What's the minimum content for a sustainability reports ?

The Jury of the Best Belgian Sustainability Report bases its review of the reports on various criteria in line with the GRI reporting standards. Since last year, the inclusion of the relevant sustainable development goals in the sustainability or integrated reports has also been taken into account in the jury criteria.

The report should indicate if it is prepared in accordance with the GRI standards. If it is, the reporting organization can chose between the core or the comprehensive options. Beyond this, it is also possible to use only part of the standards ("GRI-referenced" claim).

In order to be compliant with the GRI standards, some information need to be included in the sustainability report (or integrated report) for any type of organization. Those can be summarized as follows:

1) Sustainability context and strategy
2) Stakeholder engagement
3) Materiality and boundaries
4) Completeness
5) Governance and ethics

Sustainability context and strategy

The performance of the organization in a general sustainability context should be presented as well as the underlying sustainability strategy. That strategy should integrate a reflection on the relevant sustainable development goals.

The sustainability report should determine how the organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental, and social conditions.

This chapter should include a statement from the most senior decision-maker around the importance of sustainability in the organization's strategy and how the organization intends to manage the main economic, environmental and social impacts of the organization. This statement should cover:

- Strategic priorities and key topics for the short and medium term with regard to sustainability, including respect for internationally recognized standards and how such standards relate to long term organizational strategy and success;
- Broader trends (such as macroeconomic or political) affecting the organization and influencing sustainability priorities;
- Key events, achievements, and failures during the reporting period;

- Views on performance with respect to targets;
- Outlook on the organization's main challenges and targets for the next year and goals for the coming 3–5 years;
- Other items pertaining to the organization's strategic approach.

The report should also include:

- A description of the significant economic, environmental and social impacts of the organization, and associated challenges and opportunities. This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally recognized standards and norms.
- An explanation of the approach to prioritizing these challenges and opportunities.
- Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance.
- A description of the main processes in place to address performance and relevant changes.

Stakeholder engagement

The report should list the stakeholders[1] that the organization has identified.

Examples of stakeholder groups are:
- civil society
- customers
- employees and workers who are not employees
- trade unions
- local communities
- shareholders and providers of capital
- suppliers

The report should also include the topics that are important to those stakeholders, in order to meet their expectations and interests.

The report should also describe the way that the reporting entity connects and engages with those stakeholders. This includes the methods used (face to face meeting, surveys, etc), the frequency of engagement and the way that the stakeholder feedback has been used in the report.

A well thought-out and organized process is the key to define the materiality matrix that will drive the content of the report.

Materiality and boundaries

The topics included in the report should reflect the organization's significant economic, environmental, and social impacts and cover every element that could influence the assessments and decisions of stakeholders. Topics that do not fit those criteria are not considered material and should not be included in the report.

---

[1] "Stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by the reporting organization's activities, products, or services; or whose actions can reasonably be expected to affect the ability of the organization to implement its strategies or achieve its objectives". GRI standards –GRI 101

The report should describe the process they have defined in order to determine if a topic is material or not. It is advised to summarize this process and its conclusion in a materiality matrix.

This chapter should include

- The list of all entities included/excluded in the organization's consolidated financial statements or equivalent documents.
- The process for defining the report content and the Aspect Boundaries[2]: identifying relevant topics, determining boundaries for relevant topics, prioritization, validation and review.
- The list of all the material aspects identified and for each material aspect whether it is material within the organization and outside the organization;
- Significant changes from previous reporting periods.

Completeness

The report should cover all defined material topics and their Boundaries, in order to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organization's performance. Completeness also applies to the collection of all relevant topics and for the correct timing of the information presented.

Governance and ethics

A well thought sustainability strategy has to be decided at board level and needs to be embedded in the governance of the organization. Thus the report should describe the organization's governance structure and composition and how it supports the organization's purpose in particular for economic, social and environment dimensions.

The following areas should be covered in the report:

- Governance structure of the organization, including committees of the highest governance body
- Identification of any committees responsible for decision-making on economic, environmental and social impacts.

---

[2] "The description of where the impacts occur for a material topic, and the organization's involvement with those impacts. Organizations might be involved with impacts either through their own activities or as a result of their business relationships with other entities". GRI standards –GRI 101

- Role of the highest governance body in setting the organization's purpose, values (or mission statements), and strategy and goals related to economic, environmental and social impacts (development, approval and updating).
- The competencies, responsibilities and performance evaluation of the highest governance body.
- The role of the highest governance body in risk management (internal audits, compliance), in sustainability reporting, in evaluating economic, environmental and social performance.
- Remuneration and incentives.
- Description of the organization's values, principles, standards and norms (i.e. codes of conduct, codes of ethics).
- Its internal and external mechanisms for seeking advice on ethical and lawful behavior.
- Its internal and external mechanisms for reporting concerns about unethical or unlawful behavior and matters of integrity.

Besides those general elements for which guidance can be found in the GRI standard 101, 102 & 103, the organization will need to tailor the rest of the report content based on its material impacts. The GRI provides guidance on the economic, social and environmental impacts as well as the relevant indicators in the standards 201 to 419.

All useful GRI standards can be found on the GRI website https://www.globalreporting.orghttps://www.globalreporting.org.

Deborah Fisher
Réviseur d'entreprises / Réviseur agréé par l'Office de Contrôle des Mutualités
Associée
Member of the Jury – Awards for Best Belgian Sustainablitiy Reports