Corporate sustainability in the German real estate sector

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Abstract

Purpose – The aim of the study is to investigate the implementation of corporate sustainability (CS) in the German real estate sector.

Design/methodology/approach – The authors begin by outlining the framework set by the European Union and the German Federal Government for companies wanting to be classified as sustainable. After this, the relevance of sustainability for German real estate companies is discussed. Their empirical section contains an international comparison. Finally, they present an analysis checking the implementation of CS for the main 135 German real estate companies.

Findings – The present analysis shows that German real estate companies compare well with their international counterparts, in 2012 representing 15 per cent of all real estate firms reporting on the basis of the Global Reporting Initiative. However, of the 135 companies in Germany surveyed, only a small proportion classify themselves as CS and CSR (corporate social responsibility) enterprises. This number could be rapidly increased by better documentation of companies' commitment to sustainability.

Practical implications – The study's importance lies in the overview it provides of CS activities in the German real estate industry. In addition, it provides hints on how companies can improve their documentation to classify as CSR enterprises. Although the analysis concentrates on Germany, the results are also relevant for companies in other European countries.

Originality/value – This is the first study to offer a comprehensive overview of the CS activities of the German real estate industry.

Keywords Corporate social responsibility, Sustainability, Germany, Real estate, Corporate sustainability, German real estate industry

Paper type Research paper

Definition of terms

The sustainability strategies of the European Union (EU) and the German Federal Government are policies which involve not only the state – as the provider of a regulatory framework – but also companies and consumers. According to the Federal Government (Bundesregierung/BPA, 2012, p. 118), sustainable economic management is a task for society as a whole and makes demands of all social groups. It is the state's task to establish the framework for sustainable economic management. For this, the state has at its disposal a comprehensive set of instruments ranging from the statutory,

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such as acts of parliament, regulations and planning law, for example, via market mechanisms to so-called "soft" rules such as moral appeals. Compliance with the statutory regulations represents the minimum standard to be met by corporate conduct.

In the case of corporate sustainability (CS), companies choose, of their own volition, to go beyond the legislative framework and make systematic, long-term plans to take account not only of economic but also of ecological and social factors in how they operate (Bundesregierung/BPA, 2012). Given the social and environmental standards already laid down in legislation or collectively agreed with the labour unions, companies in Germany voluntarily undertaking additional activities to achieve sustainability must necessarily begin at a comparatively high level. This commitment to sustainability over and above their statutory obligations is frequently defined as corporate social responsibility (CSR). However, the current German CSR standard makes clear that this is not strictly correct. It is not sufficient to align procurement, production and marketing with sustainability objectives. Not every company which sells sustainable products or publishes sustainability reports is necessarily a CSR company. As will become clear in the course of this article, a seriously meant CSR strategy is based on quality criteria. As the Government puts it, CSR is voluntary but not arbitrary (Bundesregierung/BMAS, 2010a, p. 8).

As defined by the National CSR Forum and the National CSR Strategy, CSR requires responsible corporate behaviour in the core business itself. There must be an integrated corporate strategy containing a company's all social, ecological and economic contributions to the voluntary shouldering of societal responsibility. These contributions must go beyond compliance with legal regulations and include engagement with stakeholders (Bundesregierung/BMAS, 2010a, p. 7). As will become clear, there is an internationally recognised reference and regulatory framework for CSR, which must be adhered to if a company is serious about CSR implementation.

Additionally, there is corporate citizenship (CC). This involves commitment in and by a company to engaging with civil society and societal, ecological and cultural issues (Bundesregierung/BMAS, 2010a, p. 7f). For CSR enterprises, a positive contribution to the community is an important quality criterion for CSR implementation. As envisaged by the EU Green Paper (European Commission, 2001) and recommended by the Federal Government's National CSR Forum (Bundesregierung/BMAS, 2010a), such companies are expected to become involved in social and/or ecological issues in and around the communities where they are located. Their activities should go beyond their original core business and be anchored in their long-term strategic goals. For CSR companies, CC is thus an integral part of CSR (Bundesregierung/BMAS, 2010a).

Figure 1 shows the relationship between the three concepts. If a company fails to satisfy the CSR quality criteria, then, according to the definitions of the Federal Government's National Engagement Strategy, the company's systematically planned civil society engagement over and above its core business counts as an aspect of CS, but not of CSR (Bundesregierung/BMFSFJ, 2010). What is important in all cases is that their voluntary sustainability activities in the field of CS, and thus also of CSR and CC, are systematically planned and go beyond the scope of legislation. Spontaneous, unplanned or coincidental civil society engagement still counts as CC but not as CS or CSR. As will become especially apparent in the example of the real estate sector, small- and medium-sized enterprises are particularly prone to assuming social responsibility in their local area without making their engagement visible as CSR (Bundesregierung/

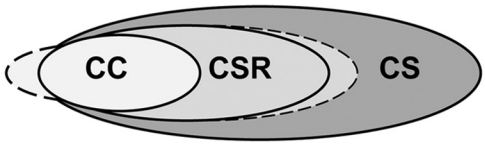
BMAS, 2010a, p. 13). Acknowledging this, in October 2010, the Federal Government launched its CSR Action Plan with the aim of interesting more small- and medium-sized enterprises in CSR. The resulting campaign, "Social Responsibility for the Smaller Business", met with a very positive response.

In summary, then, CSR can be characterised, from the macroeconomic point of view, as a concept for implementing European and national sustainability strategies. From the microeconomic or corporate perspective, CSR represents a strategy for sustainable corporate management, which is voluntary but – as the following sections will make clear – by no means arbitrary.

Reference framework for the CSR standard in Germany

Having distinguished between CS and its component modules CSR and CC, we now move on to define the CSR standard then to be able to establish more exactly the degree of implementation achieved to date in the real estate sector. With its Recommendation Report 2010, the Federal Government's National CSR Forum succeeded in achieving consensus on a common understanding of CSR in Germany and established the fields of action necessary for its implementation (Bundesregierung/BMAS, 2010b). On the strength of this, in 2010, the Federal Government presented its action plan for the National CSR Strategy (Bundesregierung/BMAS, 2010a). The "Common Understanding of CSR in Germany" was prompted by the new CSR Strategy (2011 to 2014) of the EU (European Commission, 2011) and, as part of a continuous improvement process, has since been further developed by the Federal Government's National CSR Forum, based on their resolution of 30 August 2012 (Bundesregierung/BMAS, 2012). In contrast to the newly presented Action Plan (2011 to 2014) of the EU Commission (European Commission, 2011), the German government continues to reject all statutory measures for implementing CSR (Bundesregierung/BMAS, 2012; Bundesregierung/BPA, 2012).

Besides respect for the rule of law, the reference or regulatory framework for CSR companies comprises the Organisation for Economic Co-operation and Development Basic Principles for Multinational Companies, the Ten Principles of the United Nations Global Compact, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (International Labour Organisation), the United Nations Guiding Principles for Business & Human Rights of 2011 and the internationally recognised Guidance Standard on Social Responsibility published in November 2010 (ISO 26000). Among other things, ISO 26000 establishes the principles for socially responsible companies (e.g. accountability, transparency, ethical behaviour and respect for the interests of stakeholders, the rule of law, international standards and human rights), which can be consulted as quality criteria for CSR enterprises worldwide (Bundesregierung/BMAS, 2010a; Bundesregierung/BMAS, 2012; Bundesregierung/BPA, 2012).



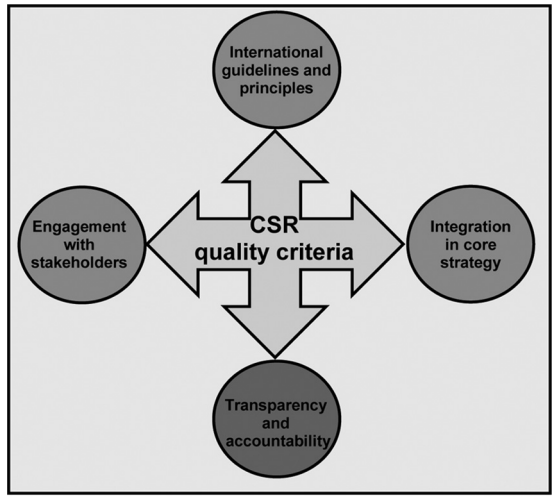
Notes: Implementation Level: CC = Corporate Citizenship; CS = Corporate Sustainability; CRS = Corporate Social Responsibility
Source: Own illustration

Figure 1. Sustainable corporate management

Implementation steps

The Federal Government is counting on the market to unleash its genius for innovation and CSR to gain increasing importance as a competitive factor for businesses. The essential aims of the Federal Government's policies are thus to instigate consciousness raising and create transparency for the complete value-added chain; to enhance the visibility and credibility of CSR for consumers and investors; to ensure accountability; and to optimise the political environment (Bundesregierung/BMAS, 2012). In addition, stakeholder dialogues and multi-stakeholder platforms are to improve the self- and co-regulation processes for CSR implementation (Bundesregierung/BMAS, 2012). Where the CSR quality criteria transparency and credibility are concerned (Figure 2), the self- and co-regulation process mentioned above has already triggered the CSR quality competition sought by policy-makers. Today, with the help of comparable indicators, targets and examples of best practice, companies in all sectors can already monitor, evaluate and adjust the current status of their CSR implementation (Bundesregierung/BMAS, 2012). In this connection, the Government's CSR Forum and the Council for Sustainable Development explicitly highlight the role of the German Sustainability Code (*Deutscher Nachhaltigkeitskodex* - DNK) as one of the most important evaluation instruments (Bundesregierung/BMAS, 2012; German Council for Sustainable Development, 2012). The DNK allows for sustainability reporting according to the guidelines of either the Global Reporting Initiative (GRI) or the European Federation of Financial Analysts Societies (EFFAS), as the market requires. However, for the purposes of the present analysis, with its emphasis on the real estate sector, no further reference will be made to the EFFAS guidelines.

The GRI guidelines were already highlighted in the EU Green Paper as best practice for CSR companies (European Commission, 2001). Comprehensive reporting at the highest GRI standard (A+) represents full compliance with the DNK (German Council for Sustainable Development, 2012). At this level, confirmation of the contents of the sustainability report by an independent third party ("external assurance") and



Source: Own illustration

Figure 2.
CSR quality criteria

comprehensive and convincing CSR reporting are obligatory. GRI (A+) uses indicators to ensure that all CSR quality criteria are met. At present, as this article will make clear, given the extent to which the CSR evaluation process has already been implemented in corporate practice both nationally and internationally, A+, the highest level within the GRI reporting, is still relatively seldom applied.

CSR in the real estate sector

For some two years now, the establishment of CS, CSR and sustainability reporting in the global real estate sector has been progressing apace.

The first important milestone at a global level was reached in 2011 with the sector-specific supplement to the GRI 3.1 reporting framework. The GRI Construction & Real Estate Sector Supplement (CRESS) is aimed at all companies investing in, developing, building or managing real estate or infrastructure (GRI, 2011b). Also, in 2011, the European Real Estate Association (EPRA) published the first "Best Practice Recommendations on Sustainability Reporting" (BPRSR) to prepare its members for the forthcoming tightening of regulatory specifications. BPRSR is an extension of CRESS and, at least in the current version, only refers to the ecological aspect of sustainability reporting initially identified by the EPRA as the most important one for the sector. BPRSR is designed for real estate in investment portfolios and properties let by real estate companies (EPRA, 2011). The main initiative for the implementation of sustainable corporate management in German real estate enterprises came from the German Property Federation (*Zentraler Immobilienausschuss* - ZIA), which, in 2012, published a Sustainability Code for the sector. This is based on the principles of the DNK and consists of voluntary commitments relevant to all property firms with additional ones for specific sectoral clusters. The ten principles of the Sectoral Code make clear that its core element is the obligation to report annually. For these annual sustainability reports, the ZIA recommends adopting the GRI guidelines already in global use or their sector-specific adaptation in CRESS (ZIA, 2012).

From 2008 to 2012, the number of reports published worldwide by real estate companies on the basis of the GRI guidelines increased from 17 to 77 (Figure 3). In Europe, the figure rose by eight to 42 firms, while in Germany the growth was from one company in 2010 to nine in 2012. Reporting according to GRI CRESS picked up in 2012 after publication of the sector-specific supplements at the end of the previous year. In 2012, a worldwide total of 26 real estate companies published sustainability reports on the basis of CRESS, 13 of them from Europe. Four of the nine sustainability reports published in 2012 in Germany used CRESS. German real estate firms represent more than 21 per cent of all European real estate companies reporting according to GRI and almost 12 per cent of the world total. Almost 31 per cent of European and more than 15 per cent of world GRI CRESS users come from Germany.

CSR penetration in the real estate sector

The extent to which companies have implemented CSR is communicated to the stakeholders on a voluntary basis by indicating the relevant GRI application levels in their GRI 3.1 reporting. Generally, the implementation level of CSR varies widely across European companies (Cajias and Bienert, 2011). According to the GRI database (as of April 2013), in Europe, two real estate companies based their reporting on GRI (A+), three on GRI (A), six on GRI (B+), nine on GRI (B), six on GRI (C+), 13 on GRI (C), while

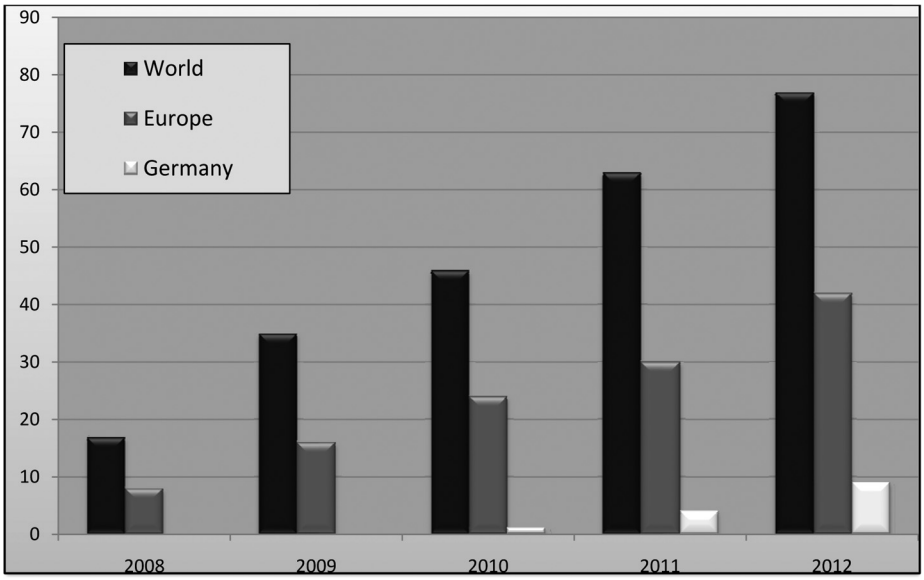
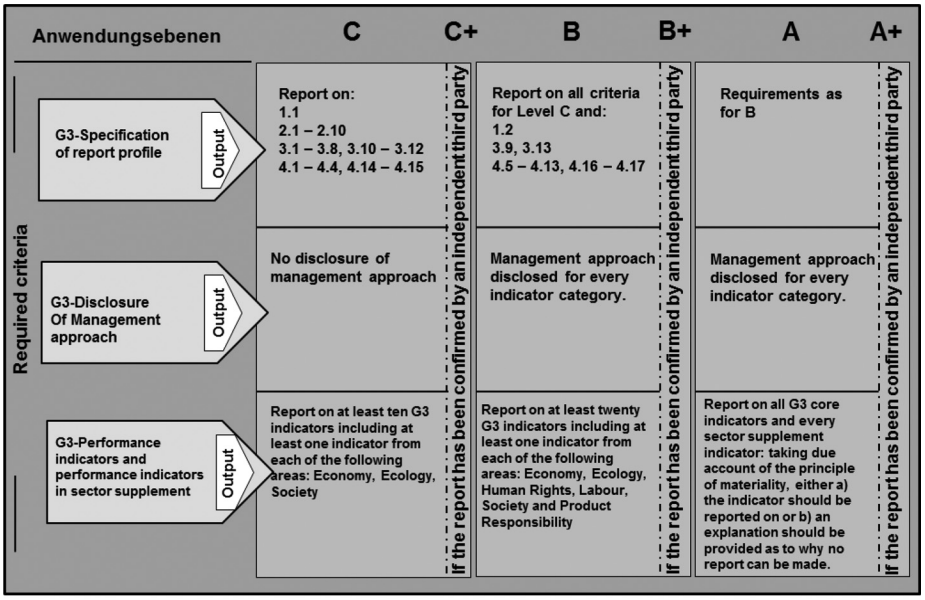


Figure 3.
Sustainability reports in the real estate sector

Note: Number of companies reporting according to the GRI guidelines
Source: GRI

three companies failed to indicate any GRI level. With the application level C, companies make clear that they have used ten of the altogether 79 GRI indicators, that CSR is not yet firmly established in their management approach and that stakeholders have not yet been included in the reporting process with the aid of indicators (Figure 4). According to the German CSR standard, this failure to implement CSR in their core strategy and to engage with their stakeholders means that they are not yet CSR companies. Application level GRI (B) shows with the help of indicators that the company has established CSR in its core strategy, stakeholders are included in the reporting and the company already reports on at least 20 of the altogether 79 indicators. For application level GRI (A), information must be provided for every core indicator and every sector supplement indicator. If certain indicators are not relevant, companies must disclose their reasons for not giving details. Classification according to the application levels A, B or C is a matter for the companies themselves. Companies which have this self-assessment confirmed by "external assurance", a check conducted by a third party (e.g. accountants or recognised testing institutes), may append a plus sign (+) to the relevant level. These companies make clear that they meet the CSR quality criterion accountability (assurance).

Application level GRI (A+) makes clear with the aid of indicators that all CSR quality criteria are being adhered to at the company level. However, this demanding application level is not attainable by all enterprises engaged in CSR. As a rule, companies pass through a CSR learning process as they conduct CSR evaluations and CSR adjustments and steadily gain knowledge and experience by reporting indicators. In this way, they graduate from CSR beginner to CSR newcomer, to CSR advanced and finally to CSR Best Practice. This CSR learning process to be followed by CSR beginners is explicitly



Source: GRI (2011a, p. 2)

Figure 4. CSR Implementation Levels

described both in ISO 26000 and in the currently still valid GRI 3.1 guidelines (DIN, 2011; GRI, 2011c).

Progress in national CSR implementation in the real estate sector

While there have been a number of studies on the penetration of CSR in large international real estate companies (see, for example, Cajiaas *et al.* (2011) or Newell *et al.* (2011)), there has been a lack of studies focusing on the national level and thus involving higher numbers of medium-sized companies. In April 2013, we conducted an analysis to establish the current extent of national CSR commitment in the property sector. Involving 135 real estate enterprises, it was based on publicly available information (e.g. websites, sustainability reports, business reports) posted by companies on the Internet for the benefit of all their stakeholders. The companies selected were the largest in Germany in each of four market segments:

(1) listed property investment companies;

(2) open real estate funds;

(3) closed real estate funds; and

(4) housing organisations.

However, this still meant that, compared with studies conducted at the European or even global level, a significant proportion of the enterprises covered were only medium-sized.

The 68 listed property investment companies were selected on the basis of their market capitalisation according to the Ellwanger & Geiger real estate stock index (as of September 2012, Ellwanger and Geiger, 2013). Any companies which had no valid website at that time were excluded. The open real estate funds included all 22 asset

management companies, which offer public and special funds. A list of all relevant asset management companies can be found on the BVI (2013) website. For the closed funds, we selected the 25 initiators which in 2011 had the largest volumes of investments in the real estate segment and were members of the *Verband Geschlossene Fonds* (German Association of Closed Investment Funds - VGF). A list of investments is provided by the VGF (2013). Of the 51 housing organisations, the 20 largest unlisted enterprises in the *Arbeitsgemeinschaft großer Wohnungsunternehmen* (Association of Large Housing Organisations - AGW) were included in the analysis (AGW, 2013).

To the extent that they engaged in sustainability at all, companies were grouped as CS, CC or CSR companies using the definition of terms presented above. First, the companies' websites were checked to establish whether they provided a sustainability report based on international standards such as the GRI guidelines, a prerequisite for a CSR company (Schaltegger and Wagner, 2006). Companies which did so were classified as CSR companies. The websites and annual reports of all other companies were then checked for planned or systematic activities concerned with social or environmental issues. Companies which were systematically involved in social and/or ecological activities in and around the community where they were located, went beyond their original core business and were anchored in their long-term strategic goals were classified as CC companies. Finally, companies which could not be classified as CC or CSR, but provided some information on planned sustainability engagement, were classified as CS companies.

Listed property investment companies

Three of the 68 property investment companies in our analysis already publish their sustainability report according to the GRI CRESS guidelines (see Table I). In their own assessment, the Alstria Office Real Estate Investment Trust AG and IVG Immobilien AG report at application level GRI (B) and DIC Asset AG reports at application level GRI (C). The Alstria Office Real Estate Investment Trust AG and IVG Immobilien AG can be described as pioneers in their market segment. With their GRI (B), both companies make clear to their stakeholders that, as defined by the GRI guidelines, they can be classified

Type of company	CS	"Only CS"	CC	CSR-beginner	CSR-newcomer (GRI C)	CSR-advanced (GRI B)	CSR-best practice (GRI A)
Property investment companies	18 (of 68)	3	11	1	1	2	–
Open real estate funds	17 (of 22)	3	3	5	–	4	2 (P)
Closed real estate funds	12 (of 25)	4	4	1 (P)	–	1 (P)	2 (P)
Housing organisations	16 (of 20)	–	11	3	–	–	2

Notes: Number of companies in Germany for each degree of implementation; CC: corporate citizenship; CS: corporate sustainability; CSR: corporate social responsibility; (P): parent company
Source: Own calculations

Table I.
CSR penetration in the real estate business

as CSR-advanced. By assessing itself as GRI (C), DIC Asset AG makes clear to its stakeholders that the company can already be described as a CSR newcomer. However, an analysis of DIC Asset AG's sustainability report shows that the company already reports its societal and ecological engagement in enough detail to fulfil more than ten GRI 3 indicators. Moreover, in the milestone planning incorporated in their sustainability report, DIC Asset AG have announced that they are already planning to establish sustainability reporting in their core strategy next year. They also make clear to their stakeholders that their sustainability reporting will successively be expanded. In terms of CC, DIC Asset AG supports projects which positively influence their social, cultural and economic environment. As far as evaluation and adaptation are concerned, therefore, they are already well on the way from CSR beginner to CSR advanced. However, this is only apparent to those stakeholders who are prepared to analyse the company's sustainability report in detail.

In the period covered by our study, other than the three companies mentioned above, no company made the degree of their CSR engagement visible to their stakeholders by means of GRI sustainability reporting or GRI level. However, our analysis shows that, of the other 65 companies, 15 provide in some cases very extensive information about their CS engagement by means of documentation on their websites or details in their business reports. This means, however, that to get a full picture of their CSR activities, the relevant stakeholders must read the business reports or website documentation thoroughly and interpret what they find there. This not only requires a good deal of time but is also made more difficult by the fact that the information to be found is presented in ways so different as not to be comparable. An analysis of the business report of the Hamborner Real Estate Investment Trust shows, for example, that the company already has a sustainability strategy of its own and provides relatively extensive information about its ecological, social and economic engagement. The company makes clear that sustainability is already anchored in its strategic thinking and both internal and external stakeholders are included in its sustainability reporting. Using indicators to facilitate GRI reporting, the Hamborner Real Estate Investment Trust could easily qualify for application level GRI (C), and possibly even GRI (B). The stakeholders may not realise this, however. Of the other 14 companies analysed, 11 can be qualitatively classified as category CC and three as category CS.

Open real estate funds

On their websites, the Deutsche Bank Group and the Commerz Real Group not only highlight their own well-developed CSR activities but also refer directly to the sustainability reports of their parent companies, Deutsche Bank and Commerzbank, respectively. Deutsche Bank meets the highest possible reporting standard, GRI (A+), and thus documents vis-à-vis its stakeholders that all CSR quality criteria, including accountability through external assurance, have been fulfilled. Commerzbank identifies its application level as GRI (A) and is thus, in terms of its evaluation and adjustment process, in the overall category CSR Best Practice. Five national companies have published their own GRI sustainability reports: the Credit Suisse Group based on GRI (B+) and IVG Institutional Funds GmbH, the MEAG Group and the SEP Group on GRI (B). Although Aberdeen Asset Management Deutschland has published a GRI report, it did not quote a level and is therefore, as far as the stakeholders are aware, a CSR beginner. A further four companies give very detailed accounts of their CSR

engagement in their business reports and announce their intention to publish their future reports along GRI guidelines. Analysis of their business reports shows that, by applying GRI, these companies would also easily qualify for level (C) or (B). Again, however, this is currently not apparent to all stakeholders. These last-named companies must be therefore counted as CSR beginners with the potential to become CSR newcomers. Detailed analysis of further business reports and website documentation showed that, in terms of their commitment to sustainability, three companies could be classified as category CC and a further three as CS.

Closed property funds

Turning to the closed real estate funds, we find that four companies' business reports explicitly refer to the GRI sustainability reports of their parent companies. These are DWS Finanz Service GmbH (owned by Deutsche Bank, reporting at Level A+), the Commerz Real Group (Commerzbank/Level A), Wealth Cap GmbH (Hypovereinsbank/Level B) and the REAL I.S. AG (Bayerische Landesbank/no level given). It also turns out that at a local level four companies already provide extensive information in their business reports or on their websites about their engagement in the field of CC, particularly in the area's culture, education, youth and sports promotion. These four firms are typical CC companies. The documented engagement of a further four companies puts them in the category CS.

Unlisted housing organisations

Our analysis of the housing enterprises shows that Gesobau AG and HOWOGE GmbH already publish sustainability reports based on GRI (A). In the context of the national analysis, these two companies appear as trailblazers across all market segments analysed. In GRI terms, both companies are already CSR Best Practice enterprises. The business reports of Bauverein Darmstadt AG, GEWOBA AG and GWG München GmbH include comprehensive sustainability reporting so that if these companies reported according to the indicators prescribed by GRI, they, too, could easily obtain at least the level (C). In our analysis, we can therefore categorise them as so-called CSR beginners. In-depth study of the business reports or websites of another 11 companies reveals that they report their social engagement in considerable detail and can therefore be classified as CC companies. Engagement in sustainability is thus widespread among housing organisations. This may be explained by the fact that CSR can be especially rewarding for housing companies, which benefit directly from the greater goodwill of their tenants and, as Blomé (2012) shows, can reduce maintenance costs.

GRI 4 guidelines replace GRI 3.1 reporting

The present analysis shows that CSR is widely practised in the real estate sector. In both global and European terms, Germany already ranks relatively highly in the evaluation and adjustment processes of CSR implementation. However, in interpreting the findings presented here, we must not lose sight of the fact that the GRI levels C, B or A, documented for stakeholders in the context of GRI 3.1 reporting, say nothing about the quality of CSR implementation. The advantage of these application levels to date has been the fact that, via a learning process, they have allowed a soft entry into CSR. By 2012, 42 real estate companies across Europe were already publishing GRI sustainability reports. In all, 22 of these companies were characterised as CSR beginners (three without level) or CSR newcomers (16 at level C) because they could not yet provide

indicator-based evidence of meeting the CSR quality criteria "implementation in the core strategy" and "engagement with stakeholders". Our analysis of numerous business reports in a national context makes clear that CSR has frequently been anchored in companies' core strategy, but that too few indicators have been reported and shown in their sustainability reports, so that these companies have not yet met the GRI requirements. Where GRI 3.1 reporting is concerned, companies which report as many indicators as possible, regardless of their relevance, reach a higher level.

The currently valid GRI 3.1 reporting guidelines favour the quantity of reported indicators over their quality. This is to change with the GRI 4 version published by GRI at the end of May 2013 and intended to gradually replace the GRI 3.1 version by 2015. In future, instead of the three application levels, every company will first have to define the subject areas of importance to the company and its stakeholders. This will require an intensive dialogue with the most important stakeholder groups and a thorough analysis of the company's own CSR strategy. The companies can then decide for themselves which indicators are relevant. This fact, and the simplification resulting from abolition of the application levels, are intended to be of primary benefit to small- and medium-sized companies. Previously, however transparent the actual reporting, the omission of irrelevant indicators was equated with a low degree of CSR implementation because of the low reporting level attained under GRI 3.1 guidelines.

Our study makes clear that there is a reference and regulatory framework to which CSR companies must adhere to meet German standards. Although under GRI 3.1 reporting it is usual to have reports checked by a third party ("external assurance"), this merely confirms that the company has assessed itself correctly and adopted the correct application level. Under GRI 3.1 reporting, no attempt is made to establish whether the reference and regulatory framework has actually been adhered to. Compliance with humane working conditions, the prohibition of child labour and other social and ecological standards over the complete value-added supply chain can be documented for the stakeholders only by certification (e.g. SA 8000, EMAS III, ISO 14001). In their sustainability reports, CSR companies such as BMW, Daimler and Henkel emphasise that they give priority to certified companies throughout their value-added chain. Just as the number of GRI reporting companies has grown in the past, so the number of certified companies is now also increasing in the wake of CSR evaluations and CSR adjustments. The number of companies registered according to EMAS, for example, increased from 3,300 in 2006 to 4,600 in 2011 (European Commission, 2011). The primary motivation behind this development is the desire to legitimise corporate activities (Windolph *et al.*, 2013). In addition, companies may see CS activities as paying off, at least in the long-term (see, for example , McWilliams/Siegel, 2011 and Porter and Kramer, 2011). For the real estate sector, this means that, on the one hand, the CSR implementation of a company's business partners (e.g. architects, building contractors, facility managers, real estate agents) will in future have to be considered more closely, as Xiao-Hua *et al.* (2012) point out. On the other hand, it also means growing pressure on companies to acquire certification themselves. Important stakeholders, such as large corporate clients, will increasingly demand this in their capacity as tenants or investors. After all, companies such as BP, Daimler, Siemens and large insurances and banks are themselves often CSR companies with the highest GRI application levels. The pressure for certification will be intensified by the new GRI 4 reporting guidelines because companies reporting on this basis must prove that they monitor the social and ecological

aspects of the sustainability reporting standards of their component suppliers across their complete supply chain. Quite apart from the pressure to become a CSR company, enterprises which themselves supply intermediate goods will need to incorporate this development into their early warning systems and possibly have themselves certified. Only by doing this can such companies avoid losing GRI-reporting companies as customers and safeguard their long-term success.

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