
Communication of Engagement 2023-2025



UN Global Compact

Forum Ethibel

1. Statement of Continued Support by the Chief Executive

Dear colleagues,

Dear stakeholders,

I am pleased to confirm that Forum Ethibel reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its content.

In this Communication of Engagement, we describe the actions that our organisation has taken to support the UN Global Compact and its Principles as suggested for an organisation like ours. We also commit to share this information with our stakeholders using our primary channels of communication.

As an organization active in the field of socially responsible investing (SRI) and ESG for over 30 years, we are proud to continue our support for the Ten Principles that are key in the way to a more sustainable society.

Sincerely yours,



Kenny Frederickx,
General Director
09 August 2023

2. About Forum Ethibel

Forum Ethibel's vision is to actively promote Socially Responsible Investing (SRI) and Corporate Social Responsibility (CSR) in order to contribute to social justice and sustainable development. Its mission is to **enhance transparency, social responsibility and ethical behaviour in financial markets.**

Forum Ethibel is a Belgian **not-for-profit organisation**, established in 1992, and recognised as an expert in **auditing, certification and advising.** For these domains we offer both financial and non-financial products and services. Additionally, we conduct yearly research on developments in sustainable finance and discuss how financial markets can become more sustainable through our biannual Ethibel viewpoint. As a not-for-profit, our goal is to use our financial means to help the cause we defend.

Furthermore, we are proud on our independency. We do not receive subsidies from the government nor donations.

Forum Ethibel has different partners with who we dialogue and cooperate to actively contribute to **standardisation and quality-setting in the SRI sector.** This process of standardisation is twofold. Our products and services are designed to assist both pioneers as well as partners that need a little nudge in the good direction. Among our partners are institutional investors, savers, financial institutions, companies, governments and NGOs.

Commitment, Credibility, Effectiveness and Innovation are our core values which we put on the forefront. We believe these values guarantee qualitative work and maximize our positive impact.

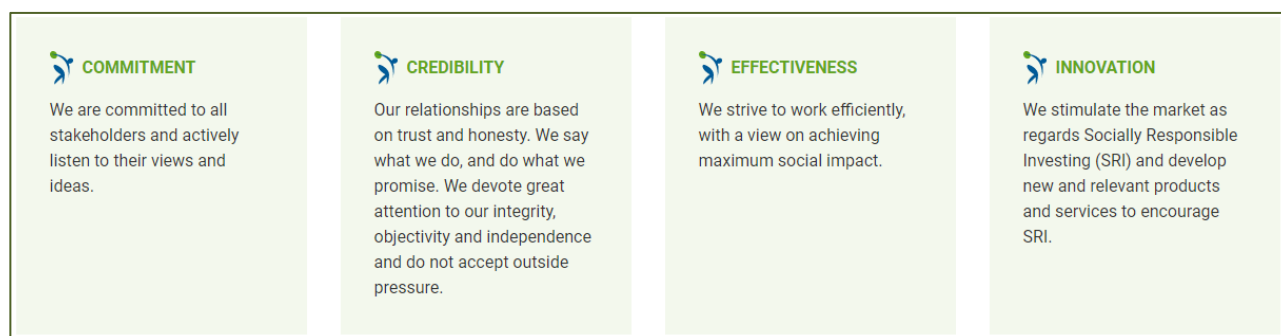


Figure 1 - The four core values of Forum Ethibel

3. Description of actions

Forum Ethibel holds a **unique position** in the Belgian market and works together with investors, public & private organisations, financial institutions and civil societies, to contribute to a more sustainable society. In dialogue with different stakeholders, Forum Ethibel aims to maximize societal impact.

Our products and services can be outlined in three different pillars. In the first one, Forum Ethibel outlines its own values and vision on sustainability by giving a balanced **interpretation of quantitative data**. Secondly, Forum Ethibel includes tailor-made **support offered** to institutional investors and financial actors to define, implement or assess their **proprietary sustainable investment approach**. The third pillar mostly encompasses Forum Ethibel's responsibility, as a not-for-profit organisation, to **gather and share knowledge** on sustainable finance.

In the terminology of the UNGC, Forum Ethibel belongs to the category Non-Business and is a Civil Society. From the proposed activities by UNGC for these types of organisation, Forum Ethibel predominantly conducts the following:

- Joining and/or proposing partnership projects on corporate sustainability;
- Engage companies in Global Compact-related issues.

As will be explained below.

A. Forum Ethibel as trendsetter

In the first pillar, Forum Ethibel outlines its own values and vision on sustainability by giving a balanced interpretation of quantitative data. An investment register results from the combination of sustainability/ESG data at sector and company level, and an analysis conducted by a team of experts (the Register Committee). This register is a sustainable investment universe, consisting of companies and countries to which a sustainability filter has been applied.



Figure 2 - Overview of pillar 1 *Trendsetter*

B. Tailor made support

Audit and certifications

In our second pillar, we offer tailor-made support to both institutional investors and financial institutions.

On the one hand, we carry out independent monitoring of financial products that are developed and brought on the market by financial players. On the other hand, we guide and support institutional investors in drafting and implementing a sustainable investment policy.



Figure 3 - Overview of pillar 2 *Tailor Made*

This process is based on a thorough understanding of the values and the vision of each client, which are key to determine adequate quality requirements.

Forum Ethibel awards certificates to demonstrate that a product or service is in line with self-imposed criteria. This certificate guarantees compliance with the conditions related to corporate social responsibility (CSR). Although this certificate is based on the **customers' own criteria, minimum requirements must be met**, which include alignment with the UN Global Compact-principles, respect of human rights and labour law, environmental rights and the exclusion of armament.

In addition, Forum Ethibel will launch soon its new product: Second Party Opinions for Green - and Social Loans. The Green and Social Loan Market is sometimes scrutinized over green washing. Forum Ethibel regrets the drawback that this can have on the growth of sustainable lending and wishes to reconnect lenders and borrowers. This is done by providing Second Party Opinions (SPO), which gives assurance on the conformance/alignment of loans with the Green Loan Principles (GPL), the Social Loan Principles (SPL) or the Sustainability Linked Loans Principles (SLLP).

Belgian SRI quality standard

Forum Ethibel – in partnership with ICHEC Brussels Management School and University of Antwerp – has been selected in 2019 as **verifier** of the Belgian Quality Standard for sustainable investing: the Towards Sustainability label.

In order to offer investors **more reliability and transparency**, the Belgian financial sector developed this standard for sustainable financial products. It defines a set of minimum requirements that financial products should meet when they are promoted as being 'sustainable', 'socially responsible', 'ESG', or similar denominations. After a thorough assessment, products that meet the requirements are rewarded with the label.



C. Fulfilling societal responsibility: creating societal added value

The third pillar reflects Forum Ethibel's goal to create social added value and to contribute to society. This goal is achieved through research and studies on one hand, and the organisation of social audits on the other hand.

The domain of sustainable investment is still developing. Lack of information and understanding remains a limiting factor to further growth in sustainable investment. This fact, together with our aim to create more transparency in the financial market, drives us to conduct research and to map market developments. In this way, we aim to increase support for SRI, to develop guidelines, and to promote and facilitate SRI.

Research, studies and trainings



In first instance, Forum Ethibel **maps yearly the evolution of sustainable and responsible investments** in Belgium in our ERSIS study, an abbreviation for Ethibel Research on Sustainable Investments and Savings. This report is conducted in collaboration with the University of Antwerp and FIDO (Federal Institute for Sustainable Investments).

Secondly, Forum Ethibel recently started with Ethibel Viewpoint. The purpose of this publication is twofold: to share our expertise and to provide a nuanced view on the topic discussed.

Finally, Forum Ethibel offers **trainings, workshops and information sessions**. Examples are sessions organised for cities and municipalities in which tools are provided for local authorities that aim to make their investments (more) sustainable.

Social audits

Forum Ethibel also carries out social audits to determine the **social impact** of enterprises in the **social economy industry**. In the same way as a financial audit demonstrates the financial health of a company, a social audit indicates its social-ethical health.

A social audit consists of a dialogue to evaluate the relationship of a company with its stakeholders. Therefore, social audits are a combination of quantitative data analysis in conjunction with dialogue on the vision of the parties involved.

Forum Ethibel carries out annual social audits on behalf of Ressources: the Federation of Enterprises in the Social Economy (SEC).



Ressources developed Solid'R, which is an ethical label for social economy organisations that are active in the recycling, collection and sale of second-hand textiles and goods and that voluntarily respect certain ethical and solidarity principles. The label's purpose is to distinguish these players from private players in the reuse and recycling market.

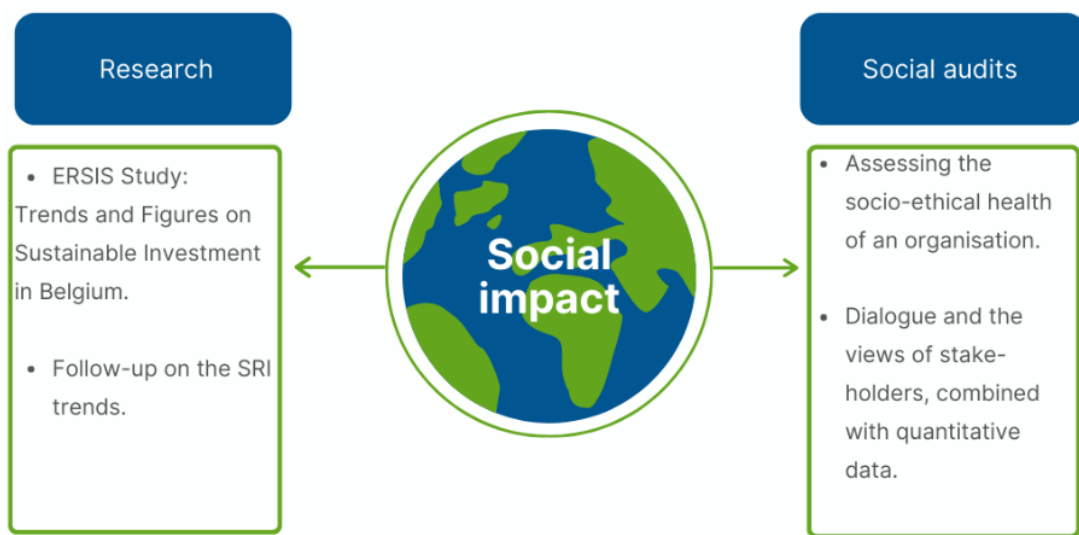


Figure 4 - Overview of pillar 3 Social Impact

4. Progress made and future developments

Forum Ethibel pioneers standards in the sustainable finance industry and (social) economy. We challenge the status quo and enforce credible sustainable CSR and SRI practices. We envision a future in which businesses, organisations and financial institutions have fully integrated environmental responsibility, social responsibility and good governance into their operations. By collaborating with stakeholders across the economy, we support the transition towards a sustainable society. Below we summarize how the market evolved since our last COE.

The evolution of SRI in Belgium

As mentioned before, Forum Ethibel reports every year in the ERSIS-study about the evolution of Sustainable Savings and Investments. This offers the opportunity to create an overview of the long-term evolution.

Our latest report, covering 2021, makes clear that the total Asset Under Management (AUM) of sustainable funds increased that year with 45% and came down to a total of 140 billion euro. The study suggests that sustainable investments represent about half the total AUM in investment funds in 2021.

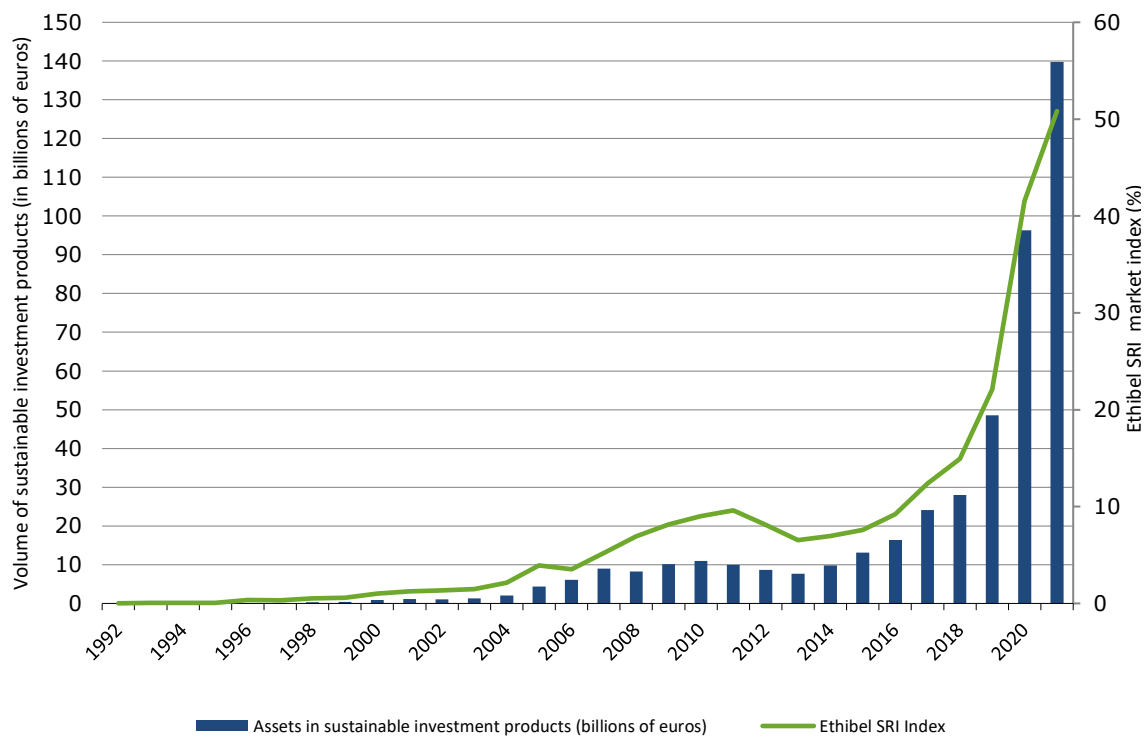


Figure 5 - Evolution of capital in sustainable investment products

Forum Ethibel as Verifier

i. SRI label

The objective of the **Towards Sustainability** standard is to qualitatively and quantitatively increase the level of socially responsible and sustainable financial products. As such, it is needed to review the criteria on a regular basis. Therefore, since the initial standard from 2019, it has been updated for the second time in 2023 and will apply from January 2024. The conditions for obtaining the label were refined in line with expectations and regulations on European level.

At the end of 2021 - the year of our last COE - 545 financial products carried the label, compared to more than 780 products by mid-2023. The Towards Sustainability label has become the market standard for sustainable financial products in Belgium and increasingly also in other European countries.

ii. Social label

The **Solid'R** label became an international label in 2018. Back then there were 17 organisations rewarded with the label, which has increased to 24 in 2023, spread over 4 countries (Belgium, Italy, Spain and France).

5. Final note

Since the foundation of Forum Ethibel in 1992 the goal of the organisation has always been to promote SRI and CSR. During this period, we built valuable partnerships, with a diverse range of partners, both national and international. This enables us to maximize our impact.

As a not-for-profit, we are delighted that we could contribute to the evolution of Socially Responsible Investments in the financial market. Our three pillar approach enables us to execute a wide range of services that are resilient for the ever changing market of Sustainable Finance. With this COE, we want to re-affirm our ambition to pursue our mission. It is in our DNA to engage companies in Global Compact-related issues and joining and/or proposing partnership projects on corporate sustainability, with the purpose to ensure a more sustainable society. With new projects coming up (e.g., SPOs), Forum Ethibel is excited to continue its endeavours.