

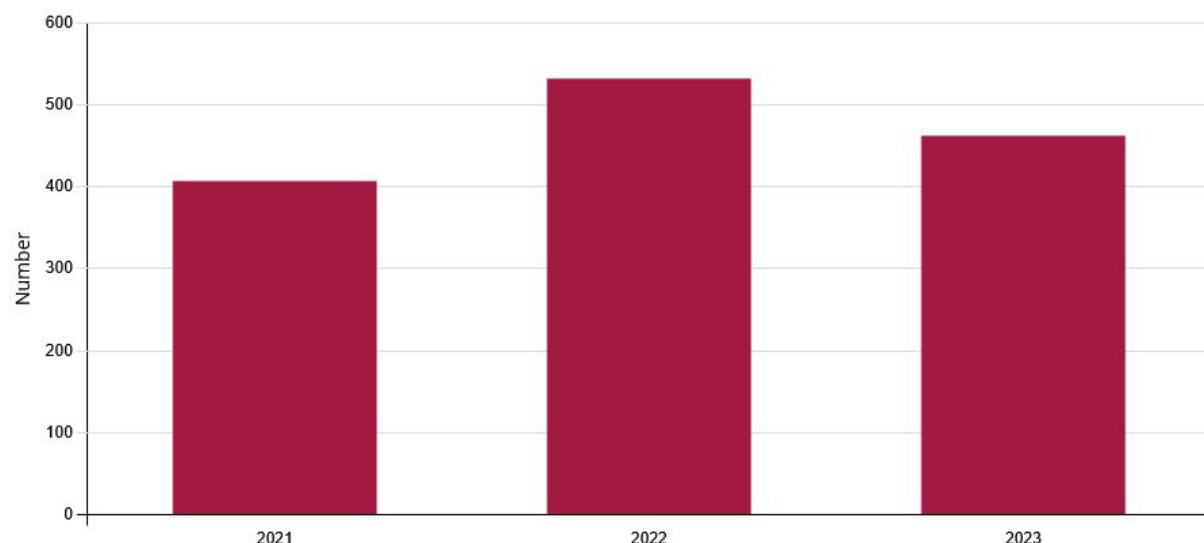


Sustainable and transparent corporate practices – *Globally responsible and transparent management*

8.6 Voluntary sustainability reporting by companies according to the German Sustainability Code (DNK)

Voluntary sustainability reporting by companies according to the German Sustainability Code (DNK)

Number of sustainability reports voluntarily submitted by companies not subject to reporting requirements



Data source(s):

German Corporation for International Cooperation, Federal Ministry for Economic Affairs and Energy

Definition

The indicator represents the number of sustainability reports voluntarily submitted by companies not subject to reporting requirements in accordance with the German Sustainability Code (DNK).

Intention

The indicator is intended to reflect the shift in the German corporate landscape towards a more intensive engagement with sustainability issues and to illustrate the increasing commitment of German companies to responsible business practices along global supply chains. The publication of corporate sustainability reports in accordance with standardised guidelines makes it easier to compare companies. It incentivises companies to enhance their reputation by improving their sustainability performance. The identification of economic opportunities and risks associated with climate change, biodiversity, labour conditions and human rights, among other things, can also help to make the company more sustainable and to further develop business models in a future-oriented manner.



Target

By 2030, the number of voluntary sustainability reports in accordance with the German Sustainability Code (DNK) will increase significantly

Content and progress

The German Sustainability Code (DNK) was originally designed as an independent reporting standard, offering companies the opportunity to make their sustainable practices transparent and comparable with other companies. It was also intended to help align investment and purchasing decisions with sustainability criteria. Due to developments at the European level, the DNK has evolved into a support tool for implementing the European reporting standards. Since 2017, certain companies in Germany have been legally required to produce sustainability reports. This obligation arises from the European CSR Directive (Corporate Social Responsibility) and its national implementation through the CSR Directive Implementation Act (CSR-RUG). The directive sets both formal and content-related requirements and defines which companies are subject to reporting.

As part of the European Green Deal, the directive was revised in 2022 – now called the Corporate Sustainability Reporting Directive (CSRD) – with a phased expansion of the reporting obligations and the number of companies affected starting from 2025. However, at the time of this publication, the planned extension of mandatory sustainability reporting is still under discussion by European institutions and may be revised or softened. On 26 February 2025, the European Commission presented the so-called Sustainability Omnibus Package, which includes, among other things, a limitation of the CSRD's scope. At the same time, the European Commission announced that it would introduce a separate standard in 2025 for voluntary sustainability reporting by companies – the Voluntary SME Standard (VSME). This standard is aimed at companies that are not subject to CSRD reporting requirements themselves but need to meet information demands from business partners within value chains or from capital markets.

The indicator for voluntary sustainability reporting captures the number of such companies that are not yet CSRD-reporting entities but have submitted sustainability reports to the DNK. Restricting the indicator to DNK submissions ensures transparent data availability and avoids mixing or double-counting among reporting standards. However, this limitation also means the indicator's significance may be constrained, as it only considers one of several possible standards, even though others may serve a similar purpose. It should also be noted that the number of DNK reports submitted does not provide a direct measure of the actual extent of sustainable business practices in German companies but merely reflects the quantitative scope of sustainability reporting under the DNK. Large companies with corresponding mandatory reporting obligations are not included. The voluntarily submitted reports from the remaining companies are counted unweighted in the indicator, regardless of their size, economic sector, or potential impact of their sustainability activities.

In total, 462 companies submitted reports in 2023. Compared to previous years, the indicator shows no clear trend: 532 reports were recorded in 2022, whereas only 407 were submitted in 2021. It should also be noted that a portion of the reports submitted did not include information on whether the respective companies are already subject to mandatory reporting requirements. In 2023, this applied to 43 reports, which may also have come from companies reporting on a voluntary basis. The majority of reports in 2023 were sub-



mitted by smaller enterprises. A total of 256 reports – accounting for more than half of the indicator value – originated from companies with fewer than 250 employees. In addition, 69 reports were submitted by companies with between 250 and 499 employees, and 102 reports came from companies employing between 500 and 4,999 staff.

A possible expansion of the reporting obligation under the CSRD is expected to have far-reaching effects on the number of companies voluntarily producing sustainability reports. On the one hand, larger companies subject to the reporting requirement will likely demand sustainability information from their suppliers. This could lead smaller companies within value chains to be encouraged to report on sustainability, even if they are not officially affected by the expanded reporting obligation. On the other hand, companies that have previously reported voluntarily through the DNK will drop out of this indicator's count once they become directly subject to the expanded reporting requirements and therefore no longer report voluntarily.

Type of target

Directional target

Assessment

The number of voluntary sustainability reports in accordance with the German Sustainability Code should be increased.

An assessment of indicator 8.6 is not possible. Too few data points.