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**ASSURANCE OVER SUSTAINABILITY REPORTING:
The case of Belgium**

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Foreword:

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1. Introduction

Nowadays stakeholders are getting more and more interested into the companies' non-financial information because they want to know what's happening in the company. Indeed sustainability has become a main topic in the former society since 30 years and the different Climate Conferences (Soderstrom, 2013). This is why companies started to release sustainability reports about the social, environmental and economic aspects of the organization.

The sustainability reporting has grown fast during the last 2 decades among largest companies. 95% of 250 largest companies are now issuing a sustainability report whereas they were only 35% of them 15 years before (KPMG, 2013). There is no official framework for the sustainability reporting whereas there is the IFRS framework for the financial statement. However most companies have been using the GRI framework for sustainability reporting (IFRS, 2011).

This reporting might be also known by the organizations as an environmental reporting, a corporate social responsibility reporting or a triple bottom line reporting but at the end it all three are the same (Borowski, Welsh &Wentzel, 2011). "It's a practice of measuring, disclosing and being accountable for internal and external stakeholders for organizational performance towards the goal of sustainable development" (Global Reporting Initiative, 2011, p3).

The stakeholders have been one of the supporter of this report and the organizations responded positively to this demande. They wanted to show to the stakeholders that through sustainability reporting they are building a link between their approach and engagement to a sustainable global economy. Sustainability reporting is there to help the companies to have a different standard of living more suitable and contributing to a sustainable development (Global Reporting Initiative, 2015).

This was not enough for the stakeholders because they want to be sure that non-financial information held in the report has been correct. This is why they have been pushing for an external assurance over the sustainability report. The assurance over sustainability reporting is a brand new topic that has emerged in the first decade of the year 2000 thanks to the GRI.

The external assurance is not ordered in every country whereas this is the case for the financial statement assurance while accounting companies come to audit the financial figure and provide a reasonable assurance (Kolk, 2005). The companies are more likely to look transparent and credible through the external assurance. Only half of the largest companies are currently able to assure their sustainability reports. This part has been increasing year after year and the other part is not doing this for internal reasons such as the cost and no perceived added-value...The agreed part is doing the external assurance in order to increase their transparency and credibility towards stakeholders (Hill & Jones, 1992).

The accounting firms and mostly the Big 4 have been the main assurance provider followed by the consultancy firms. They are currently assuring 2/3 of sustainability report from the largest companies around the globe. According to different studies they have been known for their skills and methods. They also have the legitimacy among stakeholders in order to approve the transparency of the sustainability report which enhances the companies' credibility and the market value (Mori, Best & Cotter, 2014).

The Belgian companies' network has never been a leader of the worldwide sustainability reporting although some companies have been interested on the matter for a while. Indeed only 64 companies are currently doing sustainability reporting and only 33% of those companies have assured their sustainability report by an external assurance provider according to the GRI (Global Reporting Initiative, 2015). The landscape of the Belgian companies' network is mainly the cause of this number because Belgium is mainly composed by small and medium entities (SMEs) which can explain why Belgium don't have a lot of companies issuing a sustainability report (La Libre, 2010).

Recent studies have focused on the link between auditors and sustainability reporting in general (Borowski, Welsh & Wentzel, 2011) but none of them took place in Belgium

and concentrated on the influence of the Big 4 on the assurance over sustainability reporting among various Belgian companies.

This paper would like to fill the gap left by the previous research while also analyzing the purpose of the Big 4 firms' choice among Belgian companies. We also find this topic interesting because after having experienced the assurance over the financial reporting during the master internship in a Big 4 firm, we can now focus on their input in the assurance over the sustainability reporting.

The goal of this research paper is to analyze the perfection on the assurance over sustainability reporting by the Belgian companies. We focused for this study on the knowledge of 6 Belgian companies from SME to BEL 20 companies and the 4 firms in the audit Big 4 known as KPMG, Deloitte, PWC and EY.

The empirical part of the research was conducted through 11 specialists in sustainability from the corporate world and from the audit world. We used a cross-match method in order to find out what were the differences and the similarities between their statements. We also used information from their website or sustainability report if necessary.

Firstly we want to see why a company should use the same Big 4 firm for their financial reporting and their sustainability reporting. Moreover we want to know if it would be more suitable from an independent point of view to use different assurance providers for both reporting. Secondly, we want to know why the Big 4 firms have better skills, methods and size than consulting companies in order to issue a sustainability assurance. Furthermore we want to know how the Big 4 firms are doing to improve those attributes. Thirdly, due to financial and sustainability reporting are the two types reports being assured. We want to know what are the similarities and differences between providing assurance on both. Finally we want know how the Belgian companies choose between the limited assurance and the reasonable and why they are choosing one instead of the other. How can the Big 4 firms impact the level of assurance in the companies' sustainability reporting?

In order to help us in achieving the different research questions, this master thesis is organized as follow. First of all, we will have a broad literature review which will take a look at different topics such as the history of sustainable development, sustainability

reporting, the assurance over sustainability, the role of the accounting firms and where we are today in Belgium. The role of the literature review is to give us an idea of what has already been done in the topic in order to have a very good insight of the topic before going on with the practical part. The information was selected through interviews with sustainability specialists. The second main part of this paper focus on the analysis of the findings. These are divided in 4 parts corresponding to each research questions. Each part ends with a conclusion where we crossed the data from the Belgian companies and the Big 4 firms.

2. Theoretical Review

2.1 Sustainability reporting

In this first section, we are going to show the link between sustainable development and sustainability reporting. Then we will give a definition of sustainability which leads us to understand why the companies are now trying to adopt sustainability reporting around the world and its evolution across the last decades. Afterwards, we will focus on who is going to report and what are his characteristics. Moreover we are going to explain the benefits and disadvantages of using sustainability reporting for companies and other users. Then we will deal with the different reporting guidelines that exist around the world and we will focus mainly on the Global Reporting Initiative (GRI) even though there will be an explanation for the others. This will give a global overview on sustainability assurance and everything linked to it.

2.1.1. From sustainable development to sustainability reporting

Since 1970, sustainable development has helped sustainability reporting to develop by many ways. Indeed, the sustainability reporting's evolution has been linked to current public and governmental state (Soderstrom, 2013). Everything started to shake up in early 1970s when companies began to report about social issues and this mainly took place in Europe. However this social reporting didn't work out because it wasn't institutionalized until late 1980 with the Brundtland report in 1987 when the sustainability development appears for everybody (Kolk, 2005). Since then, there has been a rise of companies' reporting. Before the companies concentrated only on one precise aspect their reporting whereas now they try to put in many different sustainability problems in a non-financial reporting (Baue, 2015). Afterwards they started to release "HSE reports" which stands for health, safety and environmental matters (Evers, Harmon,& Ivancevich, 2004). However those reports didn't appear regularly and the content was insufficient and not assured. Nevertheless in the meantime, the attention about non-financial reporting stayed high in the eyes of stakeholders, employees, customers... (Evers et al., 2004).

Their purpose was to have a framework that would help them with the non-financial data and the sustainability state (Soderstrom, 2013). Their patience was rewarded in 1995 when the first sustainability framework called “Eco-Management and Audit Scheme” also named EMAS appeared in Europe (Albu, Albu, Dumitru, & Dumitru, 2013). It was developed by the European Union (European Commission, 2015) and was followed soon by others guidelines. The main guideline about sustainability reporting which is used now worldwide appeared in 1999 with the Global Initiative Reporting which we discuss in the section 2.2.5. This has been reinforced by the European Commission’s publication of “European Union Financial Reporting Strategy: The Way Forward” which put forward the need of non-financial information in the annual report (Albu and al., 2013).

2.1.2. Definition

Like we have said before, the term sustainability reporting is a concept utilized by the companies reporting to explain the social, economic and environmental performance (KPMG, Sustainability reporting: A guide, 2008). There have been many definitions for sustainability reporting but none of them has been worldwide accepted. So I decided to choose for one from the GRI stating that:

Sustainability reporting is the practice of measuring, disclosing and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. A sustainability report should provide a balanced and reasonable representation of the sustainability performance of the reporting organization, including both positive and negative contributions (Global Reporting Initiative , 2011, p. 3)

The term sustainability reporting has been mingled with other non-financial terms such as corporate social responsibility reporting, environmental reporting, triple-bottom line reporting or sustainable development reporting. However sustainability reporting is the most common used term. So in this paper, we will make the assumption that the other terms also mean sustainability reporting (Borowski, Welsh, & Wentzel, 2011).

2.1.3. Reason of sustainability reporting adoption

Companies started to endorse sustainability reporting mainly due to governments, stakeholders' interest and transparency for the stakeholders and governments (Anonymous, 2009). Moreover sustainability came out with the stakeholders increased interest expectations. The company has to pay attention to the diversity of stakeholders. Indeed, the stakeholders represent a group of people that have an authentic request on the company. This authenticity came from the reliable relationship between the company and them. They are giving resources to the organizations because they feel that they will get something back in return. The managements represent the agents of principal stakeholders because they have a direct impact and authority on the organizations decision-making. They are the ones to decide what to do in the firm best interest and the stakeholders' best interest. In other words, they are the executors of the other stakeholders. Nowadays, in order to see if the management is acting on the others best interest, the stakeholders are asking to get data, materials, fact on the management action through sustainability reporting for example because they wish to observe those information (Hill & Jones, 1992).

The stakeholders are being more and more interested by sustainability reports. So the companies try to show their values, governance models through the sustainability report. This report can be useful for the organization in order to talk with the sustainability performance and its effect. Indeed according to the GRI "it's a vital resource for managing change towards a sustainable global economy, one that combine long term profitability with ethical behavior, social justice and environmental care"(Global Reporting Initiative, para 6). In order to do it, the companies are building a reporting cycle which contains metrics compilation, talk and answers. Those metrics including in the reporting should assist the organization with lowering the garbage, improving the performance or having an idea of the expandable areas (Ernst & Young, Boston College Center, 2013).The organization also wants to prove to the stakeholders that they are trying to build a bridge between their approaches and engagements to a sustainable global economy. Indeed sustainability reporting is there to help the companies to have a standard of living more sustainable and contributing to sustainable

development. In order to get there, they will base their actions on the 3 keys components that we have related in the first section (Global Reporting Initiative, 2015)

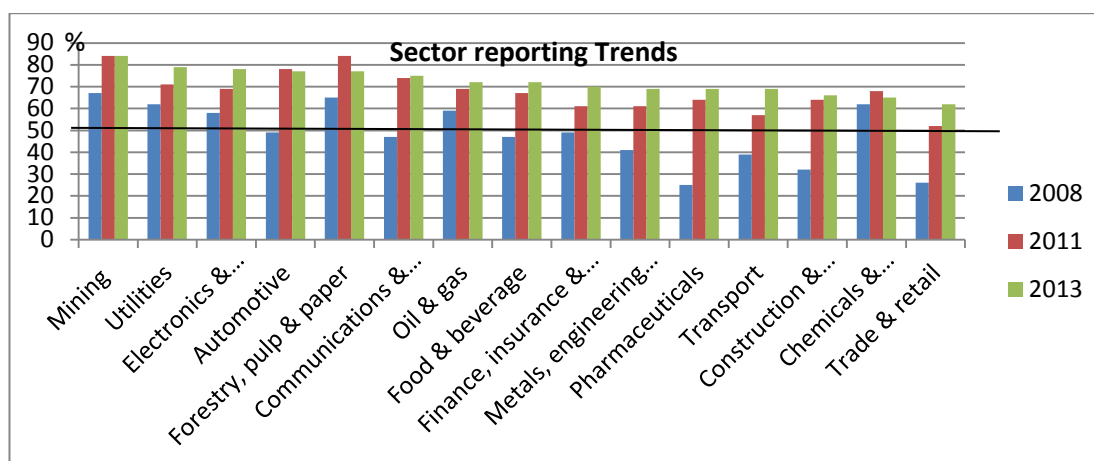
The different stakeholders are paying a closer look to sustainability reporting because it helps the organization to have a better knowledge about non-financial information that they have not mostly measured before. This would ultimately leads to a better transparency of the organization. It gives the company a better look to how they should act in order to cut down the use of green resources and raise the productivity. At the end, it can only be beneficial for the organization because it would also lower the social and environmental risks which could have a positive influence on the economic risk and also on the corporation (Value of sustainability reporting). Moreover, sustainability reporting can help the organization to have a new outlook of the future with new objectives that could be profitable for them (GRI, 2013).

While some countries are already trying to make sustainability reporting ordered by releasing new laws but it's not yet the case everywhere. Indeed, some countries, mostly in Europe, such as France, the Netherlands, Norway, the United Kingdom Sweden, and Japan... have published laws in order to mandate the companies to include the social and environmental issues in their annual report (Kolk, 2005). According to Kolk (2005), it has helped those countries to increase the number of published sustainability report. In order to continue this laws effort, the European Union has approved in 2014, "a directive on the disclosure of non-financial and diversity information by an estimated 6000 Public Interest Entities (PIES)" (Deloitte, 2014). This law forces those companies to publish about non-financial information such as human rights, environments or social and employee matters for the organizations with at least 500 employees (IRE-IBR, 2014). However the companies will have the choice of the standards even if the European Union preconizes the use of the GRI guidelines (Deloitte, 2014). Governments are pushing hard for a worldwide use of sustainability reporting even if it's not yet ordered. In order to do it, the different countries need to work together and create a unique approach (James, 2014). There is a general view coming out that publication which means less ambiguity and linked to more responsibility towards a better sustainability achievement (Buhr, 2007).

2.1.4. Who should reports?

According to the GRI (Global Reporting Initiative, 2015), everybody should report even if it's not the case right now which means that entities from different markets, sizes should produce a sustainable report. More and more organizations have released a sustainability report across the years (Costa, 2010). Indeed organizations around the world are producing sustainability report and this number is growing every year (Ernst & Young, Boston College Center, 2013). According to the KPMG survey (2013) about sustainability reporting, the companies with most revenues around the world are the most likely to report whereas smaller entities and private owned entities are the less likely to report. This is mainly related to the expensive costs of the report and the information transparency. Indeed the larger entities are looking for transparency for their stakeholders in order to be faithful regarding to their information. Moreover when a large entity doesn't release a sustainability report, the stakeholders started to get more and more irritated because they might believe that the entity is hiding something from them (Moore, 2012). This can be verified by looking closer to the Global Fortune 250 (G250). The G250 are the 250 most powerful companies in the world based on their revenue. They include different sectors such as financial, industrial, retail, electronics, oil & gas (ref KPMG, 2011). When we are analyzing the graph in appendix 1 (see Figure 1), we can see that since 1999 when the G250 started publishing sustainability reports, the number of reports has skyrocketed from 35% in 1999 until 93% in 2013 with a peak in 2015 at 95% (KPMG, 2013). This can be explained by the mutual pressure that they have. Indeed when the first companies started to publish their reports, the others began to do the same the following years in order to stay competitive (Moore, 2012). The sustainability reports have been released by firms in different sectors such as industrial, electrics, oil and gas, pharmaceutical, financial. However they didn't start releasing their report at the same time. Indeed the industrial and the resource-based sector were the leaders since the beginning even if the financial sector is catching up very quickly and at the bottom of the scale, we found the retail sector. Looking at the graph below from KPMG survey (2013), we can also observe that sustainability report has not been denied by any sector even is some are lagging. Whereas in 2008, in 9 sectors from the N100 (first hundred

firms revenue-based), less than half of the firms published a sustainability report. In 2013, more than half of the firms in the different sectors released sustainability reports. We can also observe on the graph that the gap between the best and the worst sector was 42% in 2008; it has been closing up since then. Indeed in 2013, this gap was only 22%. This can be observed in the graph below from KPMG 2013:



Source: Global Reporting Initiative. (2015). Global Reporting Initiative

2.1.5. Benefits and disadvantages of sustainability reporting for companies

Even if, most of the companies publishing a sustainability report took out benefits from it, there are firms that don't wish to release those reports. In this subsection, we will first deal with the advantages and then we will finish with the disadvantages (James, 2014).

1° The organizations that start publishing a sustainability report believe that the cost of the report would be less than the benefits they get from it. Here are, a non-constrained list of the benefits that they could get from sustainability reporting:

- ❖ **Improve access to capital** (Value of sustainability reporting): The companies started to produce sustainability report because they believe that it could bring a better transparency of their non-financial data. Indeed it will help investors to participate in the firm future. While they are reporting about non-financial information, the investors focusing on sustainability (Buhr, 2007) got a strong indication of the firm future. Indeed, it can help them to rise to firm capital by believing that the company is in the right place for the long-term (James, 2014).

- ❖ **Meeting employee's expectations** (Value of sustainability reporting): Through sustainability reporting, the company is improving its workers conditions. Indeed the workers have a better opportunity to express themselves with their work which improves the performance and the competitiveness of the company. The sustainability reports release can also help the workers to set themselves into the future organization. Moreover, they would mostly stay with the company if they agree with the decisions that the firms are taking related to environment, social and economic performance. This would help the company to decrease their turnover and help it to lure and keep quality workers (Buhr, 2007).
 - ❖ **Better reputation** (Value of sustainability reporting): The publication of the sustainability report is able to give to the company a better reputation among the stakeholders. The stakeholders are able to understand the company's guidelines regarding to its non-financial information. This can help the company from bad rumors since they would have disclosed their information (Buhr, 2007) Moreover, that information can also help to company with their products, services in order to improve their performance (Global Reporting Initiative, 2015).
 - ❖ **Improving the communication** (Kolk, 2005): The sustainability report helps the company to be in touch with the different stakeholders of the organization about their standards, activities... This gives the opportunity to the organization to be more transparent that they use to with them. They communicated their report by many ways such as a PDF file, website, other media... (James, 2014).
- 2° As a lot of companies produce sustainability report, they are still organizations, large or small, from different sectors that didn't take the step forward to sustainability reporting. You can find below some of the reasons why they haven't done it yet:
- ❖ **Not law ordered:** Even if what has been doing worldwide by the organizations, sustainability reporting isn't ordered yet. So they are still many organizations that don't see the advantage of such a report. (Ernst & Young, Boston College Center, 2013). The entities could also be uncertain about the benefits that they would get from doing it (Kolk, 2005).

- ❖ **The costs:** A lot of companies don't have the resource to do it or they believe that the costs of such report will be higher than what they would get from it. Indeed such report can be very costly for an organization in order to get all of the information, actions, and index (Kolk, 2005) because they might have entities in different countries different from the headquarters country. So they would need to ask each subsidiary to send their data which would be highly costly (Ernst & Young, Boston College Center, 2013).
- ❖ **Rival firms are neither releasing reports:** While sustainability reporting is not mandatory as explained before, some companies are not doing it. So their competitors don't want to do it also. Usually the competitors are either waiting for a first company to start sustainability reporting in order to do the same, or are starting to report because they think that it's the future and reporting could enhance their organizations (Kolk, 2005).
- ❖ **Company already has a good reputation for its environmental performance:** We have said before that companies are publishing sustainability reports because they believe that it will help them to have a better reputation among stakeholders (Buhr, 2007). If they believe that their brand and products have already a good standing among the stakeholders, they might not produce a sustainability report because it will increase the company costs with no benefits. Given that a company doesn't want to have at any time their costs higher the benefits, they don't do it (Kolk, 2005).
- ❖ **Damage the company reputation:** While releasing non-financial information about their social, environmental and economic activities, the companies might wake up Non-Governmental Organizations that are fighting against pollution, excessive waste, use of children or overexploitation such as Greenpeace, UNICEF... Those NGOs will end up by analyzing the non-financial information in order to criticize publicly the companies which can destroy their overall reputation. At the end, it will also have an impact on their turnover and benefits (Kolk, 2005).

2.1.6. The providers of sustainability reporting guidelines

In the sub-section, we will first of all explain the different providers of sustainability reporting and then we will focus on the main one in order to have a better comprehension on why the organizations are mostly using it.

There is none official framework for non-financial information like there is for financial reporting with the FASB and IFRS. Indeed, IFRS has been producing an official framework, guidelines that listed-companies, around the world, have to use it when they are reporting financial information. It all started when the developed countries wanted to create a global standard for everybody and they were soon caught up by the International Federation of Accountants (IFAC). At the end they believe that this standard could be important for a comparison of the financial information among companies around the world and for the business development (IFRS, 2011). Given that there is no standard reporting, so sustainability reporting can be released in different ways with different information, inputs which don't allow the comparability of the reports (Wells, Oney, & Shipley, 2014). According to Wells, Oney and Shipley (2014) there are three main sustainability report frameworks¹:

- ❖ **The Global Reporting Initiative (GRI):** It's a non-profit organization for voluntary, multi-stakeholder reporting performance that has been created in 1997 by the Coalition for Environmentally Responsible Economies (CERES) with the support of the United Nations Environment Programme (UNEP) (Diling, 2009; Moore, 2012; Borkowski, Welsh, & Wentzel, 2010). Its goal is "to provide a trusted and credible framework for sustainability reporting that can be used by organizations of any size, sector, or location" (Global reporting initiative, 2006). In other words, the GRI wishes to create a sustainability report that can be compared by stakeholders (Global reporting initiative, 2006).

¹ The first one is the "Sustainability Accounting Standard Board (SASB)": Its goal is to develop sustainability accounting norms for listed companies in the United-States. They would like to create a framework for with specific data in order to estimate the accomplishment on organizational-level sustainability topics(Wells, Oney, & Shipley, 2014). The second one is the "International Integrated Reporting Council (IIRC)":They wanted to change the way of taking into consideration the financial and non-financial information until integrated thinking would ultimately lead to the concept of integrated reporting which has been launched in 2013 (de Villers and al., 2014).

The GRI launched their first sustainability reporting guidelines (G1) in June 2000. This guideline has been followed by 4 others: G2, G3, G3.1 and G4 which is the last one (Ernst & Young, Boston College Center, 2013). G3 and G3.1 were a major evolution from the first two because the reporters had to choose with this new guidelines between three application levels (A, B or C) with A being the highest rate and C the lowest in order to complete their sustainability report (James, 2014). The purpose of the application levels is to give an idea of how the organizations use the GRI guidelines to the stakeholders (Borowski, Welsh, & Wentzel, 2011). By opting for the self-declared, the company decides which levels correspond to their report regarding to their own judgment. Whereas third-party checked and GRI checked involve that someone out of the company assesses the report. In the case of third-party, the company can use a “+” next to their level (Global reporting initiative, 2006). This G3 has been the main GRI’s guidelines until 2013 and completed in 2011 by the G3.1 with elements regarding gender, human rights and community (Gehman, 2011).

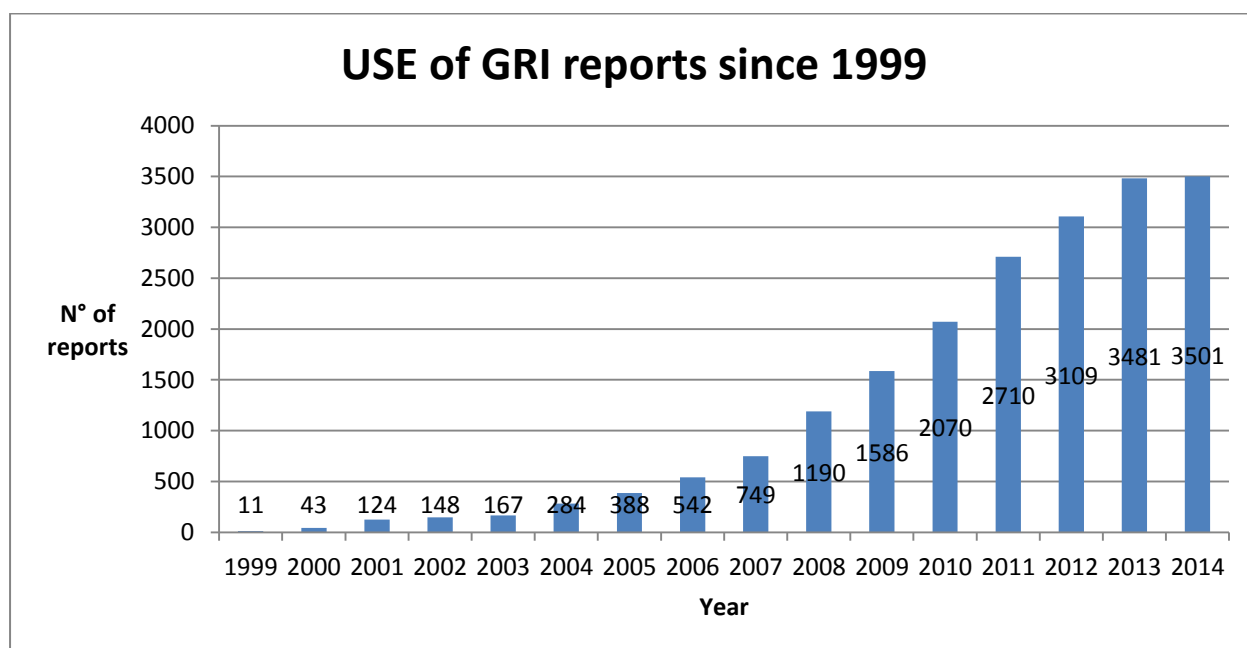
This guideline is also the next step until the last reporting guidelines (G4) launched by the GRI in 2013. This has been a big change with new elements. G4 has been created to be used by all kind of companies independently of their sizes, sector, and situation (GRI, 2013). Another major change is related to the three levels (A, B, C) discussed before. Indeed they have been replaced by two ‘in accordance levels’ (core and comprehensive). Now the reporters can choose to either report according to one of two ‘in accordance level’ or follow the guidelines without working with the ‘in accordance level’. Right now companies can still use either the G3/G3.1 guidelines but from the 1st January 2016, they will have to use the G4 (CPA Australia, 2014).

We are now going to have a look at first the facts over the GRI before dealing with its limits.

1°Facts over GRI:

- The GRI is the most used sustainability report guidelines around the world (Mori, Best, & Cotter, 2014) with 7000 organizations representing 99 countries and 38 sectors from the 6 continents have been using the GRI framework since 1999. On graph below, we can observe that from 1999 to 2014 sustainability reporting has skyrocketed from 11 in 1999 to 3501 in 2014. This number represents a raise of

approximately 32% over 15 years. The next graph (appendix 1: figure 2) is related to the percentage of the GRI's report released in 2014 for each continent. We can observe that Europe is the world leader with 37% published there; they are closely followed by Asia with 28%. At the bottom, we find Africa and Oceania with respectively 5 and 3%. According to the GRI's 2014 figures (Appendix 1: figure 3), related to countries producing GRI reports we can see that the United States is the world leader and has released 339 GRI reports in 2014. They are followed by Brazil, China, Japan, South Africa, Spain and Germany. As you can see in appendix 1 (figure 4) the GRI represents 38 sectors in 2014 where the financial, the energy, the food & beverage, the mining, the chemicals and the technology sectors represented almost half of the report released with 1461 reports on 3500 (41,7%) (Global Reporting Initiative, 2015). In those sectors, the financial and the energy sectors are the most efficient with respectively 473 and 412 reports. However we need to take into account that even though a huge amount of companies around the world are using the GRI report guidelines, it only represents about 40% of the companies reporting (Corporate Register, 2010).



Source: Global Reporting Initiative. (2015). Global Reporting Initiative

- GRI has also a strong link with other sustainability standards such as the Organization for Economic Co-operation and Development (OECD), the United Nations Global Compact Communication on Progress, Organization for Standardization and many others (Ernst & Young, Boston College Center, 2013). It helps the GRI to reinforce its reputation and builds a trust regarding to the reporting companies and the stakeholders that take into consideration the reports (Ernst & Young, Boston College Center, 2013).

2° Limits of GRI:

- The GRI reporting guideline doesn't give many possibilities for the organizations and stakeholders to compare with the different reports published through the GRI. Moreover, the organizations are able to report about what they want (Wells and al., 2014). Indeed, we have seen before that the GRI guidelines consisted in different performance indicators which management has to complete regarding to the level they want to follow. Given that, there are many indicators, the management will pick those which are the most benefic and the less costly for his organization in order to have the best report. All of these factors prevent the report comparison from the stakeholders (Moore, 2012). This is also linked to the fact there is also none globally sustainability reporting framework used by companies around the world (Murphy, 2014).
- The GRI reporting guideline doesn't order the sustainability assurance whereas financial reporting had to be assured by external organizations (Deloitte, 2014). G3 is the first guideline that mentions the notion of assurance for the reporting companies. Indeed, in the previous versions, G1 and G2, GRI didn't mention standard assurance which has been criticized in the future (Blesener & Hohnen, 2013). Even if, each new GRI guideline gives a new aspect about sustainability report assurance, it's still not enough for the stakeholders in order to improve the image and the reliability of the report (Jankovic & Krivacic, 2014).

2.2. Assurance

After describing the sustainability reporting, we are now going to focus on the assurance over sustainability reporting which is the next step towards a reliable reporting. In this section, we will first give a small history of the sustainability reporting assurance. Then we will try to explain why the assurance has become lately important and its advantages. This part will also provide us with a definition of the assurance engagement. Afterwards we will identify the main assurance providers around the world. Then we will describe the three main assurance standards that are used by the assurance providers in order to produce an assurance engagement. Finally, we will give an explanation about the role of the accounting firms regarding to assurance.

2.2.1. Brief History

The assurance has become a main focus in the area of sustainability reporting since the last two decades. Indeed, since 2006 and its G3, the GRI gave the advice to companies to produce external assurance with third-party assurance providers or with the GRI (Blesener & Hohnen, 2013). Whereas companies in most developed countries had to complete assurance for their financial report since the 20th century because it's compulsory (Deloitte, 2014), this is not the case yet in every country behalf in France and in South Africa for sustainability reporting (KPMG, 2013). The organizations have always the choice between doing it or not (Simnett, Vanstraelen, & Chun, 2009). Nevertheless, sustainability reporting assurance has picked up the pace in the last few years.

A Deloitte CFOs and sustainability survey (2014) show that around 55% of the 250 interviewed companies were trying to produce sustainability reporting assurance. Those 250 companies were chosen within the six continents and they should have with a minimum turnover of \$1 billion. These organizations are active in different sectors such as financial services, food & beverage, automotive, retail or technology and communications (Deloitte, 2014). This is an increase by 27% since 2012 and around 30% would like to embrace to pace during the next two years (Deloitte, 2014). They believe that the demand for sustainability report assurance is going to keep on increasing because the market is developing fast and the stakeholders are asking for

more transparency since the last decades. They strongly think that sustainability reporting assurance could be the answer to this demand (Borowski and al., 2011). According to a KPMG survey (2013), the sustainability reporting assurance has become very important for the G250. Indeed, since 2002 the number of assurance over sustainability report has increased every year. In 2002, 29% of the G250 companies assured their reports whereas 59% did the same in 2013. According to KPMG (2013), this rate is going to keep on increasing with companies paying more attention to sustainability reporting across the years. The same conclusion can be drawn by observing the graph in appendix 1 (figure 5) issued from GRI's database. Since 2006 the number of GRI reports with assurance has increased from 37 in 2006 to 1504 in 2014 which leads to more and more organizations using assurance during the last couple of years (Global Reporting Initiative, 2015).

The GRI has found 6 characteristics of the sustainability report assurance:

1°it should be done by skilled people outside the company. These people should have experience in assurance method and the report topics.

2°it should be fulfilled the same way every time, with a clear method and documented.

3°it should estimate if the report gives a good look of the management.

4°it should be done by professionals who don't have any link with any members of the company in order to get a free and neutral conclusion.

5°it should estimate if the report has used the GRI reporting guidelines in order to reach the conclusion.

6°it should give a conclusion available for everybody (Borowski and al., 2011).

2.2.2. Purpose of assurance

We saw in the previous subsection that assurance over sustainability reporting is getting more and more present in our present world. Nowadays, the stakeholders are very involved into sustainability reporting and they believed that a report without assurance is getting less worthy than one with assurance (Wells and al., 2014) because one of the goal of the assurance is to give to the management effective and trustworthy advices in order to take better decisions regarding the organization (Jankovic & Krivacic, 2014). Another goal of the assurance is to increase the credibility of the information published in the sustainability reports for the stakeholders. The assurance allows it by making possible to third party assurance to testify on the report. According to Jankovic and Krivacic (2014), the European Commission went in the same direction a few years ago by stating that “verification by independent third parties of the information published in social responsibility reports is also needed to avoid criticisms that the reports are public relations schemes without substances” (cited in European Commission, 2001, p.18). All this, gives the possibility to the organizations to tell that their reports are effective, trustworthy and without problems. The assurance also helps the organizations to find the improvements that can be done inside the entity and improves the reporting in order to give more value to the business and stakeholders (Jankovic & Krivacic, 2014).

According to Jankovic and Krivacic (2014), in order to be assured, the organization has to get an assurance engagement which can be defined as follow:

A process in which a practitioner expresses a conclusion designed to enhance the degree of confidence that intended users can have about the evaluation or measurement of a subject matter that is the responsibility of a party, other than the intended users or the practitioners, against criteria (cited in IFAC & IAASB, 2009, p.4)

In order to get the best benefit from the assurance process, the company has to include assurance as a full piece of the reporting process. Moreover the assurance engagement, defined above, is composed by three different parts: schedule, achievement and reporting & comments. In order to start the assurance engagement the company and the

assurance provider have to get on the same line regarding the schedule of the report, this is going to be identified in the next section. For example, they need to fix the standard reporting, the organization obligation regarding to the data gathering, the area and purpose that would be assured, time that the providers has to get it done and finally the assurance provider's obligation. This schedule has to be done at the beginning of the process and also during the report in case of adaptation if needed. Next, the achievement of the engagement is realized because of the area scope, the role of the assurance provider and the organization and the amount of information given to the assurance provider. As soon as everything has been done and the engagement is over, the assurance provider will produce an assurance document that might be released with the sustainability report. This report will have a different look regarding to the model, the guideline and the assurance provider choices. The assurance provider will affix his signature to the document (Blesener & Hohnen, 2013).

2.2.3. The assurance providers

The assurance providers are mainly people outside of the organizations that shouldn't have any link with anyone within the company. They are supposed to be unrelated to the organization in order to release fair and unbiased conclusions. They should also be qualified with the topics dealt into the report. Moreover, they should use useful methods on the assurance engagement. According to the GRI (Blesener & Hohnen, 2013), we can classify the assurance providers within 3 categories (Perego, 2009).

First of all, the accounting firms: they have knowledge on both financial and non-financial guidelines and reporting. They are paying more attention on business matters and are represented worldwide (Blesener & Hohnen, 2013). We will give more explanation about the accounting firms in section 2.3.5.

Then, the engineering firms: they give a more specific and complex approach. Indeed they have a better knowledge on difficult situations and handled better the risk. They use a multi-method approach (Blesener & Hohnen, 2013). They regroup organizations such as DNV, SGS or Bureau Veritas (Global Reporting Initiative, 2015).

Finally, the sustainability services firms or consulting firms: they pay closely attention to sustainability problems. They are usually less big than the two others assurance providers and are locally-based. They use to have encounter stakeholder's problems before (Blesener & Hohnen, 2013).

Once the organizations have chosen their assurance provider, the assurance provider has to choose with the organization which of the two levels he is going to use in order to provide the assurance statement. In other words, they have the choice between a reasonable assurance and a limited assurance. The assurance level shows the amount and the size of effort that the assurance provider would have to provide. Indeed, the strongest level of assurance will require a more accurate assurance process as explained in the used guidelines. However, because this practice is very expensive a company can decide to pick reasonable assurance for some indicators and limited for the others (Blesener & Hohnen, 2013). On one hand, a reasonable assurance engagement is a checking of the non-financial statement by the assurance providers when they give an opinion about the non-financial statement. They should say if it represents a fair and a true view and if it's in line with the non-financial guidelines. The reasonable assurance engagement is not an absolute assurance; it's only a high assurance because the absolute is not possible. Indeed, it's impossible for an assurance provider to check all non-financial information within the organization (CPA Australia, 2014). On the other and, the limited assurance engagement is more like a judgment about the non-financial report where the assurance provider gives an outcome to the organization if it has a fair and a true view and if it's in line with the non-financial guidelines. In other words, the method of the limited assurance engagement is compared to the method of the reasonable assurance engagement but you don't assure as many things in the reasonable level of assurance (CPA Australia, 2014).

2.2.4. The assurance standards

The assurance standards have been created by international and national non-profit companies from the accounting sectors and from others sectors (Manetti & Focaafondi, 2012). There are national and international assurance standards engagements.

However, around the world the assurance providers are mainly using 2 international assurance standards engagements known as the International Standard on Assurance Engagements 3000 (ISAE 3000) and the AccountAbility 1000 Assurance Standard (AA1000AS) (Jankovic & Krivacic, 2014).

- ISAE 3000 has been created by the International Auditing and Assurance Standard Board in 2005 (Jankovic & Krivacic, 2014). ISAE 3000 is a standard that “establishes basic principles and essential procedures for undertaking assurance engagements other than audits or reviews of historical financial information” (Rogers & Oelschlaegel, 2005, p.14). In other words, ISAE 3000 is a standard where the heart of the engagement has been settled by the assurance provider and the company. This engagement is usually used for non-financial achievement, company’s action or company’s method (Rogers & Oelschlaegel, 2005).
- AA1000AS has been created in 2003 by AccountAbility (Jankovic & Krivacic, 2014). It is defined as “an assurance standard that covers the full range of organization’s disclosure and performance based on the principles of materiality, completeness and responsiveness” (Rogers & Oelschlaegel, 2005, p.14). In other words, the providers using this standards check the company’s sustainability reporting based on the 3 elements explained before. Indeed, they are looking to the materiality of the given elements; completeness is apprehended, classify because of a strong method; responsiveness to stakeholders’ trouble (Rogers & Oelschlaegel, 2005). They are also more oriented stakeholders (Jankovic & Krivacic, 2014).

Whereas the AA1000AS aims to sustainability reporting and is mainly used by providers others than accounting firms, ISAE3000 is a larger standard and can only be used by accounting firms in order to release a complete assurance report because the provider has to conform with the IAASB which is only for accountant firms. Despite their differences, the assurance companies should use both standards in order to produce the best sustainability reporting assurance (Mori and al., 2014). Indeed these two standards are completing each other. For example, ISAE3000 informs when a true acceptable criterion is missing; the company should establish one to be useful for the users. In this case, AA1000AS will give the guidelines to do it and will include the stakeholders in the process (CPA Australia, 2014).

According to the data collected by the GRI, we can observe on the chart (appendix 1: figure 6) that a majority of the companies (53%) used ISAE3000 standards whereas 30% used AA1000AS and only 17% have been using both standards simultaneously in order to assess the sustainability reports whereas it should be the best solution (Global Reporting Initiative, 2015).

2.2.5. Role of the accounting firms

The accounting firms have an important role regarding to assess the sustainability report and are mostly in charge of the sustainability reporting (Jankovic & Krivacic, 2014). Indeed they have been the major assurance providers since the beginning. The accounting firms' role is to produce a high level of assurance report and method (Mori and al., 2014). They are able to do it because they have the capacity to delimit the company action, check the used method; give a feedback to the Board... (Murphy, 2014). They are able to find important information that might help afterwards the management to take actions and help to improve the reporting trust among the stakeholders (Anonymous, 2009). They have the required knowledge to use the right method with the right information in order to evaluate it and report on it (Deloitte, 2014) which leads to a higher degree of judgment (Perego, 2009). The organizations are trying to legitimate their sustainability reports through the assurance provided by the accounting firms. The legitimization methods want to confirm the work contracted by the accounting firms and how it's contracted. Legitimation is helpful for companies getting in a new field of activity or publishing a new reporting because it can improve the company economic value. The organizations are mainly looking for legitimacy mainly with the clients and the external world. Indeed the use of external audit gives the opportunity to the firm to improve its market value and legitimate the assurance among clients because it has enhanced the information and changed the strategy. The assurance letter provided by the accounting firms has an important role to play among external stakeholders because the assurance statement helps the company to legitimate its management, method through the sustainability reporting (O'Dwyer, Owen, & Unerman, 2011). According to Power (2003), the audit or assurance practices should try to grow together with seeking for legitimacy (Power, 2003).

The large accounting firms are able to fulfill this role because they are seen more independent by the different organization. Indeed, there is no important customer for the accounting firms and they have too much to lose if they make mistakes while assessing a report. This could lead to an international scandal and they could lose not only their worldwide credit but also their clientele which could lead to bankruptcy at the end. The sizes and the strength of the accounting firms help them also to bring enough employees while reporting; this helps them to give a steady quality to the assurance report (Perego, 2009).

The members of the accounting firms represent the biggest quality assurance providers (Simnett and al., 2009). According to the KPMG survey (2013) the accounting firms represent 67 % of the assurance providers for the G250 companies. This amount has increased by 3% since 2011. We can observe the same results within the GRI in the appendix 1 (figures 7 and 8). Indeed there has been a rise of 2% since 2013 in order to obtain 61% in 2014 (Global Reporting Initiative, 2015). This shows again the importance of the accounting firms. This can be explained with the existing relationship that the accounting firms mostly known as the Big 4 (KPMG, Deloitte, Ernst & Young and PWC) have with the companies that are currently report financial statement (Moore, 2012). Indeed, most of them already assessed the financial reporting of those companies. So when the organizations had to choose an assurance provider for their sustainability report, they kept the same than for the financial report.

2.3. Overview about Belgium

This section focuses on the progresses that have been made in Belgium relating the sustainability reporting. First, we are going to talk about the governmental initiatives that have been done in order to increase sustainability reporting in the country. Secondly, we are going to cover the organizations types that published sustainability reports and the evolution across the years regarding to the GRI data. Finally we are going to focus on the assurance providers used by the Belgian companies in order to produce sustainability assurance reports.

2.3.1. Governmental and non-profit organization initiatives

The governmental initiatives mainly depend on the evolution of societal matters in the country which would lead to environmental and social reporting laws. There are no such initiatives about sustainability reporting in the south part of the country and for the entire country above all (Kolk, 2005). Indeed, the government doesn't mandate to report on sustainability in Belgium like they do for the financial reporting (Costa, 2010) where the companies fill in their financial report in accordance to the articles 92, 95 and 96 of the Companies Code. Afterwards, the documents should be given to the Central Balance Sheet office (Code des sociétés, 2015). However governments across Belgium did try to regulate the 3 pillars of sustainability (economic, social and environmental). In Flanders, the Flemish Government published in 1996 an "environmental report at site level" (Kolk, 2005) from the Vlare II. This law explains that companies wishing to settle in Flanders have to ask for an environmental permit to the government if they are polluting the environment. These companies would also have to report on their environmental activities afterwards (Permis d'environnement). The same year, the Federal Government published the Royal Treaty imposing some companies such as listed companies, large companies or large associations to release a social balance sheet each year in order to provide an overview for the stakeholders of the social activities within the organizations (CNC; Diling, 2009). Moreover the government would have implemented for 2016 the Directive dealt in the section 2.2.2 which should increase the number of sustainability reporting in Belgium (IRE-IBR, 2014).

According to the Belgian Institute of Registered Auditors (BIRA), the Belgian Federal Government doesn't oblige the organizations to produce sustainability report because the world of Belgian companies is mainly composed of small and medium organizations which don't have the financial assets to release sustainability reports. They believe it's the role of the large Belgian companies to show the way to sustainability reporting. Moreover we will show you the sustainability reporting's evolution among the BEL 20 and the increase of sustainability reporting among the small and medium entities (SMEs) in the section 2.3.2. Indeed, as explained before, they have to assert that releasing sustainability report can lead to financial achievement and also an improvement of the capital in a long term perspective (Costa, 2010).

Non-profit organizations such as the Institute of Registered Auditors (IBR-IRE) try to increase sustainability reporting in Belgium. They have been organizing for the last decade the award for Best Belgian Sustainability Report which regroups Belgian organizations from different size, sector as well as foreign companies with activities in Belgium. Those companies have to give specific information about sustainability regarding Belgium. The objective of this award is multiple. Indeed they want to increase the movement towards sustainability reporting within the organizations. They also want to stimulate third party assurance of sustainability report by an accounting firm (IRE-IBR, 2014). We will observe the evolution of the participation rate to this award in the next subsection.

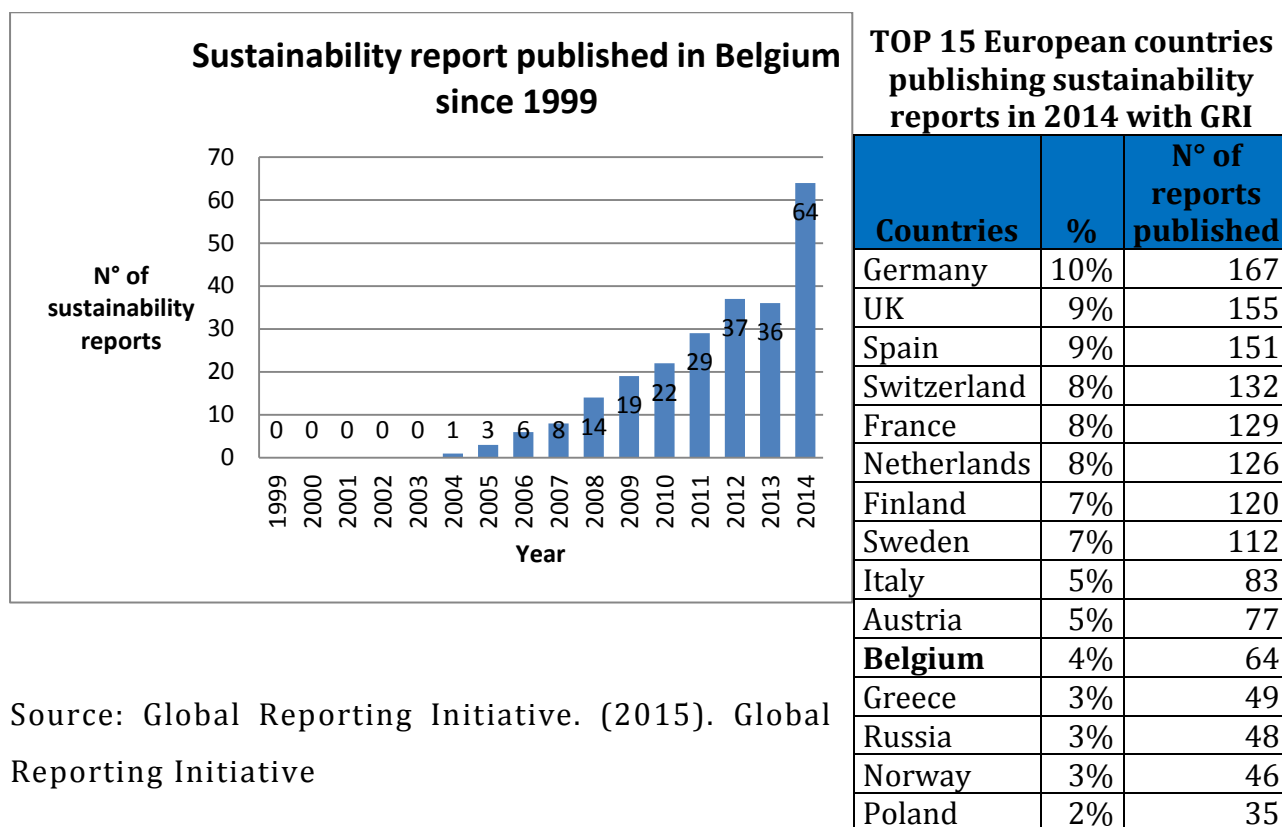
2.3.2. Companies producing sustainability reporting

According to a study made by Junior, Best and Cotter (2014) on sustainability reports released by the G500 companies in 2010. The five Belgian companies present in this list known as KBC Group, Ageas, Dexia Group, Delhaize Group and AB Inbev released their sustainability report (Fortune, 2015). The survey shows a small improvement of the Belgian firms among others publishing a sustainability report (Mori and al., 2014).

As explained in the previous section, Belgium is mainly composed by SMEs eventhough we still have large companies with their headquarters in our country. In 1991 the BEL 20 was lauched, it gatheres on the stock exchange the value of the twentieth largest Belgian companies. You can find a list of these companies in the appendix 1 (figure 16) This group of twentieth companies is reviewed each year in order to keep the companies with the best value on the market (Indice BEL 20 : Histoire, composition et trading de l'indice BEL 20, 2015). BIRA belives that the BEL 20's companies have to play a huge role towards sustainability reporting. By analysing the data from the GRI and the Best Belgian Sustainability Report (BBSR) , we can see that the number of BEL 20 companies publishing some kind of sustainability reports is increasing. According to a Quintart from the BBSR, 14 BEL 20's companies are releasing some kind of sustainability reporting (S. Quintart, email, 28 april 2015) and 12 among them are using the GRI guidelines in order to do it. As you can see on the chart in appendix 1 (figure 17), this number has been on the rise since 2004 until 2012 where

the same 12 companies have been using for the last 3 years the GRI guidelines for their sustainability reports. Around 85% of the Belgian reporting companies have been mainly large and multinational organizations until 2014. Indeed in 2014, 47% of the Belgian companies reporting sustainability reports are SMEs and 53% are large and multinational companies. The graph in appendix 1 (figure 18) shows the evolution of SMEs towards sustainability reporting across the years. This also shows that SMEs are paying more and more attention to sustainability reporting (Global Reporting Initiative, 2015).

Out of the GRI database (2015) which has gathered information about companies that have report sustainability according the GRI guidelines or without the GRI guidelines, we were able to see Belgian ranking among European countries across the years. As you can see the graph below on the right, Belgium is close to enter the top 10 with the 11th position of countries releasing sustainability reports but it has not been the case the last couple of years. Indeed as you can see in the appendix 1 (figures 9 and 10), Belgium has been ranked at either the 14 or the 15 places on the European ranking. We were able to put together 83 Belgian companies and the foreign companies which published sustainability reports related to the Belgian sector from 1999 to 2014. We didn't take into account 2015 because most of the organizations haven't released their non-financial statement yet. The graph below shows us that the Belgian companies didn't start sustainability reporting before 2004 when Inbev was the first Belgian organization to report about sustainability. This number has been increasing year after year even though in 2012 and 2013 has remained still in order to have 64 companies releasing sustainability report in 2014. We can also observe that this number has almost double between 2013 and 2014. These reporting companies come from 23 sectors (see appendix 1: figure 11). We can observe that the following sectors are leading the pace: food and beverage product, non-profit services, construction, waste management, metals products and tourism. These 6 sectors represent 56% of the reporting companies (Global Reporting Initiative, 2015).



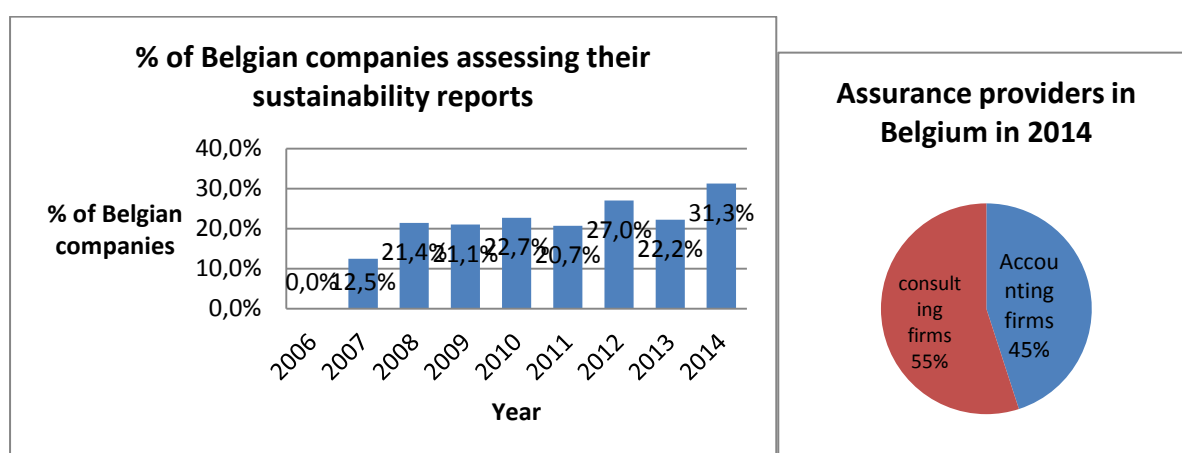
2.3.3. Assurance and type of report in Belgium

We use again the data provided by the GRI in order to understand the use of sustainability assurance. We look also to what kind of assurance providers are used by the Belgian companies. But first we are going to observe if Belgium is on the same line than the other European countries regarding sustainability assurance and assurance providers.

In Europe, as you can see in the appendix 1 (figure 12) since 2006 the number of companies that have been assessing their sustainability reports is on the rise year after year. Indeed only 28 organizations assured their sustainability report in 2006 whereas we have 623 organizations in 2014 and the amount of organizations assessing their report has almost doubled between 2011 and 2012. However when we are paying a closer look to appendix 1 (figure 13), the previous information have to be put into perspective. Even if the percentage of organizations assessing their sustainability report has increased by around 28% from 2006 to 2014, this percentage has been decreasing twice. The first time from 2007 to 2008 where it has decreased by 0,7% and the second

time from 2010 to 2011 where it has been reduced by almost 4%. Since 2012 the percentage has been constant. Between 71% and 74% of the European organizations have been using accounting firms to assess their sustainability report since 2012 (Global Reporting Initiative, 2015).

Now looking at the Belgian perspective, we can see that KBC Group is the first Belgian company that began to assess its sustainability report in 2007. This number is growing slowly until 2013 in order to have 8 companies that assured their reports. Then this number has skyrocketed from 8 to 20 during the year 2013 and 2014 (see appendix 1: figure 14). Like for the European countries, these numbers have to be put into perspective because as you can see on the chart below, this number has decreased slowly in 2009, 2011 and 2013. At the end, in 2014 around 31% of the Belgian companies are assessing their sustainability reports. Now looking at the assurance providers, we can see that on the charts in appendix 1 (figure 15) that the Belgian companies almost were using accounting firms in 2012 and 2013 in order to assess their report whereas in 2014, as you can see on the chart below only 45% of the companies used accounting firms and the companies used consulting firms which is correlated with the types of companies reporting. Indeed 95% of the Belgian assured companies were large or multinational in 2012 and 2013 whereas they only represented 40% in 2014. The others 60% were the small and medium entities which used mainly consultant firms in order to assess their sustainability report (Global Reporting Initiative, 2015).



Source: Global Reporting Initiative. (2015). Global Reporting Initiative

2.4. Conclusion on theoretical review

Nowadays, Belgian companies are doing more and more efforts in order to release first sustainability reports and then assess these reports. Non-profit organizations are helping the governments to improve the craze for sustainability reporting (Costa, 2010). However they are still behind other small countries such as Finland, Switzerland or the Netherlands (Global Reporting Initiative, 2015).

The role of the Big 4 accounting companies has been important to many companies for many years as much in Belgium as in the rest of the world. We observe a small decline in 2014 (Global Reporting Initiative, 2015) while many authors feel that they are still the better option in order to provide sustainability reporting assurance (Perego, 2009; Manetti & Focaafondi, 2012). Other authors also believe that auditors have also a role within the company by knowing the sustainability reporting guidelines, gauge the relevance of the sustainability data, checking the sustainability inputs to measure the risk before the external auditors could assess these inputs in order to produce a relevant sustainability reporting. In other words, they could help the external auditors in their work (Evers, Harmon, & Ivancevich, 2004).

3. Methodology

After having outlined a needed theoretical framework in the previous chapter about sustainability reporting, the assurance that might be provided, looking to what has been done so far by Belgian companies and the role of the accounting firms; we will now focus on a practical part based on research questions. We observed that many previous studies have used either only large companies or people from the accounting world in order to understand the purpose of issuing an assurance report and the role of the accounting firms. Furthermore there are no specific studies about the assurance over sustainability reporting in Belgium or even on sustainability reporting in Belgium even though it has been done for the countries such as France, the Netherlands or the United Kingdom (Kolk, 2005). It seems to have a gap and an opportunity to try to understand why Belgian companies are using an accounting firm in order to provide assurance for their sustainability reports and also the link between the financial report and the sustainability report.

This study aims to fill that gap by analyzing the interviews that were conducted in both accounting firms and Belgian companies and the companies' sustainability websites in order to answer to different research questions. Furthermore it was interesting to have the opinion about this topic from many sustainability specialists within the accounting world and from Belgian companies for a main reason. Indeed, the view of the companies might be different from the one of the accounting firms which will give us the possibility to use the triangulation method in order to see if the views match or not.

3.1. Sample

3.1.1. Research questions

We based this work on 4 research questions which would try to focus on the influence – role of the auditors on the assurance over sustainability reporting. From that perspective, we will make the following research questions:

RQ1: Why does a Big 4 audit firm used as the external auditor for the review of financial statement should also provide assurance over sustainability reporting for the same organization?

⇒ Why shouldn't it be more suitable from an independent point of view that financial statements are audited by one of the Big 4 and sustainability reporting by another Big 4?

While financial reporting has been ordered for the organizations across the years and assurance over financial reporting has been also ordered for some companies; it's not yet the case for sustainability reporting and assurance over sustainability reports even if it was required by the GRI and other non-profit organizations (Deloitte, 2014 ; IFRS, 2011). Nowadays there is a strong possibility that the reporting companies ask for the same accounting firm to assess both financial and non-financial reports instead of another assurance providers such as consulting or engineering firms.

RQ2: Why are Big 4 firms better than the other assurance providers?

The accounting firms are not the only firms able to issue an assurance on sustainability report. Indeed there are also consulting companies and engineering firms that are able to assess sustainability report (Blesener, & Hohnen, 2013). The accounting firms are well known when companies have to get their financial statement assessed. However a sustainability report is not exactly like a financial report. We are wondering if the accounting firms are still the best option available in the market to issue an assurance over sustainability reporting (Deloitte, 2014).

RQ3: What are the similarities and differences between providing assurance over financial statement and sustainability reporting?

As mentioned in the GRI, some companies have to assure their financial statement by an accounting company whereas it has not been ordered to do it for the non-financial statement even though some organizations took a step forward and do it also (Deloitte, 2014). The fact that a company can have an assurance for both statements, we will try to identify the links between the financial and non-financial statement as well as the differences.

RQ 4: How positively is the impact of a Big 4 firm on the level of assurance (limited or reasonable) in the company sustainability reporting? How does the company choose the level of assurance?

We mentioned in the section 2.3.3 that the assurance providers and the company assuring its sustainability report have to decide together which level of assurance should be used. They know the reasonable assurance is more costly and asks for further resources from the assurance providers than the limited assurance (Blesener & Hohnen, 2013). Since the accounting firms are bigger than the other assurance providers and have more resources, they are more likely to convince the organizations to go for the reasonable assurance (Murphy, 2014). As mentioned in the section 2.3.4 there are two main assurance standards: ISAE 3000 and AA1000AS (Jankovic, & Krivacic, 2014). The first one is only used by the accounting firms whereas the second is mainly employed by the consultant and engineering firms even if the accounting companies have the capacity to use both. So the choice of the assurance providers has a direct impact on the assurance standard that they will use afterwards while assessing the sustainability report (Mori, 2014).

3.1.2. Companies selection

As the objectives of this study were to answer to the research questions and to have a global understanding on the topic, it looked important to gather a wide range of information while collecting the data from the interviews. We used a specific theoretical sampling and investigated an existing phenomenon in specific companies that are applying the phenomenon describe below.

The first step in this direction was to look for companies that in one hand were publishing a sustainability report and moreover assuring their report if possible; on the other hand we search for accounting companies from the Big Four which give an assurance over the sustainability report. The next step was to find companies that could meet the requirements. In order to do it, we used on one hand the data collected by the GRI and we look to which Belgian companies were issuing assurance on their sustainability report. We mainly focused on the BEL 20 companies because we felt that it would be more suitable for the research. We thought like this for several reasons such

as the size of the company, their resource, their link with the accounting firms for the financial statement and their knowledge on the topic. On the other hand, we looked for firms that participated in the past at the Best Belgian Sustainability Report and looked for the winners of the previous editions in the following categories: large companies and SMEs. The final step was to contact them. On one hand regarding the Belgian companies, we went on the website of each company that we found relevant for the research and either have a look at their sustainability report in order to find the name and email address of the sustainability manager or we look on their website in order to find an email address. On the other hand for the Big Four firms, it seemed interesting to contact all of them and not only KPMG where I did my internship this year. Regarding KPMG, we asked a senior manager to bring us together with the partner specialized in sustainability reporting whereas for “Ernst and Young” and “PWC”, we got names from someone from the Best Belgian Sustainability Report’s team and for Deloitte we contacted them through their website.

The interviewees were chosen based on their knowledge on the topic and on their ability to provide useful input for the research. Like mentioned before, all the interviews have been conducted with people being in charge of sustainability within their company. A total of 10 interviews, whose 6 of them are from Belgian companies and 4 from the Big Four, were conducted. These interviews regrouped the following companies which are shortly described below.

UCB is a Belgian listed multinational company and a biopharmaceutical leader. They always have been interested in sustainability reporting but they only started to report in 2008 with a CSR annual report and were assuring their report since then. They believed sustainability as an important element in the decision process. The interview was conducted with Dirk Teuwen who is the Vice President of CSR within UBC for 7 years (Interview UCB).

Umicore is a Belgian listed multinational company specialized in precious metals such as zinc, cobalt... They have 70 sites around the world which have to apply to the same sustainability policy. They started being interested in sustainability a long time ago when they thought about how they would solve that environmental footprint left in their sites. Nowadays, Umicore is also known for publishing an integrated reporting of their activities and assuring the integrated report. The interview was conducted with Bert Swennen, the director for environmental, health and safety at Umicore (Interview Umicore).

Befimmo is a Belgian listed multinational company. Their business mainly focuses on spending in high valuable buildings in important cities. They were interested in sustainability since 2008 when they started with an environmental policy and qualitative objectives. It's only 2 years ago that they started thinking about quantitative objectives and went deeply into sustainability reporting. They recently began assuring their sustainability report every year whereas they use to do it once every 2 years. The interview was conducted with Emilie Delacroix in French. She is CSR manager for 2 years and has worked for the company for 13 years (Interview Befimmo).

Cofinimmo is a Belgian listed multinational company that has been specialized in the real estate sector in 4 countries but especially in Belgium. Their core business is to rent office buildings in Brussels and Antwerp. They started being interested in sustainability by obligation because the real estate sector is much regulated in everything related to carbon disclosure. They were publishing sustainability reports for a few years now and started since 2013 to assure their sustainability reports. The interview was conducted in French with Jean Van Buggenthout, the head of Property Services and CSR within Cofinimmo. He has been with the company for 17 years (Interview Cofinimmo).

Bopro is a Belgian medium company and is a project management organization specialized in buildings. They are also managing activities with always a sustainable view. They were interested in sustainability since 2009 and it's only in 2010 that they published their first sustainability report. Since then they published a report every 2 years and used an assurance over their sustainability report. They were also one of the pioneers for the G4 use. The interview was conducted with Stéphanie Geens, the CSR manager at Bopro (Interview Bopro).

KBC is a Belgian multinational company specialized in banking and high quality insurance in Belgium and 4 other countries. Sustainability within KBC started to grow very quickly during the crisis when they created a CSR department which publishes sustainability report every year. KBC is the only company in our panel that doesn't assure their sustainability by an external assurance provider even if they use to do it in the past. The interview was conducted with Anja Helon, the CSR officer for KBC Group (Interview KBC).

KPMG is a multinational company, worldwide known to be part of the Big Four. Their main mission is auditing financial statements. KPMG world has been busy with sustainability reporting for 25 years in the Netherlands in a first time and have been a pioneer in this topic since the beginning by publishing reports. They were issuing assurance over non-financial data for the last 5 years. The interview was conducted with Mike Boonen, a financial audit partner and sustainability's specialist at KPMG (Interview KPMG).

PWC is a multinational organization, known around the globe to be part of the Big Four. Their mission is also auditing financial statements but they also give advice about different topics. PWC started to be interested in sustainability reporting around 10 years ago and continue to be involving in this topic since that moment. They give advice about sustainability as well as issuing an assurance over the sustainability report. The interview was conducted with Ilse Moens, a certify auditor specialized in financial audit and known internally for her skills and knowledge in sustainability (Interview PWC).

Ernst and Young is a multination firm, known to be part of the audit Big Four. Their main field of activity is the audit of the financial statement. EY started getting interested in sustainability reporting 10 years ago while issuing assurance over sustainability report and give advice. The interview was conducted with Céline De Waele, CSR manager, and Harry Everaerts, assurance partner at EY (Interview EY).

Deloitte is multination organization and known to be part of the Big 4. They have a local sustainability team in each country and use a technical facility in order to have help during their missions. The interview was conducted with Bart Vercauteren, a sustainability director within Deloitte (Interview Deloitte).

3.2. Data collection

In order to have a great insight on why Belgian companies are using or not accounting firms in order to provide assurance; the influence of accounting firms on the level of assurance; the similarities and differences between financial statement and non-financial statement, we conducted interviews with the companies stated before.

In order to analyze the information we collected from the interviews, we use the case studies. According to Yin (Yin, 2003), that's better to use case studies when the research questions explanatory which means that they contains "why, how and sometimes what," when the researcher got any control over the events and when the study is about contemporary facts. All of these conditions have to be met in order to use a case study which is the case in this work.

According to Yin (Yin, 2003), there are two kind of interviews that can be conducted. The first one is open-ended and means that the interviewee can give his opinion on fact, give hint about future interviews... The second one is focused on interview where the interviewee follows a set of questions prepared by the researcher. However the focused interview can also be conducted in a way to give the possibility to the interviewee to give his opinion about topics that are not in the interview guide. This is why we conducted focus-interview for our research (Yin, 2003). These interviews were semi-directives which give us the possibility to follow the questions that we prepared based on our research questions but also to intervene during the interview in order to go deeper with some specific questions on a topic or ask questions that were not in the interview guide but seem relevant at the time. We did two interview guides, one for the Belgian companies and the other for the accounting firms.

As we have data from different companies, we will use the data triangulation method suggest by the case study in order to collect them and provide answers to the questions. This method will be relevant for our study because of the different approach such as interviews and companies sustainability websites that we have been using in order to answer to the research questions and will help us to improve the findings (Bryman, 2003).

Finally 8 of the 10 interviews were conducted face to face whereas the 2 others were conducted by a phone call and lasted around 45 minutes. All of the interviews were conducted in English but 2 were in French. The interviews were also recorded with the interviewee's approval and then written-down. You can find below a table regrouping all of the relevant information about the companies and information related to the interviewees.

Firm	Interviewee characteristics			Firm characteristics		
	Name	Function	Interview length	Type of report	Assurance	Sector
UCB	Dirk Teuwen	VP of CSR	33 min	sustainability report	yes	biopharmaceutical
KBC	Anja Helon	CSR manager	50 min	combined report	No	financial
Befimmo	Emilie Delacroix	CSR manager	26 min	sustainability report	Yes	real estate
Cofinimmo	Jean Van Buggenhout	Head of CSR	41 min	sustainability report	Yes	real estate
Bopro	Stéphanie Geens	CSR manager	30 min	sustainability report	Yes	real estate
Umicore	Bert Swennen	Director of environmental, health and safety	55 min	integrated report	Yes	metal
KPMG	Mike Boonen	Sustainability Partner	66 min	Assurance provider		Audit
EY	Céline De Waele Harry Everaerts	CSR manager Assurance Partner	51 min	Assurance provider		Audit
PWC	Ilse Moens	Sustainability Director	42 min	Assurance provider		Audit
Deloitte	Bart Vercauteren	Sustainability Director	39 min	Assurance provider		Audit

Table : Overview of firm and interviewee characteristics

4. Findings

This part seeks to look for answers to the different research questions that have been mentioned in the section 3.1.1. In order to do it, we will use the information provided through the interviewees and through the companies' sustainability website. The first section explains in which circumstances Belgian companies might use or not the same accounting when they are assuring their financial and sustainability statement based on different sources. It also explains if it's better from independent point of view to have two separate accounting firms for the two reporting. Before our focus on why Belgian companies began to assure their sustainability reports and the role of stakeholders. The analysis will follow three phases. In a first time, we will focus on the research results related to what our interviewees from the Belgian companies thought about this topic. Then, we will analyze what came out from the expert of the Big Four companies. Finally we will report what is matched between both sides and what part they might not agree.

4.1. The choice of the assurance provider for the sustainability reporting.

4.1.1. Belgian companies

Not all of the interviewed Belgian companies have assured their sustainability reports even if they all feel that assurance is very important for them. These companies began to use an external assurance for their sustainability report during the last decade. Umicore was the first one to use an external assurance provider among the interviewees. They believed that there are many advantages in order to go in this direction.

First of all, I think that the assurance provider challenges you to have a triple plus management system in place, in order to have necessary quality into your database. (...). It's not a free ride, everything we have to put in and even the text in the annual report has been checked by an independent and external third party. (...). They are very challenges in terms of questions, to look for things in consistency which every year surfaces in the report with number that don't match with what you put in that text. So it's quite challenging and the assurance

helps you to keep the balance between your success and the things which you still need to work on. Secondly, they bring a lot of experiences from other companies (Interview Umicore).

Furthermore like it has been mentioned in 2.2.2 the assurance brings a much needed credibility towards stakeholders according the interviewed companies. This can be seen through Befimmo for instance. Indeed they used to assure their sustainability report once every two years until they observed that the assured report had more credibility towards stakeholders than the non-assured report.

According to Emilie Delacroix from Befimmo, this could be explained because they were penalized in Carbon Disclosure Project each year when they didn't assure their sustainability report. Moreover the stakeholders began to complain because they had to check everything when the sustainability report was not assured (Interview Befimmo).

This is why; nowadays Befimmo begins to assure their sustainability report from that moment.

As we have said before not all the interviewed companies have assured their sustainability report. Indeed KBC used to assure their sustainability report with the same assurance provider as for their financial review until the financial crisis struck them and they decided to stop because it was too expensive for them. Nowadays they don't see the added-value from an assurance because they already have a very strong internal checking at different levels of the reporting and by different people. KBC has to follow precise steps in order to have an internal assurance.

They have internal software which is applicable in the entire group and has to be followed to fill in the sustainability data. The data is checked several times by the different departments before it goes in the hand of the local risk officer. He has the responsibility to check it again. The CEO and his financial assistant checked the data afterwards (Interview KBC).

So they believe that their sustainability data are transparent and correct.

Now within the interviewed Belgian companies, they don't have same opinions about why a company should use or not the same firm for the financial statement and the sustainability reporting. Indeed in one hand, one company has not expressed the same opinion than the others and uses two different accounting firms for their sustainability report and the financial statement. On the other hand, the remaining interviewed companies use the same accounting company for both statements.

The company, using two different assurance providers for the assurance over the financial and the sustainability reporting, believes that the main motivation in order to choose the assurance provider should be its background in sustainability and its ability to give them an intellectually interesting confrontation between the two sides. This company believes that all accounting firms can issue an assurance engagement but they don't have the same skills. This would help the reporting company to improve their sustainability reports in the future.

It's rational to separate financial reporting from sustainability reporting. So the financial report is made by someone and sustainability reporting by another one. In this argument, the advantage is that the accounting firm is independent and there are no mixed feelings about it. The skills and strategic are well defined (Interview UCB).

However they are well aware that there is a downside by using two separate accounting firms.

In the GRI G4, there are a number of parameters that need to be validated by the audit firm. When you don't use the same company, it's clear that you put yourself in a difficult position at the time of your financial data approval. It's always a rush at the last minute and we only get our approval letter very late in the process (Interview UCB).

The other Belgian companies use the same accounting firm for the audit of their financial statement and the assurance over the sustainability report for different reasons. Although some of them have chosen the same accounting company through a tender. Indeed for Cofinimmo, it was not an automatic choice. They asked to several companies to compete for the job and choose at the end the same company as for the review financial statement. The choice was based on the price and experience. They all advanced some ideas on why companies should use the same accounting companies for

the review of the financial statement and the assurance on sustainability reporting. Indeed they agree that money is a factor in the decision process because nowadays companies are looking to every unnecessary cost. Moreover, the assurance over the sustainability data is an expensive cost for a company as we have explained earlier and by having the same assurance provider, a company is able to decrease the costs. Then time is another factor in the decision making. Befimmo stated that “it’s easier to work with the same accounting firm because the reporting already takes a lot of time and we don’t want to spend more time with a new accounting company”(Interview Befimmo). This reason is linked with the main advantage of using the same company. Indeed the companies believe that having the same assurance provider is better for them because the accounting firm already knows the company by auditing their financial statement. So they know the company, the sector, the management in place, their systems, with who they want to work, how the company is working, where they should pay attention and the important key performance indicators (KPIs). The company doesn’t have to explain again everything to the assurance provider in this case which is for both sides a gain of time. The last relevant advantage was explained by Umicore. Indeed they have published an integrated report since 2010/2011 which means that they put together and link the financial data with the sustainability data.

So by using the same assurance provider, it gives us a huge advantage because we try to link business and financial performance with sustainability performance. You have an auditor, a certifier and people that are in this company and understand the business. The accounting firm has a good insight in the business and it helps us to have a good understanding of the sustainability part (Interview Umicore).

In this case, it gives Umicore and every company that are doing an integrated report an important added-value because the assurance provider has an integrated understanding of the company.

Now by focusing on if it’s better from an independent point of view to have two separate accounting firms for the two reporting, the thought of the interviewed Belgian companies diverged. Indeed the company that use two different assurance providers believe that it’s more suitable from an independent point of view to have two different

assurance providers because companies need to choose for the best available regarding the assurance providers' knowledge, what they could bring to the company and how they can challenge the company. Whereas the other Belgian companies (see table below) strongly believe that it's not a big deal to have a same assurance provider from an independent point of view because as long as there are two teams with different people which are doing distinctive tasks and have specific knowledge about what they are doing. This was confirmed by the interviewees and their released reports. Indeed we have noticed that they used different teams in each company for the financial reporting and the sustainability reporting. However they don't always use different partners. For instance, Umicore is assured by the same partner but different teams. Whereas in the other companies they want to separate everything and use different partners, one for the financial statement and the other one to assess the sustainability report. Cofinimmo expressed the desire to "have someone leading the two teams because they want to have a common timeline in order to have the data at the same time due to deadlines" (Interview Cofinimmo).

Companies	Assurance provider for financial statement	Assurance provider for sustainability reporting	Teams for assurance over financial and sustainability reporting	Partners
UCB	PWC	KPMG	different	different
Cofinimmo	Deloitte	Deloitte	different	different
Bopro	EY	EY	different	different
Befimmo	Deloitte	Deloitte	different	different
Umicore	PWC	PWC	different	same
KBC	EY	None	different	different

4.1.2. Big four firms

According to Deloitte, “companies are leaning towards integrated reporting where the financial statement is in the same report as the sustainability report. There would be no more distinction between both reports as soon as companies will integrate their reports” (Interview Deloitte). Moreover in this case, there is no reason for a company to choose between a financial auditor and a non-financial auditor due to the fact that information is combined. Therefore the Big 4 firms believe that it’s unthinkable to have two separate auditors in this case because the financial auditor would be the best disposed to assure this integrated report. Indeed they already know the company, how it works, their management, the system. So the sustainability reporting would only be an additional add-on for the assurance provider.

Nevertheless, there is another reason for companies to use the same assure provider according to KPMG. Indeed, even though the financial report and the sustainability report are not integrated, companies want to harmonize the time, the performance, the coordination and the responsibilities as they are becoming more complete and advanced. Therefore, the same assurance provider is more interesting for a company because it will give them the possibility to be more efficient (interview KPMG).

For example, if all the sustainability data are also management in a SAP system and the owner of these data would be the CFO and whenever the sustainability report, although is still separate, would be established and audited at the same as the financial statement. Then it becomes interesting to have one single and assurance provider when those elements are integrated even if the report itself is not (Interview KPMG).

Finally EY believes that the cost of having one assurance provider for the sustainability reporting and the financial reporting can also be a factor in the company’s decision because it would be cheaper for them to use only one assurance provider (Interview EY).

Now by looking at the second part of this research question about if it’s better from an independent point of view to have two Big Four firms to assure the financial and the non-financial report, we observed that the four firms of the Big Four gave the same answer and came to the same conclusions at the end.

Both from a financial perspective and from a sustainability reporting assurance perspective you need an auditor to be and to remain independent from your clients and the subject matter which you are auditing. When you are independent for both separately, you are also independent for both combined (Interview KPMG).

For instance, before they accept to issue an assurance for a tobacco organization, the assurance provider could believe that this organization is all about smoking, bad the health and society and high uncertainty because of the claims and trial that could go in the future and a negative impact to the organization at the end. However when the assurance provider thought twice about it, they said that all of those criticisms don't matter because they are obliged to be independent from the client and from the business. So they could issue the assurance for the financial statement and the sustainability reporting. Indeed the independency should not be a driver in order to choose different assurance providers because the Big Four firms have always to be independent with whoever they are auditing according to the ISQC1 standard (CNCC-IRE, 2009). The Big 4 firms have some methods in order to keep this independency. First, there should be a turnover among the partner and the key member of the team in order to avoid friendship. Second, an independent partner, which has no relation with the team, has been designated to check again the work and opinion of the audit team. Finally, no one can own shares from the company that they have auditing or will audit (PWC, 2012).

According to one of the Big Four firm there is an exception. As we all know, the audit of the financial statement is not the only field of activity of the Big Four firms. Indeed they also give advises about specific topics where they don't have to be independent and can really give they own point of view. "If we are advising on CO2 policy and developing CO2 target with a company we cannot audit those CO2 KPIs. We cannot judge what we have an influence in" (Interview EY). So in this situation, whenever they are giving advises to a company they cannot accept to issue an assurance afterwards. We didn't notice through the interview any cases where the accounting firms advised one of the companies and then issued an assurance over the sustainability reporting for the same company. So we believed that they are respecting this condition through the end of the

process. The assurance engagement is checked afterwards by an internal independent auditor and might also be checked by an external auditor from IRE.

4.1.3. Quick thoughts

The majority of the Belgian companies and the Big 4 firms believe that there are several reasons to have only one assurance provider for the financial reporting and the sustainability reporting. Indeed by looking at what the Belgian companies and the Big 4 firms have explained, we raised 2 main pro arguments and 1 con argument. The pro and con are summed up in the following table:

Pro: same assurance provider	Cons: same assurance provider
The cost is lower when the Belgian company uses the same assurance provider for the financial reporting and the sustainability reporting. The assurance provider gives a price package to the company which is lower than a separate cost for the financial reporting and the sustainability reporting.	Belgian companies want to choose their assurance provider based on its skills, knowledge and the added-value that he will bring and not because it's also the financial statement certifier.
The trend in market towards integrated reporting is pushing to use the same assurance provider.	Change is good for a company. It can bring added-value.
Harmonization of the timing, performance and coordination within Belgian companies.	
The assurance provider of the financial statement already knows the company, the process and the management in place. So there is a gain of time for the company.	

Now regarding the second part of the research question, we can observe that the Big Four firms and the Belgian companies are leaning to the same final idea on the topic for the followings reasons:

- The Big 4 firms don't see the problem of using one assurance provider from an independent point of view because they always have to be independent if they issuing an assurance.
- The Belgian companies don't mind having the same assurance provider as long as this assurance provider uses two different team members for the assurance over the financial reporting and the sustainability reporting.

Based on these facts, we believed that it's not more suitable from an independent point of view to have separate Big Four for the review of the financial statement and the assurance over sustainability reporting.

4.2. Characteristics of the Big Four

This section explains why the accounting firms have the necessary proportion, aptitude and approach in order to issue assurance over sustainability reporting. We will also give an explanation on how they try to improve their procedures, aptitudes and size continently. Furthermore we will focus on why they believe to be the best option regarding nowadays to the consulting companies.

4.2.1. Belgian companies

The Belgian companies believed that the Big 4 were not the first organizations on market when the assurance over sustainability reporting began to grow in Belgium. Moreover Umicore which began to assure their report before the other interviewed companies used to work alongside with consultant companies, named Lloyds and then ERM. The last named company is specialized in environmental resources management. Umicore was working with them because at that time their sustainability report was converging into environment and specific aspect such as metals, historical issues and not so much on the other aspect of sustainability like the economic and social aspects... So they "needed people who understand the system, the environmental aspect of Umicore and had some technical background" (Interview Umicore). Umicore stopped working with these actors because they believe that this change is good for their sustainability reporting. Indeed they were working with them for a long time and

believed that “it’s not healthy to work with the same assurance provider for a long time because they are too many standards and automatic pilots” (Interview Umicore).

Then the Big 4 firms came in the market just in time according to them because of circumstances when they saw an opportunity in the non-financial reporting. They think that at first they came out big with large teams in order to take to increase their market share. However that didn’t last long because the stakeholders thought that companies were publishing a sustainability report in order to have a good image through the society. In the last decade, the team has decreased for a while before coming back strong again.

The Belgian companies mainly believed that the Big 4 firms have the skills in order to provide a good assurance. They admitted that they asked for the consultancy companies’ help on specific matter but not as assurance provider. For instance, Cofinimmo asked the help of CAP Conseil when they had to established their materiality matrices (Interview Cofinimmo). It’s really for more practical concept or topics that companies are using consultancy companies. The consultant companies are also unknown by some companies as an assurance provider. Indeed Bopro didn’t know they consultancy companies were able to provide an assurance over sustainability reporting. They strongly think that the Big 4 are more skilled to provide a good assurance over their sustainability reporting. Since there are listed companies, they also pay for the name of the Big 4 firms because they are worldwide known whereas the consultancy companies are more locally based as it was mentioned in subsection 2.2.3. Befimmo thinks that the “Big 4 teams are highly skilled and have a great knowledge on this topic. Nowadays there are organizing workshops about sustainability for interested companies” (Interview Befimmo). They don’t think that this great knowledge on assurance is more important within the consultancy companies because the Big 4 firms have worldwide resources which consultancy companies don’t have due to the fact they are locally based. These worldwide resources help the Big 4 companies to have a global view on the topic Bopro is also leading to that conclusion regarding the skills although “they don’t know if their assurance provider still has those skills today because there is a huge turnover. So we are not sure if the Big 4 that we are using will still be efficient the next time”(Interview Bopro). Furthermore Umicore also think that the Big Four are highly skilled which help them to ask for the best team for the job which should have

knowledge and experience with the organization in order to gain some time. This is why they have asked to have a heart of the team that doesn't change across the years (Interview Umicore).

The Belgian interviewed companies believe also that the Big 4 firms have size and the methods enough to achieve the different missions because their strength is to have a goldmine of information from the various clients and their other offices around the world which could help them during the various missions that they have in different sectors of activity. For instance, at Umicore the Head of the sustainability team of the assurance provider is located in Zurich whereas the certifier has also some offices in Belgium. This example shows that the size of the Big 4 firms is an advantage because they are able to provide with the best people on board due to their offices around the world as asked by the Belgian companies. They also added that their other strength is the use of a method for the assurance over sustainability reporting comparable to the one used during a financial audit. So everyone knows what they should do for the comfort of the companies.

So the Belgian companies mainly believed that the Big 4 firms are the best solutions in the market in order to provide assurance because they are not only checking behind data and they are looking to what it represents. They have the means and among the best people available to answer to the companies' needs and to travel across various countries to check the different sites. Furthermore, in case of an integrated reporting, it doesn't make any sense to use a consulting company to assure the non-financial data linked to the financial data in the report because at the end they have to assure their financial data by an accounting company which will be going through the report also. Finally some interviewed listed companies made a strong case that whenever they ask for an assurance over their sustainability report; they pay also for the brand of the company and the name of a Big 4 is much better perceived among stakeholders around the world than a local consulting company.

4.2.2. Big 4 firms

The Big 4 firms strongly believe to have the right skills, methods and size to provide assurance over sustainability reporting and they keep on improving it. They are not

only providing assurance over sustainability reporting for companies but also advising companies over sustainability.

So in one hand, they are auditing the sustainability report where they need to see if the presented non-financial figures are proper. On the other hand, they have the advisory part where they are helping companies to define their sustainability strategy, their ambition. They also looked at the needed KPI, the structure that should be in place (Interview Deloitte).

The Big 4 firms advance the following arguments to show why they believe to be the best choice on the market.

First of all, many people said that the size of their sustainability department is not as big as the financial department which is completely true even though it should be qualified. Indeed, we have to keep in mind that the financial audit is their main source of activity and there are not yet many clients for sustainability reporting in Belgium as it's not mandatory. Nevertheless, one Big 4 firm explained that you don't need to have the size of the financial department in Belgium because the strength of the Big 4 is to have many offices around the world which give them the possibility to ask for help, advice or qualified people on a mission when it is needed.

At Deloitte for instance, the network in sustainability is connected between the different offices around the world. When there is a question related to a practical topic, there is a knowledge coordinator in the United States that can give the list of people that Deloitte can contact for that type of project (Interview Deloitte).

Deloitte made also the acquisition of a center of expertise employing around 80 people with a PHD profile. These are all technical people working on the policy side for the European Commission. So Deloitte can ask this center of expertise whenever they have a technical topic in order to see if there is a European evolution going. This brings also an added-value for the client (Interview Deloitte).

Furthermore the size factor is linked to the skills factor. They are paying a very close look to have enough people in their department despite the turnover by training new people to sustainability reporting and how to issue an assurance. For KPMG, it's a free and non-mandatory training for people interested and oriented on their level which

means that the manager or partner won't follow the same courses as the staff or supervisor. They trainees have a background in accounting, finance, strategy but not necessary in sustainability because at first they are hire for the financial auditing and not the sustainability auditing. EY also gives training to the people interested but they believe that you will learn faster on the field during a mission. The non-mandatory aspect of the trainings gives to the Big 4 firms the possibility to have only the people strongly interested on the topic and ready to work very hard. Indeed each level has to see specific topics.

The staff levels go to a two day course which is only about is sustainability reporting, which type of data I get there. We see the CO2 emission, where does it come from, what is the high heating value, what is the low heating value, how can those heating value differ amongst part in the world. All of those trainings are specifics going from the data, the subject to the manual and the workflow. They are trained from A to Z in applying those (Interview KPMG).

That's only when their trainings are finished that they are allowed by KPMG to be part of a mission because they want to have the best people on board and provide the highest quality of assurance engagement. This vision is slightly different from EY where they are also training their workers but believe that you will learn faster on a mission like we have said before. So they are staffs that haven't completed their training yet and go on a mission. Indeed after these trainings people should be able to have a sharp opinion in order to see what information is right and what is wrong.

The methodology within the Big 4 firms is also very strong, strict and organized. They first start with the assurance engagement where they determine alongside with the clients the outlook of the assurance engagement because the clients don't want to assure all of the KPIs the same year. This is why they suggest the idea to make a rotation among KPIs while keeping the most important. The Big 4 firms designated the materiality level in order to see which KPIs are the most relevant and meaningful. As soon as the field of work has been determined, the team works on the KPIs' variation between the year assured and the year minus one due to excel sheets, computation provided by the client. Indeed the Big 4 will have a closer look to the high material issue and even if there is an important difference between the year and the year minus one.

We also look where the clients have some difficulties. All the calculations are checked and we also look to a bigger point of view towards the reporting cycle, the strategy, the sustainability strategy, the reporting strategy and give some piece of advises about it (Interview EY).

We have said before that their methodology is very organized and strong. This can be seen through the different manuals and framework that they have to apply. The Big 4 firms have to use the ISAE3000 whenever they are issuing assurance over the sustainability reporting. They also have a specific framework which they use and is specific to the company that they give assurance to. This framework is specific to each of the Big 4 but at the end gives the same structure for an audit. For example KPMG is using an electronic program when they give an assurance over the financial statement or sustainability statement. KPMG has integrated with this interface the possibility to have auditing standards guidance into the process which gives them the possibility to enhance the audit process. This program is used from the beginning of the assurance until the end. Each team members have to complete some tests for the mission into the program. When they have finished with their part, they have to put it as prepare in order to be checked by a reviewer. So everyone has an upper staff which is going to check the work. When the partner will sign the assurance engagement, he knows that every step was completed. Whenever the audit team has a doubt, they can check on the reference manual in the framework. For instance KPMG uses the KPMG Sustainability Assurance Manual. This manual was launched in 2010 and is used by KPMG when they have a doubt about something regarding to the assurance over sustainability reporting. The financial audit has also its manual (KPMG Audit Methodology) but it will be developed in the section 4.3.2. Deloitte has reviewed its framework in June 2015.

This project helps to know what should be done in front of the audit, what are the material aspects for that company. It's really a structured method from the beginning to the end of the audit at the global level to know how Deloitte should do it. During the audit (financial and sustainability) there are defined templates, work papers that are used by the teams. So the way that the teams have to work is also fixed (Interview Deloitte).

These examples show that the Big 4 firms have specific methods within their company to help them to conduct the audit. We observed that they all have an audit manual and they also have other specific manuals to each company. For instance KPMG has an assurance manual, a sustainability assurance manual and a CO2 emission manual. These guidebooks represent instruments, instructions, golden rules and a direct help. They also have the same program for the assurance over sustainability reporting as the one they already use for the financial audit although it's always specific to the client. KPMG would add that "they use a worldwide automatic file for sustainability reporting, assurance engagement... so that we can share worldwide update in order to have the quality for our teams" (Interview KPMG).

Now we have a look at why they believe to be a better option than the consultancy companies. The consulting companies might be specialist in sustainability but that doesn't mean that they have the skills in order to provide assurance on sustainability reporting. Moreover stakeholders will not always find in the assurance letter, a statement from the consulting company explaining that they have been independent all the way through the mission which is the opposite from the Big 4 as you have seen in the section 4.1.2. The Big 4 firms believed that their methods and international presence give them an important hedge against the consulting companies. According to Céline De Waele which has been working in a consulting company specialized in environment, the Big 4 firms have a better method and people are well trained which is not the case in consulting companies. Then the Big 4 firms have the advantage to be able to hire for a mission someone from another office in Europe or around the world which is not possible for the consulting companies because they are much smaller and local situated.

4.2.3. Quick thoughts

Looking to what has been explained by the Belgian companies and the Big 4 firms, we can say that Big 4 firms have the skills, size and method because:

- They are training new people from the staff level to the partner. They can also provide with someone from out of Belgium which would be more qualified. So their network is an advantage compared to the consultancy companies.

- Their skills are enhanced through the goldmine of information that they are able to harvest and share around the world.
- They have specific internal and external manuals which they have to apply such as ISAE 3000.
- They are using a framework comparable to the one used for the financial reporting.
- The name of the Big 4 firms is worldwide known regarding to the consultancy companies that are more locally based.
- They provide an assurance with an independent opinion which cannot always said for the consulting companies because they are lacking of independent standards.

To conclude we believed that for all of these reasons stated before the Big 4 firms are a better choice for Belgian companies in order to provide an assurance over the sustainability reporting.

4.3. Assurance over financial and non-financial reporting

This section explains the differences and similarities that could appear between the review of the financial statement and the assurance over sustainability reporting according to our interviewees.

4.3.1. Belgian companies

Most interviewed Belgian companies were not aware of how the financial reporting looks like because they usually are more specified in sustainability reporting and other people in the organization have the responsibility of preparing the financial reporting. Nevertheless some of them were able to give us some insight of what could be the differences and the similarities between financial reporting and sustainability reporting.

Bopro strongly believes that “the financial audit is more rigorous than the sustainability reporting because when the data are not correct, it’s obviously wrong whereas you can always have discussion about the information during the sustainability reporting”

(Interview Bopro). This can be linked to the main difference which the others thought about. Indeed they argue that the financial assurance is always reasonable while the assurance over sustainability reporting is almost every time limited. So that means that the accounting firm that audits the financial statement has to analyze all of the financial data reported by the company. The accounting firm has to work at all level of the firm. When it's a company having multiple activities in different countries, the company has to report the data from every site of the company even though they have sites in different countries, like it's the case for Umicore for instance, in order to give the possibility to the auditor to analyze and to check everything. So the amount of work is not the same between the 2 reporting, the financial reporting asks to go much further and a more important work. Indeed there is a framework which the auditors cannot go far from and some aspects of are mandatory. For example, they have to check every year the revenue cycle, the sales, the purchase and so on whereas it's not the case for the non-financial reporting.

The company picks the relevant KPIs and information for their stakeholders which they want to be assured. Indeed the company chooses the KPIs that are material for them although the assurance providers can always say that those KPIs were relevant for one of the company in the same activity sector (Interview Cofinimmo).

Indeed all the aspects of the company's balance sheet have to be checked. This is why the budget and the number of hours allocated to these tasks are not the same either. Indeed a financial reporting asks for more hours depending on the size of the company than the sustainability reporting do.

Despite those differences, Belgian companies still think that financial reporting and sustainability reporting are almost the same because they all come from the same principle. Indeed in both cases, the accounting company or whoever is responsible to validate the data has to check the data from the origin. They don't want to find mistakes in data as well in the financial information as in the non-financial information. This is why they are doing multiple tests in both cases in order to check the differences. Whenever there is a difference, they would try to understand with the company why this difference could exist. Furthermore the assurance providers want everything that

comes out the financial report, the sustainability report or the integrated report represent a true image of what it is in the reality. According to Umicore, the assurance providers want to provide a transparent image of the organization to people that are interested in the organization because there are stakeholders that want to be aware what is behind the data. So the assurance providers for the sustainability reporting and the financial reporting give to the firm the possibility to validate their data, comments for the various stakeholders (Interview Umicore).

4.3.2. Big 4 firms

The people from Big 4 firms are expert in both financial reporting and assurance over sustainability reporting because besides being an expert in sustainability they are all financial partners or directors and have portfolio clients in financial reporting. This is why they were able to give sharp answers to this topic. We will first deal with the disparity between financial and non-financial report before having a look at the similarities although they strongly believe that both reports are quite the same.

According to them, there are 3 main differences between the financial reporting and the sustainability reporting.

The first one is the scoping of the assurance, the assignment and the statement which reflect the scoping. Indeed the framework of the financial reporting is much larger than the one used by companies for the sustainability reporting. Most of the listed companies ask their audit company to come also at different periods during the year and not only during the period called the year-end in order to validate the data which are already there. This process is not generally in place for the sustainability reporting. The assurance over the financial statement is mostly reasonable whereas the assurance over sustainability reporting is limited.

The second difference focuses on the time of the reporting. According to PWC, the sustainability reporting is like the financial reporting 30 years ago when the data were not available very quickly. If the companies were able to report the data in February, it was well done but now if most companies don't have it for early January, they would not be in time and have a problem in the market.

PWC believes that it's still a process that we need to go through regarding non-financial information but also clients and companies need to get in time in order to get those systems and process in place. It will give them the opportunity to internally capture the data (Interview PWC).

Nowadays, if the reporting companies cannot get quality data, they would rather wait a while before asking the audit team to come in and assure the data. Otherwise the data would be inaccurate and that's not the purpose either.

The last difference according to them is about defining the materiality. Indeed the materiality of a financial reporting has to be seen as a whole whereas you have to choose the materiality at the level of the important KPIs for the sustainability reporting. For instance, if you are looking at the water consumption of a Big 4 building, it's not a problem if they give data that are not really correct because this KPI is not material for them. Nevertheless this KPI could be relevant if you are providing assurance over the sustainability reporting of a production company.

Despite those differences that have been mentioned before, the Big 4 companies see also 2 main similarities between the sustainability reporting and the financial reporting.

First, companies have in both cases data either financial or sustainability data which need to be reported. The companies are going to use specific reporting guidelines in order to report their data. On one hand, they have to use the IFRS framework for the financial reporting. On the other hand, they will usually follow the GRI framework for the sustainability reporting. Furthermore, the accounting companies should also use certain criteria in order to provide assurance over the financial and the sustainability reporting. This is why they use the ISA standard (International Standard on Auditing) for the financial statement and the ISAE standard (International Standard on Assurance Engagement) for the sustainability reporting. So both the companies and the assurance providers don't do whatever they want to report and to assure. They have to follow strictly rules. The following table shows you the different steps that the assurance provider has to apply for the assurance report and the auditor report according to ISAE and ISA standard.

Sustainability reporting Standard	Financial reporting Standard
1° A title that shows the report is an independent assurance report	1° A title that shows the report is an independent assurance report.
2° An addressee	2° An addressee
3° Identification and description of the subject matter	3° Introductory paragraph
4° Identification of the criteria	4° Management's responsibility for the financial statement
5° Where appropriate, a description of any significant, inherent limitation associated with the evaluation or measurement of the subject matter	5° Auditor's responsibility
6° When the criteria used to evaluate or measure the subject matter are available only to specific intended user, or are relevant to a specific purpose, a statement restricting the use of the assurance report to those intended users	6° Auditor's opinion
7° A statement to identify the responsible party and to describe the responsible parties and the practitioner's responsibilities	7° Other reporting responsibilities
8° A statement that the engagement was performed in accordance with ISAEs	8° Signature
9° Summary of the work performed	9° Date of the auditor's report
10° Practitioner's conclusion	10° Auditor's address
11° The assurance report date	
12° Name of the firm or the practitioner	
13 Auditor's addresses	

Sources: (IFAC, 2005 ; IFAC, 2009)

By looking deeper to the different parts of these two reports, we are able to see that they were similar even if the name of the section is different. For instance, the auditor's opinion has the same meaning than the practitioner's conclusion. They are both assessing the reporting.

Second, the level of assurance provided chosen by companies can be also a similarity. Indeed, almost all of the companies use the limited level of assurance for their sustainability report which means that everything is not checked and assured by the assurance providers. We can also find the limited level of assurance in certain

companies. Indeed most of the listed companies ask to do even more than only the year-end audit where they give a reasonable opinion over the financial statement. They ask the accounting companies to have a look at the figures during intermediary periods such as Q1, Q3 or half year. This is why the accounting company would not give a reasonable assurance but rather a limited assurance as it's the case for the sustainability reporting. "In both cases, the accounting company will work more with inquiry, detail testing but in less extensive way than they would do with the reasonable assurance" (Interview PWC).

4.3.3. Quick thoughts

It was very interesting to have the point of view from people outside the financial reporting and specialist people of financial and non-financial reporting. We came to the conclusion that both reporting were quite similar despite some differences. The following table is going to show the similarities and differences between the assurance on the financial reporting and the assurance on the sustainability reporting.

Similarities	Differences
They both use the limited level of assurance at year-end for the sustainability reporting and during Q1, Q2 or half-year for the financial reporting of large companies.	The sustainability reporting has a limited level of assurance whereas the financial reporting at the year-end has a reasonable level of assurance.
They are both using standards in order to be assured: ISA for the financial reporting and ISAE for the sustainability reporting	The scope of the financial reporting is larger than the one of the sustainability reporting
Big 4 firms are using internal frameworks for both reporting.	The materiality has to be global for the financial reporting whereas it's only partial materiality on some KPIs for the sustainability reporting

The comparison of the information from the accounting companies and the Belgian companies helped us to believe that despite strong differences, the sustainability reporting and the financial reporting are extremely close and will be even closer in the

future as the sustainability reporting can only improve and take example on the other reporting.

4.4. Influence on the level of assurance

This section explains how and why the Belgian companies choose between the 2 levels of assurance stated in the sub-section 2.2.3 and the role of the Big 4 in order to improve the level of assurance.

4.4.1. Belgian companies

The companies have to think very carefully about which level of assurance they will chose because it will influence the assurance over their sustainability reporting. As mentioned in the subsection 2.2.3 there are 2 levels of assurance known as the limited and the reasonable level of assurance. In one hand, the limited level assurance only deals with assuring some of KPIs chosen by the company. So the assurance provider doesn't assess the risk for the all company but only on some parts of the company. On the other hand, the reasonable level of assurance tries to limit the risk within the company at the lowest level possible. So the assurance provider will assess all of the company KPIs. All of the interview Belgian companies have chosen the limited assurance because the reasonable level of assurance is much more expensive in order to have an external audit, takes too much time for the company, the other one is not possible and they don't see the added value. "For instance, considering we have 34 operating unit in the world, we operate significant amount of manufacturing site. If auditor would go in every year for the totality of the environmental data that would be a huge cost" (Interview UCB). They are all doing it in a proactive way because there are no mandatory policies about it in Belgium as it has been mentioned in 2.2

They chose the limited level of assurance either by themselves or in accordance with their assurance provider when they don't have much experience in the topic because the limited level of assurance is enough for what they want to do today. They chose the limited level of assurance because Belgian companies don't see the added value for the reasonable level of assurance and it's much more expensive for them. Right now, Belgian companies try to concentrate on what are the materials KPIs for the company in order to assess them. For instance, Cofinimmo chose the limited level of assurance after

having a meeting with their assurance provider where the Big 4 told them the two different levels of assurance and the limited is the one that has been used by most companies whereas Umicore chose the limited level of assurance without the help of their assurance provider. Moreover some companies also picked one over the other after getting feedbacks from people about various criteria like strategy, insight. At the end, it always has been the company's choice although the Big Four can give them a hint on which one to choose.

The Belgian companies believe that the Big 4 organizations helped them to improve their limited level of assurance and the main reason is the challenge through their knowledge and other key points that they provide to the Belgian companies. They are able to do that during various stages of the assurance processes according to the companies.

First, the Belgian companies have a kick-off meeting with their assurance provider also known as a Big 4. During the meeting, the companies started to explain how they work, their strength, weaknesses, the KPIs which they have chosen, how they have gathered the data... Based on what come out of this meeting, the Big 4 is able to already challenge the company by giving feelings, advices on the KPIs that the company has chosen and the data collected because of the Big 4's knowledge and the experience that they have with company in a similar sector.

Then during the audit period, the Big 4 will look further than expected in order to see if the data collected are corrected and if the company can answer to diverse questions if it's needed. "For instance, regarding the electricity consumption, they will look to an invoice from one electricity meter whereas we have thousands of electricity meters which is quite a challenge for us" (Interview Befimmo). During this period, some companies are trying to improve their level of assurance by asking to the Big 4 assurance provider to look at some data very carefully in order to analyze them with a reasonable assurance. This means that they want to be able to know that these data were checked with a specific and conscientious manner.

Finally, companies have a final meeting with the Big 4 while the organizations assess what has been done so far this year, how they can become better in future in terms of definition, management system, timing, sustainability, objectives... This meeting helps the companies to see where there is place in order to take a turn for the better.

So through all of the of assurance process that the Big 4 is able to help the companies in order to improve their level of assurance due to their skills, methods, knowledge, resources that have been explained in the precedent research question.

4.4.2 Big 4 firms

PWC believes that “it’s always a discussion between the company and the assurance provider” (Interview PWC) whereas the others said that it can be either a discussion because the companies don’t know which one to choose or it can simply be the companies’ decision. “Users don’t understand the difference between the two levels of assurance, they just ask for assurance at the end” (Interview EY). Nowadays, 95% of the companies use the limited assurance over a reasonable assurance because nobody is asking for the reasonable assurance and don’t perceive the added value yet. Moreover the budget factor is also a part of the decision because companies don’t want to spend too much for something which won’t come into account in the decision making when an investor wants to invest money in the company. At the end, the final decision comes back to the company and no one else even if the assurance provider can always try to convince them to use one instead of the other. Nevertheless the choice of the level of assurance can turn out to be risky at the end for the company.

If you decide at the beginning of the road to go for reasonable assurance or for limited assurance and you don’t get to a clean assurance opinion, there is no way back. The assurance opinion will be qualified. Then you make a blame of yourself in the outside world (Interview KPMG).

Indeed the choice of the assurance is an important decision for the company but they can always ask to the assurance provider to do a readiness evaluation which is only an internal verification and not complying towards stakeholders. Moreover the assurance provider can also tell the management which are the suggestions that the company needs to become assurance proof. As soon as the company will be able to perform these

advises, they would ready for either a limited assurance or a reasonable assurance. This will help the company to choose the level of also to improve their level of assurance thanks to the assurance provider's recommendations.

This is not the only way for the Big 4 to affect positively the level of assurance. The Big 4 believe that by analyzing carefully the non-financial data, they help companies at being in front of the curve and leading the competition. Indeed it can give a hint to the company on where they have been misled. This could lead the company to better assurance in the future and have positive impact on the company also.

For example, in the retail sector, instead of only looking at the number of the new supermarket that you open and the sales numbers increasing, you should be focusing on the number of visitors that comes in and the number of visitors that leaves the store which is a non-financial indicator. This could prevent you from going bankruptcy in the future (Interview EY).

This example shows that the knowledge of the Big 4 and their skills can help the companies to identify the key sustainability indicator through their assurance.

The Big 4 also explained that through the level of assurance, they want to increase the companies' aspiration in the future. Indeed they believe that this aspiration should be linked to the level of the assurance and the sustainability reporting because it will have an impact on the companies' strategy. So if someone wants to decline or change, it will have an impact on the other which will help the company to find it and solve it quicker. By developing the level of assurance, companies will not be able to assure only the relevant KPI but the entire report which will have direct impact on the stakeholders and for the company.

4.4.3. Quick thoughts

The Belgian companies and the Big 4 firms believed that there are two options in order to choose the right level of assurance.

- The Belgian companies are quite sure of what they want to do and tell the assurance provider which level of assurance they would be using.

- The companies are quite new in the assurance process and ask advises to the Big 4 in order to choose. The Big 4 firm will explain the different level of assurance that are available and then the company will decide.

The Belgian companies choose the limited level of assurance for 2 main reasons according to them and the Big 4 firms:

- The added value provided by the limited assurance. There is no sign today among investors and stakeholders that a reasonable assurance is needed.
- The cost is the second reason. The reasonable assurance is much more expensive than the limited assurance because a company has to get assured every data that might be present on different sites located in different countries. So the company doesn't want to invest that kind of money in assurance yet.

The following table listed the reasons why the Belgian companies and the Big 4 firms believe that the Big 4 has a positive impact on the assurance level.

Belgian companies reasons	Big 4 firms reasons
The big 4 firms have an impact through the knowledge, skills and method that they provide	They increase the company ambition through the assurance which helps the company to improve their sustainability reporting
The continuous challenged from the Big 4 firms help them to increase their assurance level.	They are able to find relevant non-financial information which will help the company to have a better outlook of the future and also have a better understanding of their sector

5. Conclusions

The aim of this Master Thesis is to have an outlook of the influence from the Big 4 companies on the assurance over sustainability reporting and how the review of the financial reporting and the assurance over sustainability reporting are perceived as a whole in Belgium.

Like the reasons for the companies to start doing and assuring their sustainability reporting, this paper shows us that the stakeholders are a main driver into sustainability reporting around the world. They have fostered companies to go into sustainability reporting and assured their report.

This paper provides us with insights into Belgian companies. This wasn't analyzed before in the different researches that we have looked in the literature. This helps us to verify that the stakeholders are also in Belgium a main driver into assurance over sustainability reporting. We observe that due to critics from their stakeholders Befimmo started to assure their sustainability report every year whereas they didn't do it before that.

The previous researches explained that the main drivers to assurance for companies were improving the transparency and the credibility of the company around the world. The Belgian companies were more explicit about it and explained that the added-value which they could retrieve from the assurance over the sustainability reporting was what pushed them into assurance. This term is larger than improving credibility and transparency because the added-value from the assurance gives the possibility to the company to improve the company at a global scale on their material topics. The assurance over the sustainability reporting helps companies to find what are the material KPIs within their organization through the process the reporting and the help of the assurance provider.

This research shows that companies mainly choose the level of assurance by themselves in Belgium. The Big 4 firms explained that if they can sometimes have a discussion with them about this choice. They rarely have made the decision. This decision is very important for companies because there is no way back from it. They have to be very cautious when they are making the decision.

The empirical findings added more details about the Belgian companies' choice about the assurance providers. They choose a Big 4 firm because they believe that their size, method and skills are more relevant to their companies than another assurance provider. They explain that the Big 4 firms have the advantage to be at a global scale whereas as the consultancy companies are more locally based. This helps the Big 4 firms to have larger resources in order to issue an assurance over the sustainability reporting. They are able to use help from other offices in the world or external centers in order to provide an added-value to the clients and a more complete assurance. They also provide Belgian companies with rigorous methods using internal and external manuals and framework. This helps the Big 4 firms to be truly independent at the end of the assurance process, to give the impression that they are very structured and to know what they are doing. The Big 4 firms are also able to influence positively the assurance level chosen by the Belgian companies. They increase the ambition of the companies and help them to find relevant non-financial information.

The findings also provide more information on the link between the financial reporting and the sustainability reporting by focusing on their similarities and differences. Also the findings add more elements about the choice of the assurance provider for the two reporting stated before. The two kinds of reporting are quite similar at the end according to the Belgian companies and the Big 4 firms in the way assuring the two reporting. The assurance providers are using similar international standards such as ISAE for the sustainability reporting and ISA for the financial reporting in order to provide an assurance. These two standards are produced by the International Federation of Accountants (IFAC). The assurance providers are also using internal manuals and a common framework. These framework and manuals help them to follow a structure method in both cases and whenever they have a doubt about something, they can always refer to the internal manuals. Nevertheless that doesn't prevent them to have some differences. The materiality is much larger in the sustainability reporting because the assurance provider has to issue a reasonable assurance. So they have to cover everything whereas the materiality focuses on some KPIs in the sustainability reporting and the scope is thinner there. This is due to the fact that companies are opting for limited level of assurance. A majority of the Belgian companies advances that the choice of the assurance provider is mostly based on the cost and the fact that he

knows the company and its system while being the financial certifier. The skills and knowledge of the assurance provider is not necessary the first option whenever it's time for a company to choose for the right assurance provider.

Based on the findings of the research, we suggest the Belgian companies and the Big 4 firms to take the following actions.

In one hand, the integrated reporting is becoming a trend in the market even if a few companies are using it. The Belgian companies should be well advised to use the same assurance provider if they are leaning towards this integrated reporting because the integrated reporting is combining the financial and the non-financial information into the same report. So it will be easier for the company to use the same assurance provider. On the other hand, the companies should feel free to choose the assurance provider for their financial reporting based on the skills, methods and the added-value that he can provide. The choice shouldn't be linked to the certifier of the financial statement. The company should look at what the assurance provider can lay on the table and if he can enhance the sustainability reporting through new material KPIs or an improving system. The Belgian companies should also try to change their assurance provider after a few years in order to have some fresh ideas and not have the certain routine in place during the assurance process. This could bring some added-value to the companies.

The assurance over sustainability reporting is a recent topic for the Big 4 firms and they should try to keep on developing their skills, methods and the size of the sustainability team within the firm. They should do it by getting more and more people involved in the matter and specialized themselves in the different problems that a company could have. They should also try to advise non-user companies mainly inside the SMEs sector that sustainability reporting and assurance over sustainability reporting is developing in Belgium and that might be a great opportunity for them to develop before it's too late. This could bring new market shares for the Big 4 firms and improve use of sustainability reporting in Belgium.

Belgian companies and Big 4 firms should also keep on listening to what are the stakeholders' expectations in sustainability reporting because they can influence a company's vision of sustainability reporting. They should also focus on how the Belgian

government is going to implement the Directive from the European Commission. Are they going to increase the scope of the Directive or keep it like it is now?

Despite what we have said, we will address some limitations to our work before dealing with opportunities for future researches.

The first limit was the number people in each companies interviewed. We believe that a larger sample among Belgian companies which have given us a better answer to the research questions. Nevertheless this was not possible because at the end we only interviewed the one in charge of sustainability reporting in each company. There are not many other people within Belgian companies that could have answered our questions because it's a specific topic and only qualified people could help us.

The second limit was that the practical paper only deals with the perceptions of these people even if we tried to triangulate these pieces of information with website information and other documents.

The third limit concerns some specific interviews that we planned to do with companies that have issued an assurance for the first time in 2014 with a Big 4 firm. It could be interesting for one of the research questions to know why they have chosen a Big 4 and no other assurance providers. However this was not possible at the end because they didn't answer positively to our request.

The fourth and final limit involves the consulting companies specialized in sustainability that we tried to reach in order to have their point of view on the topic but again we didn't have a positive answer from them.

We believe that it could be interesting in a further research to focus on the impact in Belgium of the new European Directive about sustainability and if the Belgian Government is going to go further than the Directive in order to impact the SMEs. We also think that it could be interesting to focus on the integrated reporting. We have said that it's becoming a market trend nowadays. So it could be interesting to see if Belgian companies are leaning towards a combined report in the close future. Finally we believe that a future research could concentrate on the framework that companies are using in order to issue their sustainability reporting. Indeed the GRI framework is the most used framework around the world but it's not ordered to use it. So it could be interesting to

see if companies are using it partially, in total or are using a complete different framework.

This is why we propose the three following research questions based on what was explained earlier.

RQ1. How does the new European Directive about sustainability will affect the Belgian companies?

RQ2. Why should companies lean towards a combined report in a close future?

RQ3. How should the companies select their reporting framework?

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