HOW MANY AND HOW QUICKLY? MONITORING REGISTRATION & GROWTH OF CSR CERTIFICATES IN THE DACH REGION

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Abstract. Corporate Social Responsibility (CSR) standards play an essential role as they al- low corporations to evaluate and disclose their sustainability activities. However, the proliferation of different standards complicates a successful communication of increased corporate sustainability. The paper sheds light on the quantity of CSR certificate adoption and studies the dynamics of different standards from 2010 until 2020. A novel dataset is generated by using a web-based tool that retrieves the required information from data-banks. A key finding is that EMAS is the most widely used standard in the DACH region, followed by the GRI and the UNGC. However, in general, only a negligible percentage of companies in the DACH region actually apply a sustain- ability standard. In addition, it was observed that predominantly regional operating standards are present in Germany, whereas Swiss corporations mostly use standards that are generally more widespread internationally. In Austria the dominant standards are the GRI and the ECG, in the most recent year 2020 the UNGC standard has exhibited the highest growth rate in the country. The results underscore the increasing popularity of the investigated certificates and pave the way for a regularly updated CSR Monitor in the DACH region.

Keywords*: Corporate Social Responsibility Standard, Sustainability Reporting, DACH-Region

1   INTRODUCTION

Since the turn of the century sustainability has become a dominant theme in both society and business. Companies are no longer seen as neutral organisations only seeking profit maximisation and increasing shareholder value. Instead, they are now expected to take on social responsibility and act as conscientious institutions that can make a significant impact on society and nature. Therefore, organisations are required to play a pivotal role in both protecting the environment and enabling economic prosperity. Corporations need to heed the urgent call to reform business and transform it towards sustainability to be successful in the future.

The increased spotlight on sustainability has led to the necessity of companies communicating their Corporate Social Responsibility (henceforth CSR) activities to the outside world. The objective of the paper is to investigate and quantify the applications for CSR standards. It emphasizes sustainability in the business environment and concentrates on eight sustainability standards with a geographical focus on Germany, Austria and Switzerland (commonly abbreviated as DACH region). The main goal is to create and implement a web-based tool, also referred to as web crawler, that surveys data on these eight sustainability standards and compares them in consideration of different aspects of their participants. The following two research questions are addressed in the paper:

1.   What is the distribution of CSR standards in the countries of the DACH region?

2.   How did the registration of CSR standards develop in the last ten years from 2010 until 2020?

2 METHODS

2.1 CORPORATE SOCIAL RESPONSIBILITY STANDARDS IN THE DACH REGION

Table 1 provides an overview of the investigated CSR standards. For each standard the year of inception is indicated, along with type of standard (principle-, certification- or reporting-standard), issues covered (e.g. environmental and/or social issues), a brief description of basic purpose and renewal intervals.

The investigated standards are the Eco-Management and Audit Scheme (EMAS [1] and the EMAS Plus, the Global Reporting Initiative (GRI, [2]), the United Nations Global Compact (UNGC, [3]), the Carbon Disclosure Project (CDP, [4]), B Corp (B Corp, [5]), Economy for the Common Good (ECG, [6]) and the German Sustainability Code (GSC, [7]).

2.2 DATA COLLECTION

In cooperation with the the ars navigandi GmbH, an agency for e-learning and internet solutions, and the OmniCert Umweltgutachter GmbH a web-crawler was developed to implement SQL queries in the databanks of the individual standards. The developed tool enables the retrieval of standard application data by setting different filters with the following filter options: CSR standard, country of company residence, first year of application of each standard, company size as measured by the number of employees, company name.

The first filter option enables filtering by the standards, i.e., EMAS, EMASplus, GRI, UNGC, CDP, B Corp, ECG, and GSC. It is possible to only search for one standard or use the Boolean operators AND/OR to integrate various standards in the search. With regard to filtering by country, it can be selected between Germany, Austria and Switzerland. The third filter option includes the first years of application of the standards by the respective companies. All years from 1995, where the first registration took place, to 2021 can be selected. A sub-filtering option exists for the category first year of application to facilitate crawler handling. The fourth filter option, the company size, is measured by the number of employees. For a consistent and clear comparability of the firms' sizes, the following categories were constructed: < 50, 50–249, 250–499, 500–4.999, 5.000–50.000, > 50.000, and N/V. N/V stands for not available, as not all standards provide this information. The last filter possibility enables entering a company name.

3 RESULTS

3.1 DISTRIBUTION OF CSR CERTIFICATES IN DACH REGION IN 2020

As indicated in Table 2 there have been slightly less than 5000 active registrations by companies in the three DACH countries in 2020. With a share of about 21% EMAS is the most popular certificate closely followed by the GRI and the UNGC with about 20% each. In accordance with its economic size Germany has four and five times as many registrations compared to Austria and Switzerland.

There are a number of commonalities and differences related to the distribution of standards in the three countries. In addition to EMAS and UNGC also the GSC certificate exhibits a sizable share of almost 19% in Germany. The latter standard is registered by only very few companies in the other two countries. The two dominant standards in Austria are the GRI and the ECG with a percentage of ca. 27%. Switzerland exhibits the most concentrated distribution by far: Almost 40% of certificates are registered with the GRI. Only the UNGC standard comes somewhat close with a share of ca. 27%.

Table 1: Overview of Corporate Social Responsibility Standards in DACH Region

Criteria/ Standards	Inception	Type	Coverage	Basic Purpose	Renewal
EMAS	1993	Certification-based standard; management system	Environmental regulations and behaviour; personnell involvement; stakeholder communication	Improve, manage, and report environmental activities of companies; increase transparency and credibility of reporting	Every three years (annual update)
EMAS^{plus}	2006	Certification-based standard; management system	Social commitment; impact of products and services on society and environment; sustainability issues depending on the industry; employee involvement; innovation competence	Adding the social and economic aspects to EMAS; evaluate and improve economic, ecological and social activities	Every three to four years
GRI	1997	Reporting standard	Strategy; organisational profile; material aspects and boundaries; stakeholder engagement; governance; ethics and integrity	Reporting on sustainability activities; increases comparability and quality of reporting	Annually
UNGC	2000	Principle-based standard	Human rights; labour; environment; anti-corruption	Increase transparency of sustainable behaviour and reporting; promote communication and cooperation between all participants	Annually
CDP	2000	Reporting standard	Greenhouse gas emissions and reduction objectives; risks of climate change; strategic management; chances for improvements	Disclosure of environmental impact; increase conscious management and investor decisions	Annually
B Corp	2007	Certification-based standard	Governance; workers; community; environment; customers	Encourage conscious business practices and investments; increase transparency	Every three years
ECG	2010	Reporting Standard	Human dignity; solidarity and social justice; environmental sustainability; transparency and codetermination	Cooperation of business organisations; companies' contribution to the common good	Every two years
GSC	2011	Reporting Standard	Strategy; process management; environment; society	Improve sustainability reporting; comparison and transparency	At least every two years

Table 2: Distribution of Corporate Social Responsibility Standards in DACH-Countries in 2020

Certificate:	DACH-Region	Germany	Austria	Switzerland
EMAS	1039	830	209	0
Col %	*21.3%*	*24.4%*	*26.2%*	*0.0%*
EMASplus 11	12		1	0
Col %	*0.2%*	*0.0%*	*0.1%*	*0.0%*
GRI	961	473	220	268
Col %	*19.7%*	*13.9%*	*27.6%*	*39.8%*
UNGC	942	647	115	180
Col %	*19.3%*	*19.0%*	*14.4%*	*26.7%*
CDP	419	262	30	127
Col %	*8.6%*	*7.7%*	*3.8%*	*18.8%*
B Corp	83	37	3	43
Col %	*1.7%*	*1.1%*	*0.4%*	*6.4%*
ECG	773	501	218	54
Col %	*15.9%*	*14.7%*	*27.4%*	*8.0%*
GSC	644	641	1	2
Col %	*13.2%*	*18.8%*	*0.1%*	*0.3%*
Total	**4873**	**3402**	**797**	**674**

3.2 DYNAMICS OF FIRST APPLICATION OF CSR STANDARDS 2010 - 2020

In Figure Nr 1 the first applications of seven standards are reported for the time period from 2010 until 2020 in the DACH region as a whole. Due to lack of data the GRI was excluded from the analysis.
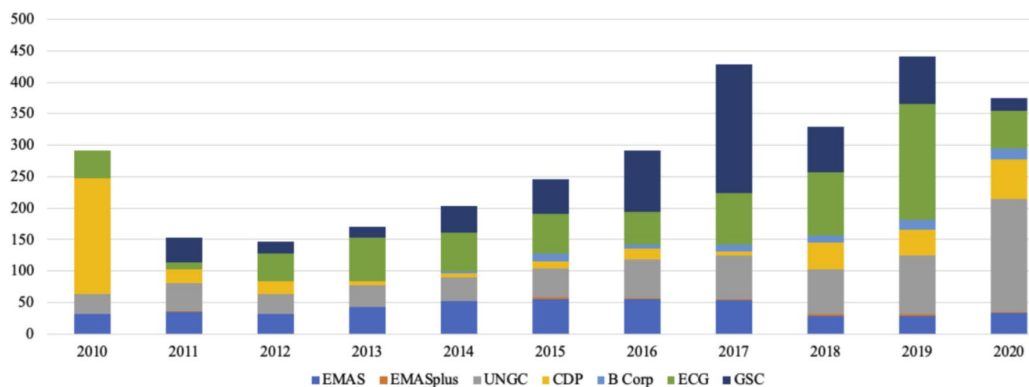

Figure 1: First Applications of Standards in the DACH Region between 2010 and 2020

In the starting year 2010 there were 291 first applications of standards. A substantial decline is visible from 2010 to 2011, and in 2012, the number slightly further fell to 146, which is the lowest value in this figure. From 2012 to 2017, constant growth is identifiable that climaxed in 2017 with 429 new applications in total. In 2018, the value decreased to 330, but in 2019, the highest peakis reached with 441 implementations. Finally, the figure falls again in 2020 to 375 new adoptions of the standards. Generally speaking, an increase of the seven sustainability standards in the DACH countries was recorded over the last decade. From 2012 on, the values constantly grew except for 2018 and 2020, where they declined by 23 % and 15 %, respectively, compared to the year before.

While the CDP standard registered a remarkable value of 182 first applications in 2010, it has not achieved anywhere close this number in the years since. Instead, both the ECG and the GSC have registered a growing number of first applications throughout the observed ten years. This growth has stalled somewhat in the year 2020. For the final year we can observe a sizable increase in new applications for the UNGC with an overall value of 179 newly registered companies.

4 CONCLUSION

The analysis has investigated sustainability in the business context with a focus on the diffusion of the following eight CSR standards in companies in the DACH region: EMAS, EMAS[plus], the GRI, the UNGC, the CDP, B Corp, the ECG and the GSC. From the selected standards EMAS is used the most in the DACH region, followed by the GRI and the UNGC. EMAS[plus] and B Corp rank last. In addition, it was found that predominantly regional operating standards are present in Germany. However, the adoption of more international ones is also notable in German firms. The regional orientation of Austrian firms is not very pronounced, but Swiss corporations mostly use standards that are more active in international areas.

The investigation has shown that there has been a sizable growth of the standards in the last decade in the DACH region. However, not all of the different standards exhibit similar rates of growth. The applications of new standards has been concentrated for the GSC and the ECG in the observed timeframe.

The illustrated results provide a first glance of the information contained in the collected dataset. Such results can be further developed by distinguishing applications based on company size. A more refined analysis in terms of development of new applications for the three DACH countries separately represents important scope for further research.

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