

# The Awards for Best Belgian Sustainability Reports 2017

Edition 2018



Tuesday 27 november 2018

## Trends & remarkable reports of the edition



Awards for Best Belgian Sustainability Reports



The Institute of Registered Auditors (IBR-IRE) celebrates this year the 20 years of the Awards for Best Belgian Sustainability Reports. Originally, an environmental Award, it evolved to a full Sustainability Award for which the evaluation criteria have been largely aligned to the GRI Standards.



Thank you to the Jury members who dedicated their time and energy to evaluate the organizations



[www.sustainabilityreports.be](http://www.sustainabilityreports.be)



**HISTORY AND PREVIOUS EDITIONS WINNERS**



**ELIGIBLE ORGANIZATIONS AND CRITERIA (CODE OF PARTICIPATION)**



**VOLUNTARY GUIDANCE FOR THE JURY**



**2018 PARTICIPATING REPORTS**

## Trends and evolutions in sustainability reporting and specific comments of the Jury

### Importance of sustainability context, with clear linkage to the Sustainability Development Goal

Sustainability context and strategy was one of the best quoted criteria by the Jury this year (**see Code of participation for the criteria**). The Jury noticed a clear effort of organization in presenting their performance in the wider context of sustainability and a general strategic view of their sustainability, in order to provide context for subsequent, more detailed reporting. It is essential for organizations to mention the context they are facing, as information on performance should be placed in context.

Transparent sustainability reporting is at the core of the Global Reporting Initiatives' vision and mission. The emphasis on sustainability context required by the GRI G4 guidelines and the GRI Standards is fully reflected in the criteria used by the Jury to evaluate the reports.

In the evaluation, the Jury was invited to take into account for the highest quotation the reports where sustainability context and strategy on sustainability are included in the report and are aligned to the **Sustainable Development Goals** adopted by the United Nations in 2015 for building a better world by 2030. The 17 goals adopted cover very varied themes, such as climate change, health, employment, innovation, and even the development of transparent institutions and justice for everyone. Top performers articulate a broader understanding of the sustainability impacts of their operations as well as impacts up and down their value chain.



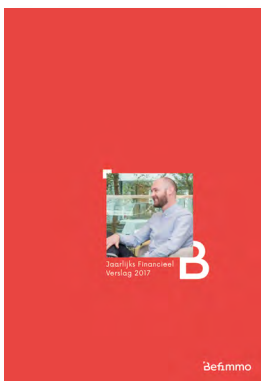
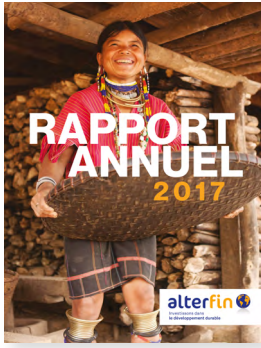
Thank you to our supporting organizations: mainly the Federal Institute for Sustainable Development (FIDO – FIDD), who each year help us to promote this event and thank you to KBC group for hosting the ceremony of giving the Awards on 27 November.







Awards for Best Belgian Sustainability Reports



According to the Jury, the following organizations have well described the sustainability context, made clear links to the SDGs and included targets: **Barco, Federal Public Services Economy, Ontex, Pro Natura, Protos, Solvay.**

Other reports contained a clear reference to the SDGs, as for example the reports of **Alterfin, Argenta, Bpost, Compaan, FEVIA, Vandeputte Safety, KBC Group.**

The Jury particularly appreciated the report of **Elia** which made clear link between Elia's material topics and the SDGs.

The Jury would like to mention the report of **KU Leuven Faculty of Economics and Business** as a good initiative in the sector, based on GRI, very clear and pleasant to read with clear link with SDG. The Jury hopes that other universities or schools will follow the path, making it possible to enter into a sector comparison.

### Importance of a good sustainability matrix – materiality

Identifying and prioritizing the material sustainability issues is the second most important exercise to be done by organizations willing to report according to the GRI method, considers the Jury. Organizations should really focus on materiality (inform on "what matters, where it matters"), including the supply chain, and stakeholders' involvement. Also for integrated reporting, improving transparency on materiality and applying this concept in a rigorous way is key.

The Jury is pleased to mention some good examples as the reports of **Argenta** (nice materiality matrix and stakeholder consultation), **Elia** (good materiality matrix approach), **Federal Public Service Economy** (In depth materiality analysis), **KBC Group** (impressive stakeholder consultation and materiality exercise), **KU Leuven** (materiality matrix well done), **Ontex** (Clear description of materiality process), **Protos** (strong materiality process), **Umicore** (for the strong link with stakeholders), **Van de Velde** (Strong on value/supply chain and materiality aspects with focus on social aspects).

### A balanced and honest view on the whole organizations

The Jury finds many reports to be "good news show" rather than balanced sustainability reports, which complicates the assessment of real sustainability performance. Challenges of the sector should indeed at least be mentioned (i.e. in the bank sector). If the report is too "good news show" in content or lay out, it misses the opportunity to be a work tool and not only a communication tool. The credibility of the information relies on a balanced message : the Jury would also like to read the bad news, besides the good news, organization should explain what are the applied or projected solutions or remedies, how improvements will be made.

Appreciated reports for their honesty on positive and negative issues/facts were the reports of **Compaan, Federal Public Service Economy, Pro Natura, Protos, Solvay** and **Umicore.**

### Benchmarking to sector and peers for more transparency and enhancing reliability of non-financial information through external assurance

The Jury notes that comparison of the performances with the competitors or within the sector remains difficult for organizations. The Jury invites sectoral organizations to have a role in gathering the information of their sector and facilitate benchmarking (i.a. the federal public services). Comparison with peers or with the sector is indeed this year again the criteria which reached the weakest scores in the evaluations of the Jury in the two rounds.

As mentioned each year for a few years now, even if gathering comparable data seems to be a rather difficult exercise for most organizations, especially when starting to report, one should not forget that it is necessary for evaluating performance. Organizations should therefore select, compile and report information consistently.

Reliability is also one of the criteria with the weakest scores this year: the Jury insists on the fact that reference to independent studies, external benchmarking and independent assurance is essential to enhance the credibility of non-financial information and the confidence of stakeholders in the veracity of the report content. GRI G4 mentions that organizations should gather, record, compile, analyse and disclose information and processes used in preparing a report in a way that they can be subject to examination and that establishes the quality and materiality of the information.

The Jury stresses the importance of a high-quality certification and when it is done, to communicate the content of the verification and the name of the external expert clearly to the stakeholders so that they understand what the verification exactly means (scope and level of assurance).

The Jury appreciates the (continued) commitment to obtain external assurance with clear indication of the scope and level of assurance by **Umicore** and **Solvay.**

The Jury encourages other organizations to follow the path of the one obtaining external assurance, at least on part of the report, as for example: **Ontex** and **Recticel.**

### Governance and ethics, still to improve: disclosure on human rights and anti-bribery issues is expected

Like last year, the second criteria evaluated in average by the Jury members as one of the weakest dimensions in the two rounds is governance and ethics. More transparency on the governance structure and on the composition of the related boards and/or committees is important to ensure the accountability of the relevant bodies and individuals.






The Jury strongly advises organizations to describe in more detail their values, principles, standards and norms and internal and external mechanisms for seeking advice on ethical and lawful behaviour. According to GRI G4, the report has to describe how the highest governance body is established and structured in support of the organisation's purpose, and how this purpose relates to all dimensions, whether economic, environmental or social.

Good examples of transparency on governance structure and composition this year are to be found in the reports of **Barco, Befimmo, Solvay, Toyota Material Handling Europe** and **Umicore.**



## Belgian regulation on non-financial information

The implementation of the Directive on non-financial information in Belgium by law of 3 September 2017 is also mentioned in the criteria as it is now mandatory for large public-interest entities (listed companies, banks, insurance undertakings and other companies that are so designated by Member States) with more than 500 employees to disclose in their management report relevant and useful information on their policies, main risks and outcomes relating to at least:

-  environmental matters,
-  social and employee aspects,
-  respect for human rights,
-  anticorruption and bribery issues, and
-  diversity in their board of directors.

As a result of this legislation, the Jury would have expected an increase already this year in the report of Large organizations participating in the Awards. However number of reports at Belgian level will increase in the upcoming years, bringing about a reinforced role for external assurance of sustainability reports, if organizations want to show their report is credible and reliable. This new legislation will also impact other organizations, even if not directly concerned.

In Belgium, the public sector has been taking a step forward in sustainability reporting with a pilot project initiated by the Federal Institute for Sustainable Development (FIDO/IFDD) in 2015. The Jury especially appreciated the efforts made by the **Federal Council for Sustainability (FRDO/CFDD)** to apply for the Awards for the third time.

## Winner & nominees

### First Sustainability Report Winner



**Elia has been selected by the Jury as "Best First Sustainability Report".**

The Jury appreciated the clear definition of stakeholders in the report of Elia and the way to interact with them (original stakeholder strategic interviews) the good materiality matrix approach, the clear ambitions with targets, the use of the new GRI Standards and the link with SDG's.

The Jury encourages Elia to be shorter and more focused in its report. An analysis of Elia's value chain could help to understand possible impacts of Elia's substantial investments. Certification and comparison with peer would make the report more reliable. The jury regrets that important information are only in the appendix which should be integrated. In the light of recent turmoil in the Belgian energy landscape and the mandatory shutdown of nuclear production capacity, Elia's impact as a potential provider of information and expertise could be more explicitly discussed.

The Jury wants to congratulate Elia on its "Best First Sustainability Report" and on its exemplary role in terms of materiality.



### Nominees by the Jury for the "Best Impact Sustainability Report" Awards to be selected by the public on 27 November 2018

#### Large organizations



**Umicore has been short-listed by the Jury to participate in the competition for the Award "Best Impact Sustainability Report" in the category "Large organizations" which takes place on Tuesday 27 November 2018.**

The Jury appreciated the strong link with stakeholders, the mention of the shortcomings which makes it a balanced and honest report in positive and negative announcements. The reports shows clear linkages between strategy and context. The report provides for a lot of information but is easy to use, thanks to a clear analysis based on the value chain, linked to materiality and targets. It also provides for assurance.

However, the Jury encourages Umicore to engage in comparison with peers or industry and to give more prioritization in material topics. The Jury also believes that Umicore can further increase in maturity through the use of SMART KPI's and improve reporting on actual achievement of these KPI's.



**Solvay has been short-listed by the Jury to participate in the competition for the Award "Best Impact Sustainability Report" in the category "Large organizations" which takes place on Tuesday 27 November 2018.**

The Jury appreciated the evolution of this report which is easy to understand and read, even if on technical topics. It offers a strong and very clear website with plenty of link in the content. Material topics are covered in details. The Jury found very clear that sustainability is embedded in strategy and that SDGs are also integrated. The report was reviewed by an independent panel. It contains all the information and concepts one expects from Solvay, but it succeeds in keeping the legibility throughout the entire report. The layout and style (form and content) pushes you, as a reader, to keep on reading even through the less inspirational paragraphs...

It is a great example for a real integrated report (IIRC) and also compliant with GRI, TCFD, Global compact, etc.

However, the Jury found that systematic benchmark with the industry would be a good point. The Jury regrets that the source of information and some clear definitions of very material topic are missing. In view of materiality, the Jury was also wondering if some common material topic for chemical industry – such as scarcity of resource, end user pollution – should not also be added going forward.

The Jury wants to congratulate Umicore and Solvay for their exemplary roles in terms of sustainability reporting and wishes them good luck for the competition: may the best win on Tuesday 27 November 2018!



## Other organizations

This category gathers different type of organizations which make it difficult to evaluate together as they pursue different objectives. However the following organizations have distinguished from the others.



**Federal Public Service Economy has been short-listed by the Jury to participate in the competition for the Award "Best Impact Sustainability Report" in the category "Other organizations" which takes place on Tuesday 27 November 2018.**

The Jury considers the Federal Public Service Economy's report as very open and coherent report. The accessible presentation allows customers and citizens to evaluate whether the FPS Economy does function for a sustainable management of public money. It provides a strong methodology and clear reporting on performance towards goals set out, with reference to both the function of the FPS and the transition of the Belgian economy. It makes clear link with SDG's and elaborates supporting actions. The Jury liked the way this federal public service managed to involve its stakeholders in the materiality analysis. The Jury appreciated the in depth materiality analysis, with a strong focus on 10 priorities set in a very interactive manner with stakeholders, demonstrating high commitment to stakeholders interests. It has been built based on the stakeholder's interests and expectation. The disclosure on management approach makes it balanced as negative performance are reported (e.g. social matters). It proposes an adaptation of the GRI (G4) to public institution and aims to be an example for other public institutions to follow the path.

The Jury invites the FPS Economy to shorten its document with a clear structure, to explain how stakeholders have been chosen, to disclose on business ethics impact, fighting corruption and to have its report verified by an independent party.



**Pro Natura has been short-listed by the Jury to participate in the competition for the Award "Best Impact Sustainability Report" by the Jury in the category "Other organizations" which takes place on Tuesday 27 November 2018.**

The Jury appreciated the fair and transparent report of Pro Natura. It is transparent also on challenges. The report is nice to read, well presented and clear, concise and well structured.

It is also well balanced and reflects a sound selection of material topics. The value chain is also included into the assessment on materiality. The report is nicely linked with the GRI G4 guidelines and the SDG's. Pro Natura also provides a clear overview of its intended impact in the coming years in a SMART way.

The Jury encourages Pro Natura to update its materiality matrix, to mention more details on governance (names in the organigram i.e.) and to provide more information on codes of conduct/ethical charter, integrity, and the policies governing the highest governing bodies. The Jury would have liked to see a link with the wider industry or competitors to enhance comparability.



**Protos has been short-listed by the Jury to participate in the competition for the Award "Best Impact Sustainability Report" by the Jury in the category "Other organizations" which takes place on Tuesday 27 November 2018.**

The Jury found the report of Protos easy to read through, with a nice structure and lay-out, nice pictures. It shows an impressive collection of data, with a lot of practical examples and stories, clear measures. The Jury appreciated the balanced overview of the main challenges and the link to appendix or website which makes it shorter and focused. The Jury appreciated the very clear sustainability context, the link with SDG's, some at target level, and the clear financial explanation. It is GRI based. The Jury liked the strong materiality process as the report clearly outlines its approach with its stakeholders on the materiality, as well as the limits of the report (also in light of the SDG's).

The Jury encourages Protos to further report on Ethics, Bribery & Corruption in those countries and on how the NGO operates those issues. The Jury would like to see information on governance and assurance on non-financial information. The Jury invites Protos to add SMART targets or to illustrate them next to each project mentioned.






The Jury wants to congratulate Federal Public Services Economy, Protos and Pro Natura for their exemplary roles in terms of sustainability context and balanced view on the organization. The Jury wishes them good luck for the competition: may the best win on Tuesday 27 November 2018!

## Concluding comments by the Jury

The ongoing participation in the Awards for Best Belgian Sustainability Reports proves that sustainable development is increasingly part of an organisation's business strategy, even if reports come out only every two or three years or in a timing which makes it difficult to participate.

The Jury members congratulate all participating entities and encourage them to keep on establishing quality sustainability reports that become more and more integrated. Some enterprises have already acquired a high maturity in sustainability reporting and others are on their way to establishing high-quality reports. The Jury also appreciated the efforts of a large majority of participants to have chosen to report based on GRI guidelines and already on G4 or even GRI Standards.

Although the Jury is aware of the high level of quality of the reports and efforts made especially in presenting their performance in the wider context of sustainability and a general strategic view of their sustainability, it would like to encourage participants to keep on striving for further improvement of their reports, particularly in the following areas:

-  balancing the information provided to avoid too good news show,
-  benchmarking with other organizations and sector comparison,
-  (further) engaging in external assurance of non-financial information,
-  transparency on the governance structure and composition, and
-  describing their ethical charter, human rights and anti-bribery issues.

The Jury would like to stress once again the growing development of integrated or combined reporting and is very proud that some Belgian entities are increasingly moving towards integrated reporting. The Jury congratulates them in particular on their efforts in this respect.

The Jury hopes that other organizations will follow suit.



**WINNERS 2018**  
(AVAILABLE AS FROM  
28.11.2018)

### ORGANISOR

Institute of Registered Auditors  
Stéphanie Quintart  
s.quintart@ibr-ire.be  
[www.ibr-ire.be](http://www.ibr-ire.be)

**CONTACT**  
sustainabilityreports@ibr-ire.be

