

---

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

**36th SESSION**

30 October – 1 November 2019  
Room XIX, Palais des Nations, Geneva

Wednesday, 30 October 2019  
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**

Presented by

Felipe Janica

Partner, Ernst and Young Colombia and Financial Accounting Advisory  
Services Leader, Ernst and Young LATAM

*This material has been reproduced in the language and form as it was provided.  
The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.*

---

# UNCTAD

**CASE STUDY: PROMIGAS S.A. E.S.P**

**Use of the GCI by a Colombian company**

**PRESENTED BY**

**Felipe Augusto Jánic Vanegas**



# Contents



## **I. Introduction: objectives and scope of the report**

Introduction

Objectives

## **II. Lessons learned and Conclusion of the way forward**



# Introduction

UNCTAD is implementing the Development Account Project entitled Enabling **policy frameworks** for enterprise **sustainability and SDG reporting**.

**Colombia** is one of the **4 beneficiary countries**, and activities are being conducted at the national level.

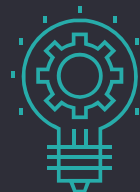


One of **the most important** tasks when **analyzing information**, whether financial or non-financial, **is to have a point of comparison** that allows identifying, prioritizing and, why not, systematizing the collected data and thus being able to address, in a transversal manner, **the issues of corporate sustainability** (economic, environmental, social and institutional).

# Objectives

*¿Why implement GCI?*

The objective of this project is **to prepare a case study on reporting** by a selected company in Colombia **on its contribution to the SDG** Agenda based on the **core indicators** proposed by UNCTAD in the GCI.



This case study will be intrinsic. **The design-based distinction of the case will be a single case** (Representative case / typical case). The case study design **will be holistic**, meaning that there will be a single unit of analysis. The unit of analysis will be **one of the Colombian oldest private companies** in the natural gas sector in Latin America.



## About the company :

Promigas **is one of the oldest private companies** in the natural gas sector in Latin America. Since the **beginning of its operations, 45 years ago**, it has had an active and important role in the process of massification of fuel in Colombia. The **company develops energy markets** in Colombia and Latin America, mainly through **transportation and distribution of natural gas, distribution and commercialization of electricity**, based on integrated solutions for the industry and power generation. Recently, **they ventured into the liquefied natural gas business -LNG-**



## Vision

To be **recognized for its superior capacity to develop energy markets** in Colombia and Latin America, and for the impact of its actions in **improving the quality of life of its people.**

## Mission

**Connect markets to energy sources**, especially natural gas, generating value-added solutions that involve the creation and administration of infrastructure in Colombia and Latin America. Develop the activities of its main business and other related with **excellence and responsibility**, building **long-term relationships** and mutual benefit with its stakeholders, **seeking to contribute to the welfare of the regions** in which they participate and with the conviction that their people are the essential factor for achieving the objectives set.





PROMIGAS

Key finding of the core indicators  
application in the company

## Key findings

Promigas is an organization that **reports financial and non-financial information since 2005**, which allows an important advance in the way of informing interested parties about the management carried out.

However, there are issues that may delay the publication of this type of content, for example, **when companies seek to report** not only their own management information, but also **the information they perform as a group** (when they form a group with more organizations, a kind of Holding can be presented), **they have to carry out some prior analyzes and training activities** with the leaders who report the results of the matters that are to be shared with the interested parties.



In countries such as Colombia, **databases are still managed manually through Excel files**, which makes data comparisons more complicated compared to developed countries that use more automated systems. **It is appropriate to generate verification manuals** for the GCI that can be used by both external and internal personnel to reduce errors in the reported data.



## Key findings

Promigas (Colombia) reported on 28 of 33 core indicators. There were few indicators where the company could not provide information as shown below:

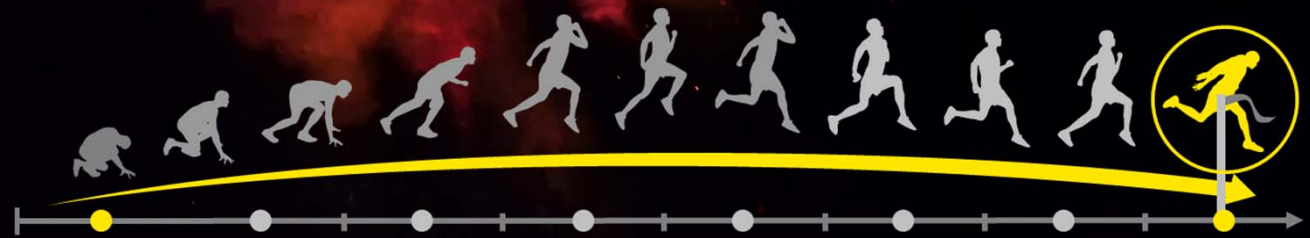
### Hard to report: 5 indicators

- **Indicator A.3.1 Green investment:** Because the information was not available internally. The company would need to trace the projects and keep records.
- **Indicator B1.1 Water recycling and reuse:** Because the data was not available. The Company will need more systems support to measure the indicators as the water consumption is not so high in the organization.
- **Indicator B.4.1. Ozone-depleting substances and chemicals:** The data is available but confidential. Due to the type of business the company under study only presents the information of Ozone-depleting substances and chemicals to the regulatory bodies.
- **Indicator: C.2.2. Expenditure on employee training per year per employee:** The data was not available for the case study. Although Promigas maintains and executes a budget for all activities related to health and safety at work, it was not possible to get the specific budget.
- **Indicator C.3.1 Expenditure on employee health and safety as a proportion of revenue:** Although the company maintains and executes a budget for all activities related to health and safety at work, the company did not share the specific budget.





# Lessons learned and Conclusion of the way forward



## Lessons learned and Conclusion of the way forward

01

The GCI could become a tool that will allow companies to reveal useful information for decision-making by stakeholders, however, the road is not easy. **Organizations must align their strategic planning** with the information they want to disclose, as well as with **what is important "material" for the stakeholders**, using GCI could become baseline information applicable to all type of **entities regardless of sector or size**.

02

The UNCTAD GCI training manuals provided significant **inputs regarding** the explanation of the calculation of indicators and clear references of leading practices or global **methodologies used as is the case of Assurance on <IR>, Global Reporting Initiative (GRI) standard 201-1, International Financial Reporting Standards (IFRS), the Manual for the Preparers and Users of Eco-efficiency Indicators, Environmental Protection Expenditure Accounts (EPEA)**, among others.

03

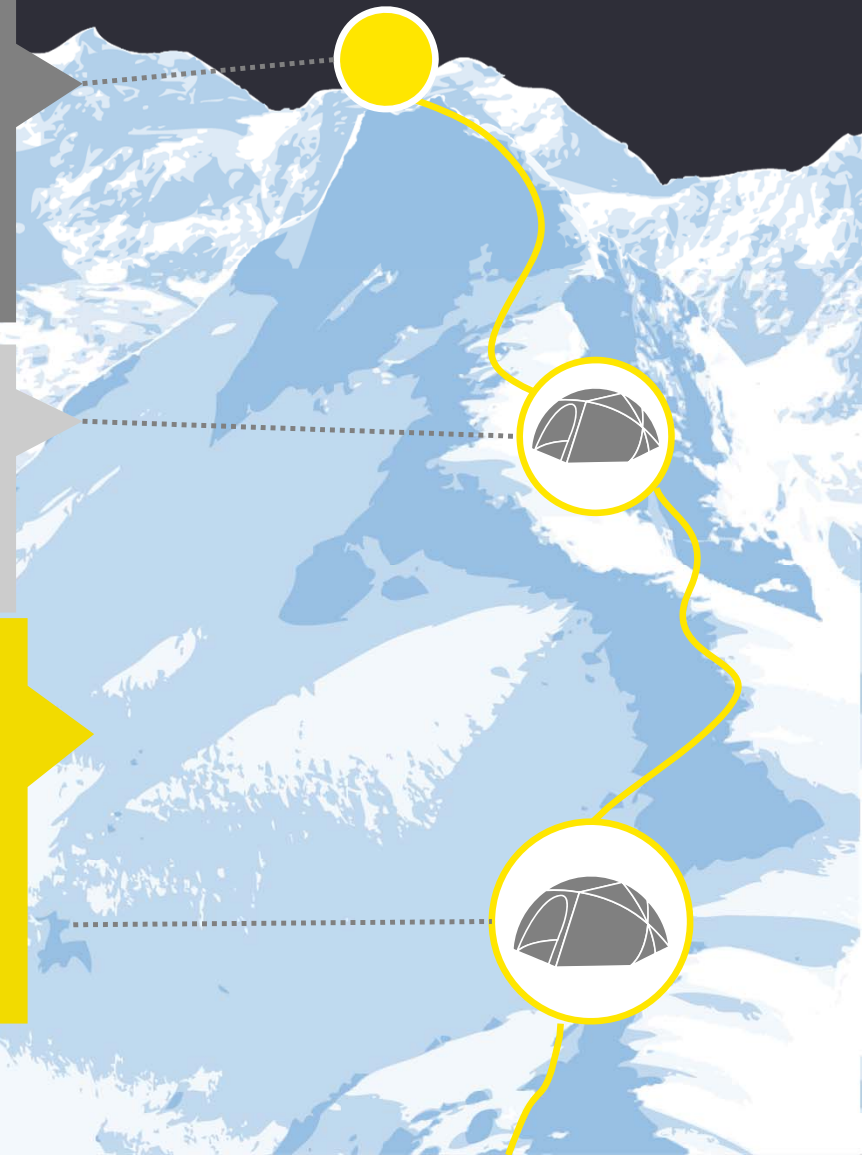
It is suggested to define actions for the **normalization of results when atypical projects of the companies are presented** (expansions, demolitions of buildings, among others). This is due to the fact that, with the absence of these standardizations, the indicators may show for example, an excess of water consumption or debris generation, which do not reflect the actual performance of the organization.



The government as regulator has a very important role to play. The fact that the GCI is directly related to the SDGs will allow a greater degree of government participation in the structuring of a cross-sectional reporting methodology that would allow comparability of companies between sectors of different Latin American countries.

It is important that the organizations that want to disseminate information through the GCI, use the provision of professional services by a third party, outside the company, that gives an opinion on the reasonableness, integrity and objectivity of the reported data. This can be done using limited or reasonable levels of assurance and this will depend, of course, on the type of stakeholders to which they are presented. This allows to:

- Increase the integrity of information and data.
- Expand the credibility, coherence and transparency of the quantifications made and the information reported, as well as the monitoring of the processes.
- Reduce the risk of material errors in the Company's disclosures and reports.
- Improve the processes implemented based on the observations and recommendations made.





Questions  
time