
**Intergovernmental Working Group of Experts on
International
Standards of Accounting and Reporting
(ISAR)**

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Afternoon Session

**Agenda Item 3.
Practical implementation, including measurement, of core
indicators for entity reporting on the contribution towards
the attainment of the Sustainable Development Goals:
Review of case studies**

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Guatemalan GCI Use Case Study

Private Sector Contributions Supporting SDG12



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Company Selection Process

3 Companies were invited to participate to the process from CentraRSE's* associates:

- Company is constituted and based in Guatemala.
- Company may have operations in other Central American countries.
- Company is a member of CentraRSE therefore it has sustainability data reported in their reporting system.

*CentraRSE is a Guatemalan organization working with the Guatemalan government and over 100 private companies implementing Social Responsibility as a competitive element to implement sustainable business models, focusing on: Corporate Governance, Economic Dimension, Social Dimension, Environmental Dimension and Incidence.



Porta Hotels

- 6 hotels & 1 Industrial Laundry
- 419 FTEs
- Certified by The Rainforest Alliance



Saúl E. Méndez

- 10+ Restaurants, 10+ Stores & 1 Clothing Factory
- 976 FTEs
- Operates in Guatemala & Costa Rica



CMI Energy

- 699 MW of Eolic, Solar and Hydraulic energy installed capacity.
- Certified ISO9001-2015, ISO14001-2015, OHSAS 18001
- Operates in Guatemala, El Salvador, Honduras and Costa Rica

Data Collection Results

The companies were able to disclose most indicators contained in the GCI. This process can be improved by providing training to companies and tools for implementation such as the GCI manuals.

Moreover, it is important to stress that the collaboration between the public sector, private sector and civil society is essential.

Indicator Status	Porta Hotels	Saúl E. Méndez	CMI
Reported	29	27	30
Hard to Report	3	5	2
Not Reported	1	1	1
Total	33	33	33

Lessons Learned – Economic Area

In Guatemala the majority of the companies are family owned and/or privately held therefore there is a strong natural resistance to disclose financial information due to cultural challenges or security concerns. However for the purpose of the case study, the 3 companies agreed to share the financial information required to collect the data points needed to calculate the economic indicators.

- Information was provided from audited financial statements.
- Data source was the company ERP's and other financial records

The companies struggled to report the following indicator:

- **A.3.3 Investment in Research and Development:** This was zero across the board which represent an enormous opportunity for the companies to innovate their products, services, communications, logistics and business models in the long term.



Lessons Learned – Environmental Area

The environmental area was the most challenging one; companies continued to struggle to report on some of the environmental indicators including the following:

- **B.1.1 Water recycling and reuse:** the company did not recycle or reuse water during the period or the company does not track water recycling and reuse.
- **B.2.1 Reduction in waste generation:** lack of data and tracking process
- **B.2.2 Waste Reused, Re-manufactured and recycled:** lack of data.
- **B.4.1 Ozone-depleting substances and chemicals:** lack of data.
- **B.5.1 Renewable Energy:** companies either are not using any renewable energy sources in its operation or can't determine the mix from the operational cost.



Lessons Learned – Social Area

Gender equality is still a work in progress for the Latin-American region, although other social indicators such as training and development and employee health and safety were very well documented.

The biggest area of opportunity for this area opens the door to work closely with the companies on:

- **C.1.1 Women in management positions:** less than 5% was the picture shown for all three companies participating from the Case Study.
- **C 4.1 Coverage by Collective agreements:** companies participating in the case study do not have a collective agreement for their employees. In Guatemala some companies have Unions or are covered by collective agreements, in other cases, companies have a “Solidarism Association” partnering their HR teams and the employees for additional benefits and coverages, such as dental care, long term saving funds, special discounts in selected businesses and credits.



Lessons Learned – Institutional Area

Moreover, indicator **D.1.5 Compensation**: total compensation per board member was not disclosed by the participating companies. In Guatemala, there is no obligation to report shareholder / board members payments as long as their core business is not audited by the banking superintendence. In addition, some indicators are zero or not reported because the company does not have the activity/structure/practice. For instance, this is the case for the following indicators:

- **D.1.4 Number of meetings of audit committee and attendance rate**: no audit committee existent in the reporting period.
- **D.2.2 Average number of hours of training on anti-corruption issues, per year per employee**: None of the companies have any training related to anti-corruption issues.



About Using the GCI

Provided a solid reporting framework to those without a formal Sustainability Report across multiple industries

- Leveraged quantitative data from existing reports (environmental impact, headcount, financial statements)

It is linked up with the GRI reporting framework; using the GCI the indicator normalization adds value to assess the indicator baseline with the company financial growth.

- i.e. GRI 305-1 > GCI B.3.1: GHG Scope 1 Emissions

Investors, clients and suppliers are increasingly demanding traceability around sustainable production and trading practices; the GCI supports this through a comparable framework across industries.

Triggers Sustainability Programs continuous improvement plans, allowing companies to follow up on progress and improve the economic, environmental and social impacts of their business operations and promote sustainability projects supported on statistical and accounting data.

Enabling a Better VNR Process

Improving Data Collection on Private Sector contribution to the SDGs

Companies Using the GCI easily comply with the minimum requirements to a sustainability report towards indicator 12.6.1.

Having a consolidated data collection tool such as IndicaRSE* enables data aggregation and consolidated reporting by industry and company type.

This builds synergy between organized private sector and government institutions in charge of VNR to collect consistent data across the board and report on 12.6.1.

*IndicaRSE is a sustainability data collection tool promoted by the independent private sector organizations in Central America grouping more than 900 companies.

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DEVELOPMENT
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