1082 PP Amsterdam
www	abnamro.com

Ranking: 8 (120)

In country 1 (9)
In sector 2 (32)

Final grade: good

Society	13.6
Staff	14.4
Environment	17.4
Performance	17.3
Correction/Jury	1

Total points 62.7

Highlights

Society:
< Clear focus on Millennium Goals, strategic importance recognised

Staff:
< Clear HR strategy with focus on leadership development, strong diversity commitment

Environment:
< C1aa – all head offices and the Dutch offices use 100% “Green energy”.

Performance:
< Clear outperformance on Total Shareholder Return compared to STOXX, excellently formulated strategy, which includes targets, industrial environment and potential opportunities and risks.

Lowlights

Society:
< Involvement still lacking in substance, little project reporting, impact unclear

Staff:
< Values rather diffuse, remuneration policy not transparent, diversity goals exist but no targets

Performance:
< Value-oriented goals are not clearly defined and the controlling concepts are not coherently defined.

Adidas Group

Country	Germany
Sector	Consumer Goods
Address	91072 Herzogenaurach
www	adidas.com

Ranking: 14 (120)

In country 5 (39)
In sector 5 (24)

Final grade: good

Society	13.6
Staff	13.6
Environment	15.0
Performance	19.7
Correction/Jury	0

Total points 61.9

Highlights

Society:
< Guidelines and management systems under construction, sporadic local activities

Staff:
< Strong values, work-life balance programme, clear HR management, good indicators

Environment:
< C1a – support for business partners in creating effective environmental management systems

Performance:
< Transparent reporting due to prompt and full disclosure, clear outperformance compared to STOXX.

Lowlights

Society:
< Projects not very innovative, tendency towards compliance, core competence under-utilised, no overall concept recognisable

Staff:
< Code of conduct in general, without whistle blowing, little diversity, reporting too market-oriented

Environment:
< E – no financial transactions with stakeholders and environmental cooperation projects (or they are not communicated)

Performance:
< No data on shares held by board members

AEGON N.V.

Country	Netherlands
Sector	Financials
Address	2501 CE Den Haag
www	aegon.com

Ranking: 110 (120)

In country 9 (9)
In sector 32 (32)

Final grade: inadequate

Society	4.0
Staff	11.2
Environment	7.2
Performance	5.2
Correction/Jury	0

Total points 27.6

Highlights

Society:
< Large donations department, statement of intent

Staff:
< Many social benefits, commitment to training and health as relates to absenteeism

Performance:
< Transparent depiction of corporate governance, short-term goals given

Lowlights

Society:
< No project reporting, no strategic commitment

Staff:
< Values diffuse, code of conduct without whistle blowing, little about retention and knowledge management

Environment:
< C1/C4/E – no environmental requirements of suppliers, logistics not environmentally managed, practically no dialogue with stakeholders and no environmental cooperation programmes

Performance:
< Total Shareholder Return below STOXX in five-year comparison, no description of value management

Air Liquide S.A.

Country	France
Sector	Basic Materials
Address	75007 Paris
www	airliquide.com

Ranking: 94 (120)

In country 20 (28)
In sector 6 (7)

Final grade: inadequate

Society	2.4
Staff	8.8
Environment	8.4
Performance	18.5
Correction/Jury	0

Total points 38.1

Highlights

Staff:

< Involvement in training with demanding goals, commitment to diversity, good indicators

Performance:

< Outperformance in Total Shareholder Return compared to STOXX, stable cash flows, very transparent depiction of corporate governance

Lowlights

Society:

< Few reports (not even sponsorship)

Staff:

< Value orientation non-existent, code of conduct only for directors, no HR strategy

Environment:

< C1/E – no environmental requirements made of suppliers, hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:

< No quarterly reporting, no timely interim reporting

Alcatel-Lucent

Country	France
Sector	Technology
Address	75008 Paris
www	alcatel.com

Ranking: 65 (120)

In country 10 (28)
In sector 3 (6)

Final grade: average

Society	16.8
Staff	14.4
Environment	13.6
Performance	5.1
Correction/Jury	0

Total points 49.9

Highlights

Society:
< NOS do Futuro, initiative to improve technical vocational training in underprivileged regions

Staff:
< Commitment to diversity with many programmes and targets, strong in encouraging next generation managers

Environment:
< C1 – very good communications with suppliers on environmental requirements

Lowlights

Society:
< Strategic reference not always identifiable

Staff:
< Values diffuse, sometimes overlapping, Social Charter as a sort of code of conduct, no HR strategy

Performance:
< Total Shareholder Return below STOXX in five-year comparison, cash flow declined over 5 years

Aldi Einkauf GmbH

Country	Germany
Sector	Consumer Goods
Address	45307 Essen
www	aldi.com

Ranking: 118 (120)

In country 38 (39)
In sector 23 (24)

Final grade: inadequate

Society	3.2
Staff	0.0
Environment	2.2
Performance	0.0
Correction/Jury	0

Total points 5.4

Highlights

< no description

Lowlights

Environment:
< Almost no environmental communication

Performance:
< no statement possible, information missing

Allianz Group

Country	Germany
Sector	Financials
Address	80802 München
www	allianz.de

Ranking: 82 (120)

In country 26 (39)
In sector 21 (32)

Final grade: inadequate

Society	8.6
Staff	9.6
Environment	16.6
Performance	8.9
Correction/Jury	-5

Total points 43.7

Highlights

Society:
< Micro-insurance with clear strategic significance, CV as part of "Direct help" foundation Humana Mente

Staff:
< Clear code of conduct, sophisticated personnel development, many training programmes, good indicators

Environment:
< A – very good integration of environmental aspects into business processes

Performance:
< Detailed information on strategy and short and mid-term goals including industrial environment

Lowlights

Society:
< No CSR management system recognisable, sustainability report of little relevance and not externally certified, subsidiaries better than the parent

Staff:
< No whistle blowing identifiable in the code of conduct, leadership values only performance related, no HR goals

Performance:
< Total Shareholder Return below STOXX in five-year comparison, great variance in cash flows over five years, no quantitative data on value management

Allied Irish Banks plc

Country	Ireland
Sector	Financials
Address	Dublin 4
www	aib.ie

Ranking: 58 (120)

In country 1 (1)
In sector 12 (32)

Final grade: average

Society	16.0
Staff	9.6
Environment	6.0
Performance	20.0
Correction/Jury	0

Total points 51.6

Highlights

Society:
< AIB Better Ireland Awards: broad support for voluntary work with clear strategic focus

Staff:
< Emphasis on training, support for flexible working, priority for volunteering

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, very good financial performance

Lowlights

Society:
< A lot of sponsorship, hardly any integration with the company, strategic role not always identifiable

Staff:
< No code of conduct but whistle blowing, no HR strategy identifiable, poor orientation on training

Environment:
< D/C1 – no ecological innovations whatsoever, no environmental requirements for suppliers

Performance:
< Comparatively poor data on corporate governance

Altana AG

Country	Germany
Sector	Health Care
Address	61352 Bad Homburg
www	altana.de

Ranking: 83 (120)

In country 27 (39)
In sector 7 (8)

Final grade: inadequate

Society	9.6
Staff	8.8
Environment	13.0
Performance	11.8
Correction/Jury	0

Total points 43.2

Highlights

Society:
< Future dialogues, Sinclair debates

Staff:
< Comprehensive code of ethics for managers, innovative pension fund, good FTE overview

Environment:
< D4 – percentage of research expense for environment 30%

Performance:
< High operating margins, detailed information on corporate governance, high growth rates in operating cash flow over five years

Lowlights

Society:
< Company hardly integrated into the activities, volunteering not documented, sponsorship of the Quandt Foundation has little strategic relevance to business activities e.g. support for mosque building

Staff:
< Goals and values – “Our principles” – platitudinous, nothing on incentives, diversity, volunteering

Performance:
< Total Shareholder Return below STOXX in five-year comparison

Anglo American plc

Country	England
Sector	Basic Materials
Address	London SW1Y 5AN
www	angloamerican.co.uk

Ranking: 3 (120)

In country 1 (15)
In sector 2 (7)

Final grade: average

Society	17.6
Staff	12.0
Environment	14.2
Performance	21.2
Correction/Jury	0

Total points 65.0

Highlights

Society:
< Professional site management system, social committees

Staff:
< Socially oriented HR strategy, strong values orientation, commitment to health and safety

Environment:
< E5b – commitment to climate protection: \$2.5 m donation to the NEPAD Investment Climate Facility

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, very good depiction of corporate governance

Lowlights

Society:
< Lack of innovation and little public communication

Staff:
< Little on incentives or flexible working, no volunteering strategy identifiable

Performance:
< No quantitative data on value-oriented goals

Arcelor S.A.

Country	Luxembourg
Sector	Industrials
Address	2930 Luxembourg
www	arcelormittal.com

Ranking: 48 (120)

In country 1 (2)
In sector 3 (9)

Final grade: average

Society	9.6
Staff	11.2
Environment	12.6
Performance	20.5
Correction/Jury	0

Total points 53.9

Highlights

Society:
< SODIE employed when sites are closed

Staff:
< Many social programmes and initiatives, focus on training and employability

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, clear growth in cash flow over five years

Lowlights

Society:
< No reports on volunteering, civic engagement

Staff:
< Code of ethics rather vague, whistle blowing hardly exists, no voluntary activities

Environment:
< C4 – logistics processes are not managed according to environmental criteria

Performance:
< Comparatively little data on corporate governance

Assicurazioni Generali S.p.A.

Country	Italy
Sector	Financials
Address	34132 Trieste
www	generali.com

Ranking: 100 (120)

In country 6 (7)
In sector 28 (32)

Final grade: inadequate

Society	7.2
Staff	12.0
Environment	6.4
Performance	7.2
Correction/Jury	0

Total points 32.8

Highlights

Society:
< Volksfürsorge Forum in Hamburg, extensive report compiles the activities of subsidiaries for the first time

Staff:
< Commitment to diversity, especially for disabled people, focus on training, good indicators

Lowlights

Society:
< Not much focus – mostly sponsorship of very varied subjects

Staff:
< Values meaningless, no real code of conduct with whistle blowing, nothing on flexible working

Environment:
< A/B – almost no integration of environmental considerations into business processes, insufficient reporting on environmental performance

Performance:
< Total Shareholder Return below STOXX in five-year comparison, comparatively little data on corporate governance

Association des Centres Distributeurs E. LeClerc

Country	France
Sector	Consumer Services
Address	92451 Issy-les-Moulineaux
www	e-leclerc.com

Ranking: 116 (120)

In country 28 (28)
In sector 14 (14)

Final grade: inadequate

Society	2.4
Staff	0.8
Environment	2.2
Performance	6.0
Correction/Jury	0

Total points 11.4

Highlights

Society:
 < Energy saving

Performance:
 < Good depiction of value management concept

Lowlights

Staff:
 < No information available (only explanation of the decentralised structure of the retail organisation)

Environment:
 < Almost no environmental communication

Astrazeneca plc

Country	England
Sector	Health Care
Address	London W1K 1LN
www	astrazeneca.com

Ranking: 78 (120)

In country 12 (15)
In sector 6 (8)

Final grade: inadequate

Society	9.6
Staff	12.8
Environment	12.2
Performance	10.0
Correction/Jury	0

Total points 44.6

Highlights

- Society:
< Special database to support local civic engagement
- Staff:
< Good code of conduct with whistle blowing, HR policies in place, strong diversity orientation.
- Environment:
< B2 – ecological assessment of environmental aspects
- Performance:
< High operating margin and high equity ratio, cash flow growth over five years

Lowlights

- Society:
< Disparate and not very strategic, mostly sponsorship, no CV reporting
- Staff:
< Remuneration structure is opaque, nothing on volunteering and flexible working
- Performance:
< Total Shareholder Return below STOXX in five-year comparison, no data on value management concept

Auchan Group S.A.

Country	France
Sector	Consumer Goods
Address	75002 Paris
www	auchan.com

Ranking: 97 (120)

In country 22 (28)
In sector 16 (24)

Final grade: satisfactory

Society	11.2
Staff	5.6
Environment	9.6
Performance	10.6
Correction/Jury	0

Total points 37.0

Highlights

Society:
 < Comprehensive quality management systems (also with suppliers), youth foundation

Staff:
 < Code of ethics and internal review of conduct, commitment to disabled people

Performance:
 < Increasing operating cash flow over five years, good depiction of value management.

Lowlights

Society:
 < Not very strategic, no Corporate Volunteering reporting

Staff:
 < No HR strategy, nothing on volunteering and flexible working

Environment:
 < A1/A2/E – no environmental protection in company guidelines, no environmental guidelines, hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:
 < Hardly any information on corporate governance, low EBIT margin

Aviva plc

Country	England
Sector	Financials
Address	London EC3P 3DQ
www	aviva.com

Ranking: 88 (120)

In country 13 (15)
In sector 23 (32)

Final grade: inadequate

Society	12.0
Staff	11.2
Environment	11.4
Performance	7.1
Correction/Jury	0

Total points 41.7

Highlights

Society:
< Voluntary activities mentioned but hardly documented: 24,000 hours (2005)

Staff:
< Commitment to diversity, good performance, commitment to training and health

Environment:
< C1 – very good communication with suppliers on environmental requirements

Performance:
< Well-formulated strategy

Lowlights

Society:
< Little networking of local projects (due to lack of focus)

Staff:
< Values extremely vague, no whistle blowing, few social benefits, little on retention

Environment:
< A4a/C5 – no recognised environmental management system in place, no staff involvement in improving environmental performance

Performance:
< Total Shareholder Return below STOXX in five-year comparison, low return on equity

Axa S.A.

Country	France
Sector	Financials
Address	75008 Paris
www	axa.com

Ranking: 25 (120)

In country 4 (28)
In sector 5 (32)

Final grade: good

Society	13.6
Staff	12.8
Environment	12.0
Performance	19.9
Correction/Jury	0

Total points 58.3

Highlights

Society:
< Heart to Heart: one of the best volunteering programmes, rejection of mines and cluster bombs aggressively communicated

Staff:
< Values and code of conduct well thought out, with whistle blowing, very good volunteering and very good commitment measurement

Environment:
< C2aa – use rainwater

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, detailed information on the remuneration structures of the boards

Lowlights

Society:
< Mostly Caritas, no network/institution building

Staff:
< No clear HR strategy, poor diversity performance (concerning disabled people)

Performance:
< No quarterly reporting, no prompt financial reporting

Banco Santander Central Hispano S.A.

Country	Spain
Sector	Financials
Address	28660 Madrid
www	santander.com

Ranking: 33 (120)

im Land: 5 (6)
im Sektor: 8 (32)

Final grade: good

Society	12.6
Staff	14.4
Environment	11.8
Performance	18.1
Correction/Jury	-5

Total points 56.9

Highlights

Society:
< Universia – university portal with strategic significance, management systems, Seville conference on roll-out

Staff:
< Many training programmes, work-life agreements, commitment to security

Environment:
< D4 – co-financing (\$275 m) of wind farms

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, transparent corporate governance

Lowlights

Society:
< No clear values or codes of conduct, diversity commitment rather weak

Environment:
< C4 – logistics processes not managed along environmental lines

Performance:
< No quantification of value management system

Barclays Bank plc

Country	England
Sector	Financials
Address	London E14 5HP
www	barclays.com

Ranking: 35 (120)

In country 6 (15)
In sector 9 (32)

Final grade: good

Society	16.0
Staff	13.6
Environment	11.8
Performance	15.2
Correction/Jury	0

Total points 56.6

Highlights

Society:

< Strategic project selection according to core competence, CV management system, clear distinction drawn to state

Staff:

< Excellent HR strategy with clear goals and results analysis, volunteering commitment

Environment:

< C5 – offer of a two-week environmental research trip to Africa

Performance:

< Outperformed the STOXX, timely financial reporting

Lowlights

Society:

< Only generic documentation of projects

Staff:

< No clear values, no code of conduct, flexible working rather weak

Environment:

< E – no financial contributions in dialogue with stakeholders and environmental cooperation programmes

Performance:

< Comparatively little data on corporate governance

BASF AG

Country	Germany
Sector	Basic Materials
Address	67056 Ludwigshafen
www	basf.de

Ranking: 1 (120)

In country 1 (39)
In sector 1 (7)

Final grade: very good

Society	16.0
Staff	16.0
Environment	17.0
Performance	20.4
Correction/Jury	0

Total points 69.4

Highlights

Society:

< Ecological efficiency analysis (developed internally) actively promoted: e.g. training centres in North Africa/Brazil, CSR management system

Staff:

< Clear vision, high HR expectations, code of conduct with whistle blowing, very good indicators, diversity commitment

Environment:

< C2a – product assessment with ecological efficiency analysis, e.g. fuel: from gas extraction to combustion in vehicle engine

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, transparent and prompt financial reporting, good depiction of strategy and the industrial sector

Lowlights

Society:

< Still a lot of sponsorship and non-strategic involvement

Staff:

< No clear volunteering strategy, reporting is well founded but a little unstructured

Performance:

< No individual information on salaries or shares held by management

Bayer AG

Country	Germany
Sector	Basic Materials
Address	51368 Leverkusen
www	bayer.de

Ranking: 12 (120)

In country 4 (39)
In sector 3 (7)

Final grade: good

Society	16.8
Staff	14.4
Environment	16.8
Performance	14.3
Correction/Jury	0

Total points 62.3

Highlights

Society:

< Very well-thought-out overall concept with excellent programmes

Staff:

< Comprehensive definition of responsibility, code of conduct with whistle blowing, many flexible working programmes

Environment:

< C3 – continual development of production processes and use of alternative raw materials have significantly reduced waste levels in recent years: recycling ratio 77%

Performance:

< Very well-explained group strategy, which includes clearly defined short and mid-term goals, outperformed the STOXX

Lowlights

Society:

< Focus lacking in public communications: 7 dwarves problem, international roll-out of lead projects not realised

Staff:

< Values incoherent, no identifiable diversity or volunteering strategy

Performance:

< Low average EBIT margin over last three years

BBVA

Country	Spain
Sector	Financials
Address	28046 Madrid
www	bbva.es

Ranking: 11 (120)

In country 3 (6)
In sector 3 (32)

Final grade: good

Society	8.0
Staff	17.6
Environment	16.4
Performance	20.5
Correction/Jury	0

Total points 62.5

Highlights

Society:

< High spending, sponsorship guidelines

Staff:

< Excellent HR model relating to creation of human capital, diversity commitment

Environment:

< C5 – CSR is integrated into variable earnings component

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, very good description of the financial situation

Lowlights

Society:

< Comments very general, little strategic focus, project selection very disparate, much classic sponsorship, little project reporting

Staff:

< Value orientation vague, extensive reporting but excessive data, poor coherence

Performance:

< Depiction of remuneration system not very detailed

Bertelsmann AG

Country	Germany
Sector	Consumer Services
Address	33311 Gütersloh
www	bertelsmann.com

Ranking: 19 (120)

In country 7 (39)
In sector 1 (14)

Final grade: good

Society	15.2
Staff	16.0
Environment	14.0
Performance	15.3
Correction/Jury	0

Total points 60.5

Highlights

Society:
< Projects with strategic relevance: Franceloisir, Firstbook, D21, excellent projects in the company foundation, very committed subsidiaries, very international

Staff:
< Excellent value orientation (essentials), many social benefits, commitment to vocational training

Environment:
< A – very good integration of environmental considerations into business processes

Performance:
< Good depiction of the strategy including short-term goals, high equity ratio

Lowlights

Society:
< Reporting very selective, interesting projects are missing, no overall strategic concept identifiable, lack of focus

Staff:
< Code of conduct only applicable in USA, little diversity commitment (except for disabled people)

Performance:
< Information on corporate governance too general, no detailed explanation of the value management system

BMW Group

Country	Germany
Sector	Consumer Goods
Address	80788 München
www	bmw.de

Ranking: 4 (120)

In country 3 (39)
In sector 2 (24)

Final grade: good

Society	12.8
Staff	20.2
Environment	17.6
Performance	12.8
Correction/Jury	5

Total points 63.4

Highlights

- Society**
< Projects use core competence, extensive involvement
- Staff:**
< Commitment to securing new recruitment, high priority for vocational training, strong on work safety
- Environment:**
< D3 – development of the traffic management system “Netinfo” to reduce traffic jams on the motorways A8, A9 & A96
- Performance:**
< The short-term goals are logically integrated into the overall strategy, taking account of the industrial environment, outperformed the STOXX

Lowlights

- Society:**
< Confused jumble of projects, often with little relevance to core business
- Staff:**
< No code of conduct with whistle blowing, nothing on volunteering, much information but poorly structured
- Performance:**
< No detailed explanation of the value-oriented management concept

BNP Paribas S.A.

Country	France
Sector	Financials
Address	75009 Paris
www	bnpparibas.com

Ranking: 66 (120)

In country 11 (28)
In sector 15 (32)

Final grade: average

Society	10.4
Staff	9.6
Environment	11.2
Performance	18.3
Correction/Jury	0

Total points 49.5

Highlights

Society:
< Defined by regional presence: youth project (education/sport) with €3 m at largest location, special cash machines for blind people

Staff:
< Strong diversity commitment, employability support, lifelong learning promoted

Environment:
< C1 – very good communication with suppliers on environmental requirements

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, improving return on equity

Lowlights

Society:
< Strategic relevance not always clear, little public impact

Staff:
< Value orientation rather vague, HR strategy non-existent, volunteering only sporadic

Performance:
< No quantitative data on value-oriented goals, late publication of annual report

BP plc

Country	England
Sector	Oil & Gas
Address	Worthing BN99 6DA
www	bp.com

Ranking: 36 (120)

In country 7 (15)
In sector 5 (6)

Final grade: good

Society	16.8
Staff	16.0
Environment	14.2
Performance	9.5
Correction/Jury	0

Total points 56.5

Highlights

Society:
< Sustainability management system, extensive CV work, EITI

Staff:
< Excellent code of conduct with whistle blowing, commitment to safety and diversity

Environment:
< B4 – 90% of carbon emissions captured and stored underground to extend the life of oil reserves

Performance:
< High return on equity, clear value-oriented goals

Lowlights

Society:
< Few overarching themes, no lighthouse project, unstructured report

Staff:
< No clear HR strategy, little on volunteering and flexible working

Environment:
< C3 – no data at all on waste management and indicators

Performance:
< Total Shareholder Return below STOXX in five-year comparison

BT Group plc

Country	England
Sector	Telecommunications
Address	London EC1A 7AJ
www	btplc.com

Ranking: 24 (120)

In country 3 (15)
In sector 3 (6)

Final grade: good

Society	17.6
Staff	18.4
Environment	14.2
Performance	8.2
Correction/Jury	0

Total points 58.4

Highlights

Society:

< Strategic orientation in line with the core competence IT

Staff:

< Values and vision coherent, good code of conduct with whistle blowing, diversity commitment

Environment:

< B – very good environmental performance

Performance:

< Information on value management well expressed, principles, concepts and goals discussed

Lowlights

Society:

< Little networking within subjects, communications

Staff:

< No information on FTE, otherwise good human capital information

Performance:

< Total Shareholder Return below STOXX in the five-year analysis, low equity ratio

Carrefour S.A.

Country	France
Sector	Consumer Services
Address	92695 Levallois-Perret
www	carrefour.com

Ranking: 89 (120)

In country 18 (28)
In sector 9 (14)

Final grade: inadequate

Society	15.2
Staff	7.2
Environment	11.8
Performance	7.5
Correction/Jury	0

Total points 41.7

Highlights

Society:
< PACTE project using core competence, global management system, EPODE, internal evaluation using in-house system of indicators

Staff:
< Commitment to diversity, high percentage of disabled staff, training strongly encouraged

Environment:
< C1 – good communication with suppliers on environmental requirements

Performance:
< Very good depiction of strategy including both risks and the industrial environment in the definition of targets

Lowlights

Society:
< Little public communication

Staff:
< Value orientation rather weak, no HR strategy identifiable, little on commitment

Performance:
< Total Shareholder Return below STOXX in five-year comparison

CNP Assurance S.A.

Country	France
Sector	Financials
Address	91002 Evry
www	cnp.fr

Ranking: 73 (120)

In country 13 (28)
In sector 18 (32)

Final grade: inadequate

Society	8.0
Staff	12.8
Environment	8.0
Performance	17.9
Correction/Jury	0

Total points 46.7

Highlights

Society:
< Health as main subject, has strategic relevance

Staff:
< Commitment to flexible working – part-time, limited contracts, diversity promoted strongly

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX

Lowlights

Society:
< Narrow base, sponsorship, little corporate integration

Staff:
< No value orientation, no HR strategy identifiable, volunteering scarcely existent

Environment:
< C5 – staff not included in improving environmental performance

Commerzbank AG

Country	Germany
Sector	Financials
Address	60311 Frankfurt
www	commerzbank.de

Ranking: 59 (120)

In country 18 (39)
In sector 13 (32)

Final grade: average

Society	14.4
Staff	12.8
Environment	8.2
Performance	16.0
Correction/Jury	0

Total points 51.4

Highlights

Society:

< Very good CEO statement: complements core business, focus on SME issues, ideas laboratory, prize-winning journal, educational work, e.g. general financial knowledge

Staff:

< Commitment to vocational training, many diversity programmes, sophisticated flexible working options

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, great transparency on corporate governance

Lowlights

Society:

< Focus/visibility could be higher, hardly any staff participation

Staff:

< Model unclear, code of conduct under construction, remuneration only partially shown, no volunteering

Environment:

< A – almost no integration of environmental considerations into business processes

Performance:

< Low return on equity over three-year average

Continental AG

Country	Germany
Sector	Consumer Goods
Address	30165 Hannover
www	conti.de

Ranking: 93 (120)

In country 29 (39)
In sector 15 (24)

Final grade: inadequate

Society	1.6
Staff	10.4
Environment	8.0
Performance	20.2
Correction/Jury	0

Total points 40.2

Highlights

Staff:
< Corporate guidelines well developed, innovative distribution, strong profit-sharing, good health protection

Performance:
< Clearly outperformed the STOXX, well-formulated strategy with short and mid-term goals, increasing operating cash flow

Lowlights

Society:
< Last update 2001, no strategy and project reporting

Staff:
< Code of conduct seems unclear, no whistle blowing, good indicators but many gaps, no overview

Environment:
< C1/C4/E – no environmental requirements for suppliers, logistics processes not managed along environmental lines, practically no dialogue with stakeholders and no environmental cooperation programmes

Performance:
< Comparatively little data on corporate governance

Credit Agricole S.A.

Country	France
Sector	Financials
Address	75015 Paris
www	credit-agricole.fr

Ranking: 96 (120)

In country 21 (28)
In sector 26 (32)

Final grade: inadequate

Society	9.6
Staff	0.8
Environment	8.6
Performance	18.4
Correction/Jury	0

Total points 37.4

Highlights

Society:
< Local project from the company foundation

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, clear, well-formulated strategy, rising return on equity

Lowlights

Society:
< Few concrete project descriptions

Staff:
< Nothing about values, no HR strategy identifiable, poor data

Environment:
< A3/C4 – no recognised environmental management system, logistics processes are not managed along environmental lines

Performance:
< Comparatively little data on corporate governance

Credit Suisse Group

Country	Switzerland
Sector	Financials
Address	8070 Zurich
www	credit-suisse.com

Ranking: 77 (120)

In country 5 (8)
In sector 19 (32)

Final grade: inadequate

Society	12.2
Staff	8.8
Environment	12.8
Performance	11.2
Correction/Jury	5

Total points 45.0

Highlights

Society:
< Micro-credit funds

Staff:
< High commitment to social benefits include pension plan, strong emphasis on professional training

Environment:
< C2aa – significant energy savings were made as a result of projects in Swiss locations

Performance:
< Outperformed the STOXX, transparent reporting

Lowlights

Society:
< Sponsorship: heavy focus on Switzerland, suffers from loss of First Boston report

Staff:
< Value orientation and code of conduct rather vague, HR strategy not clearly identifiable

Performance:
< Cash flow volatile and dropping, little data on value management system

Daimler Chrysler AG

Country	Germany
Sector	Consumer Goods
Address	70567 Stuttgart
www	daimlerchrysler.com

Ranking: 44 (120)

In country 12 (39)
In sector 9 (24)

Final grade: average

Society	14.4
Staff	13.6
Environment	15.2
Performance	11.5
Correction/Jury	0

Total points 54.7

Highlights

Society:

< Intercultural projects, political work in the Southern hemisphere and Middle East.

Staff:

< HR strategy well developed, process- oriented, innovative flexible working programmes, group-wide diversity

Environment:

< C2a – extensive preparation of LCA for new components

Performance:

< Timely and complete financial reporting, well-formulated corporate strategy including both short and mid-term goals and the industrial environment

Lowlights

Society:

< Otherwise partly lacking in strategy and without a clear concept, interesting projects not sufficiently communicated (e.g. peace through trade)

Staff:

< A lot of padding on ethics and in reporting altogether, volunteering strategy lacking

Performance:

< Low operating margin, cash flow decreased over five years

Danone S.A.

Country	France
Sector	Consumer Goods
Address	75439 Paris
www	danone.com

Ranking: 7 (120)

In country 1 (28)
In sector 3 (24)

Final grade: good

Society	17.6
Staff	14.4
Environment	13.2
Performance	17.5
Correction/Jury	0

Total points 62.7

Highlights

Society:
< DANONE WAY: elaborate CSR management system with clear strategic direction, excellent report

Staff:
< Strong emphasis on training, commitment to employability, sophisticated volunteering programme

Environment:
< C3 – reduction of waste in products by reducing the weight of packaging

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, good depiction of the financial situation

Lowlights

Society:
< Little public relations work

Staff:
< Value orientation diffuse, code of conduct only for top management, no clear HR strategy

Environment:
< C5 – staff not involved in improving environmental performance

Performance:
< No quantification of the value management system

DBV-Winterthur Holding AG

Country	Switzerland
Sector	Financials
Address	8401 Winterthur
www	winterthur.com

Ranking: 102 (120)

In country 7 (8)
In sector 30 (32)

Final grade: inadequate

Society	9.6
Staff	6.4
Environment	1.8
Performance	13.9
Correction/Jury	0

Total points 31.7

Highlights

Society:
< Clear strategic focus: disabled people, SERVE corporate volunteering system, young drivers

Staff:
< Focus on internal networking, teamwork

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX

Lowlights

Society:
< Little external networking and public involvement

Staff:
< Values, etc. same as Credit Suisse, no HR strategy identifiable, nothing on diversity, etc.

Environment:
< Almost no environmental communications

Performance:
< Low return on equity over three-year average, comparatively little data on corporate governance

Deutsche Bahn AG

Country	Germany
Sector	Consumer Services
Address	10785 Berlin
www	db.de

Ranking: 62 (120)

In country 21 (39)
In sector 5 (14)

Final grade: average

Society	9.6
Staff	14.4
Environment	15.6
Performance	11.1
Correction/Jury	0

Total points 50.7

Highlights

Society:
< Coherent project selection, support for street children, trainees against racism, reflects everyday business issues

Staff:
< Excellent compliance with corruption report, sophisticated flexible working programmes

Environment:
< B – very good environmental performance, economic and ecological evaluation of environmental considerations

Performance:
< Increase in cash flow over 5 years, data on value management system

Lowlights

Society:
< Mostly sponsorship, basis too narrow, potential not realised

Staff:
< Little value orientation, technocratic overall, weak diversity performance, not much volunteering

Performance:
< Low operating margin, comparatively little data on corporate governance

Deutsche Bank AG

Country	Germany
Sector	Financials
Address	60325 Frankfurt
www	deutsche-bank.de

Ranking: 60 (120)

In country 19 (39)
In sector 14 (32)

Final grade: average

Society	12.6
Staff	8.6
Environment	14.2
Performance	15.7
Correction/Jury	-10

Total points 51.1

Highlights

Society:

< Extensive, partially strategic involvement, highly dynamic innovation (Common Purpose), very good international networking, Herrhausen Foundation promotes public dialogue

Staff:

< Commitment to diversity, many programmes and networks, volunteering also well developed

Environment:

< C1 – very good communication with suppliers on environmental requirements

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, great transparency in corporate governance

Lowlights

Society:

< Lack of visibility (7 dwarves problem), CEO statement not very strategic

Staff:

< Values, etc. not stringent, lot of padding, no whistle blowing identifiable, no HC management

Performance:

< No quantification of value management concept, low return on equity over three-year average

Deutsche Börse AG

Country	Germany
Sector	Financials
Address	60487 Frankfurt
www	deutsche-boerse.com

Ranking: 99 (120)

In country 31 (39)
In sector 27 (32)

Final grade: inadequate

Society	2.4
Staff	8.8
Environment	3.8
Performance	18.4
Correction/Jury	0

Total points 33.4

Highlights

Staff:
< Broad range of professional training, voluntary activities in Germany and abroad

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, high operating margin and increasing cash flow

Lowlights

Society:
< No reports, no strategic involvement beyond support for the arts

Staff:
< Mission and values extremely weak, no trainee programme, no diversity

Environment:
< Almost no environmental communication

Performance:
< No quantification of value management system

Deutsche Lufthansa AG

Country	Germany
Sector	Consumer Services
Address	60546 Frankfurt
www	lufthansa.com

Ranking: 45 (120)

In country 13 (39)
In sector 3 (14)

Final grade: average

Society	11.2
Staff	12.0
Environment	13.6
Performance	17.7
Correction/Jury	0

Total points 54.5

Highlights

Society:

< Focus on environmental protection (sometimes innovative), research into noise protection, etc.

Staff:

< Many diversity programmes, commitment to vocational training, sophisticated volunteering projects

Environment:

< D3 – AirRail project, long-term goal is to switch from short-haul flights to the railway

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, detailed and quantified depiction of value management system

Lowlights

Society:

< Little strategic significance/use of core competence

Staff:

< Value code rather vague, no proprietary code, sustainability report is extensive but badly structured

Performance:

< Low operating margin

Deutsche Post World Net

Country	Germany
Sector	Industrials
Address	53113 Bonn
www	dpwn.de

Ranking: 28 (120)

In country 10 (39)
In sector 2 (9)

Final grade: good

Society	16.8
Staff	15.2
Environment	14.4
Performance	11.8
Correction/Jury	0

Total points 58.2

Highlights

Society:
< Infrastructure for global crisis prevention with OCHA, core staff competencies well used, sabbaticals possible

Staff:
< Code of conduct well thought out, diversity shown in detail, commitment to volunteering

Environment:
< C1aa – DHL corporate uniform based on ecological criteria in line with Ökō-Text Standard 100

Performance:
< Very transparent financial reporting, outperformed the STOXX

Lowlights

Society:
< Little public communication of projects in Germany

Staff:
< Group values are rather sweeping, hardly any information on flexible working, no concrete data on retention

Performance:
< Comparatively low EBIT margin over three-year average

Deutsche Telekom AG

Country	Germany
Sector	Telecommunications
Address	53113 Bonn
www	telekom.de

Ranking: 23 (120)

In country 9 (39)
In sector 2 (6)

Final grade: good

Society	17.6
Staff	14.4
Environment	15.4
Performance	11.7
Correction/Jury	0

Total points 59.1

Highlights

Society:

< Strategic projects using core competencies, company foundation

Staff:

< Exemplary value management, remuneration well itemised, interesting social projects

Environment:

< B2/B3 – ecological and economical evaluation of direct environmental aspects

Performance:

< Well-formulated strategy dealing with both goals and the industrial environment

Lowlights

Society:

< Generally rather disparate, 7 dwarves problem

Staff:

< Diversity approach rather bureaucratic, part-time work dropped without explanation

Performance:

< Total Shareholder Return below the STOXX in the five-year analysis

Diageo plc

Country	England
Sector	Consumer Goods
Address	London W1G 0NB
www	diageo.com

Ranking: 9 (120)

In country 2 (15)
In sector 4 (24)

Final grade: good

Society	17.6
Staff	16.0
Environment	10.2
Performance	18.8
Correction/Jury	0

Total points 62.6

Highlights

Society:
< Strategic programmes on prevention: innovative campaigns in Asia and South Africa, City Partnership projects, LBG evaluation system

Staff:
< Good code of conduct with whistle blowing, exemplary volunteering commitment and diversity programme

Environment:
< D2 – on average 30% of the glass in a bottle is recycled glass

Performance:
< Outperformance in Total Shareholder Return compared to STOXX, high transparency on corporate governance with data on individual remuneration, responsibilities and shares held

Lowlights

Society:
< More public awareness of the work would be welcome

Staff:
< Values rather vague, no strategy on flexible working, reporting is extensive but rather woolly

Environment:
< C1a – no environmental requirements are made of suppliers (or they are not communicated)

Performance:
< Goals and concepts for value management are expressed but not in sufficient detail and without quantitative data to increase the measurability

Edeka Zentrale AG & Co.KG

Country	Germany
Sector	Consumer Goods
Address	22297 Hamburg
www	edeka.de

Ranking: 115 (120)

In country 37 (39)
In sector 21 (24)

Final grade: inadequate

Society	3.2
Staff	7.2
Environment	4.2
Performance	5.9
Correction/Jury	0

Total points 20.5

Highlights

Society:
< Sporadic sponsorship activities, quality management

Staff:
< Commitment to professional training and vocational training

Lowlights

Society:
< No projects found

Staff:
< Value orientation weak, no HR strategy identifiable, also nothing about diversity, flexible working, etc.

Environment:
< Hardly any environmental communication

Performance:
< No data on value management, low operating margin

Electricité de France

Country	France
Sector	Utilities
Address	75382 Paris
www	edf.com

Ranking: 90 (120)

In country 19 (28)
In sector 8 (8)

Final grade: inadequate

Society	3.2
Staff	12.0
Environment	15.4
Performance	10.7
Correction/Jury	0

Total points 41.3

Highlights

Society:
< Acts on important social problems

Staff:
< Many social programmes, including employability support, commitment to health and safety

Environment:
< D/E – active in developing ecological innovations, major financial support and very good dialogue with stakeholders and environmental cooperation programmes

Performance:
< High operating profit margin, very good depiction of strategy

Lowlights

Society:
< Classic sponsorship, little innovation

Staff:
< Value orientation vague, no HR strategy identifiable, diversity is a focus, but without strategy

Performance:
< Comparatively little data on corporate governance

Endesa S.A.

Country	Spain
Sector	Utilities
Address	28042 Madrid
www	endesa.es

Ranking: 56 (120)

In country 6 (6)
In sector 5 (8)

Final grade: average

Society	8.8
Staff	11.2
Environment	13.4
Performance	19.0
Correction/Jury	0

Total points 52.4

Highlights

Society:

< Sustainability management, good statements: involvement in line with core competencies and locations

Staff:

< Good social benefits including pension plan, commitment to health and safety

Environment:

< E – financial support for and good dialogue with stakeholders and environmental cooperation programmes

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, detailed information on corporate strategy including concrete targets

Lowlights

Society:

< Little reporting on projects, mostly sponsorship, hardly any CV reporting, management system not identifiable

Staff:

< Value orientation platitudinous, no code of conduct, nothing about diversity, flexible working

Performance:

< No quarterly reports and no international accounting standards

Enel S.p.A.

Country	Italy
Sector	Utilities
Address	00198 Rome
www	enel.it

Ranking: 41 (120)

In country 3 (7)
In sector 3 (8)

Final grade: average

Society	9.6
Staff	14.4
Environment	14.0
Performance	17.0
Correction/Jury	0

Total points 55.0

Highlights

Society:
 < Internal training programme on CSR

Staff:
 < HR strategy clearly defined with focus on human capital development, volunteering commitment

Environment:
 < A – very good integration of environmental considerations into business processes

Performance:
 < Outperformance in Total Shareholder Return compared to STOXX, high equity ratio and high margin

Lowlights

Society:
 < Disparate topics, few strategic projects

Staff:
 < Value orientation weak, flexible working policy non-existent, reporting extensive but incoherent

Environment:
 < C1 – no environmental requirements made of suppliers

Performance:
 < Comparatively little data on corporate governance

ENI S.p.A.

Country	Italy
Sector	Oil & Gas
Address	00144 Rome
www	eni.it

Ranking: 31 (120)

In country 2 (7)
In sector 4 (6)

Final grade: good

Society	9.6
Staff	10.4
Environment	15.2
Performance	22.1
Correction/Jury	0

Total points 57.3

Highlights

Society:

< Sponsorship strategy in place, management system, community orientation, health programme strategically justified

Staff:

< Commitment to health and safety, many professional training programmes

Environment:

< C1a – high environmental requirements made of suppliers

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, very transparent presentation of financial situation

Lowlights

Society:

< A lot of sponsorship, no CV reporting

Staff:

< Value orientation very vague, nothing about flexible working and volunteering

E.ON AG

Country	Germany
Sector	Utilities
Address	40479 Düsseldorf
www	eon.com

Ranking: 37 (120)

In country 11 (39)
In sector 2 (8)

Final grade: good

Society	12.0
Staff	12.0
Environment	10.6
Performance	21.8
Correction/Jury	0

Total points 56.4

Highlights

Society:
< Energy for children with CV, evaluation study on CV, management system under construction

Staff:
< Elaborate code with whistle blowing, safety and health well established, many indicators

Environment:
< D1 – R & D expense of €30 m as contribution to climate protection

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, great transparency in value management system and in value creation

Lowlights

Society:
< Rather defensive (“licence to operate”) than resource-oriented, choice of subjects hardly goes beyond sponsorship, few external partnerships and communications

Staff:
< Values seem slogan-like, diversity plans not yet ripe, little personnel development

Environment:
< A4a/C1 – no recognised environmental management system, no environmental requirements made of suppliers

Ericsson

Country	Sweden
Sector	Technology
Address	16483 Stockholm
www	ericsson.com

Ranking: 32 (120)

In country 1 (1)
In sector 1 (6)

Final grade: good

Society	18.4
Staff	15.2
Environment	12.6
Performance	11.1
Correction/Jury	0

Total points 57.3

Highlights

Society:
< Strategic project with roll-out in political work

Staff:
< Credible values, many social benefits including LTI, high priority for diversity

Environment:
< C2a – use of LCA to evaluate products before production

Performance:
< Good depiction of strategy, including both short-term targets and industrial environment

Lowlights

Staff:
< Code of conduct woolly, whistle blowing also, nothing about flexible working, few indicators

Performance:
< Total Shareholder Return below STOXX in five-year comparison

European Aeronautic Defence and Space Company EADS N.V.

Country	Netherlands
Sector	Industrials
Address	1119 PR Schiphol Rijk
www	eads.net

Ranking: 57 (120)

In country 3 (9)
In sector 5 (9)

Final grade: average

Society	9.6
Staff	13.6
Environment	12.6
Performance	16.1
Correction/Jury	0

Total points 51.9

Highlights

Society:
< Environmental commitment in core business

Staff:
< Excellent indicators, much individual data, commitment to training, safety

Environment:
< C4 – logistics processes are managed very much along environmental lines

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, good depiction of value management system with clearly defined goals

Lowlights

Society:
< Hardly any strategic projects, sponsorship, no volunteering

Staff:
< Code of ethics overloaded, no whistle blowing, no volunteering strategy, little commitment

Performance:
< Comparatively little data on corporate governance and low operating profit margin

Fiat S.p.A.

Country	Italy
Sector	Consumer Goods
Address	10126 Torino
www	fiatgroup.com

Ranking: 117 (120)

In country 7 (7)
In sector 22 (24)

Final grade: inadequate

Society	0.8
Staff	0.8
Environment	2.0
Performance	5.0
Correction/Jury	0

Total points 8.6

Highlights

< no decription

Lowlights

Staff:
< Rudimentary information for job applicants, otherwise no data or documents

Environment:
< Almost no environmental information

Performance:
< Total Shareholder Return below STOXX in five-year comparison, low profit margin

Fortis S.A./N.V.

Country	Netherlands
Sector	Financials
Address	1000 Brussels
www	fortis.com

Ranking: 67 (120)

In country 4 (9)
In sector 16 (32)

Final grade: average

Society	8.8
Staff	12.0
Environment	9.4
Performance	19.0
Correction/Jury	0

Total points 49.2

Highlights

Society:
< Establishment of a CSR management system in 2005

Staff:
< Strong commitment to and targets for diversity, networks, etc., very good FTE indicators

Performance:
< Outperformance in Total Shareholder Return compared to STOXX, logical description of strategy

Lowlights

Society:
< The fact that Africa is missing (despite business activities there) appears problematic, little innovation

Staff:
< Incoherent values, vague code of conduct without whistle blowing, no identifiable HR strategy

Environment:
< E – hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:
< Volatile cash flow, comparatively little data on corporate governance

France Télécom S.A.

Country	France
Sector	Telecommunications
Address	75505 Paris
www	francetelecom.com

Ranking: 76 (120)

In country 15 (28)
In sector 5 (6)

Final grade: average

Society	10.4
Staff	11.2
Environment	13.4
Performance	10.2
Correction/Jury	0

Total points 45.2

Highlights

- Society:
< Mobile phone for nomads, focus on innovation, high volume of donations
- Staff:
< HR policy in place, clear focus on health and career development, good training focal points
- Environment:
< C1 – good communication with suppliers on environmental requirements
- Performance:
< Increasing operating cash flow over five years, good depiction of strategy

Lowlights

- Society:
< Technology-heavy, somewhat disparate
- Staff:
< Values vague, no real code of conduct with whistle blowing, nothing about flexible working and volunteering
- Performance:
< Total Shareholder Return below STOXX in five-year comparison, no quantitative data on value management

Franz Haniel & Cie. GmbH

Country	Germany
Sector	Industrials
Address	47119 Duisburg
www	haniel.de

Ranking: 98 (120)

In country 30(39)
In sector 9 (9)

Final grade: inadequate

Society	11.2
Staff	5.6
Environment	5.0
Performance	14.2
Correction/Jury	5

Total points 36.0

Highlights

Society:
< Haniel Forum, grants, cross-cultural dialogue

Staff:
< Social responsibility exists, commitment to professional training

Performance:
< High equity ratio, good description of strategy, including industrial environment and short-term goals

Lowlights

Society:
< No group-wide management system, little strategic focus

Staff:
< No code of conduct, no clear HR strategy, nothing on diversity, flexible working, etc.

Environment:
< No communication of environmental aspects

Performance:
< Hardly any data on corporate governance

Fresenius Medical Care AG

Country	Germany
Sector	Health Care
Address	61346 Bad Homburg
www	fmc-ag.com

Ranking: 107 (120)

In country 33 (39)
In sector 8 (8)

Final grade: inadequate

Society	0.8
Staff	8.0
Environment	5.6
Performance	14.5
Correction/Jury	0

Total points 28.9

Highlights

Society:
< Foundation

Staff:
< Commitment to vocational training, many volunteering projects

Environment:
< C2a – product evaluation with LCA

Performance:
< Outperformance in Total Shareholder Return compared to STOXX, well- formulated strategy, growth in cash flow over five years

Lowlights

Society:
< No project reported, no strategic commitment

Staff:
< Reporting has gaps, no CSR report, no real values or codes, no diversity

Environment:
< A/B – almost no integration of environmental considerations into business processes, insufficient environmental performance

Performance:
< Comparatively little data on corporate governance

Glaxo-Smith-Kline plc

Country	England
Sector	Health Care
Address	Brentford TW8 9GS
www	gsk.com

Ranking: 50 (120)

In country 11 (15)
In sector 3 (8)

Final grade: average

Society	12.8
Staff	15.2
Environment	16.4
Performance	9.0
Correction/Jury	0

Total points 53.4

Highlights

Society:
< Clear strategic focus with huge budget, but mostly drug donations (mainly in USA)

Staff:
< Good code of conduct with whistle blowing, clear diversity policy with women's networks

Environment:
< C – excellent integration of environmental aspects along the value chain (suppliers, waste management, logistic processes, staff relevance)

Performance:
< High equity ratio and high operating profitability, detailed information on corporate governance

Lowlights

Society:
< Mainly sponsorship, 10-year plan and board member from prior years have disappeared

Staff:
< No clear HR strategy, nothing about flexible working and employability, despite staff cuts

Performance:
< Total Shareholder Return below STOXX in five-year comparison

Glencore International AG

Country	Switzerland
Sector	Basic Materials
Address	6341 Baar
www	glencore.com

Ranking: 120 (120)

In country 8 (8)
In sector 7 (7)

Final grade: inadequate

Society	0.0
Staff	0.0
Environment	0.0
Performance	1.5
Correction/Jury	0

Total points 1.5

Highlights

< no description

Lowlights

Environment:
< No communication of environmental aspects

Performance:
< No statement possible, information missing

HBOS plc

Country	Scotland
Sector	Financials
Address	Edinburgh EH1 1YZ
www	hbosplc.com

Ranking: 16 (120)

In country 1 (2)
In sector 4 (32)

Final grade: good

Society	13.6
Staff	16.0
Environment	13.8
Performance	17.6
Correction/Jury	0

Total points 61.0

Highlights

Society:
< Elaborate management system with direct access to the Managing Board, projects use the company's core competencies

Staff:
< Pragmatic ethics, interesting people strategy with clear leadership focus, strong diversity commitment

Environment:
< B3 – reduction of 106,000 tonnes of carbon emissions and attendant savings of £12.9 m

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, well-formulated description of corporate governance

Lowlights

Society:
< Little on networking and public relations work

Staff:
< Little on flexible working, no code of conduct with whistle blowing, few indicators

Performance:
< No quantification of the value management system

Henkel KGaA

Country	Germany
Sector	Consumer Goods
Address	40191 Düsseldorf
www	henkel.de

Ranking: 2 (120)

In country 2 (39)
In sector 1 (24)

Final grade: very good

Society	20.2
Staff	13.6
Environment	14.6
Performance	18.3
Correction/Jury	5

Total points 66.7

Highlights

Society:

< Elaborate volunteering system MIT/ Henkel Smile

Staff:

< Excellent volunteering commitment, many social benefits, commitment to diversity

Environment:

< D2 – for many years Henkel has been using ingredients based on renewable raw materials to improve product properties in a holistic manner

Performance:

< Very extensive explanation of the quantitative and qualitative principles and concepts of value creation, concrete value-oriented targets given

Lowlights

Society:

< Still heavily oriented towards charities and strategy not applied consistently

Staff:

< Values very woolly, no whistle blowing, little on opinion polls, one-way communications

Performance:

< No individual data on salaries and shares held by management

Hoffmann-La Roche AG

Country	Switzerland
Sector	Health Care
Address	4070 Basel
www	roche.com

Ranking: 17 (120)

In country 2 (8)
In sector 2 (8)

Final grade: good

Society	14.4
Staff	15.2
Environment	12.8
Performance	18.4
Correction/Jury	0

Total points 60.8

Highlights

Society:
< Elaborate management system with direct access to Managing Board, projects use company's core competencies

Staff:
< Clear group principles and code of conduct, commitment to diversity and personnel development

Environment:
< A5 – certified "Excellent" by BREEAM, a recognised award in Britain for sustainable building

Performance:
< Outperformance in Total Shareholder Return compared to STOXX, good equity ratio and high operating margin

Lowlights

Society:
< A lot of sponsorship, no CV reported

Staff:
< No HR strategy identifiable, volunteering measures in place but no strategy identifiable

Environment:
< E – hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:
< No concrete information on value management system related to mid- and long-term goals

HSBC Holding plc

Country	England
Sector	Financials
Address	London E14 5HQ
www	hsbc.com

Ranking: 30 (120)

In country 5 (15)
In sector 7 (32)

Final grade: good

Society	13.6
Staff	11.2
Environment	12.8
Performance	20.0
Correction/Jury	0

Total points 57.6

Highlights

Society:

< Active support for the United Nations discussions forums for the provision and promotion of micro-credits

Staff:

< Diversity commitment and targets in place, health as priority, good volunteering projects

Environment:

< A5 – winner of the 2005 “Green Power Leadership Award” from the US Department of Energy

Performance:

< Outperformance in Total Shareholder Return compared to STOXX, very good description of value management system including goals

Lowlights

Society:

< Strategic contribution not always visible

Staff:

< No real code (nevertheless, whistle blowing in place), little about flexible working

Performance:

< No quarterly reporting

Hypo Real Estate Holding AG

Country	Germany
Sector	Financials
Address	80538 München
www	hyporealestate.com

Ranking: 109 (120)

In country 35 (39)
In sector 31 (32)

Final grade: inadequate

Society	2.4
Staff	5.6
Environment	4.0
Performance	15.7
Correction/Jury	0

Total points 27.7

Highlights

Society:
< Statement of intention

Staff:
< Structured code with checklist for staff

Performance:
< Detailed information on strategy and short and mid-term goals including industrial environment, transparent financial reporting

Lowlights

Staff:
< Values rather confused, nothing about diversity, volunteering, vocational training, weak reporting

Environment:
< Barely any environmental communications

Performance:
< Low equity ratio over three-year average

Iberdrola S.A.

Country	Spain
Sector	Utilities
Address	48008 Bilbao
www	iberdrola.es

Ranking: 13 (120)

In country 4 (6)
In sector 1 (8)

Final grade: good

Society	13.6
Staff	13.6
Environment	16.8
Performance	18.0
Correction/Jury	0

Total points 62.0

Highlights

Society:

< “Luz no campo”, “Luz para todos”, rural energy project with high strategic relevance, extensive documentation, CV programmes, regional boards

Staff:

< Commitment to social benefits, strong support for women, flexible working arrangements well established

Environment:

< D1 – development of the economic use of hydrogen through participation in the European Hychain Project

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, good general financial performance

Lowlights

Society:

< Strategic value is not always clear

Staff:

< Code of conduct extremely vague, without whistle blowing, no HR strategy identifiable

Performance:

< Information on the value management system not very concrete

Infineon Technologies AG

Country	Germany
Sector	Technology
Address	81669 München
www	infineon.de

Ranking: 108 (120)

In country 34 (39)
In sector 5 (6)

Final grade: inadequate

Society	1.6
Staff	8.0
Environment	11.0
Performance	8.2
Correction/Jury	0

Total points 28.8

Highlights

Staff:
< Code is logical, breaches well followed up, volunteering projects in emergencies

Environment:
< C1 – good communications with suppliers on environmental requirements

Lowlights

Staff:
< Mission statement weak, no whistle blowing, no diversity strategy, information base weak

Environment:
< E – hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:
< Total Shareholder Return below STOXX in five-year comparison, operating loss over three-year average, no data on value management

ING Groep N.V.

Country	Netherlands
Sector	Financials
Address	1081 KL Amsterdam
www	ing.com

Ranking: 84 (120)

In country 6 (9)
In sector 22 (32)

Final grade: inadequate

Society	10.4
Staff	8.8
Environment	7.2
Performance	16.7

Correction/Jury	0
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Total points 43.1

Highlights

Society:
< Micro-credit programmes, Helmut Schmidt awards

Staff:
< Focus on diversity with own council, emphasis on creating learning culture

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, great transparency in corporate governance

Lowlights

Society:
< Little reporting on subsidiaries' activities

Staff:
< Values completely unclear, no code, no HR strategy identifiable, succession planning very vague

Environment:
< A/C5 – almost no integration of environmental considerations into business processes, no staff involvement in improving environmental performance

Performance:
< No quantification of value management system

ITM Entreprises S.A.

Country	France
Sector	Technology
Address	91078 Bondoufle
www	itmentreprises.fr

Ranking: 112 (120)

In country 26 (28)
In sector 6 (6)

Final grade: inadequate

Society	8.0
Staff	1.6
Environment	4.6
Performance	10.0
Correction/Jury	0

Total points 24.2

Highlights

Society:
< Company network is used as an asset

Staff:
< Code of conduct is in place (applicable to suppliers from Asia, however), commitment to training

Lowlights

Society:
< Mostly sponsorship

Staff:
< No HR strategy identifiable, nothing about diversity, flexible working, volunteering

Environment:
< Hardly any environmental communication

Performance:
< no statement possible, information missing

J. Sainsbury plc

Country	England
Sector	Consumer Services
Address	London EC1N 2HT
www	j-sainsbury.co.uk

Ranking: 49 (120)

In country 10 (15)
In sector 4 (14)

Final grade: average

Society	13.6
Staff	13.6
Environment	12.4
Performance	14.1
Correction/Jury	0

Total points 53.7

Highlights

Society:

< Active Kids, Get Cooking has great impact and strategic relevance

Staff:

< Focus on co-determination and retention, good HR crisis strategy, commitment to health

Performance:

< Outperformance in Total Shareholder Return compared to STOXX, good breakdown of salaries and responsibilities in company management

Lowlights

Society:

< Not very innovative otherwise, sponsorship

Staff:

< Little about values, no code of conduct identifiable, nothing about flexible working

Environment:

< A4a – no recognised environmental management system in place

Performance:

< No transparency in depiction of value management system

Koninklijke Ahold N.V.

Country	Netherlands
Sector	Consumer Services
Address	1019 GM Amsterdam
www	ahold.com

Ranking: 92 (120)

In country 8 (9)
In sector 10 (14)

Final grade: inadequate

Society	13.6
Staff	8.0
Environment	11.8
Performance	7.2
Correction/Jury	0

Total points 40.6

Highlights

Society:
< Food donations

Staff:
< Involvement with social activities, learning culture is emphasised

Performance:
< Transparent depiction of corporate governance, stable cash flows over five years

Lowlights

Society:
< Not very strategic, charity, few overarching topics

Staff:
< Values rather unclear, no code of conduct, no HR strategy identifiable

Environment:
< E – hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:
< Total Shareholder Return below STOXX in five-year comparison

Koninklijke Philips Electronics N.V.

Country	Netherlands
Sector	Consumer Goods
Address	1070 MX Amsterdam
www	philips.com

Ranking: 86 (120)

In country 7 (9)
In sector 14 (24)

Final grade: inadequate

Society	11.2
Staff	16.0
Environment	6.6
Performance	9.2
Correction/Jury	5

Total points 43.0

Highlights

Society:
< Community Involvement Programme with €9 m rather limited

Staff:
< Strong HR strategy, diversity and safety as focus, lots of mentoring and networking

Environment:
< C1 – good communication with suppliers on environmental requirements

Performance:
< Increasing operating cash flow over five years, timely reporting

Lowlights

Society:
< Innovative topics: enlightenment, preventive health care

Staff:
< Values rather nonsensical, nothing about flexible working, no volunteering strategy identifiable

Environment:
< C5 – no staff involvement in improving environmental performance

Performance:
< Total Shareholder Return below STOXX in five-year comparison, low operating margin

Lafarge S.A.

Country	France
Sector	Industrials
Address	75782 Paris
www	lafarge.com

Ranking: 26 (120)

In country 5 (28)
In sector 1 (9)

Final grade: good

Society	11.2
Staff	17.6
Environment	15.4
Performance	14.0
Correction/Jury	0

Total points 58.2

Highlights

Society:
< Integration of TI assessments in investment decisions, local activities, extensive quality management

Staff:
< Good code of conduct, concrete HR policies, focus on leadership, high priority on safety

Environment:
< C2a – LCA of products

Performance:
< Outperformed the STOXX, good financial performance

Lowlights

Society:
< Hardly any networking in society or public relations

Staff:
< No real whistle blowing, vague statements on employability (with over 5,000 redundancies)

Performance:
< No quarterly reports

Lidl Stiftung & Co. KG

Country	Germany
Sector	Consumer Goods
Address	74167 Neckarsulm
www	lidl.de

Ranking: 119 (120)

In country 39 (39)
In sector 24 (24)

Final grade: inadequate

Society	3.2
Staff	0.8
Environment	0.8
Performance	0.3
Correction/Jury	0

Total points 5.1

Highlights

Society:
< Low fat children's food, Dulano: meat with organic brand

Staff:
< Information available on vocational training

Lowlights

Staff:
< No value orientation identifiable, no HR strategy, nothing about diversity, volunteering, etc.

Environment:
< Almost no environmental communications

Performance:
< no statement possible, information missing

Linde AG

Country	Germany
Sector	Basic Materials
Address	65189 Wiesbaden
www	linde.com

Ranking: 20 (120)

In country 8 (39)
In sector 4 (7)

Final grade: good

Society	10.4
Staff	15.2
Environment	14.8
Performance	19.7
Correction/Jury	0

Total points 60.1

Highlights

Society:

< Clear strategic relevance (e.g. hydrogen, health, training for engineers)

Staff:

< Clear HR policy with basic values, good pension plan, well-developed incentives, commitment to trainees

Environment:

< E4 – sponsorship of research group at Kiel University on producing 'bio' hydrogen using micro algae

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, very good equity ratio

Lowlights

Society:

< Not very strategic, not very innovative, a lot of sponsorship, BOC Integration not used enough

Staff:

< No volunteering strategy to date, health measures appear fairly rudimentary

Performance:

< Imprecise information on the value management system and related concepts

Lloyds TSB Group plc

Country	England
Sector	Financials
Address	London EC2V 7HN
www	lloydstsb.com

Ranking: 91 (120)

In country 14 (15)
In sector 24 (32)

Final grade: inadequate

Society	8.0
Staff	12.8
Environment	11.4
Performance	8.7
Correction/Jury	0

Total points 40.9

Highlights

Society:

< Well-thought-out programmes

Staff:

< Structured HR strategy, wide-ranging commitment to diversity, women, disabled people, non-nationals

Performance:

< High return on equity, detailed information on corporate governance

Lowlights

Society:

< De facto referral to foundations remote from company, which disburse money, CR focus on quality management, mostly charity, not very innovative

Staff:

< Values barely identifiable, code could not be found, nothing about flexible working, hardly any indicators

Environment:

< E – hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:

< Total Shareholder Return below STOXX in five-year comparison, high fluctuations in cash flow over five years

L'Oréal S.A.

Country	France
Sector	Consumer Goods
Address	92117 Clichy
www	loreal.com

Ranking: 34 (120)

In country 6 (28)
In sector 7 (24)

Final grade: average

Society	17.6
Staff	13.6
Environment	13.8
Performance	11.7
Correction/Jury	0

Total points 56.7

Highlights

Society:
 < Hairdressers programme on AIDS information, black skin, women in science, clear strategic character

Staff:
 < Commitment to diversity, very good quantitative data, global network of training centres

Environment:
 < C5 – remuneration of environmental managers is linked to the company's environmental performance

Performance:
 < High equity ratio and high EBIT margin

Lowlights

Society:
 < Values and principles rather vague, nothing about flexible working, little on volunteering

Performance:
 < Total Shareholder Return below STOXX in five-year comparison, no quarterly reporting

Louis Vuitton Moët Hennessy S.A.

Country	France
Sector	Consumer Goods
Address	75008 Paris
www	lvmh.com

Ranking: 63 (120)

In country 8 (28)
In sector 12 (24)

Final grade: average

Society	6.4
Staff	8.8
Environment	15.2
Performance	19.9
Correction/Jury	0

Total points 50.3

Highlights

Society:

< Foundation activities for target groups

Staff:

< Emphasis on training, many interesting development programmes, massive diversity performance

Environment:

< C – excellent integration of environmental considerations along the value chain (suppliers, waste management, logistics processes, staff relevance)

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, clear growth in cash flow and profit margin

Lowlights

Society:

< Link to products not clear, sponsorship lacking overall strategy, for a luxury goods company potential is not fully realised

Staff:

< No code of conduct in place, no HR strategy identifiable, nothing about flexible working and volunteering

Performance:

< Comparatively little data on corporate governance

MAN AG

Country	Germany
Sector	Industrials
Address	80805 München
www	man.de

Ranking: 61 (120)

In country 20 (39)
In sector 6 (9)

Final grade: average

Society	5.6
Staff	14.4
Environment	12.2
Performance	18.7
Correction/Jury	0

Total points 50.9

Highlights

Society:

< Commitment to sustainability

Staff:

< Credible values, stringent code of conduct, strong training orientation, good diversity strategy

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, well-formulated value management both regarding quantitative targets and principles and concepts

Lowlights

Society:

< Surprising decline compared to previous years: change of strategy? CSR report not evaluated and out of date (2004 material)

Staff:

< No whistle blowing, working hours models underdeveloped, no volunteering strategy

Environment:

< C5 – staff not involved in improving environmental performance

Performance:

< Comparatively little data on corporate governance

Metro AG

Country	Germany
Sector	Consumer Services
Address	40235 Düsseldorf
www	metrogroup.de

Ranking: 85 (120)

In country 28 (39)
In sector 8 (14)

Final grade: inadequate

Society	13.6
Staff	11.8
Environment	8.4
Performance	9.3
Correction/Jury	-5

Total points 43.1

Highlights

Society:
< CSR management system, involvement in European Retail Round Table, strategic programmes in developing countries

Staff:
< Excellent HR strategy, performance-oriented and social, commitment to diversity, strong vocational training

Performance:
< Outperformed the STOXX, low volatility in operating cash flow

Lowlights

Society:
< A lot of sponsorship with sometimes limited business relevance and use of company's core competence

Staff:
< Code of conduct derived from corporate governance, no whistle blowing, reporting unstructured

Environment:
< C5 – no staff involvement in improving environmental performance

Performance:
< Negative cash flow development over five years

Münchner Rück AG

Country	Germany
Sector	Financials
Address	80802 München
www	munichre.com

Ranking: 79 (120)

In country 25 (39)
In sector 20 (32)

Final grade: average

Society	12.8
Staff	12.0
Environment	14.8
Performance	4.8
Correction/Jury	0

Total points 44.4

Highlights

Society:

< Interesting foundation work: GeoRisk research for NATHAN (Internet-based country database with geographic information, culture, natural disasters, risk information)

Staff:

< Many social benefits including pension plan, commitment to work and family, high trainee ratio

Environment:

< C2aa – evaluation and certification of total energy efficiency of buildings by Fraunhofer Institute

Performance:

< Good description of strategy including quantitative targets

Lowlights

Society:

< Too little connection to the company, hardly any public awareness of the activities

Staff:

< Diversity measures lacking (awareness exists), health/safety little discussed

Performance:

< Total Shareholder Return below STOXX in five-year comparison, low return on equity over three-years average, negative cash flow development over five years

Nestlé S.A.

Country	Switzerland
Sector	Consumer Goods
Address	1800 Vevey
www	nestle.com

Ranking: 38 (120)

In country 3 (8)
In sector 8 (24)

Final grade: average

Society	18.6
Staff	12.8
Environment	11.8
Performance	12.6
Correction/Jury	5

Total points 55.8

Highlights

Society:

< Traditional involvement, new programmes use core competence (cooperation with IFRC for “food calculator”, strategic approaches in LA, Common Code for the Coffee Community CCCC)

Staff:

< Ethical principles as part of business strategy, HR strategy emphasises support and staff development

Environment:

< C2a – Nestlé informs the public of its activities, including in environmental protection, in many ways

Performance:

< Outperformed the STOXX, stable high EBIT margin

Lowlights

Society:

< Benefit for the company only reflected abstractly (“sustainable profit”), very broad involvement with little focus, foundation is remote from company

Staff:

< Code of conduct not identifiable, little about volunteering

Performance:

< Little data on value management system

Nokia O.Y.J.

Country	Finland
Sector	Technology
Address	02150 Espoo
www	nokia.com

Ranking: 55 (120)

In country 1 (1)
In sector 2 (6)

Final grade: average

Society	16.8
Staff	12.8
Environment	13.0
Performance	10.0
Correction/Jury	0

Total points 52.6

Highlights

Society:

< Bridge-it uses core competence, extensive volunteering system with information on hours worked

Staff:

< Many social benefits including LTI, commitment to health and safety, good volunteering strategy

Environment:

< C1 – very good communication with suppliers on environmental requirements

Performance:

< Very timely financial reporting, transparency in corporate governance

Lowlights

Society:

< CSR report out of date (2004), too little public awareness

Staff:

< Values very vague, lots of overlaps, no HR strategy identifiable, reporting too general

Performance:

< Total Shareholder Return below STOXX in five-year comparison, drop in cash flow

Novartis AG

Country	Switzerland
Sector	Health Care
Address	4002 Basel
www	novartis.com

Ranking: 74 (120)

In country 4 (8)
In sector 5 (8)

Final grade: inadequate

Society	14.4
Staff	14.4
Environment	6.6
Performance	11.2
Correction/Jury	0

Total points 46.6

Highlights

Society:

< Novartis Institute for Tropical Diseases uses core competence, projects de facto aligned with strategy: Novartis is more intelligent than it admits to being

Staff:

< Well-founded ethical foundation, strong on whistle blowing, involvement in favour of living wage

Performance:

< High operating margin, good depiction of strategy with short and mid-term goals

Lowlights

Society:

< Moralising board statement sees CSR as a luxury and discredits strategic relevance

Staff:

< Diversity strategy not identifiable, volunteering also weak, reporting rather incoherent

Environment:

< C4/D – logistics processes not managed along environmental lines, no ecological innovations

Performance:

< Total Shareholder Return below STOXX in five-year comparison, hardly any data on value management system

Pinault-Printemps-Redoute S.A.

Country	France
Sector	Consumer Goods
Address	75381 Paris
www	ppr.com

Ranking: 103 (120)

In country 23 (28)
In sector 17 (24)

Final grade: inadequate

Society	4.8
Staff	8.0
Environment	10.0
Performance	8.4
Correction/Jury	0

Total points 31.2

Highlights

Society:
 < SolidarCité association, focus on staff

Staff:
 < HR strategy in place, focus on opportunities for all and diversity, training as priority

Performance:
 < Transparent value management system with defined goals

Lowlights

Society:
 < Little reporting, no strategic involvement

Staff:
 < Values tend to be self-referential, no code of conduct identifiable, nothing about flexible working

Performance:
 < Total Shareholder Return below STOXX in five-year comparison, no quarterly reporting

Prudential plc

Country	England
Sector	Financials
Address	London EC4R 0HH
www	prudential.co.uk

Ranking: 95 (120)

In country 15 (15)
In sector 25 (32)

Final grade: inadequate

Society	12.0
Staff	6.4
Environment	13.2
Performance	6.3
Correction/Jury	0

Total points 37.9

Highlights

Society:
 < Partnership with Human Rights Campaign, corporate volunteering

Staff:
 < Volunteering as strong focus, many programmes and awards, diversity also a focus

Environment:
 < B3 – economic assessment of direct environmental aspects

Performance:
 < Detailed depiction of corporate governance

Lowlights

Society:
 < Overall involvement not very innovative or strategic

Staff:
 < Values rather nonsensical, little whistle blowing despite code of conduct, nothing about flexible working

Performance:
 < Total Shareholder Return below STOXX in five-year comparison

PSA Peugeot Citroën

Country	France
Sector	Consumer Goods
Address	75116 Paris
www	psa-peugeot-citroen.com

Ranking: 104 (120)

In country 24 (28)
In sector 18 (24)

Final grade: inadequate

Society	1.6
Staff	15.2
Environment	5.8
Performance	7.8
Correction/Jury	0

Total points 30.4

Highlights

Society:
 < CO₂ strategy

Staff:
 < Extensive code of conduct, huge priority for diversity, many programmes and figures

Performance:
 < Very good description of strategy and industrial environment

Lowlights

Society:
 < No social responsibility activities reported

Staff:
 < No clear values, no HR strategy identifiable, nothing about volunteering

Environment:
 < C – no environmental aspects along the value chain (suppliers, waste management, logistics processes, staff)

Performance:
 < Total Shareholder Return below STOXX in five-year comparison, low operating margin

Publicis Groupe S.A.

Country	France
Sector	Consumer Services
Address	75008 Paris
www	publicis.fr

Ranking: 106 (120)

In country 25 (28)
In sector 11 (14)

Final grade: inadequate

Society	10.4
Staff	7.2
Environment	2.0
Performance	10.0
Correction/Jury	0

Total points 29.6

Highlights

Society:
< Global Fund and national pro bono projects (250) reach key customers

Staff:
< Focus on knowledge transfer and training, volunteering is supported, many projects

Performance:
< Outperformed the STOXX

Lowlights

Society:
< Direct participation in Global Fund activities unclear

Staff:
< Values rather confused, no HR strategy identifiable

Environment:
< Almost no environmental communication

Performance:
< Poor transparency in financial reporting

Rallye S.A.

Country	France
Sector	Consumer Services
Address	75008 Paris
www	rallye.fr

Ranking: 114 (120)

In country 27 (28)
In sector 13 (14)

Final grade: inadequate

Society	1.6
Staff	7.2
Environment	6.0
Performance	6.1
Correction/Jury	0

Total points 20.9

Highlights

Staff:
 < Focus on diversity, professional training and social security, training as important priority

Lowlights

Staff:
 < Nothing about values, no code of conduct, nothing about flexible working and volunteering

Environment:
 < D/E – no ecological innovations at all, practically no dialogue with stakeholders and environmental cooperation programmes

Performance:
 < Total Shareholder Return below STOXX in five-year comparison

Renault S.A.

Country	France
Sector	Consumer Goods
Address	75008 Paris
www	renault.com

Ranking: 54 (120)

In country 7 (28)
In sector 11 (24)

Final grade: average

Society	12.0
Staff	12.0
Environment	10.6
Performance	18.2
Correction/Jury	1

Total points 52.8

Highlights

Society:

< Focus on security: internally through R & D, externally by training and information programme on road safety, use of product knowledge

Staff:

< Concrete declaration of workers' rights, good protection mechanisms, strong commitment to diversity

Environment:

< C2a – LCA of products

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, very good description of strategy and industrial environment

Lowlights

Staff:

< Code of conduct woolly, no whistle blowing, little on health and safety

Environment:

< C4/C3 – logistics processes are not managed along environmental lines, no waste management or indicators

Performance:

< Comparatively little data on corporate governance, no quarterly reporting

Repsol YPF S.A.

Country	Spain
Sector	Oil & Gases
Address	28046 Madrid
www	repsolypf.com

Ranking: 10 (120)

In country 2 (6)
In sector 1 (6)

Final grade: good

Society	16.8
Staff	12.8
Environment	13.0
Performance	20.0
Correction/Jury	0

Total points 62.6

Highlights

Society:

< Innovative programmes: stakeholder analysis, "Energia Solidaria": rural energy supply to socially underprivileged areas, "Andres Rural Tourism Network": regional tourism concepts for rural areas of developing countries

Staff:

< Detailed code of conduct, good indicators, also on salaries, many added benefits

Environment:

< D4 – investment of approx. €240 m in environmental measures (2003)

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, well-formulated strategy

Lowlights

Society:

< Strategic value not always clear

Staff:

< No external whistle blowing, detailed reporting but not very coherent

Environment:

< C1a – no environmental requirements made of suppliers (or they are not communicated)

Performance:

< Depiction of remuneration system not very detailed

REWE-Zentral AG

Country	Germany
Sector	Consumer Goods
Address	50668 Köln
www	rewe.de

Ranking: 105 (120)

In country 32 (39)
In sector 19 (24)

Final grade: inadequate

Society	6.4
Staff	11.2
Environment	4.8
Performance	7.8
Correction/Jury	-5

Total points 30.2

Highlights

Society:
< Focus on food activities, activities communicated internally, staff encouraged to participate

Staff:
< Commitment to protection at work and health, social benefits such as pension plan

Lowlights

Society:
< Disparate topics, mostly sponsorship, little public communication

Staff:
< Technocratic role model, no code of conduct, no identifiable HR strategy

Environment:
< A3/B – no recognised environmental management system, inadequate environmental performance

Performance:
< Poor transparency in financial reporting, no data on corporate governance

Rio Tinto plc

Country	England
Sector	Basic Materials
Address	London SW1Y 4LD
www	riotinto.com

Ranking: 27 (120)

In country 4 (15)
In sector 5 (7)

Final grade: good

Society	13.6
Staff	8.0
Environment	15.4
Performance	21.2
Correction/Jury	0

Total points 58.2

Highlights

Society:
< Local involvement: 5-year plan for each branch: assessment – consultation – assistance

Staff:
< Strong emphasis on health and safety, very good coordination, many personnel development measures

Environment:
< E – strong financial support and very good dialogue with stakeholders and environmental cooperation programmes

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, good financial performance

Lowlights

Society:
< Little cooperation between projects, apart from UK and Australia

Staff:
< No clear values, no HR strategy, diversity limited to aborigines in Australia

Performance:
< Goals missing in value management system

Robert Bosch GmbH

Country	Germany
Sector	Consumer Goods
Address	70049 Stuttgart
www	bosch.de

Ranking: 18 (120)

In country 6 (39)
In sector 6 (24)

Final grade: good

Society	17.0
Staff	15.2
Environment	15.0
Performance	13.4
Correction/Jury	5

Total points 60.6

Highlights

Society:
< Foundation generates broad awareness for social topics, Young researchers award has strategic relevance

Staff:
< Strong ethical orientation, high priority for values, many social benefits including pension plan

Environment:
< B3 – an economic assessment of the direct environmental aspects was carried out

Performance:
< Good description of strategy, which represents a series of logical steps to attain short-term goals; industrial environment analysed at the same time, high equity ratio

Lowlights

Society:
< Few links to operational work/use of company potential, little networking in community, disparate topics without strategic focus

Staff:
< No code of conduct with whistle blowing, volunteering involvement still at early stage

Performance:
< Too general information on corporate governance, no detailed explanation of value management system

Royal Bank of Scotland plc

Country	Scotland
Sector	Financials
Address	Edinburgh EH2 2YE
www	rbs.com

Ranking: 42 (120)

In country 2 (2)
In sector 10 (32)

Final grade: average

Society	15.2
Staff	17.6
Environment	10.2
Performance	11.9
Correction/Jury	0

Total points 54.9

Highlights

Society:
< High strategic value of projects: face2face with finance, money matters, staff involvement reported in detail

Staff:
< Concrete values, good code of conduct with whistle blowing, security of employment as priority

Performance:
< Outperformance in Total Shareholder Return compared to STOXX, good description of strategy

Lowlights

Society:
< No clear HR strategy, more recruiting than retention-oriented

Environment:
< D – no ecological innovations at all

Performance:
< High fluctuations in cash flow over five years, no quantitative data on value management system

Royal Dutch Shell plc

Country	Netherlands
Sector	Oil & Gases
Address	2501 Den Haag
www	shell.com

Ranking: 43 (120)

In country 2 (9)
In sector 6 (6)

Final grade: average

Society	17.6
Staff	14.4
Environment	12.2
Performance	10.5
Correction/Jury	0

Total points 54.7

Highlights

Society:

< Exemplary communications and investment in local sites

Staff:

< Effective action against bribery, very good whistle blowing, many opportunities for professional development

Environment:

< D2 – investments of over €1 bn in renewable energy

Performance:

< Concepts and targets of value management system very well integrated into corporate strategy

Lowlights

Society:

< Little cooperation between projects, hardly any public impact

Staff:

< Business principles rather vague, no clear HR strategy, rather technocratic approach

Environment:

< C4 – logistics processes are not managed along environmental lines

Performance:

< Total Shareholder Return below STOXX in five-year comparison

RWE AG

Country	Germany
Sector	Utilities
Address	45128 Essen
www	rwe.com

Ranking: 46 (120)

In country 14 (39)
In sector 4 (8)

Final grade: average

Society	9.6
Staff	11.0
Environment	14.8
Performance	19.1
Correction/Jury	-5

Total points 54.5

Highlights

Society:

< Internal CSR management system, corporate volunteering

Staff:

< Transparent remuneration including LTI, excellent vocational training, diversity commitment in place

Environment:

< E – financial support for and good dialogue with stakeholders and environmental cooperation programmes

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, great transparency in value management

Lowlights

Society:

< Hardly any strategic projects, transfer to foundation with no business connection

Staff:

< Values arbitrary, no volunteering strategy identifiable

Environment:

< C5 – no staff involvement in improving environmental performance

Saint-Gobain S.A.

Country	France
Sector	Industrials
Address	92400 Courbevoie
www	saint-gobain.com

Ranking: 75 (120)

In country 14 (28)
In sector 8 (9)

Final grade: inadequate

Society	8.0
Staff	13.6
Environment	6.8
Performance	17.0
Correction/Jury	0

Total points 45.4

Highlights

Society:

< Compliance-oriented

Staff:

< Focus on training and diversity, emphasis on retention, priority integration of disabled staff

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, stable growth in cash flow

Lowlights

Society:

< Very narrow base for the sector, not very strategic or innovative

Staff:

< Arbitrary values, no real code of conduct, volunteering only exists indirectly

Environment:

< B/E – inadequate environmental performance, hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:

< Comparatively little data on corporate governance

Sanofi Aventis S.A.

Country	France
Sector	Health Care
Address	75013 Paris
www	sanofi-aventis.com

Ranking: 15 (120)

In country 2 (28)
In sector 1 (8)

Final grade: good

Society	17.6
Staff	13.6
Environment	13.0
Performance	16.9
Correction/Jury	0

Total points 61.1

Highlights

Society:

< Train of life, sponsoring spin-offs, DIESE, Orphanet/Orphanexchange

Staff:

< Code of ethics covers essential areas, commitment to training and safety, diversity

Environment:

< A5 – received the award “Highlight of the Environmental Alliance in Hesse” for excellent environmental commitment in integrating environmental factors into the company

Performance:

< High equity ratio and high EBIT margin

Lowlights

Society:

< No management system, little public response to the projects

Staff:

< Values rather vague, little on flexible working strategy (but good info on part-time work and short-term contracts)

Environment:

< E – hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:

< Total Shareholder Return below the STOXX in the five-year analysis, too little information on value management

San Paolo IMI S.p.A.

Country	Italy
Sector	Financials
Address	10121 Torino
www	sanpaolo.com

Ranking: 51 (120)

In country 4 (7)
In sector 11 (32)

Final grade: average

Society	17.6
Staff	15.2
Environment	10.0
Performance	10.5
Correction/Jury	0

Total points 53.3

Highlights

Society:

< Exemplary involvement in regions with clear strategic advantage, excellent report, externally evaluated, optimised in dialogue with CC Master class, micro-credit programme in Italy, financial literacy and integration programmes for underprivileged groups (e.g. facilitating house purchase)

Staff:

< Emphasis on diversity and training, many social benefits, good part-time strategy

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, good depiction of strategy

Lowlights

Staff:

< Values rather confused, code of ethics vague, no HR strategy identifiable

Environment:

< E – hardly any dialogue with stakeholders and environmental cooperation programmes

Performance:

< Cash flow dropped over five years

SAP AG

Country	Germany
Sector	Technology
Address	69190 Walldorf
www	sap.de

Ranking: 69 (120)

In country 22 (39)
In sector 4 (6)

Final grade: average

Society	10.4
Staff	18.6
Environment	2.0
Performance	17.2
Correction/Jury	5

Total points 48.2

Highlights

Society:
< Clear focus on education and governance, university network a clear win-win, LEGO project for school children

Staff:
< Many flexible working and professional education arrangements, work-life balance commitment in place

Performance:
< Outperformed the STOXX, high EBIT margin and growth in cash flow over five years, detailed information on corporate governance

Lowlights

Society:
< Narrow base, sponsorship still poorly integrated into overall concept, guidelines rather normative, few social projects reported

Staff:
< Code of conduct detailed but without external whistle blowing, volunteering strategy missing

Environment:
< Almost no environmental communication

Performance:
< Value management system and goals not quantified

Schering AG

Country	Germany
Sector	Health Care
Address	13353 Berlin
www	schering.de

Ranking: 52 (120)

In country 16 (39)
In sector 4 (8)

Final grade: average

Society	8.8
Staff	12.8
Environment	12.0
Performance	19.5
Correction/Jury	0

Total points 53.1

Highlights

Society:
< Strategic focus on population development

Staff:
< Concrete values, excellent depiction of individual social expenditure, wide range of benefits

Environment:
< B2 – ecological and economic assessment of environmental factors

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, high profit margin, transparent depiction of strategy and goals

Lowlights

Society:
< Mostly sponsorship, no corporate volunteering reported

Staff:
< Code of values woolly, weak whistle blowing, no diversity strategy

Environment:
< C5 – no staff involvement in improving environmental performance

Performance:
< Value management system not quantified

Siemens AG

Country	Germany
Sector	Industrials
Address	80333 München
www	siemens.de

Ranking: 53 (120)

In country 17 (39)
In sector 4 (9)

Final grade: average

Society	10.4
Staff	12.8
Environment	12.8
Performance	16.8
Correction/Jury	0

Total points 52.8

Highlights

Society:

< Educational projects in UK, computers help to heal and live

Staff:

< Many social benefits, commitment to vocational training, exporting dual system of recycling, strong diversity

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, great transparency in value management

Lowlights

Society:

< Mostly sponsorship, no lead projects, miscellaneous, little innovation or strategic focus

Staff:

< Role model and vision very vague, code without clear whistle blowing, large gaps in reporting

Environment:

< C1 – no environmental requirements of suppliers

Performance:

< Low operating margin, drop in cash flow over five years

Société Generale S.A.

Country	France
Sector	Financials
Address	75009 Paris
www	societegenerale.fr

Ranking: 68 (120)

In country 12 (28)
In sector 17 (32)

Final grade: average

Society	5.6
Staff	11.2
Environment	14.8
Performance	16.9
Correction/Jury	0

Total points 48.5

Highlights

Society:

< Foundation being set up

Staff:

< Values clearly articulated, well-structured HR policy, strong commitment to diversity

Environment:

< C4 – logistics processes are very environmentally managed

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX

Lowlights

Society:

< Strategy not clear, sponsorship has low budget, abstract statement without win-win, extensive report (102 pages) with few concrete reports

Staff:

< No code of conduct, nothing about volunteering and flexible working

Performance:

< Value management system and goals not quantified

Société National de Chemins de fer Luxembourgeois

Country	Luxembourg
Sector	Consumer Services
Address	1616 Luxembourg
www	cfl.lu

Ranking: 113 (120)

In country 2 (2)
In sector 12 (14)

Final grade: inadequate

Society	0.8
Staff	2.4
Environment	11.8
Performance	6.6
Correction/Jury	0

Total points 21.6

Highlights

Staff:
< Information on professional training and profile analysis

Lowlights

Staff:
< Nothing about values, HR strategy, diversity, etc.

Environment:
< C2a – no information on the subject of facility management

Performance:
< Low return on operations, poor transparency in financial reporting

Statoil ASA

Country	Norway
Sector	Oil & Gases
Address	4035 Stavanger
www	statoil.no

Ranking: 22 (120)

In country 1 (1)
In sector 3 (6)

Final grade: good

Society	13.6
Staff	12.8
Environment	13.4
Performance	19.9
Correction/Jury	0

Total points 59.7

Highlights

Society:

< Strategic significance of neighbourhood committee, Akassa project

Staff:

< Credible values, good communications campaign, commitment to vocational and professional training

Environment:

< D – active in developing ecological innovations

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, the company's strategic concept is very well presented

Lowlights

Society:

< Little public communication

Staff:

< No identifiable HR strategy, nothing about volunteering, flexible working weak

Environment:

< A4a – no recognised environmental management system

Performance:

< No quantification of the value management system

SUEZ S.A.

Country	France
Sector	Utilities
Address	75383 Paris
www	suez.fr

Ranking: 64 (120)

In country 9 (28)
In sector 6 (8)

Final grade: average

Society	12.0
Staff	13.6
Environment	15.0
Performance	9.5
Correction/Jury	0

Total points 50.1

Highlights

Society:
< Aquassistance/Electroassistance with staff involvement

Staff:
< HR policy with clear focal points in change management and diversity, priority for training

Environment:
< E – financial support and good dialogue with stakeholders and environmental cooperation programmes

Performance:
< Low volatility of cash flow, detailed documentation of value management system

Lowlights

Society:
< Otherwise a lot of classic sponsorship, foundation accepting requests for funding

Staff:
< Values rather confused, no real code of conduct, little about flexible working

Performance:
< Total Shareholder Return below STOXX in five-year comparison

Telecom Italia S.p.A.

Country	Italy
Sector	Telecommunications
Address	20123 Milano
www	telecomitalia.it

Ranking: 81 (120)

In country 5 (7)
In sector 6 (6)

Final grade: inadequate

Society	8.8
Staff	10.4
Environment	12.6
Performance	12.0
Correction/Jury	0

Total points 43.8

Highlights

- Society:
< Many projects with local connection
- Staff:
< Focus on training and personnel development, good activities for health and safety
- Environment:
< C1 – good communication with suppliers on environmental requirements
- Performance:
< High EBIT margin, transparent depiction of value management system and strategy with quantified goals

Lowlights

- Society:
< Completely unstructured, no overall strategy identifiable
- Staff:
< Values very diffuse, weak code of ethics, no identifiable HR strategy, nothing about flexible working
- Performance:
< Total Shareholder Return below STOXX in five-year comparison

Telefónica S.A.

Country	Spain
Sector	Telecommunications
Address	28013 Madrid
www	telefonica.es

Ranking: 5 (120)

In country 1 (6)
In sector 1 (6)

Final grade: good

Society	16.0
Staff	16.8
Environment	16.0
Performance	14.6
Correction/Jury	0

Total points 63.4

Highlights

Society:
< Strategic reorganisation of the foundation in 2006

Staff:
< HR strategy with focal points performance orientation, personnel development and diversity

Environment:
< D3 – “One bill, one tree”, planting a tree for every customer opting for electronic invoices

Performance:
< Outperformance compared to STOXX, detailed description of strategy taking account of industrial environment

Lowlights

Society:
< Few concrete projects reported

Staff:
< Values rather woolly, diversity has high priority but no targets, reporting rather incoherent

Performance:
< Integrating value management in the company has begun, but has not yet been sufficiently well formulated

Tengelmann Group

Country	Germany
Sector	Consumer Goods
Address	45478 Mülheim a. d. Ruhr
www	tengelmann.de

Ranking: 111 (120)

In country 36 (39)
In sector 20 (24)

Final grade: inadequate

Society	4.8
Staff	4.8
Environment	13.2
Performance	3.5
Correction/Jury	5

Total points 26.3

Highlights

Society:
< Environmental commitment, support for soup kitchens

Staff:
< Strong commitment to vocational training, many professional training programmes

Lowlights

Society:
< No strategic character, no innovation

Staff:
< Little concrete information on values, no code of conduct, HR strategy seems condescending

Environment:
< B – inadequate environmental performance

Performance:
< Poor transparency in financial reporting

Tesco plc

Country	England
Sector	Consumer Services
Address	Cheshont EN8 9SL
www	tesco.com

Ranking: 39 (120)

In country 8 (15)
In sector 2 (14)

Final grade: average

Society	12.0
Staff	10.4
Environment	16.6
Performance	16.5
Correction/Jury	0

Total points **55.5**

Highlights

Society:
 < CSR mostly as quality management, large financial volume

Staff:
 < Commitment to disabled people and vocational training, priority for lifelong learning

Environment:
 < D3 – collection of 59 million Christmas cards for recycling

Performance:
 < Clear outperformance in Total Shareholder Return compared to STOXX, high equity ratio

Lowlights

Society:
 < Sponsorship, not very innovative themselves

Staff:
 < Values only customer related, lots of slogans, no code of conduct, no HR strategy identifiable

Performance:
 < No quarterly reporting and no timely financial reporting

Thyssen Krupp AG

Country	Germany
Sector	Industrials
Address	40001 Düsseldorf
www	thyssenkrupp.de

Ranking: 70 (120)

In country 23 (39)
In sector 7 (9)

Final grade: average

Society	8.0
Staff	8.8
Environment	12.6
Performance	18.6
Correction/Jury	0

Total points 48.0

Highlights

Society:

< Educational projects to introduce young people to the company: knowledge factory, regional research competitions, extensive activities in the foundations

Staff:

< Many social benefits including pension plans, strong commitment to vocational training and volunteering

Performance:

< Clear outperformance in Total Shareholder Return compared to STOXX, very good depiction of value management by explaining concepts with qualitative and quantitative goals

Lowlights

Society:

< Hardly any connection to company strategy, little networking

Staff:

< Value orientation not concrete (code?), diversity strategy lacking, little about flexible working

Environment:

< C4 – logistics processes are not organised along environmental lines

Performance:

< Relatively low profit margin

Total S.A.

Country	France
Sector	Oil & Gases
Address	92400 Courbevoie
www	total.com

Ranking: 21 (120)

In country 3 (28)
In sector 2 (6)

Final grade: good

Society	13.6
Staff	15.2
Environment	13.6
Performance	17.6
Correction/Jury	0

Total points 60.0

Highlights

Society:
< The Local Community Guide, CAPs, restructuring when factories are shut; network of SMEs in host countries

Staff:
< Clear HR strategy with focal points in health, fair pay and equality of opportunity, good indicators

Environment:
< B2 – ecological assessment of environmental aspects (“biodiversity footprint”)

Performance:
< Outperformance in Total Shareholder Return compared to STOXX, good operating profitability

Lowlights

Society:
< Little in the way of public relations and communication

Staff:
< Values very vague, no whistle blowing, HR strategy not identifiable, nothing about volunteering

Performance:
< No quantification of the value management system

TUI AG

Country	Germany
Sector	Consumer Services
Address	30625 Hannover
www	tui-group.com

Ranking: 72 (120)

In country 24 (39)
In sector 6 (14)

Final grade: inadequate

Society	10.4
Staff	11.2
Environment	17.8
Performance	7.5
Correction/Jury	0

Total points 46.9

Highlights

Society:
< Project against child abuse with ECPAT, "Fit for the job application"

Staff:
< Strong on social benefits, pension plan, early retirement, interesting volunteering projects

Environment:
< B/E – very good environmental performance, financial support for and very good dialogue with stakeholders and environmental cooperation programmes

Lowlights

Society:
< Society:
Mainly sponsorship, distracted by 7 dwarves problem (167-page report), not very innovative, hardly any staff involvement, ECPAT project not well enough known

Staff:
< Ethical principles vague (code?), commitment strategy unclear, reporting not linked together

Performance:
< Total Shareholder Return below STOXX in five-year comparison, low profit margin, sinking cash flows

UBS AG

Country	Switzerland
Sector	Financials
Address	8098 Zurich
www	ubs.com

Ranking: 6 (120)

In country 1 (8)
In sector 1 (32)

Final grade: good

Society	12.2
Staff	15.2
Environment	15.0
Performance	20.5
Correction/Jury	5

Total points 62.9

Highlights

Society:
< Optimus Foundation integrated into sales, Financial Academy in Australia

Staff:
< Diversity and fairness as priorities, clear commitment to volunteering, good indicators

Environment:
< D1 – set up a new online research portal: ecological risks in over 60 economic sectors can be better identified

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, generally very transparent presentation of the financial situation

Lowlights

Society:
< No overall focus identifiable

Staff:
< No real whistle blowing, no identifiable HR strategy, little about health and safety

Performance:
< No quantification of the value management system

Uni Credito Group

Country	Italy
Sector	Financials
Address	20123 Milano
www	unicreditgroup.eu

Ranking: 29 (120)

In country 1 (7)
In sector 6 (32)

Final grade: good

Society	14.4
Staff	13.6
Environment	13.6
Performance	16.5
Correction/Jury	0

Total points 58.1

Highlights

Society:

< Regional programmes with valuable contributions for the local offices, Itaka journal

Staff:

< Values clearly articulated and coherent, strong focus on training and commitment, good indicators

Environment:

< C4 – logistics processes organised along very environmental lines

Performance:

< Clearly outperformed the STOXX, clear depiction of strategy, explanation of value management system

Lowlights

Society:

< Mostly unconnected choice of topics in subsidiaries HVB BA, etc., no overall management system identifiable, mostly sponsorship

Staff:

< No identifiable whistle blowing, little on diversity and flexible working (except for family and work)

Performance:

< Comparatively little data on corporate governance

Unilever N.V.

Country	Netherlands
Sector	Consumer Goods
Address	3013 AL Rotterdam
www	unilever.com

Ranking: 71 (120)

In country 5 (9)
In sector 13 (24)

Final grade: inadequate

Society	12.6
Staff	12.8
Environment	13.8
Performance	8.0
Correction/Jury	-5

Total points 47.2

Highlights

Society:
< Exemplary involvement in India and BOP countries

Staff:
< HR strategy strongly change-oriented at a time of restructuring, priority for health

Environment:
< C2a – LCA of products

Performance:
< Description of value management system

Lowlights

Society:
< Too regionally limited for a global group, hardly any staff integration/volunteering reported

Staff:
< Values rather woolly, whistle blowing incomplete, little about professional training

Performance:
< Total Shareholder Return below STOXX in five-year comparison

Veolia Environment S.A.

Country	France
Sector	Utilities
Address	75116 Paris
www	veoliaenvironment.com

Ranking: 87 (120)

In country 17 (28)
In sector 7 (8)

Final grade: inadequate

Society	9.6
Staff	13.6
Environment	13.8
Performance	5.4
Correction/Jury	0

Total points 42.4

Highlights

Society:

< Reports informing staff how they are developing in their working environment

Staff:

< Clear HR policy, strong focus on indicators, with priorities for know-how transfer and mentoring

Environment:

< E – financial support and very good dialogue with stakeholders and environmental cooperation programmes

Performance:

< Good description of value management system

Lowlights

Society:

< Given its global presence, business topics and structure a company like Veolia could be a lot more active (e.g. water supply)

Staff:

< Ethics rather vague, little on flexible working strategy, lots of figures but little commentary

Performance:

< Total Shareholder Return below STOXX in five-year comparison

Vivendi-Universal S.A.

Country	France
Sector	Consumer Services
Address	75380 Paris
www	vivendi.com

Ranking: 80 (120)

In country 16 (28)
In sector 7 (14)

Final grade: inadequate

Society	10.4
Staff	12.8
Environment	12.0
Performance	8.9
Correction/Jury	0

Total points 44.1

Highlights

Society:
< Create jobs in underprivileged areas: call centre relocated, good linkage with core business: African culture, parental control

Staff:
< Good initiatives on diversity and volunteering, programmes and targets, job creation in underprivileged areas

Performance:
< Transparent depiction of corporate governance

Lowlights

Society:
< Narrow base, business case not always clear, few partnerships

Staff:
< Values appear somewhat ragbag, no HR strategy identifiable, nothing about flexible working

Environment:
< C2a – no environmental aspects recorded on use of products

Performance:
< Total Shareholder Return below STOXX in five-year comparison, generally poor depiction of performance

Vodafone Group plc

Country	England
Sector	Telecommunications
Address	Newbury RG14 2FN
www	vodafone.com

Ranking: 40 (120)

In country 9 (15)
In sector 4 (6)

Final grade: average

Society	17.6
Staff	14.4
Environment	14.6
Performance	8.8
Correction/Jury	0

Total points 55.4

Highlights

Society:
< Sophisticated management system with reporting duties and KPIs, long-term strategy, national CSR committees, focus on tapping new markets

Staff:
< Clear priority for diversity (but only women), good SOPs

Environment:
< D3 – €5 donated to NABU by Vodafone Germany for every mobile phone returned

Performance:
< High equity ratio, good depiction of salary structure and definition of the responsibilities of the different boards

Lowlights

Society:
< Strategic relevance not always visible, projects 7 dwarves problem

Staff:
< Vision and values very vague, code of conduct only for top management, volunteering strategy lacking

Performance:
< Total Shareholder Return below STOXX in five-year comparison, no data on value management system

Volkswagen AG

Country	Germany
Sector	Consumer Goods
Address	38440 Wolfsburg
www	volkswagen.de

Ranking: 47 (120)

In country 15 (39)
In sector 10 (24)

Final grade: average

Society	10.2
Staff	7.8
Environment	17.0
Performance	19.0
Correction/Jury	-10

Total points 54.0

Highlights

Society:
< Roll-out of Autostadt didactics with KM in Lower Saxony, innovative diesel technologies in China

Staff:
< Many flexible working arrangements, innovative pay-to-time swap, commitment to health

Environment:
< B – very good environmental performance, economic and ecological assessment of environmental factors

Performance:
< Clear outperformance in Total Shareholder Return compared to STOXX, very transparent financial reporting

Lowlights

Society:
< CSR management system not identifiable, projects somewhat disparate

Staff:
< Values and guidelines diffuse, no HR strategy, volunteering strategy missing, reporting tends to sugarcoat the facts

Performance:
< Low operating profitability

Zurich Financial Services

Country	Switzerland
Sector	Financials
Address	8022 Zurich
www	zurich.com

Ranking: 101 (120)

In country 6 (8)
In sector 29 (32)

Final grade: inadequate

Society	12.0
Staff	4.8
Environment	9.6
Performance	5.5
Correction/Jury	0

Total points 31.9

Highlights

Society:
< Corporate volunteering in Australia, GB, USA,
GB: produce a sponsorship magazine

Staff:
< Strong voluntary activities worldwide, accent on
development prospects for staff

Lowlights

Society:
< Overall still little strategic focus, mostly sponsor-
ship, no group-wide management system

Staff:
< Values vague, no identifiable code of conduct,
nothing about diversity, flexible working, weak
reporting

Environment:
< B – inadequate environmental performance

Performance:
< Total Shareholder Return below STOXX in five-
year comparison, comparatively low return on
equity

