KOMMUNIKATION AM GOETHEANUM

Goetheanum, Dornach, Switzerland, 25 September 2020

**Accounting for sustainability**

**Christian Hiss keynote speaker at 2020 World Goetheanum Forum**

**On classic financial balance sheets, social and ecological achievements merely appear as expenses, a fact that puts sustainably run enterprises at a disadvantage compared to others. Christian Hiss has developed a concept that assesses the positive sides of sustainable business approaches.**

Running a business sustainably means investing in the future. However, it also incurs extra costs for things like organic fertilizers, regional resources or open-pollinated organic varieties. While this kind of investment appears as costs in the accounts, the social and economic benefits do not register at all. On the balance sheets, sustainable businesses therefore look worse than conventional ones. This can result in genuine disadvantages, for instance, when a business is denied a loan on the basis of its expenses, while the ecological ‘profit’ is not taken into account.

Insurers and pension funds, too, have realized by now that the corresponding ‘risks’ of their activities are not reflected in their balance sheets. “As a result, the banks and the EU are working on developing new accounting guidelines,” says Andrea Valdinoci, general manager of the World Goetheanum Association. “Even accounting firms are now looking into this issue.”

Christian Hiss is pioneering a financial system that accounts for sustainability. He has designed new accounting records for farmers that also reflect the value created within an enterprise. This system registers, for instance, the improvement of soil fertility as a positive development even though it carries higher overheads. In founding the joint-stock company ‘Regionalwert’ (regional value), Christian Hiss also created a tool that provides concrete support for ecological farming and food enterprises. The scheme works with shares that co-fund produce which has been grown, processed and marketed according to organic standards. For this concept, Christian Hiss and ‘Regionalwert’ received the 2020 ‘Courage for Sustainability’ Award issued by the German science magazine ‘'Zeit'-Wissen’.

(2033 characters/SJ, translation by Margot M. Saar)

**Forum** World Goetheanum Forum 2020: What Matters? In Movement Between Inner and Outer Values, 2 to 3 October 2020, Goetheanum

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