FSMA

FINANCIAL SERVICES AND MARKETS AUTHORITY

Studies and documents: no. 48
June 2021

Non-financial reporting:

Follow-up study and guideline for Belgian listed companies

1 EXECUTIVE SUMMARY

In its study of March 2019, the FSMA took stock for the first time of non-financial reporting by large listed companies in Belgium. In that study, the FSMA drew attention to good practices and presented a number of recommendations regarding the quality of reporting non-financial information (hereafter: 'NFI report'). Since the publication of that study, sustainability reporting has undergone significant development.

It is for this reason that the FSMA has, two years later, drawn up a new overview of non-financial reporting by listed companies. The present study examines what areas have seen progress. It also looks at whether companies have taken into account the recommendations of the previous study.

In addition, the study offers the companies concerned some guidelines for drawing up their future NFI reports. By means of the recommendations made and the good practices mentioned, they can examine how their non-financial reporting can be (even further) improved. In this way, the study seeks to contribute to an overall increase in the quality of non-financial reporting by the Belgian listed companies concerned.

The study focuses on the NFI reports of Belgian issuers of shares and bonds that: (i) were listed as at 1 1 November 2020 on regulated market, (ii) are subject to supervision by the FSMA, (iii) were required to include a non-financial report in their annual financial report for the 2019 financial year and (iv) published their NFI report before the end of November 2020.

The study shows that many companies have undergone a growth process over a two-year period. The NFI report has significantly improved during that period, for example as regards environmental reporting. However, there is still room for improvement. For instance, reporting on (all aspects) of non-financial topics is uneven. As well, in some areas there is a considerable gap as regards the quality of the reports. Thus, the study has noted for example that the BEL 20 companies report their non-financial information in general in a more complete and detailed manner than the other listed companies. In the future, it will be important to ensure that it is not just the 'good students' that keep improving while the others continue to lag behind.