SUSTAINABILITY REPORTING

International Setting

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General Assembly of the MEDports Association
23rd of June
CONTEXT OF THE RESEARCH
Global Reporting Initiative (GRI)

"A **sustainability report** conveys disclosures on an organization’s impacts – be positive or negative – on the environment, society and the economy."

"**Sustainability reporting** helps organizations to set goals, measure performance and manage change in order to make their operations more sustainable."

- Existing sustainability reports show significant differences at the level of indicators reported, boundary levels of reporting and stakeholder inclusion in the process
- Practice remains mainly voluntary
- Why do some port managing bodies report and others do not?
OBJECTIVE:
Gaining insights in the present situation of sustainability reporting from the point of view of port managing bodies to provide certain ways forward in order to promote the practice (and thus its advantages) in the industry.

Survey consisting of 25-30 questions have been distributed (from May 2019 until October 2019)
1. Idea and feeling about sustainability (reporting)
2. Materiality analysis
3. Boundary-setting
4. Stakeholder engagement
The PMB has an environmental/sustainability manager

The PMB has a green charging scheme in place (e.g. ESI, Green Award, etc.)

The PMB has introduced environmental friendly initiatives (e.g. LNG, noise barrier, etc.)

The PMB actively seeks for opportunities to invest in sustainability

Personnel of the PMB are members of NGOs and/or other environmental related interest groups

Sustainability is one of the top three priorities in the strategic plan of the PMB

The PMB yearly organizes a couple of events around the topic of sustainability

The PMB actively seeks external views regarding its sustainability efforts

The PMB has some internally driven environmental initiatives (e.g. use of recycled products, limiting the printing of papers, etc.)

Does the PMB report on sustainability?

<table>
<thead>
<tr>
<th>Percentage INT</th>
<th>Percentage MED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, certified sustainability report according to international standards (e.g. GRI)</td>
<td>15,5%</td>
</tr>
<tr>
<td>Yes, separate annual sustainability report, but not certified or following another international standard</td>
<td>19,6%</td>
</tr>
<tr>
<td>Yes, integrated in annual report</td>
<td>25,8%</td>
</tr>
<tr>
<td>Ad-hoc report</td>
<td>12,4%</td>
</tr>
<tr>
<td>No</td>
<td>26,8%</td>
</tr>
</tbody>
</table>

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RESULTS

INTERNATIONAL SAMPLE (N=97) VS. MEDITERRANEAN AREA (N=33)

Priority SDGs

- Partnerships for the goals
- Peace, justice and strong institutions
- Life on land
- Life below water
- Climate action
- Responsible consumption and production
- Sustainable cities and communities
- Reduced inequalities
- Industry, innovation and infrastructure
- Decent work and economic growth
- Affordable and clean energy
- Clean water and sanitation
- Gender equality
- Quality education
- Good health and well-being
- Zero hunger
- No poverty

0% 10% 20% 30% 40% 50% 60% 70% 80%

MED INT
POINTS OF ATTENTION –
THE WAY FORWARD
Boundary-setting

Investments in trust relationship building with stakeholders

Port collaboration
**Main barriers for sustainability reporting (absolute counts)**

<table>
<thead>
<tr>
<th>Category</th>
<th>First choice</th>
<th>Second choice</th>
<th>Third choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of resources</td>
<td>22</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Data availability</td>
<td>16</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Selection meaningful indicators</td>
<td>7</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Little interest from port users</td>
<td>7</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Little interest from local communities</td>
<td>1</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Competitors do not publish such report</td>
<td>1</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>No contribution to competitive advantage</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Risk of reputational damage</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Main barriers for sustainability reporting (absolute counts) - Breakdown**

- **A = Port Managing Body organization**
- **B = Port area/cluster (including industry/logistics and including the hinterland interface)**
- **C = Local/regional community**
- **D = Impact of upstream and downstream supply chain activities taking place outside the port borders and beyond the local/regional community**

**Table: Percentage of barriers for sustainability reporting**

<table>
<thead>
<tr>
<th>Category</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>GM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect / direct economic impact</td>
<td>67%</td>
<td>30%</td>
<td>24%</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Traffic volumes</td>
<td>58%</td>
<td>58%</td>
<td>18%</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Investment volume</td>
<td>76%</td>
<td>33%</td>
<td>24%</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>67%</td>
<td>24%</td>
<td>6%</td>
<td>0%</td>
<td>21%</td>
</tr>
<tr>
<td>Modal Split</td>
<td>36%</td>
<td>27%</td>
<td>21%</td>
<td>9%</td>
<td>39%</td>
</tr>
<tr>
<td>Operational performance</td>
<td>61%</td>
<td>36%</td>
<td>9%</td>
<td>3%</td>
<td>24%</td>
</tr>
<tr>
<td>Direct / indirect employment</td>
<td>55%</td>
<td>42%</td>
<td>30%</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>Safety / accident rate</td>
<td>67%</td>
<td>42%</td>
<td>12%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Training</td>
<td>70%</td>
<td>30%</td>
<td>9%</td>
<td>6%</td>
<td>21%</td>
</tr>
<tr>
<td>Job creation</td>
<td>64%</td>
<td>27%</td>
<td>33%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Energy consumption</td>
<td>67%</td>
<td>42%</td>
<td>21%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>CO2 emissions</td>
<td>61%</td>
<td>36%</td>
<td>24%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Other port activity related emissions (PM, Nox, Sox)</td>
<td>61%</td>
<td>33%</td>
<td>24%</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>Port waste</td>
<td>73%</td>
<td>52%</td>
<td>18%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Circular economy</td>
<td>55%</td>
<td>33%</td>
<td>12%</td>
<td>6%</td>
<td>33%</td>
</tr>
</tbody>
</table>
## RELATIONSHIP BUILDING WITH THE STAKEHOLDERS

### Main benefits/reasons for sustainability reporting (absolute counts)

<table>
<thead>
<tr>
<th>Benefit/Reason</th>
<th>No or limited inclusion</th>
<th>Full inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge about the decisions</td>
<td>- Educate, explaining and informing stakeholders</td>
<td>- Stakeholders provide conditional support</td>
</tr>
<tr>
<td>One-way dialogue (e.g. briefing sessions, leaflets, corporate reports)</td>
<td>- Two-way dialogue (e.g. surveys, focus groups, interviews, etc.)</td>
<td>- Having an influence on decisions</td>
</tr>
<tr>
<td>- Stakeholders may advise</td>
<td>- Multi-way dialogue (e.g. strategic alliances, joint ventures)</td>
<td>- Minority representation of stakeholders in the decision-making process</td>
</tr>
<tr>
<td>- Being board before a decision</td>
<td>- Multi-way dialogue (e.g. board representation)</td>
<td>- Majority representation of stakeholders in the decision-making process</td>
</tr>
<tr>
<td>- And/or two-way dialogue (e.g. verified corporate social reports, workshops)</td>
<td></td>
<td>- Multi-way dialogue (e.g. community projects)</td>
</tr>
</tbody>
</table>

### Relationship Building with Stakeholders

- **First choice**
  - Transparency externally
  - Knowledge about the decisions
  - One-way dialogue
  - Competitive advantage
  - Compliance with legal framework
  - Improved risk management
  - Stronger social license to operate

- **Second choice**
  - Transparency internally
  - Transparency externally
  - Improvement of reputation
  - Alignment with competitors
  - Enhanced corporate culture
  - Greater awareness of sustainability issues

- **Third choice**
  - Transparency internally
  - Transparency externally
  - Improvement of reputation
  - Alignment with competitors
  - Enhanced corporate culture
  - Greater awareness of sustainability issues
PORT COLLABORATION

Individual approach \[\rightarrow\] Port collaboration \[\rightarrow\] Collective approach
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