

oekom research AG's understanding of sustainability

Preamble

Sustainable development is the guiding principle on which oekom research's rating approach is based. The protection and development of human society, as well as the conservation of the natural environment, for which the key players in politics and civil society, business and the financial markets bear joint responsibility, are central to our philosophy.

Orientated towards the United Nations' Sustainable Development Goals, our vision – for current as well as future generations, in industrialised countries as well as in developing and newly-industrialised countries – is of a world in which people are able to lead self-determined, safe and healthy lives free of existential worries, where individuals have the opportunity to develop according to their abilities and to live in an intact environment. In doing so, we acknowledge that the natural environment has an intrinsic value extending beyond its pure economic value.

Where conflicts arise in the achievement of environmental, social and economic goals, oekom research seeks to arrive at a fair and socially acceptable balance of interests which takes into account the fundamental importance of an intact, natural environment for social and economic development.

The following principles form the basis for the structure of our ratings of companies and countries.

Principles

1. Protecting human dignity and integrity

All people have the right to physical and psychological integrity. This includes the prevention of health hazards at the workplace and in everyday life, as well as the observance of human rights and labour rights as laid down in the United Nations' Universal Declaration of Human Rights and the labour standards drawn up by the International Labour Organization (ILO).

2. Guaranteeing the provision of basic supplies

All people have the right to a basic provision of food and water, clothing, housing, energy, education as well as medical care. An adequate income from employment or transfer income and needs-based provision form the foundation for this.

3. Guaranteeing individual development

All people have the right to personal and professional development in accordance with their individual abilities and preferences. The basis for this is the creation of conditions that enable people to develop according to their individual aptitudes throughout their lives.

4. Participating in political, social and economic decision-making processes

The opportunity to take part in opinion-forming processes on an equal footing forms the basis for cooperative and viable political and economic decision-making. It is important to ensure that people, in their roles as citizens and employees, participate in political and corporate decision-making processes. Education and information are the keys to participation in social and economic life. All people should have access to education and information. Politicians, public authorities and businesses should make relevant information accessible to citizens and consumers in a comprehensive, up-to-date and easy-to-understand form.

5. Social justice and a fair world economic order

A just distribution of income, wealth and resources forms the basis of an egalitarian, peaceful and stable co-existence both within and between the societies of the world and serves as the basis for fair globalisation. Structural causes of unequal distribution should be eliminated through the setting of necessary framework conditions. Befitting wages and equal opportunities for social mobility contribute towards this desirable balance at an intra-societal level, as does egalitarian political participation of developing and newly-industrialised countries – including involvement of their civil societies – in the realm of international trading relationships. Within this framework, wealthy individuals and economic players should fulfil their responsibility for a fair design of international economic relationships. In the global value-added chains, internationally active companies should warrant that the people in developing and newly-industrialised countries enjoy fair participation in the proceeds generated, and guarantee the enforcement of international social and environmental standards.

6. Respecting and preserving diversity

Biological and cultural diversity form the basis of human development and are therefore especially worthy of protection. This involves, on the one hand, preserving natural species and ecosystems as well as preventing irreversible damage and, on the other, respecting cultural differences, valuing cultural legacies and protecting indigenous peoples and minorities.

7. Protecting the natural environment

The natural environment forms the fundamental basis of life. Encroachments on the environment, whether these take the form of raw material extraction or emissions into the air, soil and water, which irreversibly alter or damage the ability of ecosystems to function properly or the mechanisms of natural systems, e.g. the climate system or the water cycle, should, in line with the precautionary principle, be avoided. Any damage caused should be rectified according to the "polluter pays" principle. All people have the same right to use the environment and the same obligation to protect it. Animals should be respected as fellow creatures and protected from avoidable suffering and species-inappropriate husbandry as well as being protected in their habitats.

8. Efficient and sustainable use of raw materials

Economic activity is generally associated with the use and consumption of resources. Top priority must therefore be given to managing raw materials economically, which may even mean a renunciation of some products. The concept of dematerialisation, i.e. drastically reducing the flows of materials caused by human activity, offers a suitable starting point for this. Renewable raw materials should be produced in compliance with strict environmental and social standards and used in accordance with their rate of regeneration. Non-renewable raw materials should as far as possible be replaced by renewable raw materials. All resources should be deployed as efficiently as possible and should be reused and recycled in line with closed substance cycle waste management. Systems such as those for energy supply and food should be set up so as to take social and environmental criteria into account and to be workable in the long term.

9. Avoiding risks in the use of new technologies

New technologies should be analysed comprehensively in terms of their potential benefits to as well as their possible negative impacts on people and the environment. If, when opportunities and risks are weighed up against one another, the benefits do not clearly outweigh the costs, then, on the basis of the precautionary principle, the technology should not be put into use. This is particularly true in the case of technologies which trigger developments that are irreversible.