

# Annual Report 2021



FORUM  
ETHIBEL



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## Message from the chairman

Another difficult year has passed, in a global context which was hardly better than the year before. While the Covid-19 pandemic now seems to be over its peak, it has nevertheless continued to cause terrible hardship and damage of a scale previously unknown by most of us.

The exact numbers of fatalities and of people whose lives have been ruined by the pandemic will never be known, but they are more than terrifying. Equally impossible to measure is the huge impact of the pandemic on our social and economic welfare, which took so many years to build up and has now suffered important setbacks worldwide. As if the consequences of this catastrophe were not bad enough, at the time of publishing this report part of Europe has been drawn back into the past ages of insane war and destruction. And let us not forget the tragic consequences, for thousands of families, of the devastating floods in the southern part of our own country, in the summer of last year.

While these disasters are for the major part man-made, no one has the single key in hand to a safer, better and more sustainable world. We all have our role to play and contribution to make in pursuing this objective, in our own domain and living space. Looking for a brighter side, we can at least expect that the unprecedented situation we are in has given a strong boost to the awareness, motivation and creative capacities which are needed on the road to recovery and progress.

The fight against global warming is one of the key domains in this regard. It is moving forward, but too slowly. It remains one of the priority issues on Forum Ethibel's agenda. Part of our work is therefore geared towards stimulating a reduction in the use of carbon-based energy sources, delivering relevant expertise and services to our partners and clients.

We work with investors, financial institutions, asset managers, companies and civil society organisations as well as with local and national public administrations on a variety of issues. Demand continues to grow, for instance, for FE to assist in the development and implementation of SRI/CSR policies and strategies. We continue to issue sustainability certificates and quality labels; offer training, audits and research services and assist partners in their projects on sustainable finance.

The Febelfin quality label “Towards sustainability” was created in 2019 and has successfully become the major reference point for sustainable financial products in Belgium. FE has been on board of this pioneering project from the outset and is acting as the independent Verifier of products that are proposed for the label. The demand for the label has risen at a remarkable pace from year to year, bringing encouraging proof of the growing response of the financial sector to the need and public demand for more sustainable financial products.

In the same vein, FE conducts an annual study of the trends and characteristics of sustainable investments and savings and their share in the Belgian financial markets. As previously announced, the study was re-baptised in 2021 and is now published under the name ERSIS (“Ethibel Research on Sustainable Investments and Savings”). We didn’t just change the name, but ERSIS is now available in both the Dutch and the French languages as well. The 2021 edition shows that the volume of sustainable investments has again doubled in the past year, a trend that will no doubt continue to accelerate. ERSIS also looks at the broader picture by analysing other developments and main features in the world of sustainable finance, in Belgium and in Europe. The study can be downloaded on the FE website for those who want to know more about it.

FE continues to grow, not only in terms of the volume and diversity of its assignments but also as far as its infrastructure and staffing is concerned. For the 2nd year running, 2 new staff members have been recruited in order to strengthen the FE Team. Kenny and his colleagues have done a great job in a difficult and very busy year, as amply demonstrated in this report.

2022 will be a crucial year for a return to normalcy, which we are all hoping for. Giving greater priority to the need for enhanced sustainability in the economy is no longer a choice to make in this regard. It is an imperative condition in the process of successful recovery and for putting our world back on the road towards a safer future. Forum Ethibel is ready to continue and step up, together with its partners, its contribution towards that objective.



Eddy Laurijssen  
Chairman Forum Ethibel  
25<sup>th</sup> of March, 2022

A close-up photograph of a green plant with a globe in the background. The plant has several green leaves and a thin, curved stem. The globe is partially visible in the upper right corner, showing the outlines of continents. The overall image has a soft, natural feel with a focus on sustainability.

# I. Mission & vision

*Forum Ethibel provides neutral support to actors such as institutional investors and financial institutions who want to become more sustainable.*

Our mission is to promote and raise awareness of transparency, social responsibility and sustainable behaviour in financial markets. We believe corporate social responsibility (CSR) and socially responsible investment (SRI) are both a means to and a condition for a sustainable society.

We provide three kinds of products & services:

- **Our own pioneering vision on sustainability**  
We translate our perspective on sustainability into concrete products that reflect this perspective, such as quality labels.
- **Tailor-made solutions for clients**  
We help our clients develop and implement bespoke SRI/CSR strategies and award sustainability certificates to clients with a proven commitment.
- **Added value to society**  
Through training, audits and research (such as our annual ERSIS study), we make an impact on society.

To achieve our goals, **we partner with** investors, savers, financial institutions, companies, governments and civil society – a network of dialogue partners that transcends Belgian borders.

Our way of working allows us to maximise our societal impact and facilitate and accelerate the transition to **the sustainable society we envision**.





## II. Sustainable finance in Belgium

### A. The state of sustainability in financial markets

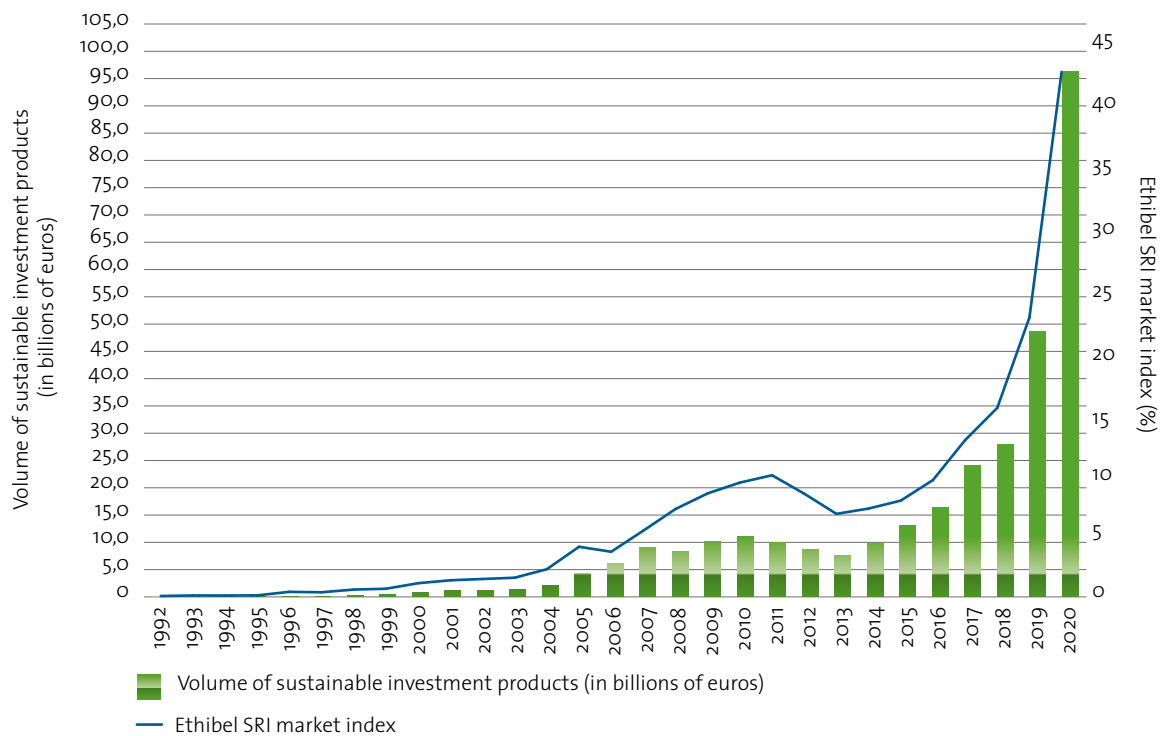
Each year, Forum Ethibel publishes the ERSIS study (formerly known as MIRA) in collaboration with the Federal Institute for Sustainable Development and the University of Antwerp. Using data stretching all the way back to 1992, the study tracks the development of sustainable investments and savings in Belgium. Last year's annual report revealed that sustainable investments and savings were more popular than at any time since the ERSIS study was first published.

The most recent ERSIS study, conducted in 2021, showed that growth had continued at unprecedented levels in 2020: in just twelve months, the volume of sustainable investments in Belgium nearly doubled, to a total of EUR 96.3 billion – twelve times the amount we saw in 2013, when sustainable investment first became a trend.

**The Ethibel SRI market index** charts the annual development of sustainable investment products, comparing it to the general course of investment funds in the Belgian financial market. The index surged in 2020, from 22.1% to 41.6% – its steepest positive development since 1992. This can mainly be attributed to significantly higher overall volumes of sustainable investments. European legislation and the growing popularity of Febelfin's Towards Sustainability label (launched in November 2019) also played a role in this trend.

But it is not just the volume of sustainable investments that is increasing: the range of sustainable investment products too has been expanding. 2020 set a new record, with 173 more products than the year before, for a total of 687 products.

### Evolution of sustainable investments in Belgium



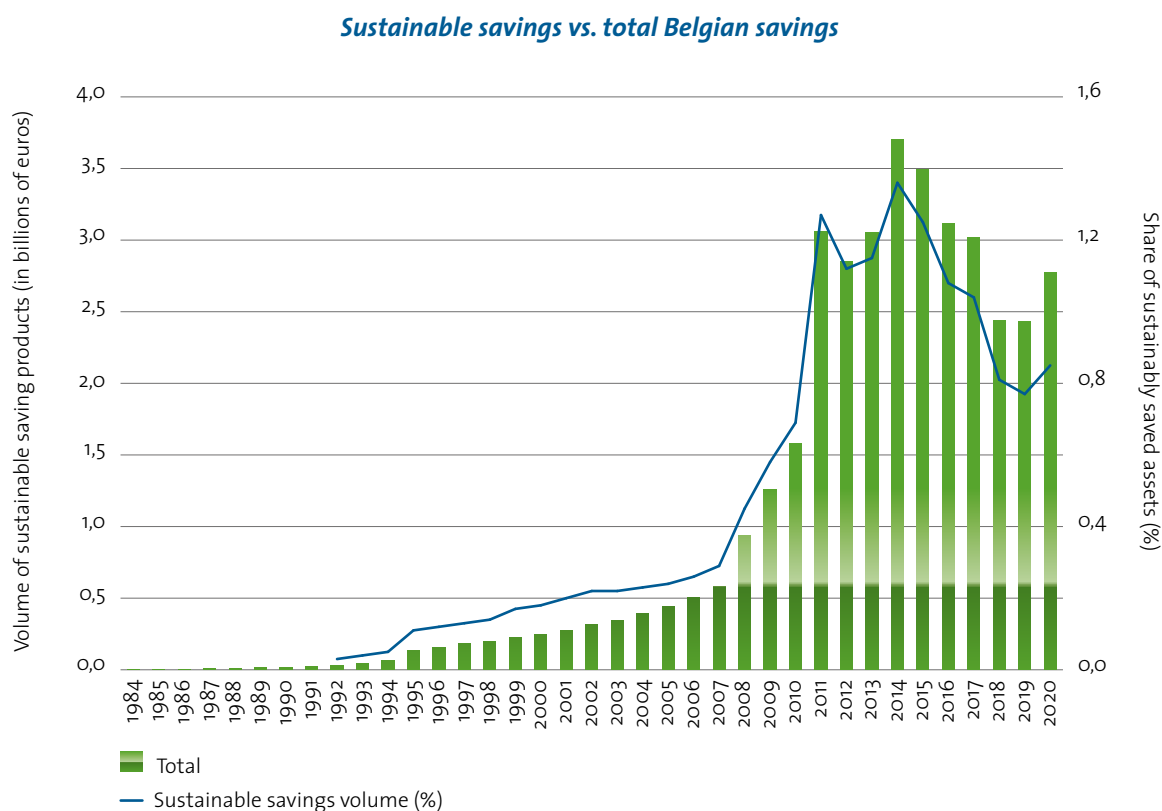
Source: Forum Ethibel calculations, based on data by BEAMA and financial institutions

In one of Forum Ethibel's very first reports (written in 2004), our Chairman at the time wrote that "*socially responsible investment [will become] mainstream*". He predicted a sea change ahead. That was 17 years ago. As the above graph shows, the number of sustainable financial products has exploded since then.

## B. Sustainable savings on the rise after five-year decline

Another interesting highlight of the 2021 ERSIS study is the state of sustainable savings. Much like sustainable investments, sustainable savings too have become more popular. The latter trend is a new development, however: fewer savers actually opted to go sustainable in the past few years.

As 2020 drew to a close, the volume of sustainable savings was no less than EUR 2.77 billion – an increase of EUR 345 million (14%) compared with the year before. This turnaround marks the end of a five-year period of decline. While savings increased in general, sustainable savings increased more rapidly. At the end of the year, sustainable savings made up 0.85% of all savings – up 0.08% from the year before



Source: Forum Ethibel calculations, based on data by BEAMA and financial institutions





## III. 2021 at a glance

### A. News

#### a. The team is growing!

Since sustainability has become more important to the financial sector, demand has been high for Forum Ethibel's services and bespoke support to investors, financial actors and other organisations seeking to integrate sustainability into their activities. Two new talents joined our team to help us meet that demand: Hilde Goeyvaerts and Remi Leroy.

Remi, who has a background in Applied Ethics and Moral Sciences, became our fifth Research Officer in September. Hilde studied Administration and Accounting and used to work in the NGO sector. Since July, she has been doing our accounting and working with admin and HR as our new Administrative Assistant.





## **b. MIRA report becomes ERSIS**

The data and conclusions we present on pages 6-8 in this report are largely based on the ERSIS (formerly known as MIRA) study we used to conduct with the University of Antwerp and the Flanders Environment Agency (VMM).

In 2021, our collaboration with the latter came to an end, so we looked for a new partner together with the University of Antwerp. Belgium's Federal Institute for Sustainable Development, which is in charge of sustainable development on the federal level, was a natural choice.

The new setup led to a name change: the study's old name, 'MIRA' (a Dutch abbreviation for 'environmental report') had been coined by the VMM. Its new name, 'ERSIS', stands for 'Ethibel Research on Sustainable Investment and Savings', which provides a clearer indication of the study's focus.

Besides this name change, the ERSIS study was also simultaneously published in both French and Dutch for the first time this year. All forthcoming editions will be published in both languages to raise awareness of sustainable finance among a broader audience.



## B. Collaborations

Forum Ethibel has been partnering with various stakeholders for several years now. We not only cooperate on recurring tasks (such as annual certifications), but also regularly engage in new projects with our partners. Below, we highlight a few of our collaborations.

### a. Two years of Towards Sustainability

In 2019, Febelfin issued a set of criteria to determine whether financial products guarantee a minimum level of sustainability. Products that meet these criteria (in terms of, for example, exclusions, transparency and sustainable strategy) are awarded the **Towards Sustainability label**. Since the label's launch, Forum Ethibel has served as its independent verifier, in collaboration with the University of Antwerp and the ICHEC Brussels Management School.



As investors display a growing interest in sustainability, Towards Sustainability fulfils a crucial role (as labels tend to do) in the absence of an overarching regulatory framework on sustainable finance. The numbers are proof of the label's popularity: in 2019, Towards Sustainability was awarded to 311 financial products. In 2020, that number had gone up to 494, only to rise to 646 in 2021.

Towards Sustainability also underwent its first biennial review in 2021. The review looked into the extent to which Febelfin's criteria are in line with EU regulations on sustainable finance; greater integration of sustainability in the investment process; strengthened criteria on the fossil-fuels sector and sovereign bonds; and improved mechanisms for disclosure to end investors.

*"A quality standard in the field of sustainability cannot be static: it must be dynamic and evolutive to keep pace with changing consumer expectations, societal needs, scientific research, data availability and new regulatory initiatives." (Towards Sustainability review)*

### b. a.s.r.

a.s.r. (whose name stands for 'social risk declaration' in Dutch) is a listed Dutch insurance company. Forum Ethibel has been collaborating with a.s.r. since 2009. We have been delivering biannual certifications to assess a.s.r.'s SRI policy and conducting SRI screenings of the company's portfolio.

a.s.r.  
de nederlandse  
verzekering  
maatschappij  
voor alle  
verzekeringen

We assist a.s.r. in its sustainable transition in two different ways: we assess the company's investment policy in terms of sustainability and help a.s.r. put in place its own strategy, and we also monitor a.s.r.'s engagement with the companies it invests in, including its efforts to get the latter to strengthen their own sustainability thresholds.

In 2021, Forum Ethibel reaffirmed that a.s.r. is still in full compliance with all relevant criteria.





### c. Plan International

Plan International is a well-known international NGO that protects the rights of children. Forum Ethibel first started working with Plan three years ago, assessing whether the companies that the NGO partners with actually comply with Plan's values. Plan wants to make sure it partners with businesses that facilitate society's transition and wants to encourage engagement beyond a simple financial contribution to their cause.

Ever since, we have not only been screening potential Plan partners, but also working with the NGO's Corporate Partnerships team to finetune an ethical code that is in line with Plan's values.



## C. New partnerships

### a. CO<sub>2</sub>logic Earth Funders project

CO<sub>2</sub>logic is a B Corp-certified climate advice company in Brussels that offsets companies' emissions through investments in climate projects. CO<sub>2</sub>logic has been Forum Ethibel-certified for more than a decade. This year, the organisation submitted a new project for certification: the Earth Funders Fund, which supports grassroots climate initiatives through crowdfunding and private donations.



The Fund raised EUR 25,000 for the Somba Cookstove initiative in northern Benin, a project that has equipped at least 500 families in rural communities with energy-efficient cookstoves. This not only improved families' health and made their daily lives less arduous, but also reduced deforestation by preventing the felling of up to 10,000 trees.



Forum Ethibel audited Earth Funders' fundraising process. Earth Funders' ambition is to make sure 100% of the money it raises is actually used in the field. To achieve that, CO<sub>2</sub>logic (or its sponsors) cover all structural and fundraising costs. After a detailed analysis of the financial data and an extensive consultation process, we were delighted to be able to certify the fundraising campaign for the Somba Cookstove project.

### b. Curalia

Curalia is a Belgian pension and insurance provider that is active in the health sector. In 2018, the organisation collaborated with Forum Ethibel for the first time, inviting us to analyse its investment portfolio in terms of the environment, social aspects and good governance (ESG). This year, we began supporting Curalia's development of its own sustainable investment policy; the aim is for the policy to be compliant with the Sustainable Finance Disclosure Regulation by 2024. Forum Ethibel will support Curalia in this transition until 2022, advising it on how to become SFDR compliant and helping it expand and finetune its sustainable investment policy.





### **c. City of Ghent**

#### **i. Pension funds**

The City of Ghent has both financial criteria and sustainability criteria for its pension reserve, with specific goals and limits that it asks its asset managers to respect. In May, Ghent decided to go the extra mile and developed additional, stricter criteria: all of its funds now have to respect the ten principles of the UN Global Compact, for example, and all investments will have to be fossil-free by 2023.

To make this happen, Ghent set up a sustainability advice committee to assist its financial committee in assessing the sustainability level of the city's investments. The new committee consists of representatives of the City of Ghent's financial department plus external actors – including Forum Ethibel. As an advisor, we will draw on our expertise to help Ghent make decisions that have the best interests of society and the planet at heart.

#### **ii. New Human Rights Council**

On 28 April, the City of Ghent announced it was founding a Human Rights Council, thereby becoming the first Flemish city to ever do so. Here is how its website describes the new Council's purpose:

*“The Human Rights Council advises the City of Ghent on human rights in its international dealings (hosting foreign delegations, sending delegations abroad, participating in networks and bilateral partnerships). By providing advice, the Council puts human rights higher on the City of Ghent's international agenda and creates an opportunity for the City to take the lead in promoting human rights worldwide.”*

Ghent's Human Rights Council has a diverse makeup: it consists of three representatives of the City's own advisory bodies and four independent experts, Giselle Corradi, Wies De Graeve, Soumaya El Majdoub and Forum Ethibel's General Director Kenny Frederickx. The four will contribute to the Council's work with their expertise in human rights, (economic) development, international migration, CSR and sustainable investment. Kenny Frederickx will provide input on economic and corporate matters.



#### d. CFDD-FRDO working group

Belgium's Federal Council for Sustainable Development (FRDO-CFDD) advises the federal government on its sustainable development policy and related issues such as social justice, biodiversity, sustainable economy and the SDGs.

Earlier this year, Forum Ethibel was invited to join a working group of the Council, in which different stakeholders (from NGOs to trade unions to the FPS Finance) get to provide input on an upcoming federal government policy on sustainable finance. The working group was initiated by Minister of Climate, Environment and Sustainable Development Khattabi and Minister of Finance Van Peteghem. This new collaboration is an excellent opportunity for Forum Ethibel to make a bigger impact: we will capitalise on our position in the sustainable finance sector to share our vision with the Council and make sustainable investment and savings the norm in Belgium.



As a member of the FRDO-CFDD's working group, we responded to a survey on the challenges and opportunities that Belgium's sustainable finance landscape is facing. The idea was to analyse existing activities and initiatives to inform the new policy. The survey not only collected factual data but also asked respondents for advice and concrete suggestions – a welcome initiative. Results are currently being analysed.





## D. Events and media

Forum Ethibel regularly organises events itself and participates in events arranged by others in the field of sustainable finance. This section highlights some of these events as well as our media appearances this year.



### a. Z-Responsible Invest miniseries

Forum Ethibel recently partnered with the TV channel Kanaal Z/Canal Z to create a miniseries on sustainable finance, Z-Responsible Invest. Its eight episodes cover different themes and provide Belgian investors with specific solutions. The first episode is an interview with Kenny Frederickx about the growing popularity of socially responsible investments and the role EU regulations and Febelfin's Towards Sustainability label have played in that growth. Other episodes shed light on the diversity of sustainable finance through interviews with the Deutsche Bank and the Financial Services and Markets Authority, among other voices. All episodes can be viewed [here](#).

The Z-Responsible Invest interviews were conducted in either Dutch or French (with subtitles in the other language) and broadcast on both the Dutch- and French-language version of the TV channel. This is in line with Forum Ethibel's ambition to broaden its reach and transcend language barriers.

Forum Ethibel valued the way Kanaal Z/Canal Z looked at sustainable finance from different point of views, discussing the topic with major players like KBC as well as smaller actors like FUNDS FOR GOOD or neutral ones like Forum Ethibel itself. The channel struck a delicate balance between different elements, providing the audience with a clear overview of the current state of sustainable finance in Belgium.

## b. Ring the Bell Euronext ceremony

Euronext organises so-called ‘Ring the Bell’ ceremonies for Initial Public Offerings taking place in Belgium. Sometimes, these ceremonies are used to highlight a specific theme – as was the case in September, when we organised a Ring the Bell on the topic of sustainable investment.

During the ceremony, Kenny Frederickx was joined by Dieter Vander Beke (Federal Institute for Sustainable Development) and Luc Van Liedekerke (University of Antwerp). The trio promoted the ERSIS study and shared its insights with Minister Khattabi and Minister Van Peteghem, who are in charge of implementing a sustainable finance strategy in Belgium.



Source: © Jules Toulet – Ring the Bell Ceremony Euronext, 30 September 2021

The event signalled that the private and public sector are determined to collaborate as they transition. It turns out sustainability is on everyone’s agenda – including that of the federal government, which announced during the ceremony that it will be divesting from non-sustainable businesses by 2030. By doing so, it joined countless other investors (with portfolios of varying sizes) who are opting for sustainable investment products: Belgium’s sustainable investment market roughly doubled in size in the past twelve months!

Luc Van Liedekerke, Chairman of Forum Ethibel’s Register Committee, was interviewed by Kanaal Z on the government’s decision. Celebrating the fact that Belgium is one of the European countries that have invested the most money in sustainable products, he cited the Towards Sustainability label as one of the reasons why the Belgian market has undergone such a shift.



### **c. Jury for Best Belgian Sustainability Reports Awards**

Every two years, the Belgian Institute of Registered Auditors (IBR-IRE) awards companies that have been particularly successful at communicating their sustainability impact. Forum Ethibel was asked to be part of the jury of the 2020 Awards for the Best Belgian Sustainability Reports. Kenny Frederickx represented our organisation, joining jury members from the academic, public, corporate and social profit sectors, as well as journalists and registered auditors. In recent years, winners of previous editions have also helped select subsequent nominees.

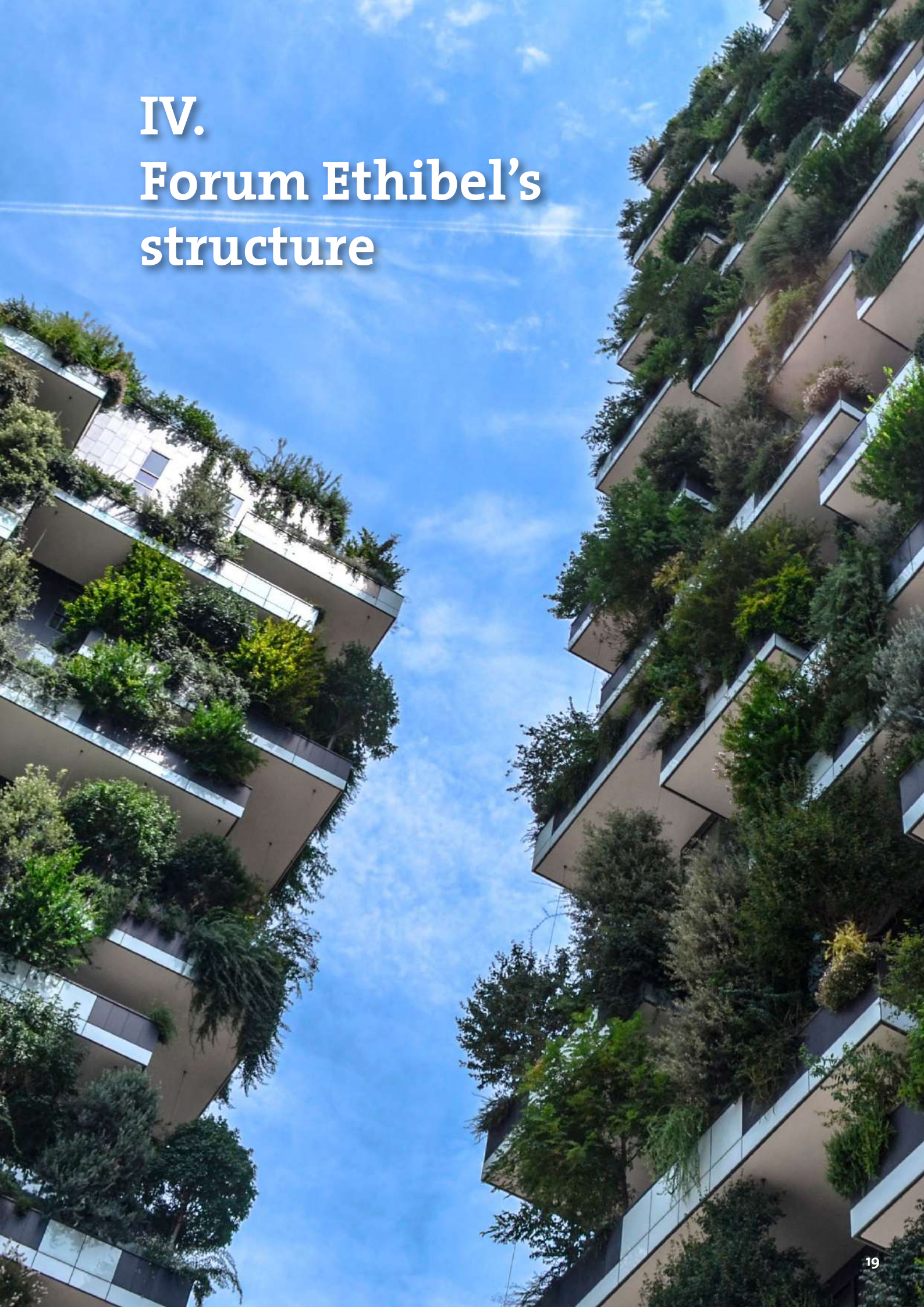
Together, the members of the jury read through and rated companies' reports for 2019, assessing how well they integrated sustainable factors (environmental, social and economic), illustrated companies' contribution to the SDGs, and demonstrated companies' actual impact (comparability, clear KPIs, objectives and targets). Clarity, reliability and creativity were also taken into account.

Unfortunately, the awards ceremony had to be postponed because of the pandemic. It eventually took place online, on 26 January 2021. During this edition of the Awards for Best Belgian Sustainability Reports, organisations were divided into different categories ('SMEs', 'large organisations' or 'other'), with prizes awarded both by the public and the jury. The latter handed out four prizes: 'Best First Sustainability Report', 'Best Pioneering Initiative Relating to the 2030 Agenda', 'Best Stakeholder Inclusiveness and Engagement' and 'Best Creativity and Originality'.

Winners included Lidl Belgium ('Best Impact Sustainability Report' as a large company) and Luminus ('Best Stakeholder Inclusiveness and Engagement' as an SME). Other noteworthy reports had been published by Aldi, the City of Ghent, KU Leuven and Proximus.



# IV. Forum Ethibel's structure





## The Board of Directors (31/12/2021)

Eddy Laurijssen – Chairman
Harry Harding
Bart Corijn
Anne-Sophie Pijcke
Matilde Defraeije
Dirk Van Braeckel
Alex Houtart

The Board of Directors helps Forum Ethibel develop as an organisation. It consists of seven independent members with different profiles, from sustainable entrepreneurs and networkers to industrial engineers, members of the United Nations Association Flanders Belgium and experts in corporate governance. Their complementarity and diversity are one of the Board's greatest assets and safeguards the neutrality of its decision-making.

## The 'Bureau'(31/12/2021)

Eddy Laurijssen – Chairman
Dirk Van Braeckel
Bart Corijn
Kenny Frederickx

A few of Forum Ethibel's Board members are also part of the Bureau. The Bureau bridges the gap between the Board and the organisation's everyday management. If, for example, a decision needs to be taken but no Board is scheduled for the near future, the Bureau may step in instead (presenting any decisions it has taken at the next Board meeting). The Bureau also sets the agenda for Board meetings.



## The Register Committee (31/12/2021)

Luc Van Liedekerke – Chairman
Dirk Ameel
Christel Dumas
Luc Hens
Eddy Laurijssen

The Register Committee provides the Board with expert advice on the composition of Forum Ethibel's Investment Register and the methodology behind it. The Register Committee's members hail from different backgrounds (from academic to corporate), which ensures the Committee's decision-making is well-balanced.

## Staff

Kenny Frederickx – General Director
Hilde Goeyvaerts – Administrative Assistant
Ro Van den broeck – Research Officer
Laura Uwase – Research Officer
Hanne Werquin – Research Officer
Yann Fantoli – Research Officer
Remi Leroy – Research Officer

Forum Ethibel's staff in Brussels perform everyday tasks such as portfolio screenings, social audits, certifications and verifications. In 2021, our staff comprised of our General Director, an Administrative Assistant and five Research Officers from different backgrounds, who each specialise in a different area.





## V. Financial report

Forum Ethibel kept prioritising good governance and smooth financial management in 2021. Thanks to continuous budget follow-up by the Board of Directors, strategic long-term investments and the strengthening of our balance sheet, 2021 entrenched our organisation's financial stability.

**Revenue** hailed from Forum Ethibel's three pillars: (1) Products linked to our vision and sustainable choices, (2) Tailor-made support and certifications, based on clients' proprietary methodologies, and (3) Research on sustainable investment and social audits. Revenue from certification and verification assignments increased, and revenue from tailor-made support to institutional investors was higher than we had anticipated.

**Costs** increased with two new hires (one Administrative Assistant and an additional Research Officer). While this investment resulted in higher office-related expenses, it will allow Forum Ethibel to keep delivering high-quality results.

Forum Ethibel also **invested in** IT security, to guarantee clients that their confidential information would be protected.

Forum Ethibel's total revenue amounted to EUR 746,179.04 in 2021, while total expenditure was EUR 510,600.60. This resulted in a **positive income** over expenditure balance of EUR 235,578.44.









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